

MEMORANDUM



DATE: August 16, 2022
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2022-2

Attached are legislative transfers proposed by the State Budget Office in a letter dated March 16, 2022. 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 will be considered by the House Appropriations Committee on Wednesday, August 17, 2022.

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 \$4.7 million, which will shift 0.01% of total appropriations within the existing FY 2021-22 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 \$300,000, which will increase the FY 2021-22 year-to-date state budget by 0.00%.

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: 2022-2
March 16, 2022

Department	Analyst	Page	Total Transfer
Health and Human Services	Susan Frey Kevin Koorstra Kent Dell Sydney Brown Victoria Amponsah	1	\$650,000
Licensing and Regulatory Affairs	Marcus Coffin	2	3,800,000
Natural Resources	Austin Scott	3	300,000
Treasury	Viola Wild	4	275,000
Total			\$5,025,000

2022-2 Legislative Transfers

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
Health and Human Services	34,924,441,900		650,000					650,000	0.00%
Licensing and Regulatory Affairs	543,361,400					3,800,000		3,800,000	0.70%
Treasury - Operations	1,694,681,900					275,000		275,000	0.02%
TOTAL*	\$80,850,792,200	\$0	\$650,000	\$0	\$0	\$4,075,000	\$0	\$4,725,000	0.01%

*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		
Natural Resources	929,206,300					300,000		300,000	0.03%
TOTAL*	\$80,850,792,200	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000	0.00%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$650,000**

S.B.O. LETTER: **3/16/22**
 S.B.O. REQUEST: **2022-2**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 8/10/22	BALANCE AVAILABLE AS OF 8/10/22	GOV'S REC. 3/16/22	HOUSE ACTION	SENATE ACTION
FROM: SEC. 119. MEDICAL SERVICES ADMINISTRATION						
Electronic health record incentive program	37,477,500	0	37,477,500	(650,000)		
Funding source:						
Total other federal revenues	37,477,500	0	37,477,500	(650,000)		
TO: SEC. 117. CHILDREN'S SPECIAL HEALTH CARE SERVICES						
Children's special health care services administration	8,946,300	5,685,364	3,260,936	650,000		
Funding source:						
Total other federal revenues	3,471,200	3,017,396	453,804	650,000		

This transfer request would move \$650,000 in federal authorization from the Electronic Health Record Incentive Program line item to the Children's Special Health Care Services (CSHCS) Administration line item to recognize federal Medicaid administration matching funds for sickle cell disease outreach, testing, and support services. This transfer request is consistent with an adjustment included in the enacted FY 2022-23 DHHS budget.

LEGISLATIVE TRANSFER

BUDGET AREA: **LICENSING AND REGULATORY AFFAIRS**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$3,800,000**

S.B.O. LETTER: **3/16/22**
 S.B.O. REQUEST: **2022-2**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 8/10/22	BALANCE AVAILABLE AS OF 8/10/22	GOV'S REC. 3/16/22	HOUSE ACTION	SENATE ACTION
FROM: SEC. 105. OCCUPATIONAL REGULATION						
Medical marihuana facilities licensing and tracking	11,641,700	7,479,133	4,162,567	(3,800,000)		
Funding source:						
Marihuana regulatory fund	11,641,700	7,479,133	4,162,567	(3,800,000)		
TO: SEC. 105. OCCUPATIONAL REGULATION						
Recreational marihuana regulation	7,351,800	6,976,977	374,823	3,800,000		
Funding source:						
Marihuana regulation fund	7,351,800	6,976,977	374,823	3,800,000		

This transfer request would shift \$3.8 million in state restricted funding authorization from the Medical Marihuana Facilities Licensing and Tracking line item to the Recreational Marihuana Regulation line item, to align with shifting market share from the medical market to the adult-use market. Under this transfer, the Medical Marihuana Facilities Licensing and Tracking line item would decrease from \$11.6 million to \$7.8 million and the Recreational Marihuana Regulation line item would increase from \$7.4 million to \$11.2 million. The medical and adult-use programs are respectively supported by state restricted revenues from the Marihuana Regulatory Fund and the Marihuana Regulation Fund. The FY 2022-23 enacted budget includes a similar shift.

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$300,000**

S.B.O. LETTER: **3/16/22**
 S.B.O. REQUEST: **2022-2**
 ANALYST: **Austin Scott**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 8/10/22	BALANCE AVAILABLE AS OF 8/10/22	GOV'S REC. 3/16/22	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 87 OF 2021, ARTICLE 11 SEC. 210(2)						
Contingency funds	5,000,000	NA	NA	(300,000)		
Funding source:						
Total state restricted revenues	5,000,000	NA	NA	(300,000)		
TO: SEC. 104. COMMUNICATION AND CUSTOMER SERVICES						
Marketing and outreach	14,947,000	12,300,608	2,646,392	300,000		
Funding source:						
Game and fish protection fund	8,705,000	7,908,595	796,405	300,000		

This request would transfer state restricted contingency fund authorization to the Marketing and Outreach line item to align spending authorization with available revenue collected to support non-discretionary credit card processing fees from increased online license sales. State restricted contingency funds are available in accordance with 2021 PA 87, Article 11, Section 210.

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$275,000**

S.B.O. LETTER: **3/16/22**
 S.B.O. REQUEST: **2022-2**
 ANALYST: **Viola Bay Wild**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 8/10/22	BALANCE AVAILABLE AS OF 8/10/22	GOV'S REC. 3/16/22	HOUSE ACTION	SENATE ACTION
FROM: SEC. 108(2). DEPARTMENTAL ADMINISTRATION AND SUPPORT						
Collections services bureau	29,909,200	18,251,262	11,657,938	(275,000)		
Funding source:						
Delinquent tax collection revenue	18,838,600	12,757,648	6,080,952	(275,000)		
TO: SEC. 108(2). DEPARTMENTAL ADMINISTRATION AND SUPPORT						
Department services	9,192,000	6,526,099	2,665,901	275,000		
Funding source:						
Delinquent tax collection revenue	6,249,700	4,430,798	1,818,902	275,000		

This transfer request reflects a partial-year shift of several staff between the Collections Services Bureau line item and the Department Services line item due to an internal departmental reorganization. A corresponding transfer of 5.0 FTEs and \$364,600 is included in the FY 2022-23 enacted budget bill, 2022 PA 166, to properly align both line items on an ongoing and full-year basis.