

FY 2009-10 SUPPLEMENTAL APPROPRIATIONS
Federal American Recovery and Reinvestment Act
Revised Summary: As Passed by the House
Senate Bill 928 (H-1)



HFA Director: Mitchell E. Bean
 Supplemental Coordinator: Kyle I. Jen

	Executive*		Senate		House	
Budget Area	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Community Health	\$31,754,900	\$0	\$16,761,800	\$0	\$23,754,900	\$0
Energy, Labor, Econ Growth	4,400,000	0	4,400,000	0	4,400,000	0
Human Services	381,035,700	2,000,000	60,370,800	0	62,370,800	2,000,000
State Police	6,553,700	0	6,553,700	0	6,553,700	0
Transportation	95,524,100	0	95,524,100	0	95,834,400	0
TOTAL	\$519,268,400	\$2,000,000	\$183,610,400	\$0	\$192,913,800	\$2,000,000

*Reflects State Budget Office letters of February 11, 2010 (DHS Food Assistance and community outreach requests only), March 18, 2010, and April 30, 2010.

OVERVIEW

As of May 21, FY 2009-10 supplemental appropriation requests from the State Budget Office (SBO) for funding to be received by departments other than the Department of Human Services (DHS) under the federal American Recovery and Reinvestment Act (ARRA) totaling \$138.2 million are pending before the Legislature. Additional ARRA requests are pending in the DHS budget.

The House (H-1) Substitute for Senate Bill 928 contains appropriations reflecting all pending non-DHS ARRA requests (with a reduced funding amount for one item in the Community Health budget). The bill also includes a portion (\$60.4 million) of Food Assistance Program requests and a \$2.0 million GF/GP appropriation for community outreach activities in the DHS budget. Total appropriations in the bill are \$192.9 million, with all but \$2.0 million funded from ARRA-related sources.

FY 2009-10 Appropriation Items:

DEPARTMENT OF COMMUNITY HEALTH

1. Health Professional Students and Residents

Authorizes \$194,200 in federal funding from ARRA for a program that will match interested health professional students and residents with practice sites and clinical rotations on multidisciplinary health care teams in underserved communities. Eligible persons for the program include students enrolled in medical, physician assistant, nurse practitioner, dental and other primary care training programs, as well as primary care medical residents. (3/18/10 SBO letter)

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$194,200	\$194,200	\$194,200
ARRA	194,200	194,200	194,200

2. Prevention and Wellness State Policy and Change Grants

Provides \$4.0 million of new federal funds for 2-year projects under the ARRA Prevention and Wellness Fund Communities Putting Prevention to Work Grants, State Policy and Environmental Change component, including: base award of \$1,299,666 for smoke-free air law implementation, increasing physical activity, and implementation of nutrition standards on school campuses; \$1,251,099 for expansion of tobacco quitline and targeted tobacco cessation media campaign; and \$1,500,000 to reduce exposure to second-hand smoke through promotion of smoke-free HUD, low-income, and tribal housing. (3/18/10 SBO letter)

Gross	\$4,050,800	\$4,050,800	\$4,050,800
ARRA	4,050,800	4,050,800	4,050,800

FY 2009-10 Appropriation Items:**3. State Health Information Exchange**

Increases the Medical Services Administration line by \$15.0 million of federal ARRA authorization to expend federal grant funds awarded for the improvement of Michigan's electronic health information exchange. The four-year grant award will build upon the work of the Health Information Network and will move Michigan into the implementation phase of the sharing of electronic medical records. (3/18/10 SBO letter) Senate Substitute excludes this item. House Substitute includes the \$7.0 million of the total \$15.0 million requested by SBO that correspond to activities to be administered by the Department for planning, integration of the State's public health reporting and surveillance systems and MCIR with the Michigan Health Information Network (MiHN) Shared Services. Funds will also be used for outreach, education and grant management.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$14,993,100	--	\$6,993,100
ARRA	14,993,100	--	6,993,100

4. Medicare Premium Payments

Increases federal ARRA FMAP authorization by \$11.4 million recognizing federal grant funds to extend the Qualified Individual (QI) program. The QI program reimburses for certain low-income elders or adults with disabilities for whom the Medicaid program pays their Medicare Part B premiums. The ARRA extends this program until December 31, 2010. (3/18/10 SBO letter)

Gross	\$11,410,300	\$11,410,300	\$11,410,300
ARRA	11,410,300	11,410,300	11,410,300

5. Chronic Disease Prevention Program Grant for Seniors

Provides \$1.1 million of new federal funds for 2-year project under the ARRA Prevention and Wellness Fund Communities Putting Prevention to Work Grants, Chronic Disease Self Management Initiative component, to develop evidence-based chronic disease self-management programs for seniors with multiple chronic illnesses, and gather evidence on the impact on participant health behavior and health status outcomes. Coping strategies and emotional support will be provided to help participants better manage personal health. Aging, public health and Medicaid agencies will collaborate on this project. (4/30/10 SBO letter)

Gross	\$1,106,500	\$1,106,500	\$1,106,500
Federal	1,106,500	1,106,500	1,106,500

ENERGY, LABOR, AND ECONOMIC GROWTH**6. Workforce Training Program Subgrantees**

The ARRA appropriated \$4.5 billion for energy delivery and reliability activities, setting aside \$100.0 million for worker training. The state's allocation is \$4,388,025. The U.S. Department of Energy developed two grants programs for activities that (1) develop new training strategies and programs from the electric power system, and (2) providing training for workers within the electricity industry necessary to transition to a Smart Grid electricity transmission and delivery system. The award to DELEG, under this second grant program. (NMU received an award of \$673,462, not appropriated here, under the first grant program.) In addition to the ARRA grant, the project is augmented with in-kind support from the utilities industry (primarily Consumers Energy and DTE Energy) totaling \$16.8 million. The program aims to train 588 workers through pre-assessments, basic training, apprenticeships, and incumbent worker training, with training provided by area community colleges, labor organizations, and utilities. The goals of the program, developed under the aegis of the Michigan Utility Workforce Development Consortium include (1) training workers and creating career pathways in skilled trades and other in-demand jobs in the electricity sector; (2) meeting the needs of employers for highly skilled workers in the electricity sector, and (3) improving the preparedness of both new hires and incumbent workers within the electricity sector to migrate to the Smart Grid. Funding is allocated among five Michigan Works! Agencies (MWAs) based on the training needs of the utilities - Capital Area, Great Lakes Bay, Macomb/St. Clair, Oakland, and Southeast Michigan Community Alliance. (4/19/10 SBO letter)

Gross	\$4,400,000	\$4,400,000	\$4,400,000
Federal	4,400,000	4,400,000	4,400,000

FY 2009-10 Appropriation Items:**HUMAN SERVICES****7. Food Assistance Program**

Increases federal funding for food assistance program by \$112.7 million to increase caseload by 34,860 to 869,000 cases at an average monthly benefit of \$269.42. Also transfers \$81.5 million from the food assistance program benefits line item to food assistance program benefits (ARRA) line item to reflect a higher proportion of food assistance paid as a result of the enhanced ARRA benefit level. (2/11/10 SBO letter) Senate and House Substitutes include \$17.8 million of total SBO request with the intent to provide sufficient appropriations through early summer.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$112,703,800	\$17,757,700	\$17,757,700
Federal	112,703,800	17,757,700	17,757,700

8. Food Assistance Program Benefit Increase

Increases FAP benefits for groups not eligible to claim the standard utility allowance by adding \$1 in federal LIHEAP funds to their Electronic Benefit Transfer (EBT) cards. On average, this group of FAP cases will see a monthly benefit increase of \$88. (2/11/10 SBO letter) Senate and House Substitutes include \$42.6 million of total SBO request with the intent to provide sufficient appropriations through early summer.

Gross	\$266,331,900	\$42,613,100	\$42,613,100
Federal	266,331,900	42,613,100	42,613,100

9. Community Outreach Program

Increases funding by \$2.0 million for community services and outreach activities to be administered by Self-Help Addiction Rehabilitation - a Detroit based substance abuse treatment facility. SBO request uses Emergency TANF funds available through ARRA to offset this GF/GP increase. (2/11/10 SBO letter)

Gross	\$2,000,000	--	\$2,000,000
GF/GP	\$2,000,000	--	\$2,000,000

(Note: Additional pending SBO requests for ARRA funding in the DHS budget are not reflected in this document.)

STATE POLICE**10. Rural Law Enforcement**

Provides \$6.5 million in federal ARRA funds for expanding and deploying three Homeland Security Teams to combat rural crime in 37 northern Michigan counties. The grant award period is from October 1, 2009 to July 31, 2011. These funds will pay for salary and equipment costs for the three teams. (3/18/10 SBO letter)

Gross	\$6,553,700	\$6,553,700	\$6,553,700
ARRA	6,553,700	6,553,700	6,553,700

TRANSPORTATION**11. State Trunkline Road and Bridge, Blue Water Bridge Plaza Expansion**

Part of the transportation funding available to Michigan under the American Recovery and Reinvestment Act (ARRA) of 2009 was distributed by formula and appropriated through House Bill 4582 (2009 PA 3). Additional ARRA funding was available through the discretionary Transportation Investment Generating Economic Recovery (TIGER) grant program. In February 2010, Michigan was awarded two TIGER grants, including a \$30.0 million grant for use on the I-94/I69 Black River Bridge replacement project in Port Huron. This project is one element in the much larger Blue Water Bridge Plaza Expansion project. (3/18/10 SBO letter)

Gross	\$30,000,000	\$30,000,000	\$30,000,000
ARRA	30,000,000	30,000,000	30,000,000

12. Transportation Economic Development, M-1 Rail

Michigan also received a \$25.0 million TIGER grant related to the M-1 rail project – a proposed 3.4 mile light rail project along Woodward Avenue (State trunkline route M-1) in downtown Detroit. The Governor's proposed FY 2010-11 transportation budget includes an appropriation of \$1.0 million in state funding from the Transportation Economic Development Fund for the M-1 project. (3/18/10 SBO letter)

Gross	\$25,000,000	\$25,000,000	\$25,000,000
ARRA	25,000,000	25,000,000	25,000,000

FY 2009-10 Appropriation Items:**13. High Speed Rail Passenger**

Michigan was awarded funding under an ARRA high-speed rail grant program. The funding will support renovation of an existing rail passenger station in Battle Creek, the construction of a platform and an Amtrak station for the Troy/Birmingham Multi-modal Transit Center, and the construction of a platform and a station for Amtrak services in Dearborn. (3/18/10 SBO letter.) Note: Department has informally requested increase to \$40,310,300 to reflect more up-to-date information on the award amount. House Substitute includes the requested increase.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$40,000,000	\$40,000,000	\$40,310,300
ARRA	40,000,000	40,000,000	40,310,300

14. Non-Urban Operating/Capital (ARRA)

The original formula distribution of federal ARRA funds included in 2009 PA 3 included \$211.8 million for local road jurisdictions. As part of the local federal aid planning process, some local units elected to "flex" these funds for local transit projects. [The option to flex certain federal highway program funds for local transit projects is available under the current non-ARRA federal aid program.] The Federal Highway Administration (FHWA) has approved the state's request, on behalf of local units, to flex a total of \$524,100 in FHWA ARRA funds to local transit projects for capital equipment and facility renovations. The specific projects are as follows:

- Ogemaw County Board of Commissioners \$20,000
 - Sanilac County Board of Commissions \$14,405
 - St. Joseph County Transportation Authority \$110,121
 - Barry County Board of Commissioners \$48,000
 - Van Buren County Board of Commissioners \$80,000
 - Caro Transit \$28,000
 - Ionia Dial-a-Ride \$15,000
 - Greater Lapeer Transit Authority \$20,000
 - Shiawassee Area Transit Authority \$6,000
 - Crawford County Transportation Authority \$37,885
 - Bay Metro Transportation Authority (Arenac County) \$40,000
 - ALTRAN Transportation Authority (Alger County) \$71,327
 - Lenawee County Board of Commissioners \$7,834
 - City of Adrian \$25,500
- (3/18/10 SBO letter)

Gross	\$524,100	\$524,100	\$524,100
ARRA	524,100	524,100	524,100

FY 2009-10 Boilerplate Items:**GENERAL****1. Temporary Nature of ARRA Funds**

States that ARRA funds are temporary in nature and that program funding levels and state employees supported by the funds will not be continued.

<u>Executive</u>	<u>Senate</u>	<u>House</u>
--	Sec. 203	Sec. 203

2. Boilerplate Appropriation of Additional Funds

Appropriates any additional ARRA funds awarded to Michigan through recalculation of formulas or under federal redistribution provisions. (Multiple SBO letters)

Included	Sec. 210	Sec. 210
----------	----------	----------

3. Carry-Forward Authority

Provides for the carry-forward of unexpended ARRA funds into the succeeding fiscal year in conformance with Section 451a of the Management and Budget Act (work project provisions). (Multiple SBO letters)

Included	Sec. 211	Sec. 211
----------	----------	----------

4. Federal Requirements Incorporated by Reference

Requires subrecipients of ARRA funds appropriated to comply with all federal requirements regarding certification, assurances, accountability, and transparency. (Multiple SBO letters)

Included	Sec. 212	Sec. 212
----------	----------	----------

HUMAN SERVICES**5. Community Services and Outreach Work Project**

Allocates \$2.0 million for community outreach activities to Self-Help Addiction Rehabilitation, Inc. States that funding may be designated as a work project. (2/11/10 SBO letter)

Included	--	Sec. 301
----------	----	----------

TRANSPORTATION			
6. <i>Expenditure Report</i>	--	--	Sec. 401
Requires report to Legislature on expenditures from and balances of ARRA appropriations.			