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MICHIGAN HOUSE OF REPRESENTATIVES

JOE HAVEMAN
STATE REPRESENTATIVE

COMMITTEES:
APPROPRIATIONS, CHAIR
SUBCOMMITTEE:
CORRECTIONS

September 24, 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 September 11, 2014, Legislative Transfer Request 2014-8. The transfers are for the departments of Community Health, Corrections, Education, Human Services, Licensing and Regulatory Affairs, Natural Resources, Technology, Management and Budget, and Treasury. This approved package also includes the legislatively initiated Agriculture and Rural Development transfers.

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 Viola Bay Wild, Transfer Coordinator Compiled by Tumai Burris, Budget Assistant	Summary Sheet SBO LETTER: 2014-8 September 11, 2014		
Department	Analyst	Page	Total Transfer
Agriculture and Rural Development	Paul Holland	1-2	\$263,400
Community Health	Sue Frey Matt Ellsworth Steve Stauff	3-7	\$86,129,200
Corrections	Robin Risko	8-11	7,700,000
Education	Bethany Wicksall	12	100,000
Human Services	Kevin Koorstra	13-22	13,360,000
Licensing and Regulatory Affairs	Paul Holland	23-24	5,300,000
Natural Resources	Viola Bay Wild	25-26	5,200,000
Technology, Management and Budget	Marilyn Peterson	27	8,478,600
Treasury	Ben Gielczyk	28	2,500,000
Total			\$129,031,200

LEGISLATIVE TRANSFER

BUDGET AREA: **AGRICULTURE AND RURAL DEVELOPMENT**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$53,000**

S.B.O. LETTER: **NA**
 S.B.O. REQUEST: **NA**
 ANALYST: **Paul Holland**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/13/14	BALANCE AVAILABLE AS OF 9/13/14	PROPOSED ACTION	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 110. FAIRS AND EXPOSITIONS						
Thoroughbred breeder's awards	358,600	15,000	343,600	(53,000)	(53,000)	(53,000)
Funding source:						
Agriculture equine industry development fund	358,600	15,000	343,600	(53,000)	(53,000)	(53,000)
TO: SEC. 110. FAIRS AND EXPOSITIONS						
Thoroughbred sire stakes	244,800	0	244,800	53,000	53,000	53,000
Funding source:						
Agriculture equine industry development fund	244,800	0	244,800	53,000	53,000	53,000

Transfers funding from breeder's awards (not to exceed 10.0% of the gross purse) to sire stakes (not to exceed 0.25% of all money wagered on horse racing) for Thoroughbred horses. Breeder's awards are paid to the breeders of Michigan-bred Thoroughbred horses for each win at a licensed race meetings in Michigan, whereas sire stakes provide purses at licensed race meetings exclusively for Michigan-sired Thoroughbreds of specified ages and for awards paid to owners of Michigan-sired horses or stallions. The awards and stakes are supported by the Agriculture Equine Industry Development Fund (AEIDF) which receives revenue generated by the 3.5% tax on money wagered on inter-track and interstate simulcast races, statutory licensure fees and fines, and uncashed winning tickets. There is sufficient revenue within the AEIDF to support this transfer, however expenditures from the AEIDF have exceeded revenues deposited into the AEIDF during the previous two fiscal years and as a result of consistent declines in the number of race dates and wagering. Consequently, the closing balance within the AEIDF has declined from \$1.7 at the close of FY 2010-11 to \$1.0 million at the close of FY 2012-13 is estimated to further decline to approximately \$540,000 (inclusive of this transfer) by the close of FY 2013-14. In response, DARD has prorated appropriated amounts for purse supplements, breeders' awards, sire stakes, owners' awards, special purses, futurities, and cash premiums to support various horse breed programs by 10.0% in effort to mitigate future reductions in the balance of the AEIDF. DARD estimates that the proration for FY 2014-15 would be approximately 58.0%.

LEGISLATIVE TRANSFER

BUDGET AREA: **AGRICULTURE AND RURAL DEVELOPMENT**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$210,400**

S.B.O. LETTER: **NA**
 S.B.O. REQUEST: **NA**
 ANALYST: **Paul Holland**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/13/14	BALANCE AVAILABLE AS OF 9/13/14	PROPOSED ACTION	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 110. FAIRS AND EXPOSITIONS						
Standardbred purses and supplements - licensed tracks	527,800	120,000	407,800	(210,400)	(210,400)	(210,400)
Funding source:						
Agriculture equine industry development fund	527,800	120,000	407,800	(210,400)	(210,400)	(210,400)
TO: SEC. 110. FAIRS AND EXPOSITIONS						
Purses and supplements - fairs/licensed tracks	708,300	619,150	89,150	210,400	210,400	210,400
Funding source:						
Agriculture equine industry development fund	708,300	619,150	89,150	210,400	210,400	210,400

In effect this transfer will shift funding from purses and supplements awarded at licensed race tracks to purses and supplements awarded at county fairs for Standardbred horses. The transfer was requested to enable the purses and supplements to be paid for the County Fair Championship Series races on September 25, 2014 at the Hastings Fairgrounds. Due to the unavailability of a licensed race meet to run these races and the effects of particular statutory restrictions, the Michigan Harness Horsemen's Association (MHHA) requested this transfer in an amount nearly equivalent to the amount appropriated for Standardbred sire stakes at licensed race meetings, which will not be expended in FY 2013-14. The purses and supplements are supported by the Agriculture Equine Industry Development Fund (AEIDF) which receives revenue generated by the 3.5% tax on money wagered on inter-track and interstate simulcast races, statutory licensure fees and fines, and uncashed winning tickets. There is sufficient revenue within the AEIDF to support this transfer due to the reductions in Standardbred horse racing dates, however expenditures from the AEIDF have exceeded revenues deposited into the AEIDF during the previous two fiscal years and as a result of consistent declines in the number of race dates and wagering. Consequently, the closing balance within the AEIDF has declined from \$1.7 at the close of FY 2010-11 to \$1.0 million at the close of FY 2012-13 is estimated to further decline to approximately \$540,000 (inclusive of this transfer) by the close of FY 2013-14. In response, DARD has prorated appropriated amounts for purse supplements, breeders' awards, sire stakes, owners' awards, special purses, futurities, and cash premiums to support various horse breed programs by 10.0% in effort to mitigate future reductions in the balance of the AEIDF. DARD estimates that the proration for FY 2014-15 would be approximately 58.0%.

LEGISLATIVE TRANSFER

BUDGET AREA: **COMMUNITY HEALTH**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$400,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Sue Frey**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE IV, SEC. 206(1)						
Contingency funds	195,282,300	NA	NA	(400,000)	(400,000)	(400,000)
Funding source:						
Total federal revenues	195,282,300	NA	NA	(400,000)	(400,000)	(400,000)
TO: SEC. 106. PUBLIC HEALTH ADMINISTRATION						
Vital records and health statistics	11,370,600	7,933,482	3,437,118	400,000	400,000	400,000
Funding source:						
Total federal revenues	3,611,700	3,470,252	141,448	400,000	400,000	400,000

This transfer increases the federal funds authorization for the Vital Records and Health Statistics line item, enabling the Department to expend available federal revenues \$400,000 in excess of the current authorization. Increased funding is available from federal Medicaid Title XIX matching funds for costs related to Medicaid eligibility verifications of birth provided by the vital records division. The increased funds result from vital records fee increases effective October 2013, and from increased volume of verification requests due to implementation of the Healthy Michigan Plan Medicaid expansion program in April 2014. The Executive indicates that this transfer is needed by September 30, 2014.

Federal contingency fund authorization is available for this transfer.

LEGISLATIVE TRANSFER

BUDGET AREA: **COMMUNITY HEALTH**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$81,629,200**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Matt Ellsworth/ Steve Stauff**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 119. MEDICAL SERVICES						
Health plan services	4,756,196,800	4,177,182,804	579,013,996	(81,629,200)	(81,629,200)	(81,629,200)
Funding sources:						
Total federal revenues	3,280,678,700	2,881,292,601*	399,386,099*	(63,923,300)	(63,923,300)	(63,923,300)
State general fund/general purpose	155,773,700	136,809,987*	18,963,713*	(17,705,900)	(17,705,900)	(17,705,900)
TO: SEC. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES						
Medical care and treatment	147,545,600	149,563,856	(2,018,256)	33,911,100	33,911,100	33,911,100
Funding sources:						
Total federal revenues	66,043,500	66,946,900*	(903,400) *	31,909,000	31,909,000	31,909,000
State general fund/general purpose	78,162,000	79,231,167*	(1,069,167) *	2,002,100	2,002,100	2,002,100
SEC. 119. MEDICAL SERVICES						
Pharmaceutical services	289,310,900	277,838,407*	11,472,493	11,020,400	11,020,400	11,020,400
Funding sources:						
Total federal revenues	190,701,300	183,139,126*	7,562,174*	7,308,700	7,308,700	7,308,700
State general fund/general purpose	98,609,600	94,699,281*	3,910,319*	3,711,700	3,711,700	3,711,700
Home health services	5,000,000	4,589,878*	410,122*	555,500	555,500	555,500
Funding sources:						
Total federal revenues	3,315,900	3,043,915*	271,985*	368,400	368,400	368,400
State general fund/general purpose	1,684,100	1,545,963*	138,137*	187,100	187,100	187,100
Long-term care services	1,780,000,000	1,561,444,334	218,555,666	10,310,800	10,310,800	10,310,800
Funding sources:						
Total federal revenues	1,165,258,100	1,022,182,954*	143,075,146*	7,377,000	7,377,000	7,377,000
State general fund/general purpose	275,116,300	241,336,398*	33,779,902*	2,933,800	2,933,800	2,933,800

*Year-to-date expenditures, encumbrances, and balances by revenue are source estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **COMMUNITY HEALTH**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$81,629,200 (Continued)**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Matt Ellsworth/Steve Stauff**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
TO: SEC. 119. MEDICAL SERVICES						
Adult home help services	318,684,800	281,402,800	37,282,000	13,456,600	13,456,600	13,456,600
Funding sources:						
Total federal revenues	211,563,800	186,813,572*	24,750,228*	8,924,400	8,924,400	8,924,400
State general fund/general purpose	107,121,000	94,589,228*	12,531,772*	4,532,200	4,532,200	4,532,200
 MIChild program	 69,720,100	 66,344,886	 3,375,214	 10,518,100	 10,518,100	 10,518,100
Funding sources:						
Total federal revenues	53,279,300	50,700,000*	2,579,300*	8,035,800	8,035,800	8,035,800
State general fund/general purpose	16,440,800	15,644,886*	795,914*	2,482,300	2,482,300	2,482,300
 Federal Medicare pharmaceutical program	 183,628,900	 135,660,858	 47,968,042	 1,856,700	 1,856,700	 1,856,700
Funding source:						
State general fund/general purpose	183,628,900	135,660,858	47,968,042	1,856,700	1,856,700	1,856,700

In lines for which net Executive requests to date include authorization increases, with the exception of adjustments related to HICA/Use Tax, this transfer addresses (1) caseload, inflation, and utilization adjustments from the Governor's Recommendation in February (Supplemental 2014-4), (2) May caseload consensus adjustments, and (3) an increase of \$1.6 million in federal authorization in Long Term Care Services to align the appropriation with available federal grant funds. Rather than requesting new funding for these lines, this transfer proposes the use of existing resources within the Medical Services unit. According to SBO, funds are available in Health Plan Services due to lower than anticipated caseload increases.

*Year-to-date expenditures, encumbrances, and balances by revenue are source estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **COMMUNITY HEALTH**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$2,000,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Matt Ellsworth/Steve Stauff**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 119. MEDICAL SERVICES						
Physician services	451,403,600	311,319,026	140,084,574	(2,000,000)	(2,000,000)	(2,000,000)
Funding source:						
State general fund/general purpose	117,755,400	81,212,238*	36,543,162*	(2,000,000)	(2,000,000)	(2,000,000)
TO: SEC. 119. MEDICAL SERVICES						
Federal Medicare pharmaceutical program	183,628,900	135,660,858	47,968,042	2,000,000	2,000,000	2,000,000
Funding source:						
State general fund/general purpose	183,628,900	135,660,858	47,968,042	2,000,000	2,000,000	2,000,000

This transfer covers projected expenditures within the Medical Services appropriation unit. Authorization is available in the Physician Services line due to lower than anticipated expenditures from this account.

*Year-to-date expenditures, encumbrances, and balances by revenue are source estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **COMMUNITY HEALTH**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$2,100,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Matt Ellsworth/Steve Stauff**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 119. MEDICAL SERVICES						
Physician services	451,403,600	311,319,026	140,084,574	(2,100,000)	(2,100,000)	(2,100,000)
Funding sources:						
Total federal revenues	333,648,200	230,106,788*	103,541,412*	(1,890,000)	(1,890,000)	(1,890,000)
State general fund/general purpose	117,755,400	81,212,238*	36,543,162*	(210,000)	(210,000)	(210,000)
TO: SEC. 119. MEDICAL SERVICES						
Plan first family planning waiver	12,913,300	5,759,437	7,153,863	2,100,000	2,100,000	2,100,000
Funding sources:						
Total federal revenues	12,264,200	5,469,933*	6,794,267*	1,890,000	1,890,000	1,890,000
State general fund/general purpose	648,100	289,058*	359,042*	210,000	210,000	210,000

This transfer covers projected expenditures to continue the Plan First waiver through the fiscal year due to ongoing court litigation.

*Year-to-date expenditures, encumbrances, and balances by revenue are source estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$5,100,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 105. OPERATIONS SUPPORT ADMINISTRATION						
Worker's compensation	19,439,100	11,250,951	8,188,149	(3,500,000)	(3,500,000)	(3,500,000)
Funding source:						
State general fund/general purpose	19,439,100	11,250,951	8,188,149	(3,500,000)	(3,500,000)	(3,500,000)
County jail reimbursement program	15,072,100	8,515,865	6,556,235	(1,100,000)	(1,100,000)	(1,100,000)
Funding source:						
State general fund/general purpose	9,172,100	3,637,085	5,535,015	(1,100,000)	(1,100,000)	(1,100,000)
SEC. 106. FIELD OPERATIONS ADMINISTRATION						
Residential services	15,475,500	11,895,648	3,579,852	(500,000)	(500,000)	(500,000)
Funding source:						
State general fund/general purpose	15,475,500	11,895,648	3,579,852	(500,000)	(500,000)	(500,000)
TO: SEC. 108. HEALTH CARE						
Clinical complexes	142,841,000	137,384,434	5,456,566	5,100,000	5,100,000	5,100,000
Funding source:						
State general fund/general purpose	142,555,300	137,384,388	5,170,912	5,100,000	5,100,000	5,100,000

This transfer is requested to cover costs of providing to prisoners the new treatment protocol for Hepatitis C promulgated by the Centers for Disease Control and Prevention. Funding is also included in the FY 2014-15 budget for this purpose. Funding is available from the Worker's Compensation line item due to a reduction in the number of claims submitted by employees; funding is available from the County Jail Reimbursement Program line item due to reduced court dispositions; and funding is available from the Residential Services line item due to local underutilization of community corrections residential services. Completion of this transfer is requested by September 26, 2014 to allow vendor payments to be processed.

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$2,600,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 109. NORTHERN REGION CORRECTIONAL FACILITIES						
Oaks correctional facility – Eastlake	34,623,300	29,463,881	5,159,419	(550,000)	(550,000)	(550,000)
Funding source:						
State general fund/general purpose	34,623,300	29,463,881	5,159,419	(550,000)	(550,000)	(550,000)
St. Louis correctional facility - St. Louis	36,855,900	32,372,277	4,483,623	(250,000)	(250,000)	(250,000)
Funding source:						
State general fund/general purpose	36,855,900	32,372,277	4,483,623	(250,000)	(250,000)	(250,000)
SEC. 110. SOUTHERN REGION CORRECTIONAL FACILITIES						
Bellamy Creek correctional facility – Ionia	44,166,000	38,025,218	6,140,782	(950,000)	(950,000)	(950,000)
Funding source:						
State general fund/general purpose	44,166,000	38,025,218	6,140,782	(950,000)	(950,000)	(950,000)
Charles E. Egeler correctional facility – Jackson	46,515,800	37,618,547	8,897,253	(850,000)	(850,000)	(850,000)
Funding source:						
State general fund/general purpose	44,855,900	37,618,547	7,237,353	(850,000)	(850,000)	(850,000)
TO: SEC. 106. FIELD OPERATIONS ADMINISTRATION						
Community re-entry centers	33,251,400	29,693,670	3,557,730	500,000	500,000	500,000
Funding source:						
State general fund/general purpose	32,806,300	29,684,844	3,121,456	500,000	500,000	500,000

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$2,600,000 (Continued)**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
TO: SEC. 109. NORTHERN REGION CORRECTIONAL FACILITIES						
Kinross correctional facility – Kincheloe	36,660,400	33,591,430	3,068,970	300,000	300,000	300,000
Funding source:						
State general fund/general purpose	36,660,400	33,591,430	3,068,970	300,000	300,000	300,000
Muskegon correctional facility- Muskegon	22,989,200	22,306,181	683,019	400,000	400,000	400,000
Funding source:						
State general fund/general purpose	22,989,200	22,306,181	683,019	400,000	400,000	400,000
Pugsley correctional facility – Kingsley	23,728,400	21,860,201	1,868,199	200,000	200,000	200,000
Funding source:						
State general fund/general purpose	23,728,400	21,860,201	1,868,199	200,000	200,000	200,000
Saginaw correctional facility – Freeland	31,798,300	29,403,016	2,395,284	200,000	200,000	200,000
Funding source:						
State general fund/general purpose	31,798,300	29,403,016	2,395,284	200,000	200,000	200,000
SEC. 110. SOUTHERN REGION CORRECTIONAL FACILITIES						
G. Robert Cotton correctional facility – Jackson	42,137,200	39,139,780	2,997,420	600,000	600,000	600,000
Funding source:						
State general fund/general purpose	42,137,200	39,139,780	2,997,400	600,000	600,000	600,000

LEGISLATIVE TRANSFER

BUDGET AREA: **CORRECTIONS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$2,600,000 (Continued)**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Robin Risko**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
TO: SEC. 110. SOUTHERN REGION CORRECTIONAL FACILITIES						
Lakeland correctional facility - Coldwater	31,677,900	28,590,850	3,087,050	400,000	400,000	400,000
Funding source:						
State general fund/general purpose	31,677,900	28,590,850	3,087,050	400,000	400,000	400,000

This transfer will provide funding for higher than budgeted inmate levels, higher seniority staffing, and increased programming costs at Kinross, Muskegon, Pugsley, Saginaw, G. Robert Cotton, and Lakeland Correctional Facilities. Also reflected is the transfer of costs of returning prisoner clothing from the Charles E. Egeler Correctional Facility to the Detroit Re-Entry Center. Funding is available from the Oaks, St. Louis, Bellamy Creek, and Charles E. Egeler Correctional Facilities due to vacancies, staffing realignments, less than anticipated overtime costs, and other efficiencies. Similar adjustments are included in the FY 2014-15 budget.

LEGISLATIVE TRANSFER

BUDGET AREA: **EDUCATION**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$100,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Bethany Wicksall**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE VI, SEC. 219(4)						
Contingency funds	3,000,000	NA	NA	(100,000)	(100,000)	(100,000)
Funding source:						
Total private revenues	3,000,000	NA	NA	(100,000)	(100,000)	(100,000)
TO: SEC. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND						
Private gifts - blind	200,000	130,952	69,048	100,000	100,000	100,000
Funding source:						
Gifts, bequests, and donations	200,000	130,952	69,048	100,000	100,000	100,000

This transfer would provide \$100,000 in private contingency fund authorization in accordance with P.A. 59 of 2013 (Article VI, Part 2, Sec. 219), to the Michigan Department of Education for the Michigan Schools for the Deaf and Blind. This request would allow the Michigan Schools for the Deaf and Blind, Low Incidence Outreach program, to purchase for their loan library, refreshable braille displays that connect to an iPad or computer. These displays will be available for visually impaired students to use when participating in online assessments. Funds are available from a donation from the Mary Jane Haarer Trust Fund, the purpose of which is to provide new and innovative programs that will serve deaf or blind K-12 Michigan students. According to the State Budget Office, this transfer is necessary by September 30, 2014.

LEGISLATIVE TRANSFER

BUDGET AREA: **HUMAN SERVICES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$3,945,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 102. EXECUTIVE OPERATIONS						
Salaries and wages	16,223,900	14,842,591	1,381,309	(150,000)	(150,000)	(150,000)
Funding source:						
State general fund/general purpose	5,832,000	5,335,461*	496,539*	(150,000)	(150,000)	(150,000)
AFC, children's welfare and day care licensure	29,365,200	25,020,451	4,344,749	(400,000)	(400,000)	(400,000)
Funding source:						
State general fund/general purpose	7,113,300	6,060,847*	1,052,453*	(400,000)	(400,000)	(400,000)
SEC. 105. ADULT AND FAMILY SERVICES						
Office of program policy	4,151,200	2,747,369	1,403,831	(550,000)	(550,000)	(550,000)
Funding sources:						
Social security act, temporary assistance for needy families	888,100	587,767*	300,333*	(220,000)	(220,000)	(220,000)
State general fund/general purpose	2,177,700	1,441,257*	736,443*	(330,000)	(330,000)	(330,000)
Michigan rehabilitation services	138,275,900	80,835,705	57,440,195	(420,000)	(420,000)	(420,000)
Funding source:						
State general fund/general purpose	14,094,300	8,239,488*	5,854,812*	(420,000)	(420,000)	(420,000)
SEC. 103. CHILD SUPPORT ENFORCEMENT						
Child support enforcement operations	21,697,200	18,932,812	2,764,388	(30,000)	(30,000)	(30,000)
Funding source:						
State general fund/general purpose	7,513,800	6,556,485*	957,315*	(30,000)	(30,000)	(30,000)

LEGISLATIVE TRANSFER

BUDGET AREA: **HUMAN SERVICES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$3,945,000 (Continued)**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 106. CHILDREN'S SERVICES						
Salaries and wages	2,848,900	2,209,120	639,780	(80,000)	(80,000)	(80,000)
Funding source:						
State general fund/general purpose	790,900	613,287*	177,613*	(80,000)	(80,000)	(80,000)
SEC. 107. CHILD WELFARE SERVICES						
Children's services administration	6,892,600	5,831,286	1,061,314	(420,000)	(420,000)	(420,000)
Funding sources:						
Social security act, temporary assistance for needy families	1,309,200	1,107,611*	201,589*	(100,000)	(100,000)	(100,000)
State general fund/general purpose	3,983,800	3,370,379*	613,421*	(320,000)	(320,000)	(320,000)
Administrative support workers	10,175,400	5,001,676	5,173,724	(88,800)	(88,800)	(88,800)
Funding source:						
State general fund/general purpose	3,345,400	1,644,418*	1,700,982*	(88,800)	(88,800)	(88,800)
SEC. 108. JUVENILE JUSTICE SERVICES						
W.J. Maxey training school	10,592,400	7,936,664	2,655,736	(550,000)	(550,000)	(550,000)
Funding source:						
State general fund/general purpose	4,755,000	3,562,822*	1,192,178*	(550,000)	(550,000)	(550,000)

LEGISLATIVE TRANSFER

BUDGET AREA: HUMAN SERVICES
 FISCAL YEAR: 2013-14
 TRANSFER AMOUNT: \$3,945,000 (Continued)

S.B.O. LETTER: 9/11/14
 S.B.O. REQUEST: 2014-8
 ANALYST: Kevin Koorstra

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 108. JUVENILE JUSTICE SERVICES						
Juvenile justice administration and maintenance	4,044,700	2,967,519	1,077,181	(250,000)	(250,000)	(250,000)
Funding source:						
State general fund/general purpose	3,520,000	2,582,557*	937,443*	(250,000)	(250,000)	(250,000)
SEC. 109. LOCAL OFFICE STAFF AND OPERATIONS						
Field staff, salaries and wages	293,501,400	269,517,883	23,983,517	(520,000)	(520,000)	(520,000)
Funding sources:						
Social security act, temporary assistance for needy families	61,125,000	56,130,160*	4,994,840*	(110,000)	(110,000)	(110,000)
State general fund/general purpose	123,531,000	113,436,643*	10,094,357*	(410,000)	(410,000)	(410,000)
Training and program support	2,441,300	2,045,739	395,561	(40,000)	(40,000)	(40,000)
Funding source:						
Social security act, temporary assistance for needy families	1,015,200	850,708*	164,492*	(15,000)	(15,000)	(15,000)
State general fund/general purpose	1,142,000	956,963*	185,037*	(25,000)	(25,000)	(25,000)
SEC. 110. DISABILITY DETERMINATION SERVICES						
Disability determination operations	86,475,200	70,802,702	15,672,498	(1,200)	(1,200)	(1,200)
Funding source:						
State general fund/general purpose	1,605,100	1,314,197*	290,903*	(1,200)	(1,200)	(1,200)
SEC. 112. PUBLIC ASSISTANCE						
Family independence program	214,316,000	160,587,716	53,728,284	(445,000)	(445,000)	(445,000)
Funding source:						
State general fund/general purpose	92,292,200	69,154,863*	23,137,337*	(445,000)	(445,000)	(445,000)

LEGISLATIVE TRANSFER

BUDGET AREA: **HUMAN SERVICES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$3,945,000 (Continued)**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
TO: SEC. 115. BUDGETARY SAVINGS						
Staffing reductions	(3,500,000)	0	(3,500,000)	3,500,000	3,500,000	3,500,000
Funding sources:						
State general fund/general purpose	(3,500,000)	0	(3,500,000)	3,500,000	3,500,000	3,500,000
SEC. 112. PUBLIC ASSISTANCE						
Family independence program	214,316,000	160,587,716	53,728,284	445,000	445,000	445,000
Funding source:						
Social security act, temporary assistance for needy families	73,666,000	55,198,187*	18,467,813*	445,000	445,000	445,000

For FY 2013-14, the department was directed to identify \$3.5 million in general fund/general purpose savings through staffing reductions. This transfer, as permitted under Sec. 275, moves spending authorization from those line items where salaries and wages were appropriated for the impacted positions to the staffing reductions line item. This transfer also moves federal Temporary Assistance for Needy Families (TANF) from those salary and wage line items to the family independence program line item to offset general fund/general purpose to fully satisfy the \$3.5 million in general fund/general purpose saving through staffing reductions. The department has been reporting monthly on the positions eliminated and will issue two more reports before the end of the year as required. These reports have noted that 71 positions have either been abolished or held vacant. This transfer is needed by September 30, 2014.

*Year-to-date (YTD) expenditures, encumbrances, and balances by revenue source are estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **HUMAN SERVICES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$1,505,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 102. EXECUTIVE OPERATIONS						
Electronic benefit transfer EBT	9,509,000	5,641,157	3,867,843	(400,000)	(400,000)	(400,000)
Funding source:						
Social security act, temporary assistance for needy families	1,615,000	958,089*	656,911*	(400,000)	(400,000)	(400,000)
SEC. 105. ADULT AND FAMILY SERVICES						
Office of program policy	4,151,200	2,747,369	1,403,831	(100,000)	(100,000)	(100,000)
Funding source:						
State general fund/general purpose	2,177,700	1,441,257*	736,443*	(100,000)	(100,000)	(100,000)
SEC. 108. JUVENILE JUSTICE SERVICES						
W.J. Maxey training school	10,592,400	7,936,664	2,655,736	(500,000)	(500,000)	(500,000)
Funding source:						
State general fund/general purpose	4,755,000	3,562,822*	1,192,178*	(500,000)	(500,000)	(500,000)
SEC. 110. DISABILITY DETERMINATION SERVICES						
Disability determination operations	86,475,200	70,802,702	15,672,498	(300,000)	(300,000)	(300,000)
Funding source:						
State general fund/general purpose	1,605,100	1,314,197*	290,903*	(300,000)	(300,000)	(300,000)
Medical consultation program	3,316,500	2,526,023	790,477	(205,000)	(205,000)	(205,000)
Funding source:						
State general fund/general purpose	2,150,500	1,637,936*	512,564*	(205,000)	(205,000)	(205,000)

LEGISLATIVE TRANSFER

BUDGET AREA: **HUMAN SERVICES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$1,505,000 (Continued)**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
TO: SEC. 109. LOCAL OFFICE STAFF AND OPERATIONS						
Contractual services, supplies, and materials	13,404,800	12,452,057	952,743	1,505,000	1,505,000	1,505,000
Funding sources:						
Social security act, temporary assistance for needy families	2,240,900	2,081,629*	159,271*	400,000	400,000	400,000
State general fund/general purpose	5,087,300	4,725,721*	361,579*	1,105,000	1,105,000	1,105,000

This transfer requests additional general fund/general purpose and TANF authorization in the CSS&M line item based on projected year-end expenditures. Increases in printing costs, new employment verification costs, and telecommunications costs are key factors in the projected shortfall in the line item. This transfer is needed by September 30, 2014.

*Year-to-date (YTD) expenditures, encumbrances, and balances by revenue source are estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **HUMAN SERVICES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$240,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 107. CHILD WELFARE SERVICES						
Child welfare institute	8,010,900	5,368,267	2,642,633	(240,000)	(240,000)	(240,000)
Funding source:						
Social security act, temporary assistance for needy families	2,331,100	1,562,117*	768,983*	(240,000)	(240,000)	(240,000)
TO: SEC. 111. CENTRAL SUPPORT ACCOUNTS						
Travel	8,288,000	7,436,176	851,824	240,000	240,000	240,000
Funding source:						
Social security act, temporary assistance for needy families	2,534,200	2,273,740*	260,460*	240,000	240,000	240,000

This transfer requests additional TANF authorization for the travel line item based on projected expenditures for the fiscal year. There is sufficient authorization available in the Child welfare institute line item due to lower than anticipated spending in the current year and projected vacancy savings. This transfer is needed by September 30, 2014.

*Year-to-date (YTD) expenditures, encumbrances, and balances by revenue source are estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **HUMAN SERVICES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$20,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 105. ADULT AND FAMILY SERVICES						
Executive direction and support	379,400	62,056	317,344	(20,000)	(20,000)	(20,000)
Funding source:						
State general fund/general purpose	174,100	28,477*	145,623*	(20,000)	(20,000)	(20,000)
TO: SEC. 105. ADULT AND FAMILY SERVICES						
Guardian contract	490,200	358,027	132,173	20,000	20,000	20,000
Funding source:						
State general fund/general purpose	29,400	21,473*	7,927*	20,000	20,000	20,000

This transfer requests additional general fund/general purpose authorization for the guardian contract line item based on projected spending for legal support services for vulnerable adults in the current fiscal year. The department is required under state law to provide guardian services to vulnerable adults as directed by the courts. These services are provided through contracted private attorneys and state assistant attorneys general. Based on the current projected need for services through the end of the fiscal year, the department is anticipating a small shortfall and is requesting this transfer to address this funding issue. There are sufficient funds available in the executive direction and support line item based on department reorganization and vacancy savings. This transfer is needed by September 30, 2014.

*Year-to-date (YTD) expenditures, encumbrances, and balances by revenue source are estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **HUMAN SERVICES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$4,650,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: SEC. 107. CHILD WELFARE SERVICES						
Child welfare field staff – caseload compliance	119,472,400	105,123,069	14,349,331	(1,300,000)	(1,300,000)	(1,300,000)
Funding source:						
State general fund/general purpose	42,248,400	37,174,121*	5,074,279*	(1,300,000)	(1,300,000)	(1,300,000)
Child welfare field staff – noncaseload compliance	17,250,000	15,261,812	1,988,188	(150,000)	(150,000)	(150,000)
Funding source:						
State general fund/general purpose	6,308,600	5,581,488*	727,112*	(150,000)	(150,000)	(150,000)
Adoption subsidies	244,074,500	233,477,605	10,596,895	(3,200,000)	(3,200,000)	(3,200,000)
Funding source:						
Total other federal revenues	114,399,700	109,432,849*	4,966,851*	(1,100,000)	(1,100,000)	(1,100,000)
State general fund/general purpose	94,115,400	90,029,226*	4,086,174*	(2,100,000)	(2,100,000)	(2,100,000)
TO: SEC. 107. CHILD WELFARE SERVICES						
Adoption support services	24,896,700	21,098,255	3,798,445	4,650,000	4,650,000	4,650,000
Funding source:						
Total other federal revenues	8,704,200	7,376,216*	1,327,984*	1,100,000	1,100,000	1,100,000
State general fund/general purpose	15,809,200	13,397,219*	2,411,981*	3,550,000	3,550,000	3,550,000

This transfer requests additional general fund/general purpose authorization for the adoption support services line item based on projected spending for private agency adoption services in the current fiscal year. Based on the projected number of finalized adoptions and the year-to-date trends for the incentive-based payments available to contract providers for these services, the department is estimating a shortfall overall in the line item. There is sufficient funding available in the child welfare field staff-caseload compliance, child welfare field staff- noncaseload compliance, and adoption subsidies line items due to vacancy savings and projected caseload expenditures. This transfer is needed by September 30, 2014.

*Year-to-date (YTD) expenditures, encumbrances, and balances by revenue source are estimates.

LEGISLATIVE TRANSFER

BUDGET AREA: **HUMAN SERVICES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$3,000,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Kevin Koorstra**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE X, SEC. 284(1)						
Contingency funds	200,000,000	NA	NA	(3,000,000)	(3,000,000)	(3,000,000)
Funding source:						
Total federal revenues	200,000,000	NA	NA	(3,000,000)	(3,000,000)	(3,000,000)
TO: SEC. 112. PUBLIC ASSISTANCE						
Food assistance program benefits (ARRA)	35,846,200	35,776,528	69,672	3,000,000	3,000,000	3,000,000
Funding source:						
Federal supplemental nutrition assistance revenues (ARRA)	35,846,200	35,776,528	69,672	3,000,000	3,000,000	3,000,000

This transfer requests federal contingency revenues for the food assistance program benefits (ARRA) line item based on projected year-end spending for these benefits. October 2013 was the last month where ARRA benefits were funded and available for households receiving food assistance program (FAP) benefits. Based on those eligible in the month of October for FAP as well as applications that received retroactive eligibility back to that month, the department is requesting sufficient authorization to recognize ARRA revenues earned to support eligible benefits. This transfer is needed by September 30, 2014.

LEGISLATIVE TRANSFER

BUDGET AREA: **LICENSING AND REGULATORY AFFAIRS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$5,000,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Paul Holland**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/13/14	BALANCE AVAILABLE AS OF 9/13/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE XIII, SEC. 223(2)						
Contingency funds	23,600,000	NA	NA	(5,000,000)	(5,000,000)	(5,000,000)
Funding source:						
Total state restricted revenues	23,600,000	NA	NA	(5,000,000)	(5,000,000)	(5,000,000)
TO: SEC. 107. EMPLOYMENT SERVICES						
Unemployment insurance agency	101,303,000	87,575,169	13,727,831	5,000,000	5,000,000	5,000,000
Funding source:						
Contingent fund, regular penalty and interest	3,814,700	651,010	3,163,690	5,000,000	5,000,000	5,000,000

The federal government supports the administrative expenses of the Unemployment Insurance Agency (UIA) through formula grants based on the Insured Unemployment Rate within the state. Due to the decline in the state's Insured Unemployment Rate during 2012, the federal government reduced the amount of these grants (approximately \$37.2 million annually) and, as a result, UIA employees were laid-off in 2012 (approximately 402.0 FTEs). This transfer of spending authorization is for the UIA to maintain operations in FY 2013-14 in response to decreases in federal program support. Sufficient monies within the Penalty and Interest Account of the Contingent Fund (into which penalties, damages, and interest collected from employers and claimants are deposited) are available to support the transfer (balance as of 9/13/14 is approximately \$37.8 million). Staffing adjustments, information technology improvements (e.g., implementation of Michigan Web Account Manager), and administrative efficiencies have been implemented to address the needs of the program going forward. The Legislature approved a contingency transfer authorizing \$5.0 million from the Fund to support UIA operations during FY 2012-13 and, anticipating further declines in federal revenue, the FY 2014-15 LARA budget included \$18.0 million in one-time spending authorization from the Fund to maintain customer services at the UIA.

LEGISLATIVE TRANSFER

BUDGET AREA: **LICENSING AND REGULATORY AFFAIRS**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$300,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Paul Holland**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/13/14	BALANCE AVAILABLE AS OF 9/13/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE XIII, SEC. 223(1)						
Contingency funds	17,500,000	NA	NA	(300,000)	(300,000)	(300,000)
Funding source:						
Total federal revenues	17,500,000	NA	NA	(300,000)	(300,000)	(300,000)
TO: SEC. 105. OCCUPATIONAL REGULATION						
Health systems regulation	27,825,600	16,874,327	10,951,273	300,000	300,000	300,000
Funding source:						
Title XVIII Medicare	10,924,300	7,332,061	3,592,239	300,000	300,000	300,000

This transfer of federal contingency funds increases authorization for a larger than anticipated federal grant award related to the Title XVIII Medicare program. These funds will reimburse the Bureau of Health Care Services (BHCS) for on-site inspections of health care providers and suppliers to determine whether they are in compliance with federal health and safety standards and conditions of participation pursuant to a state agreement with the federal Department of Health and Human Services.

LEGISLATIVE TRANSFER

BUDGET AREA: NATURAL RESOURCES
 FISCAL YEAR: 2013-14
 TRANSFER AMOUNT: \$2,500,000

S.B.O. LETTER: 9/11/14
 S.B.O. REQUEST: 2014-8
 ANALYST: Viola Bay Wild

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE XV, SEC. 215(2)						
Contingency funds	7,600,000	NA	NA	(2,500,000)	(2,500,000)	(2,500,000)
Funding source:						
Total state restricted funds	7,600,000	NA	NA	(2,500,000)	(2,500,000)	(2,500,000)
TO: SEC. 112. GRANTS						
Snowmobile local grants program	7,340,400	6,133,922	1,206,478	2,500,000	2,500,000	2,500,000
Funding source:						
Snowmobile trail improvement fund	7,340,400	6,133,922	1,206,478	2,500,000	2,500,000	2,500,000

This transfer will provide funding for additional grants to local snowmobile clubs to purchase and repair equipment for grooming and maintaining snowmobile trails and to perform special maintenance to keep snowmobile trails safe and open to the public. Sufficient fund balance is available to support the request. The Snowmobile Trail Improvement Fund receives the revenue from the sale of state snowmobile trail permit stickers. An individual must purchase a trail permit sticker in order to ride a snowmobile on state snowmobile trails and, in most cases, anywhere else in that state that is not their personal private land.

Completion of this transfer is requested by September 30, 2014 to allow sufficient time to complete the grant agreements so that equipment can be purchased and trail maintenance needs can be addressed in advance of the snowmobile season.

LEGISLATIVE TRANSFER

BUDGET AREA: **NATURAL RESOURCES**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$2,700,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Viola Bay Wild**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: PUBLIC ACT 59 OF 2013, ARTICLE XV, SEC. 215(2)						
Contingency funds	7,600,000	NA	NA	(2,700,000)	(2,700,000)	(2,700,000)
Funding source:						
Total state restricted funds	7,600,000	NA	NA	(2,700,000)	(2,700,000)	(2,700,000)
TO: SEC. 111. FOREST RESOURCES DIVISION						
Forest management and timber market development	22,298,400	20,493,494	1,804,906	2,700,000	2,700,000	2,700,000
Funding source:						
Forest development fund	18,762,100	18,985,097	(222,997)	2,700,000	2,700,000	2,700,000

This transfer will support investments to prepare additional acres for timber sales, conduct additional prescribed burns to improve forest health and wildlife habitat, and enhance the Vegetative Management System (an application was used to prepared and manage timber sales). Sufficient revenue is available in the Forest Development Fund to support the requested increase in AY 2014 spending authority. Completion of this transfer is requested prior to FY 2013-14 book closing.

LEGISLATIVE TRANSFER

BUDGET AREA: **TECHNOLOGY, MANAGEMENT, AND BUDGET**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$8,478,600**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Marilyn Peterson**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: 107(4) TECHNOLOGY SERVICES						
Health and human services	283,911,000	0	283,911,000	(8,478,600)	(8,478,600)	(8,478,600)
Funding source:						
IDG from technology user fees	283,911,000	0	283,911,000	(8,478,600)	(8,478,600)	(8,478,600)
TO: 107(3) DEPARTMENT SERVICES						
Motor vehicle fleet	59,221,400	61,748,434	(2,527,034)	8,478,600	8,478,600	8,478,600
Funding source:						
IDG from motor transport fund	59,221,400	61,748,434	(2,527,034)	8,478,600	8,478,600	8,478,600

This transfer recognizes increases in motor vehicle expenditures that have been incurred by the various departments and agencies. Motor vehicle services are provided by the Department of Technology, Management and Budget (DTMB) and are funded with interdepartmental grant (IDG) revenues derived from the charges paid by the departments and agencies using those services. The transfer provides the increased IDG authorization necessary for the booking of motor vehicle expenditures to the appropriate line item in the DTMB budget. Analogous transfers of \$4.0 million and \$6.9 million were made in Fiscal Years 2011-12 and 2012-13, respectively. The FY 2014-15 budget act increases funding for this line by \$8.3 million.

According to DTMB, current-year costs in excess of budgetary assumptions include:

- \$4.6 million for increased fuel costs, with about \$1.6 million due to 9.4 million more miles driven and \$3.0 million due to increased fuel prices.
- \$2.8 million for increased maintenance costs due to increases in the number of miles driven.
- \$860,200 for increased leasing costs associated with 462 additional vehicles. Both the Department of Human Services and the Department of State Police implemented policies with an increased emphasis on the performance of duties while on the road, and DTMB established motor pools in Flint and Grand Rapids.
- \$367,200 for other administrative costs, such as staff hours associated with increased motor vehicle workload.
- \$36,000 for removal and remediation of underground storage tanks at state police posts.
- \$29,700 for mileage paid for use of personal vehicles on state business.

Increased costs were partially offset by \$948,900 in insurance billings to state departments and agencies reduced as a result of the balance in the insurance pool.

Excess authorization is available from the Health and Human Services line item within the Technology Services appropriation unit because of excess federal authorization in the Department of Community Health line item that supports the IDG-funded DTMB line. Although no expenditures have been booked to this line as yet, DTMB expects expenditures to be about \$271.1 million, leaving about \$12.8 million in authorization available for transfer.

LEGISLATIVE TRANSFER

BUDGET AREA: **TREASURY**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$2,500,000**

S.B.O. LETTER: **9/11/14**
 S.B.O. REQUEST: **2014-8**
 ANALYST: **Ben Gielczyk**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 9/12/14	BALANCE AVAILABLE AS OF 9/12/14	GOV'S REC. 9/11/14	HOUSE ACTION 9/24/14	SENATE ACTION 9/24/14
FROM: 108(8) DEBT SERVICE						
Great Lakes water quality bond	15,876,600	13,334,770	2,541,830	(2,500,000)	(2,500,000)	(2,500,000)
Funding source:						
State general fund/general purpose	15,876,600	13,334,770	2,541,830	(2,500,000)	(2,500,000)	(2,500,000)
TO: 108(4) LOCAL GOVERNMENT PROGRAMS						
Supervision of the general property tax law	18,650,800	7,880,862	10,769,938	2,500,000	2,500,000	2,500,000
Funding source:						
State general fund/general purpose	11,777,200	6,919,183	4,858,017	2,500,000	2,500,000	2,500,000

This transfer will provide increased authorization from the state general fund in Debt Service, Great Lakes Water Quality to the Local Government Programs - Supervision of the General Property Tax Law program line item. Recently enacted changes included in PA 87, PA 92 and PA 93 of 2014 associated with passage of Proposal 1 (property tax reform) require the department to process returns and payments associated with the use tax to implement the State Essential Services Act and the Alternative State Essential Services Assessment Act. Sufficient authority is available in the state general fund appropriation as anticipated bonding issuance did not occur in the Great Lakes Water Quality program due to lower than anticipated demand for program resources. This transfer is needed by September 30, 2014.