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Senate Bill 1166 (Substitute S-1) Sponsor: Senator Ron Jelinek Committee: Appropriations

Date Completed: 6-15-10

CONTENT

Senate Bill 1166 (S-1) would provide for supplemental appropriations for fiscal year (FY) 2009-10. Specifically, the bill would appropriate \$47.9 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 would be used for energy programs and assistance with the demolition of abandoned properties. The appropriations in the bill were recommended to the Legislature by the State Budget Office on June 1, 2010.

The bill would provide \$30.0 million of energy efficiency funds, received through a competitive grant process by Michigan. The funding would be used to invest in the adoption of commercial and residential energy efficiency building retrofits. The grant application for these funds provides that \$21.8 million of the funding will be used to support residential and commercial energy retrofit financing activities through Michigan Saves, Inc. Michigan Saves, Inc. is the Department's co-applicant for these funds. The Bureau of Energy Systems will administer the remaining \$8.2 million of the funds to support energy efficiency activities. These activities will include competitive grants to local communities.

The bill also would provide \$17.9 million of ARRA funding for the Land Bank Fast Track Authority to support the maintenance and demolition of tax-reverted properties across the State.

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 utilizing Federal funds authorized under ARRA.

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- **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.
- **Sec. 351.** Requires the Department of Energy, Labor, and Economic Growth to provide a report by September 30, 2010, to the Legislature regarding the expenditure of the funds appropriated in the bill.

FISCAL IMPACT

The bill would provide for the appropriation of \$47.9 million of Federal funding in FY 2009-10.

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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.