

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4016**

A bill to make, supplement, and adjust appropriations for various state departments and agencies and capital outlay purposes for the fiscal years ending September 30, 2022 and September 30, 2023; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2022-2023

Sec. 101. There is appropriated for various state departments and agencies and capital outlay purposes to supplement appropriations for the fiscal year ending September 30, 2023, from the following funds:

1	APPROPRIATION SUMMARY	
2	Full-time equated classified positions	2.0
3	GROSS APPROPRIATION	\$ 1,338,178,400
4	Interdepartmental grant revenues:	
5	Total interdepartmental grants and	
6	intradepartmental transfers	0
7	ADJUSTED GROSS APPROPRIATION	\$ 1,338,178,400
8	Federal revenues:	
9	Total federal revenues	499,570,000
10	Special revenue funds:	
11	Total local revenues	0
12	Total private revenues	5,000,000
13	Total other state restricted revenues	4,963,800
14	State general fund/general purpose	\$ 828,644,600
15	Sec. 102. DEPARTMENT OF ENVIRONMENT, GREAT	
16	LAKES, AND ENERGY	
17	(1) APPROPRIATION SUMMARY	
18	GROSS APPROPRIATION	\$ 212,500,000
19	Interdepartmental grant revenues:	
20	Total interdepartmental grants and	
21	intradepartmental transfers	0
22	ADJUSTED GROSS APPROPRIATION	\$ 212,500,000
23	Federal revenues:	
24	Total federal revenues	212,000,000
25	Special revenue funds:	
26	Total local revenues	0
27	Total private revenues	0
28	Total other state restricted revenues	0

1	State general fund/general purpose	\$	500,000
2	(2) MATERIALS MANAGEMENT DIVISION		
3	Environmental sustainability and stewardship	\$	212,000,000
4	GROSS APPROPRIATION	\$	212,000,000
5	Appropriated from:		
6	Federal revenues:		
7	Inflation reduction act		212,000,000
8	State general fund/general purpose	\$	0
9	(3) ONE-TIME APPROPRIATIONS		
10	Mineral wells	\$	500,000
11	GROSS APPROPRIATION	\$	500,000
12	Appropriated from:		
13	State general fund/general purpose	\$	500,000
14	Sec. 103. DEPARTMENT OF HEALTH AND HUMAN		
15	SERVICES		
16	(1) APPROPRIATION SUMMARY		
17	Full-time equated classified positions	2.0	
18	GROSS APPROPRIATION	\$	241,299,300
19	Interdepartmental grant revenues:		
20	Total interdepartmental grants and		
21	intradepartmental transfers		0
22	ADJUSTED GROSS APPROPRIATION	\$	241,299,300
23	Federal revenues:		
24	Total federal revenues		191,813,200
25	Special revenue funds:		
26	Total local revenues		0
27	Total private revenues		5,000,000
28	Total other state restricted revenues		4,963,800

1	State general fund/general purpose		\$ 39,522,300
2	(2) HEALTH SERVICES		
3	Long-term care services		\$ 63,499,300
4	GROSS APPROPRIATION		\$ 63,499,300
5	Appropriated from:		
6	Federal revenues:		
7	Total other federal revenues		44,013,200
8	Special revenue funds:		
9	Total other state restricted revenues		4,963,800
10	State general fund/general purpose		\$ 14,522,300
11	(3) ONE-TIME APPROPRIATIONS		
12	Full-time equated classified positions	2.0	
13	ARP - community violence initiative - community		
14	grant programs		\$ 10,000,000
15	ARP - health care recruitment, retention, and		
16	training		75,000,000
17	ARP - nursing home workforce		67,000,000
18	ARP - office of community violence intervention		
19	services - creation and initial staffing--FTEs	2.0	800,000
20	Water affordability		25,000,000
21	GROSS APPROPRIATION		\$ 177,800,000
22	Appropriated from:		
23	Federal revenues:		
24	Coronavirus state fiscal recovery fund		147,800,000
25	Special revenue funds:		
26	Private funds		5,000,000
27	State general fund/general purpose		\$ 25,000,000
28	Sec. 104. LABOR AND ECONOMIC OPPORTUNITY		

1	(1) APPROPRIATION SUMMARY		
2	GROSS APPROPRIATION	\$	568,629,100
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and		
5	intradepartmental transfers		0
6	ADJUSTED GROSS APPROPRIATION	\$	568,629,100
7	Federal revenues:		
8	Total federal revenues		85,006,800
9	Special revenue funds:		
10	Total local revenues		0
11	Total private revenues		0
12	Total other state restricted revenues		0
13	State general fund/general purpose	\$	483,622,300
14	(2) WORKFORCE DEVELOPMENT		
15	Workforce development programs	\$	2,540,600
16	GROSS APPROPRIATION	\$	2,540,600
17	Appropriated from:		
18	Federal revenues:		
19	Federal funds		2,540,600
20	State general fund/general purpose	\$	0
21	(3) COMMISSIONS		
22	Michigan community service commission	\$	7,274,200
23	GROSS APPROPRIATION	\$	7,274,200
24	Appropriated from:		
25	Federal revenues:		
26	Federal funds		7,274,200
27	State general fund/general purpose	\$	0
28	(4) ONE-TIME APPROPRIATIONS		

1	ARP - arts and cultural program	\$	5,000,000
2	ARP - community and neighborhood initiatives		60,000,000
3	ARP - EDA statewide planning grant		1,000,000
4	Career and technical education complex		9,872,300
5	Community development block grant - disaster		
6	recovery		7,864,000
7	Housing gap financing and affordable housing		(150,000,000)
8	Housing gap financing and affordable housing		150,000,000
9	Mega-strategic site development		299,700,000
10	State digital equity planning grant		1,328,000
11	Strategic outreach and attraction reserve fund		170,300,000
12	Student aviation center		3,750,000
13	GROSS APPROPRIATION	\$	558,814,300
14	Appropriated from:		
15	Federal revenues:		
16	Federal funds		2,328,000
17	Coronavirus state fiscal recovery fund		65,000,000
18	HUD-CPD, community development block grant		7,864,000
19	State general fund/general purpose	\$	483,622,300
20	Sec. 105. MILITARY AND VETERANS AFFAIRS		
21	(1) APPROPRIATION SUMMARY		
22	GROSS APPROPRIATION	\$	750,000
23	Interdepartmental grant revenues:		
24	Total interdepartmental grants and		
25	intradepartmental transfers		0
26	ADJUSTED GROSS APPROPRIATION	\$	750,000
27	Federal revenues:		
28	Total federal revenues		750,000

1	Special revenue funds:		
2	Total local revenues		0
3	Total private revenues		0
4	Total other state restricted revenues		0
5	State general fund/general purpose	\$	0
6	(2) MICHIGAN VETERANS AFFAIRS AGENCY		
7	Michigan veterans affairs agency administration	\$	750,000
8	GROSS APPROPRIATION	\$	750,000
9	Appropriated from:		
10	Federal revenues:		
11	USDVA-VHA		750,000
12	State general fund/general purpose	\$	0
13	Sec. 106. DEPARTMENT OF NATURAL RESOURCES		
14	(1) APPROPRIATION SUMMARY		
15	GROSS APPROPRIATION	\$	10,000,000
16	Interdepartmental grant revenues:		
17	Total interdepartmental grants and		
18	intradepartmental transfers		0
19	ADJUSTED GROSS APPROPRIATION	\$	10,000,000
20	Federal revenues:		
21	Total federal revenues		10,000,000
22	Special revenue funds:		
23	Total local revenues		0
24	Total private revenues		0
25	Total other state restricted revenues		0
26	State general fund/general purpose	\$	0
27	(2) ONE-TIME APPROPRIATIONS		

1	ARP - Lake Erie and Saginaw Bay watershed		
2	wetland restoration, enhancement, and		
3	acquisition	\$	10,000,000
4	GROSS APPROPRIATION	\$	10,000,000
5	Appropriated from:		
6	Federal revenues:		
7	Coronavirus state fiscal recovery fund		10,000,000
8	State general fund/general purpose	\$	0
9	Sec. 107. STATE TRANSPORTATION DEPARTMENT		
10	(1) APPROPRIATION SUMMARY		
11	GROSS APPROPRIATION	\$	330,000,000
12	Interdepartmental grant revenues:		
13	Total interdepartmental grants and		
14	intradepartmental transfers		0
15	ADJUSTED GROSS APPROPRIATION	\$	330,000,000
16	Federal revenues:		
17	Total federal revenues		0
18	Special revenue funds:		
19	Total local revenues		0
20	Total private revenues		0
21	Total other state restricted revenues		0
22	State general fund/general purpose	\$	330,000,000
23	(2) ONE-TIME APPROPRIATIONS		
24	Economic development project	\$	330,000,000
25	GROSS APPROPRIATION	\$	330,000,000
26	Appropriated from:		
27	State general fund/general purpose	\$	330,000,000
28	Sec. 108. DEPARTMENT OF TREASURY		

1	(1) APPROPRIATION SUMMARY	
2	GROSS APPROPRIATION	\$ (25,000,000)
3	Interdepartmental grant revenues:	
4	Total interdepartmental grants and	
5	intradepartmental transfers	0
6	ADJUSTED GROSS APPROPRIATION	\$ (25,000,000)
7	Federal revenues:	
8	Total federal revenues	0
9	Special revenue funds:	
10	Total local revenues	0
11	Total private revenues	0
12	Total other state restricted revenues	0
13	State general fund/general purpose	\$ (25,000,000)
14	(2) ONE-TIME APPROPRIATIONS	
15	Water shutoff prevention fund	\$ (25,000,000)
16	GROSS APPROPRIATION	\$ (25,000,000)
17	Appropriated from:	
18	State general fund/general purpose	\$ (25,000,000)

PART 1A

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

Sec. 151. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2022, from the following funds:

26	APPROPRIATION SUMMARY	
27	GROSS APPROPRIATION	\$ 0
28	Interdepartmental grant revenues:	

1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	ADJUSTED GROSS APPROPRIATION	\$	0
4	Federal revenues:		
5	Total federal revenues		0
6	Special revenue funds:		
7	Total local revenues		0
8	Total private revenues		0
9	Total other state restricted revenues		0
10	State general fund/general purpose	\$	0
11	Sec. 152. DEPARTMENT OF STATE POLICE		
12	(1) APPROPRIATION SUMMARY		
13	GROSS APPROPRIATION	\$	0
14	Interdepartmental grant revenues:		
15	Total interdepartmental grants and		
16	intradepartmental transfers		0
17	ADJUSTED GROSS APPROPRIATION	\$	0
18	Federal revenues:		
19	Total federal revenues		0
20	Special revenue funds:		
21	Total local revenues		0
22	Total private revenues		0
23	Total other state restricted revenues		0
24	State general fund/general purpose	\$	0
25	(2) ONE-TIME APPROPRIATIONS		
26	Public safety academy assistance programs	\$	(30,000,000)
27	Public safety academy assistance programs		30,000,000
28	GROSS APPROPRIATION	\$	0

1	Appropriated from:	
2	State general fund/general purpose	\$ 0

4 PART 2

5 PROVISIONS CONCERNING APPROPRIATIONS
6 FOR FISCAL YEAR 2022-2023

7 **GENERAL SECTIONS**

8 Sec. 201. Pursuant to section 30 of article IX of the state
9 constitution of 1963, total state spending from state sources under
10 part 1 for the fiscal year ending September 30, 2023 is
11 \$833,608,400.00 and total state spending from state sources to be
12 paid to local units of government is \$13,622,300.00.

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

18 Sec. 203. Funds appropriated in part 1 must be allocated and
19 expended in a manner consistent with federal rules and regulations.

20 Sec. 204. Funds appropriated in part 1 are subject to
21 applicable federal audit and reporting requirements. Prompt action
22 shall be taken if instances of noncompliance are identified,
23 including noncompliance identified in an audit finding. If any
24 instance of noncompliance is identified, including noncompliance
25 identified in an audit finding, the state budget director shall
26 take necessary and immediate action to rectify it. The state budget
27 director shall notify the senate and house appropriations
28 committees and the senate and house fiscal agencies when an
29 instance of noncompliance is identified.

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

6
7 **DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY**

8 Sec. 401. The unexpended funds appropriated in part 1 for
9 environmental sustainability and stewardship are designated as a
10 work project appropriation, and any unencumbered or unallotted
11 funds shall not lapse at the end of the fiscal year and shall be
12 available for expenditures for projects under this section until
13 the projects have been completed. The following is in compliance
14 with section 451a of the management and budget act, 1984 PA 431,
15 MCL 18.1451a:

16 (a) The purpose of the project is to provide assistance to
17 Michigan's residential homeowners, landlords, and other entities
18 performing energy efficiency updates as approved by the United
19 States Department of Energy.

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
23 \$212,000,000.00.

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

25 Sec. 402. (1) From the funds appropriated in part 1 for
26 mineral wells, the department shall provide funding in the amount
27 of \$500,000.00 to support the increase in statewide oversight of
28 disposal wells, perform necessary compliance and enforcement
29 activities, and any remedial actions considered necessary by the

1 department pursuant to part 625 of the natural resources and
2 environmental protection act, 1994 PA 451, MCL 324.62501 to
3 324.62518. The department shall prioritize activities funded in
4 part 1 that pose an immediate environmental hazard, including the
5 oversight of hazardous substances imported for disposal into wells
6 located in a county with a population between 1,700,000 and
7 1,800,000 according to the most recent federal decennial census.

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

15 (a) The purpose of the project is to provide mineral wells
16 compliance.

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

19 (c) The total estimated cost of the project is \$500,000.00.

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

21

22 **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

23 Sec. 501. (1) From the funds appropriated in part 1 for water
24 affordability, the department shall allocate \$25,000,000.00 as
25 grants to qualified providers to assist eligible residents who have
26 a financial burden, have accumulated a balance on their water
27 utility bill, have had their water service shut off, and/or are at
28 risk of having their water service shut off. Eligible expenditures
29 from these funds must be income-based and must include all of the

1 following:

2 (a) Restoring residential water service.

3 (b) Paying down water bills currently in arrears.

4 (c) Supporting reasonable water affordability plans that are
5 based on an individual's ability to pay, including capped payments
6 based on household income to prevent accumulating a balance on
7 future water bills and funding to qualified providers to cover the
8 remaining cost of service.

9 (d) Protecting participating residents from water shutoffs.

10 (2) To be considered a qualified provider under this section,
11 the provider must be 1 of the following:

12 (a) A community water system.

13 (b) A community action agency.

14 (c) A nonprofit, community-based organization organized under
15 the laws of this state that is exempt from federal income tax under
16 section 501(c)(3) of the internal revenue code of 1986, 26 USC 501,
17 with a history of doing utility assistance work.

18 (3) Qualified providers receiving grants under this section
19 may spend not more than 3% of the total grant award for
20 administrative services related to the implementation of this
21 section.

22 (4) Qualified providers receiving grants under this section
23 shall report to the department by September 30 of the current
24 fiscal year on outcomes and performance measures for the program,
25 including, but not limited to, all of the following:

26 (a) The total grant award received by the qualified provider.

27 (b) The percentage of the grant award that was used for
28 administrative costs.

29 (c) The total dollars spent broken down by type of assistance

1 provided.

2 (d) The number of individuals helped broken down by type of
3 assistance provided.

4 (e) The number of individual applicants denied assistance.

5 (5) Upon receipt of the information required under subsection
6 (4), the department shall compile and forward the report to the
7 senate and house appropriations subcommittees on the department
8 budget, the senate and house fiscal agencies, the senate and house
9 policy offices, and the state budget office.

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

17 (a) The purpose of the project is to provide grants to
18 qualified providers that assist eligible residents who have a
19 financial burden, have accumulated a balance on their water utility
20 bill, have had their water service shut off, and/or are at risk of
21 having their water service shut off.

22 (b) The project will be accomplished through competitive
23 grants to qualified providers.

24 (c) The total estimated cost of the project is \$25,000,000.00.

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

26 Sec. 502. (1) From the funds appropriated in part 1 for ARP -
27 nursing home workforce, the department shall allocate
28 \$67,000,000.00 for long-term care workforce stabilization and
29 development. The department shall award funds to nursing homes and

1 nonprofit health care training organizations to stabilize and
2 improve staffing in long-term care settings. Funds shall be awarded
3 for staff recruitment, retention, training, or career development.
4 The department shall establish an application process and criteria
5 for distributing funds under this section that includes, but is not
6 limited to, all of the following:

7 (a) Projects jointly developed and implemented by nursing
8 facility leadership and staff.

9 (b) Projects that would be implemented across multiple
10 facilities, nursing facility operators, and regions of this state.

11 (2) The unexpended funds appropriated in part 1 for ARP-
12 nursing home workforce are designated as a work project
13 appropriation, and any unencumbered or unallotted funds shall not
14 lapse at the end of the fiscal year and shall be available for
15 expenditures for projects under this section until the projects
16 have been completed. The following is in compliance with section
17 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

18 (a) The purpose of the project is to stabilize and improve
19 staffing in long-term care settings.

20 (b) The project will be accomplished by utilizing state
21 resources, contracts, or grants.

22 (c) The total estimated cost of the project is \$67,000,000.00.

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

24 Sec. 503. From the funds appropriated in part 1 for long-term
25 care services, the department of health and human services shall
26 adjust the variable cost component (VCC) and plant cost component
27 of Medicaid reimbursement to class I, class III, and class IV
28 nursing home providers as follows:

29 (a) An interim VCC rate and plant cost component rate for each

1 facility must be established at 102% of the interim rate provided
2 in 2022 PA 166, retroactive to January 1, 2023.

3 (b) The quality assurance supplement (QAS) amount will be
4 calculated for nursing home providers using the following factors:

5 (i) For class I providers, the QAS must be based on the updated
6 interim VCC for this fiscal year multiplied by 21.76%.

7 (ii) For governmental class III providers, the QAS must be
8 subject to the class I updated variable cost limit (VCL).

9 (iii) For nongovernmental class III providers, the QAS must be
10 based on their VCC or VCL, as applicable, multiplied by 21.76%.

11 (c) The department shall audit the final 2023 VCC and plant
12 costs to establish the final audited rate provided to facilities
13 for services provided in the current fiscal year.

14 Sec. 504. (1) From the funds appropriated in part 1 for ARP -
15 community violence initiative - community grant programs, the
16 department of health and human services office of community
17 violence intervention shall expend \$10,000,000.00 to support
18 community providers of violence intervention services.

19 (2) Not less than 50% of the dollar amount of grants awarded
20 under subsection (1) must be awarded in communities
21 disproportionately affected by the COVID-19 pandemic, as defined
22 under guidance from the United States Department of the Treasury
23 for the use of state fiscal recovery funds under the American
24 rescue plan act of 2021, Public Law 117-2.

25 (3) The unexpended funds appropriated in part 1 for ARP -
26 community violence initiative - community grant programs are
27 designated as a work project appropriation. Unencumbered or
28 unallotted funds shall not lapse at the end of the fiscal year and
29 shall be available for expenditures for projects under this section

1 until the projects have 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 provide grant funding for
5 community violence intervention programs.

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

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

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

10 Sec. 505. From the funds appropriated in part 1 for ARP -
11 health care recruitment, retention, and training, the department of
12 health and human services shall allocate \$75,000,000.00 for health
13 care recruitment, retention, and training programming to health
14 care employers that can demonstrate an eligible qualifying need
15 under the rules and regulations applicable to the federal
16 coronavirus state fiscal recovery funding. Additionally, health
17 care employers must not request funds under this section for any
18 investments related to recruitment or retention announced before
19 December 1, 2021. The department of health and human services must
20 allocate the funds appropriated pursuant to this section to the
21 Michigan Health and Hospital Association for administration to
22 acute care and behavioral health care providers, of which not less
23 than 10% appropriated pursuant to this section must be allocated to
24 critical access hospitals and small and rural providers that are
25 awarded rural access payments under section 1802(2) of article 6 of
26 2021 PA 87.

27

28 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

29 Sec. 701. Funds appropriated in part 1 for strategic outreach

1 and attraction reserve fund must be deposited into the strategic
2 outreach and attraction reserve fund established in section 4 of
3 the Michigan trust fund act, 2000 PA 489, MCL 12.254.

4 Sec. 702. In addition to funds appropriated in part 1, there
5 is appropriated an amount not to exceed \$170,300,000.00 for state
6 restricted contingency authorization. These funds are not available
7 for expenditure until they have been transferred to another line
8 item in part 1 under section 393(2) of the management and budget
9 act, 1984 PA 431, MCL 18.1393.

10 Sec. 703. The unexpended funds appropriated in part 1 for
11 community development block grant - disaster recovery are
12 designated as a work project appropriation, and any unencumbered or
13 unallotted funds shall not lapse at the end of the fiscal year and
14 shall be available for expenditures for projects under this section
15 until the projects have been completed. The following is in
16 compliance with section 451a of the management and budget act, 1984
17 PA 431, MCL 18.1451a:

18 (a) The purpose of the project is to support disaster recovery
19 efforts.

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 \$7,864,000.00.

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

24 Sec. 704. The unexpended funds appropriated in part 1 for
25 state digital equity planning grant are designated as a work
26 project appropriation, and any unencumbered or unallotted funds
27 shall not lapse at the end of the fiscal year and shall be
28 available for expenditures for projects under this section until
29 the projects have been completed. The following is in compliance

1 with section 451a of the management and budget act, 1984 PA 431,
2 MCL 18.1451a:

3 (a) The purpose of the project is to support digital equity
4 planning efforts and identify barriers to digital equity and
5 strategies for overcoming those barriers.

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 \$1,328,000.00.

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

10 Sec. 705. (1) From the funds appropriated in part 1 for ARP -
11 community and neighborhood initiatives, the department of labor and
12 economic opportunity shall allocate \$60,000,000.00 for a grant
13 program for projects at community centers as described in this
14 section.

15 (2) The department shall develop program guidelines,
16 eligibility criteria, and an application process. Program
17 guidelines, eligibility criteria, and award amounts to new or
18 existing community centers shall not be inconsistent with the
19 following:

20 (a) Eligible community centers include those owned by a
21 municipality, local government agency, nonprofit, or faith-based
22 organization. Applicants shall submit a project budget to determine
23 project viability.

24 (b) Eligible costs for community center projects include the
25 acquisition of property, planning and design costs, construction
26 and materials costs, infrastructure to equip facilities as needed,
27 programming, and development.

28 (c) Grants shall be awarded only for projects at community
29 centers that are free and open to the community in which they are

1 located or serve. Community centers that receive awards must
2 provide or include 1 or more of the following:

3 (i) Before- or after-school education activities.

4 (ii) Access to career or workforce training services.

5 (iii) Indoor or outdoor spaces publicly accessible for
6 recreational or athletic activities.

7 (iv) Dedicated programming for seniors.

8 (v) Meeting space for neighborhood or community organizations.

9 (vi) Other wraparound services that may include, but are not
10 limited to, health services, behavioral services, and licensed
11 childcare.

12 (d) Grant awards shall not exceed \$2,500,000.00 for any single
13 community project. When awarding grants, the department shall
14 consider population size and density, average median income, and
15 community need.

16 (e) For at least 50% of total grant awards, the department
17 shall give priority for proposals that provide services to
18 communities below the average median income, according to the most
19 recent federal decennial census.

20 (f) To qualify for a grant under this section, a community
21 center must meet 1 or more the following criteria:

22 (i) Serve an eligible community according to guidance from the
23 United States Department of the Treasury for the use of state
24 fiscal recovery funds under the American rescue plan act of 2021,
25 Public Law 117-2.

26 (ii) Be owned or operated by a nonprofit or faith-based
27 organization impacted or disproportionately impacted by the COVID-
28 19 pandemic. Grants awarded to nonprofit or faith-based
29 organizations must have a demonstrated partnership with the

1 community in which the center is or will be located.

2 (g) The department shall require quarterly progress reports
3 from grant recipients on the utilization of grant funds under this
4 section. Until program funding is expended, the department shall
5 provide an annual report not later than February 1 on program grant
6 awards and the utilization of grant funds. The report shall be
7 submitted to the chairs of the senate and house appropriations
8 committees, the senate and house fiscal agencies, and the state
9 budget director.

10 (3) The department of labor and economic opportunity may
11 utilize up to 2.5% of funds appropriated in part 1 for ARP -
12 community and neighborhood initiatives to administer grants under
13 this section.

14 (4) The unexpended funds appropriated in part 1 for ARP -
15 community and neighborhood initiatives are designated as a work
16 project appropriation, and any unencumbered or unallotted funds
17 shall not lapse at the end of the fiscal year and shall be
18 available for expenditure for projects under this section until the
19 projects have been completed. The following is in compliance with
20 section 451a of the management and budget act, 1984 PA 431, MCL
21 18.1451a:

22 (a) The purpose of the project is to strengthen Michigan
23 communities with enhanced services that provide for education,
24 workforce training, health services, meeting space, and other
25 community needs.

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

28 (c) The total estimated cost of the project is \$60,000,000.00.

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

1 Sec. 706. (1) From the funds appropriated in part 1 for mega-
2 strategic site development, the Michigan strategic fund shall grant
3 funds for land acquisition and predevelopment site work related to
4 the development of a mega-strategic site located in a city with a
5 population between 6,500 and 7,000 and/or a township with a
6 population between 3,100 and 3,200, in a county with a population
7 between 130,000 and 140,000, according to the most recent federal
8 decennial census. The grantee may subcontract with appropriate
9 professional service providers to do both of the following:

10 (a) Land acquisition for all company site and public area
11 required parcels, as well as any additional parcels that may be
12 needed for road improvements or other infrastructure unknowns in
13 furtherance of site control and development of the mega-strategic
14 site.

15 (b) Pad ready site improvements, which include, but are not
16 limited to, aboveground and belowground demolition and remediation,
17 tree clearing, pad preparation, grading and fill, design and
18 installation of storm water management, interior roads, and utility
19 relocations.

20 (2) The legislature finds and declares that appropriations
21 described in subsection (1) for mega-strategic site development are
22 for a public purpose and serve the health, safety, and general
23 welfare of the residents of this state.

24 (3) The unexpended funds appropriated for mega-strategic site
25 development are designated as a work project appropriation, and any
26 unencumbered or unallotted funds shall not lapse at the end of the
27 fiscal year and shall be available for expenditures for projects
28 under this section until the projects have been completed. The
29 following is in compliance with section 451a of the management and

1 budget act, 1984 PA 431, MCL 18.1451a:

2 (a) The purpose of the project is to provide for land
3 acquisition and pad ready site improvements for the purpose of
4 creating an investment-ready mega-strategic site to attract and
5 promote investment in the state.

6 (b) The project will be accomplished by utilizing state
7 employees, the Michigan economic development corporation, or grants
8 or contracts with service providers, or all 3.

9 (c) The total estimated cost of the work project is
10 \$299,700,000.00.

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

12 Sec. 707. Funds appropriated in part 1 for ARP - arts and
13 cultural program shall be awarded to nonprofit organizations
14 impacted by the COVID-19 pandemic. Expenditures under this section
15 must comply with federal regulations established by the American
16 rescue plan act of 2021, Public Law 117-2, including all
17 regulations and requirements around the use of the state fiscal
18 recovery fund.

19 Sec. 708. From the funds appropriated in part 1 for career and
20 technical education complex, the department of labor and economic
21 opportunity shall award \$9,872,300.00 to a public community college
22 based in a county with a population between 34,000 and 36,000,
23 according to the most recent federal decennial census, for
24 renovations and additions to 1 or more buildings on its campus
25 consistent with that college's most recent capital outlay priority
26 project request submitted, as part of its 5-year capital outlay
27 plan, to the department of technology, management, and budget under
28 section 242 of the management and budget act, 1984 PA 431, MCL
29 18.1242.

1 Sec. 709. (1) From the funds appropriated in part 1 for
2 housing gap financing and affordable housing, the Michigan state
3 housing development authority shall create a program to assist in
4 the implementation of Michigan's statewide housing plan by reducing
5 housing cost burdens on Michigan residents and increasing the
6 supply and preserving the existing supply of affordable housing.
7 The program shall adhere to the requirements of this section.

8 (2) As used in this section:

9 (a) "Owner" means a limited dividend housing corporation as
10 that term is defined in section 11 of the state housing development
11 authority act of 1966, 1966 PA 346, MCL 125.1411, that owns the
12 property funded with the affordable housing tax credit gap
13 financing funds and controlled by the sponsor.

14 (b) "LIHTC" means low-income housing tax credit, as defined by
15 the United States Department of Housing and Urban Development.

16 (c) "Authority" means the Michigan state housing development
17 authority created in section 21 of the state housing development
18 authority act of 1966, 1966 PA 346, MCL 125.1421.

19 (3) From the funds appropriated in part 1 for housing gap
20 financing and affordable housing, the authority may expend up to 5%
21 of the funds for administration costs for the program.

22 (4) The funds appropriated in part 1 for housing gap financing
23 and affordable housing shall be allocated to help defray the costs
24 of projects, sponsored by for-profit and nonprofit developers, that
25 emphasize the creation of affordable housing supply in this state,
26 as determined by the authority. Of the funds available for the
27 program, grants or loans shall be allocated to developments that
28 qualify for tax credits under section 42 of the internal revenue
29 code of 1986, 26 USC 42, as follows:

1 (a) Of the funds available for the program, 40% shall be
2 allocated as a grant or forgivable loan to an eligible recipient
3 for the development and construction of new affordable housing
4 units through the authority's pass-through bond program. For the
5 purposes of this subsection, "new affordable housing units" means
6 housing units that meet both of the following requirements:

7 (i) Use of the property as multifamily housing commences after
8 the owner's acquisition and development of the property.

9 (ii) The property has not been used as multifamily housing at
10 any point during the 10-year period immediately prior to the
11 owner's acquisition of the property.

12 (b) Of the funds available for the program, 20% shall be
13 allocated as a grant or forgivable loan for the development or
14 construction of affordable housing for projects awarded 9% tax
15 credits under section 42 of the internal revenue code of 1986, 26
16 USC 42, and owners that have not received an unconditional form
17 8609 from the authority as of the effective date of this act.
18 Priority of awards under this subsection shall be as follows:

19 (i) First, to owners that received an initial LIHTC reservation
20 on or before December 31, 2020.

21 (ii) Next, after the priority in subparagraph (i), to owners
22 that received an initial LIHTC reservation on or before December
23 31, 2021.

24 (iii) Next, after the priorities in subparagraphs (i) and (ii),
25 to owners that received an initial LIHTC reservation on or before
26 December 31, 2022.

27 (iv) Last, after the priorities in subparagraphs (i), (ii), and
28 (iii), to owners that received an initial LIHTC reservation after
29 December 31, 2022.

1 (c) Of the funds available for the program, 25% shall be
2 allocated as a grant, loan, or forgivable loan for the development
3 or construction of affordable housing for properties that meet 1 or
4 more of the following:

5 (i) Have already received loans through the authority's direct
6 lending program.

7 (ii) Are existing properties for projects that meet all of the
8 following:

9 (A) Are properties that previously obtained tax credits under
10 section 42 of the internal revenue code of 1986, 26 USC 42.

11 (B) Are properties subject to an existing use restriction from
12 previously obtained tax credits.

13 (C) Are properties that receive an allocation of volume cap
14 through the authority's direct lending program.

15 (d) Of the funds available for the program, 15% shall be
16 allocated as a grant or forgivable loan for the development or
17 construction of affordable housing for properties that meet all of
18 the following:

19 (i) Are properties that previously obtained tax credits under
20 section 42 of the internal revenue code of 1986, 26 USC 42.

21 (ii) Are properties subject to an existing use restriction from
22 previously obtained tax credits.

23 (iii) Are properties that receive an allocation of volume cap
24 through the authority's pass-through bond program.

25 (e) Notwithstanding existing rules or requirements under the
26 authority's pass-through bond program or direct lending program,
27 the authority may set aside not more than 15% of the funds
28 identified in subdivisions (a) through (d) for rural communities as
29 designated by the United States Department of Agriculture and Rural

1 Development.

2 (f) Any request for funds allocated under subdivisions (a)
3 through (d) shall include a letter of support from the municipality
4 in which the property or project is located.

5 (5) To the extent that any funds awarded by the authority
6 under this program include federal funds received by this state
7 under the federal American rescue plan act of 2021, Public Law 117-
8 2, to ensure that all such funds are obligated on or before
9 December 31, 2024, the following provisions shall apply:

10 (a) Until April 1, 2024, American rescue plan act funds shall
11 be obligated and deployed before any other funds.

12 (b) After April 1, 2024, the set-aside identified in
13 subsection (4) (e) no longer applies, and federal American rescue
14 plan act funds shall be allocated on a first-come, first-serve
15 basis until such funds are fully obligated to 1 or both of the
16 following:

17 (i) Any alternative method to achieve the program goals, if
18 funds are administered in the form of a grant or forgivable loan.

19 (ii) Any project that meets the requirements identified in
20 subsection (4) (a) to (d).

21 (6) The unexpended funds appropriated in part 1 for housing
22 gap financing and affordable housing are designated as a work
23 project appropriation, and any unencumbered or unallotted funds
24 shall not lapse at the end of the fiscal year and shall be
25 available for expenditure for projects under this section until the
26 projects have 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 to implement Michigan's

1 statewide housing plan by reducing housing costs for Michigan
2 residents and increasing the supply of, and preserving existing,
3 affordable housing.

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

6 (c) The total estimated cost of the project is
7 \$150,000,000.00.

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

9 Sec. 710. From the funds appropriated in part 1 for student
10 aviation center, the department of labor and economic opportunity
11 shall award \$3,750,000.00 to a public community college based in a
12 county with a population between 90,000 and 98,000, according to
13 the most recent federal decennial census, for the renovation of
14 hangars used for that college's aviation program as well as the
15 acquisition of additional aircraft that will be used for
16 instruction of student pilots. A public community college must
17 provide 50% matching funds to receive state funds under this
18 section.

19

20 **DEPARTMENT OF NATURAL RESOURCES**

21 Sec. 901. (1) From the funds appropriated in part 1 for ARP -
22 Lake Erie and Saginaw Bay watershed wetland restoration,
23 enhancement, and acquisition, the department of natural resources
24 shall allocate funding for targeted wetland restoration in the Lake
25 Erie and Saginaw Bay watersheds of Michigan to aid in the reduction
26 of levels of phosphorous, nitrogen, or sediment entering the waters
27 of Lake Erie and Saginaw Bay. Expenditures under this section are
28 intended to improve the water quality of Lake Erie and Saginaw Bay
29 to support and enhance Great Lakes tourism and related economic

1 sectors that have been adversely impacted by the COVID-19 pandemic.

2 (2) The department shall coordinate with state, federal,
3 tribal, and nongovernmental agencies and organizations specializing
4 in wetland restoration and conservation.

5 (3) Expenditures authorized under this section may be granted
6 to nongovernmental conservation organizations specializing in
7 wetland restoration and conservation to carryout the stated purpose
8 this section.

9 (4) Expenditures authorized under this section must comply
10 with federal regulations established by the American rescue plan
11 act of 2021, Public Law 117-2, including all regulations and
12 requirements around the use of the state fiscal recovery fund.

13

14 **STATE TRANSPORTATION DEPARTMENT**

15 Sec. 1001. (1) As a condition for the expenditure of funds
16 appropriated in part 1 for economic development project, the state
17 transportation department shall enter into a memorandum of
18 understanding with the Michigan strategic fund or the Marshall Area
19 Economic Development Alliance, or both, as determined by the
20 Michigan strategic fund.

21 (2) The legislature finds and declares that appropriations
22 described in subsection (1) are for a public purpose and serve the
23 health, safety, and general welfare of the residents of this state.

24 (3) Any funds appropriated in subsection (1) and specifically
25 designated for road and infrastructure improvements via contract or
26 other agreement with the Michigan strategic fund are appropriated
27 for that purpose and shall be used in support of eligible
28 activities under the Michigan strategic site readiness program
29 pursuant to section 88t of the Michigan strategic fund act, 1984 PA

1 270, MCL 125.2088t.

2 (4) Funds allocated under this section may not be used to
3 provide grants or other funds to a railroad company.

4
5 PART 2A

6 PROVISIONS CONCERNING APPROPRIATIONS
7 FOR FISCAL YEAR 2021-2022

8 **GENERAL SECTIONS**

9 Sec. 1201. Pursuant to section 30 of article IX of the state
10 constitution of 1963, total state spending from state sources under
11 part 1A for the fiscal year ending September 30, 2022 is \$0.00 and
12 total state spending from state sources to be paid to local units
13 of government is \$0.00.

14 Sec. 1202. The appropriations made and expenditures authorized
15 under this part and part 1A and the departments, commissions,
16 boards, offices, and programs for which appropriations are made
17 under this part and part 1A are subject to the management and
18 budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

19
20 **DEPARTMENT OF STATE POLICE**

21 Sec. 1401. (1) Funds appropriated in part 1A for public safety
22 academy assistance programs must be distributed by the Michigan
23 commission on law enforcement standards or the department of
24 treasury to provide grants of up to \$24,000.00 per applicant
25 through a competitive program to provide scholarships to recruits
26 and/or pay the salaries of police cadets for local public safety
27 departments. Grants under this section must be awarded on a first-
28 come, first-served basis to applicants who meet necessary
29 requirements and enroll in a police academy program.

1 (2) An applicant must meet all of the following requirements
2 to receive a scholarship under this section:

3 (a) Have been successfully screened by a local public safety
4 department to the selection and employment standards set by the
5 Michigan commission on law enforcement standards act, 1965 PA 203,
6 MCL 28.601 to 28.615, and received an offer of employment from the
7 local public safety department.

8 (b) Have been enrolled in a basic law enforcement training
9 academy by the local public safety department.

10 (c) Have been approved by the Michigan commission on law
11 enforcement standards for the scholarship.

12 (3) For the purposes of this section, not more than 25
13 scholarships may be approved by a particular local public safety
14 department.

15 (4) The Michigan commission on law enforcement standards may
16 use up to \$140,000.00 for administration of the scholarship
17 program.

18 (5) Any program awards made prior to the effective date of
19 this act may be amended if agreed to by the Michigan commission on
20 law enforcement standards and the grantee.

21 (6) The unexpended funds appropriated in part 1 for public
22 safety academy assistance programs are designated as a work project
23 appropriation, and any unencumbered or unallotted funds shall not
24 lapse at the end of the fiscal year and shall be available for
25 expenditures for projects under this section until the projects
26 have been completed. The following is in compliance with section
27 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

28 (a) The purpose of the project is to provide salaries and
29 scholarships for public safety recruits.

1 (b) The project will be accomplished by utilizing state
2 employees, contracts with vendors, or local partners.

3 (c) The estimated cost of the project is \$30,000,000.00.

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

5

6 **REPEALERS**

7 Sec. 1601. Section 708 of article 15 of 2022 PA 166 is
8 repealed.

9 Sec. 1602. Sections 307 and 601 of 2023 PA 1 are repealed.