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Senate Bill 690 (Substitute S-2)  
Sponsor: Senator Jim Stamas  
Senate Committee: Appropriations

Date Completed: 5-13-20

**CONTENT**

The supplemental would provide appropriations for fiscal year (FY) 2019-20 from the Federal Coronavirus Relief Fund (CRF) for various efforts related to Coronavirus disease 2019 (COVID-19). The supplemental includes line-item appropriations of \$508.7 million Gross and Federal with \$0 in General Fund/General Purpose (GF/GP) funding. Table 1 summarizes the appropriations in the supplemental.

**Table 1**

<b>FY 2019-20 Supplemental Appropriations</b>		
<b>Budget Area</b>	<b>Gross</b>	<b>GF/GP</b>
Agriculture & Rural Development	\$12,000,000	\$0
Education	135,000,000	0
Health & Human Services	178,206,000	0
Labor and Economic Opportunity	11,000,000	0
Treasury	172,500,000	0
<b>TOTAL</b>	<b>\$508,706,000</b>	<b>\$0</b>

**FISCAL IMPACT**

The bill provides line-item appropriations of \$508.7 million from the Federal Coronavirus Relief Fund. Table 2 summarizes the details of the appropriations in the supplemental.

**FY 2019-20 BOILERPLATE LANGUAGE SECTIONS-PART 2**

**Sec. 201. General.** Records amount of total State spending and payments to local units of government.

**Sec. 202. General.** Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

**Sec. 203. General.** Directs that, if the State Administrative Board transfers funds appropriated in this act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

**Sec. 301. Agriculture and Rural Development.** Allocates agriculture processing safety grants, to be used to cover on-site COVID-19 testing costs, facility needs (including dividers between employees and facilities to maintain social distancing), personal protection equipment (PPE) supplies, and screening procedures. Sets an application period between May 15, 2020, and September 15, 2020, for these grants and requires a report to the

Appropriations committees and the State Budget Office on grant guidelines and expenditures by grant recipients by October 15, 2020.

**Sec. 401. Education.** Creates child care rate reduction program that would provide grants to licensed child care providers to reduce child care rates charged to families for the months of April, May, and June. Rate reductions would be 25.0% or \$300 per month, whichever is less, based on the rates in effect prior to the 10.0% reduction implemented recently. Requires providers to reduce monthly billings as a condition of receiving the grant and reimbursing families within seven days if a payment has already been made. Directs the Department of Education to establish a process to ensure distribution of grants within 10 business days of receiving the grant application. Defines "licensed providers".

**Sec. 402. Education.** Outlines benchmark assessment grants to school districts to administer English and mathematics benchmarks for all students K-12 in approved districts. Requires the Department of Education to make an application for the grants available no later than June 9, 2020, with the applications due no later than June 30, 2020. Funds must be distributed on an equal per-pupil basis by July 31, 2020. Requires districts to use one of five benchmark assessments as defined in the boilerplate. Sets the funding formula for districts that apply.

**Sec. 451. Health and Human Services.** Creates a \$3 per hour pay enhancement for certain direct care workers employed by the Department of Health and Human Services (DHHS), its contractors, and its subcontractors. This increased pay would be an increase over wages paid on March 1, 2020, and would apply to those covered by the April 2020, \$2 per hour pay increase as well as direct care workers at skilled nursing facilities, with the total amount of the increase, including the April 2020, pay increase, being \$3 per hour. Directs that the wage increase be retroactive to April 1, 2020, and that it extend through September 30, 2020. Requires contractors and subcontractors to provide documentation of the wage increases to the Department. Exempts increased pay from retirement and unemployment insurance cost calculations.

**Sec. 501. Labor and Economic Opportunity.** Directs that funding be used to hire up to 300 term-limited employees for up to six months to reduce backlogs and time lags in processing unemployment claims tied to the COVID-19 pandemic and to provide customer service to claimants. Designates the funding as a work project.

**Sec. 601. Treasury.** Creates municipal first responder bonuses paid to cities, villages, townships, and counties to either lump sum or hourly payments of up to \$1,000 total for law enforcement officers, firefighters, emergency medical technicians (EMTs), paramedics, 9-1-1 operators, including private EMTs and paramedics that contract with municipalities or hospitals. Requires bonuses be paid by September 30, 2020. Requires the Department of Treasury to make forms and information for local units of government available on its website and allows local units until December 31, 2020, to apply for reimbursement. Requires that reimbursements be made on a first-come, first-served basis and that the payment be made no later than 45 days after all required information is submitted. Sets a maximum award of \$5.0 million to any city, township, village, or county. Requires a report to the appropriations committees, the fiscal agencies, and the State Budget Office by March 31, 2021, including a list by grant recipient of date each grant was approved, the amount of the grant, and the type of bonuses covered by the grant. Exempts bonus pay from retirement and unemployment insurance cost calculations. Designates the funding as a work project.

**Sec. 602. Treasury.** Allocates \$2.5 million to a hospitality relief fund that existed on April 1, 2020. Allows the fund to be used to provide grants of up to \$500 to individuals employed in the hospitality industry as of March 10, 2020, who can demonstrate need.

**Sec. 603. Treasury.** Creates PPE support program to provide grants to priority providers determined by the Michigan DHHS. Directs that the Department of Treasury create the application process and disburse the funds. Allocates \$30.0 million to priority 2, 3, and 4 providers and \$20.0 million to priority 5, 7, and 8 providers as determined by the DHHS priority system.

**Sec. 604. Treasury.** Allocates up to \$20.0 million to the Michigan Association of Intermediate School Administrators (MAISA) for the device purchasing program with not more than \$10.0 million to be spent in FY 2020-21 and the remainder in FY 2021-22. Requires MAISA to make the funding available to all K-12 districts in Michigan through a statewide device purchase program. Requires an incentive for use of the SPOT bid in purchasing. Sets requirements for districts applying for funding. Requires a summary report from MAISA to the House and Senate School Aid subcommittees by January 1 of each year.

**Table 2**

<b>FY 2019-20 Supplemental Appropriations</b>			
<b>Department/Program</b>	<b>Gross</b>	<b>Federal</b>	<b>GF/GP</b>
<b>Agriculture and Rural Development</b>			
Agriculture processing safety grants	\$12,000,000	\$12,000,000	\$0
<b>Total Agriculture and Rural Development</b>	<b>\$12,000,000</b>	<b>\$12,000,000</b>	<b>\$0</b>
<b>Education</b>			
Benchmark assessments for students	\$10,000,000	\$10,000,000	\$0
Child development and care	125,000,000	125,000,000	0
<b>Total Education</b>	<b>\$135,000,000</b>	<b>\$135,000,000</b>	<b>\$0</b>
<b>Health and Human Services</b>			
\$3/hour direct care worker pay increase	\$178,206,000	\$178,206,000	\$0
<b>Total Health and Human Services</b>	<b>\$178,206,000</b>	<b>\$178,206,000</b>	<b>\$0</b>
<b>Labor and Economic Opportunity</b>			
Unemployment insurance agency (300.0 FTEs)	\$11,000,000	\$11,000,000	\$0
<b>Total Labor and Economic Opportunity</b>	<b>\$11,000,000</b>	<b>\$11,000,000</b>	<b>\$0</b>
<b>Treasury</b>			
Device purchasing program	\$20,000,000	\$20,000,000	\$0
Hospitality relief fund	2,500,000	2,500,000	0
Personal protection equipment grants	50,000,000	50,000,000	0
Municipal first responder bonuses	100,000,000	100,000,000	0
<b>Total Treasury</b>	<b>\$172,500,000</b>	<b>\$172,500,000</b>	<b>\$0</b>
<b>Total FY 2019-20 Supplemental Appropriations</b>	<b>\$508,706,000</b>	<b>\$508,706,000</b>	<b>\$0</b>

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.