

**FY 2020-21 SUPPLEMENTAL APPROPRIATIONS**  
**Summary: Enrolled**  
**House Bill 4047 \* (S-3)**



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**Overview**

House Bill 4047 \* (S-3) contains supplemental appropriation adjustments to various department budgets for FY 2020-21. The bill appropriates \$1.7 billion in federal COVID relief funding that was recently authorized through the federal Coronavirus Response and Relief Supplemental Appropriations Act in an effort to support the economic recovery of individuals, families, and businesses struggling with effects of the COVID-19 pandemic. The bill appropriates \$632.0 million in general fund revenue 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 and boilerplate priorities included in the bill are identified following this overview.

**FY 2020-21 APPROPRIATIONS SUMMARY**

<b>Budget Area</b>		<b>FY 2020-21 Year-to-Date Appropriations</b>	<b>FY 2020-21 Supplemental Change</b>	<b>% Change</b>
Health and Human Services	Gross	\$28,726,411,000	\$1,449,787,000	5.0
	GF/GP	\$5,224,838,900	\$55,000,000	1.1
Labor and Economic Opportunity	Gross	\$1,684,364,300	\$432,581,700	25.7
	GF/GP	\$251,367,600	\$150,000,000	59.7
Treasury – Operations	Gross	\$758,483,500	\$427,000,000	56.3
	GF/GP	\$257,432,200	\$427,000,000	165.9
<b>TOTAL</b>	<b>Gross</b>	<b>\$31,169,258,800</b>	<b>\$2,309,368,700</b>	<b>7.4</b>
	<b>GF/GP</b>	<b>\$5,733,638,700</b>	<b>\$632,000,000</b>	<b>11.0</b>

**FY 2020-21 Supplemental Appropriation Items**

**Appropriation  
Change**

**HEALTH AND HUMAN SERVICES**

**1. Supplemental Nutrition Assistance Program (SNAP) Benefits**

Includes \$600.0 million in federal funding to support general food assistance program (FAP) cost projections, a 15% increase in monthly SNAP benefits through June 30, 2021, and the SNAP program that provides temporary assistance to families with children who would otherwise be fed in the school or day care setting.

**Gross \$600,000,000**  
 Federal 600,000,000  
 GF/GP \$0

**2. Substance Abuse Prevention and Treatment Block Grant**

Includes authorization to receive an additional \$17.4 million in newly awarded federal block grant funding.

**Gross \$17,400,000**  
 Federal 17,400,000  
 GF/GP \$0

**3. Direct Care Worker Hazard Pay Adjustment**

Includes \$150.0 million Gross (\$55.0 million GF/GP) to cover costs of paying direct care workers an additional \$2.25 per hour for 7 months, starting March 1, 2021.

**Gross \$150,000,000**  
 Federal 95,000,000  
 GF/GP \$55,000,000

**4. Congregate and Home-Delivered Meals for Seniors**

Includes \$1.3 million in federal funding to support extending waivers of the federal match requirement and certain dietary guidelines.

**Gross \$1,330,200**  
 Federal 1,330,200  
 GF/GP \$0

**5. COVID Epidemiology and Laboratory Capacity**

Includes \$207.5 million in federal funding to cover testing expenses, contact tracing, surveillance, containment, and mitigation in an effort to monitor and suppress COVID-19.

**Gross \$207,500,000**  
 Federal 207,500,000  
 GF/GP \$0

		<b>Appropriation Change</b>
<b><u>FY 2020-21 Supplemental Appropriation Items</u></b>		
<b>6. COVID Epidemiology and Laboratory Capacity Contingent Fund</b>	<b>Gross</b>	<b>\$347,327,300</b>
Includes \$347.3 million in federal funding to establish a contingent fund for the balance of the federal epidemiology and laboratory capacity grant funding. Boilerplate section 261 prohibits expenditure from this amount unless Senate Bill 1 is enacted into law.	Federal	347,327,300
	GF/GP	\$0
<b>7. COVID Immunization and Coronavirus Vaccine Grant Reserve Fund</b>	<b>Gross</b>	<b>\$110,239,800</b>
Includes \$110.2 million in federal funding for coronavirus vaccine administration through local health departments and other health care providers. Amount includes \$90.2 million in federal COVID immunization and coronavirus vaccine grant funding and \$20.0 million in federal COVID epidemiology and laboratory capacity grant funding. Boilerplate section 255 sets aside 2/3 of the funding into a reserve fund that could not be expended until the funds are approved through a legislative transfer.	Federal	110,239,800
	GF/GP	\$0
<b>8. Mental Health Block Grant</b>	<b>Gross</b>	<b>\$15,989,700</b>
Includes authorization to receive an additional \$16.0 million in newly awarded federal block grant funding.	Federal	15,989,700
	GF/GP	\$0
<b>LABOR AND ECONOMIC OPPORTUNITY</b>		
<b>9. Emergency Rental and Utility Assistance</b>	<b>Gross</b>	<b>\$220,302,200</b>
Includes \$220.3 million in federal funding for grant awards to be distributed and used to assist renter households at or below 80% of area median income. Funds would support the Emergency Rental Assistance Program, which includes rental and utility assistance payments, housing stability services, and case management to eligible renter households impacted by COVID-19.	Federal	220,302,200
	GF/GP	\$0
<b>10. Emergency Rental and Utility Assistance Administrative Costs</b>	<b>Gross</b>	<b>\$62,279,500</b>
Includes \$62.3 million in federal funding for the Michigan State Housing Development Authority (MSHDA) to administer the Emergency Rental Assistance Program. MSHDA would distribute funds to Continuum of Care entities, which would subcontract with Housing Assessment and Resource Agencies and local service providers to administer and operate the program.	Federal	62,279,500
	GF/GP	\$0
<b>11. Unemployment Compensation Fund Deposit</b>	<b>Gross</b>	<b>\$150,000,000</b>
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.	GF/GP	\$150,000,000
<b>TREASURY</b>		
<b>12. Tax and Fee Relief for Afflicted Businesses</b>	<b>Gross</b>	<b>\$405,000,000</b>
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:	GF/GP	\$405,000,000
<ul style="list-style-type: none"> <li>• \$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.</li> <li>• \$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.</li> <li>• \$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.</li> <li>• \$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.</li> <li>• \$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.</li> </ul>		

<u>FY 2020-21 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>	
<b>13. Waiver of Delinquent Property Tax Penalty and Interest</b>	<b>Gross</b>	<b>\$22,000,000</b>
Includes \$22.0 million GF/GP for costs associated with implementing provisions of an amendment to the General Property Tax Act. Funds could be spent only upon enactment of the bill, which would provide for the waiver of interest and penalty on unpaid summer 2020 property taxes.	GF/GP	\$22,000,000

**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.

**CORRECTIONS**

**Sec. 231. Resolution for Use of Leave Time for Quarantine**

Expresses intent of the legislature that the department work to resolve the issue of corrections officers and other affected field staff having to expend personal sick and annual leave time when required by the department to quarantine after having close contact with an individual who might be infected with the COVID-19 virus; expresses intent of the legislature that up to 80 hours of personal sick and annual leave time be restored for corrections officers and other affected field staff; requires the department to report on details of the agreed-upon solution, or an explanation as to why a resolution could not be reached, and to include estimated costs of restoring 80 hours of personal sick and annual leave time.

**HEALTH AND HUMAN SERVICES**

**Sec. 251. Direct Care Worker Hazard Pay**

Requires appropriation to be used to increase wages paid to direct care workers by \$2.25 per hour from March 1, 2021 through September 30, 2021; direct care workers include those workers who received a \$2.00 per hour state-funded wage increase in April 2020, workers employed by skilled nursing facilities, workers employed by area agencies on aging, licensed adult foster care homes and licensed homes for the aged, direct support employees, job coaches, and front line workers employed by child care institutions; requires contractors and subcontractors to provide documentation of wage increases; prohibits wage increases from being used when determining employees' average compensation; authorizes direct care workers to elect to not receive the wage increase either in writing or electronically.

**Sec. 252. Allocation of Appropriation for COVID Testing**

Requires allocation of not less than \$37.5 million for grants to eligible school districts, public school academies, intermediate school districts, and nonpublic schools; requires allocation of not less than \$20.0 million to be used for COVID testing within the Department of Corrections; requires allocation of not less than \$25.0 million to be used for testing at licensed skilled nursing facilities; describes grant process for eligible school districts, public school academies, intermediate school districts, and nonpublic schools.

**Sec. 253. Substance Abuse Prevention and Treatment Block Grant**

Requires DHHS to provide grants to local public entities that provide substance use disorder services and to 1 private entity that has a statewide contract to provide community-based substance use disorder services.

**Sec. 254. Mental Health Block Grant**

Requires DHHS to provide grants to local public entities that provide mental health services and to 1 private entity that has a statewide contract to provide community-based mental health services.

**Sec. 255. COVID Immunization and Coronavirus Vaccine Grant Reserve Fund**

Requires DHHS to allocate \$36.7 million to manage the administration of a coronavirus vaccine to all Michigan residents through financial support to local health departments and other health care providers; prohibits balance of fund from being expended unless a legislative transfer request is issued by the state budget office; requires report from department on expenditures made and plans for use of requested funds.

## **FY 2020-21 Supplemental Boilerplate Items**

### ***Sec. 256. Reporting on Vaccine Distribution***

Requires DHHS to report weekly on metrics used for calculating vaccine distribution, number of vaccines distributed to local health departments and enrolled providers in previous week, estimated number of vaccines to be distributed during current week; estimated number of vaccines to be distributed during next week; number and estimated percentage of individuals vaccinated by phase; number and estimated percentage of individuals residing or working in nursing homes that have been vaccinated; number and estimated percentage of individuals 65 years of age and older that have been vaccinated; total amount expended broken down by state general funds and federal funds; requires reports to be made accessible to the public on an internet site.

### ***Sec. 257. Reporting on Vaccines***

Requires DHHS to report on the formula or other detailed methodology used to distribute vaccines to each local health department and enrolled provider, and to report an example of how the formula or other detailed methodology would distribute a statewide total of 100,000 vaccines to each local health department and enrolled provider; requires DHHS to report, within 1 business day of any changes made, on any changes made to the formula or other detailed methodology, the rationale for any changes made, and an example of how the revised formula or other detailed methodology would distribute a statewide total of 100,000 vaccines to each local health department and enrolled provider; requires DHHS to report on the advantages and disadvantages of incorporating a specific minimum, or baseline, number of vaccines to be distributed on a weekly basis for each specific local health department and enrolled provider; requires all reports required by this section to be made accessible to the public on an internet site.

### ***Sec. 258. Expansion of Vaccination Distribution***

Requires DHHS to expand its vaccination distribution, within 30 days of enactment of this act, to include independent pharmacy networks, specifically those in rural areas, to increase access to vaccination.

### ***Sec. 259. Notification of Aborted Fetal Tissue or Human Embryonic Stem Cell Derivation Lines***

Requires recipients of COVID vaccines administered from appropriations in this act to be informed of the utilization of aborted fetal tissue or human embryonic stem cell derivation lines in development of the COVID vaccine.

### ***Sec. 261. COVID Epidemiology and Laboratory Capacity Contingent Fund***

Tie bars expenditure of contingent fund to Senate Bill No. 1 of the 101st Legislature.

## **LABOR AND ECONOMIC OPPORTUNITY**

### ***Sec. 301. Emergency Rental and Utility Assistance***

Requires LEO to collaborate with DHHS, the judiciary, local community action agencies, local non-profit agencies, and legal aid organizations to create a rental and utility assistance program; requires program to operate in accordance with U.S. Department of Treasury rules and guidance; designates unexpended funding as a work project appropriation.

### ***Sec. 302. Emergency Rental and Utility Assistance Administrative Costs***

Requires appropriation for emergency rental assistance – administrative costs to be administered by terms set forth authorizing the U.S. Department of Treasury to make payments to recipients for emergency rental assistance.

### ***Sec. 303. Unemployment Compensation Fund Deposit***

Requires the appropriation for Michigan Unemployment Compensation 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. 405a. 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.

### ***Sec. 406. Property Tax Deferral Debt Service Costs***

Prohibits funds appropriated from being expended unless an amendment to the General Property Tax Act is enacted into law to provide for the waiver of interest and penalty on unpaid summer 2020 property taxes levied on designated property; requires funds to be used for implementation of the bill; designates unexpended funding as a work project appropriation.