

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2022**

Introduced by Rep. Albert

ENROLLED HOUSE BILL No. 5525

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2022; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2022, from the following funds:

APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	139,840,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	139,840,000
Federal revenues:		
Total federal revenues		106,840,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		8,930,000
State general fund/general purpose	\$	24,070,000
Sec. 102. DEPARTMENT OF ATTORNEY GENERAL		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	4,070,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	4,070,000

For Fiscal Year
Ending Sept. 30,
2022

Federal revenues:		
Total federal revenues	\$	0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	4,070,000
(2) ONE-TIME APPROPRIATIONS		
Operations	\$	4,070,000
GROSS APPROPRIATION	\$	4,070,000
Appropriated from:		
State general fund/general purpose	\$	4,070,000
Sec. 103. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	135,770,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	135,770,000
Federal revenues:		
Total federal revenues		106,840,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		8,930,000
State general fund/general purpose	\$	20,000,000
(2) ONE-TIME APPROPRIATIONS		
ARP – unemployment insurance equity grants	\$	6,840,000
Unemployment compensation fund deposit		100,000,000
Unemployment insurance agency		28,930,000
GROSS APPROPRIATION	\$	135,770,000
Appropriated from:		
Federal revenues:		
Coronavirus relief fund		100,000,000
DOL-ETA, unemployment insurance		6,840,000
Special revenue funds:		
Contingent fund, penalty and interest		8,930,000
State general fund/general purpose	\$	20,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2022 is \$33,000,000.00 and total state spending from state sources to be paid to local units of government is \$0.00.

Sec. 202. The appropriations made and expenditures authorized under this part and part 1 and the departments, commissions, boards, offices, and programs for which appropriations are made under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. Funds appropriated in part 1 are subject to applicable federal audit and reporting requirements. Prompt action must be taken if instances of noncompliance are identified, including noncompliance identified in an audit finding. If any instance of noncompliance is identified, including noncompliance identified in an audit finding, the state budget director shall take necessary and immediate action to rectify it. The state budget director shall notify the senate and house appropriations committees and the senate and house fiscal agencies when an instance of noncompliance is identified.

Sec. 204. Funds appropriated in part 1 from the federal American rescue plan act of 2021, Public Law 117-2, must be allocated and expended in a manner consistent with federal rules and regulations.

Sec. 205. The state budget director shall report on the status of funds appropriated in part 1, and all funds appropriated related to the coronavirus relief effort, to the senate and house appropriations committees and the senate and house fiscal agencies on a monthly basis until all funds are exhausted.

DEPARTMENT OF ATTORNEY GENERAL

Sec. 301. (1) From the funds appropriated in part 1 for operations, the department shall hire or contract for limited-term staff in support of the unemployment insurance agency enforcement efforts regarding illegitimate unemployment insurance claims occurring through claimant fraud, employer fraud, and identity theft.

(2) The unexpended funds appropriated in part 1 for operations are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to employ attorneys and support staff to investigate and prosecute unemployment fraud in Michigan.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is \$4,070,000.00.

(d) The tentative completion date is September 30, 2026.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 401. From the funds appropriated in part 1 for unemployment compensation fund deposit, \$100,000,000.00 must be deposited into the unemployment compensation fund established under section 26 of the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.26, for the purpose of offsetting expected exposure to state fraud and improper payment during the COVID-19 crisis.

Sec. 402. (1) From the funds appropriated in part 1 for unemployment insurance agency, \$20,000,000.00 may be used to support customer service improvements, including call center operations and improvements in handling claims, including contract staff or other services.

(2) From the funds appropriated in part 1 for unemployment insurance agency, \$8,930,000.00 must be used for enhanced fraud enforcement efforts, including expanding capacity by 52.0 term-limited employees to support these fraud enforcement efforts, including, but not limited to, investigations, collections, accounting, data analytics, and agency services.

(3) As a condition to receiving funds under subsections (1) and (2), the department must do all of the following:

(a) Ensure all contract or limited-term staff are subject to a criminal history background check and confidentiality agreements, as appropriate.

(b) Ensure that limited-term staff complete data governance training from the department of treasury and the United States Social Security Administration.

(c) Obtain, or require a vendor to obtain, as applicable, insurance coverage in accordance with department of technology, management, and budget policy for vendors that process, store, transfer, or touch sensitive data and information systems as it relates to all contracts with staffing agencies.

(d) Enter into data sharing agreements with any staffing agencies used to hire limited-term staff, as applicable.

(e) Ensure that access to this state's network and the Michigan integrated data automated system is terminated within 24 hours of notification of the termination or cessation of employment of any limited-term staff.

(4) As used in this section, "department" means the Michigan unemployment insurance agency.

(5) The unexpended funds appropriated in part 1 for unemployment insurance agency are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support call center operations and improvements in handling claims, as well as fraud enforcement in the unemployment insurance agency.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

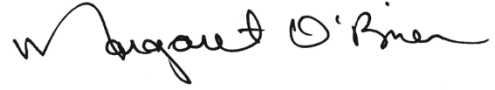
(c) The total estimated cost of the work project is \$28,930,000.00.

(d) The tentative completion date is September 30, 2026.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor