



STATE OF MICHIGAN
 STATE BUDGET OFFICE
 LANSING

GRETCHEN WHITMER
 GOVERNOR

CHRISTOPHER M. HARKINS
 DIRECTOR

February 9, 2022

The Honorable Jim Stamas, Chair
 Senate Appropriations Committee
 Michigan State Senate
 State Capitol
 Lansing, Michigan 48909

The Honorable Thomas Albert, Chair
 House Appropriations Committee
 Michigan House of Representatives
 State Capitol
 Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Supplemental Request 2022-2

Attached please find supplemental recommendations for fiscal year 2022 totaling \$3 billion Gross (\$420.9 million General Fund). The supplemental recommendations are summarized by department below.

<u>Department</u>	<u>GF/GP</u>	<u>Gross</u>
Attorney General	\$4,070,000	\$4,070,000
Education	\$0	\$1,300,000
Environment, Great Lakes, and Energy	\$0	\$6,500,000
Health and Human Services	(\$215,985,800)	\$1,330,480,700
Judiciary	\$55,000	\$0
Labor and Economic Opportunity	\$535,040,800	\$594,378,000
Licensing and Regulatory Affairs	\$0	\$725,000
Military and Veterans Affairs	\$251,400	\$251,400
State Police	\$10,000,000	\$10,025,000
Technology, Management and Budget	\$2,500,000	\$2,500,000
Transportation	\$0	\$490,996,200
Treasury	\$85,000,000	\$608,000,000
Total	\$420,931,400	\$3,049,226,300

If you have any questions regarding this request, please contact Bethany Wicksall at (517) 335-3420.

Sincerely,

Christopher M. Harkins
 State Budget Director

Attachment

cc: Mike Shirkey, Senate Majority Leader
Jason Wentworth, Speaker of the House
Jim Ananich, Senate Minority Leader
Donna Lasinski, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency

Departments
JoAnne Huls, Chief of Staff
Tricia Foster, Chief Operating Officer
Jen Flood, Deputy Chief of Staff
George Cook, Director of Legislative Affairs
Bethany Wicksall, Deputy State Budget Director
Heather Boyd, Office of Financial Management
Internal State Budget Office

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Attorney General

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		4,070,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		4,070,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	4,070,000

ATTORNEY GENERAL OPERATIONS	Appn/Fund	
Operations	31570	4,070,000
GROSS APPROPRIATION		4,070,000
Appropriated from:		
State general fund/general purpose	1000	4,070,000

Boilerplate

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

- (a) The purpose of the project is to employ attorneys and support staff to investigate and prosecute unemployment fraud in Michigan.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$4,070,000.00.
- (d) The tentative completion date is September 30, 2026.

Explanation

This supplemental request seeks \$4.1 million in General Fund authorization to support enhanced Unemployment Insurance Agency Pandemic Unemployment Assistance fraud enforcement. This request will provide funding for 12.0 limited-term employees in support of the Unemployment Insurance Agency enforcement efforts.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Education

Appropriation Summary		Appn/Fund
GROSS APPROPRIATION		1,300,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		1,300,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	1,300,000
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND		Appn/Fund
Camp Tuhsmeheeta	33150	1,300,000
GROSS APPROPRIATION		1,300,000
Appropriated from:		
Gifts, bequests, and donations	5201	1,300,000

Explanation

This request will support renovation of Elm Hall into a nature center for students who are blind or visually impaired to engage students in science, technology, engineering, and mathematics (STEM). This will provide tactile experiences for students who may not otherwise have the opportunity to do so in a traditional school setting. The camp is comprised of over 300-acres and funding is needed to properly address ongoing tree removal and forest management needs.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Environment, Great Lakes, and Energy

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		6,500,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		6,500,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	6,500,000
State general fund/general purpose	GFGP	0

MATERIALS MANAGEMENT DIVISION	Appn/Fund	
Environmental sustainability and stewardship	42210	6,500,000
GROSS APPROPRIATION		6,500,000
Appropriated from:		
Energy efficiency and renewable energy revolving loan fund	1526	6,500,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for environmental sustainability and stewardship 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:18.1451a:

- (a) The purpose of the project is to provide grant assistance to Michigan’s public and private sectors as approved by the federal Department of Energy.
- (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 \$6,500,000.00.
- (d) The tentative completion date is September 30, 2026.

Explanation

This supplemental request seeks to realign available federal Department of Energy State Energy Program funds allocated under the American Recovery and Reinvestment Act. This request will provide grants for Community Energy Management Services, Clean Energy Manufacturing, Energy Policy Implementation Programs, Compliance, and Benefits to Public Safety/Health/Welfare of Michigan Residents.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Health and Human Services

Appropriation Summary		Appn/Fund
<i>Full-time equated classified positions</i>		177
GROSS APPROPRIATION		1,330,480,700
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		1,330,480,700
Total federal revenues	FDRL	1,579,741,400
Total local revenues	LOCL	(8,668,000)
Total private revenues	PRIV	8,733,300
Total other state restricted revenues	STRS	(33,340,200)
State general fund/general purpose	GFGP	(215,985,800)

DEPARTMENTAL ADMINISTRATION AND SUPPORT		Appn/Fund
<i>Full-time equated classified positions</i>		5.0
Unclassified salaries	10010	0
Demonstration projects	39200	0
Departmental administration and management-5 FTE positions	11510	279,300
Property management	13010	0
Terminal leave payments	67150	0
Worker's compensation	14000	0
GROSS APPROPRIATION		279,300
Appropriated from:		
Federal funds	3000	(1,551,900)
State general fund/general purpose	1000	1,831,200

CHILD SUPPORT ENFORCEMENT		Appn/Fund
Child support enforcement operations	34360	500,000
GROSS APPROPRIATION		500,000
Appropriated from:		
Federal funds	3000	333,300
State general fund/general purpose	1000	166,700

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

COMMUNITY SERVICES AND OUTREACH

Appn/Fund

<i>Full-time equated classified positions</i>		4.0
Bureau of community services and outreach-3 FTE positions	32700	0
Community services and outreach administration-1 FTE positions	37140	2,617,800
GROSS APPROPRIATION		2,617,800

Appropriated from:

Capped federal revenues	3213	106,900
Federal funds	3000	1,367,900
Social security act, temporary assistance for needy families	3510	120,100
State general fund/general purpose	1000	1,022,900

CHILDREN'S SERVICES AGENCY - CHILD WELFARE

Appn/Fund

Adoption subsidies	30310	277,700
Adoption support services	30300	0
Child care fund	34150	(596,100)
Child protection	34300	1,000,000
Child welfare field staff - noncaseload compliance	35410	0
Child welfare institute	35430	0
Child welfare licensing	35470	0
Children's protective services - caseload staff	35554	0
Children's protective services supervisors	35557	0
Children's services administration	35600	1,219,000
Contractual services, supplies, and materials	37800	0
Education planners	40600	0
Family preservation and prevention services administration	42860	0
Family preservation programs	42850	0
Foster care payments	45250	10,328,400
Foster care services - caseload staff	45270	0
Foster care services supervisors	45272	0
Guardianship assistance program	46600	111,600
Peer coaches	58200	0
Performance based funding implementation	58250	0
Permanency resource managers	58350	0
Prosecuting attorney contracts	60210	0
Raise the age fund	61380	7,688,900
Second line supervisors and technical staff	63600	0
Settlement monitor	64050	0
Title IV-E compliance and accountability office	67400	0
Youth in transition	70100	0
GROSS APPROPRIATION		20,029,500

Report ID: BUD-SUPLET-0047	SIGMA
Run Date: 2/6/2022	Supplemental Letter Detail
Run Time: 5:38:40 PM	

Supplemental Letter # 2022-2

Appropriated from:

Capped federal revenues	3213	3,263,400
Federal funds	3000	(14,476,700)
Social security act, temporary assistance for needy families	3510	838,500
County chargeback	4209	(8,139,000)
Other state restricted revenues	1200	2,000,000
State general fund/general purpose	1000	36,543,300

CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE

Appn/Fund

County juvenile officers	38350	73,300
GROSS APPROPRIATION		73,300
Appropriated from:		
State general fund/general purpose	1000	73,300

PUBLIC ASSISTANCE

Appn/Fund

Family independence program	42750	(3,738,200)
Food assistance program benefits	44800	1,155,716,600
State disability assistance payments	65650	(253,100)
State supplementation	65950	(1,692,800)
GROSS APPROPRIATION		1,150,032,500
Appropriated from:		
Federal funds	3000	1,155,716,600
Social security act, temporary assistance for needy families	3510	(3,558,200)
Public assistance recoupment revenue	1384	(180,000)
State general fund/general purpose	1000	(1,945,900)

FIELD OPERATIONS AND SUPPORT SERVICES

Appn/Fund

Administrative support workers	30200	0
Contractual services, supplies, and materials	37830	0
Field policy and administration	30450	0
Field staff travel	44040	0
Public assistance field staff	44050	0
Training and program support	67570	0
GROSS APPROPRIATION		0
Appropriated from:		
Federal funds	3000	(2,108,800)
State general fund/general purpose	1000	2,108,800

Report ID: BUD-SUPLET-0047**SIGMA****Run Date:** 2/6/2022**Supplemental Letter Detail****Run Time:** 5:38:40 PM**Supplemental Letter # 2022-2**

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS	Appn/Fund	
Behavioral health program administration	32050	3,800,000
Family support subsidy	42950A	(795,300)
Opioid response activities	57467	16,000,000
GROSS APPROPRIATION		19,004,700
Appropriated from:		
Federal funds	3000	16,000,000
Social security act, temporary assistance for needy families	3510	(795,300)
Private funds	5000	3,800,000
BEHAVIORAL HEALTH SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		<i>5.0</i>
Autism services	31650	(69,021,400)
Behavioral health community supports and services-5 FTE positions	32044	15,225,000
Certified community behavioral health clinic demonstration	33935	73,669,500
Health homes	47100	11,700,400
Healthy Michigan plan - behavioral health	47620	(21,549,000)
Medicaid mental health services	52700	(182,458,000)
Medicaid substance use disorder services	52800	(2,058,200)
GROSS APPROPRIATION		(174,491,700)
Appropriated from:		
Federal funds	3000	(30,678,700)
Insurance provider fund	1561	634,500
Quality assurance assessment tax	1902	52,800
State general fund/general purpose	1000	(144,500,300)
STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		<i>164.0</i>
Caro Regional Mental Health Center - psychiatric hospital - adult	33450	(4,000,000)
Center for forensic psychiatry-82 FTE positions	33650	4,950,000
Hawthorn Center - psychiatric hospital - children and adolescents-82 FTE positions	46750	9,250,000
Kalamazoo Psychiatric Hospital - adult	50550	(4,200,000)
Walter P. Reuther Psychiatric Hospital - adult	69250	5,000,000
GROSS APPROPRIATION		11,000,000
Appropriated from:		
Federal funds	3000	1,267,200
Other state restricted revenues	1200	0
State general fund/general purpose	1000	9,732,800

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES

Appn/Fund

<i>Full-time equated classified positions</i>		(1.0)
Policy and planning administration	47350	(2,617,800)
Rural health services	62800	(1,380,500)
GROSS APPROPRIATION		(3,998,300)
Appropriated from:		
Capped federal revenues	3213	(106,900)
Federal funds	3000	(2,755,800)
Social security act, temporary assistance for needy families	3510	(120,100)
State general fund/general purpose	1000	(1,015,500)

EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY

Appn/Fund

Epidemiology administration	42250	400,000
Healthy homes program	47500	0
GROSS APPROPRIATION		400,000
Appropriated from:		
Federal funds	3000	524,000
Fees and collections	1274	400,000
State general fund/general purpose	1000	(524,000)

LOCAL HEALTH AND ADMINISTRATIVE SERVICES

Appn/Fund

AIDS prevention, testing, and care programs	30750	1,181,600
Public health administration	60400	(279,300)
Sexually transmitted disease control program	64150	2,000,000
Smoking prevention program	64400	500,000
GROSS APPROPRIATION		3,402,300
Appropriated from:		
Federal funds	3000	1,681,600
Private funds	5000	2,000,000
State general fund/general purpose	1000	(279,300)

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

FAMILY HEALTH SERVICES	Appn/Fund	
Child and adolescent health care and centers	34100	3,000,000
Family, maternal, and child health administration	43000	170,000
Pregnancy prevention program	58850	(170,000)
Women, infants, and children program administration and special projects	70000	883,300
GROSS APPROPRIATION		3,883,300

Appropriated from:

Local funds	4000	3,000,000
Private funds	5000	883,300
Healthy Michigan fund	1487	0

CHILDREN'S SPECIAL HEALTH CARE SERVICES	Appn/Fund	
Medical care and treatment	52850	(29,400,900)
GROSS APPROPRIATION		(29,400,900)

Appropriated from:

Federal funds	3000	(7,508,500)
Private funds	5000	150,000
State general fund/general purpose	1000	(22,042,400)

AGING AND ADULT SERVICES AGENCY	Appn/Fund	
Aging and adult services administration	56850	1,000,000
Community services	37150	1,000,000
Nutrition services	56400	1,500,000
GROSS APPROPRIATION		3,500,000

Appropriated from:

Federal funds	3000	3,500,000
---------------	------	-----------

Report ID: BUD-SUPLET-0047**SIGMA****Run Date:** 2/6/2022**Supplemental Letter Detail****Run Time:** 5:38:40 PM**Supplemental Letter # 2022-2**

HEALTH AND AGING SERVICES	Appn/Fund	
Adult home help services	30400	(22,400)
Ambulance services	31000	314,500
Auxiliary medical services	31800	187,900
Dental services	39270	36,484,700
Federal Medicare pharmaceutical program	43700	20,496,400
Health plan services	47300	(139,831,900)
Healthy Michigan plan	47600	349,274,000
Home health services	48000	(89,100)
Hospice services	48250	(3,648,800)
Hospital services and therapy	48350	(38,827,200)
Integrated care organizations	49450	(3,038,400)
Long-term care services	51950	(77,019,900)
Maternal and child health	52450	2,383,000
Medicaid home- and community-based services waiver	52650	0
Medicare premium payments	53150	48,965,200
Personal care services	58400	(685,900)
Pharmaceutical services	58550	29,596,300
Physician services	58600	(12,394,100)
Program of all-inclusive care for the elderly	59800	(2,204,500)
School-based services	63450	(24,320,000)
Special Medicaid reimbursement	64900	(34,654,700)
Transportation	67805	(116,200)
GROSS APPROPRIATION		150,848,900
Appropriated from:		
Federal funds	3000	459,660,300
Local funds	4000	(3,529,000)
Private funds	5000	1,900,000
Insurance provider fund	1561	7,508,000
Other state restricted revenues	1200	(15,643,000)
Quality assurance assessment tax	1902	(28,112,500)
State general fund/general purpose	1000	(270,934,900)

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

INFORMATION TECHNOLOGY	Appn/Fund	
Comprehensive child welfare information system	37427	0
Information technology services and projects	16020	0
Michigan statewide automated child welfare information system	16208	0
GROSS APPROPRIATION		0
Appropriated from:		
Federal funds	3000	(977,500)
State general fund/general purpose	1000	977,500

ONE-TIME APPROPRIATIONS	Appn/Fund	
Behavioral health direct care worker payment	T32043	135,000,000
Child caring institution non-contracted rates	T34175	10,800,000
Congregate care pandemic relief grants	T37435	2,000,000
State psychiatric hospital facility improvements	TC65865	25,000,000
GROSS APPROPRIATION		172,800,000
Appropriated from:		
State general fund/general purpose	1000	172,800,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for congregate care pandemic relief grants 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 costs associated with providing pandemic-related fiscal relief to Michigan's licensed residential child welfare providers contracted with the department.
- (b) The project will be accomplished by utilizing state employees or contracts.
- (c) The total estimated cost of the project is \$2,000,000.00.
- (d) The tentative completion date is September 30, 2026.

Sec. xxx. The unexpended funds appropriated in part 1 for child caring institution non-contracted rates 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 costs associated with child and program-specific, non-contracted rates determined appropriate to serve children in licensed child caring institutions.
- (b) The project will be accomplished by utilizing state employees or contracts.
- (c) The total estimated cost of the project is \$10,800,000.00.
- (d) The tentative completion date is September 30, 2026.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Sec. xxx. (1) From the funds appropriated in part 1 for State psychiatric hospital facility improvements, the department shall allocate \$25,000,000 to support capital costs associated with the renovation and opening of two additional units at Hawthorn Center and the center for forensic psychiatry satellite facility.

(2) The unexpended funds appropriated in part 1 for state psychiatric hospital facility improvements 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 capital improvements costs for the new units located at hawthorn center and the center for forensic psychiatry satellite facility.

(b) The project will be accomplished by utilizing state employees or contracts.

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

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

Sec. xxx. (1) From the funds appropriated in part 1 for behavioral health direct care worker payment, the department shall allocate \$135,000,000 to support one-year bonus payments to eligible behavioral health direct care workers.

(2) The unexpended funds appropriated in part 1 for behavioral health direct care worker payment 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 provide bonus payments to behavioral health direct care workers to support efforts to recruit and retain these staff.

(b) The project will be accomplished by utilizing state employees or contracts.

(c) The total estimated cost of the project is \$135,000,000.00.

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

Explanation

This supplemental request includes \$1.3 billion in Gross authorization and reduces General Fund authorization by \$216.0 million for the Department of Health and Human Services (DHHS). The request includes adjustments associated with the enhanced Federal Medical Assistance Percentage rate (E-FMAP); FY 2022 caseload, utilization, and inflationary cost changes; child welfare adjustments; various Medicaid special financing adjustments; and several local, federal, private, and state restricted fund authorization adjustments. It also includes funding requests to improve the capacity of behavioral health services and payments provided to child care institutions and nursing homes.

Health services supplemental items include:

-- Updated caseload cost projections for Medicaid physical and behavioral health accounting for a \$241.2 million Gross (\$101.7 million General Fund) reduction. Specific adjustments by major program include: \$197.5 million Gross (\$63.8 million General Fund) in caseload cost reductions in behavioral health and \$43.7 million Gross (\$37.9 million General Fund) in caseload cost reductions in physical health services. These adjustments also recognize anticipated caseload reductions from resuming redeterminations following the end of the public health emergency in March of FY 2022.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

-- Other caseload adjustments include a reduction of \$795,300 in TANF funding supporting the Family Support Subsidy program.

-- Medicaid special payment adjustments totaling \$108.3 million (\$7.0 million General Fund cost), reflecting adjustments in the Health and Aging Services and Behavioral Health Services units.

'-- E-FMAP adjustments that extend savings included in the enacted FY 2022 budget for two additional quarters, reducing General Fund by \$404.9 million. This includes E-FMAP savings not recognized in the initial appropriation that reduce the budget by an additional \$600,000 General Fund. These new savings are tied to the implementation of the Certified Community Behavioral Health Clinic demonstration (CCBHC).

-- E-FMAP adjustments increasing general fund \$950,000 recognizing the March 31, 2022 end of 10% FMAP increase for Home and Community Based Services.

-- \$28.0 million reduction in General Fund to account for two additional quarters of E-FMAP in the Federal Medical Pharmaceutical Program (FMPP).

Non-caseload adjustments include:

-- \$186.2 million General Fund and 169.0 FTEs to implement structural improvements to Michigan's behavioral health delivery system and expand the availability and capacity of behavioral health services. This includes \$160.0 million in one-time General Fund to support bonus payments to behavioral direct care staff and capital costs to renovate and open two wings at Hawthorn Center and a Center for Forensic Psychiatry (CFP) satellite site, and \$26.2 million in ongoing partial year cost for community-based services increases, Hawthorn Center and CFP satellite facility operations.

-- \$16.0 million in state restricted authorization to recognize revenue from settlements and court rulings associated with lawsuits brought against drug companies, distributors, and pharmacies over their role in the opioid epidemic.

-- \$7.3 million General Fund costs associated with an electronic visit verification (EVV) FMAP penalty due to non-compliance with section 12006 of the federal CURES Act.

-- \$6.3 million (\$0 General Fund) to account for additional federal and private authorization necessary to finance the tribal pharmacy all-inclusive rate.

-- \$31.8 million (\$10.0 million General Fund) to provide a \$2.35 per hour wage adjustment for non-clinical workers in nursing facilities.

-- \$14.2 million to recognize one-time costs for the inclusion of Additional Low-Income Medicare Beneficiaries (ALMB) to FMPP calculations.

-- \$41.6 million to recognize one-time costs for the inclusion of Healthy Michigan Plan (HMP) dual-eligible enrollees to FMPP calculations.

-- \$1.9 million in private authorization in Behavioral Health Program Administration for grant awards received from Michigan Health Endowment and Vital Strategies.

-- \$6.6 million in non-General Fund authorization adjustments impacting the following population health programs: Rural Health Services, AIDS Prevention, Testing, and Care Programs, Smoking Prevention Program, Epidemiology Administration, Sexually Transmitted Disease Control Program, supplemental nutrition program for Women, Infants, and Children (WIC), and the child and adolescent health centers.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Public Assistance, Aging, and Community Services adjustments include the following:

-- Public assistance caseload adjustments totaling \$1.15 billion (\$1.9 million reduction in General Fund) based on current caseload projections for Family Independence Program, State Disability Assistance Program, and State Supplementation.

-- Authorization of 3.0 additional FTEs in the Community Services and Outreach unit to align with the total of on-board, funded positions.

-- Recognize \$3.5 million in additional federal grants for Area Agencies on Aging.

Child Welfare and Juvenile Justice adjustments include the following:

-- Child Welfare caseload adjustments totaling an increase of \$10.1 million Gross (\$9.1 million General Fund) based on current caseload projections for Adoption Subsidies, Child Care Fund, Guardianship Assistance Program, and Foster Care Payments.

-- E-FMAP adjustments to Child Welfare base caseload for second and third quarters, reducing General Fund by \$7.4 million.

-- Federal Child Protection grant authorization increase of \$1.0 million.

-- Projected increase in payments to local governments of \$7.7 million Gross/General Fund to meet the statutory requirements of Raise the Age.

-- \$32.9 million General Fund to backfill overdraw of federal Title IV-E claims.

-- \$2.0 million of state restricted funding, including an offsetting \$2.0 million General Fund reduction, to establish a new state restricted fund source within the Foster Care Payments line to house Supplemental Security Income (SSI) benefits for foster children that will carry over annually. This adjustment is necessary for compliance with a new Governmental Accounting Standards Board standard (GASB-84).

-- \$500,000 Gross (\$166,700 General Fund) for a federally required independent audit of information technology (IT) for county prosecuting attorney and Friend of the Court offices, mandated every three years for offices with IT operations that are not managed by DTMB.

-- \$10.8 million Gross/General Fund for child and program-specific, non-contracted rates determined appropriate to serve children in licensed residential child welfare facilities. Assumes 80 children requiring a rate that is \$500/day higher than the existing average rates for the remaining 270 days of FY 2022.

-- \$6.1 million Gross (\$5.0 million General Fund) to increase rates paid to residential child welfare providers.

-- \$2.0 million Gross/General Fund for providing pandemic-related fiscal relief to Michigan's residential child welfare providers.

-- \$73,300 Gross/General Fund for an inflationary increase in statutory support for County Juvenile Officers.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Judiciary

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		0
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		0
Total federal revenues	FDRL	(55,000)
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	55,000

SUPREME COURT	Appn/Fund	
Foster care review board	18180	0
GROSS APPROPRIATION		0
Appropriated from:		
HHS, title IV-E foster care program	3244	(55,000)
State general fund/general purpose	1000	55,000

Explanation

This supplemental request provides additional General Fund support for the Foster Care Review Board to backfill the DHHS overdraw of federal Title IV-E claims.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Labor and Economic Opportunity

Appropriation Summary	Appn/Fund	
<i>Full-time equated classified positions</i>		58.0
GROSS APPROPRIATION		594,378,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		594,378,000
Total federal revenues	FDRL	59,898,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	(560,800)
State general fund/general purpose	GFGP	535,040,800

WORKFORCE DEVELOPMENT	Appn/Fund	
Going pro	64360	0
GROSS APPROPRIATION		0
Appropriated from:		
Contingent fund, penalty and interest account	2213	(9,540,800)
State general fund/general purpose	1000	9,540,800

REHABILITATION SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		3.0
Bureau of services for blind persons-3 FTE positions	32950A	0
GROSS APPROPRIATION		0
Appropriated from:		
State general fund/general purpose	1000	0

EMPLOYMENT SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		3.0
Workers' compensation board of magistrates-3 FTE positions	14011	500,000
GROSS APPROPRIATION		500,000
Appropriated from:		
State general fund/general purpose	1000	500,000

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

ONE-TIME APPROPRIATIONS

Appn/Fund

<i>Full-time equated classified positions</i>		52.0
Mobility futures initiative	T54485	25,000,000
Strategic outreach and attraction reserve fund	T66125	500,000,000
Unemployment insurance agency-52 FTE positions	T68260A	8,980,000
Community development block grant - disaster recovery	T36951	59,898,000
GROSS APPROPRIATION		593,878,000
Appropriated from:		
HUD-CPD, community development block grant	3283	59,898,000
Contingent fund, penalty and interest account	2213	8,980,000
State general fund/general purpose	1000	525,000,000

Boilerplate

Sec. xxx. (1) The unexpended funds appropriated in part 1 for community development block grant - disaster recovery 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 disaster recovery efforts.
- (b) The projects will be accomplished by utilizing state employees or by contracts.
- (c) The total estimated cost of the work project is \$59,898,000.00.
- (d) The tentative completion date is September 30, 2026.

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

- (a) The purpose of the work project is to support fraud enforcement in 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 \$8,980,000.00.
- (d) The tentative completion date is September 30, 2024.

Sec. xxx. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$500,000,000.00 for state restricted contingency authorization. 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. xxx. 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.

Supplemental Letter # 2022-2

Sec. xxx. (1) The funds appropriated in part 1 for the mobility futures initiative shall be used to invest in the rapidly evolving industries, infrastructure, and workforce opportunities available in the mobility sphere in order to position Michigan as a global leader in mobility and electrification. The department's office of future mobility and electrification, created through Executive Directive 2020-1, shall coordinate these initiatives.

(2) The funds shall be allocated in the following manner:

(a) A total of \$15,000,000.00 for transitioning and growing the state's mobility workforce and industry. Funds may be used to support a statewide platform and development of new training curriculum to grow the next generation electric vehicle workforce, for addressing shortages in the mobility industry's talent pipeline, and providing planning services for communities at risk of losing an anchor employer tied to the internal combustion engine auto manufacturing industry.

(b) A total of \$7,000,000.00 for providing safer, greener, and more accessible mobility services. These funds may be used for a grant program that addresses mobility and safety challenges across the state, and for a partnership with the Michigan department of transportation to pilot a mobility wallet program that removes transit barriers and drives equity across the transportation sector.

(c) A total of \$3,000,000.00 to lead the nation in mobility innovation by developing and commercializing mobility technologies through a new network of mobility innovation hubs that will support mobility companies on their next stage of growth.

(3) The department shall report to the senate and house appropriations subcommittees for the department, the state budget director, and the senate and house fiscal agencies by September 30, 2022 on the status of the initiatives and objectives achieved.

(4) The unexpended funds appropriated in part 1 for the mobility futures initiative 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 provide support for the mobility futures initiative.

(b) The projects will be accomplished by utilizing state employees or by contracts.

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

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

Sec. xxx. The unexpended funds appropriated in part 1 for the workers' compensation board of magistrates 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 temporary magistrates and decrease the backlog related to the COVID-19 pandemic.

(b) The projects will be accomplished by utilizing state employees or by contracts.

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

(d) The tentative completion date is September 30, 2024.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Explanation

This supplemental recommends a total of \$594.4 million gross, \$535 million general fund in the Department of Labor and Economic Opportunity involving seven different line-items.

First, the state Community Development Block Grant (CDBG) program has received a special allocation of disaster recovery funds (\$59.9 million) to address the severe storms and flooding (dam failure) that occurred on May 16, 2020 - May 22, 2020 in mid-Michigan. These federal funds will go towards recovery projects that have a specific focus on low- and moderate income populations and provide: "disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation, in the most impacted and distressed areas." The first step in the process includes conducting an unmet needs assessment, which will inform specific activities that can be undertaken with the grant funds.

Second, approximately \$9 million Penalty & Interest (P&I) Fund is recommended in one-time funding to support enhanced Unemployment Insurance Agency Pandemic Unemployment Assistance fraud enforcement. This Penalty & Interest funding is available from a corresponding net-to-zero fund shift in Going Pro that replaces \$9.5 million P&I with general fund. Enhanced fraud enforcement in Unemployment Insurance will include the following:

- \$7.98 million for additional investigations staffing resources, including funding to support 20 new limited term staff for two years, and extend 30 existing limited term staff for 1 year.

- \$1 million for additional resources and staffing in the collections division, accounting, data analytics, agency services and information technology.

Additional resources (\$4.1 million general fund, and 12.0 FTEs) are allocated separately to the Department of the Attorney General to provide additional support for fraud investigations.

Third, an additional deposit of \$500 million general fund is recommended for the Strategic Outreach and Attraction Reserve Fund (SOAR). As done previously, boilerplate would deposit this part 1 appropriation for SOAR into the restricted SOAR fund created in MCL 12.254, which restricts the use of the funding to expenditures pursuant to an appropriation or a legislative transfer to the Critical Industry Program, established in MCL 125.2088s, or the Michigan Strategic Site Readiness Program, established in MCL 125.2088t. Funds were first appropriated to SOAR in PA 132 of 2021, which also included the necessary \$100 placeholders for the Critical Industry Program and Michigan Strategic Site Readiness Program in the Michigan Strategic Fund for future legislative transfers in the current year.

Fourth, this supplemental recommends \$25 million general fund for the Mobility Futures Initiative. This initiative would support a statewide effort advancing Michigan's position in the rapidly evolving mobility sphere. Spearheaded by LEO's Office of Future Mobility and Electrification, these efforts aim to transition and grow the state's mobility workforce and industry, provide safer, greener, and more accessible mobility services, and position Michigan to lead the nation in mobility innovation by developing and commercializing mobility technologies. Additional ongoing funding is recommended in the FY 2023 Executive Recommendation to support the Office of Future Mobility and Electrification as it continues implementation of this initiative into FY 2023 and beyond.

Fifth, \$500,000 and 3.0 FTEs are recommended for the Workers' Disability Compensation Agency Board of Magistrates. MCL 418.213(4) allows for the hiring of temporary magistrates to serve for not more than 6 months in any 2-year period if there is a significant increase in caseload. Due to the COVID-19 pandemic, in person trials of Workers' Disability Compensation cases were suspended from March 20, 2020 through July 20, 2021. Attempts at video hearings were unsuccessful resulting in a significant delay in resolution of cases. Over 40% of the docket is now over 19 months old and that percentage is growing. This funding would support temporary magistrates over a two-year period to expand trial capacity and address the increased backlog impacting injured workers who have been denied benefits. Work project language would allow these funds to be spent over a two-year period.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Finally, an additional 3.0 in FTE authorization in the Bureau of Services for Blind Persons (BSBP) is recommended. These additional FTEs would provide Pre-Employment Transition Services for eligible and potentially eligible blind and visually impaired students aged 14-26 to meet federal requirements. Additional staffing in this area would improve services to youth, and would allow existing BSBP staff to focus on adult services programming which is focused on job placements. No additional funding is needed as the additional staffing can be supported within existing appropriations. A similar adjustment is included in the FY 2023 Executive Recommendation.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Licensing and Regulatory Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		725,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		725,000
Total federal revenues	FDRL	625,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	100,000
State general fund/general purpose	GFGP	0

ONE-TIME APPROPRIATIONS	Appn/Fund	
COVID-19 survey activities	T45557	625,000
Michigan task force on foreign trained medical professional licensing	T54320	100,000
GROSS APPROPRIATION		725,000
Appropriated from:		
HHS-Medicare, certification of health care providers and suppliers	3235	625,000
Health professions regulatory fund	1297	100,000

Boilerplate

Sec. xxx. (1) The funds appropriated in part 1 for the Michigan task force on foreign trained medical professional licensing shall be used to establish a task force that will develop proposals to reduce barriers to licensure for medical professionals trained outside of the United States to help alleviate staffing shortages in the health care workforce. The task force shall consist of government officials and department representatives, subject matter experts, stakeholders, and other members as determined by the department.

(2) The task force shall do the following:

- (a) Review current state licensing regulations for medical professionals trained or licensed outside of the United States.
- (b) Identify specific state licensing regulations that may pose unnecessary barriers to practice for medical professionals trained or licensed outside of the United States.
- (c) Suggest amendments to state licensing statutes and rules to make Michigan more attractive to this workforce.

(3) Once completed, the Michigan task force on medical professional licensing shall prepare a report summarizing its findings and recommendations and submit the report to the governor, the senate majority leader, senate minority leader, speaker of the house of representatives, the house minority leader, and the chairs of the senate and house appropriations committees.

Sec. xxx. Funds remaining in the homeowner construction lien recovery fund are appropriated to the department for payment of court-ordered homeowner construction lien recovery fund judgements entered prior to August 23, 2010. Pursuant to available funds, the payment of final judgements shall be made in the order in which the final judgements were entered and began accruing interest.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Explanation

This supplemental recommends a total of \$725,000 gross (\$0 general fund) in the Department of Licensing and Regulatory Affairs for three requests.

First, the supplemental recommends \$100,000 Health Professions Regulatory Fund to establish a Michigan Task Force on Foreign Trained Medical Professional Licensing. This task force would bring together government officials and departments, subject matter experts, and stakeholders, to develop proposals to reduce barriers to licensure for medical professionals trained outside of the United States. There is an estimated 5,000 immigrant adults in Michigan with undergraduate degrees in medical and health sciences who are either underemployed or unemployed. Getting underutilized populations to enter the health care workforce by reducing barriers to medical professional licensing would help address the staffing shortages impacting the health care system. An additional \$1 million is proposed in FY23 to support the recommendations of the task force.

Second, this supplemental restores boilerplate language related to the Homeowner Construction Lien Recovery Fund which was removed in FY22 (Sec. 504). At the time, it was thought that no outstanding payments or judgements existed. However, LARA is now collecting restitution payments owed to the fund, and those payments must be deposited into the fund. Language is necessary to allow LARA to receive the payments owed. Boilerplate is also added back into the FY23 Executive Recommendation.

Third, this supplemental recommends \$625,000 in federal authorization for funds provided under the federal CARES Act. Funding is provided to the Bureau of Community and Health Systems to offset the costs associated with increased survey workload due to the COVID-19 pandemic. Funds are to be used for COVID-19 survey and other related work, over and above the annually appropriated survey and certification funding, due to the need for increased oversight to ensure nursing homes and other providers/suppliers are able to meet community health care needs during the pandemic. In FY20, \$1.7 million was provided by the federal government for these services, which is in a work project that is expected to be fully expended in FY22. This supplemental represents the last of these federal dollars provided under the CARES Act.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Military and Veterans Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		251,400
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		251,400
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	251,400

MICHIGAN VETERANS' FACILITY AUTHORITY	Appn/Fund	
Chesterfield Township home for veterans	33970	50,300
Grand Rapids home for veterans	45800A	201,100
GROSS APPROPRIATION		251,400
Appropriated from:		
State general fund/general purpose	1000	251,400

Explanation

This supplemental request supports increases in the statewide building security contract for services provided at state veterans' facilities.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

State Police

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		10,025,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		10,025,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	25,000
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	10,000,000

SPECIALIZED SERVICES	Appn/Fund	
Highway safety planning	47750	25,000
GROSS APPROPRIATION		25,000
Appropriated from:		
Private donations	5207	25,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
Disaster and emergency contingency fund	T39700	10,000,000
GROSS APPROPRIATION		10,000,000
Appropriated from:		
State general fund/general purpose	1000	10,000,000

Boilerplate

Sec. xxx. The general fund/general purpose funds appropriated in part 1 for the disaster and emergency contingency fund shall be deposited to the restricted disaster and emergency contingency fund created in section 18 of the emergency management act, 1976 PA 390, MCL 30.418.

Explanation

This supplemental request provides private authorization to align with available grant revenue from the Governors Highway Safety Association in support of safe driving initiatives. The Office of Highway and Safety Planning will use this grant to create and implement programs to help combat teen speeding.

This supplemental request provides a general fund deposit into the Disaster and Emergency Contingency Fund to support immediate response and recovery activities and financial assistance to local units of government in the event of a disaster or emergency.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Technology, Management and Budget

Appropriation Summary		Appn/Fund
GROSS APPROPRIATION		2,500,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		2,500,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	2,500,000

TECHNOLOGY SERVICES		Appn/Fund
Enterprise identity management	41910	2,500,000
GROSS APPROPRIATION		2,500,000
Appropriated from:		
State general fund/general purpose	1000	2,500,000

Boilerplate

Sec. xxx. There is appropriated from general fund/general purpose revenue, for the fiscal year ending September 30, 2022, beyond any amounts previously deposited, the sum of \$51,800,000.00 for deposit into the countercyclical budget and economic stabilization fund created in section 351 of the management and budget act, 1984 PA 431, MCL 18.1351.

Explanation

This supplemental recommendation provides \$2.5 million general fund for MiLogin, the state's enterprise-wide single sign-on solution, in order to meet the needs of its user and application base, which have significantly increased to nearly 8.4 million users and 280 applications. The COVID-19 pandemic has advanced the use of MiLogin, and correspondingly its operational needs, to support heightened response activities, the demand for additional online state services, and remote work for state employees.

In addition, a total of \$51.8 million general fund is recommended to be transferred to the Countercyclical Budget and Economic Stabilization Fund ("Budget Stabilization Fund" or "Rainy Day Fund") from the General Fund to meet the statutory pay-in requirements for the Budget Stabilization Fund in accordance with Sec. 252 (MCL 18.1352) of the Management and Budget Act (PA 431 of 1984, as amended), which are subject to an appropriation. The pay-in amount was determined by the Consensus Revenue Estimating Conference (CREC) that was held on January 14, 2022.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Transportation

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		490,996,200
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		490,996,200
Total federal revenues	FDRL	485,654,700
Total local revenues	LOCL	4,991,500
Total private revenues	PRIV	350,000
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0
ROAD AND BRIDGE PROGRAMS	Appn/Fund	
Local federal aid and road and bridge construction	C51700	79,166,700
State trunkline federal aid and road and bridge construction	C82320	237,500,000
GROSS APPROPRIATION		316,666,700
Appropriated from:		
Federal aid, transportation programs, STF, FHWA	3116	316,666,700
AERONAUTICS SERVICES	Appn/Fund	
Aviation services	31850	350,000
GROSS APPROPRIATION		350,000
Appropriated from:		
Private funds 114	5114	350,000
PUBLIC TRANSPORTATION SERVICES	Appn/Fund	
Passenger transportation services	57900	227,900
GROSS APPROPRIATION		227,900
Appropriated from:		
Federal aid, transportation programs, CTF, FTA	3120	227,900
LOCAL BUS TRANSIT	Appn/Fund	
Nonurban operating/capital	56150	9,817,700
GROSS APPROPRIATION		9,817,700
Appropriated from:		
Federal aid, transportation programs, CTF, FTA	3120	9,817,700

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

INTERCITY PASSENGER	Appn/Fund	
Intercity services	49600	1,558,800
Marine passenger service	52350	2,652,000
GROSS APPROPRIATION		4,210,800

Appropriated from:

Federal aid, transportation programs, CTF, FTA	3120	4,210,800
--	------	-----------

PUBLIC TRANSPORTATION DEVELOPMENT	Appn/Fund	
Service initiatives	64000	7,677,200
Specialized services	65150	3,227,400
Transit capital	C87750	41,000,000
GROSS APPROPRIATION		51,904,600

Appropriated from:

Federal aid, transportation programs, CTF, FTA	3120	51,904,600
--	------	------------

AIRPORT IMPROVEMENT PROGRAMS	Appn/Fund	
Airport safety, protection, and improvement program	C80060	4,991,500
IIJA airport infrastructure grants	C80230	92,827,000
GROSS APPROPRIATION		97,818,500

Appropriated from:

Federal aid, transportation programs, aero, FAA	3114	92,827,000
Local funds, aero	4114	4,991,500

ONE-TIME APPROPRIATIONS	Appn/Fund	
Detroit New Center Intermodal Facility	TC88445	10,000,000
GROSS APPROPRIATION		10,000,000

Appropriated from:

Federal aid, transportation programs, CTF, FTA	3120	10,000,000
--	------	------------

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Explanation

This supplemental request reflects a total of \$491 million of federal, local, and private authorization across thirteen different line-items. Of this total, \$475.7 million is associated with federal funds allocated for transportation purposes under the Infrastructure Investment and Jobs Act (IIJA) of 2021.

Specifically:

- Road and Bridge Programs - \$316.7 million in federal authorization, split 75% for state trunkline road and bridge construction and 25% for local road agency road and bridge construction, per Sec. 10o of PA 51 of 1951. This increase includes \$154.4 million for Federal Aid Highway Program apportionments, \$112.6 million of new IIJA Bridge Formula Program funding, and \$49.7 million in authority for estimated discretionary grants or other future allocations.

- Airport Improvement Programs - \$92.8 million in estimated IIJA formula-based and discretionary grant funding, along with \$5 million in related local match authorization. New under IIJA, these federal funds can be used for airport capital infrastructure improvements not previously eligible under the longstanding, federal Airport Improvement Program, such as projects addressing sustainability, intermodal connectivity, and equity. Also, \$350,000 of private funding authorization (\$200,000 in funding from the Michigan Economic Development Corporation and \$150,000 from the Ford Motor Company) is included to support a feasibility study for the potential deployment of small unmanned aerial systems for just-in-time delivery, medical transport, or other small-scale uses.

- Comprehensive Transportation Programs - \$66.2 million is included to support local transit operations and infrastructure. Adjustments are based on anticipated formula and discretionary grant award increases based on overall program funding increases included in the IIJA. Additionally, a one-time \$10 million increase of federal authorization for a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant is included. This competitively awarded grant was secured by the department for the development and construction of a new intermodal passenger rail and intercity bus terminal in the city of Detroit.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Treasury

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		608,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		608,000,000
Total federal revenues	FDRL	520,000,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	3,000,000
State general fund/general purpose	GFGP	85,000,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
2020 census city, village, and township hold harmless	T23005	50,000,000
ARP - hero pay	T31247	500,000,000
First responder retention payments	T44385	50,000,000
Wrongful imprisonment compensation fund	T70030	5,000,000
Advertising for responsible gaming	T30510	3,000,000
GROSS APPROPRIATION		608,000,000
Appropriated from:		
Coronavirus state fiscal recovery fund	3160	520,000,000
Fantasy contest fund	2241	150,000
Internet gaming fund	2242	2,700,000
Internet sports betting fund	2243	150,000
State general fund/general purpose	1000	85,000,000

Boilerplate

Sec. xxx. (1) Each city, village, or township in which the 2020 revenue sharing population, as defined in the glenn steil state revenue sharing act, 1971, PA 140, MCL 141.903, per the 2020 federal decennial statewide census, was lower than the city's, village's, or township's 2010 revenue sharing population, as defined in the glenn steil state revenue sharing act, 1971, PA 140, MCL 141.903, per the federal decennial statewide census, qualifies to receive a 2020 census city, village, and township hold harmless payment from the funds appropriated in part 1.

(2) Each city, village, or township that qualifies for a 2020 census city, village, and township hold harmless payment shall receive an amount equal to the overpayment as defined in the glenn steil state revenue sharing act, 1971 PA 140, MCL 141.903. Overpayment amounts are calculated based on the revenue sharing distributions issued on or after October 1, 2020 through March 1, 2022.

(3) The amounts distributed to each city, village, or township under this section shall be prorated, as necessary, based on the total amount appropriated in part 1 for the 2020 census city, village, and township hold harmless payments.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Sec. xxx. (1) From the funds appropriated in part 1 for first responder retention payments, the department shall provide grants for the payment or reimbursement of retention payments provided to first responders, public safety personnel, law enforcement, and corrections staff working within the security perimeter of a state or local correctional facility who have performed hazardous duty or work involving physical hardship related to COVID-19 as described in this section.

(2) Eligible first responder retention payments and reimbursements may be provided to law enforcement officers and public safety personnel, including state police troopers, conservation officers, firefighters, emergency medical technicians (EMTs), paramedics, 9-1-1 operators, local unit of government jail and state corrections facility-based staff, airport public safety officers, and eligible personnel associated with ambulance operations licensed under section 20920 of the public health code, 1978 PA 368, MCL 333.20920. Private EMTs and paramedics that contract with municipalities or hospitals are eligible if retention payments are paid through the applicant. First responder retention payments and reimbursements may be made as a lump sum payment or as an hourly rate enhancement. The maximum reimbursement amount shall be \$1,000.00 per eligible employee. Any payment or reimbursement made under this section, whether paid as a lump sum or hourly wage enhancement, shall be of no effect in determining any employee's average compensation as provided by any contract or other provision of law. Eligible retention payments must be paid to employees by September 1, 2022, to be eligible for payment or reimbursement under this section.

(3) The department shall make available on its website all forms and information needed for applicants to apply for payments or reimbursements. Applicants will have until July 1, 2022 to apply for a payment or reimbursement. Payments and reimbursements will be made on a first-come, first-served basis, and must be made no later than 45 days after all required information is submitted.

(4) The department shall provide a report to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office not later than March 1, 2023. The report shall include a list by payment or reimbursement recipient of the date each was approved, the payment or reimbursement amount, and a description of the first responder retention payments, including the number of first responders covered.

(5) From the funds appropriated in part 1 to the department, up to 5% of the appropriation in part 1 for first responder retention payments is appropriated to fund costs associated with administering the first responder retention payments.

(6) As used in this section, "applicant" means a city; village; township; county; state agency or department; public airport operator; ambulance operation licensed under section 20920 of the public health code, 1978 PA 368, MCL 333.20920; or a local governmental authority, intergovernmental agency, or organization that employs local public safety or local public health personnel and that was established by a city, village, township, county, or group of these for the primary purpose of providing public safety or public health services.

(7) An application shall be disqualified if the applicant includes employees or personnel who do not meet the requirements set forth in this section. This subsection does not apply if an application includes ineligible personnel due to a clerical error.

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

(a) The purpose of the work project is to provide a payment or reimbursement of up to \$1,000.00 per eligible first responder for hazardous duty or work involving physical hardship related to COVID-19.

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

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

(d) The tentative completion date is December 30, 2022.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Sec. xxx. (1) From the funds appropriated in part 1 for ARP – hero pay, the department shall provide grants for the payment or reimbursement of premium pay to eligible workers performing essential work, as defined in the U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds Final Rule for the American Rescue Plan Act of 2021, Public Law 117-2 that is effective April 1, 2022.

(2) Any payment or reimbursement made under this section, whether paid as a lump sum or hourly wage enhancement, shall be of no effect in determining any employee's average compensation as provided by any contract or other provision of law.

(3) The department shall make available on its website all forms and information needed for applicants to apply for payments or reimbursements. Program guidelines must be in compliance with federal regulations established by the American Rescue Plan Act of 2021, Public Law 117-2, including all regulations and requirements around the use of the state fiscal recovery fund.

(4) The department shall provide a report to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office not later than September 30, 2023. The report shall include a list by payment or reimbursement recipient of the date each was approved, the payment or reimbursement amount, and a description of the hero pay, including the number of eligible workers covered.

(5) An amount not to exceed 5% of the appropriation in part 1 for ARP – hero pay may be expended for costs associated with administering hero payments to eligible workers.

(6) As used in this section, an "applicant" means employers employing eligible workers as defined in the U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds Final Rule for the American Rescue Plan Act of 2021, Public Law 117-2 that is effective on April 1, 2022.

(7) An application shall be disqualified if the applicant does not meet the requirements set forth in this section. This subsection does not apply if an application includes ineligible personnel due to a clerical error.

(8) The unexpended funds appropriated in part 1 for ARP – hero pay are designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure 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 provide a payment or reimbursement of hero pay to eligible workers as defined in this section.

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

(c) The total estimated cost of the work project is \$500,000,000.00.

(d) The tentative completion date is September 30, 2023.

Explanation

This supplemental recommendation for the Department of Treasury contains one-time requests, totaling \$608 million, that aim to promote responsible gaming, aid those who were wrongfully imprisoned, address revenue sharing distribution changes based on new census data, and provide payments to those who have guided Michigan through the pandemic.

This request includes \$3 million to promote responsible gaming and assist problem gamblers. This effort will include various forms of advertisement and outreach and will encourage players to contact the Responsible Gaming Section or call the Problem Gambling Helpline if they have a problem with gambling or know someone who does. The Governor's budget for fiscal year 2023 includes an additional \$3 million one-time investment for this purpose.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 2/6/2022

Supplemental Letter Detail

Run Time: 5:38:40 PM

Supplemental Letter # 2022-2

Related to those wrongfully imprisoned, this supplemental contains a \$5 million deposit to be made into the Wrongful Imprisonment Compensation Fund. Payments totaling \$1.9 million were made during the final three months of calendar year 2021 from the Wrongful Imprisonment Compensation Fund, leaving a remaining fund balance of only \$8.1 million. The Wrongful Imprisonment Program Unit in the Attorney General's office is currently managing 19 open cases, including at least 6 opened in just the past two months. This supplemental provides Treasury with the resources needed to continue to pay claims as they are due under the Wrongful Imprisonment Compensation Act (PA 343 of 2016) in fiscal year 2022.

This supplemental recommendation also includes \$50 million as an initial estimate needed to prevent negative retroactive adjustments to revenue sharing payments associated with any population losses identified by the United States 2020 Census. Due to delays associated with the census, updated population data will not be applied to constitutional state revenue sharing payments until April 2022. Current provisions in the Glenn Steil Act, 1971 PA 140, MCL 141.903, require the new data to be effective for all payments made since October 1 of the year in which the census occurred, and for the Michigan Department of Treasury to correct for overpayment or underpayment since that date by adjusting future distributions. This recommended funding will effectively offset any negative retroactive adjustments incurred.

This supplemental recommendation also includes \$50 million for first responders and other essential workers who have provided critical support and services throughout the COVID-19 pandemic. Michigan's first responders, including law enforcement officers, EMTs, firefighters, 9-1-1 operators, and paramedics, among others, have been on the front lines and have often had to endure hazardous conditions performing their work. This request provides funding for payments up to \$1,000.00 per eligible employee to support and promote retention of these critical workers. Payment or reimbursement will be issued by the Department of Treasury to eligible applicants.

Finally, an additional \$500 million allocation of State Fiscal Recovery Funds from the American Rescue Plan Act of 2021, Public Law 117-2, is also recommended to provide hero pay to all essential workers in the state. Eligibility will be limited to eligible workers performing essential work, as those terms are defined in the U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds Final Rule for the American Rescue Plan Act of 2021, Public Law 117-2.