

HOUSE BILL NO. 5681

April 25, 2024, Introduced by Reps. Phil Green, Kuhn, Schuette, Hall, Outman, BeGole, Borton, Wozniak, Kunse, Aragona, DeBoyer, Thompson, Harris, Tisdell, Schmaltz, DeBoer, Zorn, Neyer, Alexander, Bierlein, Bezotte, Bruck, Martin, VanderWall, Fox and Meerman and referred to the Committee on Government Operations.

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending sections 393 and 451a (MCL 18.1393 and 18.1451a), section 393 as amended by 2012 PA 430 and section 451a as added by 1999 PA 8.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 393. (1) ~~Administrative~~**The state budget director may**
2 **make administrative** transfers of appropriations within any
3 department ~~to~~**if all of the following requirements are met:**
4 (a) **The administrative transfer is to do 1 of the following:**

1 **(i) To** adjust for current cost and price variations from the
2 enacted budget items. ~~or to~~

3 **(ii) To** adjust amounts between federal sources of financing for
4 a specific appropriation line item. ~~or to~~

5 **(iii) To** adjust amounts between restricted sources of financing
6 for a specific appropriation line item. ~~or to~~

7 **(iv) To** pay court judgments, including court approved consent
8 judgments. ~~or to~~

9 **(v) To** pay all settlements and claims. ~~may be made by the~~
10 ~~state budget director not less than 30 days after notifying each~~
11 ~~member of the senate and house appropriations committees.~~
12 ~~Administrative transfers shall~~

13 **(b) The administrative transfer does** not include adjustments
14 that have policy implications or that have the effect of creating,
15 expanding, or reducing programs within that department. ~~These~~
16 ~~transfers may be~~

17 **(c) Not less than 30 days before the administrative transfer**
18 **is made, the state budget director notifies each member of the**
19 **appropriations committees of the administrative transfer.**

20 **(d) The administrative transfer is not** disapproved by either
21 appropriations committee within the ~~30 days and, if 30-day period~~
22 **described in subdivision (c). If disapproved by either**
23 **appropriations committee** within that time, ~~shall not be the~~
24 **administrative transfer is not** effective.

25 **(2) A-Except as otherwise provided under subsection (1) or**
26 **(8), the state budget director may not make an administrative**
27 transfer of appropriations within any department ~~other than an~~
28 ~~administrative transfer pursuant to subsection (1) shall not be~~
29 ~~made by the state budget director unless approved by both the~~

1 ~~senate and house~~ appropriations committees **approve of the transfer.**

2 If the state budget director ~~does not approve transfers adopted~~
 3 **decides not to execute a transfer approved** by ~~both the senate and~~
 4 ~~house~~ appropriations committees under this subsection, the state
 5 budget director shall notify each member of ~~both the senate and~~
 6 ~~house~~ appropriations committees of ~~his or her action~~ **this decision**
 7 within 15 days after the ~~senate and house~~ appropriations
 8 committees' final approval.

9 (3) A transfer approved by the appropriations committees ~~shall~~
 10 **under subsection (2) is** not ~~be~~ effective unless it is identical in
 11 terms of funding sources and dollar amounts.

12 (4) A transfer approved ~~pursuant to~~ **under** this section ~~shall~~
 13 ~~constitute~~ **constitutes** authorization to transfer the amount
 14 recommended and approved. However, the amount ~~shall~~ **must** be reduced
 15 by the state budget director to be within the current unobligated
 16 amount of the appropriation.

17 (5) Capital outlay appropriations may be transferred from a
 18 state agency, community college, or institution of higher education
 19 to provide necessary funds for the completion of an authorized
 20 capital outlay project. Operating appropriations ~~shall~~ **may** not be
 21 transferred into an existing capital outlay account.

22 (6) Transfers ~~shall~~ **may** not be authorized under any of the
 23 following circumstances:

24 (a) To create a new line-item appropriation or to create a new
 25 state program.

26 (b) To or from an operating appropriation line-item that did
 27 not appear in the fiscal year appropriation bills for which the
 28 transfer is being made.

29 (c) To or from a work project as designated under section

1 451a.

2 (d) Between state governmental funds.

3 (7) Transfers of appropriations for financing sources ~~shall~~
4 **must** be made concurrently with related transfers of appropriations
5 for line expenditure items.

6 (8) **The state budget director may not make an administrative**
7 **transfer from the strategic outreach and attraction reserve fund**
8 **created in section 4 of the Michigan trust fund act, 2000 PA 489,**
9 **MCL 12.254, unless the transfer is approved by resolution adopted**
10 **by a record roll call vote by a majority of the members elected to**
11 **and serving in each house of the legislature.**

12 Sec. 451a. (1) Except as provided in section 248, a work
13 project appropriation continues to be available until completion of
14 the work or 48 months after the last day of the fiscal year in
15 which the appropriation was originally made, whichever comes first,
16 then the remaining balance lapses to the state fund from which it
17 was appropriated. ~~For work projects established before the~~
18 ~~effective date of the amendatory act that added this section, the~~
19 ~~48-month time period described in this subsection begins on the~~
20 ~~last day of the fiscal year in the year the amendatory act that~~
21 ~~added this section takes effect.~~ To be designated as a work project
22 **on or after the effective date of the amendatory act that added**
23 **subdivision (a) (i),** a work project ~~shall~~**must** meet all of the
24 following criteria:

25 (a) The work project ~~shall~~**must** be for a specific purpose,
26 **which must not relate to either of the following:**

27 (i) **The critical industry program created in section 88s of the**
28 **Michigan strategic fund act, 1984 PA 270, MCL 125.2088s.**

29 (ii) **The Michigan strategic site readiness program created in**

1 **section 88t of the Michigan strategic fund act, 1984 PA 270, MCL**
 2 **125.2088t.**

3 (b) The work project ~~shall~~**must** contain a specific plan to
 4 accomplish its objective.

5 (c) The work project ~~shall~~**must** have an estimated completion
 6 cost, **which must not use any of the following:**

7 **(i) Money expended from the strategic outreach and attraction**
 8 **reserve fund created in section 4 of the Michigan trust fund act,**
 9 **2000 PA 489, MCL 12.254.**

10 **(ii) Money expended for the purpose the critical industry**
 11 **program created in section 88s of the Michigan strategic fund act,**
 12 **1984 PA 270, MCL 125.2088s.**

13 **(iii) Money expended for the purpose of the Michigan strategic**
 14 **site readiness program created in section 88t of the Michigan**
 15 **strategic fund act, 1984 PA 270, MCL 125.2088t.**

16 (d) The work project ~~shall~~**must** have an estimated completion
 17 date.

18 (2) The director has the authority to issue directives to
 19 lapse existing work project accounts at any time. The director
 20 shall notify each member of the ~~senate and house~~ appropriations
 21 committees and the fiscal agencies of work projects that the
 22 director has ordered to lapse. These directives may be disapproved
 23 by either ~~the senate or house~~ appropriations committee within 30
 24 days after the date of notification and, if disapproved within that
 25 time, ~~shall~~**the directives are** not ~~be~~ effective.

26 (3) Not later than 45 days after the conclusion of the fiscal
 27 year, the director shall notify the ~~senate and house~~ appropriations
 28 committees and the fiscal agencies of appropriations proposed to be
 29 designated as work projects in accordance with the definition

1 contained in this act. These designations may be disapproved by
 2 either appropriations committee within 30 days after the date of
 3 notification and, if disapproved within that time, ~~shall the~~
 4 **designations are** not be-effective. The notification ~~shall must~~
 5 include an estimate of the dollar amount of the funds to be
 6 designated as work projects and a description of all work projects
 7 designated in an appropriations act.

8 (4) Not later than 120 days after the conclusion of the fiscal
 9 year, the director shall prepare and deliver to the ~~senate and~~
 10 ~~house~~ appropriations committees and the fiscal agencies a report
 11 that summarizes current work project accounts. This report ~~shall~~
 12 **must** contain ~~a listing~~ **all of the following:**

13 (a) **A list** of all work project accounts. ~~the~~

14 (b) **The** balance in each account ~~the~~ **described in subdivision**
 15 **(a).**

16 (c) **The** amount of funds that lapsed from any previously
 17 designated work projects. ~~and the~~

18 (d) **The** funds that received ~~these~~ **the** lapses **described in**
 19 **subdivision (c).**

20 Enacting section 1. This amendatory act does not take effect
 21 unless all of the following bills of the 102nd Legislature are
 22 enacted into law:

23 (a) Senate Bill No. ____ or House Bill No. 5679 (request no.
 24 05589'24 *).

25 (b) Senate Bill No. ____ or House Bill No. 5680 (request no.
 26 05692'24 *).