



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4182 (Substitute H-4 as passed by the House)
Sponsor: Representative Fred Durhal, Jr.
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 9-30-09

CONTENT

The bill would amend the Michigan Trust Fund Act to transfer \$42.0 million from the 21st Century Jobs Trust Fund to the State General Fund in order to help balance the FY 2008-09 budget.

The bill also would increase the amount of tobacco settlement revenue that will be deposited into the 21st Century Jobs Trust Fund in FY 2015-16 from \$30.0 to \$72.0 million. Current language in the Michigan Trust Fund Act establishes FY 2015-16 as the final year for tobacco settlement revenue to be deposited annually into the 21st Century Jobs Trust Fund.

MCL 12.257 & 12.258

FISCAL IMPACT

The bill would transfer \$42.0 million from the 21st Century Jobs Trust Fund into the General Fund in FY 2008-09. Various budgetary actions have occurred to make these funds available for transfer. These actions include the following:

1. Public Act 101 of 2008 amended the Michigan Tobacco Settlement Finance Authority Act to allow for the refinancing of the Tobacco Settlement Finance Authority bonds. This refinancing garnered \$60.0 million of which \$50.0 million was appropriated for the Michigan Promotion Program and business marketing, leaving a balance of \$10.0 million.
2. As passed by the Legislature, the budget bill for the Michigan Strategic Fund (MSF), included an appropriation of \$65.0 million in FY 2008-09 for the 21st Century Jobs Trust Fund. The Michigan Trust Fund Act requires \$75.0 million to be deposited into the 21st Century Jobs Trust Fund each year through 2015. The difference between the allocation and the appropriation is \$10.0 million which is available for transfer to the General Fund.
3. Section 1027 of Public Act 261 of 2008, requiring a set-aside for Lakeshore Advantage, was vetoed, reducing the FY 2008-09 appropriation from \$65.0 million to \$62.0 million. The \$3.0 million remains available in the 21st Century Jobs Trust Fund.

4. Executive Order 2009-22 reduced the FY 2008-09 appropriation to the 21st Century Jobs Trust Fund by \$9.05 million, from \$62.0 million to \$52.95 million.
5. Executive Order 2009-22 directed the lapse of two work project accounts from FY 2005-06 21st Century Jobs Trust Fund appropriations. The Agriculture Development Fund work project contained a balance of \$5.0 million and the grant to the Michigan Forest Finance Authority work project contained a balance of \$4.95 million. The total amount of the lapse is \$9.95 million.

The total of these five actions is \$42.0 million that is available for deposit to the General Fund.

The increase of the deposit of tobacco settlement revenue into the 21st Century Jobs Trust Fund in FY 2015-16 would reduce the availability of tobacco settlement revenue to other funds by \$42.0 million.

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