

Fiscal Analysis

CONTINGENT FUND WITHDRAWAL



Bill/Sponsor **SENATE BILL 370 (without amendment),** Sen. Burton Leland

House Committee Appropriations

Analysis

Summary

Senate Bill 370 would amend the Michigan Employment Security Act to provide for the withdrawal of \$10 million from the Contingent Fund and deposit into the General Fund for fiscal year (FY) 2003-04.

In FY 2001-02 and FY 2002-03 Federal Reed Act funding has been used to replace Contingent Fund dollars in the Department of Consumer and Industry Services budget as one-time measures to balance the budgets for fiscal years FY 2001-02 and FY 2002-03. The balance of the Contingent Fund has increased due to the use of the Reed Act funding.

Fiscal Impact

Senate Bill 370 would allow for the withdrawal of \$10 million from the Contingent Fund for FY 2003-04 with a like amount to be deposited into the General Fund. There appear to be sufficient funds to effect this transfer as the estimated Contingency Fund balance at the beginning of FY 2003-04 is \$13.3 million. New revenues in FY 2003-04 are expected to be \$11.1 million; therefore available FY 2003-04 Contingency Fund revenues would be \$24.4. Expected appropriations to the Department of Consumer and Industry Services and the Department of Career Development total \$12.8 million, which leaves \$11.6 million to satisfy the \$10.0 million withdrawal.

Analyst(s)

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