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Senate Bill 114 (as introduced 2-9-21)  
Sponsor: Senator Jim Stamas  
Senate Committee: Appropriations

Date Completed: 2-9-21

**CONTENT**

The supplemental would provide appropriations for fiscal year (FY) 2020-21, reflecting proposals to cover costs borne by businesses over the last year, to appropriate new Federal funding allocated to states in December 2020, to continue and enhance direct care worker hazard pay, and to reduce funding and staff for certain line items. The appropriations would total \$1,257.4 million Gross and \$560.0 million General Fund/General Purpose (GF/GP). Table 1 summarizes the FY 2020-21 appropriations in the supplemental.

**Table 1**

<b>FY 2020-21 Supplemental Appropriations</b>				
<b>Budget Area</b>	<b>Gross</b>	<b>Federal</b>	<b>Restricted</b>	<b>GF/GP</b>
Agriculture & Rural Develop.	(\$100,000)	\$0	(\$50,000)	(\$50,000)
Health & Human Svcs.	547,582,200	487,582,200	0	60,000,000
Labor & Econ. Opportunity	364,217,000	220,302,200	(6,085,200)	150,000,000
Licensing & Reg. Affairs	(4,257,900)	0	(4,257,900)	0
Treasury	350,000,000	0	0	350,000,000
<b>TOTAL</b>	<b>\$1,257,441,300</b>	<b>\$707,884,400</b>	<b>(\$10,393,100)</b>	<b>\$559,950,000</b>

**FISCAL IMPACT**

The bill provides FY 2020-21 line-item appropriations of \$1,257.4 million Gross and \$560.0 million GF/GP. Table 2 summarizes the details of the appropriations in the supplemental.

**FY 2020-21 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 in the article 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.

**Sec. 204. General.** States legislative intent that a hiring freeze be imposed on State civil service, with a prohibition on hiring new State classified civil service employees and a prohibition on filling any vacant State classified civil service positions. Exempts internal transfers of employees within a department.

**Sec. 251. Health and Human Services.** Extends the COVID-19 direct care worker hazard pay adjustment from February 28, 2021, to June 30, 2021, and increases the enhancement from \$2.00 per hour to \$2.25 per hour, with the increase going to the same categories of workers covered under the increase that is in effect through February 28, 2021.

**Sec. 252. Health and Human Services.** Directs that one third of the funding in the Federal COVID Immunization and Coronavirus Vaccine Grant Reserve Fund line item (\$36.7 million) be allocated to manage the administration of COVID-19 vaccinations. Directs that the remaining funding in the line be available for expenditure only after the State Budget Office submits a legislative transfer request and that transfer is approved under the Management and Budget Act. Requires that, before this transfer request is submitted, the Department of Health and Human Services demonstrate that appropriations for coronavirus vaccine strategy in Public Act 257 of 2020 have been spent and that the Department report to the Appropriations Committees, the fiscal agencies, and the State Budget Office as to how the requested funds would be used.

**Sec. 253. Health and Human Services.** Mandates that at least \$75.0 million of the funding in the Federal COVID Epidemiology and Laboratory Capacity Grant Reserve Fund line item be used for grants to school districts, public school academies, intermediate school districts, and nonpublic schools for COVID-19 testing purposes. Requires the Department of Health and Human Services to work with the Department of Education to distribute grants to school districts and public school academies based on the most recent headcount data. Requires the two departments to notify, within five days of enactment of the bill, registered and approved nonpublic schools of the availability of grant funds for COVID-19 testing and to set up a grant process for those schools. Requires nonpublic schools to report headcount data to the Department of Health and Human Services within five days of the grant process being opened for application and requires the Department to approve a request. Directs that each school and school district covered under the section receive a grant equal to the headcount multiplied by \$50. Requires that intermediate school districts receive a grant equal to the staff headcount multiplied by \$50. Requires the two departments to work with all covered entities not later than 21 days after the bill's enactment. Permits use of the funds for testing for staff and students including teachers, counselors, administrators, support staff, aides, bus drivers, coaches, cafeteria staff, custodians, students playing contact sports, and other students as determined by the educational entity. Directs that if funds are not sufficient to cover a \$50 per headcount grant, grants must be prorated accordingly. States that funds from the line must be available for expenditure only after the State Budget Office submits a legislative transfer request and that transfer is approved pursuant to the Management and Budget Act. Requires that, before this transfer request is submitted, the Department of Health and Human Services demonstrate that appropriations for coronavirus response activities in Public Act 257 of 2020 have been spent and that the Department report to the Appropriations Committees, the fiscal agencies, and the State Budget Office as to how the requested funds would be used.

**Sec. 254. Health and Human Services.** Directs that the funding in part 1 for the Federal substance use disorder block grant be distributed, pursuant to Federal law, rules, and regulations, to local public entities providing substance use disorder services and one private entity with a statewide contract to provide those services.

**Sec. 255. Health and Human Services.** Directs that the funding in part 1 for the Federal mental health block grant be distributed, pursuant to Federal law, rules, and regulations, to local public entities providing mental health services and one private entity with a statewide contract to provide those services.

**Sec. 301. Labor and Economic Opportunity.** Directs that funding appropriated in part 1 for Emergency Rental Assistance be administered by terms set forth in Federal law authorizing the Federal Department of Treasury to make payments to recipients to be used to provide

emergency rental assistance. Directs the Department of Labor and Economic Opportunity, the Department of Health and Human Services, the judiciary, community action agencies, nonprofit agencies, and legal aid organizations to collaborate to create a rental and utility assistance program. Directs that the rental assistance program operate in accordance with rules established by the Federal Department of Treasury to provide rent and utility assistance to preserve housing and avoid eviction. Creates a work project for the funding.

**Sec. 302. Labor and Economic Opportunity.** Deposits \$150.0 million in the Unemployment Compensation Fund.

**Sec. 401. Treasury.** Allocates \$300.0 million to the Department of Treasury to create and operate a property tax relief program. The program would provide grants to provide property tax relief for businesses that meet the definition of "afflicted business" in the State. Grants would be provided to afflicted businesses that have realized a significant financial hardship due to the COVID-19 emergency. "Afflicted business" is defined as an entertainment venue, an exercise facility, a food service establishment, a recreational facility or place of public amusement, a cosmetology or barber services provider, a nursery dealer or grower, an athletic trainer, or a body art facility with the first four of those terms being defined as well. Recreational facility or place of public amusement would include amusement parks, arcades, bingo halls, bowling alleys, casinos, nightclubs, skating rinks, water parks, and trampoline parks. Grants could not exceed the cost of property taxes paid for entities that pay property taxes directly or 17% of lease costs for entities that are lessees. Afflicted businesses in operation on October 1, 2019, would receive a percentage of the maximum grant based on their 2020 reduction in gross receipts: those that certify at least a 50.0% reduction in gross receipts would receive the maximum grant, those that certify a 25.0% to 50.0% reduction in gross receipts would receive 75.0% of the maximum grant, those that certify a 10.0% to 25.0% reduction in gross receipts would receive 50.0% of the maximum grant, and those that certify a 5.0% to 10.0% reduction in gross recipients would receive 25.0% of the maximum grant. An afflicted business that started operations between October 1, 2019, and June 1, 2020, must receive 50.0% of the amount that it would receive if it had opened before October 1, 2019, if it can document that it was fully or partially closed because of a pandemic-related State order. Afflicted businesses must certify and attest under penalty of perjury that they were negatively affected by the pandemic and/or pandemic-related State orders. Any afflicted business that falsifies certification under this section must forfeit any payments under this section or sections 402, 403, and 404 in this bill. Allows for proration of payments if funding is not sufficient to make full payments to afflicted businesses. Requires the Department of Treasury to develop and post a website application for operation, awards, and reporting for the program by April 1, 2021. Applications must be submitted by May 1, 2021, and grants must be disbursed by June 1, 2021. Requires a monthly report to the Appropriations Committees, the fiscal agencies, and the State Budget Office listing grants and recipients as well as a summary of all grants by September 30, 2021.

**Sec. 402. Treasury.** Allocates \$16.5 million for an on-premise liquor license relief program to provide grants to eligible retail liquor establishments. Defines an eligible retail liquor establishment as one possessing a liquor license that experienced at least a 30.0% reduction in net revenue in 2020 because of the COVID-19 pandemic. Directs that grants equal the fees paid for a retail liquor license, that the grants be used only for working capital to support payroll, rent, mortgage, utilities, and reopening costs. Retail liquor establishments will be considered qualified if they certify and attest that they paid retail liquor license fees in 2020 and were in operation on February 15, 2020, and limits food service establishment eligibility to those food service establishments that paid retail liquor license fees in 2020 and were in operation on February 15, 2020. States that any entity that falsifies certification must forfeit payments. Allows for proration of payments if funding is not sufficient to make full payments. Requires the Department of Treasury to develop and post a website application for operation, awards, and reporting for the program by April 1, 2021. Applications must be submitted by

May 1, 2021, and grants must be disbursed by June 1, 2021. Requires a monthly report to the Appropriations Committees, the fiscal agencies, and the State Budget Office listing grants and recipients as well as a summary of all grants by September 30, 2021.

**Sec. 403. Treasury.** Allocates \$22.0 million for food service establishment license relief program to provide grants to eligible food service establishments. Defines an eligible food service establishment as one that meets the criteria for food service establishments as outlined in State law that experienced at least a 30.0% reduction in net revenue in 2020 because of the COVID-19 pandemic. Directs that grants equal the fees paid for a food license or required inspections. Food service establishments will be considered qualified if they certify and attest that they paid license and inspection fees in 2020 and were in operation on February 15, 2020. States that any entity that falsifies certification must forfeit payments. Allows for proration of payments if funding is not sufficient to make full payments. Requires the Department of Treasury to develop and post a website application for operation, awards, and reporting for the program by April 1, 2021. Applications must be submitted by May 1, 2021, and grants must be disbursed by June 1, 2021. Requires a monthly report to the Appropriations Committees, the fiscal agencies, and the State Budget Office listing grants and recipients as well as a summary of all grants by September 30, 2021.

**Sec. 404. Treasury.** Allocates \$11.5 million for a license and inspection fee relief program. Defines an eligible entity as one that is an entertainment venue, an exercise facility, a food service establishment, a recreational facility, a cosmetology or barber services provider, a nursery dealer or grower, an athletic trainer, or a body art facility that experienced at least a 30.0% reduction in net revenue in 2020 because of the COVID-19 pandemic. Directs that grants equal the amount paid for a State license or inspection fees, excluding the amounts paid by on-premise retail liquor establishments or food service establishments. Entities will be considered qualified if they certify and attest that they paid license and inspection fees in 2020 and were in operation on February 15, 2020. States that any entity that falsifies certification must forfeit payments. Allows for proration of payments if funding is not sufficient to make full payments. Requires the Department of Treasury to develop and post a website application for operation, awards, and reporting for the program by April 1, 2021. Applications must be submitted by May 1, 2021, and grants must be disbursed by June 1, 2021. Requires a monthly report to the Appropriations Committees, the fiscal agencies, and the State Budget Office listing grants and recipients as well as a summary of all grants by September 30, 2021.

**Table 2**

**FY 2020-21 Supplemental Appropriations**

<b>Department/Program</b>	<b>Gross</b>	<b>Federal</b>	<b>Restricted</b>	<b>GF/GP</b>
<b>Agriculture and Rural Development</b>				
Reduce MDARD food inspector FTEs (-1.0 FTE)	(\$100,000)	\$0	(\$50,000)	(\$50,000)
<b>Total Agriculture and Rural Development</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$50,000)</b>	<b>(\$50,000)</b>
<b>Health and Human Services</b>				
Vaccine distribution	\$110,239,800	\$110,239,800	\$0	\$0
COVID testing	184,942,400	184,942,400	0	0
\$2.25 per hour direct care worker (thru 6/30)	227,000,000	167,000,000	0	60,000,000
Federal mental health block grant	8,000,000	8,000,000	0	0
Federal substance use disorder block grant	17,400,000	17,400,000	0	0
<b>Total Health and Human Services</b>	<b>\$547,582,200</b>	<b>\$487,582,200</b>	<b>\$0</b>	<b>\$60,000,000</b>

**FY 2020-21 Supplemental Appropriations**

<b>Department/Program</b>	<b>Gross</b>	<b>Federal</b>	<b>Restricted</b>	<b>GF/GP</b>
<b>Labor and Economic Opportunity</b>				
Deposit into UIA Trust Fund	\$150,000,000	\$0	\$0	\$150,000,000
Emergency rental assistance	220,302,200	220,302,200	0	0
20% reduction to MiOSHA (-39.4 FTEs)	(6,085,200)	0	(6,085,200)	0
<b>Total Labor and Economic Opportunity</b>	<b>\$364,217,000</b>	<b>\$220,302,200</b>	<b>(\$6,085,200)</b>	<b>\$150,000,000</b>
<b>Licensing and Regulatory Affairs</b>				
20% cut to LCC licensing/enforce. (-18.2 FTEs)	(\$3,315,800)	\$0	(\$3,315,800)	\$0
20% cut to LCC mgt. support (-5.2 FTEs)	(942,100)	0	(942,100)	0
<b>Total Licensing and Regulatory Affairs</b>	<b>(\$4,257,900)</b>	<b>\$0</b>	<b>(\$4,257,900)</b>	<b>\$0</b>
<b>Treasury</b>				
Property tax relief program	\$300,000,000	\$0	\$0	\$300,000,000
Liquor license relief program	16,500,000	0	0	16,500,000
Food service license relief program	22,000,000	0	0	22,000,000
License/Inspection fee refunds	11,500,000	0	0	11,500,000
<b>Total Treasury</b>	<b>\$350,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$350,000,000</b>
<b>Total FY 2020-21 Supplemental Appropriations</b>	<b>\$1,257,441,300</b>	<b>\$707,884,400</b>	<b>(\$10,393,100)</b>	<b>\$559,950,000</b>

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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.