



Senate Fiscal Agency  
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BILL ANALYSIS



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Senate Bill 781 (as enrolled)  
Sponsor: Senator Roger Kahn, M.D.  
Senate Committee: Appropriations  
House Committee: Appropriations

Date Completed: 11-14-14

### **CONTENT**

The bill would provide book-closing supplemental appropriations for fiscal year (FY) 2013-14 pursuant to State Budget Office (SBO) request 2014-9, which replaces and supersedes all other pending SBO supplemental requests for FY 2013-14. The bill also would provide FY 2014-15 supplemental appropriations for the Departments of Community Health and State Police, pursuant to SBO request 2015-1.

### **FY 2013-14**

The bill includes FY 2013-14 negative Gross appropriations of \$450.1 million and negative General Fund/General Purpose (GF/GP) appropriations of \$45.2 million, primarily to reflect the consensus caseload and cost adjustments in the Departments of Community Health and Human Services. In addition, the bill authorizes \$700,000 of Federal revenue from the U.S. Fish and Wildlife Service for the Harbor Shores Transient Marina development project administered by the Department of Natural Resources. Also recommended by the SBO and included in the bill are boilerplate language sections that re-appropriate work project balances of \$6.0 million for the Department of State from Help America Vote Act funds, and up to \$2.6 million for the Department of Treasury from funds originally appropriated for tax implementation. Although not recommended by SBO, the bill revises language in the Department of Transportation to delete project deadlines for the \$115.0 million Priority Roads Investment Program, and includes language that authorizes the creation of a work project account for unspent funds from the Department of Community Health's injury control intervention project. [Table 1](#) summarizes the FY 2013-14 appropriations in the bill.

**Table 1**

<b>FY 2013-14 Supplemental Appropriations</b>				
<b>Department/Program</b>	<b>Gross</b>	<b>Federal</b>	<b>Restricted/ Private/Local</b>	<b>GF/GP</b>
Community Health	\$(393,885,100)	\$(348,312,600)	\$(21,372,600)	\$(24,199,900)
Human Services	(56,959,500)	(32,579,100)	(3,339,800)	(21,040,600)
Natural Resources	700,000	700,000	0	0
State	0	0	0	0
Transportation	0	0	0	0
Treasury-Operations	0	0	0	0
<b>Total</b>	<b>(\$450,144,600)</b>	<b>(\$380,191,700)</b>	<b>(\$24,712,400)</b>	<b>(\$45,240,500)</b>

## **FY 2014-15**

The bill includes FY 2014-15 Gross appropriations of \$43.0 million and GF/GP appropriations of \$30.0 million, primarily to reflect the costs associated with several natural disasters in the State of Michigan. The bill includes all of the SBO recommendations that were part of request 2015-1 (except for \$400,000 GF/GP proposed for State Aid to Libraries), as well as legislatively initiated language requiring State agencies to give purchasing preference to biobased products.

## **FISCAL IMPACT**

The bill would decrease FY 2013-14 Gross State appropriations by \$450.1 million and decrease GF/GP appropriations by \$45.2 million. The bill includes FY 2013-14 appropriation adjustments for six State departments: new funding for three budget areas, the re-appropriation of previous years' work project funding for two other budget areas, and boilerplate adjustments in the Departments of Community Health and Transportation. The bill would increase FY 2014-15 Gross State appropriations by \$43.0 million and increase GF/GP appropriations by \$30.0 million. Table 2 summarizes the details of the appropriations for both fiscal years.

## **FY 2013-14 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. 251. Community Health.** Establishes a work project account, estimated at \$385,000, to allow expenditures for the traumatic brain injury project to continue. The purpose of the project is to support use of evidence-based traumatic brain injury medical care guidelines in Level I trauma hospitals through specialized computer software.

**Sec. 301. State.** Re-appropriates an estimated \$6,012,300 from unspent and unencumbered funds in accounts appropriated for implementing the Help America Vote Act (HAVA), for implementation of electronic reform provisions of HAVA, and establishes the re-appropriated funds as a work project.

**Sec. 401. Transportation.** Removes the deadline of July 1, 2014 for Priority Road Investment Program projects that were authorized in Public Act 34 of 2014 (an FY 2013-14 supplemental appropriations bill).

**Sec. 501. Treasury-Operations.** Re-appropriates up to \$2,600,000 from unspent and unencumbered funds in accounts appropriated for tax plan implementation, for State processing of city taxes, and establishes the re-appropriated funds as a work project.

## **FY 2014-15 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. 1203. General - Biobased Products.** Requires State departments and agencies, all other things being equal, to give preference in all purchases to biobased products that have the U.S. Department of Agriculture certified biobased product label.

**Sec. 1301. Capital Outlay.** Revises scope of Michigan State University's bioengineering facility to include the build-out of the third and fourth floors of the facility to the extent that authorized resources allow.

**Sec. 1401. Licensing and Regulatory Affairs.** Appropriates an amount equal to approved workers' compensation claims, from GF/GP appropriations for the Delphi Corporation Workers' Compensation Payment Fund to the Self-Insurers' Security Fund.

**Enacting Section 1.** Repeals Section 704 of Public Act 34 of 2014 which is replaced by Section 401 in this bill that removes the July 1, 2014 deadline for Priority Road Investment Program projects administered by the Department of Transportation.

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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.

**Table 2**

**Senate Bill 781: FY 2013-14 Supplemental Recommendations - Part 1**

Department/Program	<u>SBO Recommendation</u>		<u>House-Passed</u>		<u>Enrolled</u>	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
<b>Community Health</b>						
Reimbursement of Affordable Care Act health insurer fee.....	\$11,594,100	\$3,995,300	\$11,594,100	\$3,995,300	\$11,594,100	\$3,995,300
Lower savings from integration of dual eligibles.....	5,286,800	1,780,600	5,286,800	1,780,600	5,286,800	1,780,600
Excess Federal authorization for primary care rate increase...	(228,666,700)	0	(228,666,700)	0	(228,666,700)	0
May CREC caseload and cost adjustments.....	(101,159,600)	(42,909,100)	(101,159,600)	(42,909,100)	(101,159,600)	(42,909,100)
Technical alignment of fund sources .....	(61,539,700)	0	(61,539,700)	0	(61,539,700)	0
Lower GF/GP savings from school-based services .....	(19,400,000)	12,933,300	(19,400,000)	12,933,300	(19,400,000)	12,933,300
<b>Total Community Health.....</b>	<b>(\$393,885,100)</b>	<b>(\$24,199,900)</b>	<b>(\$393,885,100)</b>	<b>(\$24,199,900)</b>	<b>(\$393,885,100)</b>	<b>(\$24,199,900)</b>
<b>Human Services</b>						
Adoption subsidy/guardianship assistance caseload costs.....	\$1,084,500	\$4,093,000	\$1,084,500	\$4,093,000	\$1,084,500	\$4,093,000
Alignment of foster care payments with anticipated claims....	0	9,463,900	0	9,463,900	0	9,463,900
Fund shift from GF to TANF for foster care payments .....	0	(9,463,900)	0	(9,463,900)	0	(9,463,900)
Foster care caseload and cost adjustments .....	0	3,747,800	0	3,747,800	0	3,747,800
Technical alignment of fund sources .....	0	0	0	0	0	0
May CREC caseload and cost adjustments.....	(56,946,300)	(31,420,300)	(56,946,300)	(31,420,300)	(56,946,300)	(31,420,300)
Lower State restricted revenue for public assistance .....	(1,097,700)	2,538,900	(1,097,700)	2,538,900	(1,097,700)	2,538,900
<b>Total Human Services .....</b>	<b>(\$56,959,500)</b>	<b>(\$21,040,600)</b>	<b>(\$56,959,500)</b>	<b>(\$21,040,600)</b>	<b>(\$56,959,500)</b>	<b>(\$21,040,600)</b>
<b>Natural Resources</b>						
Federal grant for Harbor Shores Transient Marina .....	\$700,000	\$0	\$700,000	\$0	\$700,000	\$0
<b>Total Natural Resources .....</b>	<b>\$700,000</b>	<b>\$0</b>	<b>\$700,000</b>	<b>\$0</b>	<b>\$700,000</b>	<b>\$0</b>
<b>State</b>						
Re-appropriate \$6 million Help America Vote work project ....	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total State .....</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Treasury-Operations</b>						
Re-appropriate \$2.6 million tax implementation work project..	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Treasury-Operations .....</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL FY 2013-14 SUPPLEMENTAL APPROPRIATIONS .</b>	<b>(\$450,144,600)</b>	<b>(\$45,240,500)</b>	<b>(\$450,144,600)</b>	<b>(\$45,240,500)</b>	<b>(\$450,144,600)</b>	<b>(\$45,240,500)</b>

**Senate Bill 781: FY 2014-15 Supplemental Recommendations – Part 1A**

<b>Department/Program</b>	<b>SBO Recommendation</b>		<b>House-Passed</b>		<b>Enrolled</b>	
	<b>Gross</b>	<b>GF/GP</b>	<b>Gross</b>	<b>GF/GP</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Community Health</b>						
Health Homes coordination of care services.....	\$10,469,000	\$0	\$10,469,000	\$0	\$10,469,000	\$0
<b>Total Community Health .....</b>	<b>\$10,469,000</b>	<b>\$0</b>	<b>\$10,469,000</b>	<b>\$0</b>	<b>\$10,469,000</b>	<b>\$0</b>
<b>Education</b>						
State aid to libraries .....	\$400,000	\$400,000	\$0	\$0	\$0	\$0
<b>Total Education .....</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>State Police</b>						
Disaster assistance for flooding/deep frost emergencies .....	\$32,500,000	\$30,000,000	\$32,500,000	\$30,000,000	\$32,500,000	\$30,000,000
<b>Total State Police .....</b>	<b>\$32,500,000</b>	<b>\$30,000,000</b>	<b>\$32,500,000</b>	<b>\$30,000,000</b>	<b>\$32,500,000</b>	<b>\$30,000,000</b>
<b>TOTAL FY 2014-15 SUPPLEMENTAL APPROPRIATIONS .</b>	<b>\$43,369,000</b>	<b>\$30,400,000</b>	<b>\$42,969,000</b>	<b>\$30,000,000</b>	<b>\$42,969,000</b>	<b>\$30,000,000</b>