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BILL ANALYSIS

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Senate Bill 608 (Substitute S-1 as reported without amendment)
Sponsor: Senator Ron Jelinek
Committee: Appropriations

CONTENT

Senate Bill 608 (S-1) would provide for supplemental appropriations for fiscal year (FY) 2009-10. Specifically, the bill would appropriate \$38.0 million of Federal funds to the Department of Energy, Labor, and Economic Growth. The Federal funds are available under provisions of the American Recovery and Reinvestment Act of 2009 (ARRA). The funding, which would be used for workforce training programs, was recommended to the Legislature by the Office of the State Budget on October 7, 2009.

The \$38.0 million of Federal ARRA funding would be used in support of employment and training services for dislocated workers throughout Michigan. The Federal government requires states to spend these Federal funds over a 12-month period. The funding would be distributed by the Department of Energy, Labor, and Economic Growth to three regions across the State. The southeastern Michigan region would receive \$18.6 million, the mid-Michigan region would receive \$9.0 million, and the western Michigan region would receive \$10.4 million. A significant portion of this Federal funding would be used to support the enrollment of dislocated workers in training programs run by community colleges during the 2010 winter semester.

FY 2009-10 Boilerplate Language Sections

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

Sec. 202. Subjects appropriations in the bill to provisions of the Management and Budget Act.

Sec. 203. Clarifies that the Federal ARRA funding appropriated in the bill is temporary in nature and the programs supported by these funds will not continue when the temporary Federal funding expires.

Sec. 210. Appropriates any additional Federal ARRA funds that Michigan may receive as a result of other states' not fully using Federal funds authorized under ARRA.

Sec. 211. Establishes work project status for the appropriations in the bill. This allows unspent funds at the close of FY 2009-10 to carry forward into the next State fiscal year.

Sec. 212. Requires recipients of the Federal ARRA funds appropriated to comply with all requirements regarding these funds including certifications, assurances and accountability of the funds.

FISCAL IMPACT

The bill provides for the appropriation of \$38.0 million of Federal funding in FY 2009-10.

Date Completed: 10-15-09

Fiscal Analyst: Gary S. Olson

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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.