



90TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514
PHONE: (517) 373-0830
FAX: (517) 373-7806
E-MAIL: josephhaveman@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

JOE HAVEMAN
STATE REPRESENTATIVE

COMMITTEES:
APPROPRIATIONS, CHAIR
SUBCOMMITTEE:
CORRECTIONS

June 11, 2014

Mr. John Roberts
Office of the State Budget
Department of Management and Budget
6th Floor Romney Building
Lansing, MI 48090

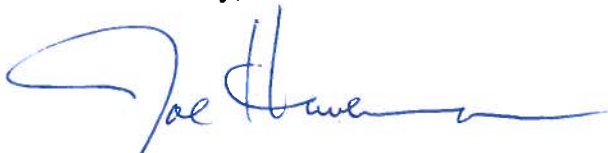
Dear Director Roberts:

For your information, the attached transfer package has been approved by a majority of the members of both the House and Senate Appropriations Committees.

The transfers approved are from the Office of the State Budget letter dated June 2, 2014, Legislative Transfer Request 2014-6. The transfers are for the Departments of Military and Veterans Affairs, Natural Resources, and State Police.

If you need further information, please do not hesitate to contact us.


Sincerely,


Joseph Haveman, Chair
House Appropriations Committee


Roger Kahn, M.D. Chair
Senate Appropriations Committee



LEGISLATIVE TRANSFER PACKAGE

 Mary Ann Cleary, Director Margaret Alston, Transfer Coordinator Compiled by Tumai Burris, Budget Assistant	Summary Sheet SBO LETTER: 2014-6 June 2, 2014		
Department	Analyst	Page	Total Transfer
Military and Veterans Affairs	Mark Wolf	1-4	\$5,415,000
Natural Resources	Paul Holland	5	3,780,000
State Police	Mark Wolf	6	1,775,100
Total			\$10,970,100

FY 2013-14 Legislative Transfer: Request 2014-6

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
Military & Vet Affairs	\$177,130,000						\$2,000,000	\$2,000,000	1.13%
Natural Resources	348,798,900		3,780,000					3,780,000	1.08%
TOTAL*	\$50,919,677,900	\$0	\$3,780,000	\$0	\$0	\$0	\$2,000,000	\$5,780,000	0.01%

Budget	Year-to-Date Total Approps	Contingency Fund Transfers (Increases Budget)						TOTAL	% Budget Increased
		IDG	Federal	Local	Private	Restricted	GF/GP		
Military & Vet Affairs	\$177,130,000		\$3,315,000	\$100,000				\$3,415,000	1.93%
State Police	613,479,000					1,775,100		1,775,100	1.00%
TOTAL*	\$50,919,677,900	\$0	\$3,315,000	\$100,000	\$0	\$1,775,100	\$0	\$5,190,100	0.01%

*Including budget areas not affected by transfers.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$100,000**

S.B.O. LETTER: **6/2/14**
 S.B.O. REQUEST: **2014-6**
 ANALYST: **Mark Wolf**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/2/14	BALANCE AVAILABLE AS OF 6/2/14	GOV'S REC. 6/2/14	SENATE ACTION 6/10/14	HOUSE ACTION 6/11/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE XIV, SEC. 206(3)						
Contingency funds	100,000	NA	100,000	(100,000)	(100,000)	(100,000)
Funding source:						
Local revenues	100,000	NA	100,000	(100,000)	(100,000)	(100,000)
TO: SEC. 102. MILITARY						
Military	56,732,300	36,161,343	20,570,957	100,000	100,000	100,000
Funding source:						
Local revenues	1,500,000	1,042,642	457,358	100,000	100,000	100,000

This transfer will increase the spending authorization from Local – School Aid Fund revenues to utilize available carry forward revenue allocated for the DMVA-Michigan Youth Challenge Academy. This transfer will enable the department to replace office furniture utilized by teachers and program administrators at MYCA facilities, located at the VA campus in Battle Creek. The furnishings being replaced were originally donated to the MYCA in 1999/2000 following the closure of a National Guard armory and the closure of an Upjohn facility in Kalamazoo. The State Budget Office indicates that the transfer is needed by 7/1/14.

Under a contract with DMVA, the Marshall Public Schools provides educational services and vocational training to MYCA cadets, and serves as the program’s fiscal manager. The MYCA is supported through an appropriation made in the School Aid Act (MCL 388.1624c) and federal funds from the DOD-National Guard Bureau. The MYCA is a voluntary 22-week residential program geared toward at-risk youth, ages 16-18, who have dropped out of school or are at risk of dropping out.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$715,000**

S.B.O. LETTER: **6/2/14**
 S.B.O. REQUEST: **2014-6**
 ANALYST: **Mark Wolf**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/2/14	BALANCE AVAILABLE AS OF 6/2/14	GOV'S REC. 6/2/14	SENATE ACTION 6/10/14	HOUSE ACTION 6/11/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE XIV, SEC. 206(1)						
Contingency funds	10,000,000	NA	10,000,000	(715,000)	(715,000)	(715,000)
Funding source:						
Federal revenues	10,000,000	NA	10,000,000	(715,000)	(715,000)	(715,000)
TO: SEC. 103. MICHIGAN VETERANS AFFAIRS AGENCY						
Homes	68,194,900	47,540,418	20,654,482	715,000	715,000	715,000
Funding source:						
Federal revenues	29,431,500	19,970,560	9,460,940	715,000	715,000	715,000

This transfer increases the spending authorization for the D.J. Jacobetti Veterans' Home (DJJVH) in Marquette for revenue received from the U.S. Department of Veterans Affairs – State Veterans' Home Per Diem Program (CFDA 64.015) due to an increase in the number of resident members at the home with a VA disability rating of 70-100%.

Generally speaking, the VA provides a basic per diem rate for residents in nursing care settings at state veteran's home. This amount is \$100.37 per day for FY 2013-14. Under P.L. 109-461 and P.L. 112-154, the VA provides a higher per diem rate for residents with a VA disability rating of 70-100%. This amount varies among state veterans homes based on the prevailing Medicare rate or the cost of care provided by the home, as agreed to by the home and the VA. For DJJVH, the FY 2013-14 per diem rate for residents with a 70-100% disability rate calculated by the VA using the prevailing Medicare rates is \$345.59. The amount paid by the VA for these residents is intended to represent the full cost of care for these residents, so they do not pay any additional assessments to the home for their care. The home is averaging about 166 nursing care residents this year. A similar adjustment was made in FY 2012-13 through a year-end legislative transfer request, and is also included in the FY 2014-15 DMVA conference report.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$2,600,000**

S.B.O. LETTER: **6/2/14**
 S.B.O. REQUEST: **2014-6**
 ANALYST: **Mark Wolf**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/2/14	BALANCE AVAILABLE AS OF 6/2/14	GOV'S REC. 6/2/14	SENATE ACTION 6/10/14	HOUSE ACTION 6/11/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE XIV, SEC. 206(1)						
Contingency funds	10,000,000	NA	10,000,000	(2,600,000)	(2,600,000)	(2,600,000)
Funding source:						
Federal revenues	10,000,000	NA	10,000,000	(2,600,000)	(2,600,000)	(2,600,000)
TO: SEC. 102. MILITARY						
Military	56,732,300	36,161,343	20,570,957	2,600,000	2,600,000	2,600,000
Funding source:						
Federal revenues	43,051,200	28,724,417	14,326,783	2,600,000	2,600,000	2,600,000

This request increases the spending authorization for the Armories and Joint Force Readiness program line by \$2.6 million from funds received through the Department of Defense (National Guard Bureau) to reflect the available of federal funding to cover 50% of the costs of utilities and related services (snow removal, trash removal, etc.) at the state's armories. Previously, these costs were borne entirely by state General Fund dollars. A similar adjusted was included in FY 2013 through a year-end legislative transfer request, and is also included in the FY 2015 DMVA conference report.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$2,000,000**

S.B.O. LETTER: **6/2/14**
 S.B.O. REQUEST: **2014-6**
 ANALYST: **Mark Wolf**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/2/14	BALANCE AVAILABLE AS OF 6/2/14	GOV'S REC. 6/2/14	SENATE ACTION 6/10/14	HOUSE ACTION 6/11/14
FROM: SEC. 104. CAPITAL OUTLAY						
Special maintenance – headquarters and armories	26,511,200	3,438,389	23,072,811	(2,000,000)	(2,000,000)	(2,000,000)
Funding source:						
State general fund/general purpose	10,251,200	2,048,441	8,202,759	(2,000,000)	(2,000,000)	(2,000,000)
TO: SEC. 104. CAPITAL OUTLAY						
Land acquisitions and appraisals	1,000,000	0	1,000,000	2,000,000	2,000,000	2,000,000
Funding source:						
State general fund/general purpose	0	0	0	2,000,000	2,000,000	2,000,000

This request transfers \$2.0 million GF/GP from the Special Maintenance – Headquarters and Armories capital outlay line item to the Land Acquisitions and Appraisals line item to provide DMVA with additional resources in the line item that supports property acquisitions. The transfer would facilitate the purchase of property in the area around Grand Traverse County to serve as a new National Guard readiness center (armory) for an expeditionary signal battalion. In recent years, DMVA has worked to upgrade the physical condition of its 44 armories and has begun to identify short-term, medium-term, and long-term facility needs. Rather than building an armory completely anew, the department has worked with DTMB-real estate to identify suitable existing commercial properties that can be reconfigured into an armory with relatively modest renovations.

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$3,780,000**

S.B.O. LETTER: **6/2/14**
 S.B.O. REQUEST: **2014-6**
 ANALYST: **Paul Holland**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/8/14	BALANCE AVAILABLE AS OF 6/8/14	GOV'S REC. 6/2/14	SENATE ACTION 6/10/14	HOUSE ACTION 6/11/14
FROM: SEC. 103. DEPARTMENT INITIATIVES						
Great Lakes restoration initiative	5,500,000	447,868	5,052,132	(3,320,000)	(3,320,000)	(3,320,000)
Funding source:						
EPA, federal	4,578,000	259,889	4,318,111	(3,320,000)	(3,320,000)	(3,320,000)
SEC. 106. WILDLIFE MANAGEMENT						
Natural resources heritage	986,000	229,496	756,504	(460,000)	(460,000)	(460,000)
Funding source:						
DOI-federal-FWS wildlife restoration	537,200	54,889	482,311	(460,000)	(460,000)	(460,000)
TO: SEC. 106. WILDLIFE MANAGEMENT						
Wildlife management	30,565,500	18,249,260	12,316,240	3,300,000	3,300,000	3,300,000
Funding source:						
DOI-federal-FWS wildlife restoration	14,458,400	10,172,049	4,286,351	3,300,000	3,300,000	3,300,000
State game and wildlife area maintenance	757,600	510,955	246,645	480,000	480,000	480,000
Funding source:						
Federal Pittman-Robertson acquired land revenue	757,600	510,955	246,645	480,000	480,000	480,000

According to the DNR, this transfer will support a wide range of projects to restore, conserve, manage, and enhance wildlife habitat and allow for additional needs to be addressed through the state game and wildlife areas managed by the department, including dam repair/removal work, dike and water structure maintenance, and facility improvement, ensuring that existing infrastructure is functional and support of ongoing wildlife management efforts. The federal funding for the Great Lakes Restoration initiative has been over-appropriated for numerous years and the DNR anticipates that available federal grants will again fall substantially below the appropriation in FY 2013-14 (the actual funding was \$1.7 million in FY 2012-13). Likewise, the DNR anticipates that the FY 2013-14 federal Cooperative Endangered Species grant award appropriated for the Natural Resource Heritage line item will actually be less than the appropriation. The funding would be transferred from anticipated additional federal revenue generated by federal taxes levied on weapon, firearm, and ammunition sales which is available for administration and operations of the Wildlife Management Division. Moreover, additional federal revenue generated by oil and gas leases and timber sales on publically-manage federal land is also available to support the maintenance of state game and wildlife areas and facilities for public use. This transfer is requested by 07/01/14 to allow sufficient time for the DNR to enter into contracts and complete the work.

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$1,775,100**

S.B.O. LETTER: **6/2/14**
 S.B.O. REQUEST: **2014-6**
 ANALYST: **Mark Wolf**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 6/2/14	BALANCE AVAILABLE AS OF 6/2/14	GOV'S REC. 6/2/14	SENATE ACTION 6/10/14	HOUSE ACTION 6/11/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE XVI, SEC. 206(2)						
Contingency funds	3,500,000	NA	3,500,000	(1,775,100)	(1,775,100)	(1,775,100)
Funding source:						
Total state restricted revenues	3,500,000	NA	3,500,000	(1,775,100)	(1,775,100)	(1,775,100)
TO: SEC. 106. SPECIALIZED SERVICES						
Specialized services	107,927,400	66,818,886	41,108,514	1,775,100	1,775,100	1,775,100
Funding source:						
Total state restricted revenues	10,489,600	8,220,625	2,268,875	1,775,100	1,775,100	1,775,100

This transfer will increase the authorization in the Reimbursed Services fund source in the Operational Support program line to enable the department to expend revenues received from Ostego County and Sprint PCS. Ostego County is reimbursing the Michigan State Police \$668,100 for providing full 911 services, including 911 call taking and dispatch of local law, fire, and EMS agencies, under a contract that began in FY 2013-14.

Separately, the telecommunications provider Sprint is reimbursing the Michigan State Police \$1,107,000 as a result of the company purchasing radio frequencies previously allotted for public safety. Several years ago, the FCC ordered that the 800MHz radio frequency be rebanded after growing interference in public safety communications from the increasing amount of wireless traffic. As a result, public safety radios had to be re-tuned. Under the purchase agreement, Sprint PCS is responsible for reimbursing all associated expenses which include the replacement cost of equipment that is not capable of being reprogrammed to operate in the new frequency. This transfer is needed by 7/1/14.