

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5265**

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2020; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2020, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 1,008,691,100
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Interdepartmental grant revenues:



1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	ADJUSTED GROSS APPROPRIATION		1,008,691,100
4	Federal revenues:		
5	Total federal revenues		1,535,668,800
6	Special revenue funds:		
7	Total local revenues		13,134,300
8	Total private revenues		32,600,000
9	Total other state restricted revenues		(34,038,800)
10	State general fund/general purpose	\$	(538,673,200)
11	Sec. 102. DEPARTMENT OF ATTORNEY GENERAL		
12	(1) APPROPRIATION SUMMARY		
13	GROSS APPROPRIATION	\$	0
14	Interdepartmental grant revenues:		
15	Total interdepartmental grants and		
16	intradepartmental transfers		0
17	ADJUSTED GROSS APPROPRIATIONS		0
18	Federal revenues:		
19	Total federal revenues		0
20	Special revenue funds:		
21	Total local revenues		0
22	Total private revenues		0
23	Total other state restricted revenues		459,600
24	State general fund/general purpose	\$	(459,600)
25	(2) ATTORNEY GENERAL OPERATIONS		
26	Department of attorney general		0
27	GROSS APPROPRIATION	\$	0
28	Appropriated from:		



1	Special revenue funds:		
2	Attorney general's operations fund		459,600
3	State general fund/general purpose	\$	(459,600)
4	Sec. 103. DEPARTMENT OF CORRECTIONS		
5	(1) APPROPRIATION SUMMARY		
6	GROSS APPROPRIATION	\$	0
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and		
9	intradepartmental transfers		0
10	ADJUSTED GROSS APPROPRIATIONS		0
11	Federal revenues:		
12	Total federal revenues		0
13	Special revenue funds:		
14	Total local revenues		0
15	Total private revenues		0
16	Total other state restricted revenues		2,000,000
17	State general fund/general purpose	\$	(2,000,000)
18	(2) FIELD OPERATIONS ADMINISTRATION		
19	Field operations		0
20	GROSS APPROPRIATION	\$	0
21	Appropriated from:		
22	Special revenue funds:		
23	Parole and probation oversight fees set-aside		2,000,000
24	State general fund/general purpose	\$	(2,000,000)
25	Sec. 104. DEPARTMENT OF EDUCATION		
26	(1) APPROPRIATION SUMMARY		
27	GROSS APPROPRIATION	\$	(3,000,000)
28	Interdepartmental grant revenues:		



1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	ADJUSTED GROSS APPROPRIATIONS		(3,000,000)
4	Federal revenues:		
5	Total federal revenues		(3,000,000)
6	Special revenue funds:		
7	Total local revenues		0
8	Total private revenues		0
9	Total other state restricted revenues		1,865,500
10	State general fund/general purpose	\$	(1,865,500)
11	(2) INFORMATION TECHNOLOGY		
12	Information technology services and projects		0
13	GROSS APPROPRIATION	\$	0
14	Appropriated from:		
15	Special revenue funds:		
16	Certification fees		32,800
17	State general fund/general purpose	\$	(32,800)
18	(3) EDUCATOR EXCELLENCE		
19	Educator excellence operations		0
20	GROSS APPROPRIATION	\$	0
21	Appropriated from:		
22	Special revenue funds:		
23	Certification fees		1,832,700
24	State general fund/general purpose	\$	(1,832,700)
25	(4) MICHIGAN OFFICE OF GREAT START		
26	Child development and care public assistance		(3,000,000)
27	GROSS APPROPRIATION	\$	(3,000,000)
28	Appropriated from:		



1	Federal revenues:		
2	Federal revenues		(3,000,000)
3	State general fund/general purpose	\$	0
4	Sec. 105. DEPARTMENT OF HEALTH AND HUMAN		
5	SERVICES		
6	(1) APPROPRIATION SUMMARY		
7	GROSS APPROPRIATION	\$	1,008,937,900
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and		
10	intradepartmental transfers		0
11	ADJUSTED GROSS APPROPRIATION		1,008,937,900
12	Federal revenues:		
13	Capped federal revenues		(149,200)
14	Social security act, temporary assistance for		
15	needy families		(1,317,100)
16	Total other federal revenues		1,340,135,000
17	Special revenue funds:		
18	Total local revenues		12,566,700
19	Total private revenues		32,600,000
20	Michigan merit award trust fund		11,500,000
21	Total other state restricted revenues		40,251,900
22	State general fund/general purpose	\$	(426,649,400)
23	(2) CHILDREN'S SERVICES AGENCY - CHILD WELFARE		
24	Adoption subsidies		2,832,400
25	Child care fund		9,388,700
26	Child welfare field staff - caseload compliance		0
27	Child welfare first line supervisors		0
28	Foster care payments		21,677,500



1	Guardianship assistance program	(209,500)
2	GROSS APPROPRIATION	\$ 33,689,100
3	Appropriated from:	
4	Federal revenues:	
5	Social security act, temporary assistance for	
6	needy families	(6,317,100)
7	Capped federal revenues	(149,200)
8	Total other federal revenues	6,987,800
9	Special revenue funds:	
10	Local funds - county chargeback	2,501,100
11	State general fund/general purpose	\$ 30,666,500
12	(3) PUBLIC ASSISTANCE	
13	Family independence program	28,660,300
14	Food assistance program benefits	600,000,000
15	State disability assistance payments	4,584,500
16	State supplementation	347,000
17	GROSS APPROPRIATION	\$ 633,591,800
18	Appropriated from:	
19	Federal revenues:	
20	Social security act, temporary assistance for	
21	needy families	5,000,000
22	Total other federal revenues	600,000,000
23	Special revenue funds:	
24	Child support collections	(946,000)
25	Supplemental security income recoveries	(1,185,300)
26	State general fund/general purpose	\$ 30,723,100
27	(4) BEHAVIORAL HEALTH SERVICES	
28	Autism services	21,846,100



1	Healthy Michigan plan - behavioral health	42,010,200
2	Medicaid mental health services	4,942,600
3	Medicaid substance use disorder services	13,707,600
4	GROSS APPROPRIATION	\$ 82,506,500
5	Appropriated from:	
6	Federal revenues:	
7	Total other federal revenues	190,516,700
8	Special revenue funds:	
9	Total other state restricted revenues	(2,028,100)
10	State general fund/general purpose	\$ (105,982,100)
11	(5) STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
12	MENTAL HEALTH SERVICES	
13	Caro Regional Mental Health Center - psychiatric	
14	hospital - adult - or regional mental health	
15	center located within 6 miles of the county seat	
16	of a county with a population between 55,000 and	
17	57,000 in the 2010 decennial census	0
18	Center for forensic psychiatry	0
19	Hawthorn Center - psychiatric hospital -	
20	children and adolescents	0
21	Kalamazoo Psychiatric Hospital - adult	0
22	Walter P. Reuther Psychiatric Hospital - adult	0
23	GROSS APPROPRIATION	\$ 0
24	Appropriated from:	
25	Special revenue funds:	
26	Total other state restricted revenues	13,100,000
27	State general fund/general purpose	\$ (13,100,000)
28	(6) LABORATORY SERVICES	



1	Laboratory services		0
2	GROSS APPROPRIATION	\$	0
3	Appropriated from:		
4	Special revenue funds:		
5	Total other state restricted revenues		1,000,000
6	State general fund/general purpose	\$	(1,000,000)
7	(7) LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
8	AIDS prevention, testing, and care programs		32,750,000
9	Violence prevention		7,000,000
10	GROSS APPROPRIATION	\$	39,750,000
11	Appropriated from:		
12	Federal revenues:		
13	Total other federal revenues		9,750,000
14	Special revenue funds:		
15	Total private revenues		30,000,000
16	State general fund/general purpose	\$	0
17	(8) FAMILY HEALTH SERVICES		
18	Family, maternal, and child health		
19	administration		8,442,700
20	GROSS APPROPRIATION	\$	8,442,700
21	Appropriated from:		
22	Special revenue funds:		
23	Total local revenues		8,442,700
24	State general fund/general purpose	\$	0
25	(9) CHILDREN'S SPECIAL HEALTH CARE SERVICES		
26	Medical care and treatment		18,453,500
27	GROSS APPROPRIATION	\$	18,453,500
28	Appropriated from:		



1	Federal revenues:	
2	Total other federal revenues	18,973,600
3	State general fund/general purpose	\$ (520,100)
4	(10) MEDICAL SERVICES	
5	Adult home help services	(27,122,600)
6	Ambulance services	(397,600)
7	Auxiliary medical services	(148,600)
8	Dental services	(16,650,800)
9	Federal Medicare pharmaceutical program	(39,494,900)
10	Health plan services	19,782,900
11	Healthy Michigan plan	(10,932,300)
12	Home health services	(1,268,600)
13	Hospice services	2,688,900
14	Hospital services and therapy	24,073,900
15	Integrated care organizations	4,558,000
16	Long-term care services	7,538,800
17	Maternal and child health	(103,100)
18	Medicaid home- and community-based services	
19	waiver	(23,283,000)
20	Medicare premium payments	7,842,100
21	Personal care services	524,600
22	Pharmaceutical services	42,111,600
23	Physician services	59,151,800
24	Program of all-inclusive care for the elderly	19,289,000
25	School-based services	23,393,500
26	Special Medicaid reimbursement	128,423,900
27	Transportation	(2,473,200)
28	GROSS APPROPRIATION	\$ 217,504,300



1	Appropriated from:	
2	Federal revenues:	
3	Total other federal revenues	513,906,900
4	Special revenue funds:	
5	Total local revenues	1,622,900
6	Total private revenues	2,600,000
7	Michigan merit award trust fund	11,500,000
8	Total other state restricted revenues	30,311,300
9	State general fund/general purpose	\$ (342,436,800)
10	(11) ONE-TIME APPROPRIATIONS	
11	Coronavirus public health emergency - health	
12	care capacity	(25,000,000)
13	GROSS APPROPRIATION	\$ (25,000,000)
14	Appropriated from:	
15	State general fund/general purpose	\$ (25,000,000)
16	Sec. 106. JUDICIARY	
17	(1) APPROPRIATION SUMMARY	
18	GROSS APPROPRIATION	\$ (3,120,000)
19	Interdepartmental grant revenues:	
20	Total interdepartmental grants and	
21	intradepartmental transfers	0
22	ADJUSTED GROSS APPROPRIATION	\$ (3,120,000)
23	Federal revenues:	
24	Total federal revenues	0
25	Special revenue funds:	
26	Total local revenues	0
27	Total private revenues	0
28	Total other state restricted revenues	(570,000)



1	State general fund/general purpose	\$	(2,550,000)
2	(2) SUPREME COURT		
3	Foster care review board		(38,500)
4	Judicial information systems		(419,100)
5	Judicial institute		(30,200)
6	Next generation Michigan court system		(1,438,800)
7	State court administrative office		(246,200)
8	Supreme court administration		(159,200)
9	GROSS APPROPRIATION	\$	(2,332,000)
10	Appropriated from:		
11	State general fund/general purpose	\$	(2,332,000)
12	(3) COURT OF APPEALS		
13	Court of appeals operations	\$	(183,400)
14	GROSS APPROPRIATION	\$	(183,400)
15	Appropriated from:		
16	State general fund/general purpose	\$	(183,400)
17	(4) JUDICIAL AGENCIES		
18	Judicial tenure commission	\$	(14,600)
19	GROSS APPROPRIATION	\$	(14,600)
20	Appropriated from:		
21	State general fund/general purpose	\$	(14,600)
22	(5) INDIGENT DEFENSE - CRIMINAL		
23	Appellate public defender program	\$	(20,000)
24	GROSS APPROPRIATION	\$	(20,000)
25	Appropriated from:		
26	State general fund/general purpose	\$	(20,000)
27	(6) TRIAL COURT OPERATIONS		
28	Juror compensation reimbursement	\$	(570,000)



1	GROSS APPROPRIATION	\$ (570,000)
2	Appropriated from:	
3	Special revenue funds:	
4	Juror compensation fund	(570,000)
5	State general fund/general purpose	\$ 0
6	Sec. 107. DEPARTMENT OF LABOR AND ECONOMIC	
7	OPPORTUNITY	
8	(1) APPROPRIATION SUMMARY	
9	GROSS APPROPRIATION	\$ (3,000,000)
10	Interdepartmental grant revenues:	
11	Total interdepartmental grants and	
12	intradepartmental transfers	0
13	ADJUSTED GROSS APPROPRIATIONS	(3,000,000)
14	Federal revenues:	
15	Total federal revenues	(3,000,000)
16	Special revenue funds:	
17	Total local revenues	0
18	Total private revenues	0
19	Total other state restricted revenues	0
20	State general fund/general purpose	\$ 0
21	(2) TALENT INVESTMENT AGENCY	
22	Workforce development programs	(3,000,000)
23	GROSS APPROPRIATION	\$ (3,000,000)
24	Appropriated from:	
25	Federal revenues:	
26	Social security act, temporary assistance to	
27	needy families	(3,000,000)
28	State general fund/general purpose	\$ 0



1	(3) ONE-TIME APPROPRIATIONS		
2	Small business restart grants		(100,000,000)
3	Small business restart grants		100,000,000
4	GROSS APPROPRIATION	\$	0
5	Appropriated from:		
6	Federal revenues:		
7	Coronavirus relief fund		0
8	State general fund/general purpose	\$	0
9	Sec. 108. DEPARTMENT OF LICENSING AND REGULATORY		
10	AFFAIRS		
11	(1) APPROPRIATION SUMMARY		
12	GROSS APPROPRIATION	\$	0
13	Interdepartmental grant revenues:		
14	Total interdepartmental grants and		
15	intradepartmental transfers		0
16	ADJUSTED GROSS APPROPRIATIONS		0
17	Federal revenues:		
18	Total federal revenues		0
19	Special revenue funds:		
20	Total local revenues		0
21	Total private revenues		0
22	Total other state restricted revenues		1,500,000
23	State general fund/general purpose	\$	(1,500,000)
24	(2) OCCUPATIONAL REGULATION		
25	Bureau of construction codes		0
26	Bureau of fire services		0
27	GROSS APPROPRIATION	\$	0
28	Appropriated from:		



1	Special revenue funds:		
2	Construction code fund		100,000
3	Fire service fees		1,400,000
4	State general fund/general purpose	\$	(1,500,000)
5	Sec. 109. DEPARTMENT OF MILITARY AND VETERANS		
6	AFFAIRS		
7	(1) APPROPRIATION SUMMARY		
8	GROSS APPROPRIATION	\$	420,000
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and		
11	intradepartmental transfers		0
12	ADJUSTED GROSS APPROPRIATIONS		420,000
13	Federal revenues:		
14	Total federal revenues		0
15	Special revenue funds:		
16	Total local revenues		567,600
17	Total private revenues		0
18	Total other state restricted revenues		0
19	State general fund/general purpose	\$	(147,600)
20	(2) MILITARY		
21	Michigan youth challenge academy		0
22	National guard operations		420,000
23	GROSS APPROPRIATION	\$	420,000
24	Appropriated from:		
25	Special revenue funds:		
26	Local revenues		567,600
27	State general fund/general purpose	\$	(147,600)
28	Sec. 110. DEPARTMENT OF STATE		



1	(1) APPROPRIATION SUMMARY		
2	GROSS APPROPRIATION	\$	0
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and		
5	intradepartmental transfers		
6	ADJUSTED GROSS APPROPRIATIONS		0
7	Federal revenues:		
8	Total federal revenues		
9	Special revenue funds:		
10	Total local revenues		
11	Total private revenues		
12	Total other state restricted revenues		
13	State general fund/general purpose	\$	(200,000)
14	(2) CUSTOMER DELIVERY SERVICES		
15	Branch operations		
16	GROSS APPROPRIATION	\$	0
17	Appropriated from:		
18	Special revenue funds:		
19	Transportation administration collection fund		
20	State general fund/general purpose	\$	(200,000)
21	Sec. 111. DEPARTMENT OF STATE POLICE		
22	(1) APPROPRIATION SUMMARY		
23	GROSS APPROPRIATION	\$	0
24	Interdepartmental grant revenues:		
25	Total interdepartmental grants and		
26	intradepartmental transfers		
27	ADJUSTED GROSS APPROPRIATIONS		0
28	Federal revenues:		



1	Total federal revenues		0
2	Special revenue funds:		
3	Total local revenues		0
4	Total private revenues		0
5	Total other state restricted revenues		2,693,400
6	State general fund/general purpose	\$	(2,693,400)
7	(2) FIELD SERVICES		
8	Investigative services		0
9	GROSS APPROPRIATION	\$	0
10	Appropriated from:		
11	Special revenue funds:		
12	Narcotics-related forfeiture revenue		2,693,400
13	State general fund/general purpose	\$	(2,693,400)
14	Sec. 112. DEPARTMENT OF TECHNOLOGY, MANAGEMENT,		
15	AND BUDGET		
16	(1) APPROPRIATION SUMMARY		
17	GROSS APPROPRIATION	\$	(100,000,000)
18	Interdepartmental grant revenues:		
19	Total interdepartmental grants and		
20	intradepartmental transfers		0
21	ADJUSTED GROSS APPROPRIATIONS		(100,000,000)
22	Federal revenues:		
23	Total federal revenues		0
24	Special revenue funds:		
25	Total local revenues		0
26	Total private revenues		0
27	Total other state restricted revenues		2,582,700
28	State general fund/general purpose	\$	(102,582,700)



1	(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
2	Administrative services		0
3	Business support services		0
4	GROSS APPROPRIATION	\$	0
5	Appropriated from:		
6	Special revenue funds:		
7	Special revenue, internal service, and pension		
8	trust funds		2,408,700
9	State general fund/general purpose	\$	(2,408,700)
10	(3) INFORMATION TECHNOLOGY		
11	Information technology services and projects		0
12	GROSS APPROPRIATION	\$	0
13	Appropriated from:		
14	Special revenue funds:		
15	Special revenue, internal service, and pension		
16	trust funds		174,000
17	State general fund/general purpose	\$	(174,000)
18	(4) ONE-TIME APPROPRIATIONS		
19	Coronavirus public health emergency		(50,000,000)
20	Coronavirus response fund		(50,000,000)
21	GROSS APPROPRIATION	\$	(100,000,000)
22	Appropriated from:		
23	State general fund/general purpose	\$	(100,000,000)
24	Sec. 113. DEPARTMENT OF TREASURY		
25	(1) APPROPRIATION SUMMARY		
26	GROSS APPROPRIATION	\$	108,453,200
27	Interdepartmental grant revenues:		



1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	ADJUSTED GROSS APPROPRIATIONS		108,453,200
4	Federal revenues:		
5	Total federal revenues		203,000,100
6	Special revenue funds:		
7	Total local revenues		0
8	Total private revenues		0
9	Total other state restricted revenues		(96,521,900)
10	State general fund/general purpose	\$	1,975,000
11	(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
12	Office of accounting services		(50,000)
13	Office of financial services		(125,000)
14	GROSS APPROPRIATION	\$	(175,000)
15	Appropriated from:		
16	Special revenue funds:		
17	Delinquent tax collection revenue		(175,000)
18	State general fund/general purpose	\$	0
19	(3) TAX PROGRAMS		
20	Tax compliance		(900,000)
21	Tax processing		(950,000)
22	GROSS APPROPRIATION	\$	(1,850,000)
23	Appropriated from:		
24	Special revenue funds:		
25	Delinquent tax collection revenue		175,000
26	State general fund/general purpose	\$	(2,025,000)
27	(4) REVENUE SHARING		
28	City, village, and township revenue sharing		(43,505,400)



1	County incentive program	(7,220,800)
2	County revenue sharing	(45,795,700)
3	GROSS APPROPRIATION	\$ (96,521,900)
4	Appropriated from:	
5	Special revenue funds:	
6	Sales tax	(96,521,900)
7	State general fund/general purpose	\$ 0
8	(5) ONE-TIME APPROPRIATIONS	
9	Coronavirus relief local government grants	150,000,000
10	First responder hazard pay premiums	(100,000,000)
11	First responder hazard pay premiums	100,000,000
12	Local units of government	(200,000,000)
13	Local units of government	200,000,000
14	Non-teaching school employee COVID-19 grants	100
15	Presidential primary	4,000,000
16	Teacher COVID-19 grants	53,000,000
17	GROSS APPROPRIATION	\$ 207,000,100
18	Appropriated from:	
19	Federal revenues:	
20	Coronavirus relief fund	203,000,100
21	State general fund/general purpose	\$ 4,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

27 Sec. 201. In accordance with section 30 of article IX of the
 28 state constitution of 1963, total state spending from state sources
 29 in this appropriation act for the fiscal year ending September 30,



1 2020 is \$(572,712,000.00) and state spending from state sources to
 2 be paid to local units of government is \$(179,982,400.00). The
 3 itemized statement below identifies appropriations from which
 4 spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Child care fund	20,249,700
Autism services	(3,850,200)
Healthy Michigan plan - behavioral health	4,006,000
Medicaid mental health services	(109,508,200)
Medicaid substance use disorder services	1,642,200
DEPARTMENT OF TREASURY	
City, village, and township revenue sharing	(43,505,400)
County incentive program	(7,220,800)
County revenue sharing	(45,795,700)
Presidential primary	4,000,000
TOTAL	(179,982,400)

17 Sec. 202. The appropriations authorized under this act are
 18 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 19 to 18.1594.

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

26 Sec. 204. (1) Funds appropriated in part 1 are subject to
 27 applicable federal audit and reporting requirements. Prompt action
 28 shall be taken if instances of noncompliance are identified,
 29 including noncompliance identified in an audit finding. If any



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

7 (2) In a form and manner determined by the recipient
8 department, all eligible sub-recipients receiving funds through
9 this act must comply with all requirements corresponding to the
10 receipt of funds required in the coronavirus aid, relief, and
11 economic security act, Public Law 116-136, and Uniform
12 Administrative Requirements, Cost Principles, and Audit
13 Requirements for Federal Awards, 2 CFR part 200, as applicable,
14 including, but not limited to, any certifications, assurances, and
15 accountability and transparency provisions. The department
16 responsible for administering federal funds may require any
17 documentation necessary to ensure compliance with federal
18 requirements.

19 (3) Any funds received under this act and expended by a sub-
20 recipient in any manner that does not adhere to the coronavirus
21 aid, relief, and economic security act, Public Law 116-136, or
22 Uniform Administrative Requirements, Cost Principles, and Audit
23 Requirements for Federal Awards, 2 CFR part 200, as applicable,
24 shall be returned to this state. If it is determined that a sub-
25 recipient receiving funds under this act expends any funds received
26 under this act for a purpose that is not consistent with the
27 requirements of the coronavirus aid, relief, and economic security
28 act, Public Law 116-136, or Uniform Administrative Requirements,
29 Cost Principles, and Audit Requirements for Federal Awards, 2 CFR



1 part 200, as applicable, the state budget director is authorized to
 2 withhold payment of state funds, in part or in whole, payable from
 3 any state appropriation.

4 Sec. 205. The state budget director shall report on the status
 5 of funds appropriated in part 1, and all funds appropriated related
 6 to the coronavirus relief effort, to the senate and house
 7 appropriations committees and the senate and house fiscal agencies
 8 on a monthly basis until all funds are exhausted.

9 Sec. 206. The appropriations from coronavirus relief funds in
 10 part 1 of this bill reduce to zero the coronavirus relief funds
 11 appropriations authorized in the same amounts and for the same
 12 purposes under section 302 of 2020 PA 67.

13

14 **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

15 Sec. 401. (1) The department of health and human services
 16 shall implement a 2-way risk corridor in the fiscal year ending
 17 September 30, 2020 for existing contracts between the state and
 18 Medicaid health plans. This 2-way risk corridor shall be designed
 19 in a manner consistent with federal guidance issued by the Centers
 20 for Medicare and Medicaid Services. The risk corridor shall be made
 21 up of 3 tiers allocating risk in the following manner:

22 (a) The first tier of the risk corridor shall be structured
 23 where 100% of the risk is borne by the contracted Medicaid health
 24 plan.

25 (b) The second tier of the risk corridor shall be structured
 26 where risk is shared 50% by the contracted Medicaid health plan and
 27 50% by the state.

28 (c) The third tier of the risk corridor shall be structured
 29 where 100% of the risk is borne by the state.



1 (2) The department shall institute a prospective withhold of
2 capitation payments to contracted Medicaid health plans to capture
3 a portion of estimated risk corridor savings in the fiscal year
4 ending September 30, 2020. The general fund portion of this
5 withhold shall not exceed \$35,000,000.00.

6 Sec. 402. (1) From the funds appropriated in part 1 for foster
7 care payments, \$10,650,000.00 is allocated for the West Michigan
8 Partnership for Children Consortium to support a performance-based
9 payment pilot program in Kent County. The purpose of this funding
10 is to recognize prior-year cash advances to the West Michigan
11 Partnership for Children Consortium and costs related to a
12 restructured payment model.

13 (2) As a condition for receiving this funding, the West
14 Michigan Partnership for Children Consortium shall enter into a
15 revised contract agreement with the department of health and human
16 services to support the transition to a new global capitated
17 payment model. The capitated payment amount would be based on
18 historical averages of the number of children served in Kent County
19 and for the costs per foster care case. Under the new arrangement,
20 the West Michigan Partnership for Children Consortium is required
21 to manage the cost of the child population it serves. The capitated
22 payment amount would on a periodic basis be reviewed and adjusted
23 as needed to account for changes in case volumes and any statewide
24 rate increases that are implemented. The revised contract agreement
25 shall provide that the West Michigan Partnership for Children
26 Consortium shall also agree to the following contract stipulations
27 and other conditions:

28 (a) That the service component of the capitated payment will
29 be calculated assuming rates paid to providers under the pilot are



1 generally consistent with department of health and human services
2 payment policies for providers throughout the rest of this state.

3 (b) To maintain a risk reserve of at least \$1,500,000.00 to
4 ensure it can meet unanticipated expenses within a given fiscal
5 year.

6 (c) That until the risk reserve is established, the West
7 Michigan Partnership for Children Consortium shall submit to the
8 department a plan for how they will manage expenses to fit within
9 their capitated payment revenue. The department of health and human
10 services shall review and approve any new investments in provider
11 payments above statewide rates and norms to ensure they are
12 supported by offsetting savings so that costs remain within
13 available revenue.

14 (d) To cooperate with the department of health and human
15 services on an independent fiscal analysis of costs incurred and
16 revenues received during the course of the pilot to date.

17

18 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

19 Sec. 501. The state budget director shall take any and all
20 related actions necessary to effectuate a transfer to the general
21 fund in the amount of \$1,441,970.00 from component unit accounts
22 within the Michigan strategic fund.

23 Sec. 502. (1) From the funds appropriated in part 1 for small
24 business restart grants, not more than \$100,000,000.00 shall be
25 used by the Michigan strategic fund to create and operate a small
26 business restart grant program to provide small business and
27 nonprofit restart grants to eligible businesses and nonprofits in
28 this state. The fund, in consultation with the 15 local and
29 nonprofit economic development organizations that in the aggregate



1 provide services to all 83 counties and participated in the
2 Michigan small business relief program created at the March 19,
3 2020 Michigan strategic fund board meeting, shall provide grants to
4 eligible businesses and nonprofits that have realized a significant
5 financial hardship as a result of the COVID-19 emergency. Grant
6 applications shall be accepted, reviewed, and approved by a local
7 or nonprofit economic development organization that previously
8 participated in the Michigan small business relief program created
9 at the March 19, 2020 Michigan strategic fund board meeting, or its
10 designee. A base amount of \$3,500,000.00 must be awarded by each of
11 the 15 local and nonprofit economic development organizations, or
12 their designee selected to award grants to eligible businesses and
13 nonprofits. The Michigan strategic fund, in consultation with the
14 local and nonprofit economic development organizations, or their
15 designee, shall determine a fair method for distributing the
16 remaining funds. A local or nonprofit economic development
17 organization, or its designee, may retain up to 5% of the amount it
18 receives for awards for administration, of which the Michigan
19 strategic fund may retain not more than \$1,000,000.00 for
20 administration.

21 (2) Grants made available to eligible businesses and
22 nonprofits under the program must meet all of the following
23 conditions:

24 (a) Must only be made available to eligible businesses and
25 nonprofits that have 50 or fewer employees.

26 (b) Must not exceed \$20,000.00. An eligible business which
27 previously received a grant under the Michigan small business
28 relief program created at the March 19, 2020 Michigan strategic
29 fund board meeting is eligible for a grant under this section not



1 to exceed the difference between the small business relief program
2 grant received and \$20,000.00.

3 (c) Must only be used for working capital to support payroll
4 expenses, rent, mortgage payments, utility expenses, costs related
5 to reopening a business, or other uses authorized under the
6 coronavirus aid, relief, and economic security act, Public Law 116-
7 136.

8 (3) Not less than 30% of the funds awarded under the small
9 business restart grant program in subsection (1) shall be provided
10 to women-owned, minority-owned, and veteran-owned eligible
11 businesses.

12 (4) Any funds not awarded by September 30, 2020 must revert
13 back to the Michigan strategic fund. The Michigan strategic fund
14 must reallocate and redistribute any funds received under this
15 subsection to the 15 local and nonprofit economic development
16 organizations under subsection (1) in a manner determined by the
17 Michigan strategic fund. Funds redistributed under this subsection
18 must comply with the provisions of the small business restart grant
19 program under this section.

20 (5) The Michigan strategic fund must develop and post on the
21 Michigan strategic fund website application, program operation,
22 award, and reporting criteria for the program.

23 (6) The Michigan strategic fund shall submit a monthly report
24 to the senate and house appropriations committees, the senate and
25 house fiscal agencies, and the state budget office that provides a
26 listing of grants awarded in the previous month and the name of the
27 recipient of each grant provided under the program. The Michigan
28 strategic fund shall submit a summary of all grants awarded under
29 the program over the course of the current fiscal year by September



1 30, 2020.

2 (7) As used in this section:

3 (a) "Eligible business" means a business that meets all of the
4 following:

5 (i) Is in an industry that demonstrates it is affected by the
6 COVID-19 emergency.

7 (ii) Needs working capital to support payroll expenses, rent,
8 mortgage payments, utility expenses, or other similar expenses.

9 (iii) Demonstrates an income loss as a result of the COVID-19
10 emergency as determined by the Michigan strategic fund.

11 (b) "Nonprofit" means a nonprofit entity that meets all of the
12 following:

13 (i) Demonstrates it is affected by the COVID-19 emergency.

14 (ii) Needs working capital to support payroll expenses, rent,
15 mortgage payments, utility expenses, or other similar expenses.

16 (iii) Demonstrates an income loss as a result of the COVID-19
17 emergency as determined by the Michigan strategic fund.

18 (c) "Small business restart grant" or "grant" means a small
19 business relief grant made to an eligible business under this
20 section.

21 (8) The unexpended funds appropriated in part 1 for small
22 business restart grants are designated as a work project
23 appropriation. Any unencumbered or unallotted funds shall not lapse
24 at the end of the fiscal year and shall be available for
25 expenditures for projects under this section until the projects
26 have been completed. The following is in compliance with section
27 451a(1) of the management and budget act, 1984 PA 431, MCL
28 18.1451a:

29 (a) The purpose of the work project is to provide a grant of



1 up to \$20,000.00 per eligible business or nonprofit for expenses
2 related to the COVID-19 emergency.

3 (b) The projects will be accomplished by utilizing state
4 employees and local and nonprofit economic development
5 organizations to provide payments or reimbursements to eligible
6 businesses and nonprofits.

7 (c) The total estimated cost of the work project is
8 \$100,000,000.00.

9 (d) The tentative completion date is December 30, 2020.
10

11 **LEGISLATURE**

12 Sec. 601. It is the intent of the legislature that
13 \$9,418,300.00 in state general fund/general purpose work project
14 authorization funds will lapse from the legislature budget per the
15 fiscal year 2019-2020 budget agreement.
16

17 **DEPARTMENT OF TRANSPORTATION**

18 Sec. 701. The state budget director is authorized to take any
19 and all related actions necessary to lapse unexpended and
20 unencumbered fund balance in the roads and risks reserve fund
21 created in section 211b of article VIII of 2013 PA 59 as part of
22 the financial transactions for the fiscal year ending September 30,
23 2020.
24

25 **DEPARTMENT OF TREASURY**

26 Sec. 801. (1) From the funds appropriated in part 1 for first
27 responder hazard pay premiums, the department of treasury shall
28 provide grants for the payment or reimbursement of first responder
29 hazard pay premiums provided to first responders who have performed



1 hazardous duty or work involving physical hardship related to
2 COVID-19 as described in this section.

3 (2) Eligible first responder hazard pay premium payments and
4 reimbursements may be provided for hazard pay premiums for law
5 enforcement officers, firefighters, emergency medical technicians
6 (EMTs), paramedics, 9-1-1 operators, local unit of government
7 corrections officers, airport public safety officers, and eligible
8 personnel associated with ambulance operations licensed under
9 section 20920 of the public health code, 1978 PA 368, MCL
10 333.20920. Private EMTs and paramedics that contract with
11 municipalities or hospitals are eligible if hazard pay premiums are
12 paid through the applicant. First responder hazard pay premium
13 payments and reimbursements may be made as a lump sum payment or as
14 an hourly rate enhancement. The maximum reimbursement amount shall
15 be \$1,000.00 per eligible employee. Any payment or reimbursement
16 made under this section, whether paid as a lump sum or hourly wage
17 enhancement, shall be of no effect in determining any employee's
18 average compensation as provided by any contract or other provision
19 of law. Eligible hazard pay premiums must be paid to employees by
20 September 30, 2020 to be eligible for payment or reimbursement
21 under this section.

22 (3) The department of treasury shall make available on its
23 website all forms and information needed for applicants to apply
24 for payments or reimbursements. Applicants will have until
25 September 30, 2020 to apply for a payment or reimbursement.
26 Payments and reimbursements will be made on a first-come, first-
27 served basis, and must be made no later than 45 days after all
28 required information is submitted.

29 (4) The department of treasury shall award not more than



1 \$5,000,000.00 to any applicant.

2 (5) The department of treasury shall provide a report to the
3 senate and house appropriations committees, the senate and house
4 fiscal agencies, and the state budget office not later than
5 December 1, 2020. The report shall include a list by payment or
6 reimbursement recipient of the date each was approved, the payment
7 or reimbursement amount, and a description of the first responder
8 hazard pay premiums, including the number of first responders
9 covered and type of hazard pay premium covered by the payment or
10 reimbursement.

11 (6) As used in this section, "applicant" means a city;
12 village; township; county; public airport operator; ambulance
13 operation licensed under section 20920 of the public health code,
14 1978 PA 368, MCL 333.20920; or a local governmental authority,
15 intergovernmental agency, or organization that employs local public
16 safety or local public health personnel and that was established by
17 a city, village, township, county, or group thereof for the primary
18 purpose of providing public safety or public health services.

19 (7) The unexpended funds appropriated in part 1 for first
20 responder hazard pay premiums are designated as a work project
21 appropriation. Any unencumbered or unallotted funds shall not lapse
22 at the end of the fiscal year and shall be available for
23 expenditures for projects under this section until the projects
24 have been completed. The following is in compliance with section
25 451a(1) of the management and budget act, 1984 PA 431, MCL
26 18.1451a:

27 (a) The purpose of the work project is to provide a payment or
28 reimbursement of up to \$1,000.00 per eligible first responder for
29 hazardous duty or work involving physical hardship related to



1 COVID-19.

2 (b) The project will be accomplished by utilizing state
3 employees to provide payments or reimbursements to eligible
4 applicants.

5 (c) The total estimated cost of the work project is
6 \$100,000,000.00.

7 (d) The tentative completion date is December 30, 2020.

8 Sec. 802. From the funds appropriated in part 1 for teacher
9 COVID-19 grants, there is allocated for 2019-2020 only an amount
10 not to exceed \$53,000,000.00 for equal payments to eligible K-12
11 classroom teachers who teach in a public school or nonprofit
12 nonpublic school. Grants made to eligible teachers under this
13 section shall be up to \$500.00 per full-time equated eligible
14 teacher. The department may retain up to 1/2 of 1% of the funds
15 allocated under this section for administration of this section.

16 Sec. 803. (1) From the funds appropriated under part 1 for
17 local units of government, the department of treasury shall make
18 payments to eligible applicants to reimburse them for eligible
19 public safety and public health payroll expenditures under section
20 5001 of the coronavirus aid, relief, and economic security act,
21 Public Law 116-136.

22 (2) To receive funds under this section, not later than 1 week
23 after the effective date of this bill, an eligible applicant must
24 submit, in a form and manner described by the department of
25 treasury, their eligible public safety and public health payroll
26 expenditures incurred for the months of April and May. Any
27 submissions received by the department of treasury after the due
28 date for submission shall not receive a distribution under this
29 subsection but shall be considered for any possible distributions



1 under subsection (3). The department of treasury shall determine
2 each eligible applicant's allocation based on the eligible
3 applicant's expenditures submitted. If eligible submitted
4 expenditures exceed the appropriation, payments must be prorated
5 based on each eligible applicant's proportionate share of
6 expenditures submitted under this subsection. The department of
7 treasury shall distribute funds no later than September 18.

8 (3) If funds remain after payments are made under subsection
9 (2), the department of treasury must announce the opening of a
10 second round of reimbursements. An eligible applicant must submit,
11 in a form and manner described by the department of treasury, their
12 eligible public safety and public health payroll expenditures
13 incurred for the months of June and July not later than September
14 8. The department of treasury shall determine each eligible
15 applicant's allocation based on the eligible applicant's
16 expenditures submitted. If eligible submitted expenditures exceed
17 the appropriation, payments must be prorated based on each eligible
18 applicant's proportionate share of expenditures submitted under
19 this section. The department of treasury shall distribute funds
20 within 60 days of the submission date in this section.

21 (4) Expenditures are not eligible for reimbursement under this
22 section if such expenses have been or will be reimbursed by any
23 other federal funds.

24 (5) As used in this section, "eligible applicant" means a
25 county; city; village; township; or a local governmental authority,
26 intergovernmental agency, or organization that employs local public
27 safety or local public health personnel and that was established by
28 a city, village, township, county, or group thereof for the primary
29 purpose of providing public safety or public health services.



1 However, a county or city that received a direct allocation from
2 the coronavirus relief fund under section 5001 of the coronavirus
3 aid, relief, and economic security act, Public Law 116-136, is an
4 eligible applicant only to the extent which it has reimbursed, with
5 nonfederal funds, a contracting local unit of government, local
6 governmental authority, or intergovernmental agency for the costs
7 of contracted nonfederal payroll for the eligible period.

8 (6) The unexpended funds appropriated in part 1 for eligible
9 applicants are designated as a work project appropriation. Any
10 unencumbered or unallotted funds shall not lapse at the end of the
11 fiscal year and shall be available for expenditures for projects
12 under this section until the projects have been completed. The
13 following is in compliance with section 451a(1) of the management
14 and budget act, 1984 PA 431, MCL 18.1451a:

15 (a) The purpose of the work project is to reimburse eligible
16 applicants for eligible public safety and public health payroll
17 expenditures under the coronavirus aid, relief, and economic
18 security act, Public Law 116-136.

19 (b) The projects will be accomplished by utilizing state
20 employees or by contracts.

21 (c) The total estimated cost of the work project is
22 \$200,000,000.00.

23 (d) The tentative completion date is December 30, 2020.

24 Sec. 804. The department of treasury shall reduce city,
25 village, and township revenue sharing, county revenue sharing, and
26 the county incentive program appropriated in 2019 PA 56 by amounts
27 equivalent to each local unit's August payment. The department of
28 treasury shall make any necessary technical adjustments to
29 implement these reductions.



1 Sec. 805. (1) From the funds appropriated in part 1 for
2 coronavirus relief local government grants, the department of
3 treasury shall distribute funds to cities, villages, townships, and
4 counties that would have received August payments under sections
5 952 and 955 of 2019 PA 56. These payments shall be made
6 proportionate to the size of the reduction in section 804 and in a
7 manner determined by the department. The department shall make any
8 necessary technical adjustments to implement these distributions.
9 Local governments may accrue payments received under this section
10 to their immediately preceding fiscal year.

11 (2) Cities, villages, townships, and counties receiving funds
12 appropriated in part 1 for coronavirus relief local government
13 grants shall expend funds in compliance with the coronavirus aid,
14 relief, and economic security act, Public Law 116-136. Cities,
15 villages, townships, and counties receiving funds in part 1 shall
16 report to the department of treasury on expenditures made with
17 these funds in a form and manner determined by the department. Any
18 funds received by local units of government and expended in a
19 manner that does not adhere to the coronavirus aid, relief, and
20 economic security act, Public Law 116-136, shall be returned to
21 this state.

22 Sec. 806. (1) Upon approval by the state budget director and
23 state treasurer, state funds are appropriated to 1 or more local
24 units of government only if all of the following circumstances are
25 met:

26 (a) The revenue is needed to satisfy a local unit of
27 government's debt service or debt-service set-aside obligation
28 through a state aid revenue sharing intercept agreement entered
29 into between the local unit of government and the state treasurer



1 prior to July 1, 2020.

2 (b) The amount of the appropriated revenue does not exceed the
3 amount of sales tax revenue the local unit was scheduled to receive
4 in August 2020 under the city, village, and township revenue
5 sharing, county incentive, or county revenue sharing programs prior
6 to reductions in those programs contained in this act.

7 (c) The local unit agrees to return to the state the full
8 amount of the appropriation from any legally available funds.

9 (2) If the state treasurer determines that a local unit is
10 unable to return revenue received under subsection (1) prior to
11 September 30, 2020, the department of treasury shall establish as a
12 receivable in the current fiscal year the amount of any unreturned
13 revenue and shall recoup the amount from the local unit in
14 subsequent bimonthly revenue sharing payments from the programs
15 described in subsection (1)(b). The full amount of the revenue must
16 be recouped no later than September 30, 2021.

17 (3) The state treasurer shall establish a method and form for
18 local units of government to apply to receive revenue under this
19 section.

20

21 **REPEALERS**

22 Sec. 900. (1) Sections 752, 753, and 754 of 2020 PA 66 are
23 repealed.

24 (2) Sections 251, 301, and 303 of 2020 PA 67 are repealed.

25 (3) Sections 503, 601, and 604 of 2020 PA 123 are repealed.

