



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

DAVID P. MASSARON
DIRECTOR

February 11, 2021

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

The Honorable Thomas Albert, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Supplemental Request 2021-7

Attached please find supplemental recommendations for fiscal year 2021 for Judiciary and the departments of Education; Health and Human Services; Military and Veterans Affairs; and Transportation.

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

Sincerely,

David P. Massaron
State Budget Director

Attachment

cc: Mike Shirkey, Senate Majority Leader
Jason Wentworth, Speaker of the House
Jim Ananich, Senate Minority Leader
Donna Lasinski, 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, Deputy Chief of Staff
George Cook, Director of Legislative Affairs
Bethany Wicksall, Acting Deputy State Budget
Director
Heather Boyd, Office of Financial Management
Internal State Budget Office

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/09/2021

Supplemental Letter Detail

Run Time: 10:01:31 AM

Supplemental Letter # 2021-7

Education

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		292,115,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		292,115,000
Total federal revenues	FDRL	292,115,000
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	
Child care CCRSA stimulus	T34147	292,115,000
GROSS APPROPRIATION		292,115,000
Appropriated from:		
Federal funds	3000	292,115,000

Boilerplate

Sec. xxx. From the funds appropriated in part 1 for child development and care public assistance, the income entrance eligibility threshold for the child development and care program is set to 130% of the federal poverty guidelines from October 1 to December 31 of the fiscal year. From January 1 to March 31 of the fiscal year, the income entrance eligibility threshold for the child development and care program is set to 150% of the federal poverty guidelines. From April 1 to September 30 of the fiscal year, the income entrance eligibility threshold for the child development and care program is set to 200% of the federal poverty guidelines.

Sec. xxx. (1) From the funds appropriated in part 1 for child care CCRSA stimulus, there is allocated \$17,400,000.00 for the following purposes:

(a) To increase the provider reimbursement rates for child care centers under the following guidelines:

(i) Increase the reimbursement rate for providers with an empty star, by \$0.40 per hour for each child aged 0-2.5, by \$0.30 per hour for each child aged 2.5-5, and by \$0.30 per hour for each child aged 5 and older.

(ii) Increase the reimbursement rate for providers with an 1-star, by \$0.40 per hour for each child aged 0-2.5, by \$0.30 per hour for each child aged 2.5-5, and by \$0.30 per hour for each child aged 5 and older.

(iii) Increase the reimbursement rate for providers with a 2-star, by \$0.45 per hour for each child aged 0-2.5, by \$0.35 per hour for each child aged 2.5-5, and by \$0.30 per hour for each child aged 5 and older.

(iv) Increase the reimbursement rate for providers with a 3-star, by \$0.50 per hour for each child aged 0-2.5, by \$0.35 per hour for each child aged 2.5-5, and by \$0.35 per hour for each child aged 5 and older.

(v) Increase the reimbursement rate for providers with a 4-star, by \$0.50 per hour for each child aged 0-2.5, by \$0.40 per hour for each child aged 2.5-5, and by \$0.40 per hour for each child aged 5 and older.

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(vi) Increase the reimbursement rate for providers with a 5-star, by \$0.60 per hour for each child aged 0-2.5, by \$0.45 per hour for each child aged 2.5-5, and by \$0.45 per hour for each child aged 5 and older.

(b) To increase the provider reimbursement rates for group home providers under the following guidelines:

(i) Increase the reimbursement rate for providers with an empty star, by \$0.35 per hour for each child aged 0-2.5, by \$0.30 per hour for each child aged 2.5-5, and by \$0.30 per hour for each child aged 5 and older.

(ii) Increase the reimbursement rate for providers with a 1-star, by \$0.35 per hour for each child aged 0-2.5, by \$0.30 per hour for each child aged 2.5-5, and by \$0.30 per hour for each child aged 5 and older.

(iii) Increase the reimbursement rate for providers with a 2-star, by \$0.35 per hour for each child aged 0-2.5, by \$0.30 per hour for each child aged 2.5-5, and by \$0.30 per hour for each child aged 5 and older.

(iv) Increase the reimbursement rate for providers with a 3-star, by \$0.40 per hour for each child aged 0-2.5, by \$0.35 per hour for each child aged 2.5-5, and by \$0.35 per hour for each child aged 5 and older.

(v) Increase the reimbursement rate for providers with a 4-star, by \$0.45 per hour for each child aged 0-2.5, by \$0.40 per hour for each child aged 2.5-5, and by \$0.40 per hour for each child aged 5 and older.

(vi) Increase the reimbursement rate for providers with a 5-star, by \$0.50 per hour for each child aged 0-2.5, by \$0.45 per hour for each child aged 2.5-5, and by \$0.45 per hour for each child aged 5 and older.

(c) To increase the provider reimbursement rates for registered family homes under the following guidelines:

(i) Increase the reimbursement rate for providers with an empty star, by \$0.35 per hour for each child aged 0-2.5, by \$0.30 per hour for each child aged 2.5-5, and by \$0.30 per hour for each child aged 5 and older.

(ii) Increase the reimbursement rate for providers with a 1-star, by \$0.35 per hour for each child aged 0-2.5, by \$0.30 per hour for each child aged 2.5-5, and by \$0.30 per hour for each child aged 5 and older.

(iii) Increase the reimbursement rate for providers with a 2-star, by \$0.35 per hour for each child aged 0-2.5, by \$0.30 per hour for each child aged 2.5-5, and by \$0.30 per hour for each child aged 5 and older.

(iv) Increase the reimbursement rate for providers with a 3-star, by \$0.40 per hour for each child aged 0-2.5, by \$0.35 per hour for each child aged 2.5-5, and by \$0.35 per hour for each child aged 5 and older.

(v) Increase the reimbursement rate for providers with a 4-star, by \$0.45 per hour for each child aged 0-2.5, by \$0.40 per hour for each child aged 2.5-5, and by \$0.40 per hour for each child aged 5 and older.

(vi) Increase the reimbursement rate for providers with a 5-star, by \$0.50 per hour for each child aged 0-2.5, by \$0.45 per hour for each child aged 2.5-5, and by \$0.45 per hour for each child aged 5 and older.

(d) To increase the provider reimbursement rates for unlicensed providers under the following guidelines:

(i) Increase the reimbursement rate for unlicensed providers with a tier 1 rating, by \$0.20 per hour for each child aged 0-2.5, by \$0.20 per hour for each child aged 2.5-5, and by \$0.20 per hour for each child aged 5 and older.

(ii) Increase the reimbursement rate for unlicensed providers with a tier 2 rating, by \$0.30 per hour for each child aged 0-2.5, by \$0.25 per hour for each child aged 2.5-5, and by \$0.25 per hour for each child aged 5 and older.

(e) Rate increases funded under this subsection are effective April 1, 2021.

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Sec. xxx. (1) From the funds appropriated in part 1 for child care CCRSA stimulus, the department shall do the following:

- (a) Pay on a family's behalf, the department required family contribution from April 1, 2021 to September 30, 2022.
- (b) Beginning on April 1, 2021 and ending on December 31, 2021, make payments to child care providers for eligible children in the child development and care program on an enrollment vs attendance basis.
- (c) Provide an amount, estimated at \$55,000,000.00, for grant opportunities to Michigan child care providers to help ensure they remain open and are able to meet the child care needs of Michigan families.
- (d) Work collaboratively with the Michigan department of health and human services to continue through fiscal year 2022 the network of infant and early childhood mental health consultation which provides mental health consultation to child care providers.

Sec. xxx. The unexpended funds appropriated in part 1 for child care CCRSA stimulus 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 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 increase the affordability of child care for Michigan families, provide economic stimulus to child care providers, promote the mental health of children, and provide funding for the department to administer the program.
- (b) The project will be accomplished by the department of education and the department of health and human services.
- (c) The estimated cost of this project is \$292,115,000.00.
- (d) The tentative completion date for this work project is September 30, 2023.

Explanation

State Budget Office is requesting the full authorization of one-time federal child dollars appropriated in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, Public Law 116-260, to help states address the impacts of COVID-19. The proposed uses of the funds are to support Michigan families and their ability to access affordable child care options, provide economic stimulus to child care providers to keep businesses open and serving Michiganders, support the mental health of children, and give the department the necessary funding to administer these programs.

In support of Michigan families, income eligibility will be increased from its current level of 150% of the federal poverty level (FPL) to 200% FPL. This will begin on April 1, 2021 and continue until September 30, 2022 and make child care more affordable to many Michigan families as well as increasing the number of children participating in child care services, which has decreased since the beginning of the COVID-19 crisis. Also, copays which are required by the department if a family makes over a certain income threshold will be covered with this funding from April 1, 2021 to September 30, 2022.

Child care providers will be supported through three initiatives. First, a permanent 10% increase to rates paid by the state of Michigan. Next, by a new round of grant funding to provide financial stimulus to child care providers. Lastly, to pay providers based on enrollment instead of the current use of attendance from April 1, 2021 to December 31, 2021.

Child mental health will continue to be supported through the extension of the current social emotional consultants done collaboratively by the department and department of health and human services. This continues funding through FY 2022. Administrative dollars to the department will be used to provide temporary staff assistance as well as funding to cover any excess information technology costs due to changes in the BRIDGES systems required by these program initiatives.

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Funds need to be obligated by September 30, 2022 and fully spent by September 30, 2023. With the allowance to spend this funding over multiple fiscal years but the revenue being one-time in nature, we are requesting these funds to include work project boilerplate language.

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Health and Human Services

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		126,021,100
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		126,021,100
Total federal revenues	FDRL	126,021,100
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	
COVID-19 Chafee education and training vouchers grant	T38503	1,324,000
COVID-19 Chafee foster care program for transition to adulthood	T38504	10,220,000
COVID-19 mental health block grant	T38506	47,969,000
COVID-19 Michigan emergency grant for SMI/SUD	T38507	2,860,000
COVID-19 nutrition services	T56401	5,303,700
COVID-19 promoting safe and stable families grant	T38505	1,995,000
COVID-19 substance abuse prevention and treatment block grant	T38508	52,228,000
Federal COVID immunization and vaccine grant	T43552	4,121,400
GROSS APPROPRIATION		126,021,100
Appropriated from:		
Capped federal revenues	3213	13,539,000
Federal funds	3000	112,482,100

Explanation

This supplemental request increases federal authorization to recognize additional federal coronavirus relief funding in the H.R. 133 COVID-19 Economic Relief Bill. Anticipated amounts for each federal grant are included as one-time line items. Specific adjustments include:

--\$52.2 million in additional Substance Abuse Prevention and Treatment Block grant funding from the federal Substance Abuse and Mental Health Services Administration (SAMHSA).

--\$48 million in additional SAMHSA Mental Health Block grant funding.

--\$10.2 million in additional funding from the federal Administration for Children and Families (ACF) for Michigan's Chafee Foster Care Program that aids current and former foster youth between the ages of 14 and 21 statewide.

--\$5.3 million in additional funding for Congregate Meals and Home Delivered Meals.

--\$4.1 million in COVID Immunization and Vaccine grant support from the Centers for Disease Control and Prevention (CDC).

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--\$2.9 million in additional SAMHSA State Emergency grant funding for serious mental illness (SMI) and substance use disorder (SUD). Funds will support crisis intervention services, mental and substance use disorder treatment, and other recovery support for children and adults impacted by the COVID pandemic.

--\$2.0 million in additional ACF funding for Promoting Safe and Stable Families for the Court Improvement Project that funds initiatives to improve the safety, well-being, and permanence of children in foster care.

--\$1.3 million in additional ACF Chafee Education and Training Vouchers that support young adults transitioning out of foster care with the costs of higher education.

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Judiciary

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		260,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		260,000
Total federal revenues	FDRL	260,000
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	
State court administrative office federal COVID-19	T18161	260,000
GROSS APPROPRIATION		260,000
Appropriated from:		
HHS, court improvement project	3245	260,000

Explanation

This supplemental request allows for the receipt and expenditure of Court Improvement Program grant funds received by the Judiciary under the federal Supporting Foster Youth and Families through the Pandemic Act (Division X of P.L. 116-260). Funds are to be used to address needs concerning child welfare cases stemming from the COVID-19 public health emergency, including technology investments and training support to facilitate the use of remote hearings, family support programs to address aspects of the family case plan to avoid case delays, and other related activities.

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Military and Veterans Affairs

Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		27,300
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		27,300
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	0

ONE-TIME APPROPRIATIONS	Appn/Fund	
Coronavirus response activities - MVFA	T37966	27,300
GROSS APPROPRIATION		27,300
Appropriated from:		
Federal funds	3000	27,300

Explanation

This supplemental request 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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Appropriation Summary	Appn/Fund	
GROSS APPROPRIATION		387,074,400
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		387,074,400
Total federal revenues	FDRL	387,074,400
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	
CRRSAA - airport coronavirus response grant program - general aviation	T33540	2,000,000
CRRSAA - airport coronavirus response grant program - primary airports	T33541	68,000,000
CRRSAA - highway infrastructure program - local allocation	TC33542	65,327,200
CRRSAA - highway infrastructure program - state allocation	TC33543	195,981,600
CRRSAA - enhanced mobility of seniors and individuals with disabilities apportionments	T33544	339,400
CRRSAA - rural area apportionments	T33545	55,426,200
GROSS APPROPRIATION		387,074,400
Appropriated from:		
Federal aid, transportation programs, aero, FAA	3114	70,000,000
Federal aid, transportation programs, CTF, FTA	3120	55,765,600
Federal aid, transportation programs, STF, FHWA	3116	261,308,800

Explanation

This supplemental recommends \$387 million in federal funds allocated for transportation under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) of 2021. The recommendation includes \$261.3 million in federal support for state and local highways (distributed according to section 10o of PA 51 of 1951), as well as \$55.4 million in federal Section 5311 assistance and \$339,400 in Section 5310 assistance to local transit agencies. In addition, this supplemental includes \$68 million of CRRSA Federal Aviation Administration operating support to primary airports and \$2 million to general aviation airports.