

MEMORANDUM



DATE: December 18, 2018
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2019-1

Attached are legislative transfers proposed by the State Budget Office in a letter dated December 14, 2018. 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, December 19, 2018.

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.


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 \$6.1 million, which will increase the FY 2018-19 year-to-date state budget by 0.01%.

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: 2019-1 December 14, 2018		
Department	Analyst	Page	Total Transfer
Licensing and Regulatory Affairs	Marcus Coffin	1	\$500,000
Treasury	Ben Gielczyk	2	5,613,000
Total			\$6,113,000

FY 2018-19 Legislative Transfers: Request 2019-1

Budget	Year-to-Date Total Approps	Contingency Fund Transfers (Increases Budget)						TOTAL	% Budget Increased
		IDG	Federal	Local	Private	Restricted	GF/GP		
Licensing and Regulatory Affairs	517,762,200		500,000					500,000	0.10%
Treasury	562,928,500					5,613,000		5,613,000	1.00%
TOTAL*	\$56,780,635,500	\$0	\$500,000	\$0	\$0	\$5,613,000	\$0	\$6,113,000	0.01%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: LICENSING AND REGULATORY AFFAIRS
 FISCAL YEAR: 2018-19
 TRANSFER AMOUNT: \$500,000

S.B.O. LETTER: 12/14/18
 S.B.O. REQUEST: 2019-1
 ANALYST: Marcus Coffin

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 12/17/18	BALANCE AVAILABLE AS OF 12/17/18	GOV'S REC. 12/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XIII, SEC. 210(1)						
Contingency funds	10,000,000	NA	NA	(500,000)		
Funding source						
Total federal revenues	10,000,000	NA	NA	(500,000)		
TO: SEC. 105. OCCUPATIONAL REGULATION						
Bureau of fire services	11,175,500	1,927,387	9,248,113	500,000		
Funding source:						
DHS, fire training systems	28,000	18,636	9,364	500,000		

This transfer request increases federal spending authorization for the Bureau of Fire Services (BFS) by \$500,000 to recognize an Assistance to Firefighters grant awarded by the Department of Homeland Security (CFDA 97.044). This grant will enable the BFS, in conjunction with local fire departments, to provide and install smoke and carbon monoxide alarms and to disseminate educational resources to homeowners in targeted high-risk incidence areas, in order to reduce civilian and firefighter injuries and deaths and to decrease property losses. Spending authority is available from federal contingency funds in accordance with PA 207 of 2018, Article XIII, Section 210. This transfer is requested by December 31, 2018.

LEGISLATIVE TRANSFER

BUDGET AREA: **DEPARTMENT OF TREASURY**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$5,613,000**

S.B.O. LETTER: **12/14/18**
 S.B.O. REQUEST: **2019-1**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 12/17/18	BALANCE AVAILABLE AS OF 12/17/18	GOV'S REC. 12/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE VIII, SEC. 901(2)						
Contingency funds	10,000,000	NA	NA	(5,613,000)		
Funding source						
Total state restricted revenues	10,000,000	NA	NA	(5,613,000)		
TO: SEC. 108(15) ONE-TIME APPROPRIATIONS						
Drinking water declaration of emergency	100	0	100	5,613,000		
Funding source:						
Drinking water declaration of emergency reserve fund	100	0	100	5,613,000		

This transfer request moves \$5,613,000 in state restricted contingency funds to the Drinking Water Declaration of Emergency line item. Of the total, \$380,000 will be used to pay for anticipated Food Bank contractual costs for provision of Flint resident water filters and related fixtures. The remaining resources will cover a portion of the State obligation for lead service line replacement in the event the City of Flint is unable to fully utilize available federal Children's Health Insurance Plan funding due to a potential shortfall of eligible homes. There is sufficient restricted contingency fund authorization and Drinking Water Declaration of Emergency Reserve Fund balance to accommodate this transfer. Spending authority is available for the state restricted contingency funds in accordance with PA 207 of 2018, Article VIII, Section 901. This transfer is requested by December 31, 2018. This transfer would result in a \$0 balance for the Drinking Water Declaration of Emergency Reserve Fund, if approved.