



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 4609 (as reported without amendment)  
Sponsor: Representative Steve Marino  
House Committee: Appropriations  
Senate Committee: Appropriations

**CONTENT**

The bill would amend the Emergency Management Act to increase the statutorily required minimum fund balance of the Disaster and Emergency Contingency Fund from \$1.0 million to \$2.5 million. The bill would retain the \$10.0 million cap on the Fund.

The bill is tie-barred to House Bill 4610, which would amend the Act to revise the cap on assistance grants to a county or municipality.

MCL 30.418

**FISCAL IMPACT**

While the Act requires certain appropriations to be made to an emergency fund for State and local costs of State and Federal disasters, the requirement is not an actual appropriation itself. Until FY 2010-11, the State had not made appropriations to the Disaster and Emergency Contingency Fund (DECF). Rather, when emergency costs were incurred, whether for direct State department costs in response to an emergency, for assistance grants to local units in the event of a declared State emergency, or to provide required State or local matching funds for Federal assistance in the event of a declared Federal disaster, the State had responded to these financial needs primarily through General Fund supplemental appropriations as needed. The exception to this practice began in July 2011, when the Legislature appropriated \$750,000 GF/GP to the DECF. Since then, \$2.0 million was appropriated to the Fund in FY 2013-14, \$4.0 million in FY 2014-15, \$10.0 million in FY 2015-16, \$4.0 million in FY 2016-17, and \$7.0 million to date in FY 2017-18.

Funds deposited into the DECF have been spent for various disaster and emergency purposes under a continuing boilerplate provision within the Department of State Police budget bills.

The DECF has a current balance of \$10.7 million which includes the GF/GP appropriation of \$7.0 million. So far in FY 2017-18, disbursements of \$1.0 million have been made from the DECF for local costs associated with the Midland/Isabella/Bay/Gladwin County floods from the summer of 2017.

Date Completed: 5-24-18

Fiscal Analyst: Bruce R. Baker