

FY 2019-20 and FY 2020-21 SUPPLEMENTAL APPROPRIATIONS
Summary: Enrolled
Senate Bill 114 * (S-3)



HFA Director: Mary Ann Cleary
 Associate Director: Robin R. Risiko

Overview

The Senate Bill 114 * (S-3) contains supplemental appropriation adjustments to various state department budgets for fiscal years 2019-20 and 2020-21. FY 2019-20 adjustments to appropriations are made in order to complete the FY 2019-20 bookclosing process. FY 2020-21 appropriations are included primarily to support economic recovery for afflicted businesses hit hardest by the pandemic, including entertainment venues, exercise facilities, food service establishments, recreation facilities, and places of public amusement.

Appropriation adjustments and boilerplate in the bill are identified following this overview. FY 2020-21 appears before FY 2019-2020.

FY 2020-21 APPROPRIATIONS SUMMARY

Budget Area		FY 2020-21 Year-to-Date Appropriations	FY 2020-21 Supplemental Change	% Change
Labor and Economic Opportunity	Gross	\$1,966,946,000	\$150,000,000	7.6
	GF/GP	\$251,367,600	\$150,000,000	59.7
Treasury – Operations	Gross	\$780,483,500	\$405,000,000	51.9
	GF/GP	\$279,432,200	\$405,000,000	144.9
TOTAL	Gross	\$2,747,429,500	\$555,000,000	20.2
	GF/GP	\$530,799,800	\$555,000,000	104.6

FY 2020-21 Supplemental Appropriation Items

**Appropriation
Change**

LABOR AND ECONOMIC OPPORTUNITY

1. Unemployment Compensation Fund Deposit

Includes \$150.0 million GF/GP to be deposited into the Unemployment Compensation Fund for offsetting expected exposure to state fraud and improper payment during the COVID-19 pandemic.

Gross **\$150,000,000**
GF/GP **\$150,000,000**

TREASURY

2. Tax and Fee Relief for Afflicted Businesses

Includes a total of \$405.0 million GF/GP for tax and fee relief for afflicted businesses in the state that have realized a significant financial hardship as a result of the COVID-19 emergency. The funding would be allocated in the following manner and the bill includes boilerplate that would provide specific guidance for each allocation:

- \$300.0 million GF/GP to create and operate a property tax relief program to provide grants for property tax relief to afflicted businesses; property tax relief grant would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders.
- \$55.0 million GF/GP to create and operate an unemployment insurance tax relief program to provide grants for unemployment insurance tax relief to afflicted businesses in an amount equal to 50% of the amount of unemployment insurance taxes paid by the afflicted business in the 4 most recent preceding quarters; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders.

(CONTINUED ON NEXT PAGE)

<u>FY 2020-21 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>				
<ul style="list-style-type: none"> • \$16.5 million GF/GP to create and operate a retail liquor license relief program to provide grants for retail liquor license relief to eligible retail liquor establishments; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders. • \$22.0 million GF/GP to create and operate a food service establishment license relief program to provide grants for food service establishment license relief for eligible food service establishments; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders. • \$11.5 million GF/GP to create and operate a license and inspection fee relief program to provide grants for license and inspection fee relief to eligible licensees; grants would be subject to certifying a reduction in quarterly gross receipts in 2020 relative to 2019 or certifying a closure or partial closure as a result of executive orders and/or DHHS epidemic orders. 	<table border="0"> <tr> <td style="padding-right: 10px;">Gross</td> <td>\$405,000,000</td> </tr> <tr> <td>GF/GP</td> <td>\$405,000,000</td> </tr> </table>	Gross	\$405,000,000	GF/GP	\$405,000,000
Gross	\$405,000,000				
GF/GP	\$405,000,000				

FY 2020-21 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. 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.

Sec. 204. State Hiring Freeze

Expresses intent of the legislature that a hiring freeze be imposed on the state classified civil service; prohibits state departments and agencies from hiring any new full-time state classified employees and from filling any vacant state classified civil service positions.

LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. Unemployment Compensation Fund Deposit

Requires the appropriation for Michigan Unemployment Compensations Funds to be deposited into the Unemployment Compensation Fund no later than May 1, 2021 for the purpose of offsetting expected exposure to state fraud and improper payment during the COVID-19 crisis; requires expenditure of federal funds prior to expenditure of general fund appropriations.

TREASURY

Sec. 401. Property Tax Relief Program

Allocates \$300.0 million for the Department of Treasury to create and operate a property tax relief program to provide grants for property tax relief to afflicted businesses; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded; defines terms used in section.

Sec. 402. Unemployment Insurance Tax Relief Program

Allocates \$55.0 million for the Department of Treasury to create and operate an unemployment insurance tax relief program to provide grants for unemployment insurance tax relief to afflicted businesses; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded; defines terms used in section.

FY 2020-21 Supplemental Boilerplate Items

Sec. 403. On-Premise Retail Liquor License Relief Program

Allocates \$16.5 million for the Department of Treasury to create and operate a retail liquor license relief program to provide grants for retail liquor license relief to eligible retail liquor establishments; defines eligible retail liquor establishment; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded.

Sec. 404. Food Service Establishment License Relief Program

Allocates \$22.0 million for the Department of Treasury to create and operate a food service establishment license relief program to provide grants for food service establishment license relief to eligible food service establishments; defines eligible food service establishment; specifies conditions the grant program would be required to meet; specifies qualifications businesses would be required to meet; requires businesses that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires businesses to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded.

Sec. 405. License and Inspection Fee Relief Program

Allocates \$11.5 million for the Department of Treasury to create and operate a license and inspection fee relief program to provide grants for license and inspection fee relief to eligible licensees; defines eligible licensee; specifies conditions the grant program would be required to meet; specifies qualifications eligible licensees would be required to meet; requires licensees that falsify information to repay the state any funding received by the state; authorizes prorated payments if appropriation is not sufficient to fully pay grant awards; requires any unexpended grant funding to revert to the general fund; requires the department to develop and post on its website the application, program operation, award, and reporting criteria by April 1, requires licensees to apply by May 1, and requires the department to disburse grant awards by June 1; requires the department to submit monthly reports on grants awarded.

Sec. 406. Combined Application Process for Relief Programs

Requires the department to develop a combined application separated into sections by program for all of the relief programs created under the act.

FY 2019-20 APPROPRIATIONS SUMMARY

Budget Area		FY 2019-20 Year-to-Date Appropriations	FY 2019-20 Supplemental Change	% Change
Health and Human Services	Gross	\$29,231,825,500	\$45,047,300	0.2
	GF/GP	\$4,331,779,900	\$5,334,300	0.1
Military and Veterans Affairs	Gross	\$212,567,900	\$715,000	0.3
	GF/GP	\$70,984,200	\$715,000	1.0
State Police	Gross	\$1,308,795,600	\$2,250,000	0.2
	GF/GP	\$363,938,200	\$450,000	0.1
TOTAL	Gross	\$30,753,189,000	\$48,012,300	0.2
	GF/GP	\$4,766,702,300	\$6,499,300	0.1

FY 2019-20 Supplemental Appropriation Items

**Appropriation
Change**

HEALTH AND HUMAN SERVICES

1. Increased Federal Funds

Includes a total of \$39.3 million in additional federal funds for the following line items: Integrated Care Organizations (\$4.4 million), Pharmaceutical Services (\$15.0 million), School-Based Services (\$14.2 million), Medical Care and Treatment (\$5.7 million).

Gross **\$39,255,300**
Federal 39,255,300
GF/GP \$0

2. Increased Private Funds

Includes \$457,700 in additional private funds for the Medical Services Administration line item to support expenditures associated with Michigan Health Endowment awards.

Gross **\$457,700**
Private 457,700
GF/GP \$0

3. Information Technology

Includes \$5.3 million GF/GP to ameliorate the identified shortfall in information technology funding.

Gross **\$5,334,300**
GF/GP \$5,334,300

MILITARY AND VETERANS AFFAIRS

4. Operational and Information Technology Costs

Includes \$70,000 GF/GP for the Departmentwide line item and \$120,000 GF/GP for the Information Technology Services and Projects line item to support the department's actual workers compensation, travel, equipment, and information technology costs.

Gross **\$190,000**
GF/GP \$190,000

5. Information Technology for New Veterans Homes

Includes \$525,000 GF/GP to support information technology needs associated with opening a new veterans home in Chesterfield Township and a new veterans home facility on the campus of the Grand Rapids Home for Veterans.

Gross **\$525,000**
GF/GP \$525,000

STATE POLICE

6. Public Safety Officers Benefit Program

Includes \$100,000 GF/GP to support the payment of survivor benefits for public safety officers killed or permanently disabled in the line of duty. The initial appropriation for the Public Safety Officers Benefit Program line item was sufficient to support 11 claims, but there was a total of 15 claims in FY 2020.

Gross **\$100,000**
GF/GP \$100,000

7. Investigative Services

Includes \$1.8 million of available federal High Intensity Drug Trafficking Area (HIDTA) grant funding to support targeted drug enforcement activities by multi-jurisdictional task forces across the state.

Gross **\$1,800,000**
Federal 1,800,000
GF/GP \$0

8. Secondary Road Patrol Program

Includes \$350,000 GF/GP to fully support grants awarded to counties for secondary road patrol. Due to a significant decline in traffic citations during the COVID-19 pandemic, Secondary Road Patrol and Training Fund revenues cannot support county grant allocations.

Gross **\$350,000**
GF/GP \$350,000

FY 2019-20 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 1201. 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.

FY 2019-20 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.

TREASURY

Sec. 1301. Appropriation of Excise Tax Revenue

Authorizes the department to receive and distribute revenue received under the Michigan Regulation and Taxation of Marihuana Act, including revenue from the excise tax imposed on marihuana retailers and microbusinesses.