

MEMORANDUM



DATE: September 22, 2020
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Packages 2020-6 and 2020-7

Attached are the legislative transfers proposed by the State Budget Office in letters dated August 11, 2020 and September 14, 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. This transfer package is scheduled to be considered by the House Appropriations Committee on Wednesday, September 23, 2020.

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 \$6.4 million, which will shift 0.01% 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 \$13.0 million, which will increase the FY 2019-20 year-to-date state budget by 0.02%.

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: 2020-6
 August 11, 2020
 SBO LETTER: 2020-7
 September 14, 2020

Department	Analyst	Page	Total Transfer
Corrections	Robin Risko	1	\$750,000
Health and Human Services	Susan Frey Kevin Koorstra Viola Wild Kent Dell	2-8	10,075,500
Licensing and Regulatory Affairs	Marcus Coffin	9	606,900
Military and Veterans Affairs	Mike Cnossen	10-14	6,485,000
Natural Resources	Austin Scott	15	396,200
State Police	Marcus Coffin	16-18	869,000
Treasury – Revenue Sharing	Ben Gielczyk	19	202,942
Total			\$19,385,542

FY 2019-20 Legislative Transfers: Requests 2020-7

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
Corrections	2,113,574,900						750,000	750,000	0.04%
Health and Human Services	28,902,569,300		3,069,800				1,500,000	4,569,800	0.02%
State Police	1,303,216,700	125,000	144,000			600,000		869,000	0.07%
Treasury	1,258,952,700					202,942		202,942	0.02%
TOTAL*	\$68,693,088,700	\$125,000	\$3,213,800	\$0	\$0	\$802,942	\$2,250,000	\$6,391,742	0.0093%

*Including 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		
Health and Human Services	28,902,569,300		4,941,400		314,300	250,000		5,505,700	0.02%
Licensing and Regulatory Affairs	439,075,100					606,900		606,900	0.14%
Military and Veterans Affairs	206,082,900		5,387,500		5,000	1,092,500		6,485,000	3.15%
Natural Resources	448,341,400					396,200		396,200	0.09%
TOTAL*	\$68,693,088,700	\$0	\$10,328,900	\$0	\$319,300	\$2,345,600	\$0	\$12,993,800	0.0189%

*Including budget areas not affected by transfers.

LEGISLATIVE TRANSFER

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

S.B.O. LETTER: **8/11/20**
 S.B.O. REQUEST: **2020-6**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 8/13/20	BALANCE AVAILABLE AS OF 8/13/20	GOV'S REC. 8/11/20	HOUSE ACTION	SENATE ACTION 9/2/20
FROM: SEC. 107. CORRECTIONAL FACILITIES						
Special alternative incarceration program – Cassidy Lake	11,872,700	4,989,738	6,882,962	(750,000)		(750,000)
Funding source:						
State general fund/general purpose	11,770,600	4,989,738	6,780,862	(750,000)		(750,000)
TO: SEC. 105. CORRECTIONAL FACILITIES ADMINISTRATION						
Leased beds and alternatives to leased beds	750,100	746,265	3,835	750,000		750,000
Funding source:						
State general fund/general purpose	750,100	746,265	3,835	750,000		750,000

This request to transfer \$750,000 in available General Fund 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 Orders 2020-29, 2020-62, 2020-119, 2020-146, and 2020-170. The Executive Orders temporarily suspend all transfers of offenders into the Department of Corrections' custody as part of COVID-19 protocols. 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: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$865,100**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Susan Frey**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/20	BALANCE AVAILABLE AS OF 9/15/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 67 OF 2020 SEC. 302						
Coronavirus public health emergency - federal	2,533,700	1,151,251	1,382,449	(865,100)		
Funding source:						
Total other federal revenues	2,533,700	1,151,251	1,382,449	(865,100)		
TO: PUBLIC ACT 67 OF 2020 SEC. 302						
Coronavirus public health emergency - federal	5,067,300	4,228,341	838,959	865,100		
Funding source:						
Total other federal revenues	5,067,300	4,228,341	838,959	865,100		

This transfer shifts federal coronavirus-related spending authorization from the COVID senior congregate meals line item to the COVID senior home-delivered meals line item, administered by the Aging and Adult Services Agency in DHHS. The federal authorization allowing for the appropriation of these funds and the establishment of these line items was provided under section 302 of 2020 PA 67 to recognize additional funding appropriated in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to respond to the pandemic. The federal Older Americans Act has authorized the adjustment of the COVID-related grants based on service needs. Senior centers are closed or have shifted operations and the nutritional funding can be shifted to where there is more demand due to the pandemic emergency. The Executive indicates that this transfer is requested for approval by September 30, 2020.

Sufficient federal funding is available for the transfer from the congregate meals line item (account B37973C) to the home-delivered meals line item (account B37973B).

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$504,700**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Susan Frey**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/20	BALANCE AVAILABLE AS OF 9/15/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 67 OF 2020 SEC. 302						
Coronavirus public health emergency - federal	15,202,000	2,690,170	12,511,830	(504,700)		
Funding source:						
Total other federal revenues	15,202,000	2,690,170	12,511,830	(504,700)		
TO: PUBLIC ACT 67 OF 2020 SEC. 302						
Coronavirus public health emergency - federal	6,334,100	2,343,991	3,990,109	504,700		
Funding source:						
Total other federal revenues	6,334,100	2,343,991	3,990,109	504,700		

This transfer shifts federal coronavirus-related spending authorization from the COVID senior nutrition services line item to the COVID senior community supportive services line item, administered by the Aging and Adult Services Agency in DHHS. The federal authorization allowing for the appropriation of these funds and the establishment of these line items was provided under section 302 of 2020 PA 67 to recognize additional funding appropriated in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to respond to the pandemic. The federal Older Americans Act has authorized the adjustment of the COVID-related grants based on service needs. Senior centers are closed or have shifted operations and the nutritional funding can be shifted to where there is more demand due to the pandemic emergency. The Executive indicates that this transfer is requested for approval by September 30, 2020.

Sufficient federal funding is available for the transfer from the senior nutrition services line item (account B37973M) to the senior community supportive services line item (account B37973Q).

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$1,941,400**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/20	BALANCE AVAILABLE AS OF 9/15/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 67 OF 2019 SEC. 210(1)						
Contingency funds	78,000,000	NA	NA	(1,941,400)		
Funding source:						
Total other federal revenues	78,000,000	NA	NA	(1,941,400)		
TO: SEC. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS						
Behavioral health program administration	44,839,800	28,647,477	16,192,323	1,941,400		
Funding source:						
Total other federal revenues	34,374,900	18,974,476	15,400,424	1,941,400		

This transfer request shifts \$1.9 million in federal contingency fund authorization to the Behavioral Health Program Administration line to account for anticipated federal revenue from the Federal Emergency Management Agency (FEMA) Disaster Assistance and Emergency Mental Health Grant. Funding would be used for the Michigan Stay Well Counseling Assistance and Training Program and would assist individuals with stress and anxiety due to the COVID-19 pandemic and expand a media campaign to promote COVID-19 services.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$3,200,000**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/20	BALANCE AVAILABLE AS OF 9/15/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: SEC. 111. BEHAVIORAL HEALTH SERVICES						
Medicaid mental health services	2,494,307,200	2,347,301,400	147,005,800	(3,200,000)		
Funding sources:						
Total other federal revenues	1,717,712,200	1,629,693,500	88,018,700	(1,700,000)		
State general fund/general purpose	720,781,000	694,421,800	26,359,200	(1,500,000)		
TO: SEC. 111. BEHAVIORAL HEALTH SERVICES						
Children with serious emotional disturbance waiver	8,600,000	6,773,500	1,826,500	3,200,000		
Funding source:						
Total other federal revenues	6,406,000	5,037,345	1,368,655	1,700,000		
State general fund/general purpose	2,194,000	1,736,155	457,845	1,500,000		

This transfer request moves \$3.2 million Gross (\$1.5 million GF/GP) from the Medicaid Mental Health Services line to the Children with Serious Emotional Disturbance Waiver line in order to support costs associated with the waiver program expansion and required payments to service providers. Beginning October 1, 2019, the children with serious emotional disturbance waiver program transitioned from a limited fee-for-service program to a statewide, managed care Medicaid benefit delivered through the prepaid inpatient health plans (PIHPs).

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$250,000**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Susan Frey**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/20	BALANCE AVAILABLE AS OF 9/15/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 67 OF 2019 SEC. 210(2)						
Contingency funds	44,700,000	NA	NA	(250,000)		
Funding source:						
Total state restricted revenues	44,700,000	NA	NA	(250,000)		
TO: SEC. 113. HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES						
Health policy administration	14,463,200	11,382,990	3,080,210	250,000		
Funding source:						
Total other state restricted revenues	113,600	88,329	25,271	250,000		

This transfer increases the state restricted funds authorization for the Health Policy Administration line item, enabling the Department to expend available state restricted revenues \$250,000 in excess of the current authorization. Based on cost allocations for administrative services to programs, additional state restricted certificate of need (CON) program fee revenue is transferred to match state restricted CON administrative services earnings. The Executive indicates that the increase in allocated costs for the CON funding is primarily driven by both organizational and employee funding sources changes within the department's Policy and Planning section as explained below. The Executive indicates that this transfer is requested for approval by September 30, 2020.

Employee hours and administrative costs within the Policy and Planning section were previously being charged to Title I federal funds, which also supported the Michigan Rehabilitation Services (MRS) appropriation. Since MRS was transferred to the Department of Labor and Economic Opportunity, DHHS can no longer charge Policy and Planning staffing and administrative costs to Title I federal funds.

State restricted contingency fund authorization is available for this transfer.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$314,300**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Susan Frey**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/20	BALANCE AVAILABLE AS OF 9/15/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 67 OF 2019 SEC. 210(4)						
Contingency funds	938,900	NA	NA	(314,300)		
Funding source:						
Total private revenues	938,900	NA	NA	(314,300)		
TO: SEC. 120. AGING AND ADULT SERVICES AGENCY						
Aging and adult services administration	8,542,800	5,273,284	3,269,516	314,300		
Funding source:						
Total private revenues	220,000	102,673	117,327	314,300		

This transfer increases the private funds authorization for the Aging and Adult Services Administration line item, enabling the Department to expend available private revenues \$314,300 in excess of the current authorization. Increased funding is available from a new private grant from the Michigan Health Endowment Fund, for Improving Information and Services for Older Adults (Empowering and Connecting Older Adults in Response to COVID-19). The Executive indicates that this transfer is requested for approval by September 30, 2020.

Private contingency fund authorization is available for this transfer.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$3,000,000**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Kent Dell**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/15/20	BALANCE AVAILABLE AS OF 9/15/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 67 OF 2019 SEC. 210(1)						
Contingency funds	78,000,000	NA	NA	(3,000,000)		
Funding source:						
Total other federal revenues	78,000,000	NA	NA	(3,000,000)		
TO: SEC. 124. ONE-TIME APPROPRIATIONS						
Federal health insurance fee	180,500,000	0	180,500,000	3,000,000		
Funding source:						
Total other federal revenues	130,480,200	0	130,480,200	3,000,000		

This request transfers \$3.0 million in federal authorization for costs related to the federal health insurer fee assessed on Medicaid managed care plans. Federal expenditures are projected to be higher than initially appropriated due to the enhanced federal match rate (FMAP) during the COVID-19 public health emergency, and a greater than anticipated share of the tax liability being attributed to the Healthy Michigan Plan.

LEGISLATIVE TRANSFER

BUDGET AREA: **LICENSING AND REGULATORY AFFAIRS**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$606,900**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 60 OF 2019 SEC. 210(2)						
Contingency funds	1,500,000	NA	NA	(606,900)		
Funding source:						
Total state restricted revenues	1,500,000	NA	NA	(606,900)		
TO: SEC. 105. OCCUPATIONAL REGULATION						
Corporations, securities, and commercial licensing bureau	13,946,300	12,211,816	1,734,484	606,900		
Funding sources:						
Licensing and regulation fund	1,853,000	2,187,646	(334,646)	266,000		
Securities fees	4,840,300	4,225,365	614,935	340,900		

This transfer authorizes the department to receive an additional \$606,900 in the Licensing and Regulation Fund (\$266,000) and in the Securities Fees fund source (\$340,900). The transfer is requested for the Corporations, Securities, and Commercial Licensing Bureau line item to align anticipated expenditures with appropriate fund sources. Spending authority is available from state restricted contingency authorization in accordance with 2019 PA 60, Sec. 210(2). A similar adjustment was included in the FY 2021 executive recommendation.

This transfer was originally included in Legislative Transfer Request Letter 2020-1, but it was not approved by the House. Due to internal savings stemming from the hiring freeze and discretionary spending freeze, the department has reduced the amount of their original transfer request by \$318,200.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$12,500**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Mike Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 54 OF 2019 SEC. 210(2)						
Contingency funds	1,100,000	NA	NA	(12,500)		
Funding source:						
Total state restricted revenues	1,100,000	NA	NA	(12,500)		
TO: SEC. 102. MILITARY						
Military training sites and support facilities	38,465,300	36,105,733	2,359,567	12,500		
Funding source:						
Other state restricted revenues	1,567,400	603,804	963,596	12,500		

This transfer request shifts state restricted contingency fund authorization to the Military Training Sites and Support Facilities line item to align authorization with available revenue from Consumers Energy for the solar energy installation project at Fort Custer. Spending authority is available from state restricted contingency fund authorization in accordance with 2019 PA 54, Section 210(2). This transfer is requested by September 30, 2020.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$5,000**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Mike Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 54 OF 2019 SEC. 210(4)						
Contingency funds	100,000	NA	NA	(5,000)		
Funding source:						
Total private revenues	100,000	NA	NA	(5,000)		
TO: SEC. 103. MICHIGAN VETERANS AFFAIRS AGENCY						
Michigan veterans affairs agency administration	6,900,100	5,636,791	1,263,309	5,000		
Funding source:						
Private revenues	50,000	0	50,000	5,000		

This transfer request shifts private contingency fund authorization to the Michigan Veterans Affairs Agency Administration line item in order for the department to receive and expend donations from the Izzo Legacy Family Fund for advocacy and outreach to women veterans. Spending authority is available from private contingency fund authorization in accordance with 2019 PA 54, Section 210(4). This transfer is requested by September 30, 2020.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$5,275,000**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Mike Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 54 OF 2019 SEC. 210(1)						
Contingency funds	5,830,000	NA	NA	(5,275,000)		
Funding source:						
Total federal revenues	5,830,000	NA	NA	(5,275,000)		
TO: SEC. 102. MILITARY						
Departmentwide	1,611,900	3,234,933	(1,623,033)	2,300,000		
Funding source:						
Other federal revenues	1,481,200	3,079,861	(1,598,661)	2,300,000		
Headquarters and armories	20,022,700	17,415,253	2,607,447	1,150,000		
Funding source:						
Other federal revenues	12,886,100	12,257,734	628,366	1,150,000		
Michigan youth challeNGe academy	7,380,900	6,701,655	679,245	500,000		
Funding source:						
Other federal revenues	4,514,000	4,597,108	(83,108)	500,000		
Military training sites and support facilities	38,465,300	36,105,733	2,359,567	1,325,000		
Funding source:						
Other federal revenues	34,574,400	33,422,279	1,152,121	1,325,000		

This transfer request shifts federal contingency fund authorization to several line items to align authorization with higher than anticipated federal revenue received under the department's Cooperative Agreement grants from the federal National Guard Bureau. \$1.3 million is requested in the Military Training Sites and Support Facilities line item and \$1.2 million is requested in the Headquarters and Armories line item to support operational expenses including payroll, utilities, furnishings, safety equipment, and supplies. \$2.3 million is requested in the Departmentwide line item to support equipment purchases. \$500,000 is requested in the Michigan Youth ChalleNGe Academy line item to support administrative costs including payroll, uniforms, food, and supplies. Spending authority is available from federal contingency fund authorization in accordance with 2019 PA 54, Section 210(1). This transfer is requested by September 30, 2020.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$1,080,000**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Mike Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 54 OF 2019 SEC. 210(2)						
Contingency funds	1,100,000	NA	NA	(1,080,000)		
Funding source:						
Total state restricted revenues	1,100,000	NA	NA	(1,080,000)		
TO: SEC. 102. MILITARY						
National Guard operations	818,200	1,502,839	(684,639)	1,080,000		
Funding source:						
Other state restricted revenues	100,000	0	100,000	1,080,000		

This transfer request shifts state restricted contingency fund authorization to the National Guard Operations line item to allow for reimbursement for current state active duty missions in California and Wisconsin. Spending authority is available from state restricted contingency fund authorization in accordance with 2019 PA 54, Section 210(2). This transfer is requested by September 30, 2020. Should Michigan not be fully reimbursed for both missions, a fiscal year 2020 general fund supplemental will be needed.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$112,500**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Mike Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 54 OF 2019 SEC. 210(1)						
Contingency funds	5,830,000	NA	NA	(112,500)		
Funding source:						
Total federal revenues	5,830,000	NA	NA	(112,500)		
TO: SEC. 102. MILITARY						
National Guard operations	818,200	1,502,839	(684,639)	112,500		
Funding source:						
Other federal revenues	100,000	8,375	91,625	112,500		

This transfer request shifts federal contingency fund authorization to the National Guard Operations line item to align authorization with expected FEMA reimbursement for Michigan National Guard response to flooding in Midland. Spending authority is available from federal contingency fund authorization in accordance with 2019 PA 54, Section 210(1). This transfer is requested by September 30, 2020.

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$396,200**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 59 OF 2019 SEC. 210(2)						
Contingency funds	5,000,000	1,802,000	3,198,000	(396,200)		
Funding source:						
Total state restricted revenues	5,000,000	1,802,000	3,198,000	(396,200)		
TO: SEC. 104. COMMUNICATION AND CUSTOMER SERVICE						
Michigan historical center	6,868,000	5,526,952	1,341,048	396,200		
Funding source:						
Michigan historical center operations fund	809,600	631,457	178,143	396,200		

This transfer increases state restricted spending authorization for the Michigan Historical Center line. Private gift revenue would 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 PA 59 of 2019, Section 210. This transfer is requested by September 30, 2020.

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$125,000**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: SEC. 106. SPECIALIZED SERVICES						
Commercial vehicle enforcement	31,819,100	26,417,168	5,401,932	(125,000)		
Funding source:						
IDG from department of transportation	10,413,600	9,267,616	1,145,984	(125,000)		
TO: SEC. 103. LAW ENFORCEMENT SERVICES						
Training	10,534,200	8,359,348	2,174,852	125,000		
Funding source:						
IDG from department of transportation	504,700	593,637	(88,937)	125,000		

This request transfers interdepartmental grant authorization from the Commercial Vehicle Enforcement line item to the Training line item to align authorization with available revenue to support the Traffic Crash Reconstruction Unit through an agreement with the Department of Transportation. Spending authorization is available in the Commercial Vehicle Enforcement line due to reduced enforcement activities resulting from the COVID-19 pandemic. This transfer is requested by September 30, 2020.

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$600,000**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: SEC. 103. LAW ENFORCEMENT SERVICES						
Forensic science	45,078,200	37,469,471	7,608,729	(600,000)		
Funding source:						
Other state restricted revenues	10,121,900	7,379,182	2,742,718	(600,000)		
TO: SEC. 106. SPECIALIZED SERVICES						
Commercial vehicle enforcement	31,819,100	26,417,168	5,401,932	600,000		
Funding source:						
Other state restricted revenues	9,426,000	9,144,559	281,441	600,000		

This request transfers state restricted authorization from the Forensic Science line item to the Commercial Vehicle Enforcement line item to align authorization with available revenues. The COVID-19 pandemic resulted in the closure of weigh station scales from mid-March through mid-May, during which time motor carrier officers were assigned exclusively to road patrols. This resulted in the need for additional state restricted authorization to support general enforcement activities. Authorization is available in the Forensic Science line item as a result of spending restrictions implemented by Executive Directive 2020-3. This transfer is requested by September 30, 2020.

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$144,000**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: SEC. 106. SPECIALIZED SERVICES						
Hazardous materials programs	23,518,000	8,768,177	14,749,823	(144,000)		
Funding source:						
Other federal revenues	19,564,800	6,414,549	13,150,251	(144,000)		
TO: SEC. 103. LAW ENFORCEMENT SERVICES						
Criminal justice information center	21,817,700	18,214,109	3,603,591	144,000		
Funding source:						
Other federal revenues	1,944,000	1,832,346	111,654	144,000		

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 based on the receipt of higher than anticipated federal grant funding from the National Criminal History Records Improvement Program and Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking. Funding supports ongoing maintenance and integration of various criminal justice information systems to ensure accurate records, including the sex offender registry, and protective orders, including domestic violence. Spending authority is available in the Hazardous Materials Programs line item due to the receipt of lower than anticipated federal revenues. This transfer is requested by September 30, 2020.

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2019-20**
 TRANSFER AMOUNT: **\$202,942**

S.B.O. LETTER: **9/14/20**
 S.B.O. REQUEST: **2020-7**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/22/20	BALANCE AVAILABLE AS OF 9/22/20	GOV'S REC. 9/14/20	HOUSE ACTION	SENATE ACTION
FROM: SEC. 108(11) REVENUE SHARING						
City, villages, and township revenue sharing	217,519,200	217,323,447	195,753	(186,157)		
Funding source:						
Sales tax	217,519,200	217,323,447	195,753	(186,157)		
County incentive program	36,104,400	36,087,382	17,018	(16,785)		
Funding source:						
Sales tax	36,104,400	36,087,382	17,018	(16,785)		
TO: SEC. 108(11) REVENUE SHARING						
Financially distressed cities, villages, or townships	2,500,000	0	2,500,000	202,942		
Funding source:						
Sales tax	2,500,000	0	2,500,000	202,942		

Article VIII, Section 952(5) of 2019 PA 56 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 18.1393.”

This transfer will make unexpended City, Village, and Township Revenue Sharing (CVTRS) and County Incentive Program (CIP) funds available for expenditure under the program for Financially Distressed Cities, Villages, or Townships, in accordance with boilerplate section 952(5) of 2019 PA 56. This grant program supports funding for specific projects, services, or strategies that move a local unit toward financial stability.

PA 144 of 2020 reduced CVTRS and CIP funding by \$43.5 million and \$7.2 million, respectively, which represented the planned August payment amounts. However, some CVTRS and CIP funds are still available for transfer to the Financially Distressed Cities, Villages, or Townships program due to eligible units not qualifying for some or all of their payments over the course of the fiscal year.

Consistent with prior years, these transfer amounts should not be rounded. Exact dollar amounts are as follows: City, Village, and Township Revenue Sharing (\$186,157.00), County Incentive Program (\$16,785.49), Financially Distressed Cities, Villages, or Townships \$202,942.49.