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Senate Bill 529 (Substitute S-1)
Sponsor: Senator Wayne Schmidt
Senate Committee: Appropriations (discharged)

Date Completed: 7-15-21

CONTENT

The supplemental includes \$1.625 billion in Federal funding from the Coronavirus State Fiscal Recovery Fund to provide funding to the Department of Transportation to address bridge and rail grade separation issues as well as offset lost revenue for county road commissions and cities and villages.

Table 1

Budget Area	Gross	Federal	GF/GP
Transportation	\$1,626,000,000	\$1,626,000,000	\$0
TOTAL	\$1,626,000,000	\$1,626,000,000	\$0

FISCAL IMPACT

The bill provides fiscal year (FY) 2020-21 line-item appropriations of \$1,626.0 million Gross, all from the Federal Coronavirus State Fiscal Recovery Fund, to support bridge and rail grade separation efforts. Of this amount, \$1,304.1 million would go for bridge programs, \$126.0 million would go for rail grade separation efforts, and the remaining funding would be distributed to county road commissions and cities and villages to offset revenue lost due to the COVID-19 pandemic. A total of \$5.65 billion has been allocated to the State by the United States Treasury from the Coronavirus State Fiscal Recovery Fund. Table 2 summarizes the details of the appropriations in the supplemental.

The American Rescue Plan Act of 2021 (ARP) restricts the use of Federal Coronavirus State Fiscal Recovery Funds for specific purposes described within ARP. In order to apply the funds to cover the cost of the appropriations in part 1, those appropriations must fit within the accepted uses listed in Sec. 9901(a) of ARP. Any Fiscal Recovery funds that the US Department of Treasury determines are used outside the scope of ARP may be subject to recoupment. Sec. 9901(a) allows for Fiscal Recovery funds to be used for the provision of government services to the extent that the State has experienced a revenue loss due to the COVID-19 public health emergency. The provision of government services includes road, bridge, and rail infrastructure projects. Likewise, the transfer of funds from the State to local units of government are subject to the same restrictions on spending as if the State were spending the funds itself. The State must monitor any Fiscal Recovery funds it transfers to another unit of government to ensure they are spent in accordance with the Act. At this time, it is not known if some or all of the appropriations in part 1 would meet the accepted uses listed in Sec. 9901(a).

FY 2020-21 BOILERPLATE LANGUAGE SECTIONS-PART 2

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 article to the provisions of the Management and Budget Act.

Sec. 203. General. Directs that, if the State Administrative Board transfers funds appropriated in the Act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

Sec. 301. Transportation. Allocates the part 1 funding for the Bundling of Local Agency Bridges Program to support a statewide program for the rehabilitation or replacement of bridges owned by local road agencies. Directs the Department of Transportation to coordinate the program and issue contracts necessary for the planning, design, and construction work financed by the appropriation. Creates the following priority for bridges that would be rehabilitated or replaced: 1) locally owned bridges current closed to traffic, 2) locally owned bridges currently posted or restricted from legal loads, and 3) locally owned bridges in need of rehabilitation or replacement as rated by regional bridge councils to ensure safety or unimpeded commercial traffic. Requires a biannual report to the Transportation subcommittees, the State Budget Director, and the fiscal agencies by April 30 and October 31 of each year until the program is completed. Requires the report to include a list of bridges with completed repairs, a list of bridges with scheduled repairs, funding spent thus far, and remaining funding. Creates a work project for the appropriation.

Sec. 302. Transportation. Directs that part 1 funding for the Local Rail Grade Separation Program be spent to operate a rail grade separation grant program, with grants provided to cities, villages, and county road commissions. Requires applications for grants to be made on a form approved by the Department, with applications including information on the economic development benefit to the locality where the crossing is located. Requires the Department of Transportation to notify applicants of approval or rejection within 180 days after receiving an application. Requires a written agreement between the Department and applicant before funds may be released, with the agreement having complete details of the project and a local, private, or Federal match of at least 20% of the project cost. Requires an annual report on the use of funds by December 1 to the Transportation Committees, the Appropriations Committees, and the fiscal agencies. The report must include the number of applications, the name of each applicant and whether the application was approved or denied, and the amount of local match for each award. Creates a work project.

Sec. 303. Transportation. Directs that part 1 appropriations to county road commissions and cities and villages be distributed based on Public Act 51. States the intent of the Legislature that the funding be used to compensate for revenue lost in FY 2019-20 and FY 2020-21 due to the COVID-19 pandemic.

Table 2

Department/Program	Gross	Federal	GF/GP
Transportation			
Bundling of local agency bridges program	\$1,304,124,100	\$1,304,124,100	\$0
Cities and villages bridge funding	70,116,500	70,116,500	0
County road commission bridge funding	125,759,400	125,759,400	0
Local rail grade separation program	<u>126,000,000</u>	<u>126,000,000</u>	<u>0</u>
Total Transportation.....	\$1,626,000,000	\$1,626,000,000	\$0
Total FY 2020-21 Supplemental Appropriations	\$1,626,000,000	\$1,626,000,000	\$0

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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.