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**BILL ANALYSIS**

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Senate Bill 95 (Substitute H-1 as passed by the House)

Sponsor: Senator Ron Jelinek

Senate Committee: Appropriations

House Committee: Appropriations

Date Completed: 9-24-09

**CONTENT**

Senate Bill 95 (H-1) would provide for the appropriation of Federal funds that the State of Michigan has been allocated under provisions of the American Recovery and Reinvestment Act of 2009 (ARRA). The Senate passed Senate Bill 95 (S-1) on August 27, 2009. The House of Representatives passed Senate Bill 95 (H-1) on September 17, 2009. The House-passed version of the bill is currently before the Senate for concurrence in the amendments that the House made to the Senate-passed bill. The ARRA funding contained in both the Senate- and House-passed versions of the bill is based on recommendations to the Legislature from the Office of the State Budget (OSB). The OSB recommendations for ARRA funding contained in the bill were transmitted to the Legislature on June 10, 2009, June 23, 2009, July 8, 2009, July 31, 2009, August 25, 2009, August 27, 2009, and September 10, 2009.

The line-item appropriations in the Senate- and House-passed versions of the bill are summarized in [Table 1](#).

**Department of Community Health**

The bill would appropriate increased Federal Medicaid match rate funding under provisions of ARRA. This increased Federal Medicaid match rate funding provides for \$848.7 million of GF/GP appropriation reductions in mental health, children's special health, and the Medicaid program. These GF/GP appropriation reductions are offset dollar-for-dollar with the enhanced Federal Medicaid match rate funding. The bill also includes a Federal funding increase to support targeted case management services provided by local office on aging. The House inserted \$150,000 of ARRA funding to improve the quality of health care provided in ambulatory surgical centers. This funding had not been recommended by OSB when the Senate passed the bill.

**Department of Energy, Labor, and Economic Growth**

The House-passed version of the bill includes \$11.7 million of ARRA funding for various energy programs and \$100,000 of ARRA funding for occupational health and safety oversight on construction projects financed by ARRA funding. These funds were not included in the Senate-passed bill as the recommendation from OSB was transmitted after Senate passage of the bill. The energy funds in the bill include: \$9.6 million to finance rebates for the purchase of energy efficient appliances, \$1.2 million for the development of plans to improve energy plans in the State, and \$1.0 million for the Public Service Commission to assist in electricity-related energy initiatives.

**Department of Human Services**

The bill would appropriate increased Federal foster care and adoption subsidy funding under provisions of ARRA. This increased Federal funding provides for \$15.0 million of GF/GP appropriation

reductions in these programs. These GF/GP appropriation reductions are offset dollar-for-dollar with higher Federal funding. The bill also includes Federal ARRA funding for increased spending authorization for child care and development block grants to restore a provider rate reduction included in Executive Order 2009-22 and to fund quality improvement initiatives. Additional ARRA funds for Americorps programs, local field office overtime costs, and food assistance information technology projects are also included in the bill. The House-passed version of the Department of Human Service funding is identical to the Senate-passed bill.

### **Department of Natural Resources**

The bill would appropriate increased Federal ARRA funding to protect and restore natural resources ecology functions and forest productivity. The funding would be used to address invasive plant species that are threatening State and private lands across the State. The House-passed version of the Department of Natural Resources funding is identical to the Senate-passed bill.

### **Department of Transportation**

The House-passed version of the bill includes \$8.3 million of Federal ARRA funding for ferry dock terminals and \$531,400 for local bus operating grants. The ferry dock funding will be distributed to the Detroit/Wayne County Port Authority, \$7.1 million, and the Eastern Upper Peninsula Transportation Authority, \$1.2 million. The Detroit/Wayne County Port Authority will use the funding to construct and expand existing passenger terminal facilities in Detroit and the Eastern Upper Peninsula Transportation Authority will use funding to expand the passenger ferry pier at Drummond Island. The local bus operating grants will be distributed to the City of Battle Creek, the Bay Metropolitan Transportation Authority, the Saginaw Transportation Authority, and the Suburban Mobility Authority for the retrofitting of buses to demonstrate hybrid fuel technologies. This funding had not been recommended by OSB when the Senate passed the bill.

### **Boilerplate Language Sections**

**Sec. 201.** Contains reporting language on total State spending and payments to local units of government.

**Sec. 202.** Provides that the appropriations are subject to statutory provisions in the Management and Budget Act.

**Sec. 203.** Specifies that the appropriations in the bill financed by Federal funds provided under ARRA are temporary in nature.

**Sec. 210.** Permits the appropriation of any additional Federal funds awarded to the State due to recalculation of formulas and under the redistribution provisions in ARRA and requires a report to the Legislature on any such appropriations.

**Sec. 211.** Directs that unspent day care funds and unspent Department of Natural Resources funds be carried forward into the next fiscal year.

**Sec. 212.** Requires that local governments and other eligible subrecipients receiving ARRA funds comply with all requirements in the ARRA legislation.

### **FISCAL IMPACT**

The Senate-passed version of the bill contains \$12.5 million of Gross appropriations and an \$863.6 million reduction in GF/GP appropriations for FY 2008-09. The House-passed version of the bill contains \$33.3 million of Gross appropriations and an \$863.6 million reduction in GF/GP appropriations for FY 2008-09.

**Table 1****Senate Bill 95  
(Actual Dollars)**

<b>Department/Program</b>	<b>Senate Passed</b>		<b>House Passed</b>	
	<b>Gross</b>	<b>GF/GP</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Community Health</b>				
Office of Services to Aging ARRA Funding	\$80,000	\$0	\$80,000	\$0
Mental Health ARRA Funding Shift	(3,308,300)	(186,946,100)	(3,308,300)	(186,946,100)
Children's Special Health Care ARRA Funding Shift	0	(16,563,600)	0	(16,563,600)
Medicaid ARRA Funding Shift	0	(645,157,700)	0	(645,157,700)
Ambulatory Surgical Center ARRA Funding	0	0	150,000	0
Subtotal Community Health	(3,228,300)	(848,667,400)	(3,078,300)	(848,667,400)
<b>Energy, Labor, and Economic Growth</b>				
State Energy Efficient Appliance Rebates ARRA Funding	0	0	9,600,000	0
State Energy Assurance Initiative ARRA Funding	0	0	1,120,000	0
State Electricity Regulators Funding ARRA Funding	0	0	1,005,000	0
Occupational Safety and Health ARRA Funding	0	0	100,000	0
Subtotal Energy, Labor, and Economic Growth	0	0	11,825,000	0
<b>Human Services</b>				
Children's Services ARRA Funding Shift	0	(14,967,900)	0	(14,967,900)
Child Care and Development Fund ARRA Funding	7,350,000	0	7,350,000	0
AmeriCorps ARRA Funding	1,488,400	0	1,488,400	0
Local Office Field Staff ARRA Funding	1,331,100	0	1,331,100	0
Food Assistance Administration ARRA Funding	2,825,000	0	2,825,000	0
Subtotal Human Services	12,994,500	(14,967,900)	12,994,500	(14,967,900)
<b>Natural Resources</b>				
Invasive Species Control ARRA Funding	2,692,000	0	2,692,000	0
Subtotal Natural Resources	2,692,000	0	2,692,000	0
<b>Transportation</b>				
Ferry Dock and Terminals ARRA Funding	0	0	8,314,500	0
Local Bus Capital Grants ARRA Funding	0	0	531,500	0
Subtotal Transportation	0	0	8,846,000	0
<b>Total Supplemental Approps.</b>	<b>\$12,458,200</b>	<b>\$(863,635,300)</b>	<b>\$33,279,200</b>	<b>\$(863,635,300)</b>

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S0910/s95sc

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.