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Senate Bill 749 (Substitute S-2)  
Sponsor: Senator Sarah E. Anthony  
Committee: Appropriations

Date Completed: 5-1-24

**CONTENT**

The supplemental appropriations bill would appropriate approximately \$1.4 billion gross and a negative \$15.7 million General Fund/General Purpose (GF/GP) across several State departments, the Legislature, and Judiciary, for fiscal year (FY) 2023-24. Appropriations for each department and branch of State government, by fund source, are detailed in [Table 1](#).

Appropriations for FY 2023-24 are primarily items requested by the State Budget Office in Supplemental Request Letter 2024-2, which was submitted to the House and Senate Appropriations Committees on February 7, 2024, in conjunction with the Governor's Recommendation for the FY 2024-25 budget.

Items that would be funded under the bill include the following: \$25.1 million gross, \$24.5 million GF/GP for State employee lump-sum payments that were approved by the Civil Service Commission, which represents half the amount originally requested; \$1.2 billion gross, \$31.4 million GF/GP in various caseload adjustments for programs administered by the Department of Health and Human Services (DHHS); a \$68.0 million fund shift from GF/GP to Federal funds available under the American Rescue Plan (ARP) State Fiscal Recovery Fund (SFRF) to support correctional facility operations; a \$25.0 million GF/GP reduction for Renewable Ready Communities in the Department of Environment, Great Lakes, and Energy (EGLE); a \$5.0 million GF/GP reduction for the Nature Awaits program in the Department of Natural Resources, and other items as detailed in [Table 2](#).

**Table 1**  
**FY 2023-24 Supplemental Appropriations**

Department	Gross	Federal	Other Funds	GF/GP
Agriculture and Rural Development	\$390,000	0	0	\$390,000
Attorney General	281,500	0	0	281,500
Civil Rights	104,700	0	0	104,700
Corrections	6,038,500	68,000,000	0	(61,961,500)
Education	154,600	0	0	154,600
Environ., Great Lakes, and Energy	11,844,400	35,007,000	1,336,000	(24,498,600)
Executive	84,000	0	0	84,000
Health and Human Services	1,309,597,700	536,558,000	723,365,800	49,673,900
Judiciary	534,400	0	0	534,400
Labor and Economic Opportunity	10,945,500	7,000,000	582,000	3,363,500
Legislature	3,331,200	0	0	3,331,200
Licensing and Regulatory Affairs	255,600	0	0	255,600
Military and Veterans Affairs	1,128,700	750,000	0	378,700
Natural Resources	(4,369,000)	0	0	(4,369,000)
State	6,921,700	5,720,000	1,146,500	55,200
State Police	10,622,000	0	0	10,622,000
Technology, Mgmt, and Budget	632,800	0	0	632,800
Transportation	4,186,800	0	0	4,186,800
Treasury	2,180,600	0	1,110,000	1,070,600
<b>TOTAL</b>	<b>\$1,364,865,700</b>	<b>\$653,035,000</b>	<b>\$727,540,300</b>	<b>(\$15,709,600)</b>

## **FISCAL IMPACT**

The bill would appropriate a total of \$1.4 billion gross and negative \$15.7 million GF/GP for FY 2023-24. Further detail on these appropriations is available in the **CONTENT** portion of this analysis, as well as Table 2, below.

**Table 2**

<b>FY 2023-24 Supplemental Appropriation Details</b>			
<b>Dept.</b>	<b>Item</b>	<b>Gross</b>	<b>GF/GP</b>
MDARD	Employee lump-sum payments	390,000	390,000
AG	Employee lump-sum payments	281,500	281,500
DCR	Employee lump-sum payments	104,700	104,700
Corr.	Employee lump-sum payments	6,038,500	6,038,500
Corr.	GF/GP to ARP SRF fund shift	0	(68,000,000)
MDE	Employee lump-sum payments	154,600	154,600
EGLE	Employee lump-sum payments	501,400	501,400
EGLE	HD vehicles hydrogen fueling/Ag. renewable energy (2.0 FTEs)	22,663,000	0
EGLE	Methane emissions reduction program - IIJA	5,025,000	0
EGLE	Underground injection control class VI wells program - IIJA	1,930,000	0
EGLE	Water quality – various Fed. grants; Aquifer Prot. Fund reapprop.	3,298,000	0
EGLE	Great Lakes remedial action plan grants - IIJA	992,000	0
EGLE	Diesel emission reduction projects	693,000	0
EGLE	Coastal zone management program – IIJA/IRA	475,000	0
EGLE	Standish Twp. water connection support – Fed. grant	1,267,000	0
EGLE	Renewable ready communities	(25,000,000)	(25,000,000)
Exec.	Employee lump-sum payments	84,000	84,000
DHHS	Behavioral health Medicaid caseload adjustments	59,623,600	21,000,000
DHHS	Physical health Medicaid caseload adjustments	2,433,318,400	5,691,600
DHHS	Child support navigator pilot	2,100,000	0
DHHS	Child support enforcement - incentive funding	6,413,900	0
DHHS	Children’s special health care services caseload adjustment	19,998,800	13,638,200
DHHS	MICChild premiums elimination (partial year)	(600,000)	1,350,000
DHHS	Child welfare caseload adjustments	(28,549,900)	(6,720,800)
DHHS	Electronic visit verification penalty	0	14,680,500
DHHS	Public assistance caseload adjustments	(1,248,059,800)	2,230,000
DHHS	Nursing home screening costs PAS/ARR-OBRA	2,000,000	500,000
DHHS	Family support subsidy caseload adjustments	2,940,400	0
DHHS	Medicare buy-in compliance costs	(13,098,700)	(4,469,600)
DHHS	Federal Medicare pharmaceutical program error correction	(4,215,500)	0
DHHS	Federal authorization adjustments	37,879,800	0
DHHS	Medicaid state restricted revenue adjustments	0	(6,550,000)
DHHS	ARP - epidemiology and lab capacity genomic sequencing	3,308,800	0
DHHS	ARP - home and community-based funding -supportive housing	10,000,000	0
DHHS	ARP - strengthening US public health infrastructure - foundational capabilities	5,878,800	0
DHHS	ARP - strengthening US public health infrastructure - data modernization	1,919,800	0
DHHS	COVID-19 emerging infections programs	4,852,200	0
DHHS	COVID-19 immunization and vaccine grant reserve fund	1,858,700	0
DHHS	COVID-19 national wastewater surveillance system	3,704,400	0
DHHS	Preschool dental screenings	1,000,000	1,000,000
DHHS	Employee lump-sum payments	7,324,000	7,324,000
Jud.	Employee lump-sum payments	534,400	534,400
LEO	Employee lump-sum payments	363,500	363,500
LEO	Community and worker economic transition office (20.0 FTEs)	2,500,000	2,500,000

<b>FY 2023-24 Supplemental Appropriation Details</b>			
<b>Dept.</b>	<b>Item</b>	<b>Gross</b>	<b>GF/GP</b>
LEO	Bureau of services for blind persons – Federal grants	5,000,000	0
LEO	State manufacturing leadership program – Fed. grant to MSF	2,000,000	0
LEO	Education governance study – reapprop. of existing grant	500,000	500,000
LEO	Radiation safety section (4.6 FTEs)	582,000	0
Leg.	Independent Citizens Redistricting Commission costs	3,331,200	3,331,200
LARA	Employee lump-sum payments	255,600	255,600
DMVA	Employee lump-sum payments	378,700	378,700
DMVA	Veteran suicide prevention grants - Federal	750,000	0
DNR	Employee lump-sum payments	281,000	281,000
DNR	Great Lakes consent decree – retire commercial fishing license	1,150,000	1,150,000
DNR	Conservation officer pay parity reduction	(800,000)	(800,000)
DNR	Nature awaits reduction	(5,000,000)	(5,000,000)
State	Employee lump-sum payments	55,200	55,200
State	Contract with MDOC for license plate manufacture	1,146,500	0
State	Election security initiatives – Help America Vote Act Fed. grant	5,720,000	0
MSP	Disaster and emergency contingency fund deposit	7,500,000	7,500,000
MSP	Employee lump-sum payments	2,622,000	2,622,000
MSP	Hazard mitigation assistance loan program	500,000	500,000
DTMB	Employee lump-sum payments	632,800	632,800
MDOT	Employee lump-sum payments	4,186,800	4,186,800
Treas.	Employee lump-sum payments (Treasury)	320,600	320,600
Treas.	Employee lump-sum payments (Lottery)	569,200	0
Treas.	Special election costs	750,000	750,000
Treas.	Lottery operations	540,800	0
<b>TOTAL</b>		<b>\$1,364,865,700</b>	<b>(\$15,709,600)</b>

## **FY 2023-24 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 to the provisions of the Management and Budget Act.

**Sec. 203. General.** Requires appropriations to be spent consistent with Federal rules and regulations.

**Sec. 204. General.** Subjects appropriations to Federal audit and reporting requirements.

**Sec. 205. General.** Requires monthly reporting on spending related to COVID-19.

**Sec. 206. General.** Requires departments to spend funds appropriated for lump-sum payments for costs associated with those payments as approved by the Civil Service Commission. Allows departments to make accounting transactions necessary to effectuate the payments using SIGMA.

**Sec. 301. Department of Corrections.** Provides that revenue appropriated and collected for program and special equipment funds is considered State restricted revenue, and funding must be used for prisoner programming, special equipment, and security projects, with not less than 75% used for prisoner programming. Unspent funds do not lapse to the General Fund and are carried forward for spending in future years.

**Sec. 401. Department of Environment, Great Lakes, and Energy.** Establishes a work project for oil, gas, and mineral services (\$5.0 million), for the portion of the program funded with Inflation Reduction Act revenue. The purpose is to assist owners to properly plug marginal conventional wells and reduce methane emissions.

**Sec. 402. Department of Environment, Great Lakes, and Energy.** Allows EGLE to hire 1.0 limited-term employee to implement the methane emission reduction program, using funds appropriated for oil, gas, and mineral services.

**Sec. 403. Department of Environment, Great Lakes, and Energy.** Establishes a work project for oil, gas, and mineral services (\$1.9 million), for the portion of the program funded with Infrastructure Investment and Jobs Act revenue. The purpose is to assist the State in obtaining primacy of regulation of Class VI UIC wells and to protect underground sources of drinking water.

**Sec. 404. Department of Environment, Great Lakes, and Energy.** Allows EGLE to hire 1.0 limited-term employee to implement the UIC Class VI program, using funds appropriated for oil, gas, and mineral services.

**Sec. 406. Department of Environment, Great Lakes, and Energy.** Establishes a work project for water quality programs (\$3.3 million) to address combined sewer overflows, sanitary sewer overflows, and stormwater management.

**Sec. 407. Department of Environment, Great Lakes, and Energy.** Establishes a work project for energy programs (\$22.7 million) to support construction of hydrogen fueling stations for heavy-duty vehicles.

**Sec. 501. Department of Health and Human Services.** Establishes a work project for ARP – home and community-based services (\$10.0 million) to provide grants for permanent supportive housing services for eligible households.

**Sec. 502. Department of Health and Human Services.** Requires the Department to allocate \$2.1 million for a pilot program designed to assist families served by the child support program with navigating the program and utilizing community resources. Establishes a work project for child support navigator project (\$2.1 million).

**Sec. 503. Department of Health and Human Services.** Requires the Department to allocate \$6.4 million in Federal child support incentive funding to support child support operations by improving access to, raising awareness of, and simplifying services. Establishes a work project for child support enforcement enhancements (\$6.4 million).

**Sec. 504. Department of Health and Human Services.** Establishes a work project for ARP – strengthening US public health infrastructure, workforce, and data systems (\$5.9 million), to expand health equity strategies and communication coordination.

**Sec. 505. Department of Health and Human Services.** Establishes a work project for ARP – strengthening US public health infrastructure, workforce, and data systems (\$1.9 million), to improve the efficiency and capabilities of public health administration and data visualization systems.

**Sec. 506. Department of Health and Human Services.** Establishes a work project for Federal COVID immunization and vaccine grant (\$1.9 million) to support the maintenance and operations of the Michigan Care Improvement Registry.

**Sec. 507. Department of Health and Human Services.** Establishes a work project for Federal COVID emerging infections programs (\$4.9 million) to modernize public health research and laboratory surveillance activities and support staffing and operational costs for emerging infections programs.

**Sec. 508. Department of Health and Human Services.** Establishes a work project for COVID-19 national wastewater surveillance system (\$3.7 million) to develop the capacity of State and local units of government to conduct and coordinate wastewater surveillance.

**Sec. 509. Department of Health and Human Services.** Establishes a work project for COVID – influenza population-based hospitalization surveillance (\$300,000) to invest in staffing and necessary equipment and supplies to support the Michigan influenza hospitalization surveillance project.

**Sec. 510. Department of Health and Human Services.** Establishes a work project for ARP – epidemiology and lab capacity genomic sequencing (\$3.3 million) to leverage new technologies to combat emerging and persistent disease threats in the State.

**Sec. 503. Department of Labor and Economic Opportunity.** Directs the digital workforce development grant in part 1 be allocated to a school district in Owosso City in Shiawassee County. The previous grant of the same name in article 9 of PA 119 of 2023 went to the Department.

**Sec. 601. Department of Labor and Economic Opportunity.** Allows the Department to hire employees and deploy capabilities to evaluate and address the impacts of economic transitions, using funds appropriated for the Community and Worker Economic Transition Office. Requires the Department to develop and submit an economic transition plan by December 31, 2025, and also to submit annual reports beginning February 13, 2025.

**Sec. 602. Department of Labor and Economic Opportunity.** Specifies that funds appropriated for an educational governance study be awarded to a research organization studying the efficacy and efficiency of educational governance. States intent that previous funds awarded for this purpose under Section 1006 of Article 9 of PA 119 of 2023 be lapsed.

**Sec. 701. Department of State.** Establishes a work project for Help America Vote Act funds (\$5.7 million) to support election security initiatives.

**Sec. 801. Department of State Police.** Requires GF/GP funds appropriated for disaster and emergency contingency fund to be deposited into that restricted fund.

**Sec. 802. Department of State Police.** Creates the hazard mitigation assistance revolving loan fund in the State Treasury and specifies parameters for the Fund. Requires money spent from the Fund to be spent in accordance with the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act. Money in the fund remains in the Fund and the end of the fiscal year and does not lapse to the General Fund.

**Sec. 901. Department of Technology, Management and Budget.** States the intent of the Legislature that the State Budget Director lapse any remaining work project authorization from two accounts: 1) Section 1094m(1)(a) of Economic Development and Workforce Grants funded under Article 5 of PA 166 of 2022, and 2) the Community Health Campus Pilot Project funded under Section 1996 of Article 6 of PA 166 of 2022.

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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.