

MEMORANDUM



DATE: September 24, 2018
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2018-8

Attached are legislative transfers proposed by the State Budget Office in a letter dated September 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, September 26, 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.

As shown in the attached table, standard transfers in this package total \$210.63 million, which will shift 0.37% of total appropriations within the existing FY 2017-18 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 \$49.74 million, which will increase the FY 2017-18 year-to-date state budget by 0.09%.

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

 <p>Mary Ann Cleary, Director Viola Bay Wild, Transfer Coordinator Compiled by Tumai Burris, Budget Assistant</p>	<p>Summary Sheet</p> <p>SBO LETTER: 2018-8 September 14, 2018</p>	
---	---	--

Department	Analyst	Page	Total Transfer
Agriculture and Rural Development	William E. Hamilton	1	\$100,000
Corrections	Robin Risko	2-3	6,050,000
Health and Human Services	Sue Frey Kevin Koorstra Viola Bay Wild Kent Dell	4-18	240,436,300
		19-24	
Military and Veterans Affairs	Kent Dell		9,973,300
		25	
Natural Resources	Austin Scott		200,000
School Aid	Bethany Wicksall Sam Christensen Jacqueline Mullen	26	91,000
State	Mike Cnossen	27-28	2,500,000
Treasury	Ben Gielczyk	29-31	1,019,410
Total			\$ 260,370,010

FY 2017-18 Legislative Transfers: Request 2018-8

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						% of Budget Shifted	
		IDG	Federal	Local	Private	Restricted	GF/GP		TOTAL
Agriculture and Rural Development	115,328,600						100,000	100,000	0.09%
Corrections	2,003,669,200						6,050,000	6,050,000	0.30%
Health and Human Services	24,855,339,300		135,301,800	200,000		5,654,000	61,712,300	202,868,100	0.82%
Military and Veterans Affairs	183,271,100						1,100,000	1,100,000	0.60%
Natural Resources	422,742,200					200,000		200,000	0.05%
School Aid	14,582,670,800						91,000	91,000	0.00%
Treasury - Revenue Sharing	1,278,215,000					219,410		219,410	0.02%
TOTAL*	\$56,361,972,400	\$0	\$135,301,800	\$200,000	\$0	\$6,073,410	\$69,053,300	\$210,628,510	0.37%

*Includes budget areas not affected by transfers

Budget	Year-to-Date Total Approps	Contingency Fund Transfers (Increases Budget)						% Budget Increased	
		IDG	Federal	Local	Private	Restricted	GF/GP		TOTAL
Health and Human Services	24,855,330,300			749,100	229,100	36,590,000		37,568,200	0.15%
Military and Veterans Affairs	183,271,100		8,600,000	233,300		40,000		8,873,300	4.84%
State	271,450,900		2,000,000			500,000		2,500,000	0.92%
Treasury - Operations	524,828,400					800,000		800,000	0.15%
TOTAL*	\$56,361,972,400	\$0	\$10,600,000	\$982,400	\$229,100	\$37,930,000	\$0	\$49,741,500	0.09%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **AGRICULTURE AND RURAL DEVELOPMENT**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$100,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **William E. Hamilton**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 105. ANIMAL INDUSTRY						
Animal disease prevention and response	9,267,300	7,626,774	1,640,526	(100,000)		
Funding source:						
State general fund/general purpose	8,357,800	7,339,750	1,018,050	(100,000)		
TO: SEC. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT						
Emergency management	1,079,600	936,870	142,730	100,000		
Funding source:						
State general fund/general purpose	645,200	553,623	91,577	100,000		

This request transfers GF/GP authorization from the Animal Disease Prevention and Response line item to the Emergency Management line item to support the department's role in statewide PFAS response activities. The department indicates that it had reassigned one person to provide agency-wide coordination, research review, updates to department management, and attendance at community meetings related to statewide PFAS contamination issues. The department indicates it is assessing on-going and future needs for FY 2018-19 and beyond. This transfer will help to cover the FY 2017-18 personnel and travel costs incurred for this effort. Spending authority is available from the Animal Disease Prevention and Response line item due to vacancy savings from higher than average staff attrition. The department requests approval of this transfer by September 30, 2018.

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$1,750,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 107. CORRECTIONAL FACILITIES						
Earnest C. Brooks Correctional Facility - Muskegon	50,892,500	37,171,010	13,721,490	(1,750,000)		
Funding source:						
State general fund/general purpose	50,892,500	37,171,010	13,721,490	(1,750,000)		
TO: SEC. 105. CORRECTIONAL FACILITIES ADMINISTRATION						
Transportation	26,470,300	26,236,237	234,063	1,750,000		
Funding source:						
State general fund/general purpose	25,899,400	25,910,336	(10,936)	1,750,000		

This transfer to the Transportation line item is necessary to support increased prisoner transportation costs related to the increased movement of prisoners. Transport of prisoners from the closed West Shoreline Correctional Facility to other facilities, transport of prisoners between facilities in order to provide them with access to necessary services and programming, an increase in medical runs, and an increase in court runs have all contributed to the increase in prisoner transportation costs. Funding is available in the Earnest C. Brooks Correctional Facility line item as a result of the closure of the West Shoreline Correctional Facility, which was funded out of the Earnest C. Brooks Correctional Facility line. This transfer is requested by September 30, 2018.

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$4,300,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 107. CORRECTIONAL FACILITIES						
Earnest C. Brooks Correctional Facility - Muskegon	50,892,500	37,171,010	13,721,490	(4,300,000)		
Funding source:						
State general fund/general purpose	50,892,500	37,171,010	13,721,490	(4,300,000)		
TO: SEC. 105. CORRECTIONAL FACILITIES ADMINISTRATION						
Prison food service	57,163,500	49,742,138	7,421,362	4,300,000		
Funding source:						
State general fund/general purpose	57,163,500	49,742,138	7,421,362	4,300,000		

This transfer to the Prison Food Service line item is necessary to support the partial-year transition of prison food service from a contracted service provider to state employees as of July 31, 2018. Funding will cover the difference in cost of state employee payroll, including legacy costs, state purchase of commodities, existing Trinity food inventory, and food service equipment costs. Funding is available in the Earnest C. Brooks Correctional Facility line item as a result of the closure of the West Shoreline Correctional Facility, which was funded out of the Earnest C. Brooks Correctional Facility line item. This transfer is requested by September 30, 2018.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$181,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 of 2017 ARTICLE X, SEC. 210(2)						
Contingency funds	36,590,000	NA	NA	(181,000)		
Funding source						
Total other state restricted revenues	36,590,000	NA	NA	(181,000)		
TO: SEC. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT						
Departmental administration and management	109,218,800	77,079,600	32,139,200	60,000		
Funding source:						
Total other state restricted revenues	495,100	572,000	(76,900)	60,000		
Property management	64,339,500	58,629,000	5,710,500	120,000		
Funding source:						
Total other state restricted revenues	273,600	361,500	(87,900)	120,000		
Terminal leave payments	7,250,000	887,300	6,362,700	1,000		
Funding source:						
Total other state restricted revenues	1,700	2,300	(600)	1,000		

This transfer request allocates state restricted contingency fund authorization in the Departmental Administration and Support appropriation unit's line items in order to cover projected fund sourcing shortfalls. SBO indicates that additional state restricted fund revenues are available from a number of sources including, but not limited to, Certificate of Need Fees, Newborn Screening Fees, Crime Victim's Rights Fund, and other fees and collections. Spending authority is available from state restricted contingency fund authorization in accordance with 2017 PA 107, Article X, Section 210(2).

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$749,100**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Viola Wild**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 OF 2017 ARTICLE X, SEC. 210(3)						
Contingency funds	40,000,000	NA	NA	(749,100)		
Funding source						
Total other local revenues	40,000,000	NA	NA	(749,100)		
TO: SEC. 105. CHILDREN'S SERVICES AGENCY - CHILD WELFARE						
Foster care payments	214,712,000	204,608,665	10,103,335	749,100		
Funding source:						
Local funds - county chargeback	16,927,400	14,155,842	2,771,558	749,100		

This request would increase local funding authorization in the Foster Care Payments line item by transferring local contingency revenue authorization to the line item. This transfer would provide sufficient authorization to recognize a projected increase in local chargeback revenue. Spending authority is available from local contingency authorization in accordance with PA 107 of 2017, Article X, Section 210(3).

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$229,100**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Viola Wild**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 OF 2017 ARTICLE X, SEC. 210(4)						
Contingency funds	59,750,000	NA	NA	(229,100)		
Funding source						
Total private revenues	59,750,000	NA	NA	(229,100)		
TO: SEC. 105. CHILDREN'S SERVICES AGENCY - CHILD WELFARE						
Foster care payments	214,712,000	204,608,665	10,103,335	229,100		
Funding source:						
Private - collections	1,770,700	1,566,576	204,124	229,100		

This request would increase spending authorization in the Foster Care Payments line item by transferring private contingency revenue authorization to the line item. This transfer would provide sufficient authorization to recognize a projected increase in private collections revenue. Spending authority is available from private contingency authorization in accordance with PA 107 of 2017, Article X, Section 210(4).

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$4,000,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Viola Wild**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 122. MEDICAL SERVICES						
Pharmaceutical services	310,497,100	179,258,969	131,238,131	(4,000,000)		
Funding source						
State general fund/general purpose	114,570,300	21,920,920	92,649,380	(4,000,000)		
TO: SEC. 105. CHILDREN'S SERVICES						
AGENCY - CHILD WELFARE						
Foster care payments	214,712,000	204,608,665	10,103,335	4,000,000		
Funding source:						
State general fund/general purpose	86,487,700	86,469,781	17,919	4,000,000		

This request transfers GF/GP funding from the Pharmaceutical Services line item to the Foster Care Payments line item. Based on the department's caseload estimates and cost allocation plan, increased GF/GP authorization is needed to meet foster care obligations and make the projected level of payments through the end of the fiscal year. Sufficient spending authority is available in the Pharmaceutical Services line item due to lower than anticipated drug costs coupled with steady pharmacy rebate claims.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$3,500,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 110. BEHAVIORAL HEALTH SERVICES						
Medicaid mental health services	2,330,225,500	2,119,667,746	210,557,754	(3,500,000)		
Funding sources:						
Total other federal revenues	1,520,966,600	1,380,870,652	140,095,948	(1,750,000)		
State general fund/general purpose	763,496,700	698,098,852	65,397,848	(1,750,000)		
TO: SEC. 110. BEHAVIORAL HEALTH SERVICES						
Medicaid substance use disorder services	62,520,300	56,812,715	5,707,585	3,500,000		
Funding sources:						
Total other federal revenues	40,841,800	36,973,327	3,868,473	1,750,000		
State general fund/general purpose	21,678,500	19,839,388	1,839,112	1,750,000		

This transfer would shift GF/GP and federal funding from the Medicaid Mental Health Services line item to the Medicaid Substance Use Disorder Services line item. Additional funding is necessary for the Medicaid Substance Use Disorder Services line item due to program costs being greater than what was estimated as part of the May consensus expenditure estimates for the Medicaid program. Funding is available in the Medicaid Mental Health Services line item due to program costs being less than what was estimated as part of the May consensus expenditure estimates for the Medicaid program.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$230,075,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 OF 2017 ARTICLE X, SEC. 210(2)						
Contingency funds	36,590,000	NA	NA	(36,409,000)		
Funding source						
Total other state restricted revenues	36,590,000	NA	NA	(36,409,000)		
SEC. 122. MEDICAL SERVICES						
Ambulance services	9,990,300	6,268,914	3,721,386	(375,000)		
Funding source:						
State general fund/general purpose	3,354,800	2,169,045	1,185,755	(375,000)		
Dental services	307,032,500	264,059,993	42,972,507	(9,500,000)		
Funding source:						
Total other federal revenues	213,011,300	179,909,785	33,101,515	(9,500,000)		
Health plan services	4,939,177,100	4,286,565,461	652,611,639	(26,400,000)		
Funding sources:						
Total local revenues	15,152,500	12,918,242	2,234,258	(200,000)		
State general fund/general purpose	110,718,500	113,391,119	(2,672,619)	(26,200,000)		
Healthy Michigan plan	3,707,518,200	3,201,765,543	505,752,657	(108,600,000)		
Funding source:						
Total other federal revenues	3,490,899,800	3,017,032,876	473,866,924	(108,600,000)		
Hospital services and therapy	686,966,800	517,095,170	169,871,630	(5,641,000)		
Funding source:						
Total other state restricted revenues	246,635,400	177,005,286	69,630,114	(5,641,000)		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$230,075,000 (continued)**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 122. MEDICAL SERVICES						
Long-term care services	1,808,300,600	1,619,262,371	189,038,229	(10,750,000)		
Funding source						
State general fund/general purpose	297,883,900	247,212,449	50,671,451	(10,750,000)		
Medicare premium payments	578,606,700	522,806,350	55,800,350	(8,750,000)		
Funding source:						
State general fund/general purpose	131,094,600	106,440,924	24,653,676	(8,750,000)		
Pharmaceutical services	310,497,100	179,258,969	131,238,131	(7,000,000)		
Funding source:						
State general fund/general purpose	114,570,300	21,920,920	92,649,380	(7,000,000)		
Program of all-inclusive care for the elderly	100,365,600	89,038,022	11,327,578	(400,000)		
Funding sources:						
State general fund/general purpose	35,348,700	31,359,191	3,989,509	(400,000)		
School-based services	114,937,200	104,880,360	10,056,840	(3,500,000)		
Funding source:						
Total other federal revenues	114,937,200	104,880,360	10,056,840	(3,500,000)		
Special Medicaid reimbursement	309,777,400	27,600,566	282,176,834	(11,500,000)		
Funding source:						
Total other federal revenues	202,247,100	22,368,743	179,878,357	(11,500,000)		
Transportation	22,057,200	18,843,437	3,213,763	(1,250,000)		
Funding source:						
State general fund/general purpose	9,219,700	7,022,798	2,196,902	(1,250,000)		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$230,075,000 (continued)**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
TO: SEC. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES						
Medical care and treatment	211,799,700	182,848,325	28,951,375	300,000		
Funding source:						
Total other federal revenues	116,342,200	101,322,992	15,019,208	300,000		
SEC. 122. MEDICAL SERVICES						
Adult home help services	326,714,900	308,520,826	18,194,074	5,100,000		
Funding sources:						
Total other federal revenues	212,469,100	199,335,817	13,133,283	2,000,000		
State general fund/general purpose	114,245,800	109,185,008	5,060,792	3,100,000		
Ambulance services	9,990,300	6,268,914	3,721,386	50,000		
Funding source:						
Total other state restricted revenues	189,300	0	189,300	50,000		
Federal Medicare pharmaceutical program	268,913,900	198,274,809	70,639,091	600,000		
Funding source:						
State general fund/general purpose	268,913,900	198,274,809	70,639,091	600,000		
Health plan services	4,939,177,100	4,286,565,461	652,611,639	49,000,000		
Funding sources:						
Total other federal revenues	3,306,217,100	2,815,033,468	491,183,632	7,000,000		
Total other state restricted revenues	1,507,089,000	1,345,222,633	161,866,367	42,000,000		
Healthy Michigan plan	3,707,518,200	3,201,765,543	505,752,657	3,525,000		
Funding sources:						
Total local revenues	531,400	445,548	85,852	200,000		
State general fund/general purpose	150,895,600	132,649,886	18,245,714	3,325,000		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$230,075,000 (continued)**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
TO: SEC. 122. MEDICAL SERVICES						
Home health services	5,438,600	4,494,256	944,344	500,000		
Funding sources:						
Total other federal revenues	3,524,000	2,912,529	611,471	400,000		
State general fund/general purpose	1,914,600	1,581,727	332,873	100,000		
Hospice services	123,316,500	100,993,677	22,322,823	12,400,000		
Funding sources:						
Total other federal revenues	77,734,700	63,804,892	13,929,808	8,000,000		
State general fund/general purpose	45,581,800	37,188,786	8,393,014	4,400,000		
Hospital services and therapy	686,966,800	517,095,170	169,871,630	49,425,000		
Funding sources:						
Total other federal revenues	416,010,300	331,329,114	84,681,186	42,000,000		
State general fund/general purpose	24,321,100	8,760,770	15,560,330	7,425,000		
Integrated care organizations	220,099,400	218,778,854	1,320,546	55,300,000		
Funding sources:						
Total other federal revenues	141,985,400	141,706,929	278,471	37,000,000		
State general fund/general purpose	78,114,000	77,071,925	1,042,075	18,300,000		
Maternal and child health	26,279,500	10,923,089	15,356,411	2,500,000		
Funding source:						
Total other federal revenues	26,279,500	10,923,089	15,356,411	2,500,000		
Medicaid home- and community-based services waiver	344,563,300	305,405,215	39,158,085	4,500,000		
Funding sources:						
Total other federal revenues	224,612,200	197,542,532	27,069,668	1,100,000		
State general fund/general purpose	119,951,100	107,862,683	12,088,417	3,400,000		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$230,075,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
TO: SEC. 122. MEDICAL SERVICES						
Medicare premium payments	578,606,700	522,806,350	55,800,350	1,000,000		
Funding source:						
Total other federal revenues	447,512,100	416,365,426	31,146,674	1,000,000		
Personal care services	9,035,500	7,886,000	1,149,500	75,000		
Funding sources:						
State general fund/general purpose	3,182,300	2,840,797	341,503	75,000		
Pharmaceutical services	310,497,100	179,258,969	131,238,131	1,500,000		
Funding sources:						
Total other federal revenues	195,926,800	157,338,049	38,588,751	1,500,000		
Physicians services	264,724,200	239,933,801	24,790,399	44,000,000		
Funding sources:						
Total other federal revenues	176,161,500	158,889,641	17,271,859	30,000,000		
State general fund/general purpose	88,562,700	81,044,160	7,518,540	14,000,000		
Transportation	22,057,200	18,843,437	3,213,763	300,000		
Funding source:						
Total other federal revenues	12,837,500	11,820,639	1,016,861	300,000		

This transfer reflects a number of adjustments within lines that are revised as part of the May consensus expenditure estimates for the Medicaid program. A number of these transfers are due to line item program costs being greater, or lower, than what was estimated as part of May consensus, while others are adjustments related to supplemental Medicaid payments (e.g. Health Plan Services), actuarially determined rate adjustments (e.g. Integrated Care Organizations), look back payment costs (e.g. Physical Services), and fund sourcing corrections (e.g. Healthy Michigan Plan) that were identified after the May consensus.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$1,702,100**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT						
Departmental administration and management	109,218,800	77,079,600	32,139,200	(111,500)		
Funding sources:						
Total other federal revenues	48,728,100	22,221,300	26,506,800	(19,000)		
State general fund/general purpose	44,125,600	42,177,200	1,948,400	(92,500)		
Developmental disabilities council and projects	3,573,700	2,820,800	752,900	(14,000)		
Funding source:						
Total other federal revenues	3,073,700	2,296,500	777,200	(14,000)		
SEC. 123. INFORMATION TECHNOLOGY						
Michigan Medicaid information system	75,634,400	64,451,700	11,182,700	(27,000)		
Funding sources:						
Total other federal revenues	42,837,600	34,840,900	7,996,700	(2,000)		
State general fund/general purpose	7,796,800	11,473,800	(3,677,000)	(25,000)		
SEC. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS						
Behavioral health program administration	60,346,400	26,733,700	33,612,700	(93,500)		
Funding sources:						
Total other federal revenues	32,743,200	8,761,900	23,981,300	(3,500)		
State general fund/general purpose	26,577,500	17,516,000	9,061,500	(90,000)		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$1,702,100 (Continued)**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS						
Office of recipient rights	2,721,900	2,458,600	263,300	(11,000)		
Funding source:						
State general fund/general purpose	2,721,900	2,458,600	263,300	(11,000)		
SEC. 111. BEHAVIORAL HEALTH SERVICES						
Nursing home PAS/ARR-OBRA	12,274,100	8,805,100	3,469,000	(9,000)		
Funding sources:						
Total other federal revenues	9,545,900	6,603,900	2,942,000	(2,500)		
State general fund/general purpose	2,728,200	2,201,300	526,900	(6,500)		
SEC. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES						
Children's special health care services administration	6,028,300	5,207,400	820,900	(39,600)		
Funding sources:						
Total other federal revenues	3,052,900	2,769,600	283,300	(19,800)		
State general fund/general purpose	2,869,900	2,437,800	432,100	(19,800)		
SEC. 113. HEALTH POLICY						
Certificate of need program administration	2,825,300	1,575,300	1,250,000	(5,500)		
Funding source:						
Total other state restricted revenues	2,207,600	1,401,200	806,400	(5,500)		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$1,702,100 (Continued)**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 113. HEALTH POLICY						
Healthy policy administration	13,065,200	3,618,600	9,446,600	(25,500)		
Funding sources:						
Total other federal revenues	11,024,600	1,905,600	9,119,000	(12,000)		
State general fund/general purpose	1,389,700	1,368,300	21,400	(13,500)		
SEC. 121. MEDICAL SERVICES ADMINISTRATION						
Medical services administration	103,540,500	82,262,200	21,278,300	(518,000)		
Funding sources:						
Total other federal revenues	73,130,100	55,294,600	17,835,500	(259,000)		
State general fund/general purpose	29,617,200	26,824,800	2,792,400	(259,000)		
SEC. 120. AGING AND ADULT SERVICES AGENCY						
Aging and adult services administration	9,364,700	6,058,300	3,306,400	(36,000)		
Funding source:						
State general fund/general purpose	4,299,700	3,143,500	1,156,200	(36,000)		
SEC. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES						
Caro Regional Mental Health Center – psychiatric hospital - adult	59,061,600	48,041,900	11,019,700	(78,500)		
Funding source:						
State general fund/general purpose	40,560,100	45,276,200	(4,716,100)	(78,500)		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$1,702,100 (Continued)**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES						
Center for forensic psychiatry	82,593,400	84,854,900	(2,261,500)	(200,500)		
Funding source:						
State general fund/general purpose	76,449,900	84,758,300	(8,308,400)	(200,500)		
Hawthorn Center – psychiatric hospital – children and adolescents	31,613,100	30,074,800	1,538,300	(120,000)		
Funding source:						
Total other federal revenues	22,214,200	19,463,700	2,750,500	(120,000)		
Kalamazoo Psychiatric Hospital – adult	67,797,700	61,811,900	5,985,800	(194,000)		
Funding source:						
State general fund/general purpose	53,606,600	60,889,900	(7,283,300)	(194,000)		
Walter P. Reuther Psychiatric Hospital - adult	59,433,400	53,495,900	5,937,500	(211,000)		
Funding source:						
State general fund/general purpose	47,450,900	52,764,800	(5,313,900)	(211,000)		
SEC. 104. COMMUNITY SERVICES AND OUTREACH						
Crime victim grants administration services	2,177,100	2,079,800	97,300	(7,500)		
Funding source:						
Crime victim's rights fund	1,537,000	1,532,200	4,800	(7,500)		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$1,702,100**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
TO: SEC. 123. INFORMATION TECHNOLOGY						
Information technology services and projects	159,238,200	147,762,000	11,476,200	1,702,100		
Funding sources:						
Total other federal revenues	65,283,400	62,128,500	3,154,900	451,800		
Total other state restricted revenues	1,985,800	2,063,500	(77,700)	13,000		
State general fund/general purpose	54,777,300	56,154,600	(1,377,300)	1,237,300		

This request would transfer telecommunications charges from multiple line items and consolidate them in the Information Technology Services and Projects line item. These changes in cost allocation are requested in order to be in compliance with the department's Federal Cost Allocation Plan and would standardize how telecommunications costs are allocated; the former DCH and DHS allocated these costs differently.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$233,300**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 OF 2017 ARTICLE XIV SEC. 210(3)						
Contingency funds	500,000	NA	NA	(233,300)		
Funding source:						
Total local revenues	500,000	NA	NA	(233,300)		
TO: SEC. 102. MILITARY						
Michigan youth challeNGe academy	5,259,100	5,457,200	(198,100)	233,300		
Funding source:						
Local revenues	1,528,400	1,547,300	(18,900)	233,300		

This transfer request allocates local contingency fund authorization to the Michigan Youth ChalleNGe Academy line item in order to align authorization with available School Aid Fund revenue from Marshall Public Schools. Carry forward revenue is available as a result of misalignment between the state fiscal year and the academy's academic program year, which follows the calendar year. Local contingency funds are available in accordance with 2017 PA 107, Article XIV, Section 210(3).

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$8,600,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 OF 2017 ARTICLE XIV SEC. 210(1)						
Contingency funds	10,000,000	NA	NA	(8,600,000)		
Funding source:						
Total federal revenues	10,000,000	NA	NA	(8,600,000)		
TO: SEC. 103. MICHIGAN VETERANS AFFAIRS AGENCY						
D.J. Jacobetti home for veterans	23,542,200	22,730,100	812,100	600,000		
Funding source:						
Other federal revenues	8,396,100	7,917,400	478,700	600,000		
SEC. 102. MILITARY						
Departmentwide	1,853,100	1,686,300	166,800	1,500,000		
Funding source:						
Other federal revenues	1,544,200	1,375,100	169,100	1,500,000		
Headquarters and armories	17,317,800	20,128,900	(2,811,100)	3,000,000		
Funding source:						
Other federal revenues	9,560,000	12,514,700	(2,954,700)	3,000,000		

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$8,600,000 (Continued)**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
TO: SEC. 103. MICHIGAN VETERANS AFFAIRS AGENCY						
Michigan youth challeNGe academy	5,259,100	5,457,200	(198,100)	1,500,000		
Funding source:						
Other federal revenues	2,913,400	3,192,600	(279,200)	1,500,000		
Military training sites and support facilities	33,956,100	32,129,200	1,826,900	2,000,000		
Funding source:						
Other federal revenues	30,760,500	30,336,800	423,700	2,000,000		

This transfer request allocates federal contingency fund authorization to multiple line items, which include: D.J. Jacobetti Home for Veterans, Military Training Sites and Support Facilities, Headquarters and Armories, Departmentwide, and Michigan Youth ChalleNGe Academy. This transfer aligns authorization with available federal revenues. Additional U.S. Department of Veterans Affairs – Veterans Health Administration are available as a result of higher than anticipated member census at the D.J. Jacobetti Home for Veterans. Additional revenues are available from the U.S. Department of Defense - National Guard Bureau, which will be used for furniture replacement at armories, firing range equipment, armory operating expenses, among other maintenance and improvements at National Guard training sites and facilities. Spending authority is available from federal contingency fund authorization in accordance with 2017 PA 107, Article XIV, Section 210(1).

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$400,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 103. MICHIGAN VETERANS AFFAIRS AGENCY						
Michigan veterans affairs agency administration	7,061,200	5,941,500	1,119,700	(400,000)		
Funding source:						
State general fund/general purpose	7,011,200	5,941,500	1,069,700	(400,000)		
TO: SEC. 104. GRAND RAPIDS HOME FOR VETERANS						
Veterans home operations	9,007,800	10,765,400	(1,757,600)	400,000		
Funding source:						
State general fund/general purpose	5,393,800	6,114,000	(720,200)	400,000		

This transfer request shifts GF/GP authorization from the Michigan Veteran Affairs Agency Administration line item to the Veterans Home Operations line item, within the Grand Rapids Home for Veterans appropriation unit, to support higher than anticipated DTMB information technology user fees (user support/desktop fees). GF/GP authorization is available in the Michigan Veteran Affairs Agency Administration line item as a result of two positions that remained vacant throughout the fiscal year.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$700,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 104. GRAND RAPIDS HOME FOR VETERANS						
Salaries, wages, and fringe benefits	31,054,000	20,988,900	10,065,100	(700,000)		
Funding source:						
State general fund/general purpose	12,939,400	11,165,000	1,774,400	(700,000)		
TO: SEC. 104. GRAND RAPIDS HOME FOR VETERANS						
Veterans home operations	9,007,800	10,765,400	(1,757,600)	600,000		
Funding source:						
State general fund/general purpose	5,393,800	6,114,000	(720,200)	600,000		
Purchased services	10,342,700	11,035,600	(692,900)	100,000		
Funding source:						
State general fund/general purpose	4,285,500	4,514,900	(229,400)	100,000		

This transfer shifts GF/GP authorization from the Salaries, Wages, and Fringe Benefits line item to the Veterans Home Operations and Purchased Services line items, within the Grand Rapids Home for Veterans appropriation unit, in order to align authorization with operational needs at the Grand Rapids Home for Veterans. GF/GP revenue is available in the Salaries, Wages, and Fringe Benefits line item due to the redistribution of authorization as part of a technical restructuring of the Grand Rapids Home for Veterans appropriations during the FY 2016-17 budget process.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$40,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/17/18	BALANCE AVAILABLE AS OF 9/17/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 OF 2017 ARTICLE XIV SEC. 210(2)						
Contingency funds	3,000,000	NA	NA	(40,000)		
Funding source:						
Total other state restricted revenues	3,000,000	NA	NA	(40,000)		
TO: SEC. 104. GRAND RAPIDS HOME FOR VETERANS						
Veterans home operations	9,007,800	10,765,400	(1,757,600)	40,000		
Funding source:						
Other state restricted revenues	859,200	1,386,400	(527,200)	40,000		

This transfer request allocates state restricted contingency fund authorization in the Veterans Home Operations line item, within the Grand Rapids Home for Veterans appropriation unit, in order to align authorization with higher than anticipated facility lease revenue. Spending authority is available from state restricted contingency authorization in accordance with 2017 PA 107, Article XIV, Section 210(2).

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$200,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/20/18	BALANCE AVAILABLE AS OF 9/20/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 113 (b) CAPITAL OUTLAY WATERWAYS BOATING PROGRAM						
State boating infrastructure maintenance (AY 2016)	2,435,000	1,199,953	1,235,047	(200,000)		
Funding source:						
Michigan state waterways fund	1,560,000	324,953	1,235,047	(200,000)		
TO: SEC. 113 (b) CAPITAL OUTLAY WATERWAYS BOATING PROGRAM						
East Tawas state harbor, Iosco County, harbor renovation, dock replacements, dredging, fueling station, new electrical/utilities, phase II (total authorized cost is increased from \$3,120,000 to \$4,320,000; federal share \$1,550,000; state share is increased from \$1,570,000 to \$2,770,000) (AY 2016)	1,300,000	498,473	801,527	200,000		
Funding source:						
Michigan state waterways fund	1,200,000	398,472	801,527	200,000		

This request transfers \$200,000 of Michigan State Waterways Fund authorization available from the FY 2015-16 State Boating Infrastructure Maintenance line item to the FY 2015-16 East Tawas State Harbor, Iosco County, Phase II line item. * Costs associated with the dock replacement and mooring capacity upgrades have increased from the original estimates in FY 2015-16. The funding is available within the State Boating Infrastructure Maintenance line item as several projects were completed under budget. This transfer increases the total cost of the multi-year, multi-phase East Tawas project from \$6.7 million to \$6.9 million (\$1.7 million federal share; \$5.2 million state share).

*Both AY 2016 line items involved in this transfer request are capital outlay projects with multi-year authorization (2015 PA 84, Article XV, Sec. 1103).

LEGISLATIVE TRANSFER

BUDGET AREA: **SCHOOL AID**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$91,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**

ANALYST: **Bethany Wicksall/Samuel Christensen/Jacqueline Mullen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/21/18	BALANCE AVAILABLE AS OF 9/21/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 22b DISCRETIONARY PAYMENT						
Discretionary payment	4,024,860,400	4,007,651,635	17,208,765	(91,000)		
Funding source:						
State general fund/general purpose	5,099,900	5,008,900	91,000	(91,000)		
TO: SEC. 94 ADVANCED PLACEMENT INCENTIVE PROGRAM						
Advanced placement incentive program	750,000	108,921	641,079	91,000		
Funding source:						
State general fund/general purpose	750,000	108,921	641,079	91,000		

The amount appropriated in the Advanced Placement (AP) Incentive Program line to subsidize AP and International Baccalaureate (IB) testing fees for low-income students is insufficient to cover the total remaining costs for billing by International Baccalaureate and the College Board. It is estimated that remaining costs total about \$841,000. After applying existing state appropriations of \$750,000, an additional \$91,000 is needed to continue to cover the costs. The appropriation has been increased to \$1.0 million for FY 2018-19. The foundation allowance Discretionary Payment line is expected to lapse funds and has a sufficient balance to support the transfer.

LEGISLATIVE TRANSFER

BUDGET AREA: STATE
 FISCAL YEAR: 2017-18
 TRANSFER AMOUNT: \$2,000,000

S.B.O. LETTER: 9/14/18
 S.B.O. REQUEST: 2018-8
 ANALYST: Mike Cnossen

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/18	BALANCE AVAILABLE AS OF 9/18/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 OF 2017 ARTICLE VIII, SEC. 701(1)						
Contingency funds	6,500,000	NA	NA	(2,000,000)		
Funding source:						
Total federal revenues	6,500,000	NA	NA	(2,000,000)		
TO: SEC. 106.(5) ELECTION REGULATION						
Election administration and services	11,209,800	7,904,085	3,305,715	2,000,000		
Funding source:						
HAVA Title II	4,000,000	2,651,986	1,348,014	2,000,000		

This transfer requests \$2.0 million in federal contingency fund authorization to the Elections Administration and Services line item to support on-going Qualified Voter File contractual services work. The \$2.0 million requested would allow the Qualified Voter File project to be completed and fully implemented in FY 2019-20. Department of Technology, Management, and Budget staff and contractors are staffing and managing the project. Funding is available from interest accrued on the remaining federal Help America Vote Act (HAVA) resources utilized to purchase voting equipment. Spending authority is available from federal contingency funds in accordance with PA 107 of 2018, Article VIII, Section 701(1).

LEGISLATIVE TRANSFER

BUDGET AREA: STATE
 FISCAL YEAR: 2017-18
 TRANSFER AMOUNT: \$500,000

S.B.O. LETTER: 9/14/18
 S.B.O. REQUEST: 2018-8
 ANALYST: Mike Cnossen

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/18	BALANCE AVAILABLE AS OF 9/18/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 OF 2017 ARTICLE VIII, SEC. 701(2)						
Contingency funds	6,500,000	NA	NA	(500,000)		
Funding source:						
Total state restricted revenues	6,500,000	NA	NA	(500,000)		
TO: SEC. 106(4). CUSTOMER DELIVERY SERVICES						
Branch operations	88,887,700	77,285,193	11,602,507	500,000		
Funding source:						
Transportation administration collection fund	37,021,800	36,495,625	526,175	500,000		

This transfer requests \$500,000 in state restricted contingency fund authorization to the Branch Operations line item. This request will be utilized to accommodate contractual rate increases associated with janitorial, security guard, and telecommunication services that were unknown during the FY 2017-18 budget development cycle. Specifically, rate increases include \$100,000 for janitorial services, \$220,000 for security guards, and \$180,000 for telecommunications. Funding is available from the Transportation Administration Collection Fund as revenues have exceeded projections. Spending authority is available from state restricted contingency funds in accordance with PA 107 of 2018, Article VIII, Section 701(2).

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$300,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/18	BALANCE AVAILABLE AS OF 9/18/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 of 2017 ARTICLE VIII, SEC. 901(2)						
Contingency funds	1,000,000	NA	NA	(300,000)		
Funding source						
Total state restricted revenues	1,000,000	NA	NA	(300,000)		
TO: SEC. 108(5). FINANCIAL PROGRAMS						
Michigan finance authority – bond finance programs	25,962,900	19,340,264	6,622,636	300,000		
Funding source:						
MFA, bond and loan program revenue	3,012,400	2,571,663	440,737	300,000		

This transfer requests \$300,000 in state restricted contingency funds to the Michigan Finance Authority line item. The funding will support the purchase of a new information technology system to manage, administer, and track disbursements and loans for the Clean Water and Drinking Water State Revolving Fund programs. The new system will replace an existing legacy system handling program requirements today. While the programs are Department of Environmental Quality programs, the Department of Treasury handles the financing and management of the loans. There is sufficient restricted contingency fund authorization and Michigan Finance Authority revenue to accommodate this transfer. Spending authority is available from state restricted contingency funds in accordance with PA 107 of 2018, Article VIII, Section 901(2).

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$219,410**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/18	BALANCE AVAILABLE AS OF 9/18/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: SEC. 108(11). REVENUE SHARING						
City, village, and township revenue sharing	243,040,000	242,651,260	388,740	(192,654)		
Funding source:						
Sales tax	243,040,000	242,651,260	388,740	(192,654)		
County incentive program	43,160,400	43,133,644	26,756	(26,756)		
Funding source:						
Sales tax	43,160,400	43,133,644	26,756	(26,756)		
TO: SEC. 108(11). REVENUE SHARING						
Financially distressed cities, villages, or townships	5,000,000	5,230,432	(230,432)	219,410		
Funding source:						
Sales tax	5,000,000	5,230,432	(230,432)	219,410		

Section 952(5) of Article VIII of PA 107 of 2017 states, "The unexpended funds appropriated in part 1 for city, village, and township revenue sharing and the county incentive program shall be available for expenditure under the program for financially distressed cities, villages, or townships after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.139r." City, Village, and Township (CVT) Revenue Sharing funds are available due to 28 eligible units not qualifying for some or all of their CVT revenue sharing payment. County Incentive Program (CIP) funds are available due to one eligible county not qualifying for some or all of their CIP payment. The financially distressed cities, villages, or townships grant program supports grant funding to cities, villages, or townships with one or more conditions that indicate probable financial distress to pay for specific projects, services, or strategies that move a city, village, or township toward financial stability. This transfer is requested as part of FY 2017-18 book closing.

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2017-18**
 TRANSFER AMOUNT: **\$500,000**

S.B.O. LETTER: **9/14/18**
 S.B.O. REQUEST: **2018-8**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/18/18	BALANCE AVAILABLE AS OF 9/18/18	GOV'S REC. 9/14/18	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 107 of 2017 ARTICLE VIII, SEC. 901(2)						
Contingency funds	1,000,000	NA	NA	(500,000)		
Funding source						
Total state restricted revenues	1,000,000	NA	NA	(500,000)		
TO: SEC. 108(15) ONE-TIME APPROPRIATIONS						
Drinking water declaration of emergency	9,000,100	0	9,000,100	500,000		
Funding source:						
Drinking water declaration of emergency reserve fund	9,000,100	0	9,000,100	500,000		

This transfer request moves \$500,000 in state restricted contingency funds to the Drinking Water Declaration of Emergency line item. The funding will be used to pay for continued Integrity Monitoring Oversight of the City of Flint lead service line replacement effort via a Deloitte contractual agreement. There is sufficient restricted contingency fund authorization and Drinking Water Declaration of Emergency Reserve Fund balance to accommodate this transfer. Spending authority is available from the state restricted contingency funds in accordance with PA 107 of 2018, Article VIII, Section 901(2). The balance of the Drinking Water Declaration of Emergency Reserve Fund following the transfer of \$500,000 will be \$5,613,000.