

MEMORANDUM



DATE: June 20, 2019
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2019-4

Attached are legislative transfers proposed by the State Budget Office in a letter dated June 5, 2019. 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 \$33.3 million, which will shift 0.06% of total appropriations within the existing FY 2018-19 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 \$6.2 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

 <p>Mary Ann Cleary, Director Viola Bay Wild, Transfer Coordinator Compiled by Tumai Burris, Budget Assistant</p>	<p>Summary Sheet</p> <p>SBO LETTER: 2019-4 June 5, 2019</p>	
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Department	Analyst	Page	Total Transfer
Education	Samuel Christensen Jacqueline Mullen	1-2	\$612,800
Health and Human Services	Sue Frey Kent Dell Kevin Koorstra Viola Bay Wild	3	750,000
Licensing and Regulatory Affairs	Marcus Coffin	4-6	1,810,000
Military and Veterans Affairs	Mike Cnossen	7-10	3,536,000
Natural Resources	Austin Scott	11-12	746,200
State Police	Marcus Coffin	13-15	1,500,000
Transportation	William E. Hamilton	16-18	30,425,000
Treasury	Ben Gielczyk	19	130,000
Total			\$ 39,510,000

FY 2018-19 Legislative Transfers: Request 2019-4

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
Education	406,134,900		500,000					500,000	0.12%
Military and Veterans Affairs	199,639,300						911,300	911,300	0.46%
State Police	777,936,400		1,500,000					1,500,000	0.19%
Transportation	5,013,880,800					30,375,000		30,375,000	0.61%
TOTAL*	\$58,148,209,800	\$0	\$2,000,000	\$0	\$0	\$30,375,000	\$911,300	\$33,286,300	0.06%

*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		
Education	406,134,900					112,800		112,800	0.03%
Health and Human Services	25,502,246,400				750,000			750,000	0.00%
Licensing and Regulatory Affairs	552,356,700					1,810,000		1,810,000	0.33%
Military and Veterans Affairs	199,639,300		2,603,100			21,600		2,624,700	1.31%
Natural Resources	484,430,900					746,200		746,200	0.15%
Transportation	5,013,880,800			50,000				50,000	0.00%
Treasury - Operations	570,041,500					130,000		130,000	0.02%
TOTAL*	\$58,148,209,800	\$0	\$2,603,100	\$50,000	\$750,000	\$2,820,600	\$0	\$6,223,700	0.01%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **EDUCATION**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$500,000**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Samuel Christensen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/19/19	BALANCE AVAILABLE AS OF 6/19/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: SEC. 108. MICHIGAN OFFICE OF GREAT START						
TEACH scholarship program	5,000,000	2,247,790	2,752,210	(500,000)		
Funding source:						
Federal revenues	5,000,000	2,247,790	2,752,210	(500,000)		
TO: SEC. 108. MICHIGAN OFFICE OF GREAT START						
Child development and care contracted services	11,500,000	4,706,925	6,793,075	500,000		
Funding source:						
Federal revenues	11,500,000	4,706,925	6,793,075	500,000		

This transfer would provide \$500,000 in federal authorization to the Child Development and Care Contracted Services line item for child care quality initiatives, and MDE has estimated that the TEACH scholarship program will lapse at least \$500,000 in federal authorization in FY 2018-19. Boilerplate in 2018 PA 207 of 2018 Article VI section 1003(2) requires all contracts for early childhood systems planning to be bid out through a statewide request-for-proposal process, and, in compliance with legislative boilerplate, the contracts have been bid out. The current contract for early childhood systems planning goes to a singular statewide entity, but the new contract would be split between the statewide entity and four regional entities. This is a one-time transition cost to shift resources from the singular statewide contract to a new regional based contract system. Without this transfer, approved early childhood systems planning contracts will not be fully funded, and the excess authorization in the TEACH scholarship program line item will lapse at the end of the fiscal year. According to the State Budget Office, this transfer is requested by July 1, 2019.

LEGISLATIVE TRANSFER

BUDGET AREA: **EDUCATION**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$112,800**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Samuel Christensen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/19/19	BALANCE AVAILABLE AS OF 6/19/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE VI, SEC. 210(2)						
Contingency funds	700,000	NA	NA	(112,800)		
Funding source:						
Total state restricted revenues	700,000	NA	NA	(112,800)		
TO: SEC. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND						
Michigan schools for the deaf and blind operations	13,430,700	8,639,122	4,791,578	112,800		
Funding source:						
Student insurance revenue	93,300	7,544	85,756	112,800		

This transfer would provide \$112,800 in state restricted contingency authorization for the Michigan Schools for the Deaf and Blind Operations line item to align authorization with anticipated revenues. The increased authorization will allow the Michigan School for the Deaf and Blind to use all Medicaid funds available for audiology, nursing, physical therapy, occupational therapy, speech therapy, and counseling services provided to students attending the school. Spending authority is available from state restricted contingency authorization in accordance with 2018 PA 207, Article VI, Section 210(2). According to the State Budget Office, this transfer is requested by September 1, 2019.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$750,000**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/6/19	BALANCE AVAILABLE AS OF 6/6/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE X, SEC. 210(4)						
Contingency funds	60,000,000	NA	NA	(750,000)		
Funding source:						
Total private revenues	60,000,000	NA	NA	(750,000)		
TO: SEC. 121. MEDICAL SERVICES ADMINISTRATION						
Medical services administration	95,439,900	54,595,200	40,844,700	750,000		
Funding source:						
Total private revenues	101,300	0	101,300	750,000		

This transfer request provides \$750,000 in private contingency fund authorization to align with anticipated increases in private revenues in the Medical Services Administration line item.

\$500,000 in private funds are for the development of an integrated, statewide directory and consumer management system housed within the Michigan Health Information Network (MiHIN). Funding will link MiHIN systems for patient health data sharing, provider health data sharing, and clinical reporting and storage. Private funds, awarded by the Michigan Health Endowment Fund, will be federally matched to support this 2-year, \$5.0 million development project. Ongoing maintenance costs are estimated to be between \$300,000 - \$400,000 Gross (\$75,000 - \$100,000 GF/GP).

\$250,000 in private funds will support a study of managed long-term care services and supports, as required by 2018 PA 207, Article X, Section 1510. Funding sources include \$150,000 from the Michigan Health Endowment Fund and \$100,000 from other private sources. Section 1510 also requires the department to match these private funds with up to \$100,000 GF/GP.

LEGISLATIVE TRANSFER

BUDGET AREA: LICENSING AND REGULATORY AFFAIRS
 FISCAL YEAR: 2018-19
 TRANSFER AMOUNT: \$600,000

S.B.O. LETTER: 6/5/19
 S.B.O. REQUEST: 2019-4
 ANALYST: Marcus Coffin

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/20/19	BALANCE AVAILABLE AS OF 6/20/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XIII, SEC. 210(2)						
Contingency funds	25,000,000	NA	NA	(600,000)		
Funding source:						
Total state restricted revenues	25,000,000	NA	NA	(600,000)		
TO: SEC. 105. OCCUPATIONAL REGULATION						
Bureau of community and health systems	63,085,000	40,837,671	22,247,329	600,000		
Funding source:						
Health systems fees	2,568,000	1,909,919	658,081	600,000		

This transfer request increases state restricted spending authorization for Health Systems Fees in the Bureau of Community and Health Systems line item by \$600,000 to offset a one-time reduction in Medicare support (CFDA 93.777). Funds will be used to cover the operations of the Federal Survey and Certification Division in the regulation of several different federally certified health care providers and suppliers. Spending authority is available from state restricted contingency authorization in accordance with 2018 PA 207, Article XIII, Section 210(2), and sufficient revenues exist within Health Systems Fees. This transfer is requested by June 28, 2019.

LEGISLATIVE TRANSFER

BUDGET AREA: LICENSING AND REGULATORY AFFAIRS
 FISCAL YEAR: 2018-19
 TRANSFER AMOUNT: \$310,000

S.B.O. LETTER: 6/5/19
 S.B.O. REQUEST: 2019-4
 ANALYST: Marcus Coffin

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/20/19	BALANCE AVAILABLE AS OF 6/20/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XIII, SEC. 210(2)						
Contingency funds	25,000,000	NA	NA	(310,000)		
Funding source:						
Total state restricted revenues	25,000,000	NA	NA	(310,000)		
TO: SEC. 103. ENERGY AND UTILITY PROGRAMS						
Michigan agency for energy	7,132,800	3,284,811	3,847,989	310,000		
Funding source:						
Public utility assessments	2,287,000	2,224,713	62,287	310,000		

This transfer request increases state restricted spending authorization in the Michigan Agency for Energy line item by \$310,000 to support expenditures from a prior-year grant award and to cover unanticipated one-time employee payout costs. Spending authority is available from state restricted contingency authorization in accordance with 2018 PA 207, Article XIII, Section 210(2), and sufficient revenues exist within Public Utility Assessments. This transfer is requested by June 28, 2019.

LEGISLATIVE TRANSFER

BUDGET AREA: LICENSING AND REGULATORY AFFAIRS
 FISCAL YEAR: 2018-19
 TRANSFER AMOUNT: \$900,000

S.B.O. LETTER: 6/5/19
 S.B.O. REQUEST: 2019-4
 ANALYST: Marcus Coffin

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/20/19	BALANCE AVAILABLE AS OF 6/20/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XIII, SEC. 210(2)						
Contingency funds	25,000,000	NA	NA	(900,000)		
Funding source:						
Total state restricted revenues	25,000,000	NA	NA	(900,000)		
TO: SEC. 105. OCCUPATIONAL REGULATION						
Medical marihuana facilities licensing and tracking	10,000,000	7,744,973	2,255,027	900,000		
Funding source:						
Marihuana regulatory fund	10,000,000	7,744,973	2,255,027	900,000		

This transfer request increases state restricted spending authorization in the Medical Marihuana Facilities, Licensing, and Tracking Program (MMFLTP) by \$900,000 to allow the program to support additional staff and expand resources in order to effectively regulate the state's medical marihuana facilities in accordance with the Medical Marihuana Facilities Licensing Act (2016 PA 281). The department's FY 2018-19 appropriation for the MMFLP was set at \$10.0 million, with an understanding that additional funding (supported through existing state restricted revenues) would potentially be required as the program matured and demand in the state's new medical marihuana marketplace increased. Spending authority is available from state restricted contingency authorization in accordance with 2018 PA 207, Article XIII, Section 210(2), and sufficient revenues exist within the Marihuana Regulatory Fund. This transfer is requested by June 28, 2019.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$100,000**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/19/19	BALANCE AVAILABLE AS OF 6/19/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XIV, SEC. 210(1)						
Contingency funds	12,000,000	NA	NA	(100,000)		
Funding source:						
Total other federal revenues	12,000,000	NA	NA	(100,000)		
TO: SEC. 102. MILITARY						
National guard operations	398,200	32,359	365,841	100,000		
Funding source:						
Total other federal revenues	100,000	14,587	85,413	100,000		

This transfer would shift federal contingency fund authorization to the National Guard Operations line for reimbursement for equipment used during interstate response to Hurricane Florence. The Michigan Army National Guard mobilized six personnel and a Blackhawk helicopter to support relief efforts. FEMA funding will reimburse costs for helicopter usage and field rations. Spending authority is available from federal contingency authorization in accordance with 2018 PA 207, Article XIV, Section 210(1).

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$21,600**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/19/19	BALANCE AVAILABLE AS OF 6/19/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XIV, SEC. 210(2)						
Contingency funds	3,000,000	NA	NA	(21,600)		
Funding source:						
Total state restricted revenues	3,000,000	NA	NA	(21,600)		
TO: SEC. 104. GRAND RAPIDS HOME FOR VETERANS						
Veterans home operations	8,989,700	6,789,878	2,199,822	21,600		
Funding source:						
Other state restricted revenues	856,700	451,145	405,555	21,600		

This transfer would shift state restricted contingency fund authorization to the Grand Rapids Veterans Home Operations line item to align authorization with higher than anticipated lease revenue at the Grand Rapids Home for Veterans from clinical service provider lessees located at the home. State restricted contingency fund authorization is available in accordance with 2018 PA 207, Article XIV, Section 210(2).

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$911,300**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/6/19	BALANCE AVAILABLE AS OF 6/6/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: SEC. 102. MILITARY						
Military training sites and support facilities	36,411,300	21,953,493	14,457,807	(911,300)		
Funding source:						
State general fund/general purpose	3,840,700	880,671	2,960,029	(911,300)		
TO: SEC. 107. ONE-TIME APPROPRIATIONS						
Armory maintenance	1,000,000	821,496	178,504	911,300		
Funding source:						
State general fund/general purpose	1,000,000	821,496	178,504	911,300		

This request would transfer GF/GP authorization from Military Training Sites and Support Facilities line item to the Armory Maintenance line item to increase authorization to accommodate additional ongoing maintenance projects at National Guard armories statewide. Funds authorized for armory maintenance are eligible to leverage 100% federal match funding. Spending authority is available in the Military Training Sites and Support Facilities line item based on additional funding for physical operations and maintenance at Camp Grayling provided under 2018 PA 618.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$2,503,100**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/6/19	BALANCE AVAILABLE AS OF 6/6/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XIV, SEC. 210(1)						
Contingency funds	12,000,000	NA	NA	(2,503,100)		
Funding source:						
Total federal revenues	12,000,000	NA	NA	(2,503,100)		
TO: SEC. 102. MILITARY						
Michigan youth challeNGe academy	6,023,000	4,143,068	1,879,932	2,503,100		
Funding source:						
Other federal revenues	2,970,300	2,828,544	141,756	2,503,100		

This transfer would shift federal contingency fund authorization to the Michigan Youth ChalleNGe Academy line item to align authorization with new federal revenues from the U.S. Department of Defense in support of the Michigan Job ChalleNGe program. \$700,000 GF/GP was appropriated in 2018 PA 618 to provide the 25% state match requirement. This transfer would provide the 75% federal match funding. Federal contingency fund authorization is available in accordance with 2018 PA 207, Article XIV, Section 210(1).

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$396,200**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/7/19	BALANCE AVAILABLE AS OF 6/7/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XV, SEC. 210(2)						
Contingency funds	10,000,000	NA	NA	(396,200)		
Funding source:						
Total state restricted revenues	10,000,000	NA	NA	(396,200)		
TO: SEC. 104. COMMUNICATION AND CUSTOMER SERVICES						
Michigan historical center	6,134,900	3,652,908	2,481,992	396,200		
Funding source:						
Michigan historical center operations fund	807,300	434,087	373,213	396,200		

This transfer increases state restricted authorization for the Michigan Historical Center appropriation. Available private gift revenue received by the Michigan Historical Center will be deposited into the Michigan Historical Center Operations Fund pursuant to the Michigan History Center Act, 2016 PA 470, MCL 399.803. Spending authority is available from state restricted contingency authorization in accordance with 2018 PA 207, Article XV, Section 210(2). This transfer is requested by June 30, 2019.

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$350,000**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/7/19	BALANCE AVAILABLE AS OF 6/7/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XV, SEC. 210(2)						
Contingency funds	10,000,000	NA	NA	(350,000)		
Funding source:						
Total state restricted revenues	10,000,000	NA	NA	(350,000)		
TO: SEC. 111. GRANTS						
Grants to counties – marine safety	3,074,700	346,221	2,728,479	350,000		
Funding source:						
Marine safety fund	1,407,300	340,589	1,066,711	350,000		

This transfer increases state restricted authorization for the Grants to Counties - Marine Safety appropriation to enable current year marine safety grants to be recorded on an accrual basis in line with generally accepted accounting principles. The transfer will have no impact on 2019 marine safety grant award amounts. Sufficient revenue is available to support the additional Marine Safety spending authority. Spending authority is available from state restricted contingency authorization in accordance with 2018 PA 207, Article XV, Section 210(2). This transfer is requested by June 30, 2019.

LEGISLATIVE TRANSFER

BUDGET AREA: STATE POLICE
 FISCAL YEAR: 2018-19
 TRANSFER AMOUNT: \$600,000

S.B.O. LETTER: 6/5/19
 S.B.O. REQUEST: 2019-4
 ANALYST: Marcus Coffin

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/20/19	BALANCE AVAILABLE AS OF 6/20/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: SEC. 106. SPECIALIZED SERVICES						
Hazardous materials programs	28,031,500	7,195,544	20,835,956	(600,000)		
Funding source:						
Other federal revenues	23,783,900	4,658,332	19,125,568	(600,000)		
TO: SEC. 106. SPECIALIZED SERVICES						
Commercial vehicle enforcement	30,593,300	17,451,918	13,141,382	600,000		
Funding source:						
Other federal revenues	7,825,700	668,313	(668,313)	600,000		

This request transfers 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 funds. Funding supports efforts to reduce commercial vehicle crashes, fatalities, and injuries through traffic enforcement, inspections, education, and other safety efforts. Spending authority is available in the Hazardous Materials Programs line item due to lower than anticipated federal revenues.

LEGISLATIVE TRANSFER

BUDGET AREA: STATE POLICE
 FISCAL YEAR: 2018-19
 TRANSFER AMOUNT: \$100,000

S.B.O. LETTER: 6/5/19
 S.B.O. REQUEST: 2019-4
 ANALYST: Marcus Coffin

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/20/19	BALANCE AVAILABLE AS OF 6/20/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: SEC. 106. SPECIALIZED SERVICES						
Hazardous materials programs	28,031,500	7,195,544	20,835,956	(100,000)		
Funding source:						
Other federal revenues	23,783,900	4,658,332	19,125,568	(100,000)		
TO: SEC. 103. LAW ENFORCEMENT SERVICES						
Training	10,576,000	6,785,382	3,790,618	100,000		
Funding source:						
Other federal funds	404,500	315,232	89,268	100,000		

This request transfers federal authorization from the Hazardous Materials Programs line item to the Training line item to align authorization with available revenues due to higher than expected federal Highway Safety Grant awards. Funding supports coordination and training for state and local law enforcement personnel on standardized field sobriety testing and advanced roadside impaired driving enforcement. Spending authority is available in the Hazardous Materials Programs line item due to lower than anticipated federal revenues.

LEGISLATIVE TRANSFER

BUDGET AREA: STATE POLICE
 FISCAL YEAR: 2018-19
 TRANSFER AMOUNT: \$800,000

S.B.O. LETTER: 6/5/19
 S.B.O. REQUEST: 2019-4
 ANALYST: Marcus Coffin

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/20/19	BALANCE AVAILABLE AS OF 6/20/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: SEC. 106. SPECIALIZED SERVICES						
Hazardous materials programs	28,031,500	7,195,544	20,835,956	(800,000)		
Funding source:						
Other federal revenues	23,783,900	4,658,332	19,125,568	(800,000)		
TO: SEC. 103. LAW ENFORCEMENT SERVICES						
Criminal justice information center	19,876,100	13,779,578	6,096,522	800,000		
Funding source:						
Other federal funds	1,932,700	1,098,119	(437,159)	800,000		

This request transfers federal authorization from the Hazardous Materials Programs line item to the Criminal Justice Information Center line item to align authorization with available revenues due to higher than expected federal funding for the National Criminal History Improvement Program and Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking Grant awards. Funding supports ongoing maintenance and integration of various criminal justice information systems to ensure records accuracy of systems including the sex offender registry, and protective orders including domestic violence. Spending authority is available in the Hazardous Materials Programs line item due to lower than anticipated federal revenues.

LEGISLATIVE TRANSFER

BUDGET AREA: **TRANSPORTATION**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$50,000**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **William E. Hamilton**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/19/19	BALANCE AVAILABLE AS OF 6/19/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE XVII, SEC. 210(3)						
Contingency funds	1,000,000	NA	NA	(50,000)		
Funding source:						
Total local revenues	1,000,000	NA	NA	(50,000)		
TO: SEC. 115. INTERCITY PASSENGER AND FREIGHT						
Marine passenger service	400,000	157,816	242,184	50,000		
Funding source:						
Local funds	0	0	0	50,000		

The Marine Passenger Service line item provides capital assistance for marine passenger transit systems in this state. By practice, the funding has been granted equally to two recognized marine passenger agencies: Beaver Island Transportation Authority (BITA), and Eastern Upper Peninsula Transportation Authority (EUPTA). State grant funding provides 90% of project cost with 10% provided by the local agency. This transfer would provide an additional \$50,000 in spending authority by drawing from “local contingency funds” authorization in Section 210(3) of 2018 PA 207.

The transfer would authorize the department to expend local funds (the 10% required local match) related to two Marine Passenger capital authorizations. The BITA project authorization was included in State Transportation Commission contact exhibits dated 2/19/2019 (Item #13); the EUPTA project authorization was included in State Transportation Commission contact exhibits dated 3/18/2019 (Item #7). These authorizations involve safety-related and other upgrades to existing vessels, as well as dockside improvements.

LEGISLATIVE TRANSFER

BUDGET AREA: **TRANSPORTATION**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$9,000,000**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **William E. Hamilton**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/19/19	BALANCE AVAILABLE AS OF 6/19/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: SEC. 109. ROAD AND BRIDGE PROGRAMS						
State trunkline federal aid and road and bridge construction	1,266,763,500	*	*	(9,000,000)		
Funding source:						
State trunkline fund	417,274,700	*	*	(9,000,000)		
TO: SEC. 108. HIGHWAY MAINTENANCE						
State trunkline operations	339,127,800	245,604,814	93,522,986	9,000,000		
Funding source:						
State trunkline fund	339,127,800	245,604,814	93,522,986	9,000,000		

This transfer shifts \$9.0 million of State Trunkline Fund authorization from State Trunkline Federal Aid and Road & Bridge Construction to State Trunkline Operations. The transfer is needed to address additional highway maintenance costs incurred due to above average snowfalls experienced during the winter of 2018-2019. To date, winter maintenance costs have exceeded the five-year average by \$11.0 million, with \$1.0 million of additional expenditures on road salt. According to the department, without this transfer, the department's ability to deliver non-winter maintenance activities, such as critical and high priority road and bridge maintenance, would be diminished.

*Expenditure and encumbrance information not available at this time.

LEGISLATIVE TRANSFER

BUDGET AREA: **TRANSPORTATION**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$21,375,000**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **William E. Hamilton**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/19/19	BALANCE AVAILABLE AS OF 6/19/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: SEC. 109. ROAD AND BRIDGE PROGRAMS						
State trunkline federal aid and road and bridge construction	1,266,763,500	*	*	(21,375,000)		
Funding source:	417,274,700	*	*			
State trunkline fund				(21,375,000)		
TO: SEC. 108. HIGHWAY MAINTENANCE						
State trunkline operations	339,127,800	245,604,814	93,522,986	21,375,000		
Funding source:						
State trunkline fund	339,127,800	245,604,814	93,522,986	21,375,000		

This transfer shifts \$21.4 million of State Trunkline Fund authorization from State Trunkline Federal Aid and Road and Bridge Construction to State Trunkline Operations. This transfer will facilitate the establishment of a state maintenance operation in Monroe County. This operation will provide state trunkline maintenance services currently provided by the local county road commission, which has opted to terminate its maintenance contract with the department. These funds will support the development of facilities at two locations in Monroe County, as well as maintenance trucks, snowplows, and other related equipment needed to initiate state trunkline maintenance services. The department will utilize contracted forces beginning on October 1, 2019, and ultimately transition to state forces once operational capabilities are established.

*Expenditure and encumbrance information not available at this time.

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2018-19**
 TRANSFER AMOUNT: **\$130,000**

S.B.O. LETTER: **6/5/19**
 S.B.O. REQUEST: **2019-4**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/19/19	BALANCE AVAILABLE AS OF 6/19/19	GOV'S REC. 6/5/19	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 207 OF 2018 ARTICLE VIII, SEC. 901(2)						
Contingency funds	4,387,000	NA	NA	(130,000)		
Funding source:						
Total state restricted revenues	4,387,000	NA	NA	(130,000)		
TO: SEC. 108(10) PAYMENTS IN LIEU OF TAXES						
Purchased lands	8,677,900	8,348,078	329,822	130,000		
Funding source:						
Michigan natural resources trust fund	2,064,700	2,188,217	(123,517)	130,000		

This transfer requests \$130,000 in state restricted contingency authorization for the Purchased Lands payment in lieu of taxes (PILT) appropriation line item with financing from the Michigan Natural Resources Trust Fund (MNRTF). The additional authority would enable the Department of Treasury to make Purchased Lands PILT distributions to local governments based on current land valuations on behalf of the Department of Natural Resources (DNR) for properties owned by the state and controlled by the DNR. The shortfall is due to underestimating the value of MNRTF Purchased Lands PILT throughout the state. Under 2012 PA 604, if the state fails to make PILT distributions in full, the unpaid portion would be subject to penalties and interest.