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BILL ANALYSIS

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House Bill 5631 (Substitute H-2 as passed by the House)
Sponsor: Representative Al Pscholka
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 6-7-16

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to transfer \$3.0 million from the Forest Development Fund (FDF) to the First Responder Presumed Coverage Fund (FRPCF) for fiscal year (FY) 2015-16 only. The First Responder Presumed Coverage Fund was created by Public Act 515 of 2014, and, once supported with appropriations, will provide worker's compensation benefits to firefighters with certain illnesses that are presumed to have resulted from workplace hazards.

MCL 324.50507

FISCAL IMPACT

The bill would not have a significant fiscal impact on the operations of the Department of Licensing and Regulatory Affairs (LARA), but could affect future expenditures from the Forest Development Fund by the Department of Natural Resources (DNR). Under the bill, and upon appropriation of money to and from the First Responder Presumed Coverage Fund, LARA would begin accepting and processing qualified claims from the FRPCF. At this time, an estimate for the amount of claims LARA would likely receive is unknown, but statute prevents LARA from funding claims if a sufficient balance is not available in the FRPCF, so claims in excess of available FRPCF would not affect the LARA budget, presumably. The Conference Report for Senate Bill 793 (FY 2016-17 LARA budget) includes an appropriation that would allow LARA to spend the funds that would be made available under the House bill.

As of the end of FY 2014-15, the Forest Development Fund had a balance of \$16.0 million, which, according to a report from the State Budget Office, is expected to decline to about \$12.7 million at the end of FY 2015-16. Assuming that FDF revenue is the same in FY 2016-17 as the projections for FY 2015-16, with this transfer and FDF appropriation levels in the Conference Report for Senate Bill 795 (FY 2016-17 DNR budget), that balance would decline to about \$5.0 million at the end of FY 2016-17.

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