

MEMORANDUM



DATE: August 16, 2022
TO: Members of the House Appropriations Committee
FROM: Mary Ann Cleary, Director *MAC*
RE: Legislative Transfer Package 2022-3

Attached are legislative transfers proposed by the State Budget Office in a letter dated June 1, 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 **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 \$234.3 million, which will increase the FY 2021-22 year-to-date state budget by 0.29%.

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: 2022-3
 June 1, 2022

Department	Analyst	Page	Total Transfer
Environment, Great Lakes, and Energy	Austin Scott	1	\$10,000,000
Health and Human Services	Sue Frey Kevin Koorstra Kent Dell Sydney Brown Victoria Amponsah	2	4,600,000
Military and Veterans Affairs	Michael Cnossen	3-4	3,500,000
State	Michael Cnossen	5	150,000
State Police	Marcus Coffin	6	216,000,000
Total			\$234,250,000

2022-3 Legislative Transfers

Budget	Year-to-Date Total Approps	Contingency Fund Transfers (Increases Budget)						% Budget Increased	
		IDG	Federal	Local	Private	Restricted	GF/GP		TOTAL
Environment, Great Lakes, & Energy	2,640,568,600					10,000,000		10,000,000	0.38%
Health and Human Services	34,924,441,900					4,600,000		4,600,000	0.01%
Military and Veterans Affairs	221,104,000		3,500,000					3,500,000	1.58%
State	252,764,300					150,000		150,000	0.06%
State Police	965,587,900		216,000,000					216,000,000	22.37%
TOTAL*	\$80,850,792,200	\$0	\$219,500,000	\$0	\$0	\$14,750,000	\$0	\$234,250,000	0.29%

*Includes budget areas not affected by transfers

LEGISLATIVE TRANSFER

BUDGET AREA: ENVIRONMENT, GREAT LAKES, AND ENERGY
 FISCAL YEAR: 2021-22
 TRANSFER AMOUNT: \$10,000,000

S.B.O. LETTER: 6/1/22
 S.B.O. REQUEST: 2022-3
 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. 6/1/22	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 87 OF 2021, ARTICLE 4 SEC. 1017.						
Contingency funds	10,000,000	NA	NA	(10,000,000)		
Funding source:						
Contaminated site cleanup contingency reserve fund	10,000,000	NA	NA	(10,000,000)		
TO: SEC. 115. ONE-TIME APPROPRIATIONS						
Contaminated site cleanup contingency reserve fund	100	0	100	10,000,000		
Funding source:						
Contaminated site cleanup contingency reserve fund	100	0	100	10,000,000		

This request seeks to transfer \$10.0 million in state restricted boilerplate authorization for rapid response to emerging contaminated sites and to address the cleanup of contaminated sites that do not qualify for funding from other available fund resources. These state restricted contingency funds are available in accordance with 2021 PA 87, Article 4, Section 1017.

LEGISLATIVE TRANSFER

BUDGET AREA: **HEALTH AND HUMAN SERVICES**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$4,600,000**

S.B.O. LETTER: **6/1/22**
 S.B.O. REQUEST: **2022-3**
 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. 6/1/22	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 87 OF 2021, ARTICLE 6 SEC. 210(2)						
Contingency authorization	20,000,000	NA	NA	(4,600,000)		
Funding source:						
Total state restricted revenues	20,000,000	NA	NA	(4,600,000)		
TO: SEC. 111. BEHAVIORAL HEALTH SERVICES						
Healthy Michigan plan – behavioral health	577,691,300	477,565,689	100,125,611	4,600,000		
Funding source:						
Total other state restricted revenues	4,607,600	0	4,607,600	4,600,000		

This transfer request would move \$4.6 million of state restricted contingency authorization to the Healthy Michigan Plan – Behavioral Health line item. This transfer would account for additional revenue from the quality assurance assessment program (QAAP). DHHS anticipates receiving 5 quarters of QAAP revenue for the Psychiatric Hospital Rate Adjustment (HRA) in FY 2021-22. The fourth quarter collection from FY 2020-21 was received too late in the year to recognize as part of the FY 2020-21 accrual, so instead it should be recognized as additional revenue in FY 2021-22.

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$3,000,000**

S.B.O. LETTER: **6/1/22**
 S.B.O. REQUEST: **2022-3**
 ANALYST: **Michael Cnossen**

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. 6/1/22	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 87 OF 2021, ARTICLE 10 SEC. 210(1)						
Contingency funds	8,600,000	NA	NA	(3,000,000)		
Funding source:						
Total other federal revenues	8,600,000	NA	NA	(3,000,000)		
TO: SEC. 104. MICHIGAN VETERANS' FACILITY AUTHORITY						
D.J. Jacobetti home for veterans	24,639,200	23,216,900	1,422,300	3,000,000		
Funding source:						
DVA-VHA	5,263,900	8,297,200	(3,033,300)	3,000,000		

This request would transfer \$3.0 million in federal contingency authorization to the D.J. Jacobetti Home for Veterans line item in order to align authorization with projected revenue from the U.S. Department of Veterans Affairs Veterans Health Administration (VHA). VHA provides per diem payments based on the daily census at the home and the healthcare needs and service-connected disability ratings of eligible veterans. Federal contingency funds are available in accordance with 2021 PA 87, Article 10, Section 210(1).

LEGISLATIVE TRANSFER

BUDGET AREA: **MILITARY AND VETERANS AFFAIRS**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$500,000**

S.B.O. LETTER: **6/1/22**
 S.B.O. REQUEST: **2022-3**
 ANALYST: **Michael Cnossen**

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. 6/1/22	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 87 OF 2021, ARTICLE 10 SEC. 210(1)						
Contingency funds	8,600,000	NA	NA	(500,000)		
Funding source:						
Total other federal revenues	8,600,000	NA	NA	(500,000)		
TO: SEC. 104. MICHIGAN VETERANS' FACILITY AUTHORITY						
D.J. Jacobetti home for veterans	24,639,200	23,216,900	1,422,300	500,000		
Funding source:						
HHS-HCFA, title XIX, Medicaid	1,807,900	2,446,400	(638,500)	500,000		

This request would transfer \$500,000 in federal contingency authorization to the D.J. Jacobetti Home for Veterans line item in order to align authorization with projected Medicaid revenue and expenditures. Average year-to-date monthly Medicaid billings project higher than anticipated revenue. Federal contingency funds are available in accordance with 2021 PA 87, Article 10, Section 210(1).

LEGISLATIVE TRANSFER

BUDGET AREA: STATE
 FISCAL YEAR: 2021-22
 TRANSFER AMOUNT: \$150,000

S.B.O. LETTER: 6/1/22
 S.B.O. REQUEST: 2022-3
 ANALYST: Michael Cnossen

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. 6/1/22	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 87 OF 2021, ARTICLE 5 SEC. 701(2)						
Contingency funds	500,000	NA	NA	(150,000)		
Funding source:						
Total state restricted revenues	500,000	NA	NA	(150,000)		
TO: SEC. 106(2). DEPARTMENTAL ADMINISTRATION AND SUPPORT						
Worker's compensation	122,900	191,200	(68,300)	100,000		
Funding source:						
Transportation administration collection fund	66,800	168,700	(101,900)	100,000		
SEC. 106. (4) CUSTOMER DELIVERY SERVICES						
Motorcycle safety education administration	647,600	471,200	176,400	50,000		
Funding source:						
Motorcycle safety and education awareness fund	300,000	300,000	0	50,000		

This transfer would provide a total of \$150,000 of state restricted contingency authorization for two transfer requests. They would include a transfer of \$100,000 from available revenue in the Transportation Administration Collection Fund (TACF) to the Worker's Compensation line item to provide for additional authorization to cover a one-time settlement payment of \$83,250, and a transfer of \$50,000 from available revenue in the Motorcycle Safety and Education Awareness Fund (MSEAF) to the Motorcycle Safety Education Administration line item to support the "Look Twice Save a Life" media campaign planned for the summer. State restricted contingency funds are available in accordance with 2021 PA 87, Article 5, Section 701(2).

LEGISLATIVE TRANSFER

BUDGET AREA: **STATE POLICE**
 FISCAL YEAR: **2021-22**
 TRANSFER AMOUNT: **\$216,000,000**

S.B.O. LETTER: **6/1/22**
 S.B.O. REQUEST: **2022-3**
 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. 6/1/22	HOUSE ACTION	SENATE ACTION
FROM: PUBLIC ACT 87 OF 2021 SEC. 801, ARTICLE 12						
Contingency funds	300,000,000	NA	NA	(216,000,000)		
Funding source:						
Total federal revenues	300,000,000	NA	NA	(216,000,000)		
TO: SEC. 107. ONE-TIME APPROPRIATIONS						
Emergency and disaster response and mitigation	45,000,000	14,597,583	30,402,417	216,000,000		
Funding source:						
Total federal revenues	45,000,000	14,597,583	30,402,417	216,000,000		

This transfer request would shift federal contingency authorization to the Emergency and Disaster Response and Mitigation line item to align authorization with available Federal Emergency Management Agency (FEMA) funding to support COVID-19 response and mitigation projects administered by the Michigan Department of Health and Human Services. These projects include long-term care facility testing and strike teams, county jail testing, community based testing, local health department immunization funding, and communication to disseminate vaccines. Federal contingency funds are available in accordance with 2021 PA 87, Article 12, Section 801, which provides up to \$300.0 million in federal funding authorization for emergency and disaster response and mitigation.