

# HOUSE BILL NO. 6551

December 07, 2022, Introduced by Rep. Sowerby and referred to the Committee on Appropriations.

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2023; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year

4

1 ending September 30, 2023, from the following funds:

2	<b>APPROPRIATION SUMMARY</b>	
3	<b>GROSS APPROPRIATION</b>	<b>\$ 1,100,100,000</b>
4	Interdepartmental grant revenues:	
5	Total interdepartmental grants and	
6	intradepartmental transfers	0
7	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 1,100,100,000</b>
8	Federal revenues:	
9	Total federal revenues	1,100,100,000
10	Special revenue funds:	
11	Total local revenues	0
12	Total private revenues	0
13	Total other state restricted revenues	0
14	<b>State general fund/general purpose</b>	<b>\$ 0</b>
15	<b>Sec. 102. DEPARTMENT OF HEALTH AND HUMAN</b>	
16	<b>SERVICES</b>	
17	<b>(1) APPROPRIATION SUMMARY</b>	
18	<b>GROSS APPROPRIATION</b>	<b>\$ 1,000,100,000</b>
19	Interdepartmental grant revenues:	
20	Total interdepartmental grants and	
21	intradepartmental transfers	0
22	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$ 1,000,100,000</b>
23	Federal revenues:	
24	Total federal revenues	1,000,100,000
25	Special revenue funds:	
26	Total local revenues	0
27	Total private revenues	0
28	Total other state restricted revenues	0

1	<b>State general fund/general purpose</b>	\$	0
2	<b>(2) ONE-TIME APPROPRIATIONS</b>		
3	ARP - low-income whole-home retrofit fund	\$	652,000,000
4	ARP - weatherization contractor incentive and		
5	retainment pilot		5,000,000
6	LIHEAP - weatherization		150,000,000
7	United States Department of Energy -		
8	weatherization		151,200,000
9	United States Department of Energy -		
10	weatherization technical assistance and		
11	training		31,900,000
12	Whole-home retrofit program development and		
13	administration		10,000,000
14	<b>GROSS APPROPRIATION</b>	\$	<b>1,000,100,000</b>
15	Appropriated from:		
16	Federal revenues:		
17	Coronavirus state fiscal recovery fund		657,000,000
18	Infrastructure investment and jobs act		10,000,000
19	LIHEAP weatherization fund		150,000,000
20	United States Department of Energy		
21	weatherization fund		183,100,000
22	<b>State general fund/general purpose</b>	\$	<b>0</b>
23	<b>Sec. 103. DEPARTMENT OF LABOR AND ECONOMIC</b>		
24	<b>OPPORTUNITY</b>		
25	<b>(1) APPROPRIATION SUMMARY</b>		
26	<b>GROSS APPROPRIATION</b>	\$	<b>50,000,000</b>
27	Interdepartmental grant revenues:		

1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$</b>	<b>50,000,000</b>
4	Federal revenues:		
5	Total federal revenues		50,000,000
6	Special revenue funds:		
7	Total local revenues		0
8	Total private revenues		0
9	Total other state restricted revenues		0
10	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
11	<b>(2) ONE-TIME APPROPRIATIONS</b>		
12	ARP - workforce attraction, training, and		
13	retention	\$	50,000,000
14	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>50,000,000</b>
15	Appropriated from:		
16	Federal revenues:		
17	Coronavirus state fiscal recovery fund		50,000,000
18	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
19	<b>Sec. 104. DEPARTMENT OF LICENSING AND REGULATORY</b>		
20	<b>AFFAIRS</b>		
21	<b>(1) APPROPRIATION SUMMARY</b>		
22	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>50,000,000</b>
23	Interdepartmental grant revenues:		
24	Total interdepartmental grants and		
25	intradepartmental transfers		0
26	<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$</b>	<b>50,000,000</b>
27	Federal revenues:		
28	Total federal revenues		50,000,000

1	Special revenue funds:		
2	Total local revenues		0
3	Total private revenues		0
4	Total other state restricted revenues		0
5	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
6	<b>(2) ONE-TIME APPROPRIATIONS</b>		
7	ARP - energy waste reduction programs	\$	50,000,000
8	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>50,000,000</b>
9	Appropriated from:		
10	Federal revenues:		
11	Coronavirus state fiscal recovery fund		50,000,000
12	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

17           Sec. 201. Pursuant to section 30 of article IX of the state  
 18 constitution of 1963, total state spending from state sources under  
 19 part 1 for the fiscal year ending September 30, 2023 is \$0.00 and  
 20 total state spending from state sources to be paid to local units  
 21 of government is \$0.00.

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

27           Sec. 203. Federal funds appropriated in part 1 must be  
 28 allocated and expended in a manner consistent with federal rules  
 29 and regulations.

1           Sec. 204. Funds appropriated in part 1 are subject to  
2 applicable federal audit and reporting requirements. Prompt action  
3 must be taken if instances of noncompliance are identified,  
4 including noncompliance identified in an audit finding. If any  
5 instance of noncompliance is identified, including noncompliance  
6 identified in an audit finding, the state budget director shall  
7 take necessary and immediate action to rectify it. The state budget  
8 director shall notify the senate and house appropriations  
9 committees and the senate and house fiscal agencies when an  
10 instance of noncompliance is identified.

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

16

17 **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

18           Sec. 301. (1) Subject to section 307, funds appropriated in  
19 part 1 for ARP - low-income whole-home retrofit fund must be used  
20 to implement a whole-home retrofit program for low-income renters  
21 and homeowners that achieves deep energy efficiency retrofits,  
22 heating and cooling upgrades, health and safety improvements, and  
23 renewable energy systems access. Funds must be allocated as  
24 follows:

25           (a) \$150,000,000.00 for deep energy efficiency retrofits and  
26 other measures that cumulatively reduce energy usage by at least  
27 30%, including, but not limited to, building insulation, windows,  
28 lighting and controls, and appliance upgrades. Priority must be  
29 given to projects that improve building shell insulation and air

1 tightness.

2 (b) \$200,000,000.00 for heating, cooling, and cooking  
3 electrification and energy management, including shifting water  
4 heating, building heating, and cooking systems to efficient, cold-  
5 climate heat pumps and induction stoves, installing energy recovery  
6 ventilation systems, upgrading electric panels and building wire to  
7 meet current building codes and to accommodate increased electric  
8 loads, and installing smart thermostats and other devices needed to  
9 manage building loads.

10 (c) \$202,000,000.00 for health and safety improvements,  
11 including, but not limited to, mitigating and remediating health  
12 and safety issues such as mold, lead paint, asbestos, leaking  
13 roofs, and plumbing.

14 (d) \$100,000,000.00 for renewable energy systems, including,  
15 but not limited to, photovoltaic and thermal solar energy, and  
16 energy storage.

17 (2) Prior to expending funds under subsection (1), the  
18 department of health and human services must work with the  
19 department of environment, Great Lakes, and energy, the Michigan  
20 public service commission, the Michigan state housing development  
21 authority, community action agencies, local units of government,  
22 and interested stakeholders to develop and implement a whole-home  
23 retrofit program that consolidates funding and program services in  
24 order to provide a full range of home retrofit services to low-  
25 income renters, low-income homeowners, and landlords providing  
26 below market rate and affordable housing. The program must  
27 prioritize reducing barriers to low-income renters and low-income  
28 homeowners to access all applicable funding. The program must  
29 establish economic eligibility requirements for Michigan residents

1 accessing funding and make eligibility requirements and definitions  
2 of "low-income" as consistent across funding categories as  
3 possible.

4 (3) Unexpended funds appropriated in part 1 for ARP - low-  
5 income whole-home retrofit fund are designated as a work project  
6 appropriation. Any unencumbered or unallotted funds shall not lapse  
7 at the end of the fiscal year and shall be available for  
8 expenditures for the project under this section until the project  
9 has been completed. The following is in compliance with section  
10 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

11 (a) The purpose of the project is to implement a whole-home  
12 retrofit program for low-income renters and homeowners that  
13 achieves deep energy efficiency retrofits, heating and cooling  
14 upgrades, health and safety improvements, and renewable energy  
15 systems access.

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

18 (c) The total estimated cost of the project is  
19 \$652,000,000.00.

20 (d) The tentative completion date is September 30, 2027.

21 Sec. 302. (1) Funds appropriated in part 1 for ARP -  
22 weatherization contractor incentive and retainment pilot must be  
23 used to attract and retain contractors to complete weatherization  
24 projects.

25 (2) Unexpended funds appropriated in part 1 for ARP -  
26 weatherization contractor incentive and retainment pilot are  
27 designated as a work project appropriation. Any unencumbered or  
28 unallotted funds shall not lapse at the end of the fiscal year and  
29 shall be available for expenditures for the project under this



1 section until the project has been completed. The following is in  
 2 compliance with section 451a of the management and budget act, 1984  
 3 PA 431, MCL 18.1451a:

4 (a) The purpose of the project is to attract and retain new  
 5 contractors to complete weatherization projects.

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

8 (c) The total estimated cost of the project is \$5,000,000.00.

9 (d) The tentative completion date is September 30, 2027.

10 Sec. 303. (1) Subject to section 307, funds appropriated in  
 11 part 1 for whole-home retrofit program development and  
 12 administration must be used for development and administration of a  
 13 whole-home retrofit program. The department shall administer the  
 14 program described in section 307 and coordinate this program with  
 15 the department of environment, Great Lakes, and energy, the  
 16 department of health and human services, the Michigan public  
 17 service commission, the Michigan state housing development  
 18 authority, community action agencies, and private entities,  
 19 including utility companies, interested stakeholders, and Michigan  
 20 Saves.

21 (2) Unexpended funds appropriated in part 1 for whole-home  
 22 retrofit program development and administration are designated as a  
 23 work project appropriation. Any unencumbered or unallotted funds  
 24 shall not lapse at the end of the fiscal year and shall be  
 25 available for expenditures for the project under this section until  
 26 the project has been completed. The following is in compliance with  
 27 section 451a of the management and budget act, 1984 PA 431, MCL  
 28 18.1451a:

29 (a) The purpose of the project is development and

1 administration of a whole-home retrofit program.

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

4 (c) The total estimated cost of the project is \$10,000,000.00.

5 (d) The tentative completion date is September 30, 2027.

6 Sec. 304. Unexpended funds appropriated in part 1 for LIHEAP -  
7 weatherization are designated as a work project appropriation. Any  
8 unencumbered or unallotted funds shall not lapse at the end of the  
9 fiscal year and shall be available for expenditures for the project  
10 under this section until the project has been completed. The  
11 following is in compliance with section 451a of the management and  
12 budget act, 1984 PA 431, MCL 18.1451a:

13 (a) The purpose of the project is home repairs and  
14 weatherization.

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

17 (c) The total estimated cost of the project is  
18 \$150,000,000.00.

19 (d) The tentative completion date is September 30, 2027.

20 Sec. 305. Unexpended funds appropriated in part 1 for United  
21 States Department of Energy - weatherization are designated as a  
22 work project appropriation. Any unencumbered or unallotted funds  
23 shall not lapse at the end of the fiscal year and shall be  
24 available for expenditures for the project under this section until  
25 the project has been completed. The following is in compliance with  
26 section 451a of the management and budget act, 1984 PA 431, MCL  
27 18.1451a:

28 (a) The purpose of the project is home weatherization.

29 (b) The project will be accomplished by utilizing state

1 employees or contracts with service providers, or both.

2 (c) The total estimated cost of the project is  
3 \$151,200,000.00.

4 (d) The tentative completion date is September 30, 2027.

5 Sec. 306. Unexpended funds appropriated in part 1 for United  
6 States Department of Energy - weatherization technical assistance  
7 and training are designated as a work project appropriation. Any  
8 unencumbered or unallotted funds shall not lapse at the end of the  
9 fiscal year and shall be available for expenditures for the project  
10 under this section until the project has been completed. The  
11 following is in compliance with section 451a of the management and  
12 budget act, 1984 PA 431, MCL 18.1451a:

13 (a) The purpose of the project is technical assistance and  
14 training for low-income weatherization, with a focus on building  
15 shell energy efficiency and electrification.

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

18 (c) The total estimated cost of the project is \$31,900,000.00.

19 (d) The tentative completion date is September 30, 2027.

20 Sec. 307. It is the intent of the legislature that the home  
21 repairs and weatherization projects under sections 301, 303, 304,  
22 305, and 306 be operated as a single program tasked with conducting  
23 whole-home retrofits that address a range of energy, health,  
24 safety, and resilience upgrades for low-income housing.

25 Sec. 308. (1) From the funds appropriated in part 1, the  
26 department shall create and operate a responsible contractor  
27 program to ensure that contractors that work on a project funded  
28 under sections 301 to 307 meet responsible standards. As part of  
29 the responsible contractor program, the department shall establish

1 a detailed application, approval, and compliance process that is  
2 also published and available on the department's website. The  
3 application must include, but is not limited to, all of the  
4 following:

5 (a) Disclosure of any violations of federal, state, or local  
6 law by the applicant and, if different than the applicant, the  
7 proposed principal contractor for the project, during the 5-year  
8 period immediately preceding the date of application, including,  
9 but not limited to, violations of any of the following:

10 (i) The Michigan occupational safety and health act, 1974 PA  
11 154, MCL 408.1001 to 408.1094.

12 (ii) The occupational safety and health act of 1970, Public Law  
13 91-596.

14 (iii) 40 USC chapter 31, subchapter IV.

15 (iv) The worker's disability compensation act of 1969, 1969 PA  
16 317, MCL 418.101 to 418.941.

17 (v) The Michigan employment security act, 1936 (Ex Sess) PA 1,  
18 MCL 421.1 to 421.75.

19 (vi) The federal unemployment tax act, 26 USC chapter 23.

20 (vii) The improved workforce opportunity wage act, 2018 PA 337,  
21 MCL 408.931 to 408.945.

22 (viii) The fair labor standards act of 1938, 29 USC chapter 8.

23 (ix) Any other occupational safety, prevailing wage, wage and  
24 hour, worker's compensation, or unemployment compensation laws.

25 (b) A statement affirming that all contractors,  
26 subcontractors, employees, and other individuals working on the  
27 construction project will maintain all applicable occupational and  
28 professional licenses and registrations required by law.

29 (c) Verification that the applicant and, if different than the

1 applicant, the proposed principal contractor for the project are in  
2 compliance with all applicable state and federal laws and visa  
3 requirements regarding the hiring of individuals who are not  
4 citizens of the United States, and disclosure of any work visas  
5 sought or obtained by the applicant, the principal contractor if  
6 different from the applicant, any subcontractor, or an employee or  
7 independent contractor of the applicant, the principal contractor,  
8 or any subcontractor, in order to perform any portion of the  
9 project.

10 (d) Disclosure of all litigation and arbitrations currently  
11 pending or conducted within the past 5 years involving the  
12 applicant and, if different than the applicant, the proposed  
13 principal contractor for the project, including for each proceeding  
14 a description of the parties, court or other forum, legal claims  
15 raised, damages sought, and resolution.

16 (e) Proof of insurance, including certificates of insurance,  
17 confirming existence and amount of coverage for liability, property  
18 damage, worker's compensation, and any other insurances required  
19 for the project.

20 (f) A statement affirming that the applicant and, if different  
21 than the applicant, the proposed principal contractor for the  
22 project will pay all craft employees working on the project the  
23 current wage rates and fringe benefits required under applicable  
24 federal, state, and local wage laws.

25 (g) A statement regarding the staffing capabilities and labor  
26 sources, including subcontractors, of the applicant and, if  
27 different than the applicant, the proposed principal contractor for  
28 the project.

29 (h) Verification that construction workers will not be

1 misclassified as independent contractors in violation of state or  
2 federal law.

3 (i) A description of the project for which the funds will be  
4 expended, including tentative timelines and the estimated budget,  
5 and a statement identifying possible change orders that may be  
6 necessary and their approximate total costs.

7 (j) Evidence of equal employment opportunity programs for  
8 minorities, women, veterans, returning citizens, and small  
9 businesses maintained by the applicant and, if different than the  
10 applicant, the proposed principal contractor for the project.

11 (2) The department shall execute a responsible contractor  
12 agreement with each recipient of funding. The responsible  
13 contractor agreement must include, but is not limited to, all of  
14 the following:

15 (a) All necessary identifying information for the recipient,  
16 including any necessary tax identification information.

17 (b) A description of the project for which the funds will be  
18 expended, including tentative timelines and the estimated budget,  
19 and a statement identifying possible change orders that may be  
20 necessary and their approximate total costs.

21 (c) A requirement that the recipient update the information  
22 provided under subsection (1) if new information becomes available.

23 (d) A requirement that the recipient comply with all  
24 affirmations, verifications, and other representations made under  
25 subsection (1).

26 (e) If the proposed principal contractor for the project is  
27 different than the recipient, a requirement that the recipient  
28 ensure that the principal contractor will do all of the following:

29 (i) Update the information provided under subsection (1) if new

1 information becomes available.

2 (ii) Comply with all affirmations, verifications, and other  
3 representations made under subsection (1).

4 (iii) Provide the recipient with all information necessary for  
5 the recipient to comply with the recipient's duties under the  
6 responsible contractor agreement and this act.

7 (iv) Allow audit and site visits of the project by the  
8 department under subsection (3).

9 (f) A requirement for quarterly reports from the recipient to  
10 the department that provide the status of the project and an  
11 accounting of all funds expended by the recipient.

12 (g) A requirement that the recipient comply with subsection  
13 (3).

14 (h) A clawback provision if the recipient fails to comply with  
15 the agreement or otherwise misuses the funds.

16 (3) The recipient of funding shall respond to all reasonable  
17 information requests from the department related to expenditures of  
18 the funding and the status of the project and retain records  
19 regarding these items for a period of not less than 3 years. The  
20 project may be subject to audit and site visits as determined by  
21 the department.

22

23 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

24 Sec. 401. (1) Except as otherwise provided in subsection (2),  
25 funds appropriated in part 1 for ARP - workforce attraction,  
26 training, and retention must be used to establish a grant program  
27 for providing grant awards to employers to be used for on-the-job  
28 training in the construction and building sector for single and  
29 multifamily housing and for retention of apprentice and skilled

1 laborers. Priority must be given to BIPOC candidates and  
2 contractors.

3 (2) From the funds appropriated in part 1 for ARP - workforce  
4 attraction, training, and retention, \$5,000,000.00 must be used to  
5 fund a contractor decarbonization accelerator to educate  
6 contractors and builders on building efficient, electrified  
7 housing. Priority must be given to BIPOC candidates and  
8 contractors.

9 (3) Unexpended funds appropriated in part 1 for ARP -  
10 workforce attraction, training, and retention are designated as a  
11 work project appropriation. Any unencumbered or unallotted funds  
12 shall not lapse at the end of the fiscal year and shall be  
13 available for expenditures for the project under this section until  
14 the project has been completed. The following is in compliance with  
15 section 451a of the management and budget act, 1984 PA 431, MCL  
16 18.1451a:

17 (a) The purpose of the project is to attract, train, and  
18 retain apprentice and skilled laborers in the construction and  
19 building sector for single and multifamily housing.

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

22 (c) The total estimated cost of the project is \$50,000,000.00.

23 (d) The tentative completion date is September 30, 2027.

24 (4) As used in this section, "BIPOC" means black, indigenous,  
25 and people of color.

26

27 **DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

28 Sec. 501. (1) Funds appropriated in part 1 for ARP - energy  
29 waste reduction programs must be used by the Michigan public



1 service commission to ensure energy retrofit projects done under  
2 utility programs are fully covered for low-income customers. The  
3 funding must be used to expand services to low-income customers not  
4 to replace existing or committed utility energy waste reduction  
5 funding for low-income customers.

6 (2) Unexpended funds appropriated in part 1 for ARP - energy  
7 waste reduction programs are designated as a work project  
8 appropriation. Any unencumbered or unallotted funds shall not lapse  
9 at the end of the fiscal year and shall be available for  
10 expenditures for the project under this section until the project  
11 has been completed. The following is in compliance with section  
12 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

13 (a) The purpose of the project to ensure energy retrofit  
14 projects done under utility programs are fully covered for low-  
15 income customers.

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

18 (c) The total estimated cost of the project is \$50,000,000.00.

19 (d) The tentative completion date is September 30, 2027.