

MEMORANDUM



DATE: June 26, 2023
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2023-5

Attached are legislative transfers proposed by the State Budget Office in a letter dated April 27, 2023, 2023. Pursuant to section 393 of the Management and Budget Act, a legislative transfer must be approved by a majority of both the House and Senate Appropriations Committees, with identical funding sources and dollar amounts, in order to become effective.

There are two basic types of legislative transfer, which have different effects on the overall level of appropriations in the state budget.

A **standard legislative transfer** shifts existing spending authorization between line items in a particular budget area, with no net change in total appropriations. Generally, such transfers are proposed when expenditures are higher than originally anticipated in one line item and lower than anticipated in another. These transfers can represent a shift of GF/GP funding between two line items, or merely a shift of spending authorization from same broad category of funding (federal, restricted, etc.) between the line items.

A **contingency fund transfer** increases total line item appropriations in a budget area by moving contingency spending authorization from the boilerplate section of a budget act to a specific line item in order to recognize additional federal, private, local, or state restricted revenue that has become available since the original enactment of the budget. Absent the contingency fund transfer mechanism, this type of budget adjustment would be made through a supplemental appropriation bill.

As shown in the attached table, contingency fund transfers in this package total \$250.0 million, which will increase the FY 2022-23 year-to-date state budget by 0.31%.

If you have questions about the transfers generally, please contact me. If you have questions about an individual transfer, please contact the HFA analyst assigned to that budget area. We can be reached at 373-8080.

Attachment

LEGISLATIVE TRANSFER PACKAGE



Mary Ann Cleary, Director
Viola Bay Wild, Transfer Coordinator
Compiled by Tumai Burris, Budget Assistant

Summary Sheet

SBO LETTER: 2023-5
April 27, 2023

| Department | Analyst | Page | Total Transfer |
|--------------------------------|----------------|------|----------------------|
| Labor and Economic Opportunity | Viola Bay Wild | 1 | \$250,000,000 |
| Total | | | \$250,000,000 |

2023-5 Legislative Transfers

| Budget | Year-to-Date Total Approps | Contingency Fund Transfers (Increases Budget) | | | | | | % Budget Increased |
|-------------------------------|---------------------------------------|------------------------------------------------------|----------------|--------------|----------------|-------------------|-----------------|-------------------------------|
| | | IDG | Federal | Local | Private | Restricted | GF/GP | |
| Labor and Economy Opportunity | 5,258,115,300 | | | | | 250,000,000 | 250,000,000 | 4.75% |
| TOTAL* | \$80,301,936,200 | \$0 | \$0 | \$0 | \$0 | \$250,000,000 | \$0 250,000,000 | 0.31% |

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **LABOR AND ECONOMIC OPPORTUNITY**
 FISCAL YEAR: **2022-23**
 TRANSFER AMOUNT: **\$250,000,000**

S.B.O. LETTER: **4/27/23**
 S.B.O. REQUEST: **2023-5**
 ANALYST: **Viola Bay Wild**

| TRANSFER ITEMS | Y-T-D AUTH. | Y-T-D EXPEND. & ENCUMB. AS OF 6/6/23 | BALANCE AVAILABLE AS OF 6/6/23 | GOV'S REC. 4/27/23 | HOUSE ACTION | SENATE ACTION |
|------------------------------------------------------------------------------------|----------------|-----------------------------------------------|--------------------------------------|--------------------------|-----------------|------------------|
| FROM: PUBLIC ACT 194 OF 2022, SEC. 311 | | | | | | |
| Contingency authorization | 521,400,000 | NA | NA | (250,000,000) | | |
| Funding source: | | | | | | |
| Total state restricted revenues | 521,400,000 | NA | NA | (250,000,000) | | |
| TO: SEC. 103 (9) ONE-TIME APPROPRIATIONS | | | | | | |
| Michigan strategic site readiness program | 110,000,100 | 0 | 110,000,100 | 250,000,000 | | |
| Funding source: | | | | | | |
| Strategic outreach and attraction reserve fund transfer to Michigan strategic fund | 110,000,100 | 0 | 110,000,100 | 250,000,000 | | |

This transfer would provide \$250.0 million in state restricted contingency authorization to the Michigan Strategic Site Readiness Program (SSRP) pursuant to Sec. 406 of 2022 PA 194, Sec. 311 of 2023 PA 1, and Sec. 702 of 2023 PA 5. Funds would be transferred into the SSRP to fund the program activities as outlined under subsections 2, 3, 4, and 5, of Sec. 408 of 2022 PA 194, which makes the following allocations:

- \$25.0 million for grants to regional and local economic development organizations or other eligible applicants which may be used for site assessments to identify the improvements and associated costs required to bring each site to a state of readiness.
- \$100.0 million for grants to eligible applicants for improvements to strategic sites without an identified end-user.
- \$75.0 million for the assessment and development of mega-strategic sites as set forth in subsection 4.
- \$50.0 million for grants to eligible applicants for improvements to strategic sites with an identified end-user.

The MSF Board approved program guidelines for the Michigan Strategic Site Readiness Program on January 11, 2022 and amended them on January 24, 2023 to conform with 2022 PA 194. Once this transfer is approved by the Legislature, the Michigan Strategic Fund Board will approve specific projects that utilize the funds within each of these four allocations.