

FY 2015-16 SUPPLEMENTAL APPROPRIATIONS
Summary: House Committee Substitute
House Bill 5296 (H-1) Draft 2



HFA Director: Mary Ann Cleary
HFA Deputy Director: Kyle I. Jen

Overview

The FY 2015-16 supplemental appropriations contained in House Bill 5296 reflect the requested Department of Treasury appropriations included in State Budget Office supplemental request 2016-4. The State Budget Office recommended \$50.0 million GF/GP; the House Substitute for House Bill 5296 provides \$48.7 million in Merit Award Trust Fund appropriations to cover expenses related to the Detroit Public Schools financial emergency.

FY 2015-16 Supplemental Appropriation Items

TREASURY

1. Distressed Public Schools Financial Assistance

Includes \$48.7 million in Merit Award Trust Fund to fund an estimated operating deficit and cash flow deficiency for the Detroit Public Schools (DPS). Funds will provide resources for the daily operational costs of running the school district through an agreement with the state, emergency manager, and DPS. (SBO Letter 2/10/16)

	Appropriation Change
Gross	\$48,700,000
Restricted	48,700,000

FY 2015-16 Supplemental Boilerplate Items

TREASURY

Sec. 301. Distressed Public Schools Financial Assistance

Specifies that funds are to be used for the Detroit Public Schools financial emergency to fund daily operational costs of running the school district. Directs the state, the emergency manager, and the distressed school district to enter into an agreement to provide for the expenditure of the funds.

Enacting Section 1.

Specifies that House Bill 5296 does not take effect unless House Bill 5385 is enacted into law. House Bill 5385 would expand the scope of the financial review commission (FRC) to oversee the fiscal management for the community district.