

FY 2023-24 SUPPLEMENTAL APPROPRIATIONS
Summary: As Passed by the Senate
Senate Bill 55



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

FY 2023-24 APPROPRIATIONS SUMMARY

Budget Area		FY 2023-24 Year-to-Date Appropriations	FY 2023-24 Supplemental Change	% Change
Corrections	Gross	\$2,098,327,000	\$1,700,000	0.1
	GF/GP	\$2,005,572,900	\$0	0.0
Health and Human Services	Gross	\$37,741,882,400	\$145,813,700	0.4
	GF/GP	\$6,679,761,900	\$55,000,000	0.8
Insurance and Financial Services	Gross	\$74,147,900	\$0	0.0
	GF/GP	\$0	\$0	--
Labor and Economic Opportunity	Gross	\$3,436,204,200	\$2,500,000	0.1
	GF/GP	\$1,489,214,900	\$0	0.0
Military and Veterans Affairs	Gross	\$253,137,100	\$14,510,000	5.7
	GF/GP	\$101,936,000	\$6,500,000	6.4
Natural Resources	Gross	\$580,210,000	\$225,000	0.0
	GF/GP	\$90,916,400	\$0	0.0
State Police	Gross	\$917,085,100	\$875,000	0.1
	GF/GP	\$623,308,000	\$0	0.0
Treasury – Revenue Sharing	Gross	\$1,663,359,200	\$0	0.0
	GF/GP	\$0	\$0	--
TOTAL	Gross	\$46,764,352,900	\$165,623,100	0.4
	GF/GP	\$10,990,710,100	\$61,500,000	0.6

Overview

Senate Bill 55 contains supplemental appropriation adjustments to multiple state department budgets for FY 2023-24. In sum, appropriation adjustments total \$165.6 million Gross, \$61.5 million GF/GP.

The bill includes priorities initiated by the State Budget Office in Supplemental Request 2024-8 dated January 21, 2025. Adjustments would enable departments to complete the FY 2023-24 book closing process. Appropriation and boilerplate priorities are identified following this overview.

FY 2023-24 Supplemental Appropriation Items **Appropriation
Change**

CORRECTIONS

1. Detroit Detention Center

Includes authorization for the department to receive an additional \$1.7 million in local revenue from the City of Detroit to support higher than anticipated costs for operations of the Detroit Detention Center. Costs are higher than projected due to employee retention payments, increased contracted nursing costs, and increased costs for janitorial services.

Gross	\$1,700,000
Local	1,700,000
GF/GP	\$0

2. Prisoner Transportation Costs

Transfers \$1.9 million GF/GP from the Intelligence Unit line item and \$800,000 GF/GP from the Prison Food Service line item to the Transportation line item (\$2.7 million) to cover higher than anticipated costs. Transport staff are paid at a higher rate than corrections officers and most transport staff are at the higher end of the pay scale. Additionally, vehicle costs have been higher than expected.

Gross	\$0
GF/GP	\$0

FY 2023-24 Supplemental Appropriation Items

**Appropriation
Change**

3. Prisoner Clinical Costs

Transfers a total of \$18.5 million GF/GP from the following line items to the Clinical Complexes line item to cover higher than anticipated onsite clinical staff costs. The department has been forced to utilize contract nursing providers due to the number of vacant civil service nursing positions. Contracted nurses are more expensive than civil service nurses.

- Prosecutorial and Detainer Expenses (\$2.9 million)
- Southern Region Administration and Support (\$300,000)
- Alger Correctional Facility (\$1.0 million)
- Baraga Correctional Facility (\$4.0 million)
- Kinross Correctional Facility (\$2.0 million)
- Marquette Branch Prison (\$1.5 million)
- Special Alternative Incarceration program (\$1.3 million)
- Prisoner Health Care Services (\$3.0 million)
- Community Corrections Comprehensive Plans and Services (\$600,000)
- Probation Residential Services (\$1.9 million).

Gross \$0
GF/GP \$0

4. Facility Operation Costs

Transfers a total of \$2.6 million GF/GP from the G. Robert Cotton Correctional Facility line item to the following line items to cover higher than anticipated operating costs. More specifically, staffing issues, including higher than budgeted overtime costs, higher than anticipated utility costs, an HVAC replacement project, shower upgrades, and remodeling of mental health office space contribute to the need for the transfer of funds.

- Earnest C. Brooks Correctional Facility (\$600,000)
- Lakeland Correctional Facility (\$400,000)
- Macomb Correctional Facility (\$600,000)
- Muskegon Correctional Facility (\$400,000)
- Parnall Correctional Facility (\$600,000).

HEALTH AND HUMAN SERVICES

5. Child Support Cost Adjustments

Includes a reduction of \$1.0 million GF/GP from the State Disbursement unit to offset the GF/GP shortfall within the Health Services unit.

Gross (\$1,000,000)
GF/GP (\$1,000,000)

6. Child Welfare Cost Adjustments

Includes a net increase of \$33.6 million Gross (\$8.6 million GF/GP) for various programmatic cost increases and reductions, to offset the GF/GP shortfall within the child welfare caseload line items due to higher than anticipated costs as well as a shortfall within the Health Services unit.

Increases:

- Adoption Subsidies: \$1.7 million Gross (\$1.2 million GF/GP)
- Child Care Fund: \$37.5 million Gross (\$28.0 million GF/GP)
- Foster Care Payments: \$3.6 million Gross (reduction of \$11.5 million GF/GP)
- Guardianship Assistance: \$200,000 GF/GP

Reductions:

- Child Welfare Medical/Psychiatric Evaluations: \$1.5 million GF/GP
- Family Preservation Services: \$4.9 million Gross (\$4.7 million GF/GP)
- Raise the Age: \$3.0 million GF/GP.

Gross \$33,593,500
Federal 500,000
TANF 13,926,800
Local 8,500,000
Private 50,000
Restricted 2,000,000
GF/GP \$8,616,700

7. Public Assistance Cost Adjustments

Includes a net reduction of \$16.9 million Gross (\$2.9 million GF/GP) for various programmatic cost increases and reductions, of which a portion of the GF/GP reductions would be used to offset the GF/GP shortfall within the Health Services unit.

Increases:

- Family Independence Program: \$3.0 million Restricted (from SSI Recoveries)
- State Disability Assistance Payments: \$200,000 Gross (net reduction of \$800,000 GF/GP)
- State Supplementation Administration: \$75,000 GF/GP

Reductions:

- Indigent Burial: \$1.2 million GF/GP
- Low-Income Home Energy Assistance Program: \$18.0 million TANF
- State Supplementation: \$1.0 million GF/GP.

Gross (\$16,929,700)
TANF (18,000,000)
Restricted 3,970,300
GF/GP (\$2,900,000)

FY 2023-24 Supplemental Appropriation Items		Appropriation Change
8. Local Office Cost Adjustments		
Includes a net reduction of \$7.2 million Gross (\$7.4 million GF/GP) for various programmatic cost increases and reductions, of which a portion of the GF/GP reductions would be used to offset the GF/GP shortfall within the Health Services unit.		Gross (\$7,150,000)
Increases:		Local 250,000
<ul style="list-style-type: none"> • Donated funds positions: \$250,000 Local 		GF/GP (\$7,400,000)
Decreases:		
<ul style="list-style-type: none"> • FAP Reinvestment: \$5.4 million GF/GP • Electronic Benefit Transfer: \$1.0 million GF/GP • Disability Determination Operations: \$1.0 million GF/GP. 		
9. Behavioral Health Cost Adjustments		
Includes a net reduction of \$59.8 million Gross (\$36.4 million GF/GP) for various programmatic cost increases and reductions, of which a portion of the GF/GP reductions would be used to offset the GF/GP shortfall within the Health Services unit.		Gross (\$59,823,500)
Increases:		Federal (23,500,000)
<ul style="list-style-type: none"> • Certified Community Behavioral Health Clinics: \$45.0 million Gross (\$10.9 million GF/GP) • Autism Services: \$23.0 million Gross (\$7.5 million GF/GP) • Federal Mental Health Block Grant: \$1.9 million Federal • Nursing Home PAS/OBRA: \$1.8 million Gross (\$443,700 GF/GP) • Family Support Subsidy: \$73,200 TANF 		TANF 73,200
Reductions:		GF/GP (\$36,396,700)
<ul style="list-style-type: none"> • Medicaid Mental Health Services: \$53.5 million Gross (\$19.4 million GF/GP) • Behavioral Health Community Supports and Services: \$25.7 million Gross (\$19.4 million GF/GP) • Health Homes: \$25.6 million Gross (\$6.6 million GF/GP) • Healthy Michigan Plan – Behavioral Health: \$22.7 million Gross (\$5.7 million GF/GP) • Community Substance Use Disorder Prevention: \$2.5 million GF/GP • Mental Health Diversion Council: \$1.0 million GF/GP • Medicaid Substance Use Disorder Services: \$580,000 GF/GP. 		
10. State Psychiatric Hospital Cost Adjustments		
Includes a net increase of \$3.0 million Gross (net reduction of \$1.0 million GF/GP) for various programmatic cost increases and reductions, of which a portion of the GF/GP reductions would be used to offset the GF/GP shortfall within the Health Services unit.		Gross \$3,009,400
Increases:		Local 0
<ul style="list-style-type: none"> • Caro Regional Mental Health Center: \$3.5 million Gross • Center for Forensic Psychiatry: \$8.5 million Gross (\$5.0 million GF/GP) 		Restricted 4,009,400
Reductions:		GF/GP (\$1,000,000)
<ul style="list-style-type: none"> • Kalamazoo Psychiatric Hospital: \$4.0 million GF/GP • Walter P. Reuther Psychiatric Hospital: \$3.0 million Gross • Hawthorn Center: \$1.0 million GF/GP • Revenue Recapture: \$1.0 million GF/GP. 		
11. Public Health Cost Adjustments		
Includes a reduction of \$6.2 million Gross (\$6.2 GF/GP) for various programmatic cost increases and reductions, of which a portion of the GF/GP reductions would be used to offset the GF/GP shortfall within the Health Services unit.		Gross (\$6,150,000)
Increases:		IDG 50,000
<ul style="list-style-type: none"> • Laboratory Services: \$50,000 IDG from EGLE 		GF/GP (\$6,200,000)
Reductions:		
<ul style="list-style-type: none"> • Essential local public health services: \$1.0 million GF/GP • Chronic disease control and health promotion administration: \$700,000 GF/GP • Prenatal care outreach and service delivery support: \$4.5 million GF/GP. 		
12. CSHCS Cost Adjustments		
Includes \$28.0 million federal for Medical Care and Treatment cost adjustments.		Gross \$28,000,000
		Federal 28,000,000
		GF/GP \$0
13. Aging Adjustments for Health Services Costs		
Includes a reduction of \$1.0 million GF/GP from Community Services to offset the GF/GP shortfall within the Health Services unit.		Gross (\$1,000,000)
		GF/GP (\$1,000,000)

FY 2023-24 Supplemental Appropriation Items

**Appropriation
Change**

14. Adjustments for Health Services Caseloads

Includes a net increase of \$108.4 million Gross (\$102.3 million GF/GP) for programmatic adjustments to account for Medicaid caseload expenditures. GF/GP revenues are transferred from various line items throughout the Health and Human Services budget.

Gross	\$108,370,000
Federal	6,090,000
GF/GP	\$102,280,000

Increases:

- Long-Term Care Services: \$267.7 million Gross (\$99.1 million GF/GP)
- Health Plan Services: \$55.0 million GF/GP
- Medicaid HCBS: \$14.8 million Gross (\$3.6 million GF/GP)
- Physician Services: \$16.0 million Gross (\$2.0 million GF/GP)
- FMPP: \$1.5 million GF/GP
- Ambulance Services: \$3.0 million Gross (\$1.1 million GF/GP)
- Dental Services: \$2.8 million Gross (\$774,100 GF/GP)
- Hospital Services and Therapy: reduction of \$28.5 million Gross (increase of \$723,100 GF/GP)
- Plan First: \$1.0 million Gross (\$350,600 GF/GP)
- Auxiliary Medical Services: \$700,000 Gross (\$245,400 GF/GP)
- PACE: \$400,000 Gross (\$150,000 GF/GP)
- Transportation: \$250,000 Gross (\$87,600 GF/GP)
- Personal Care Services: \$180,000 Gross (\$82,600 GF/GP)
- Maternal and Child Health: \$5.0 million Gross (\$0 GF/GP)

Reductions:

- Healthy Michigan Plan: \$187.8 million Gross (\$30.0 million GF/GP)
- Pharmacy Services: \$22.5 million Gross (\$11.8 million GF/GP)
- Medicare Premium Payments: \$0 Gross (\$5.6 million GF/GP)
- Hospice Services: \$7.0 million Gross (\$3.8 million GF/GP)
- Special Medicaid Reimbursement: increase of \$12.8 million Gross (reduction of \$1.2 million GF/GP)
- Adult Home Help: \$2.0 million Gross (\$1.0 million GF/GP)
- Integrated Care Organizations: \$2.0 million Gross (\$1.0 million GF/GP).

15. ARP – Home-and Community-Based Services Projects Fund

Appropriates remaining enhanced federal ARPA funds from the following lines:

- Medicaid Mental Health Services: \$37.8 million
- Adult Home Help Services: \$11.7 million
- Home Health Services: \$21,300
- Integrated Care Organizations: \$4.2 million
- Medicaid Home-and Community-Based Services Waiver: \$10.9 million
- Personal Care Services: \$199,200.

Gross	\$64,894,000
Federal	64,894,000
GF/GP	\$0

INSURANCE AND FINANCIAL SERVICES

16. Funding Adjustments

Transfers a total of \$2.1 million in state restricted fund authorization from the Financial Institutions Evaluation (\$1.1 million) and the Insurance Evaluation (\$1.0 million) line items to the Department Services (\$525,000) and Consumer Services and Protection (\$1.6 million) line items to align budget authorizations with projected year-end revenues and expenditures.

Gross	\$0
Restricted	0
GF/GP	\$0

LABOR AND ECONOMIC OPPORTUNITY

17. Michigan Rehabilitation Services

Includes authorization for the department to receive \$2.5 million in federal Department of Education, Vocational Rehabilitation and Independent Living funding made available to support all expenditures and encumbrances for goods and services provided. Additional funding is needed due to the increase in applications for vocational rehabilitation services and to campus facility improvements and specialized equipment added to the Career and Technical Institute.

Gross	\$2,500,000
Federal	2,500,000
GF/GP	\$0

MILITARY AND VETERANS AFFAIRS

18. Headquarters and Armories

Increases federal DOD-National Guard Bureau authorization for Headquarters and Armories by \$200,000 to align budget authorization with projected revenues and expenditures.

Gross	\$200,000
Federal	200,000
GF/GP	\$0

<u>FY 2023-24 Supplemental Appropriation Items</u>		Appropriation Change
19. Michigan Youth Challenge Academy (MYCA)	Gross	\$810,000
Increases federal DOD-National Guard Bureau authorization by \$810,000 to support design and engineering costs for a new facility that would house both the MYCA program and the Michigan Job Challenge Program at Fort Custer.	Federal	810,000
	GF/GP	\$0
20. Military Training Sites and Support Facilities	Gross	\$400,000
Increases federal DOD-National Guard Bureau authorization for Military Training Sites and Support Facilities by \$400,000 to align budget authorization with projected revenues and expenditures.	Federal	400,000
	GF/GP	\$0
21. Veterans Facility Authority Operations	Gross	\$6,500,000
Includes \$6.5 million GF/GP to cover the projected shortfall occurring following the establishment of new veterans homes in Grand Rapids and Chesterfield Township. The homes are experiencing increased costs for services and supplies including nursing and medical services, facilities, accounting, food and dining, utilities, information technology, and cemetery maintenance.	GF/GP	\$6,500,000
22. Veterans Homes – Receipt of Federal Funds	Gross	\$6,600,000
Authorizes receipt of \$6.6 million in additional federal USDVA-VHA funds to be used to support operations at the state's veterans homes (\$3.5 million for Chesterfield Township; \$850,000 for D.J. Jacobetti; and \$2.2 million for Grand Rapids).	Federal	6,600,000
	GF/GP	\$0
23. Veterans Homes – Transfer of Federal Funds	Gross	\$0
Transfers \$50,000 in federal HHS-HCFA, Medicare, Hospital Insurance funds from Chesterfield Township Home for Veterans and \$150,000 in federal HHS-HCFA, Title XIX, Medicaid funds from D.J. Jacobetti Home for Veterans to the Grand Rapids Home for Veterans to align federal authorization with projected revenues at the homes.	Federal	0
	GF/GP	\$0
NATURAL RESOURCES		
24. State Boating Access Site Operations and Maintenance	Gross	\$225,000
Authorizes receipt of \$225,000 in additional federal grant funding to be used for state boating access site operations and maintenance costs.	Federal	225,000
	GF/GP	\$0
STATE POLICE		
25. Auto Theft Prevention Grant Increase	Gross	\$525,000
Increases state restricted fund authorization by \$525,000 to recognize receipt of higher than anticipated Auto Theft Prevention Fund revenue. Additional revenue would allow the Automobile Theft Prevention Authority to increase grant awards for prevention teams, prosecutors, and non-profit organizations.	Restricted	525,000
	GF/GP	\$0
26. MCOLES Grant Revenue Adjustment	Gross	\$350,000
Increases IDT authorization by \$350,000 to recognize higher than anticipated grant revenues received from Michigan Commission on Law Enforcement Standards.	IDT	350,000
	GF/GP	\$0
TREASURY		
27. Revenue Sharing	Gross	\$0
Transfers unexpended City, Village, and Township (\$256,100) and County Revenue Sharing funds (\$305,500) to the Financially Distressed Cities, Villages, or Townships line item as required by 2023 PA 119. Funds are available due to some eligible units not qualifying for some or all their payments. Funding is used to pay for specific projects, services, or strategies that assist financially distressed cities, villages, or townships reach financial stability.	Restricted	0
	GF/GP	\$0

FY 2023-24 Supplemental Boilerplate Items

GENERAL SECTIONS

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

Lists amount of state spending from state sources included in the bill and amount of state spending to be paid 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. Allocation and Expenditure of Federal COVID Relief Funding

Requires allocation and expenditure of federal COVID relief funding in a manner consistent with federal rules and regulations.

FY 2023-24 Supplemental Boilerplate Items

Sec. 204. 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 instances of noncompliance.

Sec. 205. Report on Status of Federal COVID Relief Appropriations

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

DEPARTMENT OF CORRECTIONS

Sec. 301. Receive and Expend Authority

Authorizes the department to receive and expend revenues through contractual agreements for contraband prevention, intelligence operations, and facility security projects; authorizes unexpended funding to be carried forward to the next fiscal year.

DEPARTMENT OF TREASURY – REVENUE SHARING

Sec. 501. Financially Distressed Cities, Villages, and Townships

Requires funds to be granted to financially distressed cities, villages, or townships that meet specified conditions that indicate probable financial distress; requires grant funding to be used to move the city, village, or township toward financial stability; caps grant awards at \$2.0 million; requires a report on grants awarded; designates unexpended funds as a work project account.