



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

DAVID P. MASSARON
DIRECTOR

February 11, 2021

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 2021-5

Attached please find supplemental recommendations for fiscal year 2021 for Judiciary and the departments of Agriculture and Rural Development; Attorney General; Environment, Great Lakes, and Energy; Health and Human Services; Labor and Economic Opportunity; Licensing and Regulatory Affairs; Military and Veterans Affairs; Natural Resources; State Police; Technology, Management and Budget; Transportation; and Treasury.

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

Sincerely,

David P. Massaron
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, Acting Deputy State Budget
Director
Heather Boyd, Office of Financial Management
Internal State Budget Office

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/09/2021

Supplemental Letter Detail

Run Time: 7:12:37 AM

Supplemental Letter # 2021-5

Agriculture and Rural Development

Appropriation Summary	Appn/Fund	
<i>Full-time equated classified positions</i>		3.0
GROSS APPROPRIATION		1,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		1,000,000
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	1,000,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
<i>Full-time equated classified positions</i>		1.0
Coronavirus response activities-3 FTE positions	T37966	1,000,000
GROSS APPROPRIATION		1,000,000
Appropriated from:		
State general fund/general purpose	1000	1,000,000

Boilerplate

Sec. xxx. From the funds appropriated in part 1 for coronavirus response activities, the department shall allocate funds for those activities. These funds may support, but are not limited to the following activities:

- (a) Inspection requirements of migrant labor housing providers.
- (b) Conduct outreach to migrant housing providers.
- (c) Review COVID-19 mitigation plans.
- (d) Ensure implementation.

Sec. xxx. The unexpended funds appropriated in part 1 for the coronavirus response activities 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 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 project is to assist with the inspection requirements of migrant labor housing providers as well as conduct outreach to migrant housing providers, review COVID-19 mitigation plans, and ensure implementation.
- (b) The project will be funded in accordance with this section.
- (c) The estimated cost of this project is \$1,000,000.00.
- (d) The tentative completion date for the work project is September 30, 2022.

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(2) The department may expend money from the funds appropriated in part 1 for the coronavirus response activities program, including all of the following activities:

(a) Payroll, travel and other CSS&M related costs.

(b) Outreach and education materials.

(c) Other administrative costs related to meeting the requirements of the Public Health Code, Public Act 368, of 1978, and any applicable public health order.

Explanation

This supplemental requests \$1 million General Fund and 3.0 FTE positions to provide inspection and plan approvals for migrant labor housing to prevent the exposure and spread of COVID-19 to migrant labor workers and other agricultural labor. These funds will support the next two growing seasons of 2021 and 2022.

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Attorney General

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		150,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		150,000
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	150,000

ATTORNEY GENERAL OPERATIONS	Appn/Fund	
Operations	31570	150,000
GROSS APPROPRIATION		150,000
Appropriated from:		
State general fund/general purpose	1000	150,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for attorney general 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 provide document management services for the clergy abuse cases.
- (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 \$150,000.00.
- (d) The tentative completion date is September 30, 2022.

Explanation

This supplemental requests \$150,000 General Fund to support increased costs for document retention in the clergy abuse investigation. These funds will be utilized to review hundreds of thousands of records and electronic files secured by the Michigan State Police, in partnership with the Attorney General, to investigate allegations made from 1950 to the present.

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Environment, Great Lakes, and Energy

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		20,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		20,000,000
Total federal revenues	FDRL	10,000,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	5,000,000
State general fund/general purpose	GFGP	5,000,000

REMEDIATION AND REDEVELOPMENT DIVISION	Appn/Fund	
Superfund cleanup	66550	10,000,000
GROSS APPROPRIATION		10,000,000
Appropriated from:		
Federal funds	3000	10,000,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
Energy infrastructure program	T41845	5,000,000
Premcor remediation activities	T58880	5,000,000
GROSS APPROPRIATION		10,000,000
Appropriated from:		
Environmental response fund	2536	5,000,000
State general fund/general purpose	1000	5,000,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for superfund cleanup 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 contaminated site cleanup.
- (b) The project will be accomplished by utilizing contracts with service providers.
- (c) The total estimated cost of the project is \$10,000,000.00.
- (d) The tentative completion date is September 30, 2024.

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Sec. xxx. From the funds appropriated in part 1 for the energy infrastructure program, the department shall provide up to \$4.9 million of funding for 50% of the costs associated with investments by companies in additional storage of propane supplied to Michigan residents and entities. In addition, the department shall provide up to \$100,000 of grant funding to local organizations for the development of alternative analyses and plans needed to assist with ensuring energy demands are met.

Sec. xxx. The unexpended funds appropriated in part 1 for Premcor remediation activities 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 contaminated site cleanup.
- (b) The project will be accomplished by utilizing contracts with service providers.
- (c) The total estimated cost of the project is \$5,000,000.00.
- (d) The tentative completion date is September 30, 2024.

Explanation

The Spartan Chemical site is a Superfund site where former industrial chemical storage, mixing, and bulk transport operations resulted in the contamination of the soils, groundwater, and soil vapors. Additional authority is needed to access federal funding and address soil contamination at the Spartan Chemical site. The department has a cooperative agreement with the U.S. Environmental Protection Agency that provides this federal funding.

This request supports grants with a 50% match rate to propane storage companies for the purchase of new propane tanks. Funds will also support grants to locals for energy infrastructure planning.

This request supports cleanup at gasoline stations formerly owned by The Premcor Refining Group, Inc. During Premcor's ownership, several properties reported releases of petroleum products from underground storage tanks. Settlement discussions resulted in an Administrative Consent Order (ACO) where Premcor will make a payment toward future costs to the State of Michigan and EGLE will conduct corrective actions at approximately 79 sites formerly owned by Premcor. Additional spending authority is needed to conduct remedial actions as detailed in the ACO.

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Health and Human Services

Appropriation Summary	Appn/Fund	
<i>Full-time equated classified positions</i>		38.0
GROSS APPROPRIATION		1,026,559,500
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		1,026,559,500
Total federal revenues	FDRL	1,635,303,200
Total local revenues	LOCL	1,785,300
Total private revenues	PRIV	13,097,200
Total other state restricted revenues	STRS	34,785,900
State general fund/general purpose	GFGP	(658,412,100)
CHILD SUPPORT ENFORCEMENT	Appn/Fund	
Child support enforcement operations	34360	735,300
Legal support contracts	50950	0
State disbursement unit	65700	(735,300)
GROSS APPROPRIATION		0
Appropriated from:		
Federal funds	3000	1,606,100
State general fund/general purpose	1000	(1,606,100)
COMMUNITY SERVICES AND OUTREACH	Appn/Fund	
<i>Full-time equated classified positions</i>		4.0
Bureau of community services and outreach-4 FTE positions	32700	0
Homeless programs	48200	(23,282,500)
Homeless programs	48200	23,282,500
GROSS APPROPRIATION		0
Appropriated from:		
Capped federal revenues	3213	0
Social security act, temporary assistance for needy families	3510	0
State general fund/general purpose	1000	0
CHILDREN'S SERVICES AGENCY - CHILD WELFARE	Appn/Fund	
Adoption subsidies	30310	621,500
Child care fund	34150	6,751,000
Child welfare institute	35430	0
Children's services administration	35600	0
Children's trust fund administration	35701	55,000

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Children's trust fund grants	35702	495,000
Family preservation programs	42850	15,622,000
Foster care payments	45250	(16,501,900)
Guardianship assistance program	46600	(57,600)
Settlement monitor	64050	110,000
GROSS APPROPRIATION		7,095,000
Appropriated from:		
Capped federal revenues	3213	14,061,900
Capped federal revenues 139	3267	100,000
Federal funds	3000	7,612,800
Social security act, temporary assistance for needy families	3510	(6,600,800)
County chargeback	4209	1,139,500
Collections	5204	(8,000)
State general fund/general purpose	1000	(9,210,400)

PUBLIC ASSISTANCE

Appn/Fund

Emergency services local office allocations	41550	0
Family independence program	42750	(33,430,000)
Food Bank Council of Michigan	44850	0
State disability assistance payments	65650	(1,751,600)
State supplementation	65950	(676,000)
GROSS APPROPRIATION		(35,857,600)
Appropriated from:		
Social security act, temporary assistance for needy families	3510	76,600
Supplemental security income recoveries	1452	(397,500)
State general fund/general purpose	1000	(35,536,700)

FIELD OPERATIONS AND SUPPORT SERVICES

Appn/Fund

<i>Full-time equated classified positions</i>		10.0
Adult services field staff	30430	0
Food assistance reinvestment-10 FTE positions	44802	5,192,100
Public assistance field staff	44050	0
GROSS APPROPRIATION		5,192,100
Appropriated from:		
Federal funds	3000	0
State general fund/general purpose	1000	5,192,100

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BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS **Appn/Fund**

Full-time equated classified positions 6.0

Behavioral health program administration-6 FTE positions 32050 450,000

Family support subsidy 42950A (992,100)

GROSS APPROPRIATION (542,100)

Appropriated from:

Federal funds 3000 225,000

Social security act, temporary assistance for needy families 3510 (992,100)

State general fund/general purpose 1000 225,000

BEHAVIORAL HEALTH SERVICES **Appn/Fund**

Autism services 31650 64,197,400

Certified community behavioral health clinic demonstration 33935 6,105,000

Community substance use disorder prevention, education, and treatment 36400 36,500,600

Healthy Michigan plan - behavioral health 47620 (63,786,100)

Medicaid mental health services 52700 43,399,300

Medicaid substance use disorder services 52800 (9,067,400)

GROSS APPROPRIATION 77,348,800

Appropriated from:

Federal funds 3000 186,184,400

Insurance provider fund 1561 1,910,300

Marihuana regulatory fund 1551 59,700

Quality assurance assessment tax 1902 5,139,500

State general fund/general purpose 1000 (115,945,100)

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES **Appn/Fund**

Caro Regional Mental Health Center - psychiatric hospital - adult 33450 (2,000,000)

Center for forensic psychiatry 33650 (3,000,000)

Hawthorn Center - psychiatric hospital - children and adolescents 46750 3,500,000

Kalamazoo Psychiatric Hospital - adult 50550 0

Walter P. Reuther Psychiatric Hospital - adult 69250 1,500,000

GROSS APPROPRIATION 0

Appropriated from:

Federal funds 3000 2,534,300

Local funds 4000 0

Other state restricted revenues 1200 0

State general fund/general purpose 1000 (2,534,300)

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EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY	Appn/Fund	
Emergency medical services program	41500A	300,000
Healthy homes program	47500	0
Laboratory services	50650A	715,000
GROSS APPROPRIATION		1,015,000
Appropriated from:		
Federal funds	3000	1,763,000
Emergency medical services fees	1926	300,000
State general fund/general purpose	1000	(1,048,000)
LOCAL HEALTH AND ADMINISTRATIVE SERVICES	Appn/Fund	
<i>Full-time equated classified positions</i>		<i>18.0</i>
AIDS prevention, testing, and care programs-18 FTE positions	30750	9,414,500
Violence prevention	68850	2,370,000
GROSS APPROPRIATION		11,784,500
Appropriated from:		
Federal funds	3000	2,370,000
Private funds	5000	9,414,500
FAMILY HEALTH SERVICES	Appn/Fund	
Child and adolescent health care and centers	34100	4,900,000
Women, infants, and children program administration and special projects	70000	1,040,700
GROSS APPROPRIATION		5,940,700
Appropriated from:		
Local funds	4000	4,900,000
Private funds	5000	1,040,700
CHILDREN'S SPECIAL HEALTH CARE SERVICES	Appn/Fund	
Medical care and treatment	52850	27,060,900
GROSS APPROPRIATION		27,060,900
Appropriated from:		
Federal funds	3000	25,897,200
State general fund/general purpose	1000	1,163,700
AGING AND ADULT SERVICES AGENCY	Appn/Fund	
Community services	37150	1,000,000
Nutrition services	56400	3,500,000
GROSS APPROPRIATION		4,500,000

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Appropriated from:

Federal funds	3000	4,500,000
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MEDICAL SERVICES ADMINISTRATION

Appn/Fund

Healthy Michigan plan administration	47610	(3,000,000)
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Medical services administration	53000	4,500,000
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GROSS APPROPRIATION		1,500,000
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Appropriated from:

Federal funds	3000	1,350,000
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Private funds	5000	150,000
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State general fund/general purpose	1000	0
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MEDICAL SERVICES

Appn/Fund

Adult home help services	30400	(8,405,200)
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Ambulance services	31000	(563,900)
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Auxiliary medical services	31800	(1,107,600)
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Dental services	39270	2,131,900
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Federal Medicare pharmaceutical program	43700	(27,281,100)
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Health plan services	47300	404,067,600
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Healthy Michigan plan	47600	390,533,800
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Home health services	48000	(1,615,500)
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Hospice services	48250	(15,074,700)
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Hospital disproportionate share payments	48300	0
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Hospital services and therapy	48350	5,182,600
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Integrated care organizations	49450	30,714,400
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Long-term care services	51950	(180,602,200)
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Maternal and child health	52450	(103,100)
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Medicaid home- and community-based services waiver	52650	4,401,900
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Medicare premium payments	53150	(2,964,400)
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Personal care services	58400	(218,800)
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Pharmaceutical services	58550	167,597,600
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Physician services	58600	(24,258,200)
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Program of all-inclusive care for the elderly	59800	20,935,700
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School-based services	63450	46,940,300
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Transportation	67805	244,400
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GROSS APPROPRIATION		810,555,500
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Appropriated from:

Federal funds	3000	1,329,199,800
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Local funds	4000	(4,254,200)
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Obra penalties	5205	2,000,000
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Private funds	5000	500,000
Insurance provider fund	1561	(16,088,800)
Other state restricted revenues	1200	(16,308,200)
Quality assurance assessment tax	1902	60,170,900
State general fund/general purpose	1000	(544,664,000)

INFORMATION TECHNOLOGY

Appn/Fund

Child support automation	16500	0
Michigan statewide automated child welfare information system	16208	581,700

GROSS APPROPRIATION

581,700

Appropriated from:

Federal funds	3000	(1,466,500)
State general fund/general purpose	1000	2,048,200

ONE-TIME APPROPRIATIONS

Appn/Fund

Dental oral assessment database	T39248	385,000
Direct care worker wage increase	T38510	110,000,000

GROSS APPROPRIATION

110,385,000

Appropriated from:

Federal funds	3000	66,881,500
State general fund/general purpose	1000	43,503,500

Boilerplate

Sec. xxx.(1) From the funds appropriated in part 1 for COVID-19 direct care worker hazard pay adjustment, the department of health and human services shall provide sufficient funding to increase the wages paid to direct care workers described in subsection (2) by \$2.00 per hour above the rates paid on March 1, 2020 beginning October 1, 2020 and continuing until September 30, 2021.

(2) The direct care wage increase shall be provided to direct care workers employed by the department of health and human services, its contractors, and its subcontractors who received a \$2.00 per hour state-funded wage increase beginning in April 2020. The total combined direct care wage increases from the April 2020 direct care wage increase and the wage increase outlined in this section shall be \$2.00 per hour and shall be in effect beginning April 1, 2020 and continuing until September 30, 2021.

(3) From the funds appropriated in part 1, the department of health and human services shall provide sufficient funding to increase the wages paid to direct care workers described in subsections (4) and (5) by \$2.00 per hour above the rates paid on June 1, 2020 for the current fiscal year.

(4) From the funds appropriated in part 1 for COVID-19 direct care worker hazard pay adjustment, a direct care wage increase of \$2.00 per hour shall be provided to direct care workers employed by skilled nursing facilities on the effective date of this act, beginning July 1, 2020 and continuing until September 30, 2021. This funding shall include all costs incurred by the employer, including payroll taxes, due to the \$2.00 per hour increase. As used in this subsection, "direct care workers" means a registered nurse, licensed practical nurse, competency-evaluated nursing assistant, and respiratory therapist.

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(5) From the funds appropriated in part 1 for COVID-19 direct care worker hazard pay adjustment, a direct care wage increase of \$2.00 per hour shall be provided to direct care workers employed by area agencies on aging and its contractors for in-home and respite services on the effective date of this act, beginning July 1, 2020 and continuing until September 30, 2021. This funding shall include all costs incurred by the employer, including payroll taxes, due to the \$2.00 per hour increase.

(6) Contractors and subcontractors receiving funding to support these direct care wage increases shall be required to provide documentation of the wage increases provided pursuant to this section to the department of health and human services.

(7) Any payment enhancement above the hourly rate in effect immediately prior to the wage increase shall be of no effect in determining any employee's average compensation as provided by any contract or other provision of law.

(8) A direct care worker may elect to not receive the wage increase provided in this section. The election to not receive the wage increase in this section must be made either in writing or electronically. The employer of a direct care worker who has elected to not receive the wage increase in this section must remit back to the state any of the funds authorized by this section based on the number of direct care workers it employs who have elected to not receive the wage increase authorized by this section.

Sec. xxx. (1) From the funds appropriated in part 1 for homeless programs, the department shall allocate funds to the emergency shelter program to support efforts of shelter providers to move homeless individuals and households into permanent housing as quickly as possible. Expected outcomes are increased shelter discharges to stable housing destinations, decreased recidivism rates for shelter clients, and a reduction in the average length of stay in emergency shelters.

(2) By March 1 of the current fiscal year, the department shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office a report on the total amount expended for the program in the previous year, as well as the total number of shelter nights provided and the average length of stay in an emergency shelter.

REPEALER. Sec. 453 of 2020 PA 166, Article 6 is repealed.

Explanation

This supplemental request includes \$1.03 billion in Gross authorization and reduces General Fund authorization by \$658.4 million for the Department of Health and Human Services (DHHS). The request includes adjustments associated with the enhanced Medicaid services match rate (E-FMAP); FY 2021 caseload, utilization, and inflationary cost changes; child welfare adjustments; various Medicaid special financing adjustments; and several local, federal, and private authorization adjustments. In addition, adjustments to continue the direct care wage increase and federally mandated Food Assistance Program (FAP) reinvestment are included.

The supplemental includes \$5.2 million General Fund and 10 FTEs to support the federally required Food Assistance Program Reinvestment. In addition, the supplemental includes two adjustments tied to FY 2022 Executive Recommendation investments:

--\$110 million (\$43.1 million General Fund) to extend the \$2.00 per hour wage increase for direct care workers in DHHS Medicaid funded in-home aging, behavioral health, long-term care services for the remainder of FY 2021. The FY 2022 Executive Recommendation includes funding to make this wage increase permanent.

--\$6.6 million (\$1.2 million General Fund) to implement the Certified Community Behavioral Health Clinic Demonstration services in Q4 FY 2021. This includes half-year funding for an additional 6 FTEs to support the Behavioral Health Office of Policy Operations.

E-FMAP adjustments annualize savings included in DHHS's initial FY 2021 budget, reducing General Fund \$730.7 million. Additionally, E-FMAP savings not recognized in the initial appropriation reduce the budget by an additional \$22.3 million General Fund. These new savings are tied to the following lines: Federal Medicare Pharmaceutical Program (reflecting additional savings from August Consensus), Hospital Disproportionate Share Payments, Healthy Homes Program, Caro Regional Mental Health Center, Center for Forensic Psychiatry, Hawthorn Center, Kalamazoo Psychiatric Hospital, and Walter P. Reuther Psychiatric Hospital.

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Updated caseload cost projections for Child Welfare, Public Assistance programs, and Medicaid physical and Behavioral Health account for a \$547.4 million Gross (\$56.6 million General Fund) of the request. Specific adjustments by major program include:

--Child Welfare caseload adjustments totaling a reduction of \$13.4 million Gross (\$1.5 million General Fund) based on current caseload projections for Adoption Subsidies, Child Care Fund, Guardianship Assistance Program, Foster Care Payments, and Family Support Subsidy.

--Public Assistance caseload adjustments totaling a reduction of \$35.9 million (\$35.5 million General Fund) based on current caseload projections for Family Independence Program, State Disability Assistance Program, and State Supplementation.

--Caseload adjustments for behavioral and physical health Medicaid and the Children's Special Healthcare Insurance Program total \$596.7 million (\$93.6 million General Fund). Included in this adjustment is additional school-based services revenues, offsetting \$29.2 million General Fund. Additionally, the supplemental removes anticipated FY 2020 risk corridor savings included in the initial FY 2021 DHHS Budget, which reflects that these savings were accounted for in DHHS's FY 2020 year-end accrued expenditures.

--Medicaid special payment adjustments totaling \$272.1 million (\$17.6 million General Fund reduction), reflecting adjustments in the Medical Services and Behavioral Health Services Units.

The supplemental also includes several non-caseload Child Welfare budget adjustments totaling \$20.1 million Gross (\$4.4 million General Fund). Ongoing adjustments include:

--\$110,000 Gross adjustment for Settlement Monitor contract costs associated with the federal Child Welfare settlement agreement (\$92,900 General Fund).

--\$4.2 million Gross adjustment for foster care residential facility rate increases driven by the federal Qualified Residential Treatment Program (QRTP) requirements (\$3.9 million General Fund).

--\$15.6 million Gross for a federal grant for transition assistance with the federal Family First Prevention Services Act.

--One-time \$581,700 Gross (\$442,100 General Fund) increase associated with IT systems changes to comply with Raise The Age legislation.

--Additional federal adjustments reducing authorization need by \$426,700.

Finally, other non-caseload adjustments total \$111.1 million Gross (\$1.8 million General Fund). Significant adjustments include:

--\$1.4 million General Fund backfill of the Health and Safety Fund, and \$385,000 General Fund to develop a database supporting an oral health assessment program as required by P.A. 261 (2020).

--Several federal authorization adjustments: \$36.5 million for the Federal State Opioid Response II Grant, \$2.4 million for Federal Violence Prevention Grant, and \$47.5 million in Pharmaceutical Services (\$42 million to recognize a delay in rebate processing and \$5.5 million associated with tribal pharmacy services).

--\$9.4 million in additional private authorization to begin spending down an available balance from AIDS Drug Assistance program rebates as required by federal guidance. This results in more contracts and the need for additional staff (18 FTEs) to oversee financial, quality, and timely execution of contracts.

--Financing and staffing adjustments totaling 4.0 FTE and \$4.5 million Gross for Food Bank Council of Michigan, Adult Services Field Staff, Nutrition Services, Community Services, and the Bureau of Community Services and Outreach.

--\$4.9 million in additional local authorization to recognize anticipated spending levels by local school districts for the Child and Adolescent Health Care and Centers line item.

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--The Homeless Programs line is unappropriated and re-appropriated to revise boilerplate Sec. 453.

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Judiciary

Appropriation Summary		Appn/Fund
<i>Full-time equated classified positions</i>		8.0
GROSS APPROPRIATION		866,800
Total interdepartmental grants and interdepartmental transfers	IDGT	45,000
ADJUSTED GROSS APPROPRIATION		821,800
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	821,800
State general fund/general purpose	GFGP	0

SUPREME COURT		Appn/Fund
Judicial institute	18120	45,000
GROSS APPROPRIATION		45,000
Appropriated from:		
IDG from MDSP, Michigan justice training fund	6825	45,000

TRIAL COURT OPERATIONS		Appn/Fund
<i>Full-time equated classified positions</i>		8.0
Statewide e-file system	65980	821,800
GROSS APPROPRIATION		821,800
Appropriated from:		
Judicial electronic filing fund	1340	821,800

Explanation

This supplemental request provides spending authorization to allow the Michigan Judicial Institute to expend Michigan Justice Training Fund competitive grant revenues awarded by the Michigan Commission on Law Enforcement Standards.

The request also provides state restricted authorization and FTE positions to support the implementation of the Statewide e-File project. Public Acts 230 - 235 authorized the development and implementation of the statewide e-filing system (MiFILE), which will be rolled out to trial courts starting in 2021.

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Labor and Economic Opportunity

Appropriation Summary		Appn/Fund
GROSS APPROPRIATION		33,062,600
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		33,062,600
Total federal revenues	FDRL	11,762,600
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	21,300,000

WORKFORCE DEVELOPMENT		Appn/Fund
Workforce development programs	26040	9,916,800
Workforce program administration	26020	1,845,800
GROSS APPROPRIATION		11,762,600
Appropriated from:		
DED-OESE, GEAR-UP	3212	4,000,000
Federal funds	3000	7,762,600

ONE-TIME APPROPRIATIONS		Appn/Fund
Futures for frontliners	T45460	21,300,000
GROSS APPROPRIATION		21,300,000
Appropriated from:		
State general fund/general purpose	1000	21,300,000

Boilerplate

Sec. xxx. The state budget director shall take any and all related actions necessary to effectuate a transfer to the general fund of any remaining balance from interest earnings, estimated to be under \$500.00, from the fund originally created in Sec. 757 of Public Act 618 of 2018.

Sec. xxx. (1) The funds appropriated in part 1 for futures for frontliners shall be used for last-dollar tuition costs, mandatory fees, and contact hours at community colleges for Michigan residents that are eligible frontline workers. The department of labor and economic opportunity shall develop specific eligibility criteria and program guidelines, which shall be posted on a publicly available website.

(2) The funds appropriated in part 1 shall be used to expand the eligible population for futures for frontliners to include individuals that became newly unemployed between November 1, 2020 and January 31, 2021 in industries disproportionately impacted by COVID-19. The department shall develop and post to its website specific eligibility criteria for qualification under this expansion.

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(3) The unexpended funds appropriated in part 1 for futures for frontliners 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 of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the work project is to support the costs of the futures for frontliners program.
- (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 \$21,300,000.00.
- (d) The tentative completion date is September 30, 2025.

Explanation

This supplemental recommendation includes multiple components and federal grant awards across LEO's workforce and talent development programs. Specifically:

- \$11.8 million in federal authorization to reflect federal awards for workforce development programs
 - \$4 million for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP).
 - \$5.95 million for the Michigan Learning and Education Advancement Program (MiLEAP).
 - \$1.8 million for two new federal grants that will fund the Michigan One Advanced Workforce Program and the Michigan Rural Enhanced Access to Careers in Healthcare (MiREACH).
- \$21.3 million general fund for the futures for frontliners program which provides tuition-free access to a community college degree or certificate for frontline workers who do not yet have a college degree.
- Technical clean up language in boilerplate necessary for the return of approximately \$405.00 in interest balance to the General Fund from the Northern Michigan Tourism and Sports Fund, which was created in Public Act 618 of 2018. Returning the unappropriated interest earnings to the General Fund is the final piece of financially closing out this appropriation.

The \$4 million in federal authorization for the GEAR-UP program is appropriated across two line-items, \$1 million to Workforce Program Administration and \$3 million to Workforce Development Programs. This conforms to the grant budget approved by the federal government. This program is not new, but budget authority was removed in FY 2021 due to uncertainty Michigan would receive an award. The department has now been notified that they will be awarded \$4 million for seven years (\$28 million total). GEAR-UP aims to increase the number of low-income students who are prepared to enter and succeed in postsecondary education, a critical tool to help achieve the statewide "Sixty by 30" goal of 60% postsecondary education attainment by 2030. The department partners with 15 participating public universities to implement and administer the program. Ongoing funding is recommended in the Fiscal Year 2022 Executive Recommendation to reflect the continuation of the award.

The \$5.95 million for the MiLEAP program is also spread across the same two line-items as GEAR-UP, \$350,000 to Workforce Program Administration and \$5.6 million to Workforce Development Programs. This new competitive federal grant will help jobseekers transition from education and training to employment through customized training solutions and support from navigators who help workers assess and overcome barriers. MiLEAP will target services to individuals who are dislocated, underemployed, economically disadvantaged, able to perform essential functions, and living in distressed rural and urban communities. Ongoing funding is recommended in the Fiscal Year 2022 Executive Recommendation to reflect the continuation of the award.

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The \$1.8 million from two competitively awarded federal grants will fund the Michigan One Advanced Workforce Program and MiREACH. These dollars are also spread across the same two workforce line items, \$1.3 million to Workforce Development Programs and \$495,800 to Workforce Program Administration. The first grant is focused on preparing the workforce for middle- to high-skilled positions currently filled by H-1B visa workers in advanced manufacturing, information technology, and transportation/mobility. Training will focus on the completion of an Associates or Bachelor's degree, or an industry recognized credential. The second grant, MiREACH, will focus on connecting employers with skilled healthcare workers in rural communities. The funding included in this supplemental request represents partial year funding (7 months) as the grant period begins March 1, 2021. Ongoing funding of \$3.1 million has been included in the Fiscal Year 2022 Executive Recommendation for full-year costs associated with these grants, each of which will last four years.

Lastly, the \$21.3 million general fund for the Futures for Frontliners program is made in conjunction with an additional \$39.1 million general fund included in the Fiscal Year 2022 Executive Recommendation to fund this program for individuals included in the program beyond fiscal year 2021. This program provides tuition-free access to a community college degree or certificate for frontline workers who do not yet have a college degree. Of the \$21.3 million requested in the supplemental, \$9.6 million is provided to expand the eligible population of frontliners to those newly unemployed between November 1, 2020 and January 31, 2021 in industries disproportionately impacted by COVID-19.

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Licensing and Regulatory Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		200,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		200,000
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	0

PUBLIC SERVICE COMMISSION	Appn/Fund	
Public service commission	60550	200,000
GROSS APPROPRIATION		200,000
Appropriated from:		
DOT, gas pipeline safety	3232	200,000

Explanation

This supplemental recommends \$200,000 in federal authorization for the Public Service Commission, to reflect a new federal grant for the Underground Natural Gas Storage Inspection Program. This funding will be used to inspect, evaluate, and determine code compliance for underground natural gas storage operators in Michigan. The department will receive the federal award this spring, and will require additional federal authorization to begin these inspection activities in fiscal year 2021. The recommended \$200,000 reflects partial-year costs of the award. Additional authorization of \$352,500 has been recommended in the FY 2022 Executive Budget Recommendation to reflect full year costs associated with this program.

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Military and Veterans Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		20,050,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		20,050,000
Total federal revenues	FDRL	20,000,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	50,000
State general fund/general purpose	GFGP	0

MILITARY	Appn/Fund	
Military training sites and support facilities	54670	50,000
GROSS APPROPRIATION		50,000
Appropriated from:		
Morale, welfare, and recreation fund	1657	50,000

CAPITAL OUTLAY	Appn/Fund	
Special maintenance - National Guard	C81780	20,000,000
GROSS APPROPRIATION		20,000,000
Appropriated from:		
DOD-DOA-NGB	3270	20,000,000

Boilerplate

Sec. xxx. The Morale, Welfare, and Recreation fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. The Department of Military and Veterans Affairs shall be the administrator of the fund for auditing purposes. All of the fees and other revenues generated from the operation of the Morale, Welfare, and Recreation program shall be deposited in the Morale, Welfare, and Recreation fund account. Appropriations will be made from the account for the support of program operations. Money remaining in the fund at the end of the year shall not lapse, but shall be carried forward to the subsequent fiscal year.

Explanation

This supplemental request provides \$20 million in federal authorization to support twenty-six special maintenance projects at department facilities across the state. Most of these projects are covered 100% by these federal funds, and any state match that is required will be covered by existing appropriations.

This supplemental request establishes a new state restricted fund in the Military Training Sites and Support Facilities line to receive user fees for recreation equipment at Camp Grayling. This funding will support the new Morale, Welfare, and Recreation program, which provides recreation opportunities for National Guard members and their families.

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Natural Resources

Boilerplate

Sec. xxx. (1) In addition to the money appropriated in part 1 of PA 166 of 2020, there is appropriated from the following state restricted funds up to the following amounts to the department of technology, management and budget:

Game and fish protection fund.....	\$586,600
Michigan state waterways fund.....	136,500
Park improvement fund.....	225,700
Forest development fund.....	297,800

(2) In addition to the money appropriated in part 1 of PA 166 of 2020, there is appropriated from the following state restricted funds up to the following amounts to the attorney general:

Game and fish protection fund.....	\$659,300
Michigan state waterways fund.....	147,000

(3) In addition to the money appropriated in part 1 of PA 166 of 2020, there is appropriated from the following state restricted funds up to the following amounts to the legislative auditor general:

Game and fish protection fund.....	\$34,300
Michigan state waterways fund.....	12,400

(4) In addition to the money appropriated in part 1 of PA 166 of 2020, there is appropriated from the following state restricted funds up to the following amounts to the department of treasury:

Game and fish protection fund.....	\$3,157,800
Michigan state waterways fund.....	381,000
Michigan natural resources trust fund.....	2,374,500

(5) In addition to the money appropriated in part 1 of PA 166 of 2020, there is appropriated from the following state restricted funds to the civil service commission the amount calculated for each fund pursuant to section 5 of article XI of the state constitution of 1963:

- (a) Game and fish protection fund
- (b) Michigan state waterways fund
- (c) Park improvement fund
- (d) Forest development fund
- (e) Michigan natural resources trust fund
- (f) Michigan state parks endowment fund
- (g) Nongame wildlife fund

Explanation

Technical adjustment is needed to process interagency fee payments from certain state restricted funds.

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State Police

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		21,400,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		21,400,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	19,000,000
State general fund/general purpose	GFGP	2,400,000

FIELD SERVICES	Appn/Fund	
Post operations	45610	2,400,000
GROSS APPROPRIATION		2,400,000
Appropriated from:		
State general fund/general purpose	1000	2,400,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
Clean slate for Michigan	T36110	19,000,000
GROSS APPROPRIATION		19,000,000
Appropriated from:		
Michigan set aside fund	1567	19,000,000

Boilerplate

Sec. xxx. (1) Funds appropriated in part 1 for Clean Slate for Michigan must be used to support to support the development and maintenance of various automated criminal record expungement systems in accordance with Public Acts 187 - 193 of 2020.

(2) The unexpended funds appropriated in part 1 for the Clean Slate for 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(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support the development and maintenance of various automated criminal record expungement systems in accordance with Public Acts 187 - 193 of 2020.

(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 \$19,000,000.00.

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

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Explanation

This supplemental request provides state restricted authorization to align with available revenue in the Michigan Set-Aside Fund to support the coordinated development of criminal record expungement systems in the Departments of Attorney General, Corrections, State Police and the Judiciary in accordance with Public Acts 187-193 of 2020. As the coordinating agency, the Department of State Police will maintain all authorization in support of one-time information technology costs related to systems development.

This supplemental request provides General Fund authorization in the Post Operations line to support an increase in contractual services.

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Technology, Management and Budget

Appropriation Summary	Appn/Fund	
<i>Full-time equated classified positions</i>		5.0
GROSS APPROPRIATION		84,245,700
Total interdepartmental grants and interdepartmental transfers	IDGT	600,000
ADJUSTED GROSS APPROPRIATION		83,645,700
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	83,645,700

DEPARTMENTAL ADMINISTRATION AND SUPPORT	Appn/Fund	
<i>Full-time equated classified positions</i>		5.0
Administrative services-5 FTE positions	11300	600,000
GROSS APPROPRIATION		600,000
Appropriated from:		
IDG from accounting service center user charges	6802	600,000

SPECIAL PROGRAMS	Appn/Fund	
Office of children's ombudsman	10805	100,000
Venture Michigan fund II voucher purchase	68571	80,000,000
GROSS APPROPRIATION		80,100,000
Appropriated from:		
State general fund/general purpose	1000	80,100,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
Interdepartmental grant from user fees account	T49695	3,545,700
GROSS APPROPRIATION		3,545,700
Appropriated from:		
State general fund/general purpose	1000	3,545,700

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Boilerplate

Sec. xxx. (1) From the funds appropriated in part 1, the state budget director is authorized to pay the portion prescribed in subsection (c) below of the outstanding monetary obligations owed by Venture Michigan Fund, a Michigan early stage venture investment corporation created under the Michigan early stage venture investment act of 2003, 2003 PA 296, MCL 125.2253, to Stanton Equity Trading Delaware LLC under that certain Loan Agreement, dated as of December 22, 2010, between Venture Michigan Fund and Stanton Equity Trading Delaware LLC, as amended, in return for surrender to the state treasurer all of the tax voucher certificates issued by Venture Michigan Fund for the benefit of Stanton Equity Trading Delaware LLC under Section 23 of such act, with the following stipulations:

(a) Venture Michigan Fund borrowed funds under such Loan Agreement pursuant to Section 17 of the Michigan early stage venture investment act of 2003, 2003 PA 296, MCL 125.2247, and Stanton Equity Trading Delaware LLC is the only lender.

(b) The prepayment of all outstanding monetary obligations owed by Venture Michigan Fund to Stanton Equity Trading Delaware LLC are made as provided in such Loan Agreement.

(c) Venture Michigan Fund contributes not less than \$60,700,000.00 of the prepayment of all outstanding monetary obligations owed by Venture Michigan Fund to Stanton Equity Trading Delaware LLC under such Loan Agreement, with the payment from the state budget director authorized under subsection (1) limited to the balance of all such outstanding monetary obligations owed by Venture Michigan Fund to Stanton Equity Trading Delaware LLC under such Loan Agreement.

(d) If the amount appropriated in part 1 for Venture Michigan Fund is insufficient to pay the portion to be paid by the state budget director of all of the outstanding monetary obligations of Venture Michigan Fund owed to Stanton Equity Trading Delaware LLC, then there is appropriated not more than \$1,500,000.00 from the state general fund for that purpose only.

(e) The prepayment of all such outstanding monetary obligations of Venture Michigan Fund owed to Stanton Equity Trading Delaware LLC must be conditioned upon surrender to the state treasurer of all tax voucher certificates issued by Venture Michigan Fund for the benefit of Stanton Equity Trading Delaware LLC under Section 23 of the Michigan early stage venture investment act of 2003, 2003 PA 296, MCL 125.2253.

(f) The prepayment of all such outstanding monetary obligations of Venture Michigan Fund owed to Stanton Equity Trading Delaware LLC and the surrender of such tax voucher certificates to the state treasurer shall occur not later than September 30, 2021.

(g) Any unexpended balance of the amounts appropriated in part 1 and in the foregoing subsection (d) shall lapse to the state general fund.

(2) Upon surrender of such tax voucher certificates to the state treasurer, the state treasurer shall destroy such tax voucher certificates.

Sec. xxx. (1) The funds appropriated in part 1 for the interdepartmental grant from user fees account represent the amount of user fees previously collected by the department for capital outlay and special maintenance project oversight services provided to other principal executive departments or state agencies, the legislative branch, the judicial branch, universities, community colleges, or private tenants which lapsed to the general fund/general purpose at the end of fiscal year 2020. Funds deposited into the interdepartmental grant from user fees account are appropriated for design and construction project oversight activities provided by the department.

(2) Fee revenue collected by the department from user fees for design and construction services shall be carried forward and shall not lapse to the state general fund/general purpose at the close of the fiscal year.

Sec. xxx. There is appropriated from general fund/general purpose revenue, for the fiscal year ending September 30, 2021, beyond any amounts previously deposited, the sum of \$175,000,000.00 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.

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Explanation

This supplemental recommendation for the Department of Technology, Management and Budget (DTMB) recommends a total of \$84.2 million, of which \$83.6 million is General Fund. The recommendation enables the full purchase of tax vouchers from the Venture Michigan Fund to save future General Fund revenue, provides IT enhancements for the Office of Children's Ombudsman, aligns costs and staffing for DTMB's provision of accounting services to the Michigan Veterans Facility Authority, provides a fix for an accounting issue associated with the carry forward of funding for oversight and management of construction services, and facilitates the deposit of General Fund into Counter-Cyclical Budget and Economic Stabilization Fund.

Specifically, \$100,000 General Fund will support information technology integrations for the Office of Children's Ombudsman (OCO) Complaint Investigation System with both the Michigan Statewide Child Welfare Information System and the Michigan Vital Records System to address audit findings. The Fiscal Year 2022 Executive Recommendation includes \$200,000 General Fund in increased OCO funding to cover the costs associated with maintaining the system integrations and analytical review of the data on an ongoing basis.

To continue the phase-in of accounting services provided to the state's Veterans Homes, which are operationally managed by the Michigan Veterans Facility Authority, 5.0 FTEs and \$600,000 in Interdepartmental Grant Funding (IDG) is added to the Administrative Services line-item that houses DTMB's accounting service center. The Fiscal Year 2022 Executive Recommendation includes an additional 8.0 FTEs and \$1,051,900 in IDG funding to complete the alignment and phase-in of this support on an ongoing basis.

An additional \$80 million General Fund is included to purchase the remaining tax vouchers that are held by the Stanton Equity Trading Delaware LLC that were issued by the Venture Michigan Fund under Section 23 of the Michigan Early Stage Venture Investment Act of 2003 (Public Act 296 of 2003, as amended). The purchase of these tax vouchers in Fiscal Year 2021 will eliminate the remaining liability associated with the Venture Michigan Fund II, which will result in expected net savings of \$75 million to the General Fund in Fiscal Years 2022 and 2023.

A total of \$3.6 million General Fund is recommended to maintain support for DTMB's Design and Construction Services Division. During the Fiscal Year 2020 book closing process, \$3.6 million of user fees that were collected for the management and oversight of multi-year capital outlay construction projects for other state agencies, universities, and community colleges were required to lapse to the General Fund. This recommendation re-appropriates the \$3.6 million to the Interdepartmental Grant from User Fees account in Fiscal Year 2021 to ensure that the Design and Construction Services Division remains properly funded. Boilerplate language has been included to authorize the carry forward of the user fees at year end. The Fiscal Year 2022 Executive Recommendation contains similar revised carry forward language.

Lastly, a \$175 million General Fund deposit into the Counter-Cyclical Budget and Economic Stabilization Fund ("Budget Stabilization Fund" or "Rainy Day Fund") is recommended. This deposit will restore the Budget Stabilization Fund balance back to over \$1 billion.

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Transportation

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

ONE-TIME APPROPRIATIONS	Appn/Fund	
Local bridge bundling initiative	TC51548	300,000,000
GROSS APPROPRIATION		300,000,000
Appropriated from:		
State general fund/general purpose	1000	300,000,000

Boilerplate

Sec. xxx. (1) The one-time funds appropriated in part 1 for the local bridge bundling initiative shall be expended by the department to support a statewide program for the rehabilitation or replacement of bridges owned by local road agencies. The department shall coordinate the local bridge bundling initiative and issue contracts necessary for planning, design, and construction work related to bridges selected for the program. Bridges shall be selected for inclusion in the program subject to available funding and according to the following order of priority:

- (a) Locally-owned vehicle bridges currently closed to traffic.
- (b) Locally-owned vehicle bridges currently posted or restricted from Michigan legal loads.
- (c) Locally-owned vehicle bridges in need of rehabilitation or replacement as rated by Regional Bridge Councils to ensure citizen safety or unimpeded commercial traffic.

(2) The department shall provide a progress report on the local bridge bundling initiative to the senate and house transportation appropriations subcommittees, the state budget director, and the senate and house fiscal agencies by September 30, 2021.

Explanation

This supplemental recommends \$300 million of one-time General Fund to support the repair or replacement of approximately 120 bridges owned by local road agencies. As specified in accompanying boilerplate, this program will be coordinated and contracted by the department in order to leverage efficiencies in design and construction delivery. Bridges will be selected according to the following criteria: bridges currently closed to traffic, that are currently posted or restricted from Michigan legal load limitations, or to ensure citizen safety and the unimpeded flow of commercial traffic.

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Treasury

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		77,000,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		77,000,000
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	77,000,000

GRANTS	Appn/Fund	
Wrongful imprisonment compensation fund	70030	7,000,000
GROSS APPROPRIATION		7,000,000
Appropriated from:		
State general fund/general purpose	1000	7,000,000

ONE-TIME APPROPRIATIONS	Appn/Fund	
City income tax COVID loss relief	T16081	70,000,000
GROSS APPROPRIATION		70,000,000
Appropriated from:		
State general fund/general purpose	1000	70,000,000

Boilerplate

Sec. xxx. (1) From the funds appropriated in Part 1 for city income tax relief , the department will pay to each city with a tax imposed under 1964 P A 284 (MCL 141.501 to 141.787) an amount determined by multiplying \$70,000,000.00 by a fraction, the numerator of which is the revenue reported from the tax imposed under 1964 PA 284 by each city in the city's 2019 audited financial report and the denominator of which is the total amount of revenue reported from the tax imposed under 1964 PA 284 by all cities with a tax imposed under 1964 PA 284. The payment to any city will not exceed \$25,000,000.00.

(2) If the payment to any city is limited to \$25,000,000.00, the payments to all other cities will be recalculated so that the payment to each city will equal \$70,000,000.00 less the total of all payments limited to \$25,000,000.00 multiplied by a fraction, the numerator of which is the revenue reported from the tax imposed under 1964 PA 284 by each city in the city's 2019 audited financial report and the denominator of which is the total amount of revenue reported from the tax imposed under 1964 PA 284 by all cities with a tax imposed under 1964 PA 284 except that the amounts reported by a city for which the payment is capped at \$25,000,000.00 shall be excluded from the denominator.

(3) If a city that imposes a tax under 1964 PA 284 had such tax take effect on January 1, 2019, the amount of revenue reported for the purposes of this calculation shall be the amount reported by the city in the city's audited financial report for the fiscal year ended June 30, 2020, from the tax imposed under 1964 PA 284.

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Supplemental Letter Detail

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Sec. xxx. Revenue from the Michigan regulation and taxation of marihuana act, Initiated Law 1 of 2018, MCL 333.27951 to 333.27967 is appropriated and distributed pursuant to the Michigan regulation and taxation of marihuana act, Initiated Law 1 of 2018, MCL 333.27951 to 333.27967.

Sec. xxx. (1) After making required payments under sections 949p and 949q of Article 5 of 2020 PA 166 and section 553 of PA 257 of 2020, any unexpended funds remaining from the amounts appropriated in those sections are unappropriated and reappropriated for the purposes of this section.

(2) The department shall use funds appropriated under this section to make payments to eligible teachers and support staff working in birth to five IDEA-funded programs, early intervention (e.g. early childhood special education, home visiting, and birth to three programs) and support staff working in the great start readiness program, head start programs, special education programs for individuals age 18-26, adult education programs, birth to five IDEA-funded programs, and early intervention programs in public schools or nonprofit nonpublic schools and teachers and support staff working for the state school for the deaf and blind.

(3) Payments made to eligible teachers under this subsection (2) shall be up to \$500.00 per full-time equated position. An eligible teacher that works full-time and is calculated as 1.0 FTE will receive \$500.00 and an eligible teacher whose work time is calculated as less than 1.0 FTE shall receive that portion of the FTE applied to \$500.00.

(4) Payments made to eligible support staff under this section shall be up to \$250.00 per full-time equated position. An eligible support staff that works full-time and is calculated as 1.0 FTE will receive \$250.00 and an eligible support staff whose work time is calculated as less than 1.0 FTE shall receive that portion of the FTE applied to \$250.00.

(5) If funding appropriated in this section is not sufficient to fully fund payments under subsection (2), the amount paid to eligible teachers and support staff must be prorated on an equal percentage per recipient.

(6) The department shall administer this section in substantially the same manner as it administers sections 949p and 949q of article 5 of 2020 PA 166.

(7) A teacher or support staff who received funding under sections 949p or 949q of article 5 of 2020 PA 166 or section 553 of PA 257 of 2020 is not eligible for funding under this section.

(8) As used in this section, "support staff" means a full-time or part-time paraprofessional, aide, or noninstructional staff who provided services to students or adults in eligible programs described in subsection (2).

Explanation

This supplemental recommendation contains multiple elements that aim to aid those wrongfully imprisoned, provide relief to local governments, ensure that marihuana tax revenues can be distributed in compliance with statute, and help additional teachers and school support staff affected by the pandemic.

Related to those wrongfully imprisoned, payments totaling \$2.5 million were made during the final three months of calendar year 2020 from the Wrongful Imprisonment Compensation Fund, leaving a remaining fund balance of only \$3.9 million. The Department of Treasury issued a 60-day insufficient funding notice on January 22, 2021, indicating that the fund will be depleted of funds to pay future claims within 60 days. This supplemental will provide Treasury with the resources needed to continue to pay claims due under the Wrongful Imprisonment Compensation Act (PA 343 of 2016) in fiscal year 2021.

Local governments are on the front lines of the COVID-19 pandemic, and some cities in particular have been impacted by falling local revenues due to both high unemployment and the number of employees working remotely (cities cannot collect local income taxes from employees working outside of their jurisdiction). This supplemental recommends a total of \$70 million (general fund) in one-time relief for the 24 cities who assess a local income tax. Payments will be made in proportion to the amount of income tax collected prior to the pandemic and capped at a maximum of \$25 million per city.

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This supplemental recommendation also includes boilerplate language that provides Treasury with the authority to distribute revenues received under the Michigan Regulation and Taxation of Marihuana Act (Initiated Law 1 of 2018), including the excise tax imposed in section 13 on marihuana retailers and microbusinesses. Revenues are distributed in accordance with section 14 of the Act. This same language is recommended as part of supplemental request letter 2020-6 for fiscal year 2020 and is included in the fiscal year 2022 Executive Recommendation. Similar language is included in Treasury boilerplate related to the Medical Marihuana Facilities Licensing Act (PA 281 of 2016).

Lastly, this supplemental recommendation re-appropriates any remaining funds from the teacher COVID-19 grants and school support staff COVID-19 grants programs (under PAs 166 and 257 of 2020) to an expanded population of eligible teachers and support staff. Teachers and school support staff remain critical workers facing daily challenges from this pandemic. The Department of Treasury will continue to administer the grants and make payments up to \$500.00 per eligible teacher and up to \$250.00 per eligible support staff.