



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1008 (as enacted)
Sponsor: Senator Dave Hildenbrand
Senate Committee: Committee of the Whole
House Committee: Appropriations

PUBLIC ACT 517 of 2016

Date Completed: 1-11-17

CONTENT

The bill amended the Michigan Employment Security Act to transfer \$10.0 million from the Contingent Fund to the General Fund, for fiscal year 2016-17.

The Contingent Fund receives interest on contributions, penalties, and damages collected under the Act. Money in the Fund may be used for administration of the Talent Investment Agency, including the development and implementation of workforce training programs. (The Talent Investment Agency, in the Department of Talent and Economic Development, includes the Unemployment Insurance Agency.)

The bill took effect on January 9, 2017.

MCL 421.10

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill will result in an increase of \$10.0 million to the State General Fund. The Contingent Fund will be decreased by \$10.0 million. It is estimated that the Contingent Fund balance at the end of fiscal year 2015-16 was \$159.9 million. This represents a one-time higher-than-normal balance that will start to fall as Federal funds begin to decline due to a lower unemployment average and the Fund is used to compensate for part of that decline. The decline also will result from fewer penalties being incurred, which generally correlates to decreases in unemployment payments. In addition, in fiscal year 2016-17, there are scheduled increases in the skilled trades training program that is supported by the Contingent Fund.

The bill will have no fiscal impact on local government.

Fiscal Analyst: Cory Savino

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