

FY 2021-22 SUPPLEMENTAL APPROPRIATIONS
Summary: Conference Report
Senate Bill 85 (S-4) CR-1



HFA Director: Mary Ann Cleary
 Supplemental Coordinator: Ben Gielczyk

Overview

Senate Bill 85 contains supplemental appropriation adjustments to the Departments of Labor and Economic Opportunity and Treasury for FY 2021-22. In sum, FY 2021-22 adjustments increase Gross appropriations in the state budget by \$1.5 billion and increase GF/GP appropriations by \$1.1 billion.

Appropriation and boilerplate priorities initiated by the legislature are identified in this document.

FY 2021-22 APPROPRIATION SUMMARY

Budget Area		FY 2021-22 Year-to-Date Appropriations	FY 2021-22 Supplemental Change	% Change
Labor and Economic Opportunity	Gross	\$2,073,829,100	\$1,000,000,200	48.2
	GF/GP	\$496,044,600	\$1,000,000,000	201.6
Treasury - Operations	Gross	\$667,235,900	\$484,000,000	72.5
	GF/GP	\$166,014,200	\$75,000,000	45.2
TOTAL	Gross	\$2,741,065,000	\$1,484,000,200	54.1
	GF/GP	\$662,058,800	\$1,075,000,000	162.4

<u>FY 2021-22 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
LABOR AND ECONOMIC OPPORTUNITY		
1. Critical Industry Program	Gross	\$100
Includes \$100 restricted Strategic Outreach and Attraction Reserve Fund placeholder for the Critical Industry Program. The program would support qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to increase investments in this state.	Restricted	100
	GF/GP	\$0
2. Michigan Strategic Site Readiness Program	Gross	\$100
Includes \$100 restricted Strategic Outreach and Attraction Reserve Fund placeholder for the Strategic Site Readiness Program. The program would support grants, loans, and other economic assistance to create investment-ready sites to attract and promote investment in this state for eligible activities on, or related to, strategic sites and mega-strategic sites.	Restricted	100
	GF/GP	\$0
3. Strategic Outreach and Attraction Reserve (SOAR) Fund	Gross	\$1,000,000,000
Includes a \$1.0 billion GF/GP deposit into the SOAR Fund. The purpose of the SOAR Fund is to support the Critical Industry Program and Michigan Strategic Site Readiness Program.	GF/GP	\$1,000,000,000
TREASURY		
4. ARP – Afflicted Business Relief	Gross	\$409,000,000
Includes \$409.0 million of federal Coronavirus State Fiscal Recovery Fund for an afflicted business relief grant program to provide grants to afflicted businesses in this state that have realized a financial hardship as a result of the COVID-19 emergency.	Federal	409,000,000
	GF/GP	\$0
5. Local Community Stabilization Authority (LCSA) Reserve Account	Gross	\$75,000,000
Includes \$75.0 million GF/GP to offset reductions in revenue for eligible entities due to changes to industrial personal property and commercial personal property exemptions that are enacted on or after December 14, 2021.	GF/GP	\$75,000,000

FY 2021-22 Supplemental Boilerplate Items

GENERAL SECTIONS

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

States amount of state spending from state sources 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. State Administrative Board Transfers

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

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 incidences of noncompliance.

Sec. 205. Appropriations Subject to ARPA Rules and Regulations

Subjects Coronavirus State Fiscal Recovery Fund appropriations to federal rules and regulations included in the American Rescue Plan Act of 2021, Public Law 117-2.

Sec. 206. Report on Status of ARPA Appropriations

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

LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. Contingency Funding

Appropriates up to \$1.0 billion in state restricted contingency authorization; authorizes expenditure of funds after legislative transfer to line items.

Sec. 302. Critical Industry Program

Require funds appropriated in part 1 for the Critical Industry Program to be used for program activities pursuant to statute; prohibits funds appropriated in part 1 from being spent or otherwise distributed unless SB 771 of the 101st Legislature is enacted into law.

Sec. 303. Michigan Strategic Site Readiness Program

Require funds appropriated in part 1 for the Michigan Strategic Site Readiness Program to be used for program activities pursuant to statute; prohibits funds appropriated in part 1 from being spent or otherwise distributed unless HB 5603 of the 101st Legislature is enacted into law.

Sec. 304. Strategic Outreach and Attraction Reserve (SOAR) Fund

Requires funds appropriated in part 1 for the SOAR Fund to be deposited into the SOAR Fund created in Section 4 of the Michigan Trust Fund Act; prohibits funds appropriated in part 1 from being spent or otherwise distributed unless SB 769 of the 101st Legislature is enacted into law.

Sec. 305. Public Purpose Declaration

Provides that legislature finds and declares that appropriations for the Critical Industry Program and Michigan Strategic Site Readiness Program are for a public purpose and serve the health, safety, and general welfare of the residents of the state.

TREASURY

Sec. 401. ARP - Afflicted Business Relief

Requires funds appropriated in part 1 for ARP-Afflicted Business Relief to be used for an afflicted business relief program to provide grants to afflicted businesses in Michigan that have realized a financial hardship as a result of the COVID-19 emergency to offset revenue reductions and support operating costs; provides that the maximum grant award is an amount equal to the afflicted business's decline in total sales in Michigan capped at an amount equal to the sum of property taxes paid, 50% of unemployment insurance taxes paid, on-premise retail liquor license fees paid, license or required inspection fees paid under the Food Law, and fees paid for any other state license or inspection or \$5.0 million, whichever is less; scales grant award based on magnitude of decline in total Michigan sales; defines "afflicted business."

Sec. 402. Local Community Stabilization Authority Reserve Account

Requires funds appropriated in part 1 to be used to offset reductions in revenue for eligible entities due to changes to industrial personal property and commercial personal property exemptions that are enacted on or after December 14, 2021; establishes appropriation in part 1 as a work project appropriation.