

MEMORANDUM



DATE: November 9, 2021
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2021-6

Attached are legislative transfers proposed by the State Budget Office in a letter dated November 2, 2021. 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, November 10, 2021.

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 \$136.3 million, which will shift 0.018% of total appropriations within the existing FY 2020-21 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 \$26.7 million, which will increase the FY 2020-21 year-to-date state budget by 0.04%.

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: 2021-6
 November 2, 2021

Department	Analyst	Page	Total Transfer
Corrections	Robin Risko	1	\$2,060,000
Health and Human Services	Sue Frey Kevin Koorstra Kent Dell Sydney Brown	2-7	132,600,000
Labor and Economic Opportunity	Viola Wild	8	20,000,000
Licensing and Regulatory Affairs	Marcus Coffin	9-11	3,258,000
Military and Veterans Affairs	Mike Cnossen	12-16	3,085,000
School Aid	Jacqueline Mullen, Samuel Christensen, Emily Hatch	17-18	1,961,000
Total			\$162,964,000

2021-6 Legislative Transfers

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
Corrections	2,060,788,400						2,060,000	2,060,000	0.10%
Health and Human Services	32,652,991,000		54,200,000			100,000	73,300,000	127,600,000	0.39%
Licensing and Regulatory Affairs	484,389,600					3,258,000		3,258,000	0.67%
Military and Veterans Affairs	254,888,800		600,000				785,000	1,385,000	0.54%
School Aid	21,720,040,700					1,956,000	5,000	1,961,000	0.01%
TOTAL*	\$75,511,166,700	\$0	\$54,800,000	\$0	\$0	\$5,314,000	\$76,150,000	\$136,264,000	0.18%

*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		
Health and Human Services	32,652,991,000		5,000,000					5,000,000	0.02%
Labor and Economic Opportunity	2,667,735,500		15,000,000			5,000,000		20,000,000	0.75%
Military and Veterans Affairs	254,888,800		1,700,000					1,700,000	0.67%
TOTAL*	\$75,511,166,700	\$0	\$21,700,000	\$0	\$0	\$5,000,000	\$0	\$26,700,000	0.04%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$2,060,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/4/21	BALANCE AVAILABLE AS OF 11/04/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 105. CORRECTIONAL FACILITIES						
Special alternative incarceration program - Jackson	6,452,400	3,170,947	3,281,453	(2,060,000)		
Funding source:						
State general fund/general purpose	5,685,500	2,505,132	3,180,368	(2,060,000)		
TO: SEC. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT						
Worker's compensation	9,714,400	11,764,980	(2,050,580)	2,060,000		
Funding source:						
State general fund/general purpose	9,714,400	11,764,980	(2,050,580)	2,060,000		

This request to transfer \$2.1 million in available GF/GP from the Special Alternative Incarceration Program line item to the Worker's Compensation line item will provide the additional funding necessary to cover an increase in costs for worker's compensation claims. Costs are higher than anticipated due to COVID-19 and a significant increase in claims submitted by department employees that contracted the virus. From January 1, 2020, to September 30, 2021, roughly 2,700 worker's compensation claims related to COVID-19 were filed by department employees. This number represents 70% of all claims filed during this time period and over 50% of all claim costs. This resulted in an increase of roughly \$4.3 million in worker's compensation costs over the previous fiscal year. The existing appropriation for worker's compensation was able to absorb a significant portion of the increased costs. The transfer is requested to cover the remaining costs.

Funding is available from the Special Alternative Incarceration Program line item which has unspent funds due to ongoing efficiencies from moving the program into the Cooper Street Correctional Facility and due to reduced census at various times during the fiscal year due to COVID-19. The transfer is requested to complete the FY 2020-21 book closing process.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$97,050,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 120. MEDICAL SERVICES						
Dental services	315,508,000	297,765,309	17,742,691	(18,000,000)		
Funding source:						
State general fund/general purpose	93,112,300	87,513,466	5,598,834	(18,000,000)		
Health plan services	6,134,334,400	5,610,578,500	523,755,900	(19,500,000)		
Funding source:						
State general fund/general purpose	272,815,400	390,733,658	(117,918,258)	(19,500,000)		
Healthy Michigan plan	5,065,757,700	4,835,546,727	230,210,973	(17,500,000)		
Funding source:						
Total other federal revenues	4,550,341,400	4,356,172,963	194,168,437	(17,500,000)		
Hospital services and therapy	824,699,100	646,553,242	178,145,858	(7,000,000)		
Funding source:						
State general fund/general purpose	22,609,600	50,252,454	(27,642,854)	(7,000,000)		
Long-term care services	1,829,811,000	1,668,337,305	161,473,695	(28,350,000)		
Funding sources:						
Total other state restricted revenue	309,793,700	268,135,220	41,658,480	(100,000)		
State general fund/general purpose	225,825,700	181,412,281	44,413,419	(28,250,000)		
Medicare premium payments	689,098,200	684,738,506	4,359,694	(6,700,000)		
Funding source:						
Total other federal revenues	583,751,800	567,909,658	15,842,142	(6,700,000)		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$97,050,000 (Continued)**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
TO: SEC. 111. BEHAVIORAL HEALTH SERVICES						
Medicaid mental health services	2,751,847,100	2,901,349,008	(149,501,908)	8,000,000		
Funding source:						
State general fund/general purpose	744,223,500	823,133,934	(78,910,434)	8,000,000		
SEC. 120. MEDICAL SERVICES						
Adult home help services	391,978,700	342,756,152	49,222,548	5,500,000		
Funding source:						
State general fund/general purpose	114,124,500	103,067,817	11,056,683	5,500,000		
Ambulance services	9,942,000	7,760,804	2,181,196	200,000		
Funding sources:						
Total other federal revenues	6,844,200	5,589,733	1,254,467	100,000		
Total other state restricted revenues	686,900	566,995	119,905	100,000		
Auxiliary medical services	6,852,800	6,008,524	844,276	500,000		
Funding source:						
Total other federal revenues	4,718,900	4,289,194	429,706	500,000		
Federal Medicare pharmaceutical program	250,910,000	258,796,114	(7,886,114)	8,500,000		
Funding source:						
State general fund/general purpose	250,910,000	258,796,114	(7,886,114)	8,500,000		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$97,050,000 (Continued)**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
TO: SEC. 120. MEDICAL SERVICES						
Home health services	3,022,600	2,429,968	592,632	100,000		
Funding source:						
Total other federal revenues	1,975,600	1,738,185	237,415	100,000		
Hospital disproportionate share payments	45,000,000	42,037,961	2,962,039	2,700,000		
Funding source:						
State general funds/general purpose	8,649,000	7,596,452	1,052,548	2,700,000		
Integrated care organizations	308,438,200	298,270,197	10,168,003	19,000,000		
Funding sources:						
Total other federal revenues	206,194,400	201,415,313	4,779,087	12,000,000		
State general funds/general purpose	102,243,800	96,854,884	5,388,916	7,000,000		
Medicaid home-and community-based services waiver	374,186,500	364,996,923	9,189,577	5,000,000		
Funding sources:						
Total other federal revenues	262,357,400	256,181,392	6,176,008	3,000,000		
State general fund/general purpose	111,329,100	108,815,531	2,513,569	2,000,000		
Medicare premium payments	689,098,200	684,738,506	4,359,694	10,000,000		
Funding source:						
State general funds/general purpose	105,346,400	116,828,848	(11,482,448)	10,000,000		

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$97,050,000 (Continued)**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
TO: SEC. 120. MEDICAL SERVICES						
Personal care services	8,289,400	7,536,761	752,639	50,000		
Funding source:						
State general fund/general purpose	2,514,600	2,299,723	214,877	50,000		
Pharmaceutical services	288,857,600	237,746,915	51,110,685	28,000,000		
Funding source:						
State general funds/general purpose	62,838,200	69,669,190	(6,830,990)	28,000,000		
Physician services	242,759,900	211,369,303	31,390,597	8,500,000		
Funding sources:						
Total other federal revenues	171,019,700	151,695,102	19,324,598	7,500,000		
State general funds/general purpose	71,740,200	59,674,202	12,065,998	1,000,000		
Transportation	16,703,200	16,217,813	485,387	1,000,000		
Funding source:						
Total other federal revenues	10,215,600	10,838,571	(622,971)	1,000,000		

This transfer would adjust federal, state restricted, and GF/GP authorization within the Medical Services and Behavioral Health Services program line items to align with the forecasted final book-closing expenditures for these Medicaid caseload expenditure line items. A number of expenditure amounts noted above are prior to accruals and receivables being booked into SIGMA, and so the recommended transfer amount may not appear to fully resolve a deficit balance but would once the anticipated accruals and receivables are booked.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$550,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES						
Kalamazoo Psychiatric Hospital - adult	74,250,200	66,328,581	7,921,619	(550,000)		
Funding source:						
State general fund/general purpose	54,343,900	54,893,975	(550,075)	(550,000)		
TO: SEC. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES						
Walter P. Reuther Psychiatric Hospital – adult	62,153,100	67,110,896	(4,957,796)	550,000		
Funding source:						
State general fund/general purpose	47,885,400	53,623,727	(5,738,327)	550,000		

This transfer request would shift \$550,000 GF/GP from the Kalamazoo Psychiatric Hospital line item to the Walter P. Reuther Psychiatric Hospital line item. The expenditure amounts noted above are prior to accruals and receivables being booked into SIGMA, and so the recommended transfer amount may not appear to fully resolve a deficit balance but would once the anticipated accruals and receivables are booked.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$35,000,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Sydney Brown**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 166 OF 2020, ARTICLE 6						
SEC. 210(1)						
Contingency funds	5,171,300	NA	NA	(5,000,000)		
Funding source:						
Total federal revenues	5,171,300	NA	NA	(5,000,000)		
SEC. 119. MEDICAL SERVICES						
ADMINISTRATION						
Electronic health record incentive program	37,477,500	0	37,477,500	(16,000,000)		
Funding source:						
Total other federal revenues	37,477,500	0	37,477,500	(16,000,000)		
SEC. 107. PUBLIC ASSISTANCE						
Low-income home energy assistance program	174,951,600	137,278,033	37,673,567	(14,000,000)		
Funding source:						
Capped federal revenues	174,951,600	137,278,033	37,673,567	(14,000,000)		
TO: SEC. 107. PUBLIC ASSISTANCE						
Food assistance program benefits	3,813,542,100	3,820,549,911	(7,007,811)	35,000,000		
Funding source:						
Total other federal funds	3,808,832,100	3,817,799,618	(8,967,518)	35,000,000		

This transfer request would shift \$5.0 million in federal contingency authorization, \$14.0 million federal authorization from the Low-Income Home Energy Assistance Program line item, and \$16.0 million federal authorization from the Electronic Health Record Incentive Program line item to the Food Assistance Program Benefits line item. The transfer would provide authorization for end of year accruals to the Food Assistance Program. Federal authority is available in the Low-Income Home Energy Assistance Program and the Electronic Health Record Incentive Program line items due to lower than anticipated expenditures in FY 2020-21. Federal contingency funds are available in accordance with 2020 PA 166, Article 6, Sec. 210(1).

LEGISLATIVE TRANSFER

BUDGET AREA: **LABOR AND ECONOMIC OPPORTUNITY**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$20,000,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Viola Bay Wild**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 166 OF 2020 SEC. 980 (1)(2)						
Contingency funds	20,000,000	NA	NA	(20,000,000)		
Funding sources:						
Total federal revenues	15,000,000	NA	NA	(15,000,000)		
Total state restricted revenues	5,000,000	NA	NA	(5,000,000)		
TO: SEC. 109(6). UNEMPLOYMENT						
Unemployment insurance agency	293,478,900	291,015,990	2,462,910	20,000,000		
Funding source:						
DOL-ETA, unemployment insurance	272,241,500	270,106,128	2,135,372	15,000,000		
Contingent fund, penalty and interest account	21,237,400	20,909,862	327,538	5,000,000		

This transfer provides a total of \$20.0 million in contingency authorization (\$15.0 million federal, \$5.0 million state restricted) to the Unemployment Insurance Agency (UIA) line item to cover contractor costs from work done during the COVID-19 pandemic because of the high volume of unemployment claims. Contractors provided UIA with a range of supports including call center support, fraud detection, and other assistance on fraud and adjudication. US Department of Labor has provided additional above-base federal funding to UIA to support these increased expenditures, and UIA has sufficient federal revenue to support the federal contingency fund transfer. An additional \$5.0 million in state restricted authorization from the Penalty & Interest Fund will fund expenditures that the federal revenues cannot. There is sufficient Penalty & Interest Fund revenue to support these additional expenditures.

LEGISLATIVE TRANSFER

BUDGET AREA: **LICENSING AND REGULATORY AFFAIRS**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$2,188,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 109. INFORMATION TECHNOLOGY						
Information technology services and projects	19,390,100	19,739,468	(349,368)	(2,188,000)		
Funding sources:						
Corporation fees	4,693,100	2,941,459	1,751,641	(748,000)		
Health systems fees	348,200	103,157	245,043	(150,000)		
Licensing and regulation fund	1,901,700	833,367	1,068,333	(900,000)		
PMECSEMA fund	68,600	19,928	48,672	(40,000)		
Public utility assessments	1,508,200	1,004,831	503,369	(350,000)		
TO: SEC. 109. INFORMATION TECHNOLOGY						
Information technology services and projects	19,390,100	19,739,468	(349,368)	2,188,000		
Funding sources:						
Construction code fund	778,800	1,403,063	(624,263)	619,600		
Fire service fees	199,200	559,222	(360,022)	391,300		
Health professions regulatory fund	1,371,300	1,702,353	(331,053)	336,100		
Marihuana registry fund	352,100	401,099	(48,999)	61,000		
Marihuana regulation fund	270,900	526,915	(256,015)	269,100		
Marihuana regulatory fund	291,800	689,947	(398,147)	426,800		
Mobile home code fund	171,400	249,648	(78,248)	84,100		

This legislative transfer request would shift \$2.2 million between state restricted funding sources in the Information Technology Services and Projects (IT) line item, pursuant to the Management and Budget Act (MCL 18.1393). This adjustment is necessary to align expenditures from various state restricted fund sources to support ongoing maintenance costs of IT projects in several department bureaus. Revenues are available in each of the necessary funds to support the costs, and excess authority is available in multiple fund sources due to savings from decreased maintenance costs associated with the L2K/My License system and vacancies within DTMB.

LEGISLATIVE TRANSFER

BUDGET AREA: **LICENSING AND REGULATORY AFFAIRS**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$70,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 105. OCCUPATIONAL REGULATION						
Bureau of fire services	12,552,700	10,387,029	2,165,671	(70,000)		
Funding source:						
Fire service fees	2,662,100	2,346,247	315,853	(70,000)		
TO: SEC. 105. OCCUPATIONAL REGULATION						
Bureau of fire services	12,552,700	10,387,029	2,165,671	70,000		
Funding source:						
Aboveground storage tank fees	230,400	607,468	(377,068)	70,000		

This legislative transfer request would shift \$70,000 between state restricted funding sources in the Bureau of Fire Services line item, pursuant to the Management and Budget Act (MCL 18.1393). This adjustment is requested to align expenditures with available revenues for Aboveground Storage Tank Fees, in support of Aboveground Storage Tank program activities, which pertain to the regulation of storage of a variety of flammable liquids. Spending authorization and revenue is sufficient to support this adjustment.

LEGISLATIVE TRANSFER

BUDGET AREA: **LICENSING AND REGULATORY AFFAIRS**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$1,000,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Marcus Coffin**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/3/21	BALANCE AVAILABLE AS OF 11/3/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 105. OCCUPATIONAL REGULATION						
Bureau of construction codes	23,980,600	16,992,034	6,988,566	(1,000,000)		
Funding source:						
Mobile home code fund	3,088,500	953,902	2,134,598	(1,000,000)		
TO: SEC. 105. OCCUPATIONAL REGULATION						
Bureau of construction codes	23,980,600	16,992,034	6,988,566	1,000,000		
Funding source:						
Construction code fund	8,335,400	8,526,361	(190,961)	1,000,000		

This legislative transfer request would shift \$1,000,000 between state restricted funding sources in the Bureau of Construction Code line item, pursuant to the Management and Budget Act (MCL 18.1393). This adjustment is necessary to align expenditures with available revenues to support regulatory activities within the Bureau. Spending authorization and revenue is sufficient to support this adjustment. These adjustments were incorporated into the enacted budget for FY 2021-22.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$250,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/4/21	BALANCE AVAILABLE AS OF 11/4/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 107. ONE-TIME APPROPRIATIONS						
Coronavirus response activities	1,650,000	486,976	1,163,024	(250,000)		
Funding source:						
State general fund/general purpose	1,650,000	486,976	1,163,024	(250,000)		
TO: SEC. 106. INFORMATION TECHNOLOGY						
Information technology services and projects	1,991,000	1,550,539	440,461	250,000		
Funding source:						
State general fund/general purpose	528,500	793,473	(264,973)	250,000		

This request would transfer \$250,000 in GF/GP authorization from the Coronavirus Response Activities line item to the Information Technology Services and Projects line item to support departmental IT costs related to the installation of Wi-Fi at military training sites and support facilities and the migration of departmental IT systems to supported applications. The Coronavirus Response Activities line item was appropriated under 2020 PA 257 for various COVID-19 response purposes including providing a 25% state spending match for Federal Emergency Management Agency (FEMA) support of National Guard active duty costs. FEMA has revised the federal reimbursement rate to 100% for National Guard COVID-19 missions through December 31, 2021, freeing up available spending authorization.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$385,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/4/21	BALANCE AVAILABLE AS OF 11/4/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 107. ONE-TIME APPROPRIATIONS						
Coronavirus response activities	1,650,000	486,976	1,163,024	(385,000)		
Funding source:						
State general fund/general purpose	1,650,000	486,976	1,163,024	(385,000)		
TO: SEC. 102. MILITARY						
National guard operations	408,200	576,751	(168,551)	385,000		
Funding source:						
State general fund/general purpose	96,400	463,441	(367,041)	385,000		

This request would transfer \$385,000 in GF/GP authorization from the Coronavirus Response Activities line item to the National Guard Operations line item to cover expenses incurred during two state active duty missions in Michigan: November 2020 election support and January 2021 state capitol response. The Coronavirus Response Activities line item was appropriated under 2020 PA 257 for various COVID-19 response purposes including providing a 25% state spending match for Federal Emergency Management Agency (FEMA) support of National Guard active duty costs. FEMA has revised the federal reimbursement rate to cover 100% of costs for National Guard COVID-19 missions through December 31, 2021, freeing up available spending authorization.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$150,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/4/21	BALANCE AVAILABLE AS OF 11/4/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 107. ONE-TIME APPROPRIATIONS						
Coronavirus response activities	1,650,000	486,976	1,163,024	(150,000)		
Funding source:						
State general fund/general purpose	1,650,000	486,976	1,163,024	(150,000)		
TO: SEC. 102. MILITARY						
Headquarters and armories	20,871,100	22,181,696	(1,310,596)	150,000		
Funding source:						
State general fund/general purpose	7,705,900	7,625,282	80,618	150,000		

This request would transfer \$150,000 in GF/GP authorization from the Coronavirus Response Activities line item to the Headquarters and Armories line item to support operations at DMVA's central office as well as statewide armory locations. Funding will be used to cover necessary costs of complying with federal grant requirements and for securing future federal funding. The Coronavirus Response Activities line item was appropriated under 2020 PA 257 for various COVID-19 response purposes including providing a 25% state spending match for Federal Emergency Management Agency (FEMA) support of National Guard active duty costs. FEMA has revised the federal reimbursement rate to cover 100% of costs for National Guard COVID-19 missions through December 31, 2021, freeing up available spending authorization.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$600,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/4/21	BALANCE AVAILABLE AS OF 11/4/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SEC. 102. MILITARY						
Michigan youth challenge academy	9,759,900	7,283,194	2,476,706	(600,000)		
Funding source:						
DOD – DOA – NGB	6,654,900	5,256,746	1,398,154	(600,000)		
TO: SEC. 102. MILITARY						
Departmentwide	1,792,200	2,284,639	(492,439)	600,000		
Funding source:						
DOD – DOA – NGB	1,512,800	2,097,613	(584,813)	600,000		

This request would transfer federal DOD – DOA – NGB authorization from the Michigan Youth Challenge Academy line item to the Departmentwide line item to align authorization with federal revenue received under the department's Cooperative Agreement grants from the federal National Guard Bureau. The Departmentwide line item appropriation is used for travel and training, State of Michigan fleet vehicles, worker's compensation, and equipment purchases. Funding will be used for a lifecycle replacement of a heavy-duty truck with outfitting, a utility tractor, a min excavator, and physical training equipment for members of the National Guard. Spending authority is available in the Michigan Youth Challenge Academy line item due to lower cadre staffing for the program as a result of the effect of COVID-19 on recruitment efforts for the program in FY 2020-21.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$1,700,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**
 ANALYST: **Michael Cnossen**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/4/21	BALANCE AVAILABLE AS OF 11/4/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 166 OF 2020, ARTICLE 10 SEC. 210(1)						
Contingency funds	4,134,000	NA	NA	(1,700,000)		
Funding source:						
Total federal revenues	4,134,000	NA	NA	(1,700,000)		
TO: SEC. 102. MILITARY						
Headquarters and armories	20,871,100	22,181,696	(1,310,596)	1,700,000		
Funding source:						
DOD – DOA – NGB	12,997,900	14,556,415	(1,558,515)	1,700,000		

This request would transfer federal contingency authorization to the Headquarters and Armories line item to align authorization with federal revenue received under the department's Cooperative Agreement grants from the federal National Guard Bureau. The Headquarters and Armories appropriation funds operations at DMVA central office as well as statewide armory locations. Funding would be used for life-cycle replacement of office furniture at the central office and various armories, replacing facility lighting and upgrading to LED lights, and environmental projects. Spending authority is available from 2020 PA 166, Article 10, Section 210(1).

LEGISLATIVE TRANSFER

BUDGET AREA: **SCHOOL AID**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$1,961,000**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**

ANALYSTS: **Jacqueline Mullen, Samuel Christensen, Emily Hatch**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/4/21	BALANCE AVAILABLE AS OF 11/4/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
FROM: SCHOOL AID						
Sec. 22b – Discretionary payment	4,558,000,000	4,537,722,204	20,277,796	(696,000)		
Funding source:						
School aid fund	4,474,002,400	4,457,683,774	16,318,626	(691,000)		
State general fund/general purpose	4,197,600	238,430	3,959,170	(5,000)		
Sec. 31f – School breakfast programs	11,900,000	0	11,900,000	(680,000)		
Funding source:						
School aid fund	11,900,000	0	11,900,000	(680,000)		
Sec. 51a(2) – Special education foundations (ISDs)	319,000,000	299,565,334	19,434,666	(585,000)		
Funding source:						
School aid fund	319,000,000	299,565,334	19,434,666	(585,000)		
TO: SCHOOL AID						
Sec. 147e – MPSERS reforms – defined contribution payments	33,800,000	33,799,999	1	470,000		
Funding source:						
School aid fund	33,800,000	33,799,999	1	470,000		
Sec. 147a(2) – MPSERS normal cost offset	190,500,000	190,500,000	0	226,000		
Funding source:						
School aid fund	190,430,000	190,430,000	0	221,000		
State general fund/general purpose	70,000	70,000	0	5,000		
Sec. 31d – School lunch programs	939,965,500	681,369,980	258,595,520	680,000		
Funding source:						
School aid fund	23,838,400	23,128,967	709,433	680,000		

LEGISLATIVE TRANSFER

BUDGET AREA: **SCHOOL AID**
 FISCAL YEAR: **2020-21**
 TRANSFER AMOUNT: **\$1,961,000 (Continued)**

S.B.O. LETTER: **11/2/21**
 S.B.O. REQUEST: **2021-6**

ANALYSTS: **Jacqueline Mullen, Samuel Christensen, Emily Hatch**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 11/4/21	BALANCE AVAILABLE AS OF 11/4/21	GOV'S REC. 11/2/21	HOUSE ACTION	SENATE ACTION
TO: SCHOOL AID						
Sec. 51a(11) – Special education non-section 52 to ISDs	2,400,000	2,400,000	0	585,000		
Funding source: School aid fund	2,400,000	2,400,000	0	585,000		

This request provides necessary FY 2020-21 transfers to fully fund projected payments under Sec. 31d - School Lunch; Sec. 51a(11) - Special Education Non-Section 52 to ISDs; Sec. 147a(2) - MPSERS Normal Cost Offset; and Sec. 147e - MPSERS Defined Contribution Payments. Amounts appropriated in the State School Aid Act were estimates. Actual costs exceeded these estimates.

Excess authorization exists in Sec. 31f - School Breakfast; Sec. 51a(2) - Special Education Foundation Payments; and Sec. 22b - Discretionary Payment to offset these costs.

Note: Sec. 31d – School lunch programs includes an additional \$155,500 in federal funding over the estimated amount in statute. This section specifies that the appropriated amount is "all available federal funding, estimated at" and an additional \$155,500 in federal funds has become available since the budget was enacted.