

Legislative Analysis



AGENCIES TO NOTIFY LEGISLATURE OF ALL FINANCIAL ASSISTANCE

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5133

Sponsor: Rep. Mike Shirkey

Committee: Oversight

Complete to 3-25-14

A SUMMARY OF HOUSE BILL 5133 AS INTRODUCED 11-5-13

House Bill 5133 would amend the Management and Budget Act (MCL 18.1384) to require that officials in all state agencies notify both the Department of Technology, Management, Budget and the state legislature when they apply for or receive *any form of financial assistance*. A more detailed description of the bill follows.

Applications for financial assistance

Now under the law, a state agency that applies for federal financial assistance must notify the Department of Technology, Management, Budget within 10 days after making application, and also with 10 days after receiving notice that its application is awarded, rejected, revised, or deferred. House Bill 5133 would retain these provisions but extend them to encompass *all forms of financial assistance*, and also require that notice be given to the Majority Leader of the Senate, the Speaker of the House of Representatives, the Appropriations committees, and the two legislative fiscal agencies. In addition, the bill would require that the notice to the legislature include all stipulations and conditions associated with receiving the financial assistance.

Awards of federal grants available to local units and others

Now under the law, within 30 days of receiving notice that a federal grant has been awarded for which organizations or units of local government are eligible to apply, a state agency must report that fact to the legislature and the fiscal agencies. Further, the law explicitly prohibits a state agency from committing any federal grant funds before notification to the legislature has occurred, and a subsequent appropriation of the funds is made by the legislature. House Bill 5133 would retain these provisions, but extend them to *all forms of financial assistance*, and explicitly require that in addition to the notice to the legislature and fiscal agencies, notice also be given to the Appropriations committees.

Report of federal revenues appropriated

Finally, under current law, before December 1 and June 1 of each year, each department is required to report to the appropriations committees, the fiscal agencies, and the Department of Technology, Management and Budget estimates regarding the extent to which federal revenues appropriated have been realized and are expected for the remainder of the fiscal year. That report must be given in detail, both by program or grant, and by catalog of federal domestic assistance account. House Bill 5133 would retain these provisions; extend them to encompass *all forms of financial assistance*;

require the estimates be detailed by *source* (as well as by program or grant, and catalog of federal domestic assistance account); and, require that the report also be made to the majority leader of the Senate, and the speaker of the House of Representatives.

FISCAL IMPACT:

A fiscal analysis is in process.

Legislative Analyst: J. Hunault
Fiscal Analyst: Marilyn Peterson

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.