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Senate Bill 797 (as enacted)
Sponsor: Senator Ron Jelinek
Senate Committee: Appropriations
House Committee: Appropriations

PUBLIC ACT 142 of 2010

Date Completed: 8-9-10

CONTENT

Senate Bill 797 provides for supplemental appropriations for fiscal year (FY) 2009-10. Specifically, the bill provides for \$79.1 million of Gross appropriations and reduces General Fund/General Purpose (GF/GP) appropriations by \$23.1 million. The appropriations in the bill deal with three separate supplemental appropriation issues. The first is a \$46.6 million Gross and a \$23.4 million GF/GP appropriation reduction resulting from employee concessions negotiated between the Office of the State Employer and represented State employee groups. The amount of these agreed-upon State employee concessions is taken out of the existing appropriated levels for each State department. These employee concession funding reductions are consistent with agreements reached between the Executive branch and the Legislature on the initial FY 2009-10 State budget. The second issue deals with the appropriation of Federal funds related to the American Recovery and Reinvestment Act of 2009 (ARRA) in the Department of Energy, Labor, and Economic Growth and the Department of Human Services. The third issue involves the appropriation of State-financed disaster relief funds in the Department of State Police. Table 1 provides a summary of the appropriations contained in the bill.

Table 1

FY 2009-10 Supplemental Appropriations Senate Bill 797 (as Enacted)		
Department/Budget Area	Gross	GF/GP
<u>Energy, Labor, and Economic Growth</u>		
Workforce Training Program Subgrantees (ARRA)	\$3,800,000	\$0
<u>Human Services</u>		
Food Assistance Program (ARRA)	117,193,000	0
Electronic Benefits Transfer (ARRA)	4,552,700	103,600
<u>State Police</u>		
Disaster Assistance Payments	134,600	134,600
Statewide Savings from Employee Concessions	(46,588,100)	(23,371,900)
Total Supplemental Appropriations	\$79,092,200	\$(23,133,700)

Line-Item Appropriations

Employee Concessions: Table 2 provides a summary of the employee concession savings assumed in the bill. These negative appropriations are based on negotiations between the Office of the State Employer and the represented State employee groups. The savings result

from a combination of banked leave time, furlough days, and the elimination of pre-shift meetings. In addition to the negative appropriations in the bill, the represented State employee groups have agreed to a transfer to the GF/GP budget of \$5.1 million Gross and \$2.3 million GF/GP from reductions in professional development funds.

Energy, Labor, and Economic Growth: The bill appropriates \$3.8 million of Federal ARRA funding for workforce training initiatives. The funding will be spent through local workforce training agencies and community-based workforce training groups.

Human Services: The bill appropriates two items funded with Federal ARRA funds. The first is \$117.2 million for food assistance programs. This funding is based on increases in the number of people eligible for food assistance in Michigan. The second is \$4.6 million for the increased cost of providing food and cash assistance payments through electronic benefit transfers. This funding is needed to reimburse the contractual costs associated with these payments. The \$4.6 million Gross appropriation for electronic benefits transfers includes a required \$103,600 million State GF/GP appropriation match.

State Police: The bill appropriates \$134,600 Gross and GF/GP for disaster relief payments to local governments. These payments are the result of storm damage that occurred on June 6, 2010, in Monroe County. The Village of Dundee, Dundee Township, Frenchtown Charter Township, and Monroe County are eligible to receive \$30,000 each and the Village of Estral Beach will receive \$14,626.

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. Specifies that the appropriation in the bill financed by Federal ARRA funds is temporary in nature.

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

Sec. 211. Establishes work project status for the appropriations in the bill funded with Federal ARRA funds.

Sec. 212. Requires that local governments and eligible subrecipients receiving ARRA funds comply with all of the reporting and expenditure requirements of ARRA.

Sec. 213. Prohibits the expenditure of work force training funds without verification of the eligibility of the workers under Federal law.

Sec. 301. Requires the Department of Human Services to cancel an existing lease in the City of Detroit.

Sec. 304. Requires the Department of Community Health to hire an independent contractor to implement internal controls related to findings by the Office of the Auditor General. The language also provides that the Department of Community Health may spend up to \$5.0 million to pay for the independent contractor.

Table 2

Department/Budget Area	Gross	GF/GP
Agriculture	(\$450,900)	(\$222,200)
Attorney General.....	(502,100)	(207,200)
Civil Rights.....	(89,000)	(75,300)
Community Health	(4,535,300)	(1,816,900)
Corrections.....	(14,628,200)	(14,506,400)
Education.....	(438,200)	(67,200)
Energy, Labor, and Economic Growth	(3,934,000)	(193,700)
Executive Office	(39,000)	(39,000)
Human Services.....	(7,600,600)	(2,846,500)
Legislative Auditor General.....	(142,800)	(142,800)
Military Affairs	(829,100)	(180,500)
Natural Resources and Environment	(2,869,200)	(397,800)
State	(1,046,100)	(174,800)
State Police	(2,488,300)	(1,752,800)
Technology, Management, and Budget....	(2,734,100)	(456,000)
Transportation	(2,695,600)	0
Treasury	(1,565,600)	(292,800)
Subtotal (S.B. 797)	(\$46,588,100)	(\$23,371,900)
Professional Development Funds.....	(5,140,000)	(2,327,000)
Total Savings	(\$51,728,100)	(\$25,698,900)

Boilerplate Language Sections

FISCAL IMPACT

The bill increases FY 2009-10 Gross appropriations by \$79.1 million and reduces GF/GP appropriations by \$23.1 million. The bill does not reflect additional FY 2009-10 GF/GP budget savings of \$2.3 million from the transfer of employee professional development funds.

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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.