



SENATE BILL No. 1106

September 10, 1996, Introduced by Senators YOUNG, CONROY, V. SMITH, CHERRY, STALLINGS, A. SMITH, HART, O'BRIEN, DE BEAUSSAERT, KOIVISTO, BYRUM, VAUGHN, DINGELL, BERRYMAN, MILLER and PETERS and referred to the Committee on Appropriations.

A bill to amend section 393 of Act No. 431 of the Public Acts of 1984, entitled as amended
"The management and budget act,"
as amended by Act No. 504 of the Public Acts of 1988, being section 18.1393 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 393 of Act No. 431 of the Public Acts of
2 1984, as amended by Act No. 504 of the Public Acts of 1988, being
3 section 18.1393 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 393. (1) Administrative transfers of appropriations
6 within any department to adjust for current cost and price varia-
7 tions from the enacted budget items, or to adjust amounts between
8 federal sources of financing, may be made by the state budget
9 director not less than 30 days after notifying the senate and

1 house appropriations committees. Administrative transfers shall
2 not include adjustments that have policy implications or that
3 have the effect of creating, expanding, or reducing programs
4 within that department. Those transfers may be disapproved by
5 either appropriations committee within the 30 days and, if disap-
6 proved within that time, shall not be effective.

7 (2) A TRANSFER OF APPROPRIATIONS WITHIN THE FAMILY INDEPEN-
8 DENCE AGENCY OR ITS SUCCESSOR AGENCY OR DEPARTMENT FOR REASONS
9 OTHER THAN COST AND PRICE VARIANCES FROM THOSE APPROPRIATIONS AS
10 ENACTED INTO LAW SHALL NOT BE MADE BY THE STATE BUDGET DIRECTOR
11 IF THE EFFECT OF THE TRANSFER IS TO TRANSFER MORE THAN 10% OF THE
12 APPROPRIATIONS FROM 1 PROGRAM, UNIT, OR DIVISION OF THE AGENCY TO
13 ANOTHER PROGRAM, UNIT, OR DIVISION OF THE AGENCY. A transfer of
14 appropriations within any department for reasons other than cost
15 and price variances from those appropriations as enacted into law
16 shall not be made by the state budget director unless approved by
17 both appropriations committees. If the budget director does not
18 approve transfers adopted by both appropriations committees under
19 this subsection, the budget director shall notify the appropria-
20 tions committees of his or her action within 15 days.

21 (3) A transfer approved by the appropriations committees
22 shall not be effective unless it is identical in terms of funding
23 sources and dollar amounts.

24 (4) A transfer approved pursuant to this section shall con-
25 stitute authorization to transfer the amount recommended and
26 approved. However, the amount shall be reduced by the state

1 budget director to be within the current unobligated amount of
2 the appropriation.

3 (5) A transfer approved by law shall not subsequently be
4 withdrawn or reversed in whole or in part.

5 (6) Transfers between capital outlay appropriations accounts
6 shall not be made except as provided in section 247.

7 (7) The state budget director may make transfers between
8 departments for federal and other restricted flow-through funds
9 when funds are appropriated in the budget of both departments.

10 (8) Transfers of appropriations shall not be made between
11 state operating funds except as provided in subsections (6) and
12 (7). Transfers shall not be allowed into or from an open-end
13 appropriation, nor shall a transfer create a new line expenditure
14 item appropriation. Transfers of appropriations for financing
15 sources shall be made concurrently with related transfers of
16 appropriations for line expenditure items.

17 (9) The state budget director shall not make transfers
18 between items appropriated except as provided in this section or
19 section 396(2).