



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

CHRIS KOLB
DIRECTOR

December 3, 2020

The Honorable Jim Stamas, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Shane Hernandez, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Supplemental Request 2021-2

Attached please find Coronavirus supplemental recommendations for fiscal year 2021 related to the departments of Agriculture and Rural Development; Corrections; Education; Environment, Great Lakes, and Energy; Health and Human Services; Military and Veterans Affairs; and Technology, Management and Budget. These funds will be used to continue critical Coronavirus response activities that can no longer be funded with Coronavirus Relief Funds after December 30 under federal law. Additionally, funding is included to begin the important work of distributing vaccines to our highest risk residents. When and if the federal government provides additional aid to support all these activities, those funds will be spent in place of state funds, following appropriation by the Legislature.

In addition to the funding requests contained in the attached detail, the Governor has previously called for \$100 million for an economic stimulus plan that will provide direct financial support half to families and half to small businesses that have been hit hardest by the pandemic. We look forward to working with the Legislature to determine the most effective ways to provide this relief quickly.

If you have any questions regarding this request, please contact Kyle Jen at (517) 335-3420.

Sincerely,

A handwritten signature in blue ink that reads "Chris Kolb".

Chris Kolb
State Budget Director

Attachment

cc: Mike Shirkey, Senate Majority Leader
Lee Chatfield, Speaker of the House
Jim Ananich, Senate Minority Leader
Christine Greig, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency

Departments
JoAnne Huls, Chief of Staff
Tricia Foster, Chief Operating Officer
Jen Flood, Legislative and Public Affairs Director
George Cook, Director of Legislative Affairs
Kyle Jen, Deputy State Budget Director
Heather Boyd, Office of Financial Management
Internal State Budget Office

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 12/03/2020

Supplemental Letter Detail

Run Time: 11:36:30 AM

Supplemental Letter # 2021-2

General Sections

Boilerplate

Sec. xxx. If federal funds become available for any of the Coronavirus response activities for which state funds are appropriated in part 1, departments shall spend the federal funds, once appropriated by the Legislature, in place of the state funds.

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Agriculture and Rural Development

| Appropriation Summary | Appn/Fund | |
|--|-----------|------------------|
| <i>Full-time equated classified positions</i> | | 3.0 |
| GROSS APPROPRIATION | | 1,000,000 |
| Total interdepartmental grants and interdepartmental transfers | IDGT | 0 |
| ADJUSTED GROSS APPROPRIATION | | 1,000,000 |
| Total federal revenues | FDRL | 0 |
| Total local revenues | LOCL | 0 |
| Total private revenues | PRIV | 0 |
| Total other state restricted revenues | STRS | 0 |
| State general fund/general purpose | GFGP | 1,000,000 |

| ONE-TIME APPROPRIATIONS | Appn/Fund | |
|---|-----------|------------------|
| <i>Full-time equated classified positions</i> | | 3.0 |
| Coronavirus response activities-3 FTE positions | T37966 | 1,000,000 |
| GROSS APPROPRIATION | | 1,000,000 |
| Appropriated from: | | |
| State general fund/general purpose | 1000 | 1,000,000 |

Boilerplate

Sec. xxx. From the funds appropriated in part 1 for Coronavirus response activities, the department shall allocate funds for those activities. These funds may support, but are not limited to the following activities:

- (a) Inspection requirements of migrant labor housing providers.
- (b) Conduct outreach to migrant housing providers.
- (c) Review COVID-19 mitigation plans.
- (d) Ensure implementation.

Sec. xxx. (1) The unexpended funds appropriated in part 1 for the migrant labor housing program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to assist with the inspection requirements of migrant labor housing providers as well as conduct outreach to migrant housing providers, review COVID-19 mitigation plans, and ensure implementation.
- (b) The project will be funded in accordance with this section.
- (c) The estimated cost of this project is \$1,000,000.00.
- (d) The tentative completion date for the work project is September 30, 2022.

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(2) The department may expend money from the funds appropriated in part 1 for the migrant labor housing program, including all of the following activities:

(a) Payroll, travel and other CSS&M related costs.

(b) Outreach and education materials.

(c) Other administrative costs related to meeting the requirements of the Public Health Code, Public Act 368, of 1978, and any applicable public health order.

Explanation

This supplemental requests \$1 million General Fund and 3.0 FTE positions to provide inspection and plan approvals for migrant labor housing to prevent the exposure and spread of COVID-19 to migrant labor workers and other agricultural labor. These funds will support the next two growing seasons of 2021 and 2022.

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Corrections

| Appropriation Summary | Appn/Fund | |
|--|-----------|-------------------|
| GROSS APPROPRIATION | | 67,602,300 |
| Total interdepartmental grants and interdepartmental transfers | IDGT | 0 |
| ADJUSTED GROSS APPROPRIATION | | 67,602,300 |
| Total federal revenues | FDRL | 0 |
| Total local revenues | LOCL | 0 |
| Total private revenues | PRIV | 0 |
| Total other state restricted revenues | STRS | 0 |
| State general fund/general purpose | GFGP | 67,602,300 |

| ONE-TIME APPROPRIATIONS | Appn/Fund | |
|------------------------------------|-----------|-------------------|
| Coronavirus response activities | T37966 | 67,602,300 |
| GROSS APPROPRIATION | | 67,602,300 |
| Appropriated from: | | |
| State general fund/general purpose | 1000 | 67,602,300 |

Boilerplate

Sec. xxx. From the funds appropriated in part 1 for Coronavirus response activities, the department shall allocate funds for those activities. These funds may support, but are not limited to, the following activities:

- (a) Coronavirus testing.
- (b) Non-congregate housing for department employees.
- (c) Suspended prisoner intakes.
- (d) Hospitalization costs.
- (e) Protective measures at state correctional facilities

Explanation

This supplemental request supports the estimated 90-day coronavirus response costs of the Department of Corrections incurred after December 30, 2020. These costs include, but are not limited to, the weekly testing of all prisoners and prison staff, costs to provide non-congregate housing to department employees with known close contact with suspected or confirmed COVID-19 cases, reimbursements paid to counties for suspended prisoner intake, non-Medicaid inpatient hospitalization costs of COVID-19-infected prisoners, and protective measures at state correctional facilities.

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Education

| Appropriation Summary | Appn/Fund | |
|--|------------------|-------------------|
| GROSS APPROPRIATION | | 10,000,000 |
| Total interdepartmental grants and interdepartmental transfers | IDGT | 0 |
| ADJUSTED GROSS APPROPRIATION | | 10,000,000 |
| Total federal revenues | FDRL | 10,000,000 |
| Total local revenues | LOCL | 0 |
| Total private revenues | PRIV | 0 |
| Total other state restricted revenues | STRS | 0 |
| State general fund/general purpose | GFGP | 0 |

| ONE-TIME APPROPRIATIONS | Appn/Fund | |
|---------------------------------|------------------|-------------------|
| Coronavirus response activities | T37966 | 10,000,000 |
| GROSS APPROPRIATION | | 10,000,000 |
| Appropriated from: | | |
| Federal funds | 3000 | 10,000,000 |

Boilerplate

Sec. xxx. From the funds appropriated in part 1 for Coronavirus response activities, the department shall allocate funds for those activities. These funds may support, but are not limited to, the reimbursement of eligible child care providers for care provided to school-age children receiving the child care subsidy during the school day, if the children are enrolled in a virtual education program when virtual learning is the only option.

Explanation

Appropriates a portion of the FY 2020 child care caseload lapse to continue funding for time spent by school-aged children in child care while engaged in virtual learning for the remainder of the 2020-2021 school year. The program is currently funded with CRF dollars through December 19th.

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Environment, Great Lakes, and Energy

| Appropriation Summary | Appn/Fund | |
|--|------------------|-------------------|
| GROSS APPROPRIATION | | 25,000,000 |
| Total interdepartmental grants and interdepartmental transfers | IDGT | 0 |
| ADJUSTED GROSS APPROPRIATION | | 25,000,000 |
| Total federal revenues | FDRL | |
| Total local revenues | LOCL | 0 |
| Total private revenues | PRIV | 0 |
| Total other state restricted revenues | STRS | 0 |
| State general fund/general purpose | GFGP | 25,000,000 |
| ONE-TIME APPROPRIATIONS | Appn/Fund | |
| Coronavirus response activities | T37966 | 25,000,000 |
| GROSS APPROPRIATION | | 25,000,000 |
| Appropriated from: | | |
| State general fund/general purpose | 1000 | 25,000,000 |

Boilerplate

Sec. xxx. From the funds appropriated in part 1 for Coronavirus response activities, the department shall allocate funds for those activities. These funds may support, but are not limited to, wastewater surveillance.

Explanation

This request provides \$25 million General Fund for the continuation of wastewater testing to assist with the detection and prediction of future Coronavirus cases. In partnership with local health departments and universities testing will be completed at over 270 locations throughout the upper and lower peninsulas. Surveillance will be targeted to congregate facilities like state prisons, dormitories, child care facilities, K-12 schools, and long-term care facilities.

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Health and Human Services

| Appropriation Summary | Appn/Fund | |
|--|------------------|--------------------|
| GROSS APPROPRIATION | | 617,283,800 |
| Total interdepartmental grants and interdepartmental transfers | IDGT | 0 |
| ADJUSTED GROSS APPROPRIATION | | 617,283,800 |
| Total federal revenues | FDRL | 424,888,400 |
| Total local revenues | LOCL | 0 |
| Total private revenues | PRIV | 0 |
| Total other state restricted revenues | STRS | 0 |
| State general fund/general purpose | GFGP | 192,395,400 |

| PUBLIC ASSISTANCE | Appn/Fund | |
|----------------------------------|------------------|--------------------|
| Food assistance program benefits | 44800 | 419,000,000 |
| GROSS APPROPRIATION | | 419,000,000 |
| Appropriated from: | | |
| Federal funds | 3000 | 419,000,000 |

| FAMILY HEALTH SERVICES | Appn/Fund | |
|-------------------------------|------------------|------------------|
| Immunization program | 48700A | 5,888,400 |
| GROSS APPROPRIATION | | 5,888,400 |
| Appropriated from: | | |
| Federal funds | 3000 | 5,888,400 |

| ONE-TIME APPROPRIATIONS | Appn/Fund | |
|------------------------------------|------------------|--------------------|
| Coronavirus response activities | T37966 | 192,395,400 |
| GROSS APPROPRIATION | | 192,395,400 |
| Appropriated from: | | |
| State general fund/general purpose | 1000 | 192,395,400 |

Boilerplate

Sec. xxx. From the funds appropriated in part one for Food assistance program benefits, the department shall allocate \$419,000,000.00 towards expanded food assistance benefits and related administrative costs through the federal Pandemic Electronic Benefit Transfer program. This program provides additional assistance to children who would receive free or reduced price school meals if not for the Coronavirus emergency.

Sec. xxx. From the funds appropriated in part one for Immunization program, the department shall allocate \$5,888,400.00 to recognize additional Coronavirus related federal immunization cooperative agreement grant funding from the centers for disease control and prevention. These funds will be distributed to local health departments to support Coronavirus immunization activities.

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Sec. xxx From the funds appropriated in part 1 for Coronavirus response activities, the department shall allocate \$192,395,400.00 to support the state's continued Coronavirus response strategy. These funds may support, but are not limited to, the following activities.

(a) Continuation of the state's Coronavirus testing and contact tracing plan. This may include continued testing of vulnerable populations in nursing facilities, adult foster care facilities and homes for the aged, jails, schools, and homeless and domestic violence shelters.

(b) The purchase of necessary supplies and equipment to support Coronavirus testing and vaccination efforts, including personal protective equipment, test kits, and dry ice.

(c) Currently employed staff working directly on Coronavirus response efforts in the department's public health administration and at state hospitals and centers.

(d) Healthcare and human service providers serving Michigan residents impacted by Coronavirus, including hospitals, nursing facilities, direct care providers, child placing agencies and foster care families.

(e) Establishing sufficient health system capacity to manage the administration of a Coronavirus vaccine to all Michigan residents through financial support to local health departments and other healthcare providers.

Explanation

This supplemental request increases federal authorization by \$419 million for the Pandemic Electronic Benefit Transfer Program (P-EBT), which provides temporary funding for families that need emergency food during the pandemic. Benefits are targeted at children who would receive free or reduced price meals at school if not for the COVID health emergency. All costs, including administrative costs, are federally funded.

This supplemental recommendation includes \$5.8 million in federal authorization to recognize additional COVID-19 related federal Immunization Cooperative Agreement grant funding from the Centers for Disease Control and Prevention (CDC). Funds will be allocated to Michigan local health departments to support COVID-19 immunization activities. This grant funding is required to be spent by June 30, 2021.

The supplemental recommendation includes \$196.1 million to support continuation of the department's COVID response effort into the second quarter of FY21. Funds will be allocated to support continued COVID testing and contact tracing of vulnerable populations, the purchase of necessary supplies and equipment to support the department's testing, tracing and vaccination efforts, staff costs in the department's public health administration and state hospitals and centers directly related to the COVID response, support the healthcare providers working with Michigan residents impacted by COVID and supporting and expansion in health system capacity to allow the broad-based distribution of the COVID vaccine.

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Military and Veterans Affairs

| Appropriation Summary | Appn/Fund | |
|--|-----------|------------------|
| GROSS APPROPRIATION | | 2,886,300 |
| Total interdepartmental grants and interdepartmental transfers | IDGT | 0 |
| ADJUSTED GROSS APPROPRIATION | | 2,886,300 |
| Total federal revenues | FDRL | 27,300 |
| Total local revenues | LOCL | 0 |
| Total private revenues | PRIV | 0 |
| Total other state restricted revenues | STRS | 0 |
| State general fund/general purpose | GFGP | 2,859,000 |

| ONE-TIME APPROPRIATIONS | Appn/Fund | |
|--|-----------|------------------|
| Coronavirus response activities | T37966 | 1,650,000 |
| Coronavirus response activities - MVFA | T37966 | 1,236,300 |
| GROSS APPROPRIATION | | 2,886,300 |
| Appropriated from: | | |
| Federal funds | 3000 | 27,300 |
| State general fund/general purpose | 1000 | 2,859,000 |

Boilerplate

Sec. xxx. From the funds appropriated in part 1 for Coronavirus response activities, the department shall allocate funds for those activities. These funds may support, but are not limited to the following activities:

- (a) Coronavirus testing.
- (b) Protective measures at the state veterans homes.
- (c) Providing state match funding for National Guard Coronavirus response mission.

Explanation

This request provides \$2.9 million General Fund for preventing and responding to Coronavirus infections at the state veterans homes, and continuing Coronavirus-related National Guard activities. Needs at the veterans homes include testing residents and staff and purchasing supplies and equipment. Screening equipment is needed to assist in the employee and visitor screening process, and telehealth equipment is needed to use within the veterans homes to minimize staff moving between units. National Guard costs include testing National Guard members and providing state match funding for the current Coronavirus FEMA mission.

This request also provides \$27,300 federal authorization to recognize CARES Act Provider Relief Fund provided to the D.J. Jacobetti Home for Veterans.

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Technology, Management and Budget

| Appropriation Summary | Appn/Fund | |
|--|-----------|-------------------|
| GROSS APPROPRIATION | | 11,000,000 |
| Total interdepartmental grants and interdepartmental transfers | IDGT | 0 |
| ADJUSTED GROSS APPROPRIATION | | 11,000,000 |
| Total federal revenues | FDRL | 0 |
| Total local revenues | LOCL | 0 |
| Total private revenues | PRIV | 0 |
| Total other state restricted revenues | STRS | 0 |
| State general fund/general purpose | GFGP | 11,000,000 |

| ONE-TIME APPROPRIATIONS | Appn/Fund | |
|------------------------------------|-----------|-------------------|
| Coronavirus response activities | T37966 | 11,000,000 |
| GROSS APPROPRIATION | | 11,000,000 |
| Appropriated from: | | |
| State general fund/general purpose | 1000 | 11,000,000 |

Boilerplate

Sec. xxx. From the funds appropriated in part 1 for Coronavirus response activities, the department shall allocate funds for those activities. These funds may support, but are not limited to the following activities:

- (a) The COVID-19 Office of Accountability created in Executive Directive No. 2020-5.
- (b) Demobilization of Alternate Care Sites.

Explanation

This supplemental recommendation provides \$11 million General Fund to support COVID-19 response activities, as federal coronavirus relief funds from the Coronavirus Aid, Relief, and Economic Security Act (H.R. 748 – P.L. 116-136) will be unavailable to spend from after December 30, 2020.

\$6 million General Fund is recommended to maintain support for the Michigan COVID-19 Office of Accountability to ensure that resources are secured, monitored, and spent to address the public health emergency in accordance with all applicable state and federal requirements.

\$5 million General Fund is recommended to support the demobilization of Alternate Care Sites in Southeast Michigan (i.e., the TCF Center Field Hospital in Detroit and the Suburban Collection Showplace Field Hospital in Novi), which were originally set up to handle a surge of COVID-19 patients.