Act No. 194
Public Acts of 2022
Approved by the Governor
October 4, 2022
Filed with the Secretary of State
October 4, 2022
EFFECTIVE DATE: October 4, 2022

STATE OF MICHIGAN 101ST LEGISLATURE REGULAR SESSION OF 2022

Introduced by Senator Stamas

ENROLLED SENATE BILL No. 844

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies 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:

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

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

APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 1,003,377,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 1,003,377,400
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	20,000,200
State general fund/general purpose	\$ 983,377,200
Sec. 102. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 72,237,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 72,237,200

		2023
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		\$ 72,237,200
(2) CHILDREN'S SERVICES AGENCY - CHILD WELFARE		
Child care fund		\$ 3,750,000
Foster care payments		21,250,000
GROSS APPROPRIATION		\$ 25,000,000
Appropriated from:		
State general fund/general purpose		\$ 25,000,000
(3) ONE-TIME APPROPRIATIONS		
Behavioral health care services and facilities		\$ 15,000,000
Behavioral health facilities grants		1,500,000
Critical child welfare infrastructure		15,000,000
First responder and public safety staff mental health		7,500,000
Quality assurance assessment program overpayment reimbursement		4,237,200
Senior living and health care expansion		4,000,000
GROSS APPROPRIATION		\$ 47,227,200
Appropriated from:		
State general fund/general purpose		\$ 47,227,200
Sec. 103. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION		\$ 916,140,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 916,140,200
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		20,000,200
State general fund/general purpose		\$ 896,140,000
(2) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY		
Full-time equated classified positions	20.0	
Housing and rental assistance—FTEs	20.0	\$ 0
GROSS APPROPRIATION		\$ 0
Appropriated from:		
State general fund/general purpose		\$ 0
(3) ONE-TIME APPROPRIATIONS		
Bauserman v unemployment insurance agency settlement agreement		\$ 20,000,000
Critical industry program		100
Downtown placemaking grant		12,000,000
Economic development and workforce grants		240,000
Infrastructure improvement grant		7,500,000
Michigan community development financial institution fund grants		(75,000,000)
Michigan community development financial institution fund grants		75,000,000
Michigan enhancement grants		800,000

	For Fiscal Year
	Ending Sept. 30,
	2023
Municipal information technology and cybersecurity upgrades	\$ 2,500,000
Strategic outreach and attraction reserve fund	846,100,000
Workforce and infrastructure grant	27,000,000
GROSS APPROPRIATION	\$ 916,140,200
Appropriated from:	
Special revenue funds:	
Contingent fund, penalty and interest account	20,000,000
Strategic outreach and attraction reserve fund	200
State general fund/general purpose	\$ 896,140,000
Sec. 104. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 15,000,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 15,000,000
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	\$ 15,000,000
(2) ONE-TIME APPROPRIATIONS	
Armory modernization	\$ 15,000,000
GROSS APPROPRIATION	\$ 15,000,000
Appropriated from:	
State general fund/general purpose	\$ 15,000,000

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:

APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 133,127,100
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 133,127,100
Federal revenues:	
Total federal revenues	126,827,100
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	2,900,000
State general fund/general purpose	\$ 3,400,000
Sec. 152. DEPARTMENT OF CORRECTIONS	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 0
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0

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		2022
Special revenue funds:		
Total local revenues	\$	0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0
(2) UNEMPLOYMENT		
Unemployment insurance agency	\$	21,627,100
GROSS APPROPRIATION	\$	21,627,100
Appropriated from:		, ,
Federal funds:		
DOL-ETA, unemployment insurance		21,627,100
State general fund/general purpose	\$	0
Sec. 155. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	*	
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	3,400,000
Interdepartmental grant revenues:	т	-,,
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	3,400,000
Federal revenues:	т	-,,
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	\$	3,400,000
(2) MICHIGAN VETERANS' FACILITY AUTHORITY	Ψ	3,100,000
Grand Rapids home for veterans	\$	3,400,000
GROSS APPROPRIATION	* *	3,400,000
Appropriated from:	_	2,222,222
State general fund/general purpose	\$	3,400,000
Sec. 156. DEPARTMENT OF NATURAL RESOURCES	Ψ	3,100,000
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	100,000
Interdepartmental grant revenues:	Ψ	200,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	100,000
Federal revenues:	Ψ	100,000
Total federal revenues		0
Special revenue funds:		<u> </u>
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		100,000
State general fund/general purpose	\$	0
(2) WILDLIFE MANAGEMENT	Ψ	<u> </u>
Wildlife management	\$	100,000
GROSS APPROPRIATION	\$	100,000
Appropriated from:	Ψ	130,000
Special revenue funds:		
Pheasant hunting license fees		100,000
State general fund/general purpose	\$	0
Sec. 157. DEPARTMENT OF STATE POLICE	Ψ	<u> </u>
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	105,200,000
GROOM I ROLLING	Φ	100,200,000

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION	\$ 105,200,000
Federal revenues:	
Total federal revenues	48,200,000
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	\$ 57,000,000
(2) FIELD SERVICES	
Post operations	\$ 0
GROSS APPROPRIATION	\$ 0
Appropriated from:	
Federal revenues:	
Coronavirus relief fund	48,200,000
State general fund/general purpose	\$ (48,200,000)
(3) ONE-TIME APPROPRIATIONS	
Federal ineligible expenses	\$ 105,200,000
GROSS APPROPRIATION	\$ 105,200,000
Appropriated from:	
State general fund/general purpose	\$ 105,200,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

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, 2023 is \$1,003,377,400.00 and total state spending from state sources to be paid to local units of government is \$64,000,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Behavioral health care services and facilities	\$ 15,000,000
	\$ 15,000,000
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY	
Downtown placemaking grant	\$ 12,000,000
Infrastructure improvement grant	7,500,000
Municipal information technology and cybersecurity upgrades	2,500,000
Workforce and infrastructure grant	27,000,000
	\$ 49,000,000
TOTAL	\$ 64,000,000

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. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this part and part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within this part and part 1 for the particular department, board, commission, office, or institution.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- Sec. 301. (1) From the funds appropriated in part 1 for behavioral health care services and facilities, the department shall allocate \$15,000,000.00 to a CMHSP located in a county with a population of at least 1,750,000, according to the most recent federal decennial census for capital costs of an integrated care center facility that includes a walk-in behavioral health crisis services center. These funds shall be in addition to any funds allocated to that CMHSP under 2022 PA 166.
- (2) Funds allocated under this section do not constitute a future guarantee of permitting approval for any project.
- (3) The unexpended funds appropriated in part 1 for behavioral health care services and facilities 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 made available for behavioral health care services and facilities. 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 increase behavioral health care service and facility capacity.
 - (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 \$15,000,000.00.
 - (d) The tentative completion date is September 30, 2027.
- (4) As used in this section, "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- Sec. 302. From the funds appropriated in part 1 for child care fund and foster care payments, the department of health and human services shall allocate \$25,000,000.00 to contracted child caring institutions for enhanced rates for all children receiving services under mental health and behavioral stabilization rates or the developmentally disabled or cognitively impaired rates.
- Sec. 303. (1) From the funds appropriated in part 1 for critical child welfare infrastructure, the department of health and human services shall allocate \$15,000,000.00 to create a grant program for nonprofit organizations to provide affordable and attainable housing for youth who are currently in foster care or youth who have already aged out of foster care.
- (2) To receive the funds appropriated under this section, a nonprofit organization must apply for the grant program in a form and manner prescribed by the department of health and human services.
- (3) From the funds appropriated in subsection (1), the department of health and human services shall allocate \$7,500,000.00 to a nonprofit organization located in a county with a population between 1,000,000 and 1,500,000 according to the most recent federal decennial census in a charter township with a population between 44,000 and 45,000 according to the most recent federal decennial census for an infrastructure project for the construction, purchase, or renovation of facilities, whichever is most economically feasible, to provide affordable and attainable housing for youth aged 16 to 18 years who are currently in foster care or youth who have already aged out of foster care. Before the funds appropriated under this subsection are distributed to the qualifying nonprofit organization, the nonprofit organization must provide an implementation plan to the department of health and human services. The department of health and human services may approve or reject the implementation plan. The implementation plan must include all of the following:
 - (a) An identification of not less than a 10% private investment for the infrastructure project.
- (b) How the infrastructure project would assist youth aged 16 to 18 years who are currently in foster care or youth who have already aged out of foster care with employment, educational opportunities, housing, community life, personal effectiveness, and personal well-being.
- (c) How the nonprofit organization plans to cover the ongoing operational costs and ongoing maintenance of the infrastructure project.
- (d) How the nonprofit organization will track and report to the department of health and human services the operational outcomes and performance metrics that would show whether the nonprofit organization's program model could be replicated to other facilities across the state.
- (4) By September 30, 2023, the department of health and human services shall provide a report to the house and senate appropriations subcommittees on health and human services, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the number of grant applications awarded, the approved implementation plan under subsection (3), and any performance metrics reported by the nonprofit organizations that were awarded grants.
- Sec. 304. (1) From the funds appropriated in part 1 for first responder and public safety staff mental health, the department shall allocate \$7,500,000.00 toward a program to support firefighters, police officers, emergency medical services personnel, public safety telecommunicators, local correctional officers, juvenile detention

employees, and individuals working on special teams such as internet sex crimes, sexual crimes against children, or traffic fatalities suffering from post-traumatic stress syndrome and other mental health conditions. The grant program must primarily provide grants to behavioral health providers and may also include funding to the Michigan crisis and action line established under section 165 of the mental health code, 1974 PA 258, MCL 330.1165, to improve information and referrals for these services. The program must coordinate and integrate with the Michigan crisis and access line established under section 165 of the mental health code, 1974 PA 258, MCL 330.1165.

- (2) The unexpended funds appropriated in part 1 for first responder and public safety staff mental health are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section until the project has 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 ensure that first responder and public safety staff who are dealing with post-traumatic stress syndrome and other mental health conditions have access to enhanced mental health services.
 - (b) The project will be accomplished by utilizing state employees, contracts with vendors, or local partners.
 - (c) The estimated cost of the project is \$7,500,000.00.
 - (d) The tentative completion date is September 30, 2027.

Sec. 305. From the funds appropriated in part 1 for behavioral health facilities grants, the department must allocate funds on a competitive basis to providers of behavioral health services for facility improvements, additional capacity, or facility acquisition, or all 3, with preference given to applicants that would repurpose school facilities to support the provision of mental health, primary care, and dental services not currently subsidized through public or private insurance, focused on underserved areas.

Sec. 306. From the funds appropriated in part 1 for quality assurance assessment program overpayment reimbursement, the department shall allocate \$4,237,200.00 to reimburse hospitals that overpaid quality assurance assessment program tax payments. The funds shall be distributed as follows:

- (a) \$827,700.00 to a nonprofit hospital located in a city with a population between 4,000 and 15,000 according to the most recent federal decennial census, within a county with a population between 67,000 and 75,000 according to the most recent federal decennial census.
- (b) \$2,882,600.00 to a teaching hospital located in a charter township with a population between 10,000 and 17,000 according to the most recent federal decennial census, within a county with a population between 297,000 and 405,000 according to the most recent federal decennial census.
- (c) \$202,700.00 to a critical access hospital that is located in a village with a population between 1,000 and 2,000 according to the most recent federal decennial census, within a county with a population between 2,500 and 5.500 according to the most recent federal decennial census.
- (d) \$324,200.00 to an independent, nonprofit community hospital that provides emergency, surgical, inpatient, outpatient, and primary care services for patients of all ages. The hospital must be located in a city with a population between 5,100 and 7,700 according to the most recent federal decennial census, within a county with a population between 104,000 and 120,000 according to the most recent federal decennial census.

Sec. 307. From the funds appropriated in part 1 for senior living and health care expansion, the department shall allocate \$4,000,000.00 to a 501(c)(3) nonprofit headquartered in a city with a population between 76,600 and 80,000 according to the most recent federal decennial census that was originally founded prior to 1947, supports operation of at least 20 locations throughout this state, and provides independent living, assisted living, skilled nursing, and memory care services. Grant funds shall be used to expand affordable housing for seniors and to expand programs for all-inclusive care for the elderly.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 401. From the funds appropriated in part 1 for Michigan enhancement grants, \$800,000.00 shall be awarded to a zoo located in a township with a population between 2,750 and 2,800 in a county with a population between 130,000 and 140,000 according to the most recent federal decennial census to support recreational improvements to the facility.

Sec. 402. From the funds appropriated in part 1 for economic development and workforce grants, \$240,000.00 shall be allocated to a township with a population between 90,000 and 95,000 according to the most recent federal decennial census for the construction of a culvert to allow pedestrian access to a county park.

- Sec. 403. (1) From the funds appropriated in part 1 for Michigan community development financial institution fund grants, \$75,000,000.00 is transferred to and appropriated from the Michigan community development financial institutions fund, which is created by this section, for grants to eligible community development financial institutions under this section and related expenditures permitted under this section. The legislature finds and declares that the appropriation described in this section is for a public purpose, including promoting community economic revitalization and community development through community development financial institutions.
- (2) By October 31, 2022, the Michigan strategic fund shall develop a grant application, approval, agreement, and compliance process consistent with this section adopted by a resolution of the board and published and available on the Michigan strategic fund's website.
 - (3) The application required under subsection (2) must include all of the following:
 - (a) The name of the community development financial institution applying for a grant from the CDFI fund.
 - (b) The location of the principal office of the applicant.
 - (c) Documentation indicating whether the applicant is a Michigan CDFI or a multistate CDFI.
- (d) The amount of the grant sought, not exceeding the maximum eligible amount of the grant under subsections (4) to (6).
- (e) If the community development financial institution is a depository institution, the net assets of the depository institution.
- (f) If the community development financial institution is not a depository institution, the amount of qualifying commitments made by the community development financial institution during the 3 calendar years preceding the calendar year in which the application is submitted.
 - (g) A description of the amount an applicant is eligible to apply for under subsections (4) to (6).
- (h) A description of the proposed use of the grant award by the applicant for eligible activities consistent with the requirements of this section, the community development banking and financial institutions act of 1994, 12 USC 4701 to 4719, and any other requirements applicable under federal law.
- (i) Documentation of the applicant's certification as a community development financial institution that meets the eligibility requirements under 12 CFR 1805.201 by the community development financial institutions fund established under section 104 of the community development banking and financial institutions act of 1994, 12 USC 4703. The documentation required by this subsection may include the list of community development financial institutions in good standing maintained and published by the federal fund.
- (j) A statement that the applicant is in compliance with all requirements applicable to the applicant under the community development banking and financial institutions act of 1994, 12 USC 4701 to 4719.
- (4) A community development financial institution that is a depository institution is eligible for a grant award in the following amount:
 - (a) Up to \$1,000,000.00 if the depository institution has total net assets of less than \$500,000,000.00.
 - (b) Up to \$1,500,000.00 if the depository institution has total net assets of \$500,000,000.00 to \$999,999,999.99.
- (c) Up to \$2,000,000.00 if the depository institution has total net assets of \$1,000,000,000.00 to \$1,999,999.999.99.
 - (d) Up to \$2,500,000.00 if the depository institution has total net assets of \$2,000,000,000.00 or more.
- (5) Except as otherwise provided in subsection (6), a community development financial institution is eligible for a grant award in the following amount:
- (a) Up to \$500,000.00 if the community development financial institution made qualifying commitments in an amount that averaged less than \$1,000,000.00 per year during the 3 calendar years preceding the calendar year in which an application for a grant is submitted.
- (b) Up to \$1,500,000.00 if the community development financial institution made qualifying commitments in an amount that averaged from \$1,000,000.00 to \$3,999,999.99 per year during the 3 calendar years preceding the calendar year in which an application for a grant is submitted.
- (c) Up to \$2,500,000.00 if the community development financial institution made qualifying commitments in an amount that averaged from \$4,000,000.00 to \$5,999,999.99 per year during the 3 calendar years preceding the calendar year in which an application for a grant is submitted.
- (d) Up to \$3,500,000.00 if the community development financial institution made qualifying commitments in an amount that averaged from \$6,000,000.00 to \$9,999,999.99 per year during the 3 calendar years preceding the calendar year in which an application for a grant is submitted.
- (e) Up to \$4,000,000.00 if the community development financial institution made qualifying commitments in an amount that averaged at least \$10,000,000.00 per year during the 3 calendar years preceding the calendar year in which an application for a grant is submitted.
 - (6) A grant to a multistate CDFI under subsection (5) must not exceed \$2,500,000.00.
- (7) The Michigan strategic fund shall accept applications for a grant under this section until November 30, 2022. The Michigan strategic fund shall approve or deny a grant application within 49 days after the receipt of

an administratively complete application as determined by the Michigan strategic fund. If the application complies with the requirements of this section, the Michigan strategic fund shall approve the award of the grant in the amount requested by the applicant. The Michigan strategic fund may deny a grant application submitted under this section only for the following reasons:

- (a) The applicant does not satisfy all of the requirements described in this section.
- (b) Subject to subsection (9), there is insufficient money in the CDFI fund to pay the grant amount requested.
- (c) The applicant is not in compliance with applicable requirements under the community development banking and financial institutions act of 1994, 12 USC 4701 to 4719.
- (8) If the Michigan strategic fund denies an application under subsection (7), the applicant may provide additional information to the Michigan strategic fund within 7 days of the notice of denial. The Michigan strategic fund shall review and reconsider the application and additional information within 28 days.
- (9) If there is an insufficient amount of money in the CDFI fund to pay the grants approved, the amount of each grant shall be reduced proportionately by the Michigan strategic fund based upon the amount of money available in the CDFI fund.
- (10) Upon approval of an application, the Michigan strategic fund and the applicant shall sign a written grant agreement providing the terms of the grant agreement. A grant agreement must include all of the following:
- (a) A requirement that at least 80% of the grant award be used for financial products and financial services or expenditures of money or commitments to expend money to reduce the interest rate otherwise applicable under a loan agreement or funding agreement.
- (b) A restriction that no more than 10% of the grant award be used for technical assistance activities described in 12 CFR 1805.303.
 - (c) A restriction that no more than 10% of the grant award be used for administration and operations.
- (d) A requirement that a grant award be committed under a loan agreement or funding agreement or disbursed by the recipient within 3 years of the date that the recipient receives the grant award.
 - (e) A requirement that the entire amount of the grant award be expended within this state.
- (f) A requirement that the grant award recipient maintain its certification as a community development financial institution under 12 CFR 1805.201 while the grant agreement is in effect.
- (g) A requirement that the grant award recipient comply with all requirements applicable under the community development banking and financial institutions act of 1994, 12 USC 4701 to 4719, while the agreement is in effect.
- (h) Provisions authorizing the Michigan strategic fund to enforce the terms of the grant agreement, including a requirement that a noncompliant recipient of a grant award repay the award for deposit in the CDFI fund.
- (i) A requirement for the grant award recipient to report on activities consistent with the requirements of subsection (14).
- (j) If the grant agreement includes a grant of federal money, the grant agreement must require the recipient to comply with any requirements applicable to the use of the federal money.
- (11) A grant agreement may provide for the community development financial institution that is the recipient of a grant award to serve as an intermediary lender to another community development financial institution consistent with the purposes of this section if not prohibited by federal law applicable to the expenditure of any federal grant money.
- (12) If not prohibited by federal law applicable to the expenditure of any federal grant money, a grant agreement must permit a grant award recipient to assign the award to an affiliate and for the affiliate to assume the obligations of the grant award recipient if the affiliate satisfies all of the following:
 - (a) Is a community development financial institution.
 - (b) Is organized in the same manner as the grant award recipient.
 - (c) Is controlled by the grant award recipient in 1 or both of the following ways:
 - (i) The grant award recipient owns a majority of the stock of the affiliate.
- (ii) A majority of the members of the board of the affiliate also are members of the board of the grant award recipient.
- (13) Except as otherwise provided in subsection (14), the Michigan strategic fund shall require the recipient of a grant award under this section to report annually to the Michigan strategic fund regarding its activities under this section beginning on the May 1 following the calendar year in which the grant award was received by the recipient. The Michigan strategic fund shall publish on its website a standard form for the report. Except as otherwise provided in subsection (14), the report must include all of the following information:
- (a) A copy of the recipient's most recent confirmation of recertification as a community development financial institution issued by the community development financial institutions fund under 12 CFR 1805.201, which may include the list of community development financial institutions in good standing maintained and published by the federal fund.

- (b) A list of financial products and services provided during the prior calendar year that includes all of the following:
 - (i) The name of each transaction.
 - (ii) A transition tracking number for each transaction.
 - (iii) The date of each transaction.
 - (iv) The amount of each transaction.
 - (v) The total project cost for each transaction if other funding was involved.
 - (vi) The physical address of the borrower or customer for each transaction.
 - (vii) The census tract of the borrower or customer for each transaction.
- (viii) An indication of whether the census tract in which the transaction is located is an eligible investment area.
 - (ix) A description of the projected economic impact of the transaction.
 - (x) A description of any financial products or financial services provided.
 - (c) A description of technical assistance provided during the prior calendar year.
- (d) A summary of expenditures for administration and operations provided during the prior calendar year that includes all of the following:
 - (i) A description of administration and operations costs incurred.
 - (ii) Professional fees and expenses incurred.
 - (iii) A summary of any other eligible expenses for administration and operation.
- (14) A grant award recipient is not required to provide a report under this section for any calendar year in which it did not loan or otherwise commit or disburse grant award money. The Michigan strategic fund shall not include information in the report required under subsection (13) if information that otherwise would be included in a report under subsection (13) is either of the following:
- (a) Exempt from disclosure or confidential as proprietary business or financial information under the community development banking and financial institutions act of 1994, 12 USC 4701 to 4719.
 - (b) Exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (15) Except as otherwise provided in subsection (3), the Michigan strategic fund may expend up to 4% of the appropriation provided from the CDFI fund for the costs it incurs in administering the programs and activities under this section.
- (16) The unexpended portion of money in the CDFI fund provided for grants under this section is considered a work project appropriation in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a. The following apply to the work project:
- (a) The purpose of the project is to provide grants to eligible community development financial institutions under this section.
- (b) All grants will be distributed in accordance with this section and the grant guidelines as part of the application process and grant agreements between the Michigan strategic fund and grant recipients.
 - (c) The estimated cost of the work project is \$75,000,000.00.
 - (d) The tentative completion date for the work project is September 30, 2027.
 - (17) As used in this section:
- (a) "CDFI fund" means the Michigan community development financial institutions fund created in subsection (1).
- (b) "Community development financial institution" means that term as defined in section 103 of the community development banking and financial institutions act of 1994, 12 USC 4702, but is limited to a community development financial institution that satisfies all of the following:
 - (i) Is an entity that meets the eligibility requirements described in 12 CFR 1805.200.
- (ii) Is certified as a community development financial institution that meets the eligibility requirements under 12 CFR 1805.201 by the community development financial institutions fund established under section 104 of the community development banking and financial institutions act of 1994, 12 USC 4703.
 - (iii) Maintains 1 or more physical offices within this state.
- (iv) Employs 2 or more individuals at a physical office within this state, including employees of an affiliate of the community development financial institution that provides services to the community development financial institution.
 - (v) Is a Michigan CDFI or a multistate CDFI.
 - (c) "Depository institution" means any of the following:
 - (i) A bank as that term is defined in section 3(a) of the federal deposit insurance act, 12 USC 1813.
- (ii) A savings association as that term is defined in section 3(b) of the federal deposit insurance act, 12 USC 1813.
 - (iii) A credit union as that term is defined in section 102 of the credit union act, 2003 PA 215, MCL 490.102.
 - (iv) A depository institution holding company as that term is defined in 12 CFR 1805.104.

- (d) "Eligible activities" means activities described in 12 CFR 1805.301, and includes credit enhancements, loan loss reserves, equity investments, expenditures of money or commitments to expend money to reduce the interest rate otherwise applicable under a loan agreement or funding agreement, and grants related to these activities.
- (e) "Federal fund" means the federal community development financial institutions fund within the United States Department of Treasury.
 - (f) "Financial products" means that term as defined in 12 CFR 1805.104.
 - (g) "Financial services" means that term as defined in 12 CFR 1805.104.
 - (h) "Michigan CDFI" means a community development financial institution that satisfies all of the following:
- (i) Is certified as a community development financial institution that meets the eligibility requirements under 12 CFR 1805.201 by the community development financial institutions fund established under section 104 of the community development banking and financial institutions act of 1994, 12 USC 4703.
 - (ii) Is headquartered at an address in this state, as recognized by the federal fund.
 - (iii) Has a target market that includes this state, as recognized by the federal fund.
 - (iv) Serves 1 or more targeted populations located within this state.
- (i) "Multistate CDFI" means a community development financial institution that is not a Michigan CDFI but is a community development financial institution that committed under a loan agreement or other funding agreement of at least \$10,000,000.00 in financial products and financial services to a target market within this state under the community development banking and financial institutions act of 1994, 12 USC 4701 to 4719, during the 5 calendar years preceding the calendar year in which an application for a grant is submitted.
- (j) "Qualifying commitment" means funding committed by a community development financial institution under a loan agreement or other funding agreement in target markets or targeted populations in this state that is either of the following:
- (i) Financial products or financial services committed under the community development banking and financial institutions act of 1994, 12 USC 4701 to 4719.
- (ii) An additional credit enhancement, loan loss reserve, or equity investment committed by the community development financial institution or an affiliate of the community development financial institution.
 - (k) "Target market" means that term as defined in 12 CFR 1805.104.
 - (l) "Targeted population" means that term as defined in 12 CFR 1805.104.
- Sec. 404. (1) Up to \$100,000,000,000.00 in funds from COVID-19 emergency rental assistance that were appropriated in 2021 PA 133 and 2022 PA 53 is appropriated for the creation or rehabilitation of affordable housing, in accordance with federal regulations and as specified by the United States Department of Treasury.
- (2) The funds appropriated in subsection (1) 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 work project is to support the creation or rehabilitation of affordable housing.
 - (b) The projects will be accomplished by utilizing state employees or by contracts.
 - (c) The total estimated cost of the work project is \$100,000,000.00.
 - (d) The tentative completion date is September 30, 2027.
- Sec. 405. The Michigan state housing development authority may increase capacity by a total of 25.0 limited-term FTE positions for housing programs administered by the Michigan state housing development authority.
- Sec. 406. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$846,100,000.00 for state restricted contingency authorization for the department of labor and economic opportunity. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- Sec. 407. The funds appropriated in part 1 for the critical industry program must be used for program activities pursuant to section 88s of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088s.
- Sec. 408. (1) The funds appropriated in part 1 for the Michigan strategic site readiness program must be used for program activities pursuant to section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t. It is the intent of the legislature that funds transferred from the strategic outreach and attraction reserve fund to the Michigan strategic site readiness program under this act must be used as outlined under subsections (2), (3), (4), (5), and (6).

- (2) From the funds in part 1 for the Michigan strategic site readiness program, \$25,000,000.00 shall be used by the Michigan strategic fund to make grants to regional and local economic development organizations as provided for under section 88t(11) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t, or other eligible applicant as provided for under section 88t(16)(b) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t, which may be used for site assessments to identify the improvements and associated costs required to bring each site to a state of readiness; for engineering, design, and other predevelopment work required to commence construction on site improvements; and to develop a spending plan and proposal for capital investments in site readiness. Subject to the approval of the Michigan strategic fund or its designee, local and regional economic development organizations may also use such funds for the acquisition of property or interests in property. Pursuant to section 88t(11) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t, the grantee for each site receiving funding under this program must use a consistent statewide rating system to identify the level of readiness for each site and must submit each site to a statewide inventory of large strategic sites.
- (3) From the funds in part 1 for the Michigan strategic site readiness program, \$100,000,000.00 shall be used by the Michigan strategic fund to make grants to eligible applicants for improvements to strategic sites for which an end-user has not been identified, as provided for under section 88t(5) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t. Eligible applicants receiving funding under this subsection may enter into subgrant agreements with other entities as necessary and expedient to implement the improvements. Of the funds appropriated through this subsection, not less than \$75,000,000.00 shall be allocated to eligible applicants applying based on a site assessment and investment proposal developed pursuant to the Michigan strategic site readiness program. The Michigan strategic fund shall otherwise follow the evaluation and selection criteria set forth in section 88t(5) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t, and the procedures and conditions set forth in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.
- (4) From the funds in part 1 for Michigan strategic site readiness program, \$75,000,000.00 shall be used by the Michigan strategic fund for the assessment and development of mega-strategic sites as set forth in this subsection. Of the funds appropriated through this subsection, up to \$1,500,000.00 shall be used for the development of a mega-strategic site strategic plan that addresses the criteria in section 88t(6) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t. The mega-strategic site strategic plan shall be developed utilizing a national site selection consultant that specializes in mega-strategic sites and in consultation with strategic industry and utility partners, and shall be submitted to the governor, the speaker of the house of representatives, and the senate majority leader not later than 180 days after the date of enactment of this act. Upon the completion and submission of such plan, the remaining funds provided through this subsection shall be used for grants to eligible applicants for land assembly and improvements to mega-strategic sites for which an end-user has not been identified, as provided for in section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t. Eligible applicants receiving funding under this subsection may enter into subgrant agreements with other entities as necessary and expedient to implement the improvements. The Michigan strategic fund shall otherwise follow the procedures and requirements set forth in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094, in making grants to eligible applicants using funds under this subsection.
- (5) From the funds in part 1 for Michigan strategic site readiness program, \$50,000,000.00 shall be used by the Michigan strategic fund to make grants to eligible applicants for improvements to strategic sites for which an end-user has been identified, as provided for under section 88t(7) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t. Eligible applicants receiving funding under this subsection may enter into subgrant agreements with other entities as necessary and expedient to implement the improvements. Funds appropriated through this subsection must be used to make multiple awards. The Michigan strategic fund shall otherwise follow the evaluation and selection criteria set forth in section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t, and the procedures and requirements set forth in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.
- (6) From the funds in part 1 for Michigan strategic site readiness program, \$100,000,000.00 shall be used by the Michigan strategic fund to make grants to eligible applicants to remediate or redevelop landfill facilities for future economic development, or both. The Michigan strategic fund shall give priority to projects located at sites that meet all of the following criteria:
 - (a) The site was used as a landfill and contains solid waste placed on or under the property.
 - (b) The site has not been actively used for solid waste disposal in the immediately preceding 15 years.
 - (c) The current owner of the site did not cause or contribute to the solid waste disposal at the site.
- (d) The current owner of the site has agreed to contribute an amount equal to at least 10% of the total grant amount toward necessary environmental remediation costs.

- (e) Private investment into the project will total at least \$15,000,000.00, exclusive of environmental remediation costs.
- Sec. 409. The funds appropriated in part 1 for the strategic outreach and attraction reserve fund must be deposited into the strategic outreach and attraction reserve fund established in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254.
- Sec. 410. The legislature finds and declares that appropriations described in part 1 for the critical industry program and the Michigan strategic site readiness program are for a public purpose and serve the health, safety, and general welfare of the residents of this state.
- Sec. 411. (1) Funds appropriated in part 1 for workforce and infrastructure grant shall be awarded to a township with a population between 11,800 and 11,950 according to the most recent federal decennial census for sewer and other infrastructure improvements in that township or within the jurisdiction of another local unit of government under an agreement with that local unit of government, or both, to facilitate private investment of at least \$200,000,000.00.
- (2) A grant award under subsection (1) shall be issued no earlier than November 29, 2022 and shall not be awarded to an otherwise eligible recipient that has received or been approved to receive a grant under section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t, after September 15, 2022.
- Sec. 412. The funds appropriated in part 1 for infrastructure improvement grant shall be awarded to a city with a population of 60,000 to 63,000 according to the most recent federal decennial census. Grant funds must be used for the construction of a new bypass road that would directly or indirectly result in the city's acquisition of at least 40 acres of land to use for public recreation purposes.
- Sec. 413. The funds appropriated in part 1 for downtown placemaking grant shall be awarded to a city with a population of 20,600 to 20,700 located in a county with a population of 99,000 to 100,000 according to the most recent federal decennial census to work with the city's downtown development authority to remove blight; incentivize new residential development; create new parks, open spaces, trails, and other public amenities; and provide for river cleanup to improve recreation and drinking water.
- Sec. 414. The funds appropriated in part 1 for municipal information technology and cybersecurity upgrades shall be awarded to a city with a population of 100,000 to 110,000 according to the most recent federal decennial census for information technology upgrades including, but not limited to, physical security for data centers, information technology infrastructure, and cybersecurity upgrades.
- Sec. 415. (1) From the funds appropriated in part 1 for Michigan enhancement grants and economic development and workforce grants, the department shall execute a grant agreement with each recipient, pursuant to subsection (2). All grant funds are considered direct appropriations and, subject to receipt of all information under subsections (2) and (3), shall be disbursed by the department, as determined by the grant agreement. Any funds that are granted to a state department are appropriated in that department for the purpose of the intended grant. An initial disbursement of 50% shall be provided to the grantee upon execution of the grant agreement.
- (2) The department shall execute a grant agreement with each recipient in order to receive funding. The grant agreement shall include, but is not limited to, all of the following:
- (a) All necessary identifying information for the recipient, including any necessary tax identification information.
- (b) A description of the project for which the grant funds will be expended, including tentative timelines and the estimated budget. No expenditures outside of the project purpose, as stated in the executed grant agreement, shall be reimbursed from appropriations in part 1. Funds appropriated in part 1 may be used only for expenditures that occur on or after the effective date of this act, unless specifically authorized in section 401 or 402.
- (c) A requirement that after the initial 50% disbursement, additional funds shall be disbursed only after verification that the initial payment has been fully expended, in accordance with the project purpose. The remaining funds shall be disbursed in a manner specified in the grant agreement. The grantee must provide sufficient documentation, as determined by the department, to verify that all expenditures were made in accordance with the project purpose.
- (d) A requirement for quarterly reports from the recipient to the department that provide the status of the project and an accounting of all funds expended by the recipient.
- (e) A clawback provision that allows this state to recoup or otherwise collect any funds that are declined, unspent, or otherwise misused.

- (3) The grantee shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for a period of not less than 3 years, and the grant may be subject to audit and site visits as determined by the department. The grant agreement required under subsection (2) shall include signed assurance by the chief executive officer or other executive officer of the grant recipient that this requirement will be met.
- (4) All funds awarded shall be expended by the recipient, and projects completed, by September 30, 2026. If at that time, as evidenced by the quarterly reports, any unexpended funds remain, those funds shall be returned by the grantee to the state treasury. The state budget director may, on a case-by-case basis, extend this deadline, upon request by a grant recipient.
- (5) If a grantee does not provide information sufficient to execute a grant agreement by May 1, 2023, funds associated with that grant shall be returned to the state treasury.
- (6) The department shall provide quarterly updates on the accounting and status of each project to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office.

REPEALERS

Section 501. (1) Sections 991 and 1097 of article 5 of 2022 PA 166 are repealed.

(2) Section 818 of article 5 of 2021 PA 87 is repealed.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

GENERAL SECTIONS

Sec. 1201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1A for the fiscal year ending September 30, 2022 is \$6,300,000.00 and total state spending from state sources to be paid to local units of government is \$2,800,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY	
Drinking water declaration of emergency	\$ 2,800,000
TOTAL	\$ 2,800,000

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

Sec. 1203. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this part and part 1A, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within this part and part 1A for the particular department, board, commission, office, or institution.

Sec. 1204. Funds appropriated in part 1A must be allocated and expended in a manner consistent with federal rules and regulations.

Sec. 1205. Funds appropriated in part 1A are subject to applicable federal audit and reporting requirements. Prompt action shall 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. 1206. The state budget director shall report on the status of funds appropriated in part 1A, 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 ENVIRONMENT, GREAT LAKES, AND ENERGY

Sec. 1301. The unexpended funds appropriated in part 1A for drinking water declaration of emergency 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 for lead service line replacement and restoration, mandatory filter replacement, and water testing for the city of Flint.
 - (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 \$2,800,000.00.
 - (d) The tentative completion date is September 30, 2026.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 1401. The federal funds appropriated in part 1A for the unemployment insurance agency come from Michigan's distribution of federal Reed act dollars, authorized in the temporary extended unemployment compensation act of 2002, Public Law 107-147, and shall be used to cover administrative costs of the unemployment insurance agency. Pursuant to section 26(c)(2) of the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.26, these funds shall be transferred from the unemployment trust fund to the administration fund created in section 10 of the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.10. The state budget director is authorized to make the accounting transactions necessary for the implementation of this appropriation.

Sec. 1402. The unexpended funds appropriated in part 1A for the unemployment insurance agency 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 work project is to support administrative costs of the unemployment insurance agency.
- (b) The projects will be accomplished by utilizing state employees or by contracts.
- (c) The total estimated cost of the work project is \$21,627,100.00.
- (d) The tentative completion date is September 30, 2023.

DEPARTMENT OF NATURAL RESOURCES

Sec. 1451. The unexpended funds appropriated in part 1A for wildlife management 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 work project is to support the pheasant release program.
- (b) The projects will be accomplished by utilizing state employees or by contracts.
- (c) The total estimated cost of the work project is \$100,000.00.
- (d) The tentative completion date is September 30, 2023.

DEPARTMENT OF STATE POLICE

Sec. 1501. The unexpended funds appropriated in part 1A for federal ineligible expenses 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 support expenses that are determined to be ineligible for federal reimbursement.
 - (b) The project will be accomplished by utilizing state employees, contracts with vendors, or local partners.
 - (c) The estimated cost of the project is \$105,200,000.00.
 - (d) The tentative completion date is September 30, 2026.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 1601. In addition to the funds appropriated in part 1A, the department of technology, management, and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.786. Any deposits made under this section and unencumbered funds are restricted revenues and shall be carried over into succeeding fiscal years.

This act is ordered to take immediate effect.

	Secretary of the Senate
	Say Exampal
	Clerk of the House of Representatives
Approved	
Governo	or