

FY 2021-22 SUPPLEMENTAL APPROPRIATIONS
Summary: As Passed by the House
House Bill 5524 (H-2)



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Overview

House Bill 5524 (H-2) contains supplemental appropriation adjustments for the Departments of Labor and Economic Opportunity and Treasury. The bill appropriates a total of \$159.6 million of federal Coronavirus State Fiscal Recovery Funds for various COVID-19-related relief programs and license and fee relief offsets.

Individual appropriations and related boilerplate are highlighted below.

FY 2021-22 APPROPRIATIONS SUMMARY

Budget Area		FY 2021-22 Year-to-Date Appropriations	FY 2021-22 Supplemental Change	% Change
Labor and Economic Opportunity	Gross	\$3,250,153,600	\$61,500,000	1.9
	GF/GP	\$1,517,995,600	\$0	0.0
Treasury - Operations	Gross	\$1,151,235,900	\$123,100,000	10.7
	GF/GP	\$241,014,200	\$0	0.0
TOTAL	Gross	\$4,401,389,500	\$184,600,000	4.2
	GF/GP	\$1,759,009,800	\$0	0.0

FY 2021-22 Supplemental Appropriation Items

**Appropriation
Change**

LABOR AND ECONOMIC OPPORTUNITY

1. ARP – Convention and Visitors Bureau Relief

Includes \$30.0 million of federal Coronavirus State Fiscal Recovery Funds to be awarded to a statewide nonprofit representing Michigan's convention and visitors bureaus to develop a program to provide grants to convention and visitors bureaus (CVBs) to mitigate losses due to the COVID-19 pandemic and promote hospitality, tourism, and travel. Requires statewide nonprofit to develop a method for allocating 100% of the funds to CVBs based on size.

Gross **\$30,000,000**
 Federal 30,000,000
 GF/GP \$0

2. ARP – Michigan Stages Survival Grants

Includes \$6.5 million of federal Coronavirus State Fiscal Recovery Funds to provide grants to eligible live music and entertainment venues in Michigan that have realized a significant financial hardship as a result of the COVID-19 emergency, subject to certain conditions. Individual grants would be capped at \$100,000 and would be required to be used only for working capital to support payroll, expenses, rent, mortgage payments, utility expenses, or costs related to normal business operations.

Gross **\$6,500,000**
 Federal 6,500,000
 GF/GP \$0

3. ARP – Michigan Community Development Financial Institution Fund Grants

Includes \$25.0 million of federal Coronavirus State Fiscal Recovery Funds to provide grants to eligible community development financial institutions to promote community economic revitalization and development through community financial institutions.

Gross **\$25,000,000**
 Federal 25,000,000
 GF/GP \$0

DEPARTMENT OF TREASURY

4. ARP – Affected Health and Fitness Industry Business Relief

Includes \$53.0 million of federal Coronavirus State Fiscal Recovery Funds for an Affected Health and Fitness Industry Business Relief program to provide grants to health and fitness industry businesses in this state that have realized a financial hardship as a result of the COVID-19 emergency.

Gross **\$53,000,000**
 Federal 53,000,000
 GF/GP \$0

<u>FY 2021-22 Supplemental Appropriation Items</u>		Appropriation Change
5. ARP – Food Law Fee Refund Offset	Gross	\$5,000,000
Includes \$5.0 million of federal Coronavirus State Fiscal Recovery Funds to be deposited in the Dairy and Food Safety Fund to offset any resulting revenue reduction if HB 4561 is enacted into law.	Federal	5,000,000
	GF/GP	\$0
6. ARP – Health Occupation License Fee Credits and Prorations	Gross	\$8,900,000
Includes \$8.9 million of federal Coronavirus State Fiscal Recovery Funds to be deposited in the various funds delineated in the section (funds are statutorily specified location for deposit of the relevant fees) to offset any revenue reduction resulting from license and certification fee credits and prorations if HB 4558 is enacted into law.	Federal	8,900,000
	GF/GP	\$0
7. ARP – Liquor Control Commission Fee Waivers	Gross	\$9,000,000
Includes \$9.0 million of federal Coronavirus State Fiscal Recovery Funds to offset revenue reductions resulting from fee waivers or prorations if HB 4557 is enacted into law. Requires funds to be proportionally allocated based on revenue loss to the funds and purposes associated with the fees in statute.	Federal	9,000,000
	GF/GP	\$0
8. ARP – Michigan Movie Theater Survival Grants	Gross	\$18,000,000
Includes \$18.0 million of federal Coronavirus State Fiscal Recovery Funds for a Michigan Movie Theater Survival Grant program to provide grants to movie theaters in this state that have realized a significant financial hardship as a result of the COVID-19 emergency. Grants would equal \$15,000 per screen and must be used for working capital to support payroll expenses, rent, mortgage payments, utility expenses, or costs of normal business operations.	Federal	18,000,000
	GF/GP	\$0
9. ARP – Occupational Code Fee Credits and Prorations	Gross	\$17,700,000
Includes \$17.7 million of federal Coronavirus State Fiscal Recovery Funds to be deposited into the delineated funds in the section (funds are statutorily specified location for deposit of the relevant fees) to offset any resulting revenue reductions if HB 4559 is enacted into law.	Federal	17,700,000
	GF/GP	\$0
10. ARP – Server Training Requirement Program	Gross	\$10,000,000
Includes \$10.0 million of federal Coronavirus State Fiscal Recovery Funds to be awarded to a statewide nonprofit organization representing Michigan's beverage alcohol industry to provide reimbursements to individuals or businesses seeking server training requirements as required by the Michigan Liquor Control Commission. Funds distributed to individuals or businesses through the program would be capped at the cost of certification. The statewide nonprofit could operate the program through December 31, 2024.	Federal	10,000,000
	GF/GP	\$0
11. ARP – Skilled Trades Regulation Act Fee Credits and Prorations	Gross	\$1,500,000
Includes \$1.5 million of federal Coronavirus State Fiscal Recovery Funds to be deposited in the construction code fund to offset any resulting revenue reduction if HB 4560 is enacted into law.	Federal	1,500,000
	GF/GP	\$0

FY 2021-22 Supplemental Boilerplate Items

GENERAL SECTIONS

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

Estimates total state spending from state sources and payments to be made 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.

Sec. 203. Appropriations Subject to Federal Audit and Reporting Requirements

Subjects appropriations to applicable federal audit and reporting requirements; requires prompt action if instances of noncompliance are identified; requires the state budget director to notify appropriations committees and fiscal agencies of incidences of noncompliance.

Sec. 204. Appropriations Subject to American Rescue Plan Act (ARPA) Rules and Regulations

Requires funds appropriated in part 1 to be used in a manner consistent with ARPA rules and regulations.

Sec. 205. Report on Status of COVID-19 Appropriations

Requires the state budget director to report on the status of all funds appropriated related to the coronavirus relief effort on a monthly basis until all funds are exhausted.

FY 2021-22 Supplemental Boilerplate Items

LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. ARP – Convention and Visitors Bureau Relief

Requires the funds appropriated in part 1 to be awarded to a statewide nonprofit representing Michigan's convention and visitors bureaus to provide grants to convention and visitors bureaus (CVBs) to mitigate losses due to the COVID-19 pandemic and promote hospitality, tourism, and travel; requires statewide nonprofit to develop a method for allocating 100% of the funds to CVBs based on size; requires statewide nonprofit to develop guidelines and rules for administering programs; allows statewide nonprofit to retain 1% of the funds for administrative purposes; requires report.

Sec. 302. ARP – Michigan Stages Survival Grants

Requires the Michigan Strategic Fund to create and operate a Michigan stages survival grant program to provide grants to eligible live music and entertainment venues that have realized a significant financial hardship as a result of the COVID-19 emergency; caps grants at \$100,000 and requires grants to be used for working capital to support payroll, expenses, rent, mortgage payments, utility expenses, or costs related to normal business operations; requires the Michigan Strategic Fund to develop and post on the website application, program operation, award, and reporting criteria; requires monthly reports on grants awarded and recipients of grants.

Sec. 303. Award or Grant Offset

Requires the entity administering the distribution of the grants in sections 301 and 302 to reduce the grant or award provided under each section by an amount equal to the grant or award received under the Afflicted Businesses Program in 2021 PA 132.

Sec. 304. ARP – Michigan Community Development Financial Institutions Fund Grants

Requires funds appropriated in part 1 to support grants to eligible community development financial institutions to promote community economic revitalization and development through community financial institutions; requires MSF to develop grant guidelines and an application process; defines eligibility amounts for community development financial institutions based on size; establishes grant amounts based on qualifying commitments; establishes grant agreement guidelines; requires report; authorizes up to 4% for administration; establishes work project; defines program terms.

TREASURY

Sec. 401. ARP – Affected Health and Fitness Industry Business Relief

Requires funds appropriated in part 1 to be used for a health and fitness industry business relief program to provide grants to affected health and fitness industry businesses in Michigan that have realized a financial hardship as a result of the COVID-19 emergency to offset revenue reductions and support operating costs; provides that the maximum grant award is an amount equal to the affected business's decline in total sales in Michigan capped at an amount equal to the sum of modified occupancy costs, including rent (including deferred rent), common area maintenance, insurance, and personal property taxes paid (including deferred property taxes) during calendar year 2020 or \$250,000, whichever is less; scales grant award based on magnitude of decline in total Michigan sales; requires report; defines "affected health and fitness industry business."

Sec. 402. ARP – Food Law Fee Refund Offset

Requires the funds appropriated in part 1 to be deposited in the Dairy and Food Safety Fund to offset any resulting revenue reduction due to the enactment of HB 4561; prohibits funds from being expended unless HB 4561 is enacted into law.

Sec. 403. ARP – Health Occupation License Fee Credits and Prorations

Requires the funds appropriated in part 1 to be deposited in the funds delineated in the section (funds are statutorily specified location for deposit of the relevant fees) to offset any revenue reductions resulting from license and certification fee credits and prorations due to the enactment of HB 4558; prohibits funds from being expended unless HB 4558 is enacted into law.

Sec. 404. ARP – Liquor Control Commission Fee Waivers

Requires funds appropriated in part 1 to be used to offset revenue reductions resulting from fee waivers or prorations due to HB 4557; requires funds to be proportionally allocated based on revenue loss to the funds and purposes associated with the fees in statute; prohibits funds from being expended unless HB 4557 is enacted into law.

Sec. 405. ARP – Michigan Movie Theater Survival Grants

Requires funds appropriated in part 1 to be used by the Department of Treasury to create and operate a Michigan Movie Theater Survival Grant program to provide grants to movie theaters in this state that have realized a significant financial hardship as a result of the COVID-19 emergency; requires grants to equal \$15,000 per screen and to be used for working capital to support payroll expenses, rent, mortgage payments, utility expenses, or costs related to normal business operations; requires report.

Sec. 406. ARP – Occupational Code Fee Credits and Prorations

Requires funds appropriated in part 1 to be deposited into the delineated funds in the section (funds are statutorily specified location for deposit of the relevant fees) to offset any resulting revenue reductions due to the enactment of HB 4559; prohibits funds from being expended unless HB 4559 is enacted into law.

FY 2021-22 Supplemental Boilerplate Items

Sec. 407. ARP – Server Training Requirement Program

Requires funds appropriated in part 1 to be awarded to a statewide nonprofit organization representing Michigan's beverage alcohol industry to provide reimbursements to individuals or businesses seeking server training requirements as required by the Michigan Liquor Control Commission; requires statewide organization to establish program guidelines and an application process; caps awards at the cost of certification; authorizes statewide nonprofit to use up to 1% for administrative expenses; requires report; requires funds not awarded by December 31, 2024 to revert to the Department of Treasury.

Sec. 408. ARP – Skilled Trades Regulation Act Fee Credits and Prorations

Requires funds appropriated in part 1 to be deposited in the construction code fund to offset any resulting revenue reduction due to the enactment of HB 4560; prohibits funds from being expended unless HB 4560 is enacted into law.

Sec. 409. Award or Grant Offset

Requires the entity administering the distribution of the grants in sections 401 and 405 to reduce the grant or award provided under each section by an amount equal to the grant or award received under the Afflicted Businesses Program in 2021 PA 132.