

MEMORANDUM



DATE: June 18, 2024
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2024-3

Attached are legislative transfers proposed by the State Budget Office in a letter dated February 27, 2024. 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 transfers, 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 some broad category of funding (federal, restricted, etc.) between the line items.


A **contingency authorization 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 authorization transfer mechanism, this type of budget adjustment would be made through a supplemental appropriation bill.

As shown in the attached table, contingency authorization transfers in this package total \$97.0 million, which will increase the FY 2023-24 year-to-date state budget by 0.12%.

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

 <p>Mary Ann Cleary, Director Viola Bay Wild, Transfer Coordinator Compiled by Tumai Burris, Budget Assistant</p>	<p>Summary Sheet</p> <p>SBO LETTER: 2024-3 March 26, 2024</p>		
Department	Analyst	Page	Total Transfer
Labor and Economic Opportunity	Marcus Coffin	1-2	\$97,000,000
Total			\$97,000,000

2024-3 Legislative Transfers

Budget	Year-to-Date Total Approps	Contingency Authorization Transfers (Increases Budget)						TOTAL	% Budget Increased
		IDG	Federal	Local	Private	Restricted	GF/GP		
Labor and Economic Opportunity	2,893,044,800					97,000,000		97,000,000	3.35%
TOTAL*	\$81,941,620,800	\$0	\$0	\$0	\$0	\$97,000,000	\$0	\$97,000,000	0.12%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **LABOR AND ECONOMIC OPPORTUNITY**
 FISCAL YEAR: **2023-24**
 TRANSFER AMOUNT: **\$97,000,000**

S.B.O. LETTER: **2/27/24**
 S.B.O. REQUEST: **2024-3**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 5/16/24	BALANCE AVAILABLE AS OF 5/16/24	GOV'S REC. 2/27/24	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 119 OF 2023, ARTICLE 9, SEC. 301(2)						
Contingency authorization	510,000,000	NA	NA	(97,000,000)		
Funding source:						
Total state restricted revenues	510,000,000	NA	NA	(97,000,000)		
 TO: SEC. 109. STRATEGIC OUTREACH AND ATTRACTION RESERVE						
Critical industry program	100	0	100	68,000,000		
Funding source:						
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	100	0	100	68,000,000		

LEGISLATIVE TRANSFER

BUDGET AREA: **LABOR AND ECONOMIC OPPORTUNITY**
 FISCAL YEAR: **2023-24**
 TRANSFER AMOUNT: **\$97,000,000 (Continued)**

S.B.O. LETTER: **2/27/24**
 S.B.O. REQUEST: **2024-3**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 5/16/24	BALANCE AVAILABLE AS OF 5/16/24	GOV'S REC. 2/27/24	HOUSE ACTION	SENATE ACTION
TO: SEC. 109. STRATEGIC OUTREACH AND ATTRACTION RESERVE						
Michigan strategic site readiness program	100	0	100	29,000,000		
Funding source:						
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	100	0	100	29,000,000		

This transfer would provide \$97.0 million in state restricted contingency authorization to the Critical Industry Program (CIP) and the Michigan Strategic Site Readiness Program (MSSRP), in accordance with Article 9, Sec. 301(2) of 2023 PA 119. Funds would be transferred into the Critical Industry Program (\$68.0 million) and the Michigan Strategic Site Readiness Program (\$29.0 million) to support a project involving Corning Incorporated and Thomas Township to construct a new solar component manufacturing facility located in Richland Township, directly adjacent to Thomas Township, in Saginaw County. The \$68.0 million transfer to the CIP would support the creation of a new manufacturing facility in Richland Township (Saginaw County), which would manufacture a range of solar components. To provide adequate service to the new manufacturing plant, the \$29.0 million transfer to the MSSRP would support necessary water, sewer, and wastewater upgrades, including an extension of Thomas Township's water and sewer lines into Richland Township.

The Michigan Strategic Fund Board approved the performance-based incentives for this project on February 27, 2024. The project is estimated to secure up to \$900.0 million in capital investment in Michigan by Corning Incorporated and create up to 1,151 new jobs in Michigan.

Revenue to support this transfer is available from the Strategic Outreach and Attraction Reserve Fund (SOAR), in approved FY 2022-23 work projects totaling \$551.1 million. This transfer is in compliance with the statutory requirements for the use and expenditure of the SOAR Fund in its enacting legislation.