



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 438 (as introduced 4-28-05)
Sponsor: Senator Mike Prusi
Committee: Appropriations

Date Completed: 5-3-05

CONTENT

The bill would amend Sec. 353c of the Management and Budget Act to provide for a transfer from the Counter-Cyclical Budget and Economic Stabilization Fund (Fund) to the General Fund at the close of fiscal year (FY) 2004-05. The bill would authorize the transfer of the entire balance in the Fund as of September 30, 2005, to the General Fund. This transfer was part of an overall comprehensive proposal adopted by the Legislature in March 2005 to eliminate a projected FY 2004-05 General Fund/General Purpose budget deficit.

MCL 18.1353c

FISCAL IMPACT

As part of the FY 2003-04 final budget book-closing, \$81.3 million was transferred to the Fund. Senate Bill 438 would transfer to the General Fund this balance plus any interest earnings. The total amount transferred as of September 30, 2005, would be approximately \$83.7 million.

Fiscal Analyst: Gary Olson

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.