

State Budget Update

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December 8, 2020



Supplemental Request

- Request provides funding necessary for the following
 - To help people and businesses across the state who most affected by the economic impacts of COVID 19.
 - To address the ongoing costs to fight COVID-19 including testing and contract tracing
 - To begin the massive undertaking of distributing vaccines
 - To support food benefits and childcare for children who would otherwise be in school
- Funds will be used to continue critical Coronavirus response activities that can no longer be funded with Coronavirus Relief Funds after Dec. 30 under federal law.

Michigan Economic Stimulus

- In addition to the supplemental request, the Governor has called for up to a \$100m economic stimulus request.
- This economic stimulus will provide direct financial support to people and businesses in Michigan.
 - Half of funding will be provided to families that have been hit hardest by the pandemic
 - The other half of funding will go to small businesses struggling due to emergency health and safety requirements

Ongoing Coronavirus Response Activities

- The supplemental recommendation will help to maintain critical pandemic activities for which current funding expires December 30:
 - \$68 million for testing and efforts to limit COVID 19 in prisons
 - \$41 million for contact tracing and continued testing at locations across the state including nursing homes, county jails, and adult foster care facilities
 - \$40 million to continue the \$2/hour wage increase for direct care workers for another 3 months
 - \$25 million in COVID 19 wastewater surveillance to detect outbreaks early
 - \$15 million for PPE, antigen tests, and other medical supplies
 - \$11 million for hospital surge staffing and added costs
 - \$11 million for nursing home rapid response teams, COVID care and response centers, and special behavioral health care units

Other COVID Costs

- \$72 million to begin the largest vaccine effort in history including administration, Michigan National Guard support, and staffing for local public health departments and health providers to administer vaccines
- \$419 million for Supplemental Nutrition Assistance Program (SNAP) benefits targeted at children who would receive free or reduced-price meals at school if not for the COVID health emergency
- \$10 million for additional childcare for children during school hours but home due to virtual school.

Funding the Supplemental & Stimulus

- While the FY 2021 budget outlook still includes a high amount of uncertainty, the following resources offer potential funding solutions for the estimated \$400m supplemental request and stimulus:
 - Lapsed funding from departments for the current fiscal year are projected to be approximately \$116m
 - Medicaid caseload level, which was originally predicted to increase significantly with the on-going pandemic, has not increased as dramatically as expected, providing approximately \$260m in lapsed caseload funding
 - Higher revenue collections in FY 2020 are expected which could provide the additional funding required
 - Costs could shift to future Federal funds if Congress passes a stimulus package