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MICHIGAN HOUSE OF REPRESENTATIVES

Laura Cox

STATE REPRESENTATIVE
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November 8, 2017

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

Dear Director Pscholka:

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 transfer approved is from the Office of the State Budget letter dated October 31, 2017, Legislative Transfer Request 2018-1. The transfers are for the departments of Environmental Quality and Health and Human Services.

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

Sincerely,

Laura Cox, Chair
House Appropriations Committee

Dave Hildenbrand, Chair
Senate Appropriations Committee



FY 2017-18 LEGISLATIVE TRANSFER PACKAGE

Department/Budget Area	FY 2017-18 Year-to-Date Gross Appropriation	Contingency Transfer Amount	Standard Transfer Amount	Total Transfer Amount	Page Number	Transfer Percent of Y-T-D Gross
Environmental Quality	\$508,767,700	\$2,200,000	\$0	\$2,200,000	1	0.4%
Health & Human Services	25,444,884,600	7,500,000	7,100,000	14,600,000	2	0.06%
Total	\$56,509,607,300	\$9,700,000	\$7,100,000	\$16,800,000		0.03%

FY 2017-18 LEGISLATIVE TRANSFER PACKAGE FUND SOURCES

Department/Budget Area	Inter- Departmental Grants	Federal	Local	State Restricted	GF/GP	Total Transfer Amount
Environmental Quality	\$0	\$0	\$0	\$2,200,000	\$0	\$2,200,000
Health & Human Services	0	0	0	7,500,000	7,100,000	14,600,000
Total	\$0	\$0	\$0	\$9,700,000	\$7,100,000	\$16,800,000

November 8, 2017

State Budget Office Request 2018-1, October 31, 2017

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-1

BUDGET AREA: ENVIRONMENTAL QUALITY

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/8/17	HOUSE ACTION 11/8/17
TOTAL TRANSFER REQUEST: \$2,200,000				
FROM: CONTINGENCY FUNDS				
Contingency funds	5,000,000	(2,200,000)	(2,200,000)	(2,200,000)
State restricted contingency revenues	5,000,000	(2,200,000)	(2,200,000)	(2,200,000)
TO: ONE-TIME APPROPRIATIONS				
Drinking water declaration of emergency	100	2,200,000	2,200,000	2,200,000
Drinking water declaration of emergency reserve fund	100	2,200,000	2,200,000	2,200,000

This request would transfer \$2.2 million in contingency fund authorization to the Drinking Water Declaration of Emergency line, supported by drinking water emergency reserve funding, to support efforts in Flint and meet the requirements of the Concerned Pastors of Social Action settlement agreement. Funding would support residential water testing programs and contractual services of an integrity oversight monitor related to service line replacements. The residential water testing program will include semi-annual testing and sampling of approximately 30,000 water accounts pursuant to the requirements of the settlement agreement. Previous funding for the integrity monitor risk assessment component was appropriated via transfer 2017-1 and PA 107 OF 2017. This transfer is requested by November 9, 2017.

The fund source for this transfer, the Drinking Water Declaration of Emergency Reserve Fund, was created in the Department of Technology, Management and Budget for contingencies and costs related to the Flint water crisis. Since FY 2015-16, a total of \$53.9 million has been appropriated to the fund for this purpose. Of this amount, \$26.9 million remains unexpended; this unspent balance would support this transfer.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-1

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/8/17	HOUSE ACTION 11/8/17
TOTAL TRANSFER REQUEST: \$7,500,000				
FROM: CONTINGENCY FUNDS				
State restricted contingency funds	45,000,000	(7,500,000)	(7,500,000)	(7,500,000)
State restricted contingency revenues	45,000,000	(7,500,000)	(7,500,000)	(7,500,000)
TO: ONE-TIME APPROPRIATIONS				
Drinking water declaration of emergency	14,041,700	7,500,000	7,500,000	7,500,000
Total other state restricted revenues	8,861,700	7,500,000	7,500,000	7,500,000

The Administration is requesting a \$7.5 million increase in authorization from the State Restricted contingency fund to support the Flint CORE (Community Outreach and Education) and POD (Points of Distribution) programs. These programs are administered through Michigan Works! and provide job training and temporary jobs distributing water and filters, instructing on their use, and staffing warehouses. In addition, the Flint CORE program will be used to facilitate residential water testing programs. A Federal \$15.0 million National Emergency Grant initially funded these two programs through the end of FY 2016-17. This transfer would extend the program through March 2018.

A \$100 placeholder for the Drinking Water Declaration of Emergency Reserve Fund was included in the enacted FY 2017-18 budget to allow the Legislature to transfer money for Flint programs.

A similar request, transferring \$6.0 million in Contingent Fund, Penalty and Interest from the Unemployment Insurance Agency in the Department of Talent and Economic Development was included in Legislative Transfer Request 2017-7, but was not approved.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-1

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/8/17	HOUSE ACTION 11/8/17
TOTAL TRANSFER REQUEST: \$7,100,000				
FROM: MEDICAL SERVICES				
Physician services	287,642,400	(7,100,000)	(7,100,000)	(7,100,000)
State general fund/general purpose	98,867,200	(7,100,000)	(7,100,000)	(7,100,000)
TO: LOCAL HEALTH AND ADMINISTRATIVE SERVICES				
Local health services	1,955,100	6,795,000	6,795,000	6,795,000
State general fund/general purpose	0	6,795,000	6,795,000	6,795,000
Public health administration	1,945,400	305,000	305,000	305,000
State general fund general purpose	1,352,900	305,000	305,000	305,000

This is a request to transfer \$7.1 million from the Physician Services line item, to the Local Health Services and Public Health Administration line items, in order to combat a recent outbreak of the Hepatitis A virus in several southeastern Michigan counties, including Huron, Ingham, Lapeer, Livingston, Macomb, Monroe, Oakland, Sanilac, St. Clair, Washtenaw, and Wayne. Of the \$7.1 million transfer, \$6.8 million would go to the Local Health Services line item to be used to purchase and transport additional Hepatitis A vaccines (\$4.0 million), purchase injection supplies (\$144,000), fund the hire of temporary local staff to administer the vaccine and provide data entry services (\$2.33 million), provide informational materials (\$180,000), and create a public awareness campaign (\$180,000). The remaining \$305,000 would go to the Public Health Administration line item to support 2.0 limited term State staff to coordinate the effort to combat Hepatitis A.

Hepatitis A is viral liver disease that is spread when an uninfected person either ingests food or water that has been contaminated with fecal matter from an infectious person, or has close physical contact with an infectious person. Unlike Hepatitis C, Hepatitis A is an acute illness, meaning that after a period ranging from several weeks to a few months, an infected person will recover. In some instances Hepatitis A may cause acute liver failure, which can be fatal. Once recovered from Hepatitis A, the infected person will have a lifelong immunity protecting them from reinfection.