



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4329 (Substitute S-1 as passed by the Senate)
 Sponsor: Representative Jeff Yaroch
 House Committee: Appropriations
 Senate Committee: Appropriations

Date Completed: 3-29-17

CONTENT

The bill would provide supplemental appropriations for fiscal year (FY) 2016-17. The bill proposes \$106.0 million of Adjusted Gross appropriations and \$1.0 million of General Fund/General Purpose (GF/GP) appropriations. The largest piece of the total, \$100.0 million, is Federal funding for water infrastructure improvements in the City of Flint. The \$20.0 million State match requirement for this Federal grant was previously appropriated to the Department of Environmental Quality for FY 2015-16 in Public Act 268 of 2016. The bill also would allow up to \$5.0 million in loans from the Michigan Infrastructure Fund to Macomb County for assistance with the sinkhole state of emergency that was declared by the Governor in January, and that was recently extended by the Legislature until March 31, 2017. In addition, the bill would appropriate \$1.0 million GF/GP for the State Capitol historic site. Table 1 summarizes the appropriations in the bill.

Table 1
Summary of Supplemental Appropriations FY 2016-17

Budget Areas	Adjusted Gross	Federal	Local/ Private	State Restrict.	GF/GP
Environmental Quality	\$100,000,000	\$100,000,000	\$0	\$0	\$0
Legislature	1,000,000	0	0	0	1,000,000
Tech., Man., & Budget	5,000,000	0	0	5,000,000	0
Total	\$106,000,000	\$100,000,000	\$0	\$5,000,000	\$1,000,000

FISCAL IMPACT

The bill would increase FY 2016-17 Adjusted Gross appropriations by \$106.0 million and State GF/GP appropriations by \$1.0 million. The bill includes appropriations for three State budget areas: the Department of Environmental Quality, the Legislature, and the Department of Technology, Management, and Budget. Table 2 outlines the FY 2016-17 Senate recommendations by budget area and program.

FY 2016-17 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 - Water Infrastructure. Establishes the \$100.0 million appropriation for the Water Infrastructure Improvements for the Nation (WIIN) Act program as a work project, and allows carry forward of any unencumbered or unallotted funds.

Sec. 302. Environmental Quality - Water Infrastructure. Establishes quarterly reporting requirements for the Federal WIIN program, including the total amount spent for each quarter, the specific purposes for which the funds were spent, and the number of structures that had lead service lines replaced.

Sec. 401. Legislature - Capitol Historic Site. Requires reimbursement to the House and Senate for a transfer that was used for Capitol building improvements.

Sec. 501. Technology, Management, and Budget - Infrastructure Fund. Requires the issuance of a loan of not more than \$5.0 million, with an interest rate of 0.0%, to Macomb County for the sinkhole state of emergency declared by the Governor on January 6, 2017; and requires funds to be used to support emergency long-term bypass pumping and to protect public health, safety, and property, including protection of the Great Lakes.

Sec. 502. Technology, Management, and Budget - Infrastructure Fund. Requires the \$5.0 million appropriation for the sinkhole declaration of emergency to be used for the issuance of a loan, with specific repayment terms, allowing a five-year repayment period; failure to remit loan payments as required would result in a State revenue sharing reduction of an amount equal to any delinquent payments due on the loan.

Table 2

Supplemental Recommendations FY 2016-17		
Department/Program	Senate Substitute Rec	
	Gross	GF/GP
Environmental Quality		
Federal water infrastructure improvements for the nation (WIIN) funding for Flint	\$100,000,000	\$0
Total Environmental Quality	\$100,000,000	\$0
Legislature-Capitol Historic Site		
Reimbursement to House/Senate for transfer to site.....	\$1,000,000	\$1,000,000
Total Legislature	\$1,000,000	\$1,000,000
Technology, Management, and Budget		
Infrastructure Fund loan to Macomb County for sinkhole emergency	\$5,000,000	\$0
Total Technology, Management, and Budget.....	\$5,000,000	\$0
Total Supplemental Appropriations.....	\$106,000,000	\$1,000,000

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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.