

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4410**

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies for the fiscal years ending September 30, 2021 and September 30, 2022; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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ARTICLE 1

GENERAL GOVERNMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated to the department of treasury and for certain state purposes related to the appropriations for the fiscal year ending September 30, 2022, from the following funds:

1	APPROPRIATION SUMMARY	
2	GROSS APPROPRIATION	\$ 1,412,735,300
3	Interdepartmental grant revenues:	
4	Total interdepartmental grants and	
5	intradepartmental transfers	0
6	ADJUSTED GROSS APPROPRIATION	\$ 1,412,735,300
7	Federal revenues:	
8	Total other federal revenues	
9	Special revenue funds:	
10	Total local revenues	
11	Total private revenues	
12	Total other state restricted revenues	1,412,735,300
13	State general fund/general purpose	\$ 0
14	Sec. 102. DEPARTMENT OF TREASURY	
15	(1) APPROPRIATION SUMMARY	
16	GROSS APPROPRIATION	\$ 1,412,735,300
17	Interdepartmental grant revenues:	
18	Total interdepartmental grants and	
19	intradepartmental transfers	0
20	ADJUSTED GROSS APPROPRIATION	\$ 1,412,735,300
21	Federal revenues:	
22	Total other federal revenues	
23	Special revenue funds:	
24	Total local revenues	
25	Total private revenues	
26	Total other state restricted revenues	1,412,735,300
27	State general fund/general purpose	\$ 0
28	(2) REVENUE SHARING	

1	City, village, and township revenue sharing	\$	266,245,100
2	Constitutional state general revenue sharing		
3	grants		912,040,500
4	County incentive program		43,418,800
5	County revenue sharing		188,097,200
6	Financially distressed cities, villages, or		
7	townships		2,500,000
8	GROSS APPROPRIATION	\$	1,412,302,300
9	Appropriated from:		
10	Special revenue funds:		
11	Sales tax		1,412,302,300
12	State general fund/general purpose	\$	0
13	(3) ONE-TIME APPROPRIATIONS		
14	Coronavirus relief local governments grant		
15	reimbursement	\$	433,000
16	GROSS APPROPRIATION	\$	433,000
17	Appropriated from:		
18	Special revenue funds:		
19	Sales tax		433,000
20	State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

GENERAL SECTIONS

27 Sec. 201. Pursuant to section 30 of article IX of the state
28 constitution of 1963, total state spending from state sources under
29 part 1 for the fiscal year ending September 30, 2022 is

1 \$1,412,735,300.00 and total state spending from state sources to be
 2 paid to local units of government is \$1,412,735,300.00. The
 3 itemized statement below identifies appropriations from which
 4 spending to local units of government will occur:

DEPARTMENT OF TREASURY	
6	City, village, and township revenue sharing \$ 266,245,100
7	Constitutional state general revenue sharing
8	grants 912,040,500
9	Coronavirus relief local governments grant
10	reimbursement 433,000
11	County incentive program 43,418,800
12	County revenue sharing 188,097,200
13	Financially distressed cities, villages, or
14	townships 2,500,000
15	TOTAL \$ 1,412,735,300

16 Sec. 202. The appropriations made and expenditures authorized
 17 under this part and part 1 and the departments, commissions,
 18 boards, offices, and programs for which appropriations are made
 19 under this part and part 1 are subject to the management and budget
 20 act, 1984 PA 431, MCL 18.1101 to 18.1594.

21 Sec. 203. If the state administrative board, acting under
 22 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
 23 appropriated under this article, the legislature may, by a
 24 concurrent resolution adopted by a majority of the members elected
 25 to and serving in each house, inter-transfer funds within this
 26 article for the particular department, board, commission, office,
 27 or institution.

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29 **REVENUE SHARING**

1 Sec. 301. The funds appropriated in part 1 for constitutional
2 revenue sharing shall be distributed by the department of treasury
3 to cities, villages, and townships, as required under section 10 of
4 article IX of the state constitution of 1963. Revenue collected in
5 accordance with section 10 of article IX of the state constitution
6 of 1963 in excess of the amount appropriated in part 1 for
7 constitutional revenue sharing is appropriated for distribution to
8 cities, villages, and townships, on a population basis as required
9 under section 10 of article IX of the state constitution of 1963.

10 Sec. 302. (1) The funds appropriated in part 1 for city,
11 village, and township revenue sharing are for grants to cities,
12 villages, and townships such that, subject to fulfilling the
13 requirements under subsection (3), each city, village, or township
14 that received a payment under section 952(1) of article 5 of 2020
15 PA 166 is eligible to receive a payment equal to 102.0% of its
16 total eligible payment under section 952(1) of article 5 of 2020 PA
17 166, rounded to the nearest dollar. For purposes of this
18 subsection, any city, village, or township that completely merges
19 with another city, village, or township will be treated as a single
20 entity, such that when determining the eligible payment under
21 section 952(1) of article 5 of 2020 PA 166 for the combined single
22 entity, the amount each of the merging local units was eligible to
23 receive under section 952(1) of article 5 of 2020 PA 166 is summed.

24 (2) The funds appropriated in part 1 for the county incentive
25 program are to be used for grants to counties such that each county
26 is eligible to receive an amount equal to 20% of the amount
27 determined pursuant to the Glenn Steil state revenue sharing act of
28 1971, 1971 PA 140, MCL 141.901 to 141.921. The amount calculated
29 under this subsection shall be adjusted as necessary to reflect

1 partial county fiscal years and prorated based on the total amount
2 appropriated for distribution to all eligible counties. Except as
3 otherwise provided under this subsection, payments under this
4 subsection will be distributed to an eligible county subject to the
5 county's fulfilling the requirements under subsection (3).

6 (3) For purposes of accountability and transparency, each
7 eligible city, village, township, or county shall certify by
8 December 1, or the first day of a payment month, that it has
9 produced a citizen's guide of its most recent local finances,
10 including a recognition of its unfunded liabilities; a performance
11 dashboard; a debt service report containing a detailed listing of
12 its debt service requirements, including, at a minimum, the
13 issuance date, issuance amount, type of debt instrument, a listing
14 of all revenues pledged to finance debt service by debt instrument,
15 and a listing of the annual payment amounts until maturity; and a
16 projected budget report, including, at a minimum, the current
17 fiscal year and a projection for the immediately following fiscal
18 year. The projected budget report shall include revenues and
19 expenditures and an explanation of the assumptions used for the
20 projections. Each eligible city, village, township, or county shall
21 include in any mailing of general information to its citizens the
22 internet website address location for its citizen's guide,
23 performance dashboard, debt service report, and projected budget
24 report or the physical location where these documents are available
25 for public viewing in the city, village, township, or county
26 clerk's office. Each city, village, township, and county applying
27 for a payment under this subsection shall submit a copy of the
28 performance dashboard, a copy of the debt service report, and a
29 copy of the projected budget report to the department of treasury.

1 In addition, each eligible city, village, township, or county
2 applying for a payment under this subsection shall either submit a
3 copy of the citizen's guide or certify that the city, village,
4 township, or county will be utilizing the department of treasury's
5 online citizen's guide. The department of treasury shall develop
6 detailed guidance for a city, village, township, or county to
7 follow to meet the requirements of this subsection. The detailed
8 guidance shall be posted on the department of treasury website and
9 distributed to cities, villages, townships, and counties by October
10 1.

11 (4) City, village, and township revenue sharing payments and
12 county incentive program payments are subject to the following
13 conditions:

14 (a) The city, village, township, or county shall certify to
15 the department that it has met the required criteria for subsection
16 (3) and submitted the required citizen's guide, performance
17 dashboard, debt service report, and projected budget report as
18 required by subsection (3). A department of treasury review of the
19 citizen's guide, dashboard, or reports is not required in order for
20 a city, village, township, or county to receive a payment under
21 subsection (1) or (2). The department shall develop a certification
22 process and method for cities, villages, townships, and counties to
23 follow.

24 (b) Subject to subdivisions (c), (d), and (e), if a city,
25 village, township, or county meets the requirements of subsection
26 (3), the city, village, township, or county shall receive its full
27 potential payment under this section.

28 (c) Cities, villages, and townships eligible to receive a
29 payment under subsection (1) shall receive 1/6 of their eligible

1 payment on the last business day of October, December, February,
2 April, June, and August. Payments under subsection (1) shall be
3 issued to cities, villages, and townships until the specified due
4 date for subsection (3). After the specified due date for
5 subsection (3), payments shall be made to a city, village, or
6 township only if that city, village, or township has complied with
7 subdivision (a).

8 (d) Payments under subsection (2) shall be issued to counties
9 until the specified due date for subsection (3). After the
10 specified due date for subsection (3), payments shall be made to a
11 county only if that county has complied with subdivision (a).

12 (e) If a city, village, township, or county does not submit
13 the required certification, citizen's guide, performance dashboard,
14 debt service report, and projected budget report by the first day
15 of a payment month, the city, village, township, or county shall
16 forfeit the payment in that payment month.

17 (f) Any city, village, township, or county that falsifies
18 certification documents shall forfeit any future city, village, and
19 township revenue sharing payments or county incentive program
20 payments and shall repay to this state all payments it has received
21 under this section.

22 (g) City, village, and township revenue sharing payments and
23 county incentive program payments under this section shall be
24 distributed on the last business day of October, December,
25 February, April, June, and August.

26 (h) Payments distributed under this section may be withheld
27 pursuant to sections 17a and 21 of the Glenn Steil state revenue
28 sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

29 (5) The unexpended funds appropriated in part 1 for city,

1 village, and township revenue sharing and the county incentive
2 program shall be available for expenditure under the program for
3 financially distressed cities, villages, or townships after the
4 approval of transfers by the legislature pursuant to section 393(2)
5 of the management and budget act, 1984 PA 431, MCL 18.1393.

6 (6) Any city, village, or township eligible to receive a
7 payment under subsection (1) and determined to have a retirement
8 pension benefit system in underfunded status under section 5 of the
9 protecting local government retirement and benefits act, 2017 PA
10 202, MCL 38.2805, must allocate an amount equal to its current year
11 eligible payment under subsection (1) less the sum of its eligible
12 payment for city, village, and township revenue sharing in 2019 PA
13 56 to its pension unfunded liability. A city, village, or township
14 that has issued a municipal security under section 518 of the
15 revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt
16 from this requirement.

17 Sec. 303. (1) The funds appropriated in part 1 for county
18 revenue sharing shall be distributed by the department of treasury
19 so that each eligible county receives a payment equal to 106.6435%
20 of the amount determined pursuant to the Glenn Steil state revenue
21 sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, less the
22 amount for which the county is eligible under section 302(2) of
23 this part. The amount calculated under this subsection shall be
24 adjusted as necessary to reflect partial county fiscal years and
25 prorated based on the total amount appropriated for distribution to
26 all eligible counties.

27 (2) The department of treasury shall annually certify to the
28 state budget director the amount each county is authorized to
29 expend from its revenue sharing reserve fund.

1 (3) Any county eligible to receive a payment under subsection
2 (1) and determined to have a retirement pension benefit system in
3 underfunded status under section 5 of the protecting local
4 government retirement and benefits act, 2017 PA 202, MCL 38.2805,
5 must allocate an amount equal to the sum of its current year
6 eligible payment for county revenue sharing and the county
7 incentive program less the sum of its 2019 PA 56 eligible payment
8 for county revenue sharing and the county incentive program to its
9 pension unfunded liability. A county that has issued a municipal
10 security under section 518 of the revised municipal finance act,
11 2001 PA 34, MCL 141.2518, is exempt from this requirement.

12 Sec. 304. (1) The funds appropriated in part 1 for financially
13 distressed cities, villages, or townships shall be granted by the
14 department of treasury to cities, villages, and townships that have
15 1 or more conditions that indicate probable financial distress, as
16 determined by the department of treasury. A city, village, or
17 township with 1 or more conditions that indicate probable financial
18 distress may apply in a manner determined by the department of
19 treasury for a grant to pay for specific projects or services that
20 move the city, village, or township toward financial stability.
21 Grants are to be used for specific projects or services that move
22 the city, village, or township toward financial stability. The
23 city, village, or township must use the grants under this section
24 to make payments to reduce unfunded accrued liability; to repair or
25 replace critical infrastructure and equipment owned or maintained
26 by the city, village, or township; to reduce debt obligations; or
27 for costs associated with a transition to shared services with
28 another jurisdiction; or to administer other projects that move the
29 city, village, or township toward financial stability. The

1 department of treasury shall award no more than \$2,000,000.00 to
2 any city, village, or township under this section.

3 (2) The department of treasury shall provide a report to the
4 senate and house of representatives appropriations subcommittees on
5 general government, the senate and house fiscal agencies, and the
6 state budget director by March 31. The report shall include a list
7 by grant recipient of the date each grant was approved, the amount
8 of the grant, and a description of the project or projects that
9 will be paid by the grant.

10 (3) The unexpended funds appropriated in part 1 for
11 financially distressed cities, villages, or townships are
12 designated as a work project appropriation, and any unencumbered or
13 unallotted funds shall not lapse at the end of the fiscal year and
14 shall be available for expenditure for projects under this section
15 until the projects have been completed. The following is in
16 compliance with section 451a of the management and budget act, 1984
17 PA 431, MCL 18.1451a:

18 (a) The purpose of the project is to provide assistance to
19 financially distressed cities, villages, and townships under this
20 section.

21 (b) The projects will be accomplished by grants to cities,
22 villages, and townships approved by the department of treasury.

23 (c) The total estimated cost of all projects is \$2,500,000.00.

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

25 Sec. 305. The funds in part 1 for coronavirus relief local
26 government grants reimbursement shall be used to make payments to
27 cities, villages, townships, and counties that received a
28 coronavirus relief local government grant in 2020 PA 144 and
29 subsequently returned at least some portion of the grant. The

1 payments shall be made by the department of treasury to each local
 2 unit of government in the same amount that each local unit of
 3 government returned the coronavirus relief local government grants.

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 5 ARTICLE 2
 6 SUPPLEMENTAL APPROPRIATIONS
 7 PART 1
 8 LINE-ITEM APPROPRIATIONS
 9 FOR FISCAL YEAR 2020-2021

10 Sec. 101. There is appropriated for various state departments
 11 and agencies to supplement appropriations for the fiscal year
 12 ending September 30, 2021, from the following funds:

APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	384,700,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	384,700,000
Federal revenues:		
Total other federal revenues		367,700,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	17,000,000
Sec. 102. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
(1) APPROPRIATION SUMMARY		

1	GROSS APPROPRIATION	\$	260,000,000
2	Interdepartmental grant revenues:		
3	Total interdepartmental grants and		
4	intradepartmental transfers		0
5	ADJUSTED GROSS APPROPRIATION	\$	260,000,000
6	Federal revenues:		
7	Total other federal revenues		260,000,000
8	Special revenue funds:		
9	Total local revenues		0
10	Total private revenues		0
11	Total other state restricted revenues		0
12	State general fund/general purpose	\$	0
13	(2) ONE-TIME APPROPRIATIONS		
14	Hospital COVID-19 grants	\$	160,000,000
15	Long-term care facility supports		100,000,000
16	GROSS APPROPRIATION	\$	260,000,000
17	Appropriated from:		
18	Federal revenues:		
19	Coronavirus state fiscal recovery fund		260,000,000
20	State general fund/general purpose	\$	0
21	Sec. 103. DEPARTMENT OF STATE POLICE		
22	(1) APPROPRIATION SUMMARY		
23	GROSS APPROPRIATION	\$	12,700,000
24	Interdepartmental grant revenues:		
25	Total interdepartmental grants and		
26	intradepartmental transfers		0
27	ADJUSTED GROSS APPROPRIATION	\$	12,700,000
28	Federal revenues:		

1	Total other federal revenues		2,700,000
2	Special revenue funds:		
3	Total local revenues		0
4	Total private revenues		0
5	Total other state restricted revenues		0
6	State general fund/general purpose	\$	10,000,000
7	(2) SPECIALIZED SERVICES		
8	Secondary road patrol program	\$	2,700,000
9	GROSS APPROPRIATION	\$	2,700,000
10	Appropriated from:		
11	Federal revenues:		
12	Coronavirus state fiscal recovery fund		2,700,000
13	State general fund/general purpose	\$	0
14	(3) ONE-TIME APPROPRIATIONS		
15	Emergency and disaster response and mitigation	\$	10,000,000
16	GROSS APPROPRIATION	\$	10,000,000
17	Appropriated from:		
18	State general fund/general purpose	\$	10,000,000
19	Sec. 104. DEPARTMENT OF EDUCATION		
20	(1) APPROPRIATION SUMMARY		
21	GROSS APPROPRIATION	\$	105,000,000
22	Interdepartmental grant revenues:		
23	Total interdepartmental grants and		
24	intradepartmental transfers		0
25	ADJUSTED GROSS APPROPRIATION	\$	105,000,000
26	Federal revenues:		
27	Total other federal revenues		105,000,000
28	Special revenue funds:		

1	Total local revenues		0
2	Total private revenues		0
3	Total other state restricted revenues		0
4	State general fund/general purpose	\$	0
5	(2) ONE-TIME APPROPRIATIONS		
6	COVID-19 child care public assistance	\$	105,000,000
7	GROSS APPROPRIATION	\$	105,000,000
8	Appropriated from:		
9	Federal revenues:		
10	Federal funds		105,000,000
11	State general fund/general purpose	\$	0
12	Sec. 106. DEPARTMENT OF TREASURY		
13	(1) APPROPRIATION SUMMARY		
14	GROSS APPROPRIATION	\$	7,000,000
15	Interdepartmental grant revenues:		
16	Total interdepartmental grants and		
17	intradepartmental transfers		0
18	ADJUSTED GROSS APPROPRIATION	\$	7,000,000
19	Federal revenues:		
20	Total other federal revenues		0
21	Special revenue funds:		
22	Total local revenues		0
23	Total private revenues		0
24	Total other state restricted revenues		0
25	State general fund/general purpose	\$	7,000,000
26	(2) ONE-TIME APPROPRIATIONS		
27	Wrongful imprisonment compensation fund	\$	7,000,000
28	GROSS APPROPRIATION	\$	7,000,000

1 Appropriated from:

2 State general fund/general purpose \$ 7,000,000

4 PART 2

5 PROVISIONS CONCERNING APPROPRIATIONS

6 FOR FISCAL YEAR 2020-2021

7 GENERAL SECTIONS

8 Sec. 1201. Pursuant to section 30 of article IX of the state
9 constitution of 1963, total state spending from state sources under
10 part 1 for the fiscal year ending September 30, 2021 is
11 \$17,000,000.00 and total state spending from state sources to be
12 paid to local units of government is \$0.00.

13 Sec. 1202. The appropriations made and expenditures authorized
14 under this part and part 1 and the departments, commissions,
15 boards, offices, and programs for which appropriations are made
16 under this part and part 1 are subject to the management and budget
17 act, 1984 PA 431, MCL 18.1101 to 18.1594.

18 Sec. 1203. If the state administrative board, acting under
19 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
20 appropriated under this article, the legislature may, by a
21 concurrent resolution adopted by a majority of the members elected
22 to and serving in each house, inter-transfer funds within this
23 article for the particular department, board, commission, office,
24 or institution.

25 Sec. 1204. Funds appropriated in part 1 are subject to
26 applicable federal audit and reporting requirements. Prompt action
27 shall be taken if instances of noncompliance are identified,
28 including noncompliance identified in an audit finding. If any
29 instance of noncompliance is identified, including noncompliance

1 identified in an audit finding, the state budget director shall
2 take necessary and immediate action to rectify it. The state budget
3 director shall notify the senate and house appropriations
4 committees and the senate and house fiscal agencies when an
5 instance of noncompliance is identified.

6 Sec. 1205. The state budget director shall report on the
7 status of funds appropriated in part 1, and all funds appropriated
8 related to the coronavirus relief effort, to the senate and house
9 appropriations committees and the senate and house fiscal agencies
10 on a monthly basis until all funds are exhausted.

11

12 **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

13 Sec. 1301. From the funds appropriated in part 1 for hospital
14 COVID-19 grants, the department of health and human services shall
15 provide grants to hospitals in this state to help cover increased
16 hospital costs and reduced hospital revenue related to the COVID-19
17 pandemic. The grant to each hospital shall equal each hospital's
18 percentage of total state Medicaid inpatient claims revenue,
19 including Medicaid managed care inpatient claims revenue, in the
20 most recent 12 months for which the information is available
21 multiplied by the appropriation for hospital COVID-19 grants in
22 part 1.

23 Sec. 1302. (1) From the funds appropriated in part 1 for long-
24 term care facility supports, the department of health and human
25 services shall allocate \$100,000,000.00 to provide a \$23.00 per
26 Medicaid day increase to nursing facilities that have experienced a
27 5% or greater decline in the nursing facility's average daily
28 census during the last 3 calendar quarters of the fiscal year
29 ending September 30, 2021 when compared to the nursing facility's

1 average daily census as reported in the nursing facility's 2019
2 Medicaid cost report. A nursing facility may be eligible for
3 reimbursement for 1 or all 3 calendar quarters based on each
4 nursing facility's change in average daily census by calendar
5 quarter.

6 (2) Each nursing facility may request from the department of
7 health and human services the additional \$23.00 per Medicaid day
8 increase at the end of each calendar quarter. The request must
9 include the average daily census as reported on the applicable 2019
10 Medicaid cost report based on total licensed beds, the actual
11 applicable calendar quarter's average daily census, and a detailed
12 weekly average daily census for the calendar quarter. The
13 department of health and human services may request additional
14 documentation to verify census. The request must also include the
15 number of Medicaid days of care rendered for the applicable 2021
16 calendar quarter, including Medicaid integrated care organization
17 days and healthy Michigan plan days.

18 (3) After receiving the request with all of the applicable
19 information, the department of health and human services must remit
20 payment to the nursing facility within 14 days. The department must
21 reconcile payments under this section by no sooner than 92 days
22 after September 30, 2021. As a condition of receiving funds
23 appropriated in this section, the nursing facility must agree to
24 any appropriate payment or recovery action for any over or under
25 payment disclosed from this reconciliation process, and the
26 department of health and human services must report to each nursing
27 facility whether this reconciliation process identified any over or
28 under payments.

29 **DEPARTMENT OF EDUCATION**

1 Sec. 1401. (1) From the funds appropriated in part 1 for
2 COVID19 child care public assistance, the provider reimbursement
3 rates for child care centers, group home providers, registered
4 family homes, and licensed exempt providers are increased by 40%
5 from the provider rates as of September 30, 2020, rounded up to the
6 nearest \$0.05.

7 (2) Rate increases funded under subsection (1) are effective
8 from October 1, 2020 to September 30, 2021.

9 Sec. 1402. From the funds appropriated in part 1 for COVID-19
10 child care public assistance, the department shall make payments to
11 child care providers, beginning on June 28, 2021 and ending on
12 September 30, 2021, for eligible children in the child development
13 and care program based on enrollment rather than based on
14 attendance.

15 **DEPARTMENT OF STATE POLICE**

16 Sec. 1501. The funds appropriated in part 1 for
17 emergency and disaster response and mitigation shall be used to
18 cover costs related to the June 2021 weather events in the State of
19 Michigan.

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