



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4102 (Substitute H-2 as passed by the House)
Sponsor: Representative Al Pscholka
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 10-15-15

CONTENT

The bill would provide supplemental appropriations for fiscal years (FYs) 2014-15 and 2015-16. For FY 2014-15, the bill includes a Gross and General Fund/General Purpose (GF/GP) appropriation of \$50,000 for the Criminal Justice Policy Commission, \$7.725 million Gross (\$1.0 million from the Risk Management Revolving Fund and \$6.725 million GF/GP) for a legal settlement in the Department of State Police, and various boilerplate language changes, primarily to reauthorize work project appropriations. For FY 2015-16, there are Gross appropriations of \$9.35 million (\$7.15 million GF/GP) for Flint emergency water services and \$100 for Alger County's human services office, and language to clarify allocation of Michigan Rehabilitation Services funding in the Department of Health and Human Services (DHHS), as well as language to revise dates for certain contracts in the DHHS. All of the FY 2014-15 supplemental appropriations in the bill were recommended by the State Budget Office (SBO) in Requests 2015-6 and 2015-7. The FY 2015-16 appropriations in the bill for Flint were recommended in SBO Request 2016-1, the boilerplate changes and the placeholder for Alger County are legislatively initiated. [Table 1](#) summarizes the appropriations in the bill.

Table 1
Summary of Supplemental Appropriations

Budget Area	Gross	Federal	State Restricted	GF/GP
<u>FY 2014-15</u>				
Legislative Council	\$50,000	\$0	\$0	\$50,000
State Police	7,725,000	0	1,000,000	6,725,000
Treasury-Strategic Fund	0	0	0	0
FY 2014-15 Total	\$7,775,000	\$0	\$1,000,000	\$6,775,000
<u>FY 2015-16</u>				
Environmental Quality	\$7,300,000	\$0	\$1,000,000	\$6,300,000
Health & Human Services	1,850,100	0	1,000,000	850,100
Licensing & Regulatory Affairs	200,000	0	200,000	0
FY 2015-16 Total	\$9,350,100	\$0	\$2,200,000	\$7,150,100

FISCAL IMPACT

The bill would increase FY 2014-15 Gross State appropriations by \$7,775,000, and GF/GP appropriations by \$6,775,000, with a \$9,350,100 Gross and \$7,150,100 GF/GP increase in FY 2015-16 State appropriations. The bill would allow continuation of previously established work projects in the Departments of State and Transportation, by re-appropriating funds for work project accounts that are due to expire on September 30, 2015. The bill also includes offsetting positive and negative appropriations for Treasury-Strategic Fund special grants (\$500,000) and DHHS Michigan Rehabilitation Services funding (\$130,927,900) and in-home

care and community-based juvenile justice services for rural counties (\$400,000), in order to change boilerplate language requirements for these programs. [Table 2](#) summarizes the details of the appropriations in the bill.

FY 2014-15 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. Department of State. Re-appropriates \$6,000,000 for the re-establishment of the business application modernization work project, with a tentative completion date of September 30, 2019.

Sec. 302. Department of State. Re-appropriates an estimated \$7,700,000 for the re-establishment of the Help America Vote Act work project, with a tentative completion date of September 30, 2019.

Sec. 401. Transportation. Re-appropriates \$26,711,800 for the re-establishment of a Federally funded (ARRA) high-speed intercity passenger rail work project, with a tentative completion date of September 30, 2017.

Sec. 501. Treasury-Strategic Fund. Modifies and replaces existing language for the Michigan GED-to-School Program to remove requirements that: the GED test be taken and passed on or after June 1, 2015; individuals enroll in coursework within two years after passing the GED; and Treasury develop a process to collect payments from individuals who took the GED test but failed to meet other requirements. This language would mirror the FY 2015-16 enacted boilerplate. This section also establishes a work project account, estimated at \$500,000, for this program, with a tentative completion date of September 30, 2019.

FY 2015-16 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. 1251. Environmental Quality. Authorizes up to \$6.0 million for the reconnection of Flint's water supply to the Detroit Water and Sewerage Department; requires legal agreement and successful reconnection, prior to payment.

Sec. 1301. Health and Human Services. Directs the Department to allocate \$6,100,300, from the funds appropriated for Michigan Rehabilitation Services, for "authorizations" (in place of "contracts" which is the term used in the enacted section) for accredited, community-based rehabilitation organizations for job development and other community employment-related support services.

Sec. 1302. Health and Human Services. Revises dates for contracts to be in place for grants for in-home care and community-based juvenile justice services for rural counties.

Enacting Section 1. Repeals Section 587 and Section 806 of Public Act 84 of 2015, Article X (the DHHS annual appropriation act) and replaces them, respectively, in this bill with

Section 1302, which revises the dates for contracts to be in place for certain juvenile justice services, and Section 1301, which replaces the word "contracts" with "authorizations".

Enacting Section 2. Repeals Section 1069 of Public Act 252 of 2014, Article VIII (the General Government annual appropriation act) and replaces it with Section 501 in this bill, which removes certain restrictions for the GED-to-School Program.

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Table 2

House Bill 4102: FY 2014-15 and FY 2015-16 Supplemental Recommendations

Department/Program	<u>SBO Recommendation</u>		<u>Senate-Passed</u>		<u>House-Passed</u>	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
<u>FY 2014-15</u>						
Legislature						
Legislative Council-Criminal Justice Policy Commission	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
Total Legislature	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
State						
Help America Vote Act work project-reappropriate \$7.7 million (Sec. 302)	Yes	Yes	Yes	Yes	Yes	Yes
Business application modernization work project-reappropriate \$6.0 million (Sec. 301)	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
Total State	\$0	\$0	\$0	\$0	\$0	\$0
State Police						
Legal settlement agreement in Genesee County.....	<u>\$7,725,000</u>	<u>\$6,725,000</u>	<u>\$7,725,000</u>	<u>\$6,725,000</u>	<u>\$7,725,000</u>	<u>\$6,725,000</u>
Total State Police	\$7,725,000	\$6,725,000	\$7,725,000	\$6,725,000	\$7,725,000	\$6,725,000
Transportation						
High-speed intercity rail work project-reappropriate \$26.7 million ARRA (Sec. 401)	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
Total Transportation	\$0	\$0	\$0	\$0	\$0	\$0
Treasury-Strategic Fund						
Modify language for GED-to-School Program (Sec. 501).....	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
Total Treasury-Strategic Fund	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL FY 2014-15 SUPPLEMENTAL APPROPRIATIONS	\$7,775,000	\$6,775,000	\$7,775,000	\$6,775,000	\$7,775,000	\$6,775,000
<u>FY 2015-16</u>						
Environmental Quality						
Reconnect Flint to Detroit Water and Sewerage Department.....	\$6,000,000	\$5,000,000	\$100	\$100	\$6,000,000	\$5,000,000
Test Flint water samples	1,000,000	1,000,000	0	0	1,000,000	1,000,000
Inspect Flint home and school water supplies	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>300,000</u>
Total Environmental Quality	\$7,300,000	\$6,300,000	\$100	\$100	\$7,300,000	\$6,300,000

House Bill 4102: FY 2014-15 and FY 2015-16 Supplemental Recommendations

Department/Program	<u>SBO Recommendation</u>		<u>Senate-Passed</u>		<u>House-Passed</u>	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Health and Human Services						
Purchase water filters for Flint residents (settlement revenue).....	\$1,000,000	\$0	\$0	\$0	\$1,000,000	\$0
Educate/assist Flint community regarding children's blood lead levels ..	850,000	850,000	0	0	850,000	850,000
Departmentwide administration - rent and State office facilities (Alger County).....	No	No	100	100	100	100
Michigan Rehabilitation Services-change "contracts" to "authorizations" (Sec. 1301)	No	No	Yes	Yes	Yes	Yes
Juvenile justice services for rural counties-change dates for contracts (Sec. 1302)	No	No	Yes	Yes	Yes	Yes
Total Health and Human Services	\$1,850,000	\$850,000	\$100	\$100	\$1,850,100	\$850,100
Licensing and Regulatory Affairs						
Inspect Flint health facilities'/schools' plumbing (construction code revenue).....	\$200,000	\$0	\$0	\$0	\$200,000	\$0
Total Licensing and Regulatory Affairs	\$200,000	\$0	\$0	\$0	\$200,000	\$0
TOTAL FY 2015-16 SUPPLEMENTAL APPROPRIATIONS	\$9,350,000	\$7,150,000	\$200	\$200	\$9,350,100	\$7,150,100

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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.