

**FY 2021-22 SUPPLEMENTAL APPROPRIATIONS**  
**Summary: As Reported by House Appropriations Committee**  
**House Bill 5054 (H-1)**



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**Overview**

House Bill 5054 (H-1) contains supplemental appropriation adjustments for the Department of Treasury. The bill appropriates a total of \$1.5 billion GF/GP to provide support to local government retirement systems and the State Police Retirement System.

Individual appropriations and related boilerplate are highlighted below.

**FY 2021-22 APPROPRIATIONS SUMMARY**

<b>Budget Area</b>		<b>FY 2021-22 Year-to-Date Appropriations</b>	<b>FY 2021-22 Supplemental Change</b>	<b>% Change</b>
Treasury - Operations	Gross	\$1,151,235,900	\$1,500,000,000	130.3
	GF/GP	\$241,014,200	\$1,500,000,000	622.4
<b>TOTAL</b>	<b>Gross</b>	<b>\$1,151,235,900</b>	<b>\$1,500,000,000</b>	<b>130.3</b>
	<b>GF/GP</b>	<b>\$241,014,200</b>	<b>\$1,500,000,000</b>	<b>622.4</b>

<b><u>FY 2021-22 Supplemental Appropriation Items</u></b>		<b><u>Appropriation Change</u></b>
<b>DEPARTMENT OF TREASURY</b>		
<b>1. Local Unit Municipal Pension Principal Payment Grant</b>	<b>Gross</b>	<b>\$900,000,000</b>
Includes \$900.0 million GF/GP for a program that would provide grant awards to local units for deposit into the local unit's retirement system if the local unit agreed to adopt certain retirement system conditions. Eligible units include those with a retirement system with a funded ratio at or below 60%. Retirement system deposits would be required to be in addition to the local unit's actuarially determined contribution. Grant awards would be capped at \$100.0 million.	GF/GP	\$900,000,000
<b>2. Pension Best Practices and Debt Reduction Grant Program</b>	<b>Gross</b>	<b>\$250,000,000</b>
Includes \$250.0 million GF/GP for a program that would provide grant awards to local units for deposit into the local unit's retirement system if the local unit agreed to adopt certain retirement system conditions. Eligible units include those with a retirement system that has a funded ratio at or above 60%. Retirement system deposits would be required to be in addition to the local unit's actuarially determined contribution. Funds could be used for other debt reduction and infrastructure matching if the retirement system obtained a funded ratio of at least 100%. Grant awards for a local unit would be capped at 5% of available funding.	GF/GP	\$250,000,000
<b>3. State Police Retirement System Deposit</b>	<b>Gross</b>	<b>\$350,000,000</b>
Includes \$350.0 million GF/GP for deposit into the State Police Retirement System. Requires deposit to be in addition to the actuarially determined contribution.	GF/GP	\$350,000,000

**FY 2021-22 Supplemental Boilerplate Items**

**GENERAL SECTIONS**

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

Estimates total state spending from state sources and payments to be made 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.

## **FY 2021-22 Supplemental Boilerplate Items**

### **TREASURY**

#### ***Sec. 301. Local Unit Municipal Pension Principal Payment Grant***

Requires funds appropriated in part 1 to be used for a program that would provide grant awards to qualified units for deposit into the qualified unit's qualified retirement system (a retirement system with a funded ratio at or below 60%); requires deposit to be in addition to the actuarially determined contribution; requires the recipient of the grant award to certify that it adopted certain retirement system practices; caps grant awards at \$100.0 million; requires Department of Treasury to develop and publish program guidelines, application process, and application materials; establishes application period and required date for disbursement of grant awards; allows any funds not awarded to be reallocated and redistributed in a manner that generates the greatest average funded ratio; requires the Department of Treasury to distribute funds in a manner that results in the greatest average funded ratio if funds are insufficient; defines "qualified retirement system" and "qualified unit;" establishes work project.

#### ***Sec. 302. Pension Best Practices and Debt Reduction Grant Program***

Requires funds appropriated in part 1 to be used for a program that would provide grant awards to qualified units for deposit into the qualified unit's qualified retirement system (a retirement system with a funded ratio at or above 60%); requires deposit to be in addition to the actuarially determined contribution; requires the recipient of the grant award to certify that it adopted certain retirement system practices; caps grant awards at 5% of the amount of funds available and allows for additional rounds of applications if funds remain unallocated after the first round of applications; requires funds to be used by the qualified unit to obtain a 100% funded ratio in the qualified retirement system, make principal payments on outstanding debt until debt is retired, and satisfy any matching requirements for infrastructure investments, in that order of priority; requires Department of Treasury to develop and publish program guidelines, application process, and application materials; establishes application period and required date for disbursement of grant awards; defines "qualified retirement system" and "qualified unit;" establishes work project.

#### ***Sec. 303. State Police Retirement System Deposit***

Requires the funds appropriated in part 1 to be deposited into the State Police Retirement System; requires the deposit to be in addition to the actuarially determined contribution; prohibits funds from being used towards the actuarially determined contribution.