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BILL ANALYSIS



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House Bill 4320 (Substitute S-3 as passed by the Senate)
Sponsor: Representative Laura Cox
Committee: Appropriations

Date Completed: 12-13-17

CONTENT

The bill would provide supplemental appropriations for fiscal year (FY) FY 2017-18 for various State budget areas. The bill proposes FY 2017-18 Gross and General Fund/General Purpose (GF/GP) appropriations of \$52.9 million and \$24.7 million, respectively. Most of the proposed GF/GP funding, \$23.2 million, is for response activities related to environmental contamination from perfluoroalkyl and polyfluoroalkyl substances (PFAS). The bill also proposes \$28.2 million of State restricted revenue, primarily \$24.7 million from the Michigan Infrastructure Fund for the Department of Environmental Quality (DEQ) for a water infrastructure initiative that includes brownfield remediation and redevelopment. [Table 1](#) summarizes the appropriations in the bill.

Table 1
FY 2017-18 Supplemental Appropriations

Budget Area	Gross	Federal	Local/ Private	State Restricted	GF/GP
Capital Outlay	\$700	\$0	\$0	0	\$700
Education	1,000,000	0	0	0	1,000,000
Environmental Quality	39,537,500	0	0	24,700,000	14,837,500
Health & Human Svcs.	8,712,000	0	0	0	8,712,000
Tech, Manage., Budget	100,000	0	0	0	100,000
Transportation	2,000,000	0	0	2,000,000	0
Treasury-Operations	1,500,100	0	0	1,500,100	0
TOTAL FY 2017-18	\$52,850,300	\$0	\$0	\$28,200,100	\$24,650,200

FISCAL IMPACT

The bill would provide new FY 2017-18 GF/GP appropriations of \$24,650,200: seven separate \$100 construction authorizations for capital outlay projects at four community colleges (Kellogg, Lake Michigan, Monroe, and St. Clair), one university (Saginaw Valley), and two state agencies (DNR and State Police); \$1,000,000 for the Department of Education's school best practices water training program; \$23,231,500 for PFAS response activities administered by the DEQ (\$14,837,500) and Health and Human Services (\$8,394,000); \$318,000 in the Department of Health and Human Services for additional hospice funding; and \$100,000 in the Department of Technology, Management, and Budget for an information technology project for the Department of Transportation.

The bill would also provide \$28.2 million of State Restricted revenue from the Michigan Infrastructure Fund: \$10.7 million for a water infrastructure initiative and \$14.0 million for brownfield remediation and redevelopment in the DEQ; \$2.0 million for an asset management council in the Department of Transportation; and \$1.5 million in the Department of Treasury for the Michigan infrastructure council. There is a \$100 placeholder from the Flint Drinking Water Emergency Reserve Fund in the Department of Treasury to allow for potential contingency fund transfer requests during the fiscal year. [Table 2](#) summarizes the details of the appropriations in this bill.

FY 2017-18 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.

Sec. 203. General - Definitions. Defines "PFAS" as perfluoroalkyl and polyfluoroalkyl substances.

Sec. 301. Capital Outlay - College, University, and State Agency Projects. States that the projects are for a public purpose; authorizes the lease and conveyance of the properties to the State Building Authority; and states legislative intent to annually appropriate sufficient amounts to pay the rent.

Sec. 302. Capital Outlay - Veterans Homes. Expands the scope of the Detroit veterans' home construction authorization to include Wayne, Oakland, and Macomb counties; allows possible expansion to Southeast Michigan after 45 days; and requires reporting.

Sec. 401. Corrections - Education Program. Allows the Department to spend funds for college tuition and fees that exceed the Pell Grant amount, for prisoners in the Women's Huron Valley Correctional Facility who are participating in the Second Chance Pell Grant Program; and prohibits less being paid for a prisoner's tuition than the current in-district tuition being charged to other students at that school.

Sec. 501. Department of Education - School Water Training Program. Requires the Department to work with the DEQ and the Department of Licensing and Regulatory Affairs to develop and implement a statewide training program to promote best practices in appropriately managing school drinking water systems.

Sec. 601. Environmental Quality - PFAS. States legislative intent that the United States Department of Defense shall reimburse the State for PFAS and environmental contamination response at military training sites and facilities.

Sec. 602. Environmental Quality - PFAS. Requires Federal and private grant funding for PFAS contamination, if it is available, to be spent before any State GF/GP or State Restricted revenue.

Sec. 701. Health and Human Services - Local Public Health Services. Allocates \$2.5 million to local public health departments in jurisdictions experiencing potential PFAS contamination; and requires funding to be used to address PFAS contamination issues including, but not limited to, staffing, planning and response, and creation and dissemination of materials related to those efforts.

Sec. 702. Health and Human Services - Nonemergency Transportation Services. Rewrites existing FY 2017-18 boilerplate language (Sec. 1861) to clarify administration of the services by a nonprofit broker.

Sec. 703. Health and Human Services - PFAS. States legislative intent that the United States Department of Defense shall reimburse the State for PFAS and environmental contamination response at military training sites and facilities.

Sec. 704. Health and Human Services - PFAS. Requires Federal and private grant funding for PFAS contamination, if it is available, to be spent before any State GF/GP or State Restricted revenue.

Sec. 751. Technology, Management, and Budget - IT Services for Transportation. Allocates \$100,000 for the implementation of House Bill 4644 (a bill that establishes size and weight permit fees for motor vehicles), contingent on the bill's enactment.

Sec. 801. Treasury - Michigan Infrastructure Council. Requires funds to be spent for establishment and organization of the council; research; evaluation of asset management programs; development of a work plan; and publication of an annual report.

Enacting Section 1. Repealer.

Health and Human Services - Nonemergency Transportation Services. Repeals Sec. 1861 of Article X of Public Act 107 of 2017 (FY 2017-18 Department of Health and Human Services annual appropriations), and replaces it with Sec. 702 in this bill, which clarifies administration of the services.

Table 2

FY 2017-18 Supplemental: House Bill 4320 (S-1)

Department/Program	Senate Substitute	
	Gross	GF/GP
Capital Outlay		
Kellogg CC manufacturing tech center construction authorization.....	\$100	\$100
Lake Michigan College academic building construction authorization.....	100	100
Monroe CC technology building construction authorization	100	100
St. Clair CC health sciences construction authorization	100	100
Saginaw Valley business college expansion	100	100
DNR coolwater hatchery construction authorization	100	100
State Police Grand Rapids post construction authorization	100	100
Total Capital Outlay	\$700	\$700
Education		
School best practices water training program	\$1,000,000	\$1,000,000
Total Education	\$1,000,000	\$1,000,000
Environmental Quality		
Brownfield remediation and redevelopment (infrastructure fund)	\$14,000,000	\$0
Water infrastructure initiative (infrastructure fund)	10,700,000	0
PFAS response activities at 14 confirmed locations.....	7,800,000	7,800,000
PFAS remediation and response activities	4,000,000	4,000,000
PFAS laboratory equipment and support	1,487,500	1,487,500
PFAS district support/technical assistance (5.0 FTEs)	1,125,000	1,125,000
PFAS community water supply and sampling (2.0 FTEs)	425,000	425,000
Total Environmental Quality	\$39,537,500	\$14,837,500
Health and Human Services		
PFAS analytical laboratory costs	\$4,144,000	\$4,144,000
PFAS local public health.....	2,500,000	2,500,000
PFAS environmental health/toxicology (8.0 FTEs).....	1,750,000	1,750,000
Additional hospice funding	318,000	318,000
Total Health and Human Services	\$8,712,000	\$8,712,000
Technology, Management, and Budget		
DOT information technology for HB 4644 size/weight permit fees	\$100,000	\$100,000
Total Technology, Management, and Budget	\$100,000	\$100,000
Transportation		
Asset management council (infrastructure fund)	\$2,000,000	\$0
Total Transportation.....	\$2,000,000	\$0
Treasury		
Michigan infrastructure council (infrastructure fund)	\$1,500,000	\$0
Drinking water declaration of emergency placeholder (reserve fund).....	100	0
Total Treasury	\$1,500,100	\$0
Total FY 2017-18 Supplemental Appropriations	\$52,850,300	\$24,650,200

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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.