

## MEMORANDUM



**DATE:** June 26, 2023  
**TO:** Members of the House Appropriations Committee  
**FROM:** Mary Ann Cleary, Director *MAC*  
**RE:** Legislative Transfer Package 2023-4

Attached are legislative transfers proposed by the State Budget Office in a letter dated March 28, 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 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 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 \$120.3 million, which will increase the FY 2022-23 year-to-date state budget by 0.15%.*

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><b>Mary Ann Cleary, Director</b>  <b>Viola Bay Wild, Transfer Coordinator</b>  <b>Compiled by Tumai Burris, Budget Assistant</b></p>	<p><b>Summary Sheet</b></p> <p><b>SBO LETTER: 2023-4</b>  <b>March 28, 2023</b></p>	
---	---	--

Department	Analyst	Page	Total Transfer
Labor and Economic Opportunity	Viola Bay Wild	1	\$120,300,000
<b>Total</b>			<b>\$120,300,000</b>

**2023-4 Legislative Transfers**

Budget	Year-to-Date Total Approps	Contingency Fund Transfers (Increases Budget)						% Budget Increased	
		IDG	Federal	Local	Private	Restricted	GF/GP		TOTAL
Labor and Economic Opportunity	5,258,115,300					120,300,000		120,300,000	2.29%
<b>TOTAL*</b>	\$80,301,936,200	\$0	\$0	\$0	\$0	\$120,300,000	\$0	\$120,300,000	0.15%

\*Includes budget areas not affected by transfers

## LEGISLATIVE TRANSFER

BUDGET AREA: **LABOR AND ECONOMIC OPPORTUNITY**  
 FISCAL YEAR: **2022-23**  
 TRANSFER AMOUNT: **\$120,300,000**

S.B.O. LETTER: **3/23/23**  
 S.B.O. REQUEST: **2023-4**  
 ANALYST: **Viola Bay Wild**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/6/2023	BALANCE AVAILABLE AS OF 6/6/2023	GOV'S REC. 3/23/23	HOUSE ACTION	SENATE ACTION
<b>FROM: PUBLIC ACT 194 OF 2022, SEC. 406</b>						
Contingency authorization	521,400,000	NA	NA	(120,300,000)		
Funding source:						
Total state restricted revenues	521,400,000	NA	NA	(120,300,000)		
<b>TO: SEC. 103 (9) ONE-TIME APPROPRIATIONS</b>						
Michigan strategic site readiness program	110,000,100	0	110,000,100	120,300,000		
Funding source:						
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	110,000,100	0	110,000,100	120,300,000		

This proposed transfer would provide \$120.3 million in state restricted contingency authorization to the Michigan Strategic Site Readiness Program (MSSRP) pursuant to Sec. 406 of 2022 PA 194, Sec. 311 of PA 1 of 2023, and Sec. 702 of 2023 PA 5. Funding would be transferred into the Michigan Strategic Site Readiness Program to support a grant to the Marshall Area Economic Development Alliance (MAEDA) as it undertakes site readiness activities in Marshall, Calhoun County. This state investment would support land acquisition, site preparation, water and wastewater upgrades, and other necessary public infrastructure improvements at the strategic Marshall mega-site, where the Ford Motor Company's new electric vehicle (EV) battery manufacturing facility, BlueOval Battery Park, is proposed to be located.

The Michigan Strategic Fund Board approved performance-based incentives for this project on March 28, 2023. This MSSRP investment would support site readiness activities that are required for the development of BlueOval Battery Park. A previous transfer request (letter 2023-2) for \$210 million was recommended for the Critical Industry Program to support the Ford Motor Company's efforts to build the new 2.5 million square foot electric vehicle battery manufacturing facility.