



STATE OF MICHIGAN
 STATE BUDGET OFFICE
 LANSING

GRETCHEN WHITMER
 GOVERNOR

CHRISTOPHER M. HARKINS
 DIRECTOR

February 8, 2023

The Honorable Sarah Anthony, Chair
 Senate Appropriations Committee
 Michigan State Senate
 State Capitol
 Lansing, Michigan 48909

The Honorable Angela Witwer, Chair
 House Appropriations Committee
 Michigan House of Representatives
 State Capitol
 Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Supplemental Request 2023-5

Attached please find supplemental recommendations for fiscal year 2023 totaling \$752 million Gross (\$0 General Fund) which are summarized by department below. This supplemental recommends federal Coronavirus State Fiscal Recovery Funds, pursuant to the federal Coronavirus American Recovery Act, to support critical initiatives from the MI New Economy Plan, with programs aimed at growing the middle class, supporting small business, and building strong communities.

<u>Department</u>	<u>GF/GP</u>	<u>Coronavirus State Fiscal Recovery Fund</u>	<u>Gross</u>
Environment, Great Lakes, and Energy	\$0	\$45,000,000	\$45,000,000
Health and Human Services	\$0	\$182,000,000	\$182,000,000
Labor and Economic Opportunity	\$0	\$525,000,000	\$525,000,000
Total	\$0	\$752,000,000	\$752,000,000

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 Sarah Anthony
Representative Angela Witwer
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cc: Winnie Brinks, Senate Majority Leader
Joe Tate, Speaker of the House
Aric Nesbitt, Senate Minority Leader
Matt Hall, 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
Curtis Hertel Jr., Director of Legislative Affairs
Kyle Guerrant, Deputy State Budget Director
Heather Boyd, Office of Financial Management
Internal State Budget Office

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Environment, Great Lakes, and Energy

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		45,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		45,000,000
Total federal revenues	FDRL	45,000,000
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	
ARP - Michigan clean fleet initiative	T53535	45,000,000
GROSS APPROPRIATION		45,000,000
Appropriated from:		
Coronavirus capital projects fund	3170	45,000,000

Boilerplate

Sec. xxx. (1)(a) From the funds appropriated in part 1 for ARP – Michigan clean fleet initiative the department of environment, Great Lakes, and energy shall issue grants to municipalities, counties, regional airports, and regional transportation agencies for the conversion of vehicular fleets to low or no greenhouse gas emissions operations as determined by the department.

(b) Grants shall be capped at a maximum award of \$3,000,000.00 per eligible entity requiring a match of 20% by the grantee.

(c) The department shall prioritize grants for overburdened and significantly overburdened communities as defined under parts 53 and 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5301 to 324.5316 and 324.5401 to 324.5418.

(2) The unexpended funds appropriated in part 1 for MI Clean Fleet 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 project is to convert Michigan vehicular fleets to low or no greenhouse gas emissions operations.

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

(c) The total estimated cost of the project is \$45,000,000.00.

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

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Explanation

This supplemental request provides federal authorization to support the transition of fleets owned by local governments and businesses including buses, medium-heavy duty, and industrial vehicles to electric vehicles and clean fuels. This funding is made available through the American Rescue Plan Act.

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Health and Human Services

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		182,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		182,000,000
Total federal revenues	FDRL	182,000,000
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	
ARP - home energy	T31304	50,000,000
ARP - local water utility affordability	T31301	40,000,000
ARP - nursing home workforce	T31310	67,000,000
ARP - pre-weatherization	T31302	25,000,000
GROSS APPROPRIATION		182,000,000
Appropriated from:		
Coronavirus state fiscal recovery fund	3160	182,000,000

Boilerplate

Sec. xxx. (1) The funds appropriated in part 1 for ARP - home energy, the department shall expend \$50,000,000.00 to support deep energy retrofits, home heating and cooling upgrades, and access to renewable energy systems.

(2) The unexpended funds appropriated in part 1 for ARP - home energy 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 deep energy retrofits, home heating and cooling upgrades, and access to renewable energy systems.

(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 \$50,000,000.00.

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

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Sec. xxx. (1) The funds appropriated in part 1 for ARP - pre-weatherization shall be used to improve homes, reduce energy usage, and lower utility bills.

(2) The unexpended funds appropriated in part 1 for ARP - pre-weatherization 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 improve homes, reduce energy usage and lower utility bills.
- (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 \$25,000,000.00.
- (d) The tentative completion date is September 30, 2026.

Sec. xxx. (1) From the funds appropriated in part 1 for ARP - nursing home workforce, the department shall allocate \$67,000,000.00 in grant funding to non-profit healthcare training organizations and nursing homes. The department shall establish an application process and criteria for prioritizing and distributing funds that shall include, but not be limited to:

- (a) Programs that are jointly developed and will be jointly implemented by nursing home staff, leadership and workforce representatives, with a preference for programs that serve multiple facilities, regions, and/or employers that will have immediate impact, as well as create models for permanent programs.
- (b) Program designs intended to improve and create a foundation for sustainable programs for staff retention, recruitment, and workforce career pathway development.

(2) The unexpended funds appropriated in part 1 for ARP- nursing home workforce 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 workforce development and stabilization at Michigan nursing homes.
- (b) The project will be accomplished by utilizing state resources, contracts, or grants.
- (c) The total estimated cost of the project is \$67,000,000.00.
- (d) The tentative completion date is September 30, 2026.

Sec. xxx. (1) From the funds appropriated in part 1 for ARP - local water utility affordability, the department shall allocate \$40,000,000.00 to support efforts by community water systems to ensure the affordability of water. Eligible expenditures from these funds will be income based and must include:

- (a) Capping or lowering utility bills.
- (b) Reducing consumer debt.
- (c) Improving in-home plumbing.
- (d) Protecting participating residents from water shutoffs.

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(2) The unexpended funds appropriated in part 1 for ARP - local water utility affordability 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 assistance to low-income water utility consumers at risk of losing water service for their home.

(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 \$40,000,000.00.

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

Explanation

The Department of Health and Human Services (DHHS) budget includes \$182 million in State Fiscal Relief Funding (SFRF) for four new programs:

1. \$50 million for home energy upgrades to support housing renovations for low-income renters and homeowners. This funding could support deep energy retrofits, home heating and cooling upgrades, access to renewable energy systems.
2. \$25 million pre-weatherization to improve homes, reduce energy usage, and lower utility bills.
3. \$67 million for nursing home workforce development and stabilization to fund new grants to improve staff retention in nursing homes. These funds will be re-appropriated from funding previously appropriated in the ARP -health care recruitment, retention, and training line in a FY22 supplemental appropriation (HB 5523, PA 9 of 2022).
4. \$40 million to cap or lower utility bills, reduce customer debt, improving in-home plumbing, and protect residents from water shutoff.

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Labor and Economic Opportunity

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		525,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		525,000,000
Total federal revenues	FDRL	525,000,000
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	
ARP - electric vehicle charging infrastructure	T41041	65,000,000
ARP - going pro	T31309	35,000,000
ARP - Michigan reconnect expansion to 21	T31306	140,000,000
ARP - reconnect bachelor's degree pathway	T31209	75,000,000
ARP - Michigan main street recovery initiative	T54078	135,000,000
ARP - Pure Michigan	T31252	15,000,000
ARP - retraining and retooling fund	T31208	35,000,000
ARP - migratory agriculture worker housing	T31307	15,000,000
ARP - attainable homeownership and apprenticeship program	T50773	10,000,000
GROSS APPROPRIATION		525,000,000
Appropriated from:		
Coronavirus state fiscal recovery fund	3160	315,000,000
Coronavirus state fiscal recovery fund 376	3161	185,000,000
Coronavirus state fiscal recovery fund 377	3162	15,000,000
Coronavirus state fiscal recovery fund 381	3163	10,000,000

Boilerplate

Sec. xxx. From the appropriations in part 1, the department may hire limited-term employees and may expend up to 2.5 percent of each of the appropriations for administrative implementation and oversight of the programs, unless otherwise specified.

Sec. xxx. (1) The funds appropriated in part 1 for the ARP – electric vehicle charging infrastructure shall be used by the department to expand access to public, at-home, and commercial electric vehicle charging infrastructure. Funds may be used for, but are not limited to, the deployment of fast chargers, addressing medium and heavy-duty electric vehicle charging needs, and increasing access to at-home charging infrastructure.

(2) The department shall make all efforts to align programmatic activities with federal funding opportunities including, but not limited to, the infrastructure investment and jobs act, public law 117-58, or the inflation reduction act of 2022, public law 117-169, to maximize the state’s opportunities for expanding electric vehicle charging infrastructure statewide.

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(3) The department shall develop program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website prior to the due date of the application. 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 unexpended funds appropriated in part 1 for the ARP – electric vehicle charging infrastructure are designated as a work project appropriation, and any unencumbered or unallocated 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 expand access to public, at-home, and commercial electric vehicle charging infrastructure.
- (b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the work project is \$65,000,000.00.
- (d) The tentative completion date is September 30, 2026.

Sec. xxx. (1) The funds appropriated in part 1 for ARP – going pro shall be used consistent with sections 7 and 9 of the going pro talent fund act, 2018 PA 260, MCL 408.157 and 408.159. The department shall administer the program as follows:

- (a) The department shall work cooperatively with grantees to maximize the amount of funds from part 1 that are available for direct training.
- (b) The department, workforce development partners, including regional Michigan Works! agencies, and employers shall collaborate and work cooperatively to prioritize and streamline the expenditure of the funds appropriated in part 1. The department shall ensure that going pro provides a collaborative statewide network of workforce and employee skill development partners that addresses the employee talent needs throughout this state.
- (c) The department shall ensure that grants are utilized for individual skill enhancement and to address in-demand talent needs in Michigan.
- (d) The department shall develop program goals and detailed guidance for prospective participants to follow to qualify under the program. Program guidelines and eligibility 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. The program goals and detailed guidance shall be posted on the department website and distributed to workforce development partners, including local Michigan Works! Agencies prior to the due date of the application. Periodic assessments of employer and employee needs shall be evaluated on a regional basis, and the department shall identify solutions and goals to be implemented to satisfy those needs.

(2) The unexpended funds appropriated in part 1 for ARP – going pro are designated as a work project appropriation, and any unencumbered or unallocated 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 the going pro program.
- (b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the work project is \$35,000,000.00.
- (d) The tentative completion date is September 30, 2026.

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Sec. xxx. (1) The funds in part 1 for ARP – Michigan reconnect expansion to 21 must be used by the department for a limited time program supported with federal funds to provide last-dollar financial assistance to eligible individuals seeking associate degrees or industry-recognized certificates or credentials who are at least 21 years old. This program is intended to respond to the COVID-19 public health emergency and its negative impacts on college enrollment and learning for individuals attending college between the ages 21-24. The funds appropriated in part 1 must be expended to award grants to eligible institutions consistent with the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to 390.1709 to eligible students as defined herein and administer the program outlined in this section.

(2) Except as provided under subsection (3), the department shall develop and implement the limited time and federally funded program similar to requirements outlined in the Michigan reconnect recipient act, 2020 PA 68, MCL 390.1711 to MCL 390.1723.

(3) To receive an initial grant under this section, an eligible individual must:

(a) Be between the ages of 21-24 between October 1, 2023 and December 31, 2024 and had their education disrupted by COVID-19 by not having previously earned an associate or bachelor's degree.

(b) Timely complete the application in a form and manner determined by the department.

(4) The department shall develop program guidelines and eligibility criteria for the program and must post that information on its publicly accessible website. Program guidelines must comply 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. Pursuant to federal regulations, the department must develop and implement an application process that obligates grants to eligible individuals by December 31, 2024. The department must expend obligated funds before December 31, 2026. If funding in part 1 is not sufficient to fully award grants to all eligible applicants, the department must make awards in the order in which applications are received.

(5) The department may use funds appropriated in part 1 for outreach, enrollment support and marketing of the program, as well as providing support services to enrolled program participants to remove barriers to degree or credential completion.

(6) From the funds appropriated in part 1 for ARP - reconnect expansion to 21, the department may use up to 7 percent for administration including hiring limited term employees.

(7) If a student has enrolled in this program and has maintained eligibility through December 31, 2026, when federal funding expires, it is the intent of the department to find ways to continue supporting these students to facilitate associate degree completion.

(8) The unexpended funds appropriated in part 1 for ARP - reconnect expansion to 21 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 last-dollar financial assistance to eligible individuals seeking associate degrees or industry-recognized certificates or credentials who are at least 21 years old.

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

(c) The total estimated cost of the work project is \$140,000,000.00.

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

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Sec. xxx. (1) The funds in part 1 for ARP – reconnect bachelor's degree pathway shall be used by the department to develop and implement the reconnect bachelor's degree pathway program described in this section. This program is intended to respond to the COVID-19 public health emergency and its negative impacts on college enrollment, persistence, and degree completion. The program shall grant awards to eligible students whose education was disrupted by COVID-19 and provide a path back to college to earn a bachelor's degree.

(2) As used in this section:

(a) "Eligible institution" means a public university that receives an appropriation in section 236 of 1979 PA 94, MCL 388.1836, or an independent nonprofit college or university in this state as described in section 1 of 1966 PA 313, MCL 390.991.

(b) "Gift aid" includes all federal, state, local, or institutional aid in the form of grants, scholarships, or discounts applied toward tuition and mandatory fees. Gift aid does not include student loans, work-study awards, qualified withdrawals made from education savings accounts to pay higher education expenses pursuant to the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486, or higher education expenses paid under the Michigan education trust program pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442.

(3) An individual must meet all of the following criteria each year to be eligible for a reconnect bachelor's degree pathway grant:

(a) An individual must have been attending and enrolled in a Michigan high school or a post-secondary institution during calendar year 2020, 2021, or 2022 and had their education disrupted by COVID-19 by either of the following:

(i) An individual graduated from high school in this state with a diploma or certificate of completion or achieved a high school equivalency certificate in academic year 2020, 2021, or 2022 and never enrolled in an eligible institution.

(ii) An individual was enrolled in a post-secondary institution and did not enroll in any courses in any single semester in the 2020, 2021, or 2022 academic years, regardless of when they earned their high school credential.

(b) The individual did not enroll in any courses at a postsecondary institution during fall semester 2022 and spring semester 2023.

(c) The individual has not completed a bachelor's degree from a postsecondary institution.

(d) The individual was a resident of this state for at least the immediately preceding year prior to applying or graduated from a Michigan high school.

(e) The individual timely files the free application for federal student aid.

(f) The individual timely completes the application in a form and manner determined by the department.

(4) To establish continuing eligibility for a reconnect bachelor's degree pathway grant at an eligible institution, an individual must meet all of the following conditions:

(a) Continue to be a resident of this state.

(b) Maintain continuous enrollment as at least a half-time student at an eligible institution leading to a bachelor's degree.

(c) Maintain satisfactory academic progress, as defined by the eligible institution in which the individual is enrolled.

(d) Timely file the free application for federal student aid.

(e) Timely apply for all available gift aid for each academic year in which they receive a reconnect bachelor's degree pathway grant.

(5) The amount of a reconnect bachelor's degree pathway grant must be calculated as follows:

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(a) For a student attending an eligible institution which is a public university, the lesser of \$5,500 per academic year or the cost of tuition at the in-district resident rate and mandatory fees at the eligible institution attended less all gift aid. Gift aid must be credited first to the student's tuition and mandatory fees. If awarded, reconnect bachelor's degree pathway grant money must be paid to the eligible institution for credit to the student's account.

(b) For a student attending an eligible institution which is an independent university the lesser of \$4,000 per academic year or the cost of tuition at the in-district resident rate and mandatory fees at the eligible institution attended less all gift aid. Gift aid must be credited first to the student's tuition and mandatory fees. If awarded, reconnect bachelor's degree pathway grant money must be paid to the eligible institution for credit to the student's account.

(6) The department may use funds appropriated in part 1 for outreach, enrollment support and marketing of the program.

(7) From the funds appropriated in part 1 for ARP - reconnect bachelor's degree pathway, the department may use up to 7 percent for administration including hiring limited term employees.

(8) The department shall develop program guidelines and eligibility criteria for the program and must post that information on its publicly accessible website. Program guidelines must comply 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. Pursuant to federal regulations, the department must develop and implement an application process that obligates grants to eligible individuals by December 31, 2024. The department must expend obligated funds before December 31, 2026. If funding in part 1 is not sufficient to fully award reconnect bachelor's degree pathway grants to all eligible applicants, the department must make awards in the order in which applications are received.

(9) The unexpended funds appropriated in part 1 for ARP - reconnect bachelor's degree pathway 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 student degree completion.

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

(c) The total estimated cost of the work project is \$75,000,000.00.

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

Sec. xxx. (1) The funds appropriated in part 1 for the ARP – Michigan main street recovery initiative shall be used by the Michigan strategic fund to create and operate programs to support small businesses experiencing negative impacts or disproportionately or otherwise impacted by the COVID-19 pandemic. These funds may be used for grants for small business startup and resiliency initiatives, microbusiness enterprise activities, and other small business supports, as determined by the Michigan strategic fund.

(2) The Michigan strategic fund shall develop program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website. 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. Efforts shall be made to ensure a broad geographic distribution of funds awarded under the program to both urban and rural communities, to the extent allowable under federal regulations. No more than 10 percent of the funds appropriated in part 1 for this section shall be distributed to a single grant recipient, unless the entity is serving as a grant administrator on behalf of the Michigan strategic fund

(3) The Michigan strategic fund may make awards to small businesses, entrepreneurs, local governments, economic development organizations, and other investment vehicles or entities, as determined by the Michigan strategic fund, in the creation and administration of the Michigan main street recovery initiative.

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(4) The unexpended funds appropriated in part 1 for the ARP – Michigan main street recovery initiative are designated as a work project appropriation, and any unencumbered or unallocated 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 small business startup and resiliency initiatives, microbusiness enterprise activities, and other small business supports.

(b) The projects will be accomplished by utilizing state employees, by the Michigan economic development corporation, or by contracts.

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

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

Sec. xxx. The unexpended funds appropriated in part 1 for the ARP – pure Michigan are designated as a work project appropriation, and any unencumbered or unallocated 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 the pure Michigan program.

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

(c) The total estimated cost of the work project is \$15,000,000.00.

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

Sec. xxx. (1) The funds appropriated in part 1 for ARP – retraining and retooling fund shall be used by the Michigan strategic fund to create and operate a retraining and retooling program to increase the competitiveness of small manufacturers and upskilling workers for in-demand and emerging opportunities. Funds may be used to offset the cost of capital expenditures for small manufacturers, to provide matching grants to small manufacturers for hiring workers, and to provide technical assistance to small manufacturers. As used in this section, small manufacturers are defined as small businesses classified as manufacturers by the United States small business administration, 13 CFR part 121, and that were disproportionately or otherwise impacted by the COVID-19 pandemic.

(2) The Michigan strategic fund shall develop program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website. Program guidelines must comply 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.

(3) The Michigan strategic fund may collaborate with, and make awards to, local economic development organizations, non-profit organizations, institutions of higher education, and other investment vehicles or entities as determined by the Michigan strategic fund in the creation and administration of the retraining and retooling fund.

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

- (a) The purpose of the work project is to support the retraining and retooling fund program.
- (b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the work project is \$35,000,000.00.
- (d) The tentative completion date is September 30, 2026.

Sec. xxx. (1) The funds appropriated in part 1 for ARP – migratory agriculture worker housing shall be used by the Michigan state housing development authority to address workforce housing needs in the food and agriculture industry by expanding housing availability and improving housing quality for migratory agriculture workers. Funds shall be awarded as competitive grants and may be used for on-farm and off-farm projects that improve living conditions, increase housing options, mitigate the spread of communicable diseases, or improve housing energy efficiencies for migratory agriculture workers.

(2) The Michigan state housing development authority shall collaborate with the Michigan department of agriculture and rural development on program guidelines and eligibility criteria for the program and shall post that information on its publicly accessible website prior to the due date of the application. Program guidelines must comply 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.

(3) The unexpended funds appropriated in part 1 for ARP – migratory agriculture worker housing are designated as a work project appropriation, and any unencumbered or unallocated 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 expand access to and improve the quality of housing for migratory agriculture workers.
- (b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the work project is \$15,000,000.00.
- (d) The tentative completion date is September 30, 2026.

Sec. xxx. (1) From the one-time funds appropriated in part 1 for the ARP-attainable homeownership and apprenticeship program, the state land bank authority shall establish and administer an attainable homeownership and apprenticeship program. These funds shall be used to support the acquisition, renovation, and resale of properties in land bank inventories to increase access to attainable housing and expand apprenticeship training opportunities in communities across the state. Funds shall be used to subsidize the difference between acquisition and renovation cost, and mortgageable value for low-to-moderate income households between 60–80 percent of the area median income, or low-to-moderate income households living in qualified census tracts as allowed under the American rescue plan act of 2021, public law 117-2.

(2) The state land bank authority in consultation with the Michigan state housing development authority, the department of labor and economic opportunity, and the Michigan office of rural development shall develop program guidelines to be posted on the department's publicly accessible website prior to the due date of the application. Program guidelines must comply 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. Efforts shall be made to ensure a broad geographic distribution of funds awarded under the program to both urban and rural communities, to the extent allowable under federal regulations. Program guidelines shall include, but are not limited to, the following:

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- (a) The state land bank authority shall collaborate with county land banks to identify qualifying properties for participation in the program.
- (b) The state land bank authority shall coordinate with developers for the renovation of acquired homes. All participating developers are required to partner with a local workforce development program for apprenticeship training and require paid apprentices on each home renovated through this program.
- (c) The program may require a local match from partnering entities for the purpose of leveraging additional resources for the program.

(3) The unexpended funds appropriated in part 1 for the ARP – attainable homeownership and apprenticeship program are designated as a work project appropriation, and any unencumbered or unallocated funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the work project is to support the attainable homeownership and apprenticeship program.
- (b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the work project is \$10,000,000.00.
- (d) The tentative completion date is September 30, 2026.

Sec. xxx. In addition to the amounts appropriated in part 1, the state land bank authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act, including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Explanation

In the Department of Labor and Economic Opportunity, a total of \$315 million in federal Coronavirus State Fiscal Recovery Fund is recommended for four programs. First, \$140 million is recommended for a limited-time expansion to the Reconnect program to lower the eligibility age to 21 for students whose education was disrupted by the pandemic. Second, this supplemental recommends \$75 million for a Reconnect Bachelor's Degree Pathway to provide grants to students whose education was disrupted by the pandemic. These grants will support students who return to higher education on a path to a bachelor's degree. Third, \$65 million is provided to support the deployment of electric vehicle charging infrastructure across the state. And finally, \$35 million is provided for the Going Pro program to expand employer-based training grants that fill demonstrated talent needs and result in industry recognized credentials.

In the Michigan Strategic Fund, a total of \$185 million Coronavirus State Fiscal Recovery Funding is recommended. This includes \$35 million for a Retraining and Retooling Fund, \$15 million for Pure Michigan, and \$135 million for the Michigan Main Street Recovery Initiative. The Retraining and Retooling Fund will increase the competitiveness of small manufacturers and the upskilling workers for in-demand and emerging opportunities. The Pure Michigan funding will provide additional support for the statewide tourism campaign that promotes Michigan as a place to live, play and work. Finally, the funds for the Michigan Main Street Recovery Initiative will support Michigan's main street small and micro businesses that were impacted by the pandemic by improving access to capital and resource networks through local and nonprofit economic development organizations and other investment entities, technical support and assistance funding, and direct grants to main street businesses to aid with a variety of needs, including façade improvements, equipment, operations, technology upgrades, and more.

In the Michigan State Housing Development Authority, \$15 million in federal Coronavirus State Fiscal Recovery Fund is recommended for Migratory Agriculture Worker Housing to address the workforce housing needs in the food and agriculture industry in Michigan.

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Finally, in the State Land Bank Authority, \$10 million in federal Coronavirus State Fiscal Recovery Fund is recommended for an Attainable Homeownership and Apprenticeship program to support the acquisition, renovation, and resale of properties in land bank inventories and expand apprenticeship training opportunities in communities across the state.