

Legislative Analysis



INCREASE CAP ON DISASTER AND EMERGENCY CONTINGENCY FUND

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Senate Bill 914 as passed by the Senate
Sponsor: Sen. Mike Nofs
House Committee: Appropriations
Senate Committee: Appropriations
Complete to 6-6-16

SUMMARY:

This bill would amend the Emergency Management Act to increase the statutory cap on the Disaster and Emergency Contingency Fund to \$10.0 million, while maintaining the statutory minimum of \$1.0 million. The current statutory cap of \$4.5 million was established by PA 109 of 2013.

BACKGROUND INFORMATION:

Prior to 2011, the Disaster and Emergency Contingency Fund (then known as the Disaster Contingency Fund) was not extensively utilized, as GF/GP appropriations were instead made on a case-by-case basis. The table below details the appropriations to, and expenditures from, the Disaster and Emergency Contingency Fund since 2011:

Disaster and Emergency Contingency Fund Deposits and Expenditures		
FY 2011	Supplemental: 2011 PA 83	\$ 750,000
	Calhoun County Storm	\$ (250,400)
FY 2014	General Omnibus: 2013 PA 59	\$ 2,000,000
	U.P. Deep Freeze	\$ (1,767,700)
	NW Lower Peninsula Floods	\$ (787,200)
FY 2015	Supplemental: 2015 PA 6	\$ 3,000,000
	Detroit Region Flooding	\$ (51,500)
	NW Michigan Storms	\$ (33,900)
	Legislative Transfer 2015-6	\$ 1,000,000
FY 2016	Remaining Balance	\$ 3,871,000
<i>Notes: Expenditure authorization for FY 2014 emergencies from 2014 PA 356 are incorporated into expenditures detailed above; these totals do not include interest earnings or administrative assessments.</i>		

MCL 30.418

FISCAL IMPACT:

This bill would have no fiscal impact on the State since it only increases the statutory cap on the Disaster and Emergency Contingency Fund, but does not appropriate additional

funds. However, a supplemental appropriation including a \$10.0 million GF/GP deposit into the fund is anticipated for FY 2015-16. On February 1, 2016, the Department of State Police was given authorization via administrative transfer to expend the remaining \$3.8 million to respond to the ongoing water emergency in the City of Flint. As of June 6, 2016, the fund has a balance of \$1.4 million, which is expected to be depleted in the coming months.

Fiscal Analyst: Kent Dell

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