

FY 2009-10 SUPPLEMENTAL APPROPRIATIONS
Federal American Recovery and Reinvestment Act
Summary: As Reported by the House Appropriations Committee
House Bill 5405 (H-1)



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Budget Area	Executive*		House		Senate	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Agriculture	\$1,150,000	\$0	\$1,150,000	\$0		
Education	25,000,000	0	0	0		
Energy, Labor, & Econ Growth	7,325,400	0	7,325,400	0		
Military & Veterans Affairs	626,300	0	626,300	0		
Natural Resources & Environ	295,000	0	295,000	0		
TOTAL	\$34,396,700	\$0	\$9,396,700	\$0		

*Reflects State Budget Office letter of February 11, 2010 (2010-10).

OVERVIEW

A February 11 letter from State Budget Office (SBO letter 2010-10) contains requests for FY 2009-10 supplemental appropriations from funding to be received under the federal American Recovery and Reinvestment Act (ARRA) totaling \$34.2 million—with an additional \$219,300 in state restricted funds recommended in conjunction with an ARRA request. Note that this total excludes pending ARRA-related requests for the Human Services budget, which were transmitted in a separate SBO letter (2010-12).

House Bill 5405 (H-1) contains the recommended ARRA appropriations, with the exception of \$25.0 million in potential Race to the Top funding for the Department of Education. Consistent with previous supplemental bills containing ARRA funds, boilerplate language is included that (1) states that ARRA funds are temporary in nature, (2) appropriates any additional funds awarded to Michigan through recalculation of formulas, (3) provides for the carry-forward of unexpended funds into subsequent fiscal years, and (4) requires subrecipients of funds to comply with all applicable federal requirements.

The appropriations in this bill represent available ARRA funds that have been identified above and beyond those previously appropriated through FY 2008-09 and FY 2009-10 supplemental appropriations or through initial FY 2009-10 budget acts. To date, a total of \$7.1 billion in ARRA funding has been appropriated in the state budget—\$5.0 billion in the FY 2008-09 budget and \$2.1 billion in the FY 2009-10 budget.

FY 2009-10 Appropriation Items:

AGRICULTURE

1. Emerald Ash Borer (ARRA)

Provides spending authority for US Department of Agriculture grants to local conservation districts to perform EAB survey and remediation work. (2/11/10 SBO letter)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$1,150,000	\$1,150,000	
ARRA	1,150,000	1,150,000	

FY 2009-10 Appropriation Items:

EDUCATION

2. Race to the Top Education Reforms

Recommends \$25.0 million and 14.0 FTEs supported by potential Federal Race to the Top funding to implement changes in the education reform package including developing assessments to measure students' knowledge growth in each grade, correlation of student achievement to individual teachers, creation of an alternative teacher certification process, and oversight of the school administrator certification program. The Executive budget proposal for FY 2010-11 includes an appropriation of \$17.0 million in Federal Race to the Top funds for the continuing related costs. Federal approval of Michigan's application for Race to the Top funds is still pending. (2/11/10 SBO letter) House substitute excludes this item.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
FTEs	14.0	--	--
Gross	\$25,000,000	--	--
ARRA	25,000,000	--	--

ENERGY, LABOR, AND ECONOMIC GROWTH

3. Labor Market Information

The ARRA made available \$500.0 million for various programs under the Green Jobs Act. This included \$48.5 million for the State Labor Market Information Improvement grant program, which provided assistance to states to collect, analyze, and disseminate labor market information, and to enhance the labor exchange infrastructure for careers within the energy efficiency and renewable energy industries. A consortium of DELEG (Bureau of Labor Market Information and Strategic Initiatives), and the labor market information agencies in Indiana and Ohio were awarded a \$4.0 million grant for project that will coordinate efforts to assist employers, employees, and dislocated workers impacted by the restructuring in the auto industry by developing alternative career pathways in the energy efficiency and renewable energy sectors. The project will focus on identifying new skills and requirements in a restructured auto industry; examining and understanding new demands and skills in a restructured auto supply chain; identifying alternative green jobs for dislocated auto workers; and identifying the current and projected skills gap of the auto workforce, and the training necessary to transition into green occupations and other in demand sectors. (2/11/10 SBO letter)

Gross	\$1,325,400	\$1,325,400
ARRA	1,325,400	1,325,400

4. Workforce Training Programs Subgrantees

Also part of the ARRA's Green Jobs Act program funding, the ARRA included \$177.5 million for the State Energy Sector Partnership and Training Grants program. The grant program provided financial assistance to states to provide training to individuals in a number of "green" employment sectors, including energy efficient building construction, advanced vehicle drive train industry, renewable electric power. The state award totals \$5.8 million. Funds will be utilized by DELEG in partnership with other state agencies and other private organizations to implement the state's Green Jobs Initiative to provide training in advanced energy storage, solar industries, and energy efficient construction to nearly 1,300 displaced and incumbent workers. (2/11/10 SBO letter)

Gross	\$6,000,000	\$6,000,000
ARRA	6,000,000	6,000,000

MILITARY AND VETERANS AFFAIRS

5. Grand Rapids Veterans' Home Nurse Call System

Provides \$407,100 in federal ARRA funds and \$219,200 in restricted matching funds for a new nurse call system in all nursing units at the Grand Rapids Veterans' Home. (2/11/10 SBO letter)

Gross	\$626,300	\$626,300
ARRA	407,100	407,100
Restricted	219,200	219,200

NATURAL RESOURCES AND ENVIRONMENT

6. Emerald Ash Borer

Provides \$295,000 federal funding for grants to develop management plans to slow the destruction of ash trees by the emerald ash borer; funds tree planting on public rights of way. (2/11/10 SBO letter)

Gross	\$295,000	\$295,000
ARRA	295,000	295,000

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.

Executive

House

Senate

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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; requires report to Legislature. (2/11/10 SBO letter)

Included

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). (2/11/10 SBO letter)

Included

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. (2/11/10 SBO letter)

Included

Sec. 212