

**FY 2021-22 and FY 2022-23 SUPPLEMENTAL APPROPRIATIONS  
Summary: As Reported by Senate Appropriations Committee  
House Bill 5797 (S-2)**



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**Overview**

House Bill 5797 (S-2) contains supplemental appropriation adjustments to multiple state department budgets for FY 2021-22 and FY 2022-23. In sum, FY 2021-22 appropriation adjustments total \$7.0 million Gross, all of which is state restricted revenue for the Department of Health and Human Services. FY 2021-22 appropriations consist of book closing adjustments requested by the State Budget Office in Legislative Transfer Requests 2022-7 and 2022-8. FY 2022-23 appropriation adjustments total \$2.0 million Gross, \$2.0 million GF/GP.

Appropriation and boilerplate priorities are identified following this overview.

**FY 2022-23 APPROPRIATION SUMMARY**

<b>Budget Area</b>		<b>FY 2022-23 Year-to-Date Appropriations</b>	<b>FY 2022-23 Supplemental Change</b>	<b>% Change</b>
Judiciary	Gross	\$483,505,700	\$495,700	0.1
	GF/GP	\$370,774,900	\$495,700	0.1
Legislature	Gross	\$186,677,000	\$1,500,000	0.8
	GF/GP	\$181,283,000	\$1,500,000	0.8
<b>TOTAL</b>	<b>Gross</b>	<b>\$670,182,700</b>	<b>\$1,995,700</b>	<b>0.3</b>
	<b>GF/GP</b>	<b>\$552,057,900</b>	<b>\$1,995,700</b>	<b>0.4</b>

**FY 2022-23 Supplemental Appropriation Items** **Appropriation  
Change**

**JUDICIARY**

**1. District Court Judges' Salary Adjustments**

Includes \$495,700 GF/GP to cover costs of increased salaries for district court judges as required by 2022 PA 177. Public Act 177 requires an increase in compensation for district court judges to equal the compensation of probate court judges beginning October 1, 2022. Funding would also cover associated retirement and social security costs.

**Gross** **\$495,700**  
**GF/GP** **\$495,700**

**LEGISLATURE**

**2. Independent Citizens Redistricting Commission (ICRC)**

Reappropriates \$1.5 million GF/GP of the \$2.2 million GF/GP that was appropriated in 2022 PA 166 for legal costs of the ICRC. The \$1.5 million was not spent by the end of FY 2021-22 and unexpended funding for the ICRC is required to lapse to the general fund. The ICRC has requested the reappropriation of this \$1.5 million GF/GP to cover additional legal costs.

**Gross** **\$1,500,000**  
**GF/GP** **\$1,500,000**

**FY 2022-23 Supplemental Boilerplate Items**

**GENERAL SECTIONS**

**Sec. 201. State Spending and State Appropriations Paid to Local Units of Government**

States amount of state spending from state sources in the bill and amount of state spending to be paid to local units of government.

**Sec. 202. Appropriations Subject to Management and Budget Act**

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

**FY 2022-23 Supplemental Boilerplate Items**

***Sec. 203. State Administrative Board Transfers***

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

**LEGISLATURE**

***Sec. 301. Independent Citizens Redistricting Commission (ICRC)***

Expresses legislative intent that funding appropriated for the ICRC is to fulfill the commission's request to the State Budget Office for funding to cover additional legal costs under the constitutional requirement that the legislature provide funding to defend any action regarding the ICRC's adopted redistricting plan.

## FY 2021-22 APPROPRIATION SUMMARY

Budget Area		FY 2021-22 Year-to-Date Appropriations	FY 2021-22 Supplemental Change	% Change
Corrections	Gross	\$2,065,873,000	\$0	0.0
	GF/GP	\$1,065,369,400	\$0	0.0
Health and Human Services	Gross	\$34,929,041,900	\$7,000,000	0.0
	GF/GP	\$4,754,274,400	\$0	0.0
Military and Veterans Affairs	Gross	\$232,004,000	\$0	0.0
	GF/GP	\$82,410,200	\$0	0.0
Treasury – Revenue Sharing	Gross	\$1,458,735,300	\$0	0.0
	GF/GP	\$46,433,000	\$0	0.0
<b>TOTAL</b>	<b>Gross</b>	<b>\$38,685,654,200</b>	<b>\$7,000,000</b>	<b>0.0</b>
	<b>GF/GP</b>	<b>\$5,948,487,000</b>	<b>\$0</b>	<b>0.0</b>

### FY 2021-22 Supplemental Appropriation Items

**Appropriation  
Change**

#### **CORRECTIONS**

##### **1. Prisoner Transportation**

Reflects the transfer of \$920,000 GF/GP from the Special Alternative Incarceration Program line item to the Transportation line item to cover higher than budgeted prisoner transportation costs. Transportation costs are higher than anticipated as a result of higher fuel costs and because of insufficient funding available to support staff retention premium payments. Premium payments were implemented during the fiscal year but were not specifically budgeted for. Funding is available from the Special Alternative Incarceration Program line item due to a reduced number of program participants. There have been fewer court sentences to the program.

**Gross**                    **\$0**  
**GF/GP**                    **\$0**

##### **2. Prisoner Clinical Costs**

Reflects the transfer of \$10.0 million GF/GP from the Prisoner Health Care Services line item to the Clinical Complexes line item to cover higher than anticipated onsite clinical costs. Clinical payroll costs for contract nursing and state clinical staff increased more than what was budgeted for. Costs also increased for medical, surgical, and laboratory supplies. Funding is available from the Clinical Complexes line item due to lower than budgeted offsite health care costs.

**Gross**                    **\$0**  
**GF/GP**                    **\$0**

##### **3. Staff Retention Premium Payments**

Reflects the transfer of a total of \$2.1 million GF/GP from a number of correctional facility line items to the Macomb, Thumb, and Woodland Correctional Facility line items to support staff retention premium payments. Premium payments were implemented during the fiscal year but were not specifically budgeted for. Funding is available from correctional facilities that had housing unit closures during the fiscal year.

**Gross**                    **\$0**  
**GF/GP**                    **\$0**

#### **HEALTH AND HUMAN SERVICES**

##### **4. Employment Verification Contract Costs**

Transfers \$1.5 million GF/GP each from both the Public Assistance Field Staff and the Electronic Benefits Transfer (EBT) line items to the field services Contractual Services, Supplies, and Materials line item to cover increased employment verification contract costs.

**Gross**                    **\$0**  
**GF/GP**                    **\$0**

##### **5. Certified Community Behavioral Health Clinics (CCBHCs)**

Increases the Certified Community Behavioral Health Clinics (CCBHC) line item by an additional \$31.0 million Gross (\$12.0 million GF/GP) based on updated FY 2021-22 preliminary cost estimates for the supplemental, prospectively-based payments to CCBHCs. Final reconciliation information will happen annually and is not estimated to occur until the end of November 2022. Authorization is transferred from the Medicaid mental health line item as DHHS estimates authorization to be available once accruals and cost settlements are finalized as part of the final book closing process.

**Gross**                    **\$0**  
Federal                    **0**  
**GF/GP**                    **\$0**

<u><b>FY 2021-22 Supplemental Appropriation Items</b></u>		<b>Appropriation Change</b>
<b>6. Mental Health Block Grant</b>	<b>Gross</b>	<b>\$0</b>
Increases federal authorization in the Federal Mental Health Block Grant line item by \$2.7 million to allow expenditure of available revenue on eligible costs in FY 2021-22. The state's allocation from the Federal Mental Health Block Grant has steadily increased faster than the line item's current authorization, as the FY 2021-22 federal grant totaled \$23.8 million. Federal authority from the Health Homes line item is available for transfer through lower than anticipated expenditures in FY 2021-22.	Federal	0
	GF/GP	\$0
<b>7. Behavioral Health Services</b>	<b>Gross</b>	<b>\$0</b>
Shifts federal and GF/GP authorization between Medicaid behavioral health line items to align to forecasted final expenditures in these line items. The transfer would address small differences in the distribution of Medicaid behavioral health costs from what was forecasted during the May Medicaid caseload consensus.	Federal	0
	GF/GP	\$0
<b>8. Caro Regional Mental Health Center</b>	<b>Gross</b>	<b>\$1,500,000</b>
Increases the Caro Hospital line item by \$1.5 million. State restricted revenue from 1st and 3rd party reimbursements, including Medicare and commercial insurance, is estimated to exceed authorization and would be used to support operating expenditures.	Restricted	1,500,000
	GF/GP	\$0
<b>9. Medical Services Administration</b>	<b>Gross</b>	<b>\$0</b>
Transfers \$25,000 of state restricted authorization from the Special Medicaid Reimbursement line item to the Medicaid Services Administration line item as each year, a portion of specialty network access fee (SNAF) and physician adjustor revenue is provided to the Medical Services Administration line item to cover the cost of processing those payments. A portion of FY 2020-21 SNAF revenue was not included in the FY 2020-21 accrual and is therefore available in FY 2021-22. That increase pushes total available state restricted revenue above authorized amounts.	Restricted	0
	GF/GP	\$0
<b>10. Medical Services</b>	<b>Gross</b>	<b>\$0</b>
Adjusts federal and GF/GP authorization between physical health Medicaid and Children's Special Healthcare Services (CSHCS) program line items to align with the forecasted final expenditure from these line items for FY 2021-22. These adjustments are necessary to account for all payments made to Medicaid and CSHCS providers for services rendered in FY 2021-22.	Federal	0
	GF/GP	\$0
<b>11. Quality Assurance Assessment Program (QAAP) Tax Revenue</b>	<b>Gross</b>	<b>\$5,500,000</b>
Adds \$5.5 million in state restricted authority to the Health Plan Services, Healthy Michigan Plan, and Long-Term Care Services line items. This authority would be needed for expenditure of collected or accrued quality assurance assessment program (QAAP) tax revenue, which is expected to be higher than initially anticipated. QAAP tax accruals are not expected to be finalized until early-December.	Restricted	5,500,000
	GF/GP	\$0
<b>MILITARY AND VETERANS AFFAIRS</b>		
<b>12. Web-Based Grant Management System</b>	<b>Gross</b>	<b>\$0</b>
Reflects the transfer of \$62,000 GF/GP from the Veterans Service Grants line item to the Michigan Veterans Affairs Agency Administration line item to support continued costs for developing a web-based grant management system that will modernize the administration of veterans service grants. Funding is available from the Veterans Service Grants line item due to some grantees not having earned the full amount of grant funding available.	GF/GP	\$0
<b>TREASURY – REVENUE SHARING</b>		
<b>13. Financially Distressed Cities, Villages, or Townships (CVTs) Program</b>	<b>Gross</b>	<b>\$0</b>
Reflects the transfer of \$102,875 in sales tax revenue from the CVT revenue sharing program to the financially distressed CVT grant program for a net \$0 appropriation. Boilerplate language in section 952(5) of 2021 PA 87 requires any remaining funding in the CVT revenue sharing program be made available for the financially distressed CVT program, after legislative approval.	Restricted	0
	GF/GP	\$0

**FY 2021-22 Supplemental Boilerplate Items**

**GENERAL SECTIONS**

**Sec. 1201. State Spending and State Appropriations Paid to Local Units of Government**

States amount of state spending from state sources in the bill and amount of state spending to be paid to local units of government.

**FY 2021-22 Supplemental Boilerplate Items**

***Sec. 1202. Appropriations Subject to Management and Budget Act***

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

***Sec. 1203. State Administrative Board Transfers***

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.