

Senate Fiscal Agency  
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## BILL ANALYSIS

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House Bill 5405

**PUBLIC ACT 40 OF 2010**

Sponsor: Representative George Cushingberry

House Committee: Appropriations

Senate Committee: Appropriations

Date Completed: 4-8-10

**CONTENT**

House Bill 5405 would provide for supplemental appropriations for fiscal year (FY) 2009-10. Specifically, the bill would appropriate \$9.4 million of Federal and State Restricted funds for the Departments of Agriculture, Energy, Labor, and Economic Growth, Military and Veterans Affairs, and Natural Resources and Environment. Of the total funding in the bill \$9.2 million is funded with Federal funds available under provisions of the American Recovery and Reinvestment Act of 2009 (ARRA). The remaining \$0.2 million of funding is State Restricted matching funds in the Department of Military and Veterans Affairs. All of the items included in House Bill 5405 were recommended to the Legislature for approval by the State Budget Office (SBO) on February 11, 2010. The bill was approved by the House of Representatives on March 11, 2010. The table below provides a summary of the line-item appropriations contained in the bill.

House Bill 5405 FY 2009-10 Supplemental Appropriations (actual dollars)							
Department/Program	SBO Recommendation		House-Passed		Senate Recommendation		
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	
Agriculture							
Emerald Ash Borer Program	\$1,150,000	\$0	\$1,150,000	\$0	\$1,150,000	\$0	
Education							
Race to the Top Reforms	25,000,000	0	0	0	0	0	
Energy, Labor, & Economic Growth							
Labor Market Information	1,325,400	0	1,325,400	0	1,325,400	0	
Workforce Training Programs	6,000,000	0	6,000,000	0	6,000,000	0	
Subgrantees							
Military and Veterans Affairs							
Grand Rapids Veterans Home	626,300	0	626,300	0	626,300	0	
Natural Resources & Environment							
Emerald Ash Borer Program	295,000	0	295,000	0	295,000	0	
<b>Total Line-Item Appropriations</b>	<b>\$34,396,700</b>	<b>\$0</b>	<b>\$9,396,700</b>	<b>\$0</b>	<b>\$9,396,700</b>	<b>\$0</b>	

## Line-Item Appropriations

**Department of Agriculture:** The bill would appropriate \$1,150,000 of ARRA funding to be used by local soil conservation districts to perform survey and remediation work regarding the control of the Emerald Ash Borer.

**Department of Energy, Labor, and Economic Growth:** The bill would appropriate \$6.3 million of ARRA funding for two programs. The appropriation for Labor Market Information would provide \$1.3 million for a tri-state study to determine how to serve displaced auto industry workers more effectively. The study will be conducted jointly by workforce development and labor market information staff from Michigan, Indiana, and Ohio. The study will identify current and future labor force needs in the auto industry, including suppliers, and identify other careers for displaced workers, especially green job opportunities. The second program would receive \$6.0 million in ARRA competitive grant funds from the State Energy Sector Partnership and Training Grant to provide training to individuals in "green" employment sectors. The Department of Energy, Labor, and Economic Growth staff have indicated that the grant will fund competitively selected projects in the areas of advanced energy storage, solar, and energy-efficient construction. The projects to be funded and the grant amount are as follows: Southeast Michigan Solar Project, \$415,548; Southeast Michigan Advanced Energy Storage, \$1,676,742; Great Lakes Bay Area Solar Project, \$2,536,937; and Career Alliance Energy Efficiency, \$1,190,772. In total, the grant is expected to provide training for approximately 1,100 participants, primarily in counties affected by auto-related restructuring.

**Department of Military and Veterans Affairs:** The bill would appropriate \$625,300 of Gross funding for the Grand Rapids Veterans Home. The funding consists of \$407,100 of ARRA funding along with \$219,200 of State Restricted matching funds. The funding would pay for a new nurse call system in the home.

**Department of Natural Resources and Environment:** The bill would appropriate \$295,000 of ARRA funding for the Department to develop management plans to slow the destruction of ash trees by the Emerald Ash Borer and to plant trees on public rights-of-ways. Of this amount, \$95,000 would be used in Mackinac, Delta, Schoolcraft, and Houghton Counties to help evaluate and implement treatment strategies that will slow the expansion of the Emerald Ash Borer in these areas. The remaining \$200,000 would be used in southeastern Michigan in Livingston, Washtenaw, Wayne, Oakland, Macomb, and Monroe Counties to remove dead and damaged ash trees and to plant new trees where the Emerald Ash Borer had done extensive damage already. This bill would supplement a Federal grant of \$250,000 the Department has already received from the U.S. Department of Agriculture for this type of work.

## Boilerplate Language Sections

**Sec. 201:** Reports on total State spending and payments to units of local government in the bill.

**Sec. 202:** Subjects the appropriations in the bill to provisions of the Management and Budget Act.

**Sec. 203:** Specifies that the appropriations in the bill financed by Federal ARRA funds are temporary in nature.

**Sec. 210:** Permits the appropriation of any additional Federal funds awarded to the State due to recalculation of formulas and under redistribution provisions in ARRA and requires a report to the Legislature on any such appropriation.

**Sec. 211:** Establishes work project status for any such funds appropriated in the bill that are not spent during the fiscal year.

**Sec. 212:** Requires that local governments and eligible subrecipients receiving ARRA funds comply with all of the reporting and expenditure requirements of ARRA.

**FISCAL IMPACT**

The bill would appropriate \$9.4 million of Federal and State Restricted funding. The majority of the funding in the bill is a result of ARRA competitive grants received by the State.

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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.