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**BILL ANALYSIS**

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Senate Bill 97 (Substitute S-1 as reported)  
Sponsor: Senator Mike Shirkey  
Committee: Appropriations

**CONTENT**

The bill would amend the Management and Budget Act to require the Senate Majority Leader, the Speaker of the House, the Chairpersons of the affected Appropriations Subcommittees, and the House and Senate Fiscal Agencies, in addition to the Department of Technology, Management, and Budget, to be notified of a State agency's application for Federal financial assistance. Additionally, the bill would extend the notification requirement to an application for any other form of financial assistance.

Currently, any State agency that applies for Federal financial assistance must notify the Department of Technology, Management, and Budget (DTMB) within 10 days after the application is sent. The bill also would require notification of an application for any other form of financial assistance, and would require notice to the Majority Leader of the Senate, the Speaker of the House of Representatives, the Chairpersons of the affected Appropriations Subcommittees, and the Fiscal Agencies, as well as the DTMB. In addition, the bill would require the notification to include all known terms and conditions associated with receiving the Federal financial assistance or other form of financial assistance.

Within 10 days after a State agency receives notice that its application for Federal financial assistance is awarded, rejected, revised, or deferred, the State agency must notify the DTMB of the award, rejection, revision, or deferment. The bill also would require notification regarding any other form of financial assistance. Additionally, the bill would require State agencies to notify the Senate Majority Leader, the Speaker of the House, the Chairpersons of the affected Appropriations Subcommittees, and the Fiscal Agencies of any award, rejection, revision, or deferment of Federal financial assistance or any other form of financial assistance. Further, the bill would require the notice to include all stipulations and conditions associated with receiving the Federal financial assistance or other form of financial assistance.

Within 30 days after a State agency receives notice of a Federal grant award for which organizations or units of local government are eligible to apply, the State agency administering the Federal grant program must report to the Legislature and the Fiscal Agencies the availability of the funds and the proposed plan for their allocation. State agencies may not commit any funds until the notification to the Legislature is complete and a subsequent appropriation is made by the Legislature. The bill would add the Chairpersons of the affected Appropriations Subcommittees as notification recipients, and would require this notification regarding any other form of financial assistance.

In addition, current law requires each principal department to report before December 1 and June 1 of each year to the Appropriations Committees, the Fiscal Agencies, and the DTMB estimates on the extent to which Federal revenue appropriated by the Legislature has been realized and is expected for the remainder of the fiscal year. The report must detail the estimate by program or grant, and catalog of Federal domestic assistance account. The bill would include the Senate Majority Leader and the Speaker of the House among recipients of

the report, and replace Appropriations Committees with Chairpersons of the affected Appropriations Subcommittees as recipients of the report. The bill also would require the report to include estimates regarding any other form of financial assistance, and to detail the estimates by source.

MCL 18.1384

### **FISCAL IMPACT**

The bill could have an indeterminate fiscal impact on State departments and agencies. The requirement that all notices and reports include information regarding applications for, and grants of, any other form of financial assistance, in addition to Federal funds, and information on terms and conditions for recovering funds, could result in additional costs associated with providing the notices and reports required by the statute. The actual costs are indeterminate and would depend on whether a State department or agency received any other form of financial assistance and the extent to which additional notices and reports would be required.

Date Completed: 10-20-16

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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.