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BILL ANALYSIS

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House Bill 5406 (Substitute H-1 as passed by the House)
Sponsor: Representative George Cushingberry
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 5-3-10

CONTENT

House Bill 5406 (H-1) would provide for supplemental appropriations for fiscal year (FY) 2009-10. Specifically, the bill would appropriate \$28.4 million of Gross appropriations, of which \$2.2 million would be funded with General Fund/General Purpose (GF/GP) appropriations to the Department of Corrections. The supplemental appropriations are based on recommendations from the State Budget Office (SBO) submitted to the Legislature on February 11, 2010. The House of Representatives modified the SBO recommendation and passed House Bill 5406 (H-1) on March 9, 2010. The table below provides a summary of the line-item appropriations contained in the bill.

House Bill 5406 (H-1) Fiscal Year 2009-10 Supplemental Appropriations (actual dollars)						
Department/Program	State Budget Office		House-Passed		Senate Recommendation	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
<u>Corrections</u>						
County Jail Reimburse.	\$7,514,400	\$0	\$9,720,000	\$2,205,600	\$9,720,000	\$2,205,600
Muskegon Correct Facility	18,660,000	0	18,660,000	0	18,660,000	0
Total Suppl. Approps.	\$26,174,400	\$0	\$28,380,000	\$2,205,600	\$28,380,000	\$2,205,600

Line-Item Appropriations

Department of Corrections: The bill would appropriate \$9.7 million of Gross appropriations for the county jail reimbursement program. The initial funding for this program in the FY 2009-10 budget was vetoed by the Governor. On February 11, 2010, the SBO recommended funding the county jail reimbursement program at \$7.5 million of Gross appropriations. The House of Representatives increased the funding to \$9.7 million of Gross appropriations with the additional funding provided with GF/GP funds. The funding included in the House-passed bill would provide adequate funding for the period January 1, 2010, through September 30, 2010. The second item in the bill is \$18.7 million of Gross appropriations to fund the operation of the Muskegon Correctional Facility. This appropriation also would support 238.0 full-time equated positions to staff the facility. The funding source for this prison would be revenue the Department of Corrections receives from the Commonwealth of Pennsylvania. The Muskegon Correctional Facility will house approximately 1,320 inmates from the Commonwealth of Pennsylvania and the \$18.7 million of funding for the facility would come from the costs paid per inmate incarcerated.

Boilerplate Language Sections

Sec. 201: Reports on total State spending and payments to local units of government.

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

Sec. 301: Provides for the distribution of funds under the county jail reimbursement program. The language outlines the rates of reimbursement along with the timing of the payments from the State to counties.

Sec. 302: Clarifies that the funding of the Muskegon Correctional Facility would be used to house prisoners from other states.

FISCAL IMPACT

The bill would appropriate \$28.4 million of Gross appropriations of which \$2.2 million would be funded with GF/GP appropriations.

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.