

CTF Fund Balance - Boilerplate Section 715, PA 162 of 2003 Calculation of Excess Fund Balance (in millions)

Estimated FY04 Revenue	\$	237.9
FY03 Unreserved Fund Balance		<u>5.5</u>
Available	\$	243.4
FY04 Appropriations		<u>246.5</u>
Overappropriated in FY04	\$	(3.1)

Summary: Section 715 of PA 162 requires that the FY03 unreserved fund balance in excess of \$1m be appropriated as additional authority in FY04.

Conclusion: Since FY04 is overappropriated by \$3.1m, none of the FY03 unreserved fund balance is available for new authorization.

On January 22, 2004, Bill Hamilton, House Fiscal Agency, Craig Thiel, Senate Fiscal Agency, Lisa Shoemaker, DMB Budget, Ed Timpf and Ann Dennis, Department of Transportation, met to discuss CTF's unreserved and unencumbered fund balance. PA 162 of 2003, Section 715(1) states that the department, together with the house and senate fiscal agencies and DMB, shall estimate CTF's unreserved and unencumbered fund balance as of September 30, 2003. Section 715(2) requires that on or before February 3, 2004, the department shall request a legislative transfer to appropriate any CTF unreserved and unencumbered balance in excess of \$1 million. Because FY2003 books were closed and the SOMCAFR was issued prior to the meeting, the CTF unreserved and unencumbered was known and did not need to be estimated. CTF ended FY2003 with a \$5.5m unreserved and unencumbered fund balance. MDOT created the spreadsheet info below to show that FY04 was overappropriated by \$3.1m, even after including the FY03 CTF fund balance, therefore no excess balance exists and a transfer is not necessary. Both the House and the Senate fiscal agencies, DMB and MDOT agreed that a transfer is not necessary to meet the requirements of Section 715.