

MEMORANDUM



DATE: May 4, 2020
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Packages 2020-1, 2020-3, and 2020-4

Attached are legislative transfers proposed by the State Budget Office in letters dated March 12, 2020 April 2, 2020 and April 15, 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 \$21.4 million, which will shift 0.04% 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 \$8.4 million, which will increase the FY 2019-20 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: 2020-1, March 12, 2020
 SBO LETTER: 2020-3, April 2, 2020
 SBO LETTER: 2020-4, April 15, 2020

Department	Analyst	Page	Total Transfer
Agriculture and Rural Development	William E. Hamilton	1	\$300,000
Corrections	Robin Risko	2	750,000
Education	Samuel Christensen Jacqueline Mullen	3	1,500,000
Health and Human Services	Sue Frey Kent Dell Kevin Koorstra Viola Bay Wild	4-7	3,361,100
Higher Education	Perry Zielak	8	8,500,000
Military and Veterans Affairs	Mike Cnossen	9	470,000
Natural Resources	Austin Scott	10-14	3,902,000
State	Michael Cnossen	15	300,000
State Police	Marcus Coffin	16	500,000
Transportation	William E. Hamilton	17	10,000,000
Treasury	Ben Gielczyk	18	190,000
Total			29,773,100

FY 2019-20 Legislative Transfers: Request 2020-1, 2020-3, 2020-4

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
Corrections	2,042,261,300						750,000	750,000	0.04%
Higher Education	1,691,395,000		8,500,000					8,500,000	0.50%
Natural Resources	438,685,400		2,100,000					2,100,000	0.48%
Transportation	5,021,408,000		10,000,000					10,000,000	0.20%
TOTAL*	\$59,573,670,000	\$0	\$20,600,000	\$0	\$0	\$0	\$750,000	\$21,350,000	0.04%

*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		
Agriculture and Rural Development	111,417,500		300,000					300,000	0.27%
Education	419,783,700				1,500,000			1,500,000	0.36%
Health and Human Services	26,358,046,300		2,000,000		1,061,100	300,000		3,361,100	0.01%
Military and Veterans Affairs	204,065,100		470,000					470,000	0.23%
Natural Resources	438,685,400					1,802,000		1,802,000	0.41%
State	250,393,000					300,000		300,000	0.12%
State Police	753,559,000					500,000		500,000	0.07%
Treasury - Operations	590,066,900					190,000		190,000	0.03%
TOTAL*	\$59,573,670,000	\$0	\$2,770,000	\$0	\$2,561,100	\$3,092,000	\$0	\$8,423,100	0.01%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **AGRICULTURE AND RURAL DEVELOPMENT**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$300,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **William E. Hamilton**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 5/1/20	BALANCE AVAILABLE AS OF 5/1/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 65 OF 2019 SEC. 210(1)						
Contingency funds	3,000,000	NA	NA	(300,000)	(300,000)	
Funding source:						
Total federal revenues	3,000,000	NA	NA	(300,000)	(300,000)	
TO: SEC. 109. AGRICULTURE DEVELOPMENT						
Agriculture development	4,323,900	2,932,542	1,391,358	300,000	300,000	
Funding source:						
USDA, multiple grants	2,274,800	2,020,746	254,054	300,000	300,000	

This transfer of federal spending authority from the contingency appropriation in 2019 PA 65 to the Agriculture development line item would allow for the expenditure of U. S. Department of Agriculture Specialty Crop grants authorized under the 2018 Farm Bill. Michigan received higher specialty crop grants than were anticipated when the current year budget was initially developed.

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$750,000**

S.B.O. LETTER: **4/2/20**
 S.B.O. REQUEST: **2020-3**
 ANALYST: **Robin R. Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 4/17/20	BALANCE AVAILABLE AS OF 4/17/20	GOV'S REC. 4/2/20	HOUSE ACTION	SENATE ACTION
FROM: SEC. 107. CORRECTIONAL FACILITIES						
Special alternative incarceration program – Cassidy Lake	14,325,300	4,761,329	9,563,971	(750,000)		
Funding source:						
State general fund/general purpose	14,223,200	4,761,329	9,461,871	(750,000)		
TO: SEC. 105. CORRECTIONAL FACILITIES ADMINISTRATION						
Leased beds and alternatives to leased beds	100	0	100	750,000		
Funding source:						
State general fund/general purpose	100	0	100	750,000		

This request to transfer \$750,000 GF/GP from the Special Alternative Incarceration Program line item to the Leased Beds and Alternatives to Leased Beds line item is necessary to support reimbursement payments to counties for housing offenders who have been sentenced to prison but cannot be transferred to a correctional facility because of Executive Order 2020-29, which temporarily suspends all transfers of offenders into the Department of Corrections' custody. Funding is available from the Special Alternative Incarceration Program line item due to downsizing of the program and relocating it to the Cooper Street Correctional Facility.

LEGISLATIVE TRANSFER

BUDGET AREA: **EDUCATION**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$1,500,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Samuel Christensen/Jacqueline Mullen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 4/17/20	BALANCE AVAILABLE AS OF 4/17/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 63 OF 2019, SEC. 210(4)						
Contingency funds	1,500,000	0	1,500,000	(1,500,000)	(1,500,000)	
Funding source:						
Total private revenues	1,500,000	0	1,500,000	(1,500,000)	(1,500,000)	
TO: SEC. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND						
Camp Tuhsmeheta	298,000	131,943	166,057	1,500,000	1,500,000	
Funding source:						
Gifts, bequests, and donations	298,000	131,943	166,057	1,500,000	1,500,000	

This transfer would provide \$1.5 million in private contingency authorization for the Camp Tuhsmeheta line item to cover costs associated with a new indoor recreation center that would allow for year-round physical activity programs and for the ability to participate in a Para-Olympic VI sport – Goalball. The funds for this project are available from private donations, and they will be used for land preparation, architect fees, building materials, and labor. The estimated cost of the project is \$900,000 in one-time private funds, which the architect has noted is based on other similarly sized projects. However, MDE has noted that several recent capital projects for Camp Tuhsmeheta have had overage costs ranging from 30% to 70%, so they are requesting the full contingency amount available in the case of overages. Spending authority is available from private contingency authorization in accordance with PA 63 of 2019, Section 210. MDE has also noted that if the appropriation is not received by May it will delay the recreation center from being available into the following year.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$1,000,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Sue Frey**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 4/27/20	BALANCE AVAILABLE AS OF 4/27/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 67 OF 2019 SEC. 210(1)						
Contingency funds	80,000,000	NA	NA	(1,000,000)	(1,000,000)	
Funding source:						
Total federal revenues	80,000,000	NA	NA	(1,000,000)	(1,000,000)	
TO: SEC. 114. LABORATORY SERVICES						
Laboratory services	23,774,500	15,582,849	8,191,651	1,000,000	1,000,000	
Funding source:						
Total other federal revenues	4,338,600	3,165,040	1,173,560	1,000,000	1,000,000	

This transfer increases the federal funds authorization for the Laboratory Services line item, enabling the Department to expend available federal revenues \$1,000,000 in excess of the current authorization. Increased funding is available from a new federal grant to assess Michigan resident exposures to chemicals under two biomonitoring assessment programs. A statewide surveillance project will assess exposure to PFAS, PCBs*, organochlorine pesticides, and heavy metals such as arsenic, mercury, and lead in adult residents (to be called the Michigan Chemical Exposure Monitoring program, MiChEM). A second program will be a targeted investigation to assess occupational exposures to PFAS among firefighters, The grant was awarded September 2019 and totals \$4.0 million over 5 years. The proposed FY 2020-21 budget includes a \$1.0 million increase to this line item for additional funds authorization for this grant, as recommended by the Executive.

Federal contingency fund authorization is available for this transfer.

*PFAS – perfluoroalkyl and polyfluoroalkyl chemical substances
 PCBs – polychlorinated biphenyl chemicals

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$1,000,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Sue Frey**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 4/27/20	BALANCE AVAILABLE AS OF 4/27/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 67 OF 2019 SEC. 210(1)						
Contingency funds	80,000,000	NA	NA	(1,000,000)	(1,000,000)	
Funding source:						
Total federal revenues	80,000,000	NA	NA	(1,000,000)	(1,000,000)	
TO: SEC. 115. EPIDEMIOLOGY AND POPULATION HEALTH						
Epidemiology administration	25,826,600	8,037,225	17,789,375	1,000,000	1,000,000	
Funding source:						
Total other federal revenues	13,141,000	5,387,849	7,753,151	1,000,000	1,000,000	

This transfer increases the federal funds authorization for the Epidemiology Administration line item, enabling the Department to expend available federal revenues \$1,000,000 in excess of the current authorization. Increased funding is available from a new federal grant to investigate the human health effects of exposure to PFAS-contaminated* drinking water. The study sites in Michigan include the City of Parchment, Cooper Township, and northern Kent County. Six other states also received funds under this new grant program to understand health effects across differing populations. The proposed FY 2020-21 budget includes a \$1.0 million increase to this line item for additional funds authorization for this grant, as recommended by the Executive.

Federal contingency fund authorization is available for this transfer.

*PFAS – perfluoroalkyl and polyfluoroalkyl chemical substances

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$1,061,100**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Sue Frey**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 4/27/20	BALANCE AVAILABLE AS OF 4/27/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 67 OF 2019 SEC. 210(4)						
Contingency funds	2,000,000	NA	NA	(1,061,100)	(1,061,100)	
Funding source:						
Total private revenues	2,000,000	NA	NA	(1,061,100)	(1,061,100)	
TO: SEC. 117. FAMILY HEALTH SERVICES						
Women, infants, and children program administration and special projects	18,186,600	8,072,710	10,113,890	1,061,100	1,061,100	
Funding source:						
Total private revenues	304,300	19,701	284,599	1,061,100	1,061,100	

This transfer increases the private funds authorization for the Women, Infants, and Children (WIC) Program Administration and Special Projects line item, enabling the Department to expend available private revenues \$1,061,100 in excess of the current authorization. Increased funding is available from vendor fine and penalty revenues. The funds will be used for continuation of the existing program, supporting staff, contracts, compliance, information technology improvements, food services initiatives, training activities, and other WIC program costs.

Private contingency fund authorization is available for this transfer.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$300,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Sue Frey**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 4/27/20	BALANCE AVAILABLE AS OF 4/27/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 67 OF 2019 SEC. 210(2)						
Contingency funds	45,000,000	NA	NA	(300,000)	(300,000)	
Funding source:						
Total state restricted revenues	45,000,000	NA	NA	(300,000)	(300,000)	
TO: SEC. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS						
Emergency medical services program	6,594,100	2,456,575	4,137,525	300,000	300,000	
Funding source:						
Total other state restricted revenues	4,003,400	1,287,794	2,715,606	300,000	300,000	

This transfer increases the state restricted funds authorization for the Emergency Medical Services Program line item, enabling the Department to expend available state restricted revenues \$300,000 in excess of the current authorization. Increased revenue is available from emergency medical services licensure fees charged for licensure of emergency personnel, life support vehicles, and medical first responder and life support operations and agencies. The funds will be used for continuation of the existing programs of licensure, complaint investigations, statewide data collection, and statewide and regional trauma system support.

State restricted contingency fund authorization is available for this transfer.

LEGISLATIVE TRANSFER

BUDGET AREA: **HIGHER EDUCATION**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$8,500,000**

S.B.O. LETTER: **4/15/20**
 S.B.O. REQUEST: **2020-4**
 ANALYST: **Perry Zielak**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 4/17/20	BALANCE AVAILABLE AS OF 4/17/20	GOV'S REC. 4/15/20	HOUSE ACTION	SENATE ACTION
FROM: SEC. 236(7) STUDENT FINANCIAL AID						
State competitive scholarships	38,361,700	20,488,059	17,873,641	(8,500,000)		
Funding source:						
Social security act, temporary assistance for needy families	32,430,800	17,522,609	14,908,191	(8,500,000)		
 TO: SEC. 236(7) STUDENT FINANCIAL AID						
Tuition grants	38,021,500	28,710,500	9,311,000	4,000,000		
Funding source:						
Social security act, temporary assistance needy families	34,095,600	26,747,550	7,348,050	4,000,000		
 Tuition incentive program	64,300,000	63,167,899	1,132,101	4,500,000		
Funding source:						
Social security act, temporary assistance for needy families	64,300,000	63,167,899	1,132,101	4,500,000		

This transfer requests \$4.0 million federal TANF authorization for the Michigan Tuition Grant program and \$4.5 million federal TANF authorization for the Tuition Incentive Program to support higher than anticipated demand in these student financial aid programs. The funds are available from the State Competitive Scholarship program as a result of lower anticipated costs than initial projections.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$470,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 3/24/20	BALANCE AVAILABLE AS OF 3/24/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 54 OF 2019 SEC. 210(1)						
Contingency funds	8,600,000	NA	NA	(470,000)	(470,000)	
Funding source:						
Other federal revenues	8,600,000	NA	NA	(470,000)	(470,000)	
TO: SEC. 121. INFORMATION TECHNOLOGY						
Information technology services and projects	1,530,800	510,069	1,020,731	470,000	470,000	
Funding source:						
Other federal revenues	586,700	175,057	411,643	470,000	470,000	

This request would transfer federal contingency fund authorization to the Information Technology Services and Projects 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 would support the implementation of a new building asset life-cycle management information technology system. Spending authority is available from federal contingency authorization in accordance with PA 59 of 2019, Section 210(1).

LEGISLATIVE TRANSFER

BUDGET AREA: NATURAL RESOURCES
 FISCAL YEAR: 2019-20
 TRANSFER AMOUNT: \$50,000

S.B.O. LETTER: 3/12/20
 S.B.O. REQUEST: 2020-1
 ANALYST: Austin Scott

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 3/20/20	BALANCE AVAILABLE AS OF 3/20/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 59 OF 2019 SEC. 210						
Contingency funds	5,000,000	NA	NA	(50,000)	(50,000)	
Funding source:						
Total state restricted revenues	5,000,000	NA	NA	(50,000)	(50,000)	
TO: SEC. 104. COMMUNICATION AND CUSTOMER SERVICES						
Marketing and outreach	14,166,300	5,869,772	8,296,528	50,000	50,000	
Funding source:						
Sportsmen against hunger fund	76,400	75,086	1,314	50,000	50,000	

Additional state restricted spending authority is requested to allow the Michigan Sportsmen Against Hunger organization to continue to accept and process available deer to support local food banks and shelters. Donations of harvested deer have increased due to surveillance and population control activities and overall use of crop damage permits. There are additional costs to reimburse wild game processors and provide for the transportation of venison to local charities and food banks as donations increase. Spending authority is available from state restricted contingency authorization in accordance with PA 59 of 2019, Section 210.

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$1,000,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 3/20/20	BALANCE AVAILABLE AS OF 3/20/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 59 OF 2019 SEC. 210						
Contingency funds	5,000,000	NA	NA	(1,000,000)	(1,000,000)	
Funding source:						
Total state restricted revenues	5,000,000	NA	NA	(1,000,000)	(1,000,000)	
TO: SEC. 104. COMMUNICATION AND CUSTOMER SERVICES						
Marketing and outreach	14,166,300	5,869,772	8,296,528	1,000,000	1,000,000	
Funding source:						
Game and fish protection fund	8,466,800	3,385,195	5,081,605	1,000,000	1,000,000	

Additional state restricted spending authority is requested to support one-time costs associated with the implementation of the new license sales system. These costs include payments for DTMB staff and contractors who are managing the conversion, the replacement of outdated point-of-sale equipment, and one month of overlapping hosting by the contractor of the former system.

Revenue is available from the Game and Fish Protection Fund to support this one-time increase in spending authority due to recent investment returns. Spending authority is available from state restricted contingency authorization in accordance with PA 59 of 2019, Section 210.

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$1,000,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 3/20/20	BALANCE AVAILABLE AS OF 3/20/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: SEC. 105. WILDLIFE DIVISION						
Wildlife management	45,881,000	16,141,056	29,739,944	(1,000,000)	(1,000,000)	
Funding source:						
Federal funds	25,377,200	7,087,994	18,289,206	(1,000,000)	(1,000,000)	
TO: SEC. 110. FOREST RESOURCES DIVISION						
Forest management and timber market development	35,061,700	13,061,218	22,000,482	1,000,000	1,000,000	
Funding source:						
Federal national forest timber fund	902,600	713,066	189,534	1,000,000	1,000,000	

Additional federal spending authority is requested to support Good Neighbor Authority (GNA) projects in the Huron-Manistee, Hiawatha, and Ottawa National Forests. Revenue from timber sales prepared by the Department of Natural Resources within these three national forests is allocated for specific projects identified in the GNA agreements with the U.S. Forest Service. These projects support timber management and wildlife habitat work throughout national forests in Michigan.

Sufficient GNA timber sale revenue is available to support the increased spending authorization. Federal authority is available from the Wildlife Management appropriation due to FY 2019-20 Pittman-Robertson funding being less than anticipated.

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$752,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 3/20/20	BALANCE AVAILABLE AS OF 3/20/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 59 OF 2019 SEC. 210						
Contingency funds	5,000,000	NA	NA	(752,000)	(752,000)	
Funding source:						
Total state restricted revenues	5,000,000	NA	NA	(752,000)	(752,000)	
TO: SEC. 111. GRANTS						
Recreation improvement fund grants	907,100	(340,335)	1,247,435	188,000	188,000	
Funding source:						
Recreation improvement account	907,100	(340,335)	1,247,435	188,000	188,000	
SEC. 108. PARKS AND RECREATION DIVISION						
Forest recreation and trails	7,131,100	2,562,577	4,568,523	564,000	564,000	
Funding source:						
Recreation improvement account	504,600	104,739	399,861	564,000	564,000	

Additional state restricted spending authority is requested for recreational trail projects. The increased spending authorization for Recreation Improvement Fund Grants is needed to address trail damage from off-road vehicles (ORVs). Current law requires that at least 25% of expenditures from the Recreation Improvement Account on recreational projects in a fiscal year be used to repair natural resource damages from ORVs.

The increased spending authorization for Forest Recreation and Trails is requested to address damages from a 2018 flooding event that led to the closure of the Houghton to Chassell Trail, a nonmotorized trail in Houghton County. The scope of work includes repairing a bridge over the Pilgrim River and replacing three large culverts so the trail can be reopened. Financial assistance would be provided by the Federal Emergency Management Agency, with reimbursement to be provided for 75% of the approved project costs. Spending authority is available from state restricted contingency authorization in accordance with PA 59 of 2019, Section 210.

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$1,100,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 3/20/20	BALANCE AVAILABLE AS OF 3/20/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: SEC. 105. WILDLIFE DIVISION						
Wildlife management	45,881,000	16,141,056	29,739,944	(1,100,000)	(1,100,000)	
Funding source:						
Federal funds	25,377,200	7,087,994	18,289,206	(1,100,000)	(1,100,000)	
TO: SEC. 103. DEPARTMENT INITIATIVES						
Great Lakes restoration initiative	2,922,000	415,316	2,506,684	1,100,000	1,100,000	
Funding source:						
Federal funds	2,922,000	415,316	2,506,684	1,100,000	1,100,000	

This transfer is requested to align spending authority with available federal revenue to restore the flatwoods in Belle Isle Park for fish and wildlife. Federal authority is available from Wildlife Management due to FY 2019-20 Pittman-Robertson funding being less than anticipated.

LEGISLATIVE TRANSFER

BUDGET AREA: STATE
 FISCAL YEAR: 2019-20
 TRANSFER AMOUNT: \$300,000

S.B.O. LETTER: 3/12/20
 S.B.O. REQUEST: 2020-1
 ANALYST: Michael Cnossen

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 3/24/20	BALANCE AVAILABLE AS OF 3/24/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 56 OF 2019 SEC. 701 (2)						
Contingency funds	2,500,000	NA	NA	(300,000)	(300,000)	
Funding source:						
Total state restricted revenues	2,500,000	NA	NA	(300,000)	(300,000)	
TO: SEC. 106. (4). CUSTOMER DELIVERY SERVICES						
Motorcycle safety education grants	1,800,000	1,496,700	303,300	300,000	300,000	
Funding source:						
Motorcycle safety fund	1,500,000	1,496,700	3,300	300,000	300,000	

This request would transfer \$300,000 from state restricted contingency authorization to the Motorcycle Safety Education Grants line item to purchase 60 new training motorcycles to distribute to the public sponsors of the Motorcycle Safety Program for use during motorcycle training classes. Grants from the line are distributed to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, and other government agencies to support costs of providing motorcycle safety training. Sufficient Motorcycle Safety Fund revenue, collected from motorcycle endorsements on operators' licenses, motorcycle registration fees, and motorcycle driving test fees, exists to accommodate the transfer and spending authority is available from state restricted contingency authorization in accordance with PA 56 of 2019, Section 701 (2).

LEGISLATIVE TRANSFER

BUDGET AREA: STATE POLICE
 FISCAL YEAR: 2019-20
 TRANSFER AMOUNT: \$500,000

S.B.O. LETTER: 3/12/20
 S.B.O. REQUEST: 2020-1
 ANALYST: Marcus Coffin

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 3/23/20	BALANCE AVAILABLE AS OF 3/23/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 53 OF 2019 SEC. 210(2)						
Contingency funds	4,000,000	NA	NA	(500,000)	(500,000)	
Funding source:						
Total state restricted revenues	4,000,000	NA	NA	(500,000)	(500,000)	
TO: SEC. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT						
Departmentwide	41,408,500	12,901,981	28,506,519	500,000	500,000	
Funding source:						
Other state restricted revenues	843,700	12,025	831,675	500,000	500,000	

This transfer requests a shift of state restricted contingency fund authorization to the Departmentwide line item to align authorization with available vehicle sales revenue generated through the sale of surplus vehicles from the department's fleet. Revenue from vehicle sales would be used to support the department's ongoing fleet costs. Spending authority is available from state restricted contingency fund authorization in accordance with PA 53 of 2019, Section 210(2).

LEGISLATIVE TRANSFER

BUDGET AREA: **TRANSPORTATION**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$10,000,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **William E. Hamilton**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 3/16/20	BALANCE AVAILABLE AS OF 3/16/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: SEC. 116. INTERCITY PASSENGER						
Rail freight, rail economic development	27,753,300	4,069,091	23,684,209	(10,000,000)	(10,000,000)	
Funding source:						
Federal aid, transportation programs,	10,000,000	0	0	(10,000,000)	(10,000,000)	
TO: SEC. 116. INTERCITY PASSENGER						
Rail passenger	57,813,400	21,942,637	35,870,763	10,000,000	10,000,000	
Funding source:						
Federal aid, transportation programs	0	0	0	10,000,000	10,000,000	

This transfer shifts \$10.0 million of federal spending authorization from the Rail Freight, Rail Economic Development line item to the Rail Passenger line item to allow the expenditure of competitive Federal Railroad Administration capital grants awarded to Michigan for improved intercity passenger rail service. The grants are specific to the rail passenger program. When the Rail Operations and Infrastructure line item was unrolled during development of the FY 2019-20 transportation budget, this federal authorization was incorrectly allocated to the Rail Freight, Rail Economic Development line item.

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$190,000**

S.B.O. LETTER: **3/12/20**
 S.B.O. REQUEST: **2020-1**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 4/20/20	BALANCE AVAILABLE AS OF 4/20/20	GOV'S REC. 3/12/20	SENATE ACTION 3/17/20	HOUSE ACTION
FROM: PUBLIC ACT 56 OF 2019 SEC. 901(3)						
Contingency funds	10,000,000	NA	NA	(190,000)	(190,000)	
Funding source:						
Total state restricted revenues	10,000,000	NA	NA	(190,000)	(190,000)	
TO: SEC. 108(10) PAYMENTS IN LIEU OF TAXES						
Purchased lands	8,677,900	8,419,865	258,035	190,000	190,000	
Funding source:						
Michigan natural resources trust fund	2,064,700	2,254,330	(189,630)	190,000	190,000	

This transfer provides \$190,000 in state restricted authorization to the Purchased Lands appropriation with financing from the Michigan Natural Resources Trust Fund (MNRTF). State restricted contingency fund authority exists in boilerplate section 901(3) of Public Act 56 of 2019. The Purchased Lands appropriation includes payments in lieu of taxes (PILT) to local units of government for state-owned property made on behalf of the Department of Natural Resources (DNR). The additional funding is necessary to support the payments associated with the purchase of additional land parcels by DNR through the MNRTF. State-owned lands purchased with MNRTF resources are required to have associated PILT paid solely from the MNRTF. Additionally, 2012 PA 604 requires PILT to be paid in full otherwise the unpaid portion is subject to penalty and interest as for delinquent taxes under the General Property Tax Act, 1893 PA 206.