

MEMORANDUM



DATE: June 23, 2020
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Packages 2020-5

Attached is the legislative transfer proposed by the State Budget Office in letter dated June 1, 2020. 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.

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 \$235,000, which will shift 0.0004% of total appropriations within the existing FY 2019-20 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 \$2.3 million, which will increase the FY 2019-20 year-to-date state budget by 0.004%.

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

FY 2019-20 Legislative Transfers: Request 2020-5

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
State Police	1,293,938,900		235,000				235,000	0.02%	
TOTAL*	\$62,317,285,900	\$0	\$235,000	\$0	\$0	\$0	\$235,000	0.00%	

*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		
Military and Veterans Affairs	207,562,800		2,300,000				2,300,000	1.11%	
TOTAL*	\$62,317,285,900	\$0	\$2,300,000	\$0	\$0	\$0	\$2,300,000	0.00%	

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER PACKAGE



Mary Ann Cleary, Director
Viola Bay Wild, Transfer Coordinator
Compiled by Tumai Burris, Budget Assistant

Summary Sheet

SBO LETTER: 2020-5
June 1, 2020

Department	Analyst	Page	Total Transfer
Military and Veterans Affairs	Mike Cnossen	1	\$2,300,000
State Police	Marcus Coffin	2	235,000
Total			\$2,535,000

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$2,300,000**

S.B.O. LETTER: **6/1/20**
 S.B.O. REQUEST: **2020-5**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/9/20	BALANCE AVAILABLE AS OF 6/9/20	GOV'S REC. 6/1/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 54 OF 2019 SEC. 210(1)						
Contingency funds	8,130,000	NA	NA	(2,300,000)		
Funding source:						
Other federal revenues	8,130,000	NA	NA	(2,300,000)		
TO: SEC. 102. MILITARY						
Military training sites and support facilities	36,590,300	26,470,456	10,119,844	2,300,000		
Funding source:						
Other federal revenues	32,274,400	24,453,584	7,820,816	2,300,000		

This transfer request shifts federal contingency fund authorization to the Military Training Sites and Support Facilities line item to align authorization with higher than anticipated federal revenue received under the department's Cooperative Agreement grants from the federal National Guard Bureau. The funding will support operations at Camp Grayling, Fort Custer, Alpena Combat Readiness Training Center, and Battle Creek and Selfridge Air National Guard bases. Spending authority is available from federal contingency authorization in accordance with PA 59 of 2019, Section 210(1).

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$235,000**

S.B.O. LETTER: **6/1/20**
 S.B.O. REQUEST: **2020-5**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/19/20	BALANCE AVAILABLE AS OF 6/19/20	GOV'S REC. 6/1/20	HOUSE ACTION	SENATE ACTION
FROM: SEC. 106. SPECIALIZED SERVICES						
Hazardous materials programs	23,759,000	5,905,535	17,853,465	(235,000)		
Funding source:						
Other federal revenues	19,799,800	4,055,644	15,744,156	(235,000)		
TO: SEC. 106. SPECIALIZED SERVICES						
Commercial vehicle enforcement	31,690,400	20,402,886	11,287,514	235,000		
Funding source:						
Other federal revenues	8,670,800	2,681,308	5,989,492	235,000		

This request would transfer federal authorization from the Hazardous Materials Programs line item to the Commercial Vehicle Enforcement line item to align authorization with available revenues based on higher than anticipated federal Motor Carrier Safety Assistance Program (MCSAP) funds. The funding would be used to support efforts to reduce commercial vehicle crashes, fatalities, and injuries through traffic enforcement and other safety efforts, including inspections and education. Spending authority is available in the Hazardous Materials Programs line item due to lower than anticipated federal revenues resulting from lower levels of activity in that sector.