

STATE ADMINISTRATIVE BOARD (EXCERPT)
Act 2 of 1921

17.3 Administrative board; supervisory control over administrative departments; limitations as to appropriations and inter-transfers; duties of administrative officials.

Sec. 3. (1) The state administrative board shall exercise general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of the state, and of all state institutions.

(2) Except as provided in subsection (5), the state administrative board shall not have power to transfer any appropriation to the general fund at any time or use the same for any purpose other than that designated by the legislature.

(3) The state administrative board shall not have power to allow to any state department, board, commission, officer, or institution any funds, not appropriated therefor by the legislature, from any source whatever, except as provided in the emergency appropriation act of 1931.

(4) Except as provided in subsection (5), the state administrative board shall not have the power to transfer to any state department, board, commission, officer, or institution any sum from the amount appropriated by the legislature for any other purpose.

(5) Subject to subsection (6), the state administrative board may inter-transfer funds within the appropriation for a particular department, board, commission, officer, or institution. If the inter-transfer of funds could otherwise be accomplished through the transfer process under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, the state administrative board may carry out the inter-transfer only if both of the following requirements have been met:

(a) The state budget director has first requested the approval of or given notice to, as applicable, the senate and house of representatives appropriations committees regarding the inter-transfer of funds under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393.

(b) The request to inter-transfer funds made under subdivision (a) has not been approved by both appropriations committees by whichever of the following dates is the earliest:

(i) Six session days after the request was made.

(ii) Thirty calendar days after the first session day after the request was made.

(6) The state administrative board may not transfer or inter-transfer any funds that are appropriated to or deposited in the strategic outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254, or that are appropriated or transferred for the critical industry program created in section 88s of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088s, or the Michigan strategic site readiness program created in section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t.

(7) The state administrative board may in its discretion intervene in any matter touching the functions and activities under this section and may, by resolution or order, advise or direct the department, board, commission, officer, or institution concerned as to the manner in which the function or other activity shall be performed, and may order an interchange or transfer of employees between departments, boards, commissions, and state institutions when necessary. It is hereby made the duty of each and every official and employee connected with any administrative department, office, or institution of the state to follow the direction or order so given; and to perform such services in the carrying out of the purposes and intent of this act as may be required by the board. Failure so to do shall be deemed to constitute malfeasance in office and shall be sufficient cause for removal.

(8) As used in this section, "session day" means a day on which both the senate and the house of representatives convene in session.

History: 1921, Act 2, Imd. Eff. Feb. 23, 1921;—Am. 1927, Act 12, Imd. Eff. Mar. 25, 1927;—CL 1929, 203;—Am. 1931, Act 6, Imd. Eff. Mar. 31, 1931;—CL 1948, 17.3;—Am. 2019, Act 161, Imd. Eff. Dec. 20, 2019;—Am. 2021, Act 143, Imd. Eff. Dec. 27, 2021.

Constitutionality: Individual members of the legislature brought an action challenging the State Administrative Board's authority under MCL 17.3 to transfer appropriated funds from one program to another within a department. The Court of Appeals conferred standing and held that the statutory authority relied upon by the board had been impliedly repealed by subsequent legislative acts. The Michigan Supreme Court agreed that the chairman of the House Appropriations Committee had standing, but reversed the Court of Appeals decision repealing the State Administrative Board's authority to transfer funds. The Michigan Supreme Court held that neither subsequent amendments to the State Administrative Board Act nor the enactment of the Management and Budget Act indicates an intent by the legislature to repeal by implication the Board's authority under MCL 17.3 to transfer funds within a department. *House Speaker v State Administrative Bd*, 441 Mich 547; 495 NW2d 539(1993).