

FY 2009-10 SUPPLEMENTAL APPROPRIATIONS
American Recovery and Reinvestment Act
Summary: As Reported by the House Appropriations Committee
Senate Bill 1166 (S-1)



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	Executive*		Senate		House	
Budget Area	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Energy, Labor, Econ Growth	\$47,880,000	\$0	\$47,880,000	\$0	\$47,880,000	\$0
TOTAL	\$47,880,000	\$0	\$47,880,000	\$0	\$47,880,000	\$0

*Reflects State Budget Office letter of 6/1/10.

OVERVIEW

On June 1, 2010, the State Budget Office issued supplemental request 2010-16, which would appropriate \$47.9 million in federal funds available under the federal American Recovery and Reinvestment Act (ARRA) for the Department of Energy, Labor, and Economic Growth (DELEG) concerning energy efficiency and neighborhood stabilization programs. Senate Bill 1166 contains supplemental appropriations consistent with that request.

This bill represents the latest in a series of appropriations bills containing funds available under ARRA provisions. To date, a total of \$7.3 billion in ARRA funding has been appropriated in Michigan's state budget—\$5.0 billion in the FY 2008-09 budget and \$2.3 billion in the FY 2009-10 budget.

FY 2009-10 Appropriation Items:

ENERGY, LABOR, AND ECONOMIC GROWTH

1. Land Bank Fast Track Authority

The American Recovery and Reinvestment Act provided \$2.0 billion in funding for the Neighborhood Stabilization Program, which was first established under the Housing and Economic Recovery Act of 2008, P.L. 110-289 (H.R. 3221). Generally, the program provides funding to states and local units of governments to purchase and develop foreclosed and abandoned homes and blighted properties. Whereas initial funding (\$3.2 billion) for the NSP program was awarded by formula, NSP ARRA funds (\$1.93 billion) were awarded through a competitive grant process. A consortium of Michigan applicants, headed by the Michigan State Housing Development Authority (MSHDA), was awarded \$223,875,399. This consortium included MSHDA, the cities of Battle Creek, Benton Harbor, Detroit, Flint, Grand Rapids, Hamtramck, Highland Park, Kalamazoo, Lansing, Pontiac, Saginaw, and Wyandotte, as well as the related county land banks and, where there is no county land bank, the Michigan Land Bank Fast Track Authority (MLBFTA). Land banks will be responsible for managing the acquisition and site preparation process, including title clearing, demolition, environmental remediation, re-platting, infrastructure improvements, and disposal. The MLBFTA acts as the land bank for activities within Detroit, Pontiac, and Grand Rapids. (6/1/10 SBO letter)

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$17,880,000	\$17,880,000	\$17,880,000
Federal	17,880,000	17,880,000	17,880,000

FY 2009-10 Appropriation Items:**ENERGY, LABOR, AND ECONOMIC GROWTH****2. Bureau of Energy Systems**

The American Recovery and Reinvestment Act provided \$3.2 billion in funding for the Energy Efficiency and Conservation Block Grant (EECBG) program established with the Energy Independence and Security Act of 2007, P.L. 110-140 (H.R. 6). This funding was distributed to states, local units of government, and tribal governments via formula grants (\$2.7 billion) and competitive grants (\$452.0 million). In April 2010, the state received an award (\$30.0 million) under the competitive grant process. This is the funding appropriated here. (The state received \$19.6 million in funding through the formula grant process, which was appropriated with the enactment of 2009 PA 38. Another 56 local units received \$57.0 million directly.) The EECBG Competitive Grants were focused on "Retrofit Ramp-Up" programs that undertake large-scale energy efficiency retrofits on residential, commercial, industrial, and public buildings in geographically focused areas. With this funding, the department, in partnership with Michigan Saves, will carry out the Michigan Retrofit Ramp-Up Initiative (MRRI). The MRRI is designed to create a sustainable energy efficiency market by providing outreach and education to increase demand, a skilled energy efficiency workforce to meet that demand, and the tools for lenders to make ongoing investments in energy efficiency in residential, commercial, industrial, and public buildings. The MRRI will undertake retrofit activities through two programs: (1) Residential Neighborhood Retrofit Program, focusing on selected neighborhoods in Detroit, Grand Rapids, communities in Southeast Michigan, and non-entitlement communities still to be determined and (2) Detroit Commercial Centers Program, focusing on commercial and public buildings within the central business district, Midtown, and the New Center area. Retrofit activities include program outreach, financing assistance, direct energy efficiency services (RNRP), retrofit needs assessments/audits (RNRP/DCCP), data collection, and program oversight. The program aims to complete energy efficiency retrofits in 131 commercial and public buildings, provide program outreach to more than 11,340 homeowners, and assist in the retrofit of several thousand homes. (6/1/10 SBO letter)

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
FTE	1.0	1.0	1.0
Gross	\$30,000,000	\$30,000,000	\$30,000,000
Federal	30,000,000	30,000,000	30,000,000

FY 2009-10 Boilerplate Items:**GENERAL****1. Temporary Nature of ARRA Funds**

States that ARRA funds are temporary in nature and that program funding levels and state employees supported by the funds will not be continued.

<u>Executive</u>	<u>Senate</u>	<u>House</u>
--	Sec. 203	Sec. 203

2. Boilerplate Appropriation of Additional Funds

Appropriates any additional funds awarded to Michigan through recalculation of formulas or under federal redistribution provisions; requires report to Legislature. (6/1/10 SBO letter)

Included	Sec. 210	Sec. 210
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3. Carry-Forward Authority

Provides for the carry-forward of unexpended funds into the succeeding fiscal year in conformance with Section 451a of the Management and Budget Act (work project provisions). (6/1/10 SBO letter)

Included	Sec. 211	Sec. 211
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4. Federal Requirement Incorporated by Reference

Requires subrecipients of funds appropriated to comply with all federal requirements regarding certification, assurances, accountability, and transparency. (6/1/10 SBO letter)

Included	Sec. 212	Sec. 212
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ENERGY, LABOR, AND ECONOMIC GROWTH**5. Spending Report**

Requires DELEG to submit a report to the Legislature on spending from appropriations in the bill.

--	Sec. 351	Sec. 351
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