

**New General Fund and State Restricted Contracts**  
(FY 2020 Appropriation Act - Public Act 67 of 2019)

**September 30, 2020**

**Sec. 288.** (1) *Beginning October 1 of the current fiscal year, no less than 90% of a new department contract supported solely from state restricted funds or general fund/general purpose funds and designated in this part or part 1 for a specific entity for the purpose of providing services to individuals shall be expended for such services after the first year of the contract.*

(2) *The department may allow a contract to exceed the limitation on administrative and services costs if it can be demonstrated that an exception should be made to the provision in subsection (1).*

**(3) By September 30 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, house and senate fiscal agencies, and state budget office on the rationale for all exceptions made to the provision in subsection (1) and the number of contracts terminated due to violations of subsection (1).**



## **Section 288(3) PA 67 of 2019**

The Michigan Department of Health and Human Services received no requests for exceptions to the limitation on administrative and services costs specified in Section 288(1) PA 67 of 2019 and terminated no contracts due to violation of Section 288(1).