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BILL ANALYSIS

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Senate Bill 138 (Substitute S-1)
Sponsor: Senator Roger Kahn, M.D.
Committee: Appropriations

Date Completed: 6-7-11

CONTENT

The bill would provide supplemental appropriations for fiscal year (FY) 2010-11 for five State departments. Included are caseload and cost adjustments for the Departments of Community Health and Human Services related to the May 16, 2011 Consensus Revenue Estimating Conference (CREC), Federal funds for a new Medicaid Electronic Health Record Incentive Program, re-appropriation of Federal Help America Vote Act (HAVA) funds, an appropriation of Federal American Recovery and Reinvestment Act (ARRA) funds for the Department of Transportation, and State revenue sharing adjustments pursuant to the CREC and revised census data. Table 1 summarizes the Gross and GF/GP appropriations for each department.

Table 1

FY 2010-11 Supplemental Appropriations
Senate Bill 138 (S-1)

Department	Gross	GF/GP
Community Health	$339,916,700	$102,336,900
Human Services	(30,925,900)	(2,019,700)
State	0	0
Transportation	3,397,000	0
Treasury-Revenue Sharing	33,130,200	0
Total Supplemental Appropriations	**$345,518,000**	**$100,317,200**

FISCAL IMPACT

The bill would increase Gross State appropriations by $345.5 million and State General Fund/General Purpose (GF/GP) appropriations by $100.3 million. Of these new appropriations, all but $3.6 million GF/GP have been accounted for on the GF/GP balance sheet as part of the FY 2011-12 target-setting process. The bill would provide funding for the following departments:

Community Health: Pursuant to the May 2011 CREC, $198.4 million Gross and $98.7 million GF/GP would be appropriated for Medicaid caseload and cost adjustments. The bill includes $2.9 million in additional Federal funds for the Community Substance Abuse, Prevention, Education, and Treatment Program and $1.6 million in Federal and private grant revenue for Family, Maternal, and Children's Health Services.

The bill also would appropriate $137.0 million, $133.3 million Federal and $3.6 million GF/GP, for a new Medicaid Electronic Health Record Incentive Program.

Human Services: Pursuant to the May 2011 CREC, $30.9 million Gross and $2.0 million GF/GP would be reduced from appropriations for children's services and public assistance to reflect consensus caseload and cost adjustments.

Transportation: A Federal Aviation Administration award of $3.4 million in redistributed Federal ARRA funds from other states would be appropriated for additional terminal construction activities at the Midland-Bay-Saginaw International Airport.

Treasury-Revenue Sharing: Pursuant to the May 2011 CREC, which increased the estimate for sales tax revenue, and to updated 2010 U.S. Census population numbers, an appropriation adjustment of $18.8 million for constitutional revenue sharing and $14.3 million for statutory revenue sharing, is required to ensure that FY 2010-11 payments to local units are equal to those of FY 2009-10.

Boilerplate Language Sections

Sec. 201. Records amount of Total State Spending and payments to local units of government included in the bill.

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

Sec. 203. Subjects appropriations in the bill to Federal ARRA reporting requirements.

Sec. 204. Allows carry-forward of Federal ARRA funds for certain purposes.

Sec. 205. Subjects recipients of Federal ARRA funds to Federal ARRA reporting requirements.

Sec. 301. Re-appropriates Federal Help America Vote Act work project balances of $7.7 million to the Department of State for ongoing election reform projects. These funds were originally appropriated in FY 2006-07 and will reach the maximum four-year work project time period allowed under the Management and Budget Act (Sec. 451a), and will lapse without this reauthorization.

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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.