

MEMORANDUM



DATE: Tuesday, September 19, 2017
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2017-7

Attached are legislative transfers proposed by the State Budget Office in a letter dated September 13, 2017. Pursuant to section 393 of the Management and Budget Act, a legislative transfer must be approved by a majority of both the House and Senate Appropriations Committees, with identical funding sources and dollar amounts, in order to become effective. This transfer package is scheduled to be considered by the House Appropriations Committee on Wednesday, September 20, 2017.

There are two basic types of legislative transfers, which have different effects on the overall level of appropriations in the state budget.

A **standard legislative transfer** shifts existing spending authorization between line items in a particular budget area, with no net change in total appropriations. Generally, such transfers are proposed when expenditures are higher than originally anticipated in one line item and lower than anticipated in another. These transfers can represent a shift of GF/GP funding between two line items, or merely a shift of spending authorization from same broad category of funding (federal, restricted, etc.) between the line items.

As shown in the attached table, standard transfers in this package total \$163.0 million, which will shift 0.29% of total appropriations within the existing FY 2016-17 year-to-date state budget.


A **contingency fund transfer** increases total line item appropriations in a budget area by moving contingency spending authorization from the boilerplate section of a budget act to a specific line item in order to recognize additional federal, private, local, or state restricted revenue that has become available since the original enactment of the budget. Absent the contingency fund transfer mechanism, this type of budget adjustment would be made through a supplemental appropriation bill.

As shown in the attached table, contingency fund transfers in this package total \$42.45 million, which will increase the FY 2016-17 year-to-date state budget by 0.08%.

If you have questions about the transfers generally, please contact me. If you have questions about an individual transfer, please contact the HFA analyst assigned to that budget area. We can be reached at 373-8080.

Attachment

LEGISLATIVE TRANSFER PACKAGE

 Mary Ann Cleary, Director Viola Bay Wild, Transfer Coordinator Compiled by Tumai Burris, Budget Assistant		Summary Sheet SBO LETTER: 2017-7 September 13, 2017	
Department	Analyst	Page	Total Transfer
Agriculture and Rural Development	William Hamilton	1	\$100,000
Corrections	Robin Risko	2-5	14,650,400
Education	Samuel Christensen	6	300,000
Health and Human Services	Sue Frey Kevin Koorstra Viola Bay Wild	7-11	158,773,100
Licensing and Regulatory Affairs	Marcus Coffin	12	276,000
Military and Veterans Affairs	Kent Dell	13-15	8,715,000
State	Michael Cnossen	16	300,000
State Police	Kent Dell	17-21	9,061,000
Talent and Economic Development	Ben Gielczyk	22	6,000,000
Treasury	Ben Gielczyk	23-24	7,315,000
Total			\$205,490,500

FY 2016-17 Legislative Transfers: Request 2017-7

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
Agriculture and Rural Development	95,906,900						100,000	100,000	0.10%
Corrections	2,013,479,000						6,050,400	6,050,400	0.30%
Health and Human Services	24,979,554,400		61,515,000			25,392,900	56,577,900	143,485,800	0.57%
Military and Veterans Affairs	178,320,000						800,000	800,000	0.45%
State Police	668,608,400		4,179,100			2,412,100		6,591,200	0.99%
Talent and Economic Development	1,156,450,300					6,000,000		6,000,000	0.52%
Treasury - Operations	537,623,200					15,000		15,000	0.00%
TOTAL*	\$55,284,299,500	\$0	\$65,694,100	\$0	\$0	\$33,820,000	\$63,528,300	\$163,042,400	0.29%

*Includes budget areas not affected by transfers

Budget	Year-to-Date Total Approps	Contingency Fund Transfers (Increases Budget)						TOTAL	% Budget Increased
		IDG	Federal	Local	Private	Restricted	GF/GP		
Corrections	2,013,479,000					8,600,000		8,600,000	0.43%
Education	346,501,400		300,000					300,000	0.09%
Health and Human Services	24,979,554,400		287,300			15,000,000		15,287,300	0.06%
Licensing and Regulatory Affairs	436,694,400					276,000		276,000	0.06%
Military and Veterans Affairs	178,320,000		7,915,000					7,915,000	4.44%
State	250,315,600					300,000		300,000	0.12%
State Police	668,608,400					2,469,800		2,469,800	0.37%
Treasury - Operations	537,623,200					7,300,000		7,300,000	1.36%
TOTAL*	\$55,284,299,500	\$0	\$8,502,300	\$0	\$0	\$33,945,800	\$0	\$42,448,100	0.08%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **AGRICULTURE AND RURAL DEVELOPMENT**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$100,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **William E. Hamilton**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/14/17	BALANCE AVAILABLE AS OF 9/14/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: SEC. 102. DEPARTMENTWIDE						
Unclassified positions	545,900	366,330	179,570	(100,000)		
Funding source:						
State general fund/general purpose	545,900	366,330	179,570	(100,000)		
TO: SEC. 102. DEPARTMENTWIDE						
Executive direction	1,413,500	1,021,262	392,238	100,000		
Funding source:						
State general fund/general purpose	1,359,200	1,021,262	337,938	100,000		

This transfer request will provide \$100,000 in GF/GP authorization to support the physical relocation of the Central Licensing and Call Center Unit to the Geagley Laboratory in East Lansing, Michigan consistent with the reorganization of the department. This reorganization is recognized in the FY 2017-18 enacted budget. Funds are available from the unclassified salaries line due to a vacant position. Completion of this transfer is needed by September 30, 2017.

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$8,600,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/9/17	BALANCE AVAILABLE AS OF 9/9/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE V SEC. 223(2)						
Contingency funds	10,000,000	NA	NA	(8,600,000)		
Funding source:						
Total state restricted revenues	10,000,000	NA	NA	(8,600,000)		
TO: SEC. 104. BUDGET AND OPERATIONS ADMINISTRATION						
Equipment and special maintenance	1,559,700	1,011,685	548,015	8,600,000		
Funding source:						
Program and special equipment fund	100	0	100	8,600,000		

This transfer appropriates available Program and Special Equipment Fund revenue and authorizes the department to expend it on security improvement projects at various correctional facilities. Projects include perimeter security enhancements, fence replacements and razor ribbon enhancements, and replacement of personal protection devices.

Revenue going into the Program and Special Equipment Fund is derived from charging prisoners specific rates for telephone services. Authorization for fund revenue was reduced in the enacted FY 2016-17 budget based on a decision by the Federal Communications Commission (FCC) to reduce and cap the rates charged to prisoners. The FCC decision has since been reversed, resulting in revenue accumulating in the fund and being available for expenditure.

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$800,400**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/9/17	BALANCE AVAILABLE AS OF 9/9/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: SEC. 108. CORRECTIONAL FACILITIES						
Earnest C. Brooks Correctional Facility - Muskegon	50,687,600	44,562,384	6,125,216	(255,700)		
Central Michigan Correctional Facility – St. Louis	46,681,300	39,660,934	7,020,366	(266,300)		
Kinross Correctional Facility - Kincheloe	33,138,100	27,384,447	5,753,653	(278,400)		
Funding source: State general fund/general purpose	130,507,000	111,607,765	18,899,235	(800,400)		
TO: SEC. 108. CORRECTIONAL FACILITIES						
Oaks Correctional Facility - Eastlake	34,072,200	31,895,699	2,176,501	800,400		
Funding source: State general fund/general purpose	34,072,200	31,895,699	2,176,501	800,400		

This transfer appropriates additional GF/GP to the Oaks Correctional Facility line item to support staff transition costs resulting from closure of the Pugsley Correctional Facility. Funding is available in the various correctional facility line items due to vacant FTE positions.

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$5,250,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/9/17	BALANCE AVAILABLE AS OF 9/9/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: SEC. 103. PRISONER REENTRY AND COMMUNITY SUPPORT						
Public safety initiative	4,500,000	2,974,477	1,525,523	(500,000)		
Funding source:						
State general fund/general purpose	4,500,000	2,974,477	1,525,523	(500,000)		
SEC. 104. BUDGET AND OPERATIONS ADMINISTRATION						
Worker's compensation	14,171,300	8,567,932	5,603,368	(3,600,000)		
Administrative hearings officers	3,407,100	2,127,965	1,279,135	(200,000)		
Funding source:						
State general fund/general purpose	17,578,400	10,695,897	6,882,503	(3,800,000)		
SEC. 106. CORRECTIONAL FACILITIES ADMINISTRATION						
Inmate legal services	790,900	242,723	548,177	(200,000)		
Funding source:						
State general fund/general purpose	790,900	242,723	548,177	(200,000)		
SEC. 108. CORRECTIONAL FACILITIES						
Carson City Correctional Facility – Carson City	48,491,500	41,665,459	6,826,041	(750,000)		
Funding source:						
State general fund/general purpose	48,491,500	41,665,459	6,820,041	(750,000)		

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$5,250,000 (Continued)**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/9/17	BALANCE AVAILABLE AS OF 9/9/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
TO: SEC. 109. INFORMATION TECHNOLOGY						
Information technology services and projects	28,813,300	22,833,760	5,979,540	5,250,000		
Funding source:						
State general fund/general purpose	27,501,400	22,833,760	4,667,640	5,250,000		

This transfer appropriates additional GF/GP to the Information Technology Services and Projects line item to cover a portion of the costs associated with system analysis, configuration, implementation, and support services for the modernization of multiple legacy software systems. The goal is to provide one integrated system that automates all functions across the department that are relative to offenders, including, but not limited to, investigations, management, internal audit, prisoner counts, education, physical and mental health records, behavior (i.e., critical incidents and misconducts), meal tracking, visitor tracking, offender financial services, probation and parole services, parole board services, and reentry services. There is \$12.0 million designated for this project from the Information Technology Investment Fund through DTMB.

Funding is available from the various line items due to operational efficiencies including reduced worker's compensation costs and a closed housing unit at the Carson City Correctional Facility.

LEGISLATIVE TRANSFER

BUDGET AREA: **EDUCATION**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$300,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Samuel Christensen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/9/17	BALANCE AVAILABLE AS OF 9/9/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE VI SEC. 210(1)						
Contingency funds	10,000,000	NA	NA	(300,000)		
Funding source:						
Total federal revenues	10,000,000	NA	NA	(300,000)		
TO: SEC. 103. CENTRAL SUPPORT						
Terminal leave payments	353,300	501,233	(147,933)	300,000		
Funding source:						
Federal indirect funds	287,900	387,295	(99,395)	300,000		

This transfer would provide \$300,000 in federal contingency fund authorization in accordance with PA 268 of 2016 (Article VI, Part 2, section 210(1)) to the Central Support unit's Terminal Leave Payments line item. Current terminal leave appropriations are \$353,300 between all fund sources and costs will exceed this appropriation due to a high number of employee retirements. This appropriation is used solely for leave payoffs for employees departing state service. There are sufficient federal indirect fund dollars available to cover the transfer. This transfer is necessary by September 30, 2017.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$287,300**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Viola Bay Wild**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/17	BALANCE AVAILABLE AS OF 9/15/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE X SEC. 206(1)						
Contingency funds	369,172,400	NA	NA	(287,300)		
Funding source:						
Total federal revenues	369,172,400	NA	NA	(287,300)		
TO: SEC. 106. CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE						
Juvenile justice, administration and maintenance	3,543,700	2,508,081	1,035,619	287,300		
Funding source:						
Capped federal revenues	77,200	54,639*	22,561*	287,300		

This contingency fund transfer requests additional capped federal authorization to recognize increase capped federal revenues exceeding current authorization. Additional funding from federal juvenile justice education funds, including special education funding, that can be used to help pay for the education expenses of children in juvenile justice facilities is available. Funding in the Juvenile Justice, Administration and Maintenance line supports oversight functions of the Bureau of Juvenile Justice, including administration, quality assurance, education, assignment, reintegration, and information technology requested activities. Spending authority is available from federal contingency fund authorization in accordance with PA 268 of 2016, Article X, section 206 (1). This transfer is requested by September 30, 2017.

*Year-to-date (YTD) expenditures, encumbrances, and balances by revenue source are estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2016-17**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kevin Koorstra**
Viola Bay Wild

TRANSFER AMOUNT: **\$8,200,000**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/17	BALANCE AVAILABLE AS OF 9/15/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: SEC. 122. MEDICAL SERVICES						
Health plan services	4,967,304,800	4,399,318,365	567,986,435	(8,200,000)		
Funding source:						
State general fund/general purpose	294,381,900	260,720,804*	33,661,096*	(8,200,000)		
TO: SEC. 105. CHILDREN'S SERVICES						
AGENCY - CHILD WELFARE						
Foster care payments	189,254,400	184,355,243	4,889,157	8,200,000		
Funding source:						
State general fund/general purpose	76,480,000	74,500,191*	1,979,809*	8,200,000		

This transfer requests \$8.2 million in GF/GP authorization from the Health Plan Services line item to the Foster Care Payments line item. Based on the department's caseload projections and cost allocation plan, increased GF/GP authorization is needed to meet foster care obligations through the end of the fiscal year. According to the department, the foster care average monthly caseload is expected to remain close to the projected 5,914 cases, however, the average annual cost per case is expected to be approximately \$1,375 higher per case than the consensus average cost of \$29,972 per case. Sufficient authorization is available in the Health Plan Services line item due to greater than anticipated pharmacy rebates. Both appropriations are consensus accounts. This transfer is requested by September 22, 2017.

*Year-to-date (YTD) expenditures, encumbrances, and balances by revenue source are estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$150,285,800**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/17	BALANCE AVAILABLE AS OF 9/15/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE X SEC. 206(2)						
Contingency funds	44,700,000	NA	NA	(15,000,000)		
Funding source:						
Total state restricted revenues	44,700,000	NA	NA	(15,000,000)		
SEC. 121. MEDICAL SERVICES ADMINISTRATION						
Electronic health record incentive program	144,297,800	40,286,769	104,011,031	(10,000,000)		
Funding source:						
Total other federal revenues	142,944,000	39,876,104	103,067,896	(10,000,000)		
SEC. 122. MEDICAL SERVICES						
Hospital services and therapy	815,000,100	715,005,168	99,994,932	(25,392,900)		
Funding source:						
Total other state restricted revenues	273,402,700	239,858,061*	33,544,639*	(25,392,900)		
Health plan services	4,967,304,800	4,399,318,365	567,986,435	(74,500,000)		
Funding sources:						
Total other federal revenues	3,307,049,400	2,928,904,858*	378,144,542*	(51,515,000)		
State general fund/general purpose	294,381,900	260,720,804*	33,661,096*	(22,985,000)		
Long term care services	1,707,472,500	1,531,338,537	176,133,963	(25,392,900)		
Funding source:						
State general fund/general purpose	326,204,800	292,555,213*	33,649,587*	(25,392,900)		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$150,285,800 (Continued)**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/17	BALANCE AVAILABLE AS OF 9/15/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
TO: SEC. 121. MEDICAL SERVICES ADMINISTRATION						
Medical services administration	84,565,600	77,031,507	7,534,093	10,000,000		
Funding source:						
Total other federal revenues	54,375,900	49,531,458*	4,844,442*	10,000,000		
SEC. 122. MEDICAL SERVICES						
Hospital services and therapy	815,000,100	715,005,168	99,994,932	35,392,900		
Funding sources:						
Total other state restricted revenues	273,402,700	239,858,061*	33,544,639*	10,000,000		
State general fund/general purpose	3,177,900	2,787,993*	389,907*	25,392,900		
Health plan services	4,967,304,800	4,399,318,365	567,986,435	5,000,000		
Funding source:						
Total other state restricted revenues	1,350,962,400	1,196,486,613*	154,475,787*	5,000,000		
Medicare premium payments	516,239,200	477,518,261	38,720,939	10,000,000		
Funding sources:						
Total other federal revenues	408,908,700	378,238,172*	30,670,528*	6,515,000		
State general fund/general purpose	107,330,500	99,280,089*	8,050,411*	3,485,000		
Long-term care services	1,707,472,500	1,531,338,537	176,133,963	25,392,900		
Funding source:						
Total other state restricted revenues	251,613,700	225,658,542*	25,955,158*	25,392,900		
Integrated care organizations	188,871,100	188,871,100	0	16,000,000		
Funding sources:						
Total other federal revenues	122,451,100	122,451,100*	0*	11,000,000		
State general fund/general purpose	66,420,000	66,420,000*	0*	5,000,000		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$150,285,800 (Continued)**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/17	BALANCE AVAILABLE AS OF 9/15/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
TO: SEC. 122. MEDICAL SERVICES						
Maternal and child health	20,279,500	12,866,439	7,413,061	10,000,000		
Funding source:						
Total other federal revenues	20,279,500	12,866,439	7,413,061	10,000,000		
Federal Medicare pharmaceutical program	249,182,100	183,279,402	65,902,698	1,000,000		
Funding source:						
State general fund/general purpose	249,182,100	183,279,402	65,902,698	1,000,000		
SEC. 111. BEHAVIORAL HEALTH SERVICES						
Autism services	88,304,900	50,433,774	37,871,126	37,500,000		
Funding sources:						
Total other federal revenues	58,807,800	33,587,030*	25,220,770*	24,000,000		
State general fund/general purpose	29,497,100	16,846,744*	12,650,356*	13,500,000		

This transfer request would move authorization between a number of Medicaid caseload and non-caseload lines to reflect anticipated year-end FY 2016-17 spending levels. Authorization is available for transfer from the Health Plan Services line item as pharmacy rebates have exceeded projected levels. This authorization would be transferred to the Medicare Premium Payments, Long-Term Care Services, Integrated Care Organizations, Federal Medicare Pharmaceutical Program, Maternal and Child Health, and Autism Services line items where expenditures are projected to come in above appropriated levels.

In addition, this transfer requests three non-caseload Medicaid authorization adjustments. First, state restricted contingency funds are requested to provide authorization for greater than budgeted Quality Assurance Assessment Tax (QAAP) revenues in Hospital Services and Therapy and Health Plan Services line items. Second, this transfer requests a GF/GP and Healthy Michigan Fund shift between the Hospital Services and Therapy and Long-Term Care Services line items. Third, available federal authorization in the Electronic Health Record Incentive Program line item is transferred to provide necessary federal authorization in the Medical Services Administration line item to support certain contracts that can draw down enhanced federal matching funds.

This transfer is requested by September 30, 2017.

*Year-to-date (YTD) expenditures, encumbrances, and balances by revenue source are estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: LICENSING AND REGULATORY AFFAIRS
 FISCAL YEAR: 2016-17
 TRANSFER AMOUNT: \$276,000

S.B.O. LETTER: 9/13/17
 S.B.O. REQUEST: 2017-7
 ANALYST: Marcus Coffin

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/17	BALANCE AVAILABLE AS OF 9/15/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE XII SEC. 206(2)						
Contingency funds	24,065,300	NA	NA	(276,000)		
Funding source:						
Total state restricted revenues	24,065,300	NA	NA	(276,000)		
TO: SEC. 109. DEPARTMENT GRANTS						
Liquor law enforcement grants	7,200,000	2,179,599	5,020,401	276,000		
Funding source:						
Liquor license revenue	7,200,000	2,179,599	5,020,401	276,000		

This transfer request increases state restricted spending authorization for Liquor Law Enforcement Grants by \$276,000 to allow for the proper level of payments to local law enforcement agencies pursuant to the Liquor Control Code (MCL 436.1543). The code requires that 55% of the amount of the proceeds of retailers' license fees and license renewal fees collected within a jurisdiction be remitted to that jurisdiction, for the specific purpose of enforcing the Liquor Control Code. Spending authority is available from state restricted contingency funds in accordance with PA 268 of 2016, Article XIII, section 210 (2). This transfer is needed by September 30, 2017.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$7,115,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/17	BALANCE AVAILABLE AS OF 9/18/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE XIV SEC. 206(1)						
Contingency funds	9,750,000	NA	NA	(7,115,000)		
Funding source:						
Total federal revenues	9,750,000	NA	NA	(7,115,000)		
TO: SEC. 102. MILITARY						
Headquarters and armories	15,854,100	15,252,500	601,600	2,000,000		
Michigan youth challenge academy	5,426,900	5,420,300	6,600	700,000		
Military training sites and support facilities	34,043,000	31,191,500	2,851,500	1,000,000		
Departmentwide accounts	1,839,100	3,295,900	(1,456,800)	3,000,000		
Starbase grant	2,322,000	2,563,300	(241,300)	415,000		
Funding source:						
Total federal revenues	47,068,300	47,206,600	(138,300)	7,115,000		

This request transfers a total of \$7,115,000 in federal contingency fund authorization to several military lines to align authorization with available federal revenues from the Department of Defense – Department of Army – National Guard Bureau. \$2.0 million for the Headquarters and Armories line item will support purchases for items such as armory furniture, energy audits, utility integration services, and other life, safety, and health materials. \$700,000 for the Michigan Youth Challenge Academy line item will support academy operating costs. \$1.0 million for the Military Training Sites and Support Facilities line item will support purchases for items such as furniture, energy audits, a master plan for the Grayling Army Airfield, and other life, safety, and health materials. \$3.0 million for the Departmentwide Accounts line item will support purchases associated with equipment necessary to maintain training facilities, Camp Grayling, and Fort Custer. \$415,000 for the Starbase Grant line item will support contract expenditures. Additional funding is available as a result of unanticipated federal revenues. Spending authority is available from federal contingency fund authorization in accordance with 2016 PA 268, Article XIV, section 206(1).

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$800,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/17	BALANCE AVAILABLE AS OF 9/18/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE XIV SEC. 206(1)						
Contingency funds	9,750,000	NA	NA	(800,000)		
Funding source:						
Total federal revenues	9,750,000	NA	NA	(800,000)		
TO: SEC. 103. MICHIGAN VETERANS AFFAIRS AGENCY						
D.J. Jacobetti home for veterans	21,250,600	21,458,800	(208,200)	800,000		
Funding source:						
Total federal revenues	8,305,600	8,423,300	(117,700)	800,000		

This request transfers \$800,000 in federal contingency fund authorization to the D.J. Jacobetti Home for Veterans line item to align authorization with available Department of Veteran Affairs – Veteran Health Administration as a result of a U.S. Department of Veterans Affairs rate increase. Funding will be used to support staffing and general operations costs such as laundry and food service contracts. Spending authority is available from federal contingency funds in accordance with 2016 PA 268, Article XIV, section 206(1).

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$800,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/17	BALANCE AVAILABLE AS OF 9/18/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: SEC. 104. GRAND RAPIDS HOME FOR VETERANS						
Salaries, wages, and fringe benefits	29,651,000	22,733,900	6,917,100	(800,000)		
Funding source:						
State general fund/general purpose	12,854,900	5,937,800	6,917,100	(800,000)		
TO: SEC. 104. GRAND RAPIDS HOME FOR VETERANS						
Veterans home operations	9,255,200	10,191,700	(936,500)	500,000		
Purchased services	10,342,600	10,239,400	103,200	300,000		
Funding source:						
State general fund/general purpose	8,841,700	9,675,000	(833,300)	800,000		

This request transfers \$800,000 GF/GP authorization from the Salaries, Wages, and Fringe Benefits line item to the Veterans Home Operations line item (\$500,000) and the Purchased Services line item (\$300,000) to align authorization with operational need to support laundry and food costs in the Veterans Home Operations line item, and staffing costs in the Purchased Services line item. Funding is available in the Salaries, Wages and Fringe Benefits line due to the redistribution of authorization as part of a technical restructuring of the Grand Rapids Home for Veterans line items during the FY 2016-17 budget development process. In previous years, appropriations for the Grand Rapids Home for Veterans were made via a single line item. FY 2016-17 is the first year that the new budget structure has been implemented, resulting in the need to make minor adjustments to correctly align authorization between the separate line items in the Grand Rapids Home for Veterans appropriation unit.

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$300,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/9/17	BALANCE AVAILABLE AS OF 9/9/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE VIII SEC. 701(2)						
Contingency funds	5,500,000	NA	NA	(300,000)		
Funding source:						
Total state restricted revenues	5,500,000	NA	NA	(300,000)		
TO: SEC. 106(5) CUSTOMER DELIVERY SERVICES						
Credit and debit assessment services	8,000,000	6,578,024	1,421,976	300,000		
Funding source:						
Credit and debit assessment service fee revenue	8,000,000	6,578,024	1,421,976	300,000		

This request transfers \$300,000 in authorization from state restricted contingency funds to Credit and Debit Assessment Services to cover additional costs associated with increased debit and credit card usage from the program. Spending authority is available from state restricted contingency funds in accordance with PA 268 of 2016, Article VIII, section 701 (2). This transfer is needed by September 30, 2017 to meet payment obligations to credit card processors due to higher than anticipated credit and debit card usage. This transfer would authorize the Department of State to use restricted collected service fee revenue for its intended purpose.

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$2,000,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/17	BALANCE AVAILABLE AS OF 9/18/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE XVI SEC. 206(2)						
Contingency funds	2,469,800	NA	NA	(1,491,200)		
Funding source:						
Total other state restricted revenues	2,469,800	NA	NA	(1,491,200)		
SEC. 105. FIELD SERVICES						
Post operations	279,967,400	265,925,700	14,041,700	(508,800)		
Funding source:						
Total other state restricted revenues	38,456,100	32,787,000	5,669,100	(508,800)		
TO: SEC. 103. LAW ENFORCEMENT SERVICES						
Criminal justice information center	18,485,400	17,729,600	755,800	2,000,000		
Funding source:						
Total other state restricted revenues	12,521,600	12,137,300	384,300	2,000,000		

This transfer request provides \$1.5 million in authorization from state restricted contingency funds and \$508,800 in authorization from the Highway Safety Fund to align authorization with higher than anticipated Criminal Justice Information Center Services Fees revenue. Funding will be used to expand data analytics capability to further detect crime trends, patterns, and behaviors to develop actionable intelligence. Spending authority is available from state restricted contingency fund authorization in accordance with 2016 PA 268, Article XVI, section 206(2), as well as lower than anticipated Highway Safety Fund revenue.

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$2,881,900**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/17	BALANCE AVAILABLE AS OF 9/18/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE XVI SEC. 206(2)						
Contingency funds	2,469,800	NA	NA	(978,600)		
Funding source:						
Total other state restricted revenues	2,469,800	NA	NA	(978,600)		
SEC. 104. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS						
Standards and training/justice training grants	9,094,500	3,742,000	5,352,500	(1,400,000)		
Funding source:						
Total other state restricted revenues	8,176,600	2,827,200	5,349,400	(1,400,000)		
SEC. 103. LAW ENFORCEMENT SERVICES						
Training	13,030,600	10,440,400	2,590,200	(503,300)		
Funding source:						
Total other state restricted revenues	6,402,900	3,983,200	2,419,700	(503,300)		

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$2,881,900 (Continued)**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/17	BALANCE AVAILABLE AS OF 9/18/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
TO: SEC. 102. EXECUTIVE DIRECTION AND DEPARTMENTAL SERVICES						
Information technology services and projects	24,425,900	19,661,300	4,764,600	2,881,900		
Funding source:						
Total other state restricted revenues	7,171,600	5,835,500	1,336,100	2,881,900		

This transfer request provides authorization from various state restricted funds including state restricted contingency fund authorization to align authorization with higher than anticipated Criminal Justice Information Center Services Fees revenue. Funding will be used to support continued information technology upgrades including data analytics, intelligence management, and report writing systems. Spending authority is available from state restricted contingency fund authorization in accordance with 2016 PA 268, Article XVI, section 206(2), as well lower than anticipated Michigan Justice Training Fund and Drunk Driving Prevention and Training Fund revenues.

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$859,100**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/17	BALANCE AVAILABLE AS OF 9/18/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: SEC. 103. LAW ENFORCEMENT SERVICES						
Grants and community services	17,632,000	7,732,200	9,899,800	(859,100)		
Funding source:						
Total federal revenues	8,634,900	2,291,100	6,343,800	(859,100)		
TO: SEC. 103. LAW ENFORCEMENT SERVICES						
Criminal justice information center	18,485,400	17,729,600	755,800	859,100		
Funding source:						
Total federal revenues	1,921,200	2,465,200	(544,000)	859,100		

This request transfers federal expenditure authorization from the Grants and Community Services line item to the Criminal Justice Information Center line item, in order to allow MSP to expend grant funding received from the Office of Highway Safety Planning. Grant funding will allow for the integration of various traffic-related datasets including crashes, citations, vehicles, drivers, roadways, and injuries. Spending authority is available in the Grants and Community Services line due to lower than anticipated federal Department of Justice - Byrne Justice Assistance Grant revenues.

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$3,320,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/17	BALANCE AVAILABLE AS OF 9/18/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: SEC. 106. SPECIALIZED SERVICES						
Hazardous materials programs	35,114,400	8,801,500	26,312,900	(3,320,000)		
Funding source:						
Total federal revenues	30,761,700	6,133,000	24,628,700	(3,320,000)		
TO: SEC. 106. SPECIALIZED SERVICES						
Commercial vehicle enforcement and inspections	24,999,100	19,852,500	5,146,600	3,320,000		
Funding source:						
Total federal revenues	5,047,900	4,991,200	56,700	3,320,000		

This request transfers federal expenditure authorization from the Hazardous Materials Programs line item to the Commercial Vehicle Enforcement and Inspections line item, due to an unanticipated increase in the availability of federal motor carrier safety assistance program funds. Funding will be used to support programs that focus on reducing commercial vehicle crashes, fatalities, and injuries through driver/vehicle inspections, traffic enforcement, and related efforts. Spending authority is available in the Hazardous Materials Programs line due to lower than anticipated Department of Justice - Byrne Justice Assistance Grant revenues.

LEGISLATIVE TRANSFER

BUDGET AREA: **TALENT AND ECONOMIC DEVELOPMENT**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$6,000,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/16/17	BALANCE AVAILABLE AS OF 9/16/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: SEC. 109(4) TALENT INVESTMENT AGENCY						
Unemployment insurance agency	139,065,500	95,536,134	43,529,366	(6,000,000)		
Funding source:						
Contingent fund, penalty and interest account	22,735,300	3,405,853	19,329,447	(6,000,000)		
TO: SEC. 109(4) TALENT INVESTMENT AGENCY						
Skilled trades training program	30,900,000	22,228,566	8,671,434	6,000,000		
Funding source:						
Contingent fund, penalty and interest account	25,900,000	17,228,566	8,671,434	6,000,000		

This request transfers \$6,000,000 in Contingent Fund, Penalty & Interest (P&I) from the Unemployment Insurance Agency line item to the Skilled Trades Training Program line item to support the Flint CORE (Community Outreach and Education) and POD (Points of Distribution) programs. These programs create temporary jobs distributing water and filters, instructing on their use, and staffing warehouses. A federal \$15,000,000 National Emergency Grant initially funded the programs, but will be fully expended before year-end. Additional funding is needed to complete program efforts in FY 2016-17, with additional resources also to be carried forward into FY 2017-18 via a recommended work project. This transfer is needed by September 30, 2017. Assuming the transfer is adopted, the Contingent Fund, Penalty & Interest account is anticipated to have an ending balance of \$150.7 million at the close of FY 2016-17.

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$15,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/16/17	BALANCE AVAILABLE AS OF 9/16/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: SEC. 108(3) DEPARTMENTWIDE APPROPRIATIONS						
Rent and building occupancy charges – property management services	6,017,400	5,808,138	209,262	(15,000)		
Funding source:						
Delinquent tax collection revenue	2,824,200	2,755,324	68,876	(15,000)		
TO: SEC. 108(3) DEPARTMENTWIDE APPROPRIATIONS						
Worker's compensation insurance premium	66,400	59,757	6,643	15,000		
Funding source:						
Delinquent tax collection revenue	66,400	59,757	6,643	15,000		

This request transfers \$15,000 in authorization from Rent and Building Occupancy Charges - Property Management Services to Worker's Compensation Insurance Premiums to cover additional costs associated with new worker's compensation related incidents occurring this fiscal year. Funding is available from the Rent and Building Occupancy Charges - Property Management Services line item in the program's rent portion. This transfer is requested to meet current payment obligations. This transfer is needed by September 30, 2017.

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2016-17**
 TRANSFER AMOUNT: **\$7,300,000**

S.B.O. LETTER: **9/13/17**
 S.B.O. REQUEST: **2017-7**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/16/17	BALANCE AVAILABLE AS OF 9/16/17	GOV'S REC. 9/13/17	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 268 OF 2016, ARTICLE VIII, SEC. 901(2)						
Contingency funds	7,300,000	NA	NA	(7,300,000)		
Funding source:						
Total state restricted revenues	7,300,000	NA	NA	(7,300,000)		
TO: SEC. 108(17) ONE-TIME BASIS ONLY APPROPRIATIONS						
Drinking water declaration of emergency	2,700,100	2,699,738	362	7,300,000		
Funding source:						
Drinking water declaration of emergency reserve fund	2,700,100	2,699,738	362	7,300,000		

PA 268 of 2016 created the Drinking Water Declaration of Emergency Reserve Fund and this transfer will move \$7,300,000 to support continued bottled water purchases, warehousing of bottled water, and distribution of bottled water to public dissemination sites within the City of Flint, as well as delivery to immobile populations through February 2018. Spending authority is available from state restricted contingency fund authorization in accordance with PA 268 of 2016, Article VIII, section 901 (2). This transfer is needed by September 30, 2017. Transfer request 2017-5 from April 2017 included \$2.4 million to cover bottled water costs through June 2017. 2017 PA 107, a supplemental appropriations act, included \$4.0 million to cover bottled water purchases through the final quarter of FY 2016-17.