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Senate Bill 7 (Substitute S-1 as passed by the Senate)  
Sponsor: Senator Sarah E. Anthony  
Committee: Appropriations (discharged)

Date Completed: 1-18-23

### **CONTENT**

The bill would appropriate a net total of \$146.3 million (\$134.9 million Federal, \$300,000 local, and \$11.1 million restricted) for fiscal year (FY) 2021-22, and \$1.5 million General Fund/General Purpose (GF/GP) for FY 2022-23. These funds would be appropriated across several State departments; amounts for each affected department are detailed in [Tables 1](#) through [3](#). Note that the final column in [Table 1](#) is the total amount of the positive and negative 'net-to-zero' appropriation adjustments for each affected department.

Appropriations for FY 2021-22 include several positive and negative amounts that net to zero. These 'net-to-zero' items would facilitate the close of books for FY 2021-22 by reducing line items in which actual expenditures were less than the appropriated amounts and transferring those appropriations to line items in which expenditures are projected to exceed appropriations. The majority of these items are in entitlement-type programs such as Medicaid, or in programs with highly variable staffing costs, such as the items for the Department of Corrections. The FY 2021-22 items in the bill effectively would make the year-end budgetary adjustments requested by the State Budget Office in Supplemental Requests 2022-7, 2022-8, and 2022-9, which were submitted to the Senate and House Appropriations Committees on September 7<sup>th</sup>, 2022, November 4<sup>th</sup>, 2022, and November 30<sup>th</sup>, 2022, respectively.

The bill contains several FY 2021-22 items that would be net increases that do not net to zero. The largest of these items is \$120.0 million of Federal funds for the Food Assistance Program in the Department of Health and Human Services (DHHS). A list of the remaining items that do not net to zero is available in [Table 2](#).

Finally, the bill contains one item for FY 2022-23: \$1.5 million for the Independent Citizens Redistricting Commission (ICRC) to cover costs incurred by the Commission in defending its redistricting plans against various legal challenges.

**Table 1**

<b>FY 2021-22 Supplemental Appropriations</b>			
<b>Department</b>	<b>Additional Appropriations</b>		<b>Net-to-Zero Appropriations</b>
	<b>Gross</b>	<b>GF/GP</b>	<b>Gross</b>
Corrections	\$300,000	\$0	\$28,046,000
EGLE	50,000	0	0
Health & Human Serv.	139,409,000	0	317,116,000
LEO	0	0	0
Military and Vet. Aff.	150,000	0	1,762,000
State Police	6,386,366	0	6,386,366
Treasury	0	0	102,875
<b>TOTAL</b>	<b>\$146,295,366</b>	<b>\$0</b>	<b>\$353,413,241</b>

**Table 2**

<b>FY 2021-22 Supplemental Appropriation Details</b>			
<b>Dept.</b>	<b>Item</b>	<b>Gross</b>	<b>GF/GP</b>
MDOC	Detroit Detention Center local reimbursement	\$300,000	\$0
EGLE	Natural resources damages fund – site restoration	50,000	0
DHHS	Food assistance program – align appn with expend.	120,000,000	0
DHHS	QAAP adjustment	5,500,000	0
DHHS	State psychiatric hospitals – align appn with expend.	9,500,000	0
DHHS	Rape crisis services and support grant – 3 <sup>rd</sup> grant	4,409,000	0
DMVA	CARES Act – elevator replacement at Jacobetti	150,000	0
MSP	Post operations – fund shift to use SFRF instead of GF	6,386,366	0
<b>TOTAL</b>		<b>\$146,295,366</b>	<b>\$0</b>

**Table 3**

<b>FY 2022-23 Supplemental Appropriations</b>		
<b>Budget Area/Item</b>	<b>Gross</b>	<b>GF/GP</b>
Legislature – ICRC legal costs	\$1,500,000	\$1,500,000
<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>

**FISCAL IMPACT**

The bill would appropriate a net total of \$146.3 million for FY 2021-22, and \$1.5 million GF/GP for FY 2022-23. Further detail on these is available in the **CONTENT** portion of this analysis.

**FY 2022-23 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.** 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.

## **FY 2021-22 BOILERPLATE LANGUAGE SECTIONS - PART 2A**

**Sec. 1201. General.** Records amount of total State spending and payments to local units of government.

**Sec. 1202. General.** Subjects appropriations and expenditures to the provisions of the Management and Budget Act.

**Sec. 1203. 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. 1204. General.** Directs that funds appropriated from the Federal government be spent according to Federal rules and regulations.

**Sec. 1205. 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. 1206. General.** Requires a monthly report by the State Budget Director on the status of funds appropriated in part 1, including funds used for COVID-19-related issues, to the Legislature.

**Sec. 1301. Department of Labor and Economic Opportunity.** Requires that \$50.0 million from the ARP – Missing Middle Gap Program be used by the State Land Bank Authority to establish a Missing Middle Housing Gap Program. Specifies that the program must increase the supply of housing stock by providing cost defrayment to developers who develop properties targeted to households that meet the definition of "missing middle household" as determined by the Authority, provided that definition complies with rules and regulations established under the Federal American Rescue Plan. Requires at least 30% of the dollar amount of the awards to be allocated to projects in rural communities and that not more than 15% of awards be allocated to any single city, village, or township. Establishes additional program guidelines. Establishes appropriation as a work project. ***This section would replace existing program boilerplate as established under Public Act 53 of 2022.***

**Sec. 1501. State Police.** Establishes appropriation for Federal ineligible expenses as a work project.

**Sec. 1601. Repealer.** Repeals Missing Middle Gap Program boilerplate as established under Public Act 53 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.