



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 800 (Substitute H-1 as passed by the House)
Sponsor: Senator Dave Hildenbrand
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

The bill would provide supplemental appropriations for fiscal year (FY) 2015-16 and FY 2016-17. The bill includes \$9.0 million of Gross appropriations and \$8.0 million of General Fund/General Purpose (GF/GP) appropriations for FY 2015-16. There are also appropriations of \$157.9 million Gross and \$123.7 million GF/GP for FY 2016-17. Table 1 summarizes the appropriations in the bill.

Table 1

Summary of Supplemental Appropriations					
FY 2015-16 Budget Areas	Adjusted Gross	Federal	Local/ Private	State Restricted	GF/GP
Environmental Quality	\$6,817,000	\$0	\$0	\$477,000	\$6,340,000
Licensing & Reg Affairs	(340,000)	0	0	0	(340,000)
Military & Vets Affairs	500,000	0	0	500,000	0
Transportation	2,000,000	0	0	0	2,000,000
Total FY 2015-16	\$8,977,000	\$0	\$0	\$977,000	\$8,000,000
FY 2016-17 Budget Areas	Adjusted Gross	Federal	Local/ Private	State Restricted	GF/GP
Ag & Rural Dev.	\$1,805,600	\$0	\$0	\$1,805,600	\$0
Capital Outlay	200	0	0	0	200
Environmental Quality	3,337,000	335,600	0	1,464,400	1,537,000
Health & Human Services	43,054,500	24,870,000	0	0	18,184,500
Legislative Council	6,000,000	0	0	0	6,000,000
Licensing & Reg Affairs	770,000	623,700	0	146,300	0
Military & Vets Affairs	3,000,000	0	0	0	3,000,000
Natural Resources	9,700,000	400,000	0	6,800,000	2,500,000
State	300,000	0	0	300,000	0
State Police	0	0	0	(2,500,000)	2,500,000
Tech., Man., & Budget	82,534,000	0	0	0	82,534,000
Talent & Economic Dev.	3,120,000	0	0	0	3,120,000
Transportation	1,250,000	0	0	0	1,250,000
Treasury	3,050,000	0	0	0	3,050,000
Total FY 2016-17	\$157,921,300	\$26,229,300	\$0	\$8,016,300	\$123,675,700

FISCAL IMPACT

The bill would increase FY 2015-16 Adjusted Gross appropriations by \$9.0 million and State GF/GP appropriations by \$8.0 million. Adjusted Gross appropriations for FY 2016-17 would be increased by \$232.9 million and State GF/GP appropriations by \$198.7 million. The bill includes appropriations for 13 State budget areas, as well as capital outlay, and the boilerplate language for the Department of Technology, Management, and Budget includes a \$75.0 million appropriation to the Budget Stabilization Fund. When anticipated GF/GP lapses are taken into account, and if the appropriations in this bill are enacted, there is an estimated

\$15.0 million GF/GP ending balance for FY 2016-17. Table 2 outlines the FY 2015-16 supplemental appropriations by budget area and program; Table 3 lists the House-passed supplemental appropriations for FY 2016-17.

FY 2015-16 Boilerplate Language Sections

Sec. 201. General. Records amount of total State spending and payments to local units of government.

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

Sec. 301. Environmental Quality. Establishes the \$817,000 appropriation for the drinking water declaration of emergency as a work project, and allows carry forward of any unencumbered or unallotted funds.

Sec. 302. Environmental Quality. Reappropriates the \$6.0 million Muskegon Zephyr Oil Refinery cleanup site funds as a work project, and allows carry forward of any unencumbered or unallotted funds.

Sec. 303. Environmental Quality. Revises the dates for the completion of Flint lead pipe replacement, and the final audit, from September 30, 2017, and January 1, 2018, respectively, to September 30, 2019, and January 1, 2020.

Sec. 401. Health and Human Services. Requires reimbursement of all outstanding FY 2015-16 Child Care Fund claims by January 15, 2017.

Sec. 402. Health and Human Services. Requires the Department to work with the Department of Environmental Quality to provide those affected by the groundwater contamination in Iosco County with water filters, water quality monitoring, and a long-term alternative public water supply; replaces existing language.

Sec. 501. Talent and Economic Development - MSHDA. Reappropriates \$3,575,700 of mortgage foreclosure settlement funds for blight elimination, establishes it as a work project, and allows carry forward of any unencumbered or unallotted funds.

Sec. 601. Treasury. Reappropriates \$3,715,400 of mortgage foreclosure settlement funds for scam victim restitution, establishes it as a work project, and allows carry forward of any unencumbered or unallotted funds.

Sec. 602. Treasury. Revises the current language regarding Flint water bill credit reimbursements to extend the credit date from December 31, 2016, to March 31, 2017, and changes date for funds to lapse from December 31, 2016, to May 31, 2017.

FY 2016-17 Boilerplate Language Sections

Sec. 1201. General. Records amount of total State spending and payments to local units of government.

Sec. 1202. General. Subjects appropriations and expenditures in the bill to the provisions of the Management and Budget Act.

Sec. 1301. Agriculture and Rural Development. Establishes parameters for county fairs, shows, and exhibitions; replaces existing language.

Sec. 1401. Capital Outlay. States that the State Building Authority-financed facilities are for a public purpose, and that it is the intent of the Legislature to appropriate sufficient amounts to pay rent obligations.

Sec. 1402. Capital Outlay. Authorizes the State Budget Director to adjust financing shares for the Detroit and Grand Rapids veterans home construction to provide for maximum Federal support for the project, without exceeding the total cost or the State share.

Sec. 1501. Corrections. Expands eligibility for the Goodwill Flip the Script Program by increasing maximum age of participants from 29 to 39; replaces existing language.

Sec. 1601. Environmental Quality. Establishes the \$1.8 million appropriation for the drinking water declaration of emergency as a work project, and allows carry forward of any unencumbered or unallotted funds.

Sec. 1701. Health and Human Services. Requires that a \$250,000 appropriation in the original FY 2016-17 Department budget be allocated to Hope Network to provide job training; also allocates \$500,000 to Hope Network to operate the Michigan Education Corps.

Sec. 1702. Health and Human Services. Directs that the Department make payments to counties and tribes to supplement Child Care Fund payments in FY 2015-16; also allocates \$4.0 million to specific counties that had certain previously eligible reimbursements denied, with specific amounts for those counties.

Sec. 1703. Health and Human Services. Allocates \$1.4 million in GF/GP support and associated Federal match to Authority Health to operate a graduate medical education primary care residency training program.

Sec. 1704. Health and Human Services. Reinstates the "Heat and Eat" program, which allows those not currently eligible for the standard utility allowance to receive expanded food assistance benefits.

Sec. 1801. Technology, Management, and Budget. Appropriates \$75.0 million to the State's Budget Stabilization Fund.

Sec. 1802. Technology, Management, and Budget. Establishes the \$500,000 appropriation for public safety officer survivor benefits as a work project, and allows carry forward of any unencumbered or unallotted funds.

Sec. 1803. Technology, Management, and Budget. Authorizes the prepayment of the remaining Venture Michigan Fund I obligations at a level of \$72.0 million, with an additional \$1.5 million allowed as a contingency appropriation.

Sec. 1804. Technology, Management, and Budget. Establishes the \$10.0 million appropriation for the drinking water declaration of emergency reserve fund as a work project, and allows carry forward of any unencumbered or unallotted funds.

Sec. 1901. Talent and Economic Development. Establishes the \$1.0 million appropriation for the sustainable employment pilot program as a work project, and allows carry forward of any unencumbered or unallotted funds.

Sec. 2001. Transportation. Requires that the appropriation for erosion mitigation grants be available for grants to county road commissions and local units for roads, parks, or other public land at risk due to erosion.

Sec. 2101. Treasury. Requires the \$50,000 appropriated for school district millage renewal election reimbursements be allocated to school districts that must renew their mills earlier than otherwise necessary in order to levy local school operating mills for dissolved districts.

Sec. 2201. Repealers. Repeals the following sections of Public Act 268 of 2016:

(a) Section 805 of Article I (FY 2016-17 Department of Agriculture and Rural Development annual appropriations), and replaces it with Sec. 1301 in this bill, which revises grant parameters for county fairs and exhibitions.

(b) Section 437 of Article V (FY 2016-17 Department of Corrections annual appropriations), and replaces it with Sec. 1501 in this bill, which increases the maximum age for participation in the Goodwill Flip the Script Program.

(c) Section 211 of Article VIII (FY 2016-17 General Government annual appropriations), and replaces it with Sec. 1801 in this bill, which appropriates \$75.0 million to the Budget Stabilization Fund.

(d) Section 305 of Article XX (FY 2015-16 supplemental appropriations), and replaces it with Sec. 402 in this bill, which requires the Department of Health and Human Services to work with the Department of Environmental Quality to provide services for those affected by the Iosco County groundwater contamination.

(e) Section 503 of Article XXI (FY 2015-16 Flint water emergency supplemental appropriations), and replaces it with Sec. 303 in this bill, which revises dates for lead pipe replacement completion and the final audit.

(f) Section 1001 of Article XXI (FY 2015-16 Flint water emergency supplemental appropriations), and replaces it with Sec. 602 in this bill, which extends the dates for water bill credit reimbursements and the lapse of funds.

Table 2

Senate Bill 800: FY 2015-16 Supplemental Appropriations		
Department/Program	House-Passed	
	Gross	GF/GP
Environmental Quality		
Reappropriate Muskegon Zephyr Refinery oil spill clean-up work project	\$6,000,000	\$6,000,000
Water distribution system optimization study (unspent funds from LARA)	817,000	340,000
Total Environmental Quality	\$6,817,000	\$6,340,000
Licensing and Regulatory Affairs		
Redirect unspent Flint appropriations to DEQ	(\$340,000)	(\$340,000)
Total Licensing and Regulatory Affairs	(\$340,000)	(\$340,000)
Military and Veterans Affairs		
Extend National Guard Flint deployment (Flint reserve fund)	\$500,000	\$0
Total Military and Veterans Affairs	\$500,000	\$0
Transportation		
Restore TEDF rural county road project funding level	\$2,000,000	\$2,000,000
Total Transportation	\$2,000,000	\$2,000,000
Total Supplemental Appropriations	\$8,977,000	\$8,000,000

Table 3

Senate Bill 800: FY 2016-17 Supplemental Appropriations		
Department/Program	House-Passed	
	Gross	GF/GP
Agriculture and Rural Development		
Additional funds for environmental stewardship (freshwater protection fund).....	\$1,500,000	\$0
Farmland preservation tax credit backlog (3.0 FTEs, Ag preservation fund).....	305,600	0
Total Agriculture and Rural Development.....	\$1,805,600	\$0
Capital Outlay		
Grand Rapids/Detroit veterans' home construction authorization	\$100	\$100
Southwestern CC nursing/health ed building construction authorization	100	100
Total Capital Outlay.....	\$200	\$200
Environmental Quality		
Flint water plant analysis/tech assistance/training (Fed/Flint reserve fund).....	\$1,800,000	\$0
New vapor intrusion program to mitigate risk to buildings (4.0 FTEs)	1,312,000	1,312,000
Saginaw River dredging project.....	225,000	225,000
Total Environmental Quality.....	\$3,337,000	\$1,537,000
Health and Human Services		
Increase in Delta Dental contract rate for healthy kids dental program.....	\$27,482,200	\$9,577,500
Reduce hospital services line to fund healthy kids dental program.....	(27,482,200)	(9,577,500)
Federal grant for lead abatement efforts in Flint/high-risk areas (4.0 FTEs)	23,470,000	0
Funding to reinstate heat and eat program	6,766,800	6,766,800
Increase for child care fund to reimburse counties.....	5,000,000	5,000,000
New public health drinking water unit (6.5 FTEs).....	1,443,500	1,443,500
Shortfall in Authority Health's GME funding (one-time; \$1.4 million Federal)	2,800,000	1,400,000
New vapor intrusion program to mitigate risk (8.5 FTEs)	1,368,800	1,368,800
Funding for service gaps for transitional populations.....	1,000,000	1,000,000
Reading Corps expansion	500,000	500,000
Expand toxicology and response activities (3.5 FTEs).....	376,400	376,400
Childhood lead program (1.5 FTEs).....	329,000	329,000
Total Health and Human Services.....	\$43,054,500	\$18,184,500
Legislative Council		
Development/upgrades for new MiLENIA technology system...	\$6,000,000	\$6,000,000
Total Legislative Council.....	\$6,000,000	\$6,000,000
Licensing and Regulatory Affairs		
Federal mandate for natural gas pipeline inspections (PSC, 5.0 FTEs)	\$770,000	\$0
Total Licensing and Regulatory Affairs	\$770,000	\$0
Military and Veterans Affairs		
Grand Rapids veterans' home nursing services.....	\$2,000,000	\$2,000,000
Michigan veterans' facility authority initial staffing/operations.	1,000,000	1,000,000
Total Military and Veterans Affairs	\$3,000,000	\$3,000,000

Senate Bill 800: FY 2016-17 Supplemental Appropriations		
Department/Program	House-Passed	
	Gross	GF/GP
Natural Resources		
State boating sites and harbors (\$3.7 million gas tax revenue)	\$5,800,000	\$0
Additional resources for chronic wasting disease services	1,000,000	1,000,000
Mackinac Island State Park maintenance of fort/other facilities	1,000,000	1,000,000
Start-up funds for wetland mitigation bank (1.0 FTE).....	900,000	500,000
Snowmobile local grants (gas tax revenue)	700,000	0
Recreation improvement grants (gas tax revenue)	300,000	0
Total Natural Resources	\$9,700,000	\$2,500,000
State		
Lottery redemption service in the Upper Peninsula (lottery revenue)	\$300,000	\$0
Total State.....	\$300,000	\$0
State Police		
Replace criminal justice fee revenue for fingerprint ID system with GF	\$0	\$2,500,000
Total State Police	\$0	\$2,500,000
Talent and Economic Development		
Kalamazoo Valley Community College healthy living campus grant	\$2,000,000	\$2,000,000
Sustainable employment pilot project	1,000,000	1,000,000
St. Louis Center maintenance grant.....	120,000	120,000
Total Talent and Economic Development	\$3,120,000	\$3,120,000
Technology, Management, and Budget		
Budget stabilization fund appropriation	\$75,000,000	\$75,000,000
Venture Michigan Fund I final debt repayment	72,034,000	72,034,000
Increase drinking water declaration of emergency reserve fund	10,000,000	10,000,000
First responders survivors' healthcare coverage	500,000	500,000
Total Technology, Management, and Budget	\$157,534,000	\$157,534,000
Transportation		
Movable bridge program (Michigan transportation fund).....	\$10,000,000	\$0
Wetland mitigation bank (Michigan transportation fund).....	4,000,000	0
Erosion mitigation grants	1,250,000	1,250,000
Redirect road and bridge funds to movable bridge/wetland mitigation.....	(14,000,000)	0
Total Transportation.....	\$1,250,000	\$1,250,000
Treasury-Operations		
Financial assistance for distressed local units	\$3,000,000	\$3,000,000
Dissolved school district millage renewal election reimbursement costs	50,000	50,000
Total Treasury-Operations	\$3,050,000	\$3,050,000
Total Supplemental Appropriations	\$232,921,300	\$198,675,700
Total Less BSF	\$157,921,300	\$123,675,700

Date Completed: 12-7-16

Fiscal Analyst: Ellen Jeffries

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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.