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House Bill 5367 (Substitute S-2 as enrolled)
Sponsor: Representative Charles Moss
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 12-14-12

CONTENT

The bill would provide supplemental appropriations for fiscal year (FY) 2012-13. The bill includes Adjusted Gross appropriations of \$3.3 million in the Department of Human Services for indigent burial and \$2.2 million in State General Fund/General Purpose (GF/GP) funding in the Department of Treasury for Payments in Lieu of Taxes (PILT). Table 1 summarizes the appropriations in the bill.

Table 1

FY 2012-13 Supplemental Appropriations				
Department/Program	Adjusted Gross	Federal	State Restricted	GF/GP
Human Services-Indigent Burial	\$3,300,000	\$300,000	\$0	\$3,000,000
Treasury-PILT	1,355,700	0	(811,700)	2,167,400
Total	\$4,655,700	\$300,000	(\$811,700)	\$5,167,400

FISCAL IMPACT

The bill would increase FY 2012-13 Adjusted Gross appropriations by \$4.7 million and State GF/GP appropriations by \$5.2 million, and adjusts State Restricted fund sources for PILT payments. The bill includes appropriations for two State departments:

Department of Human Services. The bill provides \$3.3 million in Adjusted Gross appropriations (\$3.0 million GF/GP and \$0.3 million Federal TANF revenue) for indigent burial services, bringing the total FY 2012-13 appropriation in the line item to \$4.3 million. This change reinstates the level of funding needed to provide both cremation and burial services for claimed and unclaimed indigent individuals. The FY 2012-13 initial appropriation for the "Unclaimed bodies" line item is \$1.0 million, a reduction from the prior fiscal year, and allows cremation services only for unclaimed deceased. The Social Welfare Act would have to be amended, however, in order for the Department to implement this change; those amendments were not enacted. This bill also changes the name of the line item to "Indigent burial" to reflect the current status of the program. Under current law, the Department is required to continue to provide burial and cremation services for both claimed and unclaimed individuals.

Department of Treasury. The bill would increase PILT appropriations to fully fund the current statutory PILT formulas for the three PILT programs appropriated in the Department of Treasury. These are Commercial Forest Reserve, Purchased Lands, and Swamp and Tax

Reverted Land. This would increase payments to local units of government by \$2,671,000 in FY 2012-13, consisting of \$2,167,400 GF/GP and \$503,600 in State Restricted funds. This cost would be offset by a reduction of \$1,315,300 in excess spending authority for the Michigan Natural Resources Trust Fund. The reduction in spending authority is not anticipated to affect payments in FY 2012-13. Overall, the bill would increase Adjusted Gross State appropriations for PILT by \$1,355,700. Table 2 presents a comparison of the FY 2012-13 initial appropriations for PILT with the proposed FY 2012-13 full funding of PILT.

Table 2

Payments in Lieu of Taxes (PILT) Year-to-Date Appropriations in the Department of Treasury and Proposed Supplemental Funding in H.B. 5367 (S-2)				
	Year-to-Date FY 2011-12	Initial FY 2012-13	FY 2012-13 Proposed Full Funding	H.B. 5367 (S-1) Increment to Full Funding¹⁾
<u>Line Items in Treasury Budget</u>				
Commercial Forest Reserve (GF/GP)	\$2,529,400	\$2,334,100	\$2,796,200	\$462,100
Purchased Lands (GF/GP & Restricted)	6,296,300	5,695,500	5,387,300	(308,200)
Swamp & Tax Reverted Lands (GF/GP)	6,730,600	6,227,300	7,429,100	1,201,800
Total Appropriations in Treasury	\$15,556,300	\$14,256,900	\$15,612,600	\$1,355,700
<u>Fund Sources in the Treasury Budget</u>				
Game & Fish Protection Fund	\$1,748,600	\$1,475,000	\$1,937,000	\$462,000
Michigan Natural Resources Trust	2,505,500	2,505,500	1,190,200	(1,315,300)
Michigan State Waterways	145,800	120,000	161,600	41,600
GF/GP	11,156,400	10,156,400	12,323,800	2,167,400
Total Fund Sources in Treasury	\$15,556,300	\$14,256,900	\$15,612,600	\$1,355,700

¹⁾ Department of Treasury estimate.

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.

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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.