

MEMORANDUM



DATE: October 30, 2023
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2024-1

Attached are legislative transfers proposed by the State Budget Office in a letter dated October 26, 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.


As shown in the attached table, standard transfers in this package total \$5.0 million, which will shift 0.01% of total appropriations within the existing FY 2023-24 year-to-date state budget.

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.

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: 2024-1 October 26, 2023</p>		
Department	Analyst	Page	Total Transfer
Environment, Great Lakes, and Energy	Austin Scott	1	\$5,000,000
Total			\$5,000,000

2024-1 Legislative Transfers

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
Environment, Great Lakes, and Energy	1,051,611,900						5,000,000	5,000,000	0.48%
TOTAL*	\$81,656,860,900	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000	0.01%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **ENVIRONMENT, GREAT LAKES, AND ENERGY**
 FISCAL YEAR: **2023-24**
 TRANSFER AMOUNT: **\$5,000,000**

S.B.O. LETTER: **10/26/23**
 S.B.O. REQUEST: **2024-1**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 10/28/23	BALANCE AVAILABLE AS OF 10/28/23	GOV'S REC. 10/26/23	HOUSE ACTION	SENATE ACTION
FROM: SEC. 113. ONE-TIME APPROPRIATIONS						
Water infrastructure reserve fund	5,000,000	0	5,000,000	(5,000,000)		
Funding source:						
State general fund/general purpose	5,000,000	0	5,000,000	(5,000,000)		
TO: SEC. 112. WATER INFRASTRUCTURE						
Municipal assistance	4,988,200	11,093	4,977,107	5,000,000		
Funding source:						
State general fund/general purpose	453,200	0	453,200	5,000,000		

This transfer seeks to move \$5.0 million in GF/GP authorization pursuant to 2023 PA 119, Article 4, section 1013 from the Water Infrastructure Reserve Fund to the Municipal Assistance appropriation for a settlement with Highland Park. The state has been participating in a court-ordered mediation as an interested party. The department will use \$675,000 for a consultant to determine the city's ability to contribute to a settlement of the Great Lakes Water Authority's (GLWA) claims and the financial viability of the city.

The remaining \$4.3 million will be used to install master water meters and sewer water meters to reduce areas of dispute between the city and GLWA. The city does not have meters in place to determine how much water is provided, so GLWA has relied on estimates to formulate water-use charges. Estimate accuracy has been a point of contention between the city and GLWA. The state estimates it will cost between \$2.0 million and \$6.0 million to install meters at GLWA connections.