



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1047 (as reported without amendment)
Sponsor: Senator Sean McCann
Committee: Appropriations

CONTENT

The bill would amend the Emergency Management Act, which created the Disaster and Emergency Contingency Fund (DECF), by removing a requirement that the balance of the DECF not exceed \$10.0 million. The bill would retain a requirement that the DECF balance not fall below \$2.5 million.

MCL 30.418

FISCAL IMPACT

The bill would have relatively little impact on the Department of State Police, which administers the DECF. The DECF is used to provide state assistance to counties and municipalities for disaster or emergency assistance related to public damage when a declaration of a state of disaster or a state of emergency is declared by the Governor. The fund is also used to provide required matching funds required when federal support becomes available in the event that a Presidential declaration of major disaster is made. The bill could give the DECF more fiscal flexibility in meeting its objectives. Amounts in the Fund depend upon legislative appropriations and do not lapse to the General Fund at the end of a fiscal year. The demand for these matching funds has increased in recent years and, if not for a fiscal year (FY) 2023-24 supplemental appropriations of \$10.0 million General Fund/General Purpose (GF/GP) to the DECF under Public Act 121 of 2024, the Fund balance would have been insufficient to meet disaster contribution requirements for FY 2023-24. Within that same appropriation act, \$10.0 million GF/GP was appropriated to the DECF for FY 2024-25. The Department reports that the current DECF fund balance is \$14.9 million, and has estimated that with current anticipated FY 2024-25 expenditures, the fund balance will be at \$3.1 million at the end of the fiscal year.

Date Completed: 12-4-24

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