



STATE OF MICHIGAN
 STATE BUDGET OFFICE
 LANSING

GRETCHEN WHITMER
 GOVERNOR

CHRISTOPHER M. HARKINS
 DIRECTOR

November 4, 2022

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

The Honorable Mary Whiteford, Chair
 House Appropriations Committee
 Michigan House of Representatives
 State Capitol
 Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Supplemental Request 2023-1

Attached please find supplemental recommendations for fiscal year 2023 totaling \$164 million Gross (\$14.5 million General Fund) which are summarized by department below.

<u>Department</u>	<u>GF/GP</u>	<u>Gross</u>
Agriculture and Rural Development	\$0	\$260,000
Health and Human Services	\$0	\$95,197,300
Judiciary	\$495,700	\$495,700
Labor and Economic Opportunity	\$0	\$29,087,400
Legislature	\$1,500,000	\$1,500,000
Licensing and Regulatory Affairs	\$0	\$300,000
Military and Veterans Affairs	\$0	\$750,000
Natural Resources	\$2,300,000	\$2,300,000
Technology, Management and Budget	\$10,219,600	\$34,096,700
Total	\$14,515,300	\$163,987,100

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

Sincerely,

Christopher M. Harkins
 State Budget Director

Attachment

Senator Jim Stamas
Representative Mary Whiteford
Page 2
November 4, 2022

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
Heather Boyd, Office of Financial Management
Internal State Budget Office

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Agriculture and Rural Development

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		260,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		260,000
Total federal revenues	FDRL	260,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0
ONE-TIME APPROPRIATIONS	Appn/Fund	
CRRSAA - farm stress program	T31289	60,000
CRRSAA - seafood processors pandemic response	T31210	200,000
GROSS APPROPRIATION		260,000
Appropriated from:		
USDA, multiple grants	3237	260,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for the CRRSAA farm stress program 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 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 a stress assistance program for individuals in farming or other agriculture related occupations.
- (b) The project will be accomplished by utilizing state employees, contracts with a vendor, or local partners.
- (c) The estimated cost of the project is \$60,000.00.
- (d) The tentative completion date is September 30, 2025.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Sec. xxx. The unexpended funds appropriated in part 1 for the CRRSAA seafood processors pandemic response program 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 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 financial relief to seafood processors.
- (b) The project will be accomplished by utilizing state employees and through a competitive grant process.
- (c) The total estimated cost of the project is \$200,000.00.
- (d) The tentative completion date is September 30, 2025.

Explanation

This supplemental request provides additional federal authorization to align spending authorization with available revenues resulting from an increase in federal grant funding to support the CRRSAA Farm Stress Program. The program provides a stress assistance program for individuals who are engaged in farming and other agriculture related occupations. These resources are available through the Federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021. This funding was previously requested in the 2022-7 supplemental letter.

This supplemental request provides federal authorization to align spending authorization with available federal revenues to provide financial relief to seafood processors who incurred costs due to the COVID-19 pandemic. These resources are available through the Federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021. This funding was previously requested in the 2022-7 supplemental letter.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Health and Human Services

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		95,197,300
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		95,197,300
Total federal revenues	FDRL	95,197,300
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0

CHILDREN'S SERVICES AGENCY - CHILD WELFARE	Appn/Fund	
Foster care payments	45250	1,700,000
GROSS APPROPRIATION		1,700,000
Appropriated from:		
Federal funds	3000	1,700,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
ARP - cooperative agreement for emergency response	T31291	29,704,600
ARP - sexually transmitted disease prevention and control	T31294	27,696,800
ARP - vaccine support	T31284	36,095,900
GROSS APPROPRIATION		93,497,300
Appropriated from:		
Federal funds	3000	93,497,300

Boilerplate

Sec. xxx. (1) From the funds appropriated in part 1 for Foster care payments the department, in partnership with participating state universities, shall implement a pilot scholarship program focusing on supporting the education and training of persons seeking a Bachelors of Social Work or Masters of Social Work who are intending to work in child welfare.

(2) The pilot scholarship described in (1) will be funded with federal Title IV-E funds with contracted state universities providing the required match funds. Students who complete training through the pilot scholarship program shall be required to complete one year of work in Michigan, in eligible child welfare fields.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Sec. xxx. The unexpended funds appropriated in part 1 for ARP - cooperative agreement for emergency response are designated as 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 conduct activities necessary to expand, train, and sustain a response-ready public health workforce statewide.
- (b) The project will be accomplished by utilizing state employees or contracts.
- (c) The total estimated cost of the project is \$59,409,300.00.
- (d) The tentative completion date is September 30, 2027.

Sec. xxx. The unexpended funds appropriated in part 1 for ARP - vaccine support are designated as 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 continue to support immunization and vaccines efforts to address the COVID-19 pandemic across the state.
- (b) The project will be accomplished by utilizing state employees or contracts.
- (c) The total estimated cost of the project is \$90,239,800.00.
- (d) The tentative completion date is September 30, 2027.

Sec. xxx. The unexpended funds appropriated in part 1 for ARP - sexually transmitted disease prevention and control are designated as 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 training in new disease surveillance techniques, contractual costs, administrative costs, multi-media campaign, and information technology activities supporting the Michigan Integrated Data Application system for Sexually Transmitted Infections (STIs) and HIV.
- (b) The project will be accomplished by utilizing state employees or contracts.
- (c) The total estimated cost of the project is \$27,696,800.00.
- (d) The tentative completion date is September 30, 2027.

Explanation

The department is requesting federal authority to support a federal Title IV-E scholarship program. Through this program the department would partner with state universities to provide Bachelor of Social Work and Master of Social Work training, including field placements and stipends for tuition and educational expenses. In exchange for scholarship support, students completing Title IV-E educational programs would be obligated to work for Michigan child welfare agencies for a minimum of one year. Non-federal matching funds for the Title IV-E program will be provided by the participating universities.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

This supplemental also requests additional federal authority for three grants established through the American Rescue Plan detailed below:

- \$29.7 million through the Center for Disease Control and Prevention cooperative agreement for emergency response/public health crisis grant. Funds will be used to conduct activities necessary to expand, train, and sustain a response-ready public health workforce statewide. This is in addition to the \$29.7 million appropriated in PA 9 of 2022. This funding was previously requested in the 2022-1 supplemental letter.

- \$27.1 million through the Centers for Disease Control and Prevention to strengthen Michigan's sexually transmitted disease prevention and control program. Funds will be used to support training in new disease surveillance techniques, contractual costs, administrative costs, multi-media campaign, and information technology activities supporting the Michigan Integrated Data Application system for Sexually Transmitted Infections (STIs) and HIV. This funding was previously requested in the 2022-1 supplemental letter.

- \$36.1 million to continue to support immunization and vaccines efforts to address the COVID-19 pandemic across the state. This is in addition to the \$54.1 million appropriated in PA 9 of 2022. This funding was previously requested in the 2022-1 supplemental letter.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Judiciary

Appropriation Summary		Appn/Fund
GROSS APPROPRIATION		495,700
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		495,700
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	495,700
JUSTICES' AND JUDGES' COMPENSATION		Appn/Fund
District court judges' state base salaries	10220	460,200
Judges' retirement system defined contributions	10280	28,800
OASI, social security	10290	6,700
GROSS APPROPRIATION		495,700
Appropriated from:		
State general fund/general purpose	1000	495,700

Explanation

This supplemental increases funding for district court judges' salaries (and related social security and retirement line items) to support the pay increase provided to district court judges under 2022 PA 177, which equalizes their salary with that of probate judges.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Labor and Economic Opportunity

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		29,087,400
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		29,087,400
Total federal revenues	FDRL	29,087,400
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0
WORKFORCE DEVELOPMENT	Appn/Fund	
Workforce development programs	26040	4,155,800
Workforce program administration	26020	3,329,400
GROSS APPROPRIATION		7,485,200
Appropriated from:		
DED-OESE, GEAR-UP	3212	1,500,000
Federal funds	3000	5,985,200
COMMISSIONS	Appn/Fund	
Michigan community service commission	53550A	7,274,200
GROSS APPROPRIATION		7,274,200
Appropriated from:		
Federal funds	3000	7,274,200
ONE-TIME APPROPRIATIONS	Appn/Fund	
ARP - EDA statewide planning grant	T31255	1,000,000
Global epicenter of mobility Detroit region - talent, proving and demonstration	T45720	5,000,000
Office of global Michigan	T56650A	7,000,000
State digital equity planning grant	T65645	1,328,000
GROSS APPROPRIATION		14,328,000
Appropriated from:		
Federal funds	3000	7,328,000
HHS, refugee assistance program fund	3246	7,000,000

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for Global epicenter of mobility Detroit region 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 proving, testing, and demonstration efforts in the advanced-mobility industry.
- (b) The projects will be accomplished by utilizing state employees or by contracts.
- (c) The total estimated cost of the work project is \$5,000,000.00.
- (d) The tentative completion date is September 30, 2027.

Sec. xxx. The unexpended funds appropriated in part 1 for the office of global Michigan 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 refugee resettlement benefits and services to support specific Ukrainian populations and other non-Ukrainian individuals, in accordance with federal law.
- (b) The projects will be accomplished by utilizing state employees or by contracts.
- (c) The total estimated cost of the work project is \$7,000,000.00.
- (d) The tentative completion date is September 30, 2027.

Explanation

This supplemental recommends \$1.3 million in federal authorization for the State Digital Equity Planning Grant Program. This funding is made available through the federal Infrastructure Investment and Jobs Act of 2021, for grants to States for the purpose of developing State Digital Equity Plans. Through these Plans, each State will, among other things, identify barriers to digital equity in the State and strategies for overcoming those barriers. The State Digital Equity Planning Grant Program is required to qualify for the larger State Digital Equity Capacity Grant Program, the purpose of which is to promote the achievement of digital equity, support digital inclusion activities, and build capacity for efforts by States relating to the adoption of broadband by residents of those States. Plans must be completed within one year after planning funds are awarded.

The Michigan High-Speed Internet Office will administer these planning funds and intends to conduct a comprehensive planning effort that will meet the plan requirements of both the State Digital Equity Program, as well as the Broadband Equity, Access and Deployment federal program, which was previously appropriated planning funding in PA 166 of 2022.

This supplemental recommends \$2.4 million in federal authorization to support the Michigan Incarcerated Veterans In-Reach Program (MIVIP) which will provide incarcerated veterans with employment services. This program will bring pre-release education, employment assistance, and career guidance to incarcerated veterans at seven correctional facilities in Michigan. LEO will work with the Michigan Department of Corrections and Michigan Works! agencies to implement this program. Funding has been awarded and the federal grant period began July 1, 2022. LEO is just waiting on the state appropriation to begin work.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

This supplemental recommends \$5 million federal funds for the Global Epicenter of Mobility Detroit Region - Testing, Proving and Demonstration grant funded by the U.S. Economic Development Administration (EDA). LEO's Office of Future Mobility and Electrification (OFME) is a co-recipient of this larger \$52.2 million federal grant effort led by the Detroit Regional Partnership. This \$5 million represents the only portion of the federal award that flows through state government. The Global Epicenter of Mobility (GEM) initiative will create a smart, secure, sustainable, and inclusive advanced-mobility industry, starting with the transition to next-generation electric, autonomous, and fully connected vehicles. OFME's funding will support proving, testing, and demonstration efforts which will include documenting mobility pain points, custom-fitting technology solutions to address them, and running real-world pilots to gauge business model viability, challenges, barriers, and user feedback. This grant has been awarded, and LEO is waiting on the state appropriation to begin work. The federal grant period is 10/1/2022-9/30/2025.

The U.S. Economic Development Administration (EDA) has awarded Michigan a \$1 million grant for statewide planning efforts to boost economic development, enhance competitiveness, combat the climate crisis, and recover from the pandemic. This funding will be utilized by LEO to assemble and coordinate existing local and regional economic development plans and provide centralized support and assistance on planning and implementation through the creation of the Michigan Regional Resiliency Program. This supplemental was previously recommended in supplemental letter 2022-1.

This supplemental recommends \$1 million federal funding for the multi-year Michigan Career Opportunity Academies for Community Health (MiCOACH) program. Underrepresented communities in Michigan are experiencing a lack of health worker support in behavioral healthcare that results in lower health outcomes. LEO will implement the MiCOACH program to recruit and prepare new workers from under-resourced communities to enter behavioral healthcare work. MiCOACH will incorporate proven strategies where academic knowledge is reinforced with occupational experience. A clear career pathway will be developed and with outreach and connecting graduating high school students with training, mentoring, support, and employment, underrepresented individuals' careers in behavioral health will improve health outcomes for under-resourced communities in the long-term. These funds have been awarded and LEO is waiting on the state appropriation to begin work.

This supplemental recommends \$2.5 million federal funding to pilot the Michigan Citizen Reentry Initiative (MiCRI) to expand in-reach services at a federal correctional institution and four residential re-entry center locations. This program intends to bring together all the resources available to establish a statewide network of support for returning citizens accessible wherever they live in the state. LEO and its partners will assess the current offering of employment and training programs available and look to enhance the number and type of training programs, streamline registration processes, revamp materials and delivery methods by assessing online, streaming, and virtual options, and expand supportive service interventions to remove the most common barriers to success. Upon completion of this pilot program, LEO and its partners envision a holistic program based on best practices and real outcomes that can be consistently delivered through all the state's job centers. The federal grant period began 10/1/22, and LEO is just waiting on a state appropriation to begin work.

This supplemental recommends \$7.3 million in federal authorization for the Michigan Community Service Commission (MCSC) to support the AmeriCorps program across the state. AmeriCorps is a national service program that places volunteers in communities to help communities address their toughest challenges. This increase in federal authorization is a combination of new awards as well as unexpended prior year revenue that is being regranted. In FY23, MCSC has \$18.1M in federal funding to award for the AmeriCorps program, but has authorization of only \$10.8 million, necessitating this supplemental request.

This supplemental recommends \$7 million in federal funding for the Office of Global Michigan to support refugee services. This funding was made available through the federal Additional Ukraine Supplemental Appropriations Act (AUSAA), 2022, and provides additional funding for benefits and services to support specific Ukrainian populations and other non-Ukrainian individuals. The AUSAA was enacted on May 21, 2022, and the Office of Global Michigan needs this additional federal authorization to provide the benefits and services authorized under federal law.

This supplemental request increases federal authorization for the GEAR UP program by \$1.5M in the Workforce Development Programs line to allow for the reallocation of recaptured funds from prior years. LEO currently has sufficient authorization to make awards consistent with their current year federal revenues, but additional authorization is needed to allow them to award remaining GEAR UP funding from prior years.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Legislature

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		1,500,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		1,500,000
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	1,500,000

LEGISLATIVE COUNCIL	Appn/Fund	
Independent citizens redistricting commission	10600	1,500,000
GROSS APPROPRIATION		1,500,000
Appropriated from:		
State general fund/general purpose	1000	1,500,000

Explanation

This supplemental request reappropriates funding for the independent citizens redistricting commission (ICRC). Reappropriation is required because unspent funds cannot be carried over but must lapse each year. PA 166 of 2022 included \$2.2 million for the ICRC to cover projected legal costs; approximately \$1.5 million remains unspent and will lapse to the general fund in FY22. Reappropriation of these unspent funds in FY23 is requested to cover additional legal costs incurred by ICRC.

The Independent Citizens Redistricting Commission has submitted a request for additional FY23 funding to the Legislature for consideration, in accordance with Article IV, Section 6 (6) of the State Constitutional stating that, "The legislature shall provide adequate funding to allow the commission to defend any action regarding an adopted plan."

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Licensing and Regulatory Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		300,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		300,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	300,000
State general fund/general purpose	GFGP	0
ONE-TIME APPROPRIATIONS	Appn/Fund	
Industrial hemp program	T48962	300,000
GROSS APPROPRIATION		300,000
Appropriated from:		
Industrial hemp licensing and registration fund	1563	300,000

Explanation

Executive Reorganization Order 2022-1, effective April 13, 2022, shifted responsibilities for the licensing of hemp process/handlers from MDARD to LARA. This supplemental establishes \$300,000 in budget authority for the Industrial Hemp Licensing and Regulation Fund in LARA to allow LARA to collect the hemp processor/handler fees and use revenue to cover staffing costs and other expenditures associated with administering the program. The Industrial Hemp Licensing and Regulation Fund authorization was removed from the MDARD budget in the FY23 enacted budget so authorization is needed in LARA to allow for administration of the program, in accordance with ERO 2022-1.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Military and Veterans Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		750,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		750,000
Total federal revenues	FDRL	750,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0

MICHIGAN VETERANS AFFAIRS AGENCY	Appn/Fund	
Michigan veterans affairs agency administration	54350	750,000
GROSS APPROPRIATION		750,000
Appropriated from:		
USDVA-VHA	3272	750,000

Explanation

This supplemental request appropriates \$750,000 in additional USDVA-VHA funding to align authorization with revenue available through the VA Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP). Suicide prevention grants are awarded to eligible entities to meet the needs of eligible individuals and their families through outreach, provision or coordination of suicide prevention services, and connection to VA and community resources as described in 38 CFR Part 78. This will amplify the work already being done through the Governor's Challenge and the one-time funding received in FY23 for suicide prevention.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Natural Resources

Appropriation Summary		Appn/Fund
GROSS APPROPRIATION		2,300,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		2,300,000
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	2,300,000

RECREATIONAL LANDS AND INFRASTRUCTURE		Appn/Fund
State game and wildlife area infrastructure	C88360	2,300,000
GROSS APPROPRIATION		2,300,000
Appropriated from:		
State general fund/general purpose	1000	2,300,000

Explanation

Originally requested as part of the 2022-7 supplemental letter, this capital outlay request seeks \$2.3 million General Fund to stabilize the Net River Dam in Baraga County and address significant structural concerns that led to a partial failure of the dam in spring 2022. Water levels have been drawn down as a temporary measure to mitigate risk and action is underway to install a temporary spillway before winter weather sets in, as recent engineering assessments suggest the dam will be unable to handle the additional water flow from spring runoff in its current compromised state. Design work for the emergency spillway is complete, EGLE permitting has been obtained, and a contractor has been engaged, with construction beginning the first week of November 2022.

The requested funding will be used to cover construction costs associated with either the permanent repair or removal of the dam in 2023 after further analysis is completed. DNR and EGLE staff have already started evaluating options in consultation with the Keweenaw Bay Indian Community (KBIC), as the Net River Dam is a culturally important impoundment that supports the KBIC's wild rice production efforts. In addition, there are potential public safety and infrastructure impacts should the dam completely fail. There are several bridges and camps/cabins downriver that could be at risk. The dam is located approximately 35 miles north of Crystal Falls and the Paint River Hydro-Electric Dam.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Technology, Management and Budget

Appropriation Summary		Appn/Fund
GROSS APPROPRIATION		34,096,700
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		34,096,700
Total federal revenues	FDRL	23,877,100
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	10,219,600

DEPARTMENTAL ADMINISTRATION AND SUPPORT		Appn/Fund
Building operation services	13000	2,108,000
GROSS APPROPRIATION		2,108,000
Appropriated from:		
State general fund/general purpose	1000	2,108,000

ONE-TIME APPROPRIATIONS		Appn/Fund
Electronic recording commission	T41225	531,500
IIJA - state and local cybersecurity grant program	T48685	31,457,200
GROSS APPROPRIATION		31,988,700
Appropriated from:		
Infrastructure investment and jobs act fund	3180	23,877,100
State general fund/general purpose	1000	8,111,600

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for IIJA - state and local cybersecurity grant program 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 made available for expenditures for the State and Local Cybersecurity Grant Program in accordance with the Infrastructure Investment and Jobs Act (P. L. 117-58), as authorized by the Homeland Security Act of 2002, as amended (6 USC § 665g), and any other applicable federal and state rules and regulations. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of this project is to support activities related to the state and local cybersecurity grant program, which include but may not be limited to, operating a cybersecurity planning committee, developing or revising a federally approved cybersecurity plan, and administration of grant awards.

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

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

(c) The total estimated cost of the project is \$31,457,200.00.

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

Sec. xxx. In addition to the funds appropriated in part 1, 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.

Sec. xxx. (1) From the funds appropriated in part 1 to the electronic recording commission funding shall be used to support a grant program to counties to facilitate or upgrade real property e-recording capabilities. These grants shall be distributed to counties following application to and approval by the commission. The grants shall not exceed \$25,000.00 per request and must be used to invest in or upgrade hardware and/or software necessary for the electronic recording of real property documents. The commission shall determine an appropriate percentage of total funds to be reserved for newly participating counties and counties which will expend the funds to upgrade the designated software and/or hardware.

(2) The unexpended funds appropriated in part 1 for the electronic recording commission 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 grants under this section until the grant program is 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 this project is to provide grants to counties for software and/or hardware for the upgrade or installation of e-recording capabilities for the electronic recording of real property documents.

(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 \$531,500.00.

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

REPEALER. Sec. 818 of 2022 PA 166, Article 5 is repealed.

Explanation

This supplemental recommendation for the Department of Technology, Management and Budget (DTMB) recommends a total of \$34.1 million, of which \$10.2 million is General Fund. The recommendation provides support for the new State and Local Cybersecurity Grant Program (SLCGP) from the Infrastructure Investment and Jobs Act (IIJA); facilitates the carryforward of revenue for the Michigan Law Enforcement Officers Memorial Monument Fund; expands grant conditions for e-rerecording capabilities following approval of the Electronic Recording Commission (ERC); and includes funds for contractual increases to maintain state-owned building operations.

Specifically, \$31.5M (\$23.9M in Federal Infrastructure Investment and Jobs Act Funds and \$7.6M General Fund) is recommended to support the new State and Local Cybersecurity Grant Program (SLCGP). The SLCGP will enhance Michigan's posture as a national leader in cybersecurity by fostering local partnerships through strategic planning and projects that mitigate cybersecurity threats and risks. Upon federal approval of a Cybersecurity Plan, the state is required to pass-through 80% of the federal award to local entities, among other stipulations. DTMB will work in partnership with the Michigan State Police, as the designated state administrative agency, for grant management.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 11/04/2022

Supplemental Letter Detail

Run Time: 10:32:35 AM

Supplemental Letter # 2023-1

Additionally, this recommendation revises Fiscal Year 2023 language for the Michigan Law Enforcement Officers Memorial Monument Fund (created in P.A. 177 of 2004, as amended) to ensure that revenue in the Michigan Law Enforcement Officers Memorial Monument (MLEO) will carryforward and the end of the fiscal year, which aligns with corresponding amendments that were included in P.A. 194 of 2022 for the same purpose in fiscal year 2022. This request is necessary due to the enactment of P.A. 39 of 2022, in which Section 7 of the Michigan Law Enforcement Officers Memorial Act that facilitated the fund's carry forward was repealed. The MLEO was dedicated in 2019 after construction was completed with donations ongoing to recognize Michigan law enforcement officers who have fallen in the line of duty.

A total of \$531,500 in General Fund is recommended to be re-appropriated to support grants to counites to facilitate or upgrade real property e-rerecording capabilities following approval of the Electronic Recording Commission (ERC). Corresponding boilerplate is recommended to expand the conditions of funds that were originally appropriated to the Michigan Strategic Fund in Sec. 1047, Article 5, P.A. 166 of 2020 to allow counties not already participating to be able to purchase software and hardware for e-filing register of deeds documents. The ERC was established in the DTMB pursuant to the Uniform Real Property Electronic Recording Act (P.A. 123 of 2010, as amended) for the purpose of implementing a consistent framework of standards and practices to support county register deeds in the state to ensure the protection and legitimacy of applicable electronically notarized recordings, transactions, and documents. The original appropriation in the Michigan Strategic Fund is held in a work project and will be directed by the State Budget Director to lapse via a separate notification to the Legislature upon enactment.

Lastly, \$2.1 million in General Fund is recommended to support contracts which have increased due to inflationary pressures for janitorial service, rubbish, and snow removal, which is necessary for maintaining operations in DTMB state-owned buildings for FY23.