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HOUSE REPUBLICAN STAFF ANALYSIS

Bill: Senate File 508
Committee: Appropriations
Date: July 19, 2011
Staff: Lon Anderson (1-5184)

FEDERAL BLOCK GRANT BILL FOR FY 2012

Senate File 508 provides the mechanism for the state to receive \$12.6 billion in federal funds for Federal Fiscal Years (FFY) 2012 and FY 2013, a decrease of \$735 million compared to FFY 2011. The decrease is due to the expiration of the stimulus funding (ARRA) and flood relief funding.

FFY 2012 and FY 2013 FUNDING SUMMARY

The bill provides the mechanism for the state to receive \$196 million in block grant funds, as follows:

- Substance Abuse: \$13.6 million, a decrease of \$114,000 compared to FFY 2011
- Community Mental Health Services: \$3.4 million, a decrease of \$678,000
- Maternal and Child Health Services: \$6.5 million, an increase of \$11,359
- Preventive Health & Health Services: \$1.1 million, an increase of \$35,207
- Stop Violence Against Women: \$1.6 million, a decrease of \$514,000
- Residential Substance Abuse Treatment for State Prisoners: \$247,000, an increase of \$4,682
- Edward Byrne (Law Enforcement Drug Policy): \$2.97 million, no change compared to 2011
- Community Services: \$7.5 million, a decrease of \$4 million compared to 2011
- Community Development: \$28.5 million, a decrease of \$54 million due to a decrease in federal disaster recovery funds
- Low-Income Home Energy Assistance: \$70.5 million, no change compared to 2011
- Social Services: \$16.6 million, an increase of \$432,830
- Child Care and Development: \$43.8 million, an increase of \$431,017

The bill also appropriates expected federal funds by department. The total in categorical funding is \$6.1 billion, with \$3.4 billion going to the Department of Human Services. The Regents, Department of Education, Department of Workforce Development and the Department of Public Defense all receive over \$475 million each in funding. The Department of Transportation is expected to receive \$347 million for road building projects, which is a decrease of \$225 million compared to FY 2011.

The bill also includes provisions in case funds are less than expected and also if the funds are more than expected. In either case, the funds are pro-rated to the agencies as directed by the Feds or the Governor.

The House added the appropriations for FFY 2013, 100 percent of the FFY 2012 levels. Since the state has no idea how much Congress will allocate for the FFY 2013, the amendment replicates the appropriations from FFY 2012 and the language allowing the departments to adjust the appropriations if the actual appropriations are higher or lower than the estimated appropriations in the amendment.

The Governor signed the bill in its entirety with the exception of Section 36. His veto message reads:

“I am unable to approve Section 36 of the bill in its entirety. This item creates a redundant mandate by requiring departments that receive funds from this appropriation bill to provide a detailed plan of the past, current, and future expenditures of federal funds designated for departmental administrative expenses 60 days before the start of the new federal fiscal year. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State’s accounting and budgeting systems. Furthermore, the future year’s plan will be of little to no benefit beyond what is currently available because most of the amounts will not have been established by the federal government in a timely fashion that would allow a complete and accurate report 60 days before the start of the new federal fiscal year.”