

FY 2015-16 SUPPLEMENTAL APPROPRIATIONS: FLINT WATER
Summary: As Passed by the House
Senate Bill 136 (H-1) as Amended



HFA Director: Mary Ann Cleary
HFA Deputy Director: Kyle I. Jen

Bill Description

Senate Bill 136 (H-1) contains a single appropriation of **\$30.0 million GF/GP**, appropriated in the Department of Treasury budget, for the Flint Declaration of Emergency.

Pursuant to **Section 301** of the bill, the funds would be allocated to reimburse the City of Flint's Water Enterprise Fund in an amount equal to credits posted to customers' accounts under section 302. This section would also require quarterly reports on the distribution of the funds.

Section 302 of the bill would provide for the following:

- Prohibit the removal or expenditure of any administration charges from the appropriation in the bill.
- Prohibit any expenditures from the funds appropriated without specific authorization by the State Treasurer.
- Specify that any unexpended funds as of September 30, 2016, would lapse to the General Fund.
- Provide for credits to customer's accounts to be equal to the following:
 - For residential customers, 65% of the amount billed for water from the billing period containing April 30, 2014 to the end of the billing period containing the date upon which the declaration of disaster under Senate Concurrent Resolution (SCR) 23, or a succeeding resolution, expires. (SCR 23 extended the original declaration of emergency for the City of Flint through April 14, 2016.)
 - For other customers (i.e., commercial customers), 20% of the amount billed for water during the same time period.
- Provide that credits for sewer service are not to be reimbursed.
- Require the credits for water service to be calculated based on rates consisted with the rates paid at the time of billing.
- Allow the State Treasurer and the Auditor General to audit transactions under the bill at their discretion.

Subsequent to initial legislative action, the funding in this bill has now been formally requested by the State Budget Office under supplemental request 2016-6 (in the Department of Environmental Quality section), which was submitted in conjunction with the FY 2016-17 Executive Budget Recommendation.

Total Appropriations for Flint Emergency to Date

The table below summarizes FY 2015-16 appropriations for the Flint water emergency, including this bill, to date:

Appropriations Act	Gross	Federal	Restricted	GF/GP
PA 143 of 2015 (HB 4102)	\$9,350,000	\$0	\$2,200,000	\$7,150,000
PA 3 of 2016 (HB 5220)	28,028,500	2,845,000	2,552,000	22,631,500
State Police boilerplate authorization (Disaster Emergency Contingency Fund)	3,871,100	0	3,871,100	0
SB 136 as Passed by the Senate	30,000,000	0	0	30,000,000
TOTAL	\$71,249,700	\$2,845,000	\$8,623,100	\$59,781,500

Descriptions of the specific funding items in the two previous acts can be found at these links:

<http://www.legislature.mi.gov/documents/2015-2016/billanalysis/House/pdf/2015-HLA-4102-6154428F.pdf>.

<http://www.legislature.mi.gov/documents/2015-2016/billanalysis/House/pdf/2015-HLA-5220-4C1AC4A2.pdf>