

Senate Bill 37 (Substitute H-1 as passed by the House)

Sponsor: Senator Jim Stamas

Senate Committee: Appropriations

House Committee: Appropriations

Date Completed: 6-15-21

## **CONTENT**

The substitute for the supplemental includes funding to cover the estimated funding need for the Food Assistance Program (\$1,452.7 million), the remaining Federal money recommended by the State Budget Office (SBO) from the December 2020 Federal COVID-19 bills for emergency rental assistance (\$378.3 million), \$65.2 million in Federal Emergency Management Agency (FEMA) disaster assistance, \$21.0 million Gross and General Fund/General Purpose (GF/GP) to purchase Venture Michigan Fund vouchers to offset future costs, and \$322.1 million in Federal funding for local units of government from the March 2021 Federal supplemental.

**Table 1**

| <b>Budget Area</b>    | <b>Gross</b>           | <b>Federal</b>         | <b>GF/GP</b>        |
|-----------------------|------------------------|------------------------|---------------------|
| Health/Human Svcs     | \$1,452,736,400        | \$1,452,736,400        | \$0                 |
| Labor/Econ. Opp.      | 378,324,900            | 378,324,900            | 0                   |
| State Police          | 65,210,900             | 65,210,900             | 0                   |
| Tech., Manag., Budget | 21,000,000             | 0                      | 21,000,000          |
| Treasury              | 322,146,000            | 322,146,000            | 0                   |
| <b>TOTAL</b>          | <b>\$2,239,418,200</b> | <b>\$2,218,418,200</b> | <b>\$21,000,000</b> |

## **FISCAL IMPACT**

The bill provides fiscal year (FY) 2020-21 line-item appropriations of \$2,239.4 million Gross and \$21.0 million GF/GP. The funding includes the SBO request based on its estimate of funding need for the Food Assistance Program (\$1,452.7 million), the remaining \$378.3 million in rental assistance money from the Federal December 2020 COVID-19 Economic Relief Bill, and \$65.2 million in specific FEMA projects recommended to the SBO by the Department of State Police. The bill also includes \$21.0 million Gross and GF/GP for purchase of Venture Michigan Fund vouchers and March 2021 Federal supplemental funding for local units of government (\$322.1 million). Table 2 summarizes the details of the appropriations in the supplemental.

## **FY 2020-21 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 the 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. 204. General.** Directs that appropriated funds are subject to Federal audit and reporting requirements. Requires prompt action if instances of noncompliance are identified and directs the State Budget Director to rectify any noncompliance issues and to inform the Appropriations Committees and fiscal agencies in the case of noncompliance.

**Sec. 205. General.** Requires the State Budget Director to report monthly on all coronavirus relief effort funds to the Appropriations Committees and the fiscal agencies.

**Sec. 301. Labor and Economic Opportunity.** Directs that funding appropriated in part 1 for Emergency Rental Assistance be administered by terms set forth in Federal law authorizing the Federal Department of Treasury to make payments to recipients to be used to provide emergency rental assistance. Directs the Department of Labor and Economic Opportunity, the Department of Health and Human Services, the judiciary, community action agencies, nonprofit agencies, and legal aid organizations to collaborate to create a rental and utility assistance program. Directs that the rental assistance program operate in accordance with rules established by the Federal Department of Treasury to provide rent and utility assistance to preserve housing and avoid eviction. Creates a work project for the funding.

**Sec. 351. State Police.** Appropriates \$300.0 million in Federal funds for emergency and disaster response and mitigation. Requires that funds not be available for expenditure until they have been transferred to another line item pursuant to the Management and Budget Act's provisions on legislative transfers.

**Sec. 401. Technology, Management, and Budget.** Directs the Department of Technology, Management, and Budget to pay a portion of outstanding monetary obligations owed by Venture Michigan Fund in return for surrender of all tax voucher certificates issued for the benefit of Stanton Equity Trading Delaware LLC. Includes stipulations that Venture Michigan borrowed funds pursuant to State statute, that prepayment of all obligations to Stanton Equity are made as provided in the loan agreement, that Venture Michigan contributes not less than \$120.0 million of the prepayment of all outstanding monetary obligations owed by Venture Michigan to Stanton Equity with the payment by the State Budget Director limited to the balance of all outstanding monetary obligations owed by Venture Michigan to Stanton Equity. Directs that if the amount in part 1 is insufficient to cover the portion to be paid by the State Budget Director that there is an additional \$1.5 million appropriated for that purpose. Directs that prepayment to Stanton Equity be conditioned on the surrender to the State Treasurer of all tax voucher certificates issued by the Venture Michigan Fund for the benefit of Stanton Equity. Directs that the prepayment of all obligations and surrender of tax vouchers occur by September 30, 2021. Directs that any unspent amount from the appropriation lapse to the General Fund. Directs the State Treasurer to destroy tax voucher certificates upon their surrender to the Department of Treasury.

Table 2

| Department/Program                                  | Gross                  | Federal                | GF/GP               |
|-----------------------------------------------------|------------------------|------------------------|---------------------|
| <b>Health and Human Services</b>                    |                        |                        |                     |
| Food assistance payments                            | \$1,452,736,400        | \$1,452,736,400        | \$0                 |
| <b>Total Health and Human Services</b>              | <b>\$1,452,736,400</b> | <b>\$1,452,736,400</b> | <b>\$0</b>          |
| <b>Labor and Economic Opportunity</b>               |                        |                        |                     |
| Emergency rental assistance                         | <u>\$378,324,900</u>   | <u>\$378,324,900</u>   | <u>\$0</u>          |
| <b>Total Labor and Economic Opportunity</b>         | <b>\$378,324,900</b>   | <b>\$378,324,900</b>   | <b>\$0</b>          |
| <b>State Police</b>                                 |                        |                        |                     |
| Disaster assistance (FEMA)                          | <u>\$65,210,900</u>    | <u>\$65,210,900</u>    | <u>\$0</u>          |
| <b>Total State Police</b>                           | <b>\$65,210,900</b>    | <b>\$65,210,900</b>    | <b>\$0</b>          |
| <b>Technology, Management, and Budget</b>           |                        |                        |                     |
| Venture Michigan fund voucher purchase              | <u>\$21,000,000</u>    | <u>\$0</u>             | <u>\$21,000,000</u> |
| <b>Total Technology, Management, Budget</b>         | <b>\$21,000,000</b>    | <b>\$0</b>             | <b>\$21,000,000</b> |
| <b>Treasury</b>                                     |                        |                        |                     |
| Federal local COVID-19 funding                      | <u>\$322,146,000</u>   | <u>\$322,146,000</u>   | <u>\$0</u>          |
| <b>Total Treasury</b>                               | <b>\$322,146,000</b>   | <b>\$322,146,000</b>   | <b>\$0</b>          |
| <b>Total FY 2020-21 Supplemental Appropriations</b> | <b>\$2,239,418,200</b> | <b>\$2,218,418,200</b> | <b>\$21,000,000</b> |

Fiscal Analyst: Steve Angelotti

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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.