

HOUSE BILL NO. 5459

February 20, 2024, Introduced by Reps. O'Neal, Alexander, Neeley, Hope, Farhat, Brenda Carter, Dievendorf, Rheingans, Haadsma, Byrnes, Glanville, Scott, Bezotte, Hood, Weiss and Tyrone Carter and referred to the Committee on Appropriations.

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2024; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year

4

1 ending September 30, 2024, from the following funds:

2	APPROPRIATION SUMMARY	
3	GROSS APPROPRIATION	\$ 13,000,000
4	Interdepartmental grant revenues:	
5	Total interdepartmental grants and	
6	intradepartmental transfers	0
7	ADJUSTED GROSS APPROPRIATION	\$ 13,000,000
8	Federal revenues:	
9	Total federal revenues	
		0
10	Special revenue funds:	
11	Total local revenues	
		0
12	Total private revenues	
		0
13	Total other state restricted revenues	
		0
14	State general fund/general purpose	\$ 13,000,000
15	Sec. 102. DEPARTMENT OF TREASURY	
16	(1) APPROPRIATION SUMMARY	
17	GROSS APPROPRIATION	\$ 13,000,000
18	Interdepartmental grant revenues:	
19	Total interdepartmental grants and	
20	intradepartmental transfers	0
21	ADJUSTED GROSS APPROPRIATION	\$ 13,000,000
22	Federal revenues:	
23	Total federal revenues	
		0
24	Special revenue funds:	
25	Total local revenues	
		0
26	Total private revenues	
		0
27	Total other state restricted revenues	
		0
28	State general fund/general purpose	\$ 13,000,000

1	(2) ONE-TIME APPROPRIATIONS		
2	Back office grant program	\$	10,000,000
3	Back office infrastructure investment		3,000,000
4	GROSS APPROPRIATION	\$	13,000,000
5	Appropriated from:		
6	State general fund/general purpose	\$	13,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

11 Sec. 201. Pursuant to section 30 of article IX of the state
12 constitution of 1963, total state spending from state sources under
13 part 1 for the fiscal year ending September 30, 2024 is
14 \$13,000,000.00 and total state spending from state sources to be
15 paid to local units of government is \$10,000,000.00.

16 Sec. 202. The appropriations made and expenditures authorized
17 under this part and part 1 and the departments, commissions,
18 boards, offices, and programs for which appropriations are made
19 under this part and part 1 are subject to the management and budget
20 act, 1984 PA 431, MCL 18.1101 to 18.1594.

DEPARTMENT OF TREASURY

23 Sec. 301. (1) The funds appropriated in part 1 for back office
24 grant program must be used to establish and operate a back office
25 grant program that provides grants to local units of government for
26 1 or more of the following related to finance, human resources, or
27 information technology operations:

- 28 (a) Assistance with complex, unanticipated, or emergent needs.
- 29 (b) Investments in critical business operations.

1 (c) Human resource programs to improve recruitment and
2 retention.

3 (d) Cybersecurity and resiliency testing of information
4 technology infrastructure.

5 (e) Alternative staffing when recruitment or retention efforts
6 fail.

7 (2) The department of treasury shall contract with a qualified
8 nonprofit for the administration of the back office grant program.
9 The contract must provide for oversight of the back office grant
10 program by the department of treasury. Not more than 5% of the
11 funds appropriated in part 1 for back office grant program may be
12 paid to the qualified nonprofit for the administration of the back
13 office grant program.

14 (3) The qualified nonprofit, in consultation with the
15 department of treasury, shall do all of the following:

16 (a) Develop a detailed application, approval, and compliance
17 process for the back office grant program that is published and
18 available on the qualified nonprofit's website.

19 (b) Establish local match requirements for receipt of a grant
20 under the back office grant program. Local match requirements
21 established under this subdivision must take into account a local
22 unit of government's financial need.

23 (c) Authorize the expenditure of grant funds for the back
24 office grant program to the qualified accounting firm with which
25 the department of treasury contracts in accordance with section 302
26 or 1 of the department of treasury approved qualified accounting
27 firms on behalf of the local unit of government approved for the
28 grant.

29 (4) The department of treasury shall disburse \$2,500,000.00 of

1 grant funds to the qualified nonprofit in advance and replenish
2 those funds not later than 30 days after appropriate reporting from
3 the qualified nonprofit on the use of funds in accordance with the
4 application, approval, and compliance process developed under
5 subsection (3).

6 (5) The unexpended funds appropriated in part 1 for back
7 office grant program are designated as a work project
8 appropriation. Any unencumbered or unallotted funds shall not lapse
9 at the end of the fiscal year and shall be available for
10 expenditures for projects under this section until the projects
11 have been completed. The following is in compliance with section
12 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

13 (a) The purpose of the project is to establish and operate a
14 back office grant program to provide local units of government the
15 opportunity to enhance the functional areas of finance, human
16 resources, and information technology in a financial needs-based
17 cost-sharing arrangement with this state.

18 (b) The project will be accomplished by utilizing state
19 employees or contracts, or both.

20 (c) The total estimated cost of the project is \$10,000,000.00.

21 (d) The tentative completion date is September 30, 2028.

22 (6) As used in this section:

23 (a) "Back office grant program" means the grant program
24 established and operated under this section.

25 (b) "Local unit of government" means a city, village,
26 township, county, or any intergovernmental, metropolitan, or local
27 department, agency, or authority, or other local political
28 subdivision.

29 (c) "Qualified nonprofit" means a nonprofit association that

1 represents counties in this state.

2 Sec. 302. (1) From the funds appropriated in part 1 for back
3 office infrastructure investments, the department of treasury shall
4 contract with a qualified accounting firm to provide a statewide
5 talent acquisition and training program that does all of the
6 following:

7 (a) Creates a pool of professional staff available via
8 alternative staffing arrangements to local units of government in
9 finance, human resources, and information technology.

10 (b) Provides classroom and on-the-job training for the pool of
11 professional staff to provide those employees with well-rounded
12 skill sets in the areas of finance, human resources, and
13 information technology.

14 (c) Establishes standardized policies and procedures for
15 finance, human resources, and information technology operations to
16 achieve efficient and effective results.

17 (d) Provides standardized technology solutions for finance,
18 human resources, and information technology networks.

19 (2) The contract under subsection (1) shall reimburse the
20 qualified accounting firm only for actual expenses of the statewide
21 talent acquisition and training program plus 10% for indirect
22 administration costs.

23 (3) The unexpended funds appropriated in part 1 for back
24 office infrastructure investments are designated as a work project
25 appropriation. Any unencumbered or unallotted funds shall not lapse
26 at the end of the fiscal year and shall be available for
27 expenditures for projects under this section until the projects
28 have been completed. The following is in compliance with section
29 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

1 (a) The purpose of the project is to provide a statewide
2 talent acquisition and training program for local units of
3 government to enhance the overall pool of local government experts
4 in the critical functions of finance, human resources, and
5 information technology.

6 (b) The project will be accomplished by state employees or
7 contracts, or both.

8 (c) The total estimated cost of the project is \$3,000,000.00.

9 (d) The tentative completion date is September 30, 2028.

10 (4) As used in this section:

11 (a) "Firm" means that term as defined in section 720 of the
12 occupational code, 1980 PA 299, MCL 339.720.

13 (b) "Local unit of government" means a city, village,
14 township, county, or any intergovernmental, metropolitan, or local
15 department, agency, or authority, or other local political
16 subdivision.

17 (c) "Qualified accounting firm" means a firm that meets all of
18 the following requirements:

19 (i) Is licensed in this state under section 728 of the
20 occupational code, 1980 PA 299, MCL 339.728, to engage in the
21 practice of public accounting in this state.

22 (ii) Provides both bundled and ad hoc services in all of the
23 following areas:

24 (A) Finance.

25 (B) Human resources.

26 (C) Information technology, including network hosting.

27 (D) Financial planning, including investment advisory and
28 fiduciary capabilities.

29 (iii) Is registered with the United States Securities and

1 Exchange Commission (SEC) and the Financial Industry Regulatory
2 Authority (FINRA).

3 (iv) Has physical locations within at least 7 of the 10
4 prosperity regions.

5 (v) For any remaining prosperity regions where the firm does
6 not have a physical location under subparagraph (iv), the firm has a
7 physical location within 60 miles of the prosperity region's
8 border.