

MEMORANDUM



DATE: June 18, 2024
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2024-7

Attached are legislative transfers proposed by the State Budget Office in a letter dated May 21, 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 \$250.0 million, which will increase the FY 2023-24 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

 <p>Mary Ann Cleary, Director Viola Bay Wild, Transfer Coordinator Compiled by Tumai Burris, Budget Assistant</p>	<p>Summary Sheet</p> <p>SBO LETTER: 2024-7 May 21, 2024</p>		
Department	Analyst	Page	Total Transfer
Labor and Economic Opportunity	Marcus Coffin	1	\$250,000,000
Total			\$250,000,000

2024-7 Legislative Transfer

Budget	Year-to-Date Total Approps	Contingency Authorization Transfers (Increases Budget)						% Budget Increased	
		IDG	Federal	Local	Private	Restricted	GF/GP		TOTAL
Labor and Economic Opportunity	2,893,044,800					250,000,000		250,000,000	8.64%
TOTAL*	\$81,947,620,800	\$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: **2023-24**
 TRANSFER AMOUNT: **\$250,000,000**

S.B.O. LETTER: **5/21/24**
 S.B.O. REQUEST: **2024-7**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/10/24	BALANCE AVAILABLE AS OF 6/10/24	GOV'S REC. 5/21/24	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 119 OF 2023, ARTICLE 9, SEC. 301(2)						
Contingency authorization	510,000,000	NA	NA	(250,000,000)		
Funding source:						
Total state restricted revenues	510,000,000	NA	NA	(250,000,000)		
TO: SEC. 109. STRATEGIC OUTREACH AND ATTRACTION RESERVE						
Michigan strategic site readiness program	100	0	100	250,000,000		
Funding source:						
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	100	0	100	250,000,000		

This transfer would provide \$250.0 million of state restricted contingency authorization to the Michigan Strategic Site Readiness Program (MSSRP) pursuant to Article 9, Sec. 301 of 2023 PA 119. Funds would be transferred into the MSSRP to support a grant to the Flint and Genesee Group Foundation, a local economic development corporation, for site readiness activities, including land acquisition and site and infrastructure development activities, at the Advanced Manufacturing District of Genesee County (AMD) site in Mundy Township.

The Michigan Strategic Fund Board approved the performance-based incentive for this project on May 21, 2024. This funding would be used to support land acquisition of all parcels within the AMD, to conduct due diligence on the parcels, and to perform demolition and initial site clearing work.

Revenue to support this transfer is available from the Strategic Outreach and Attraction Reserve Fund (SOAR). This transfer complies with statutory requirements for the use and expenditure of the SOAR Fund in its enacting legislation. Two separate SOAR transfers, \$97.0 million requested on February 27, 2024, and \$50.0 million requested on March 26, 2024, are pending before the legislature. In the event the three transfers are approved, there would be \$154.1 million remaining from current SOAR revenue deposits to support future transfers.