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MICHIGAN HOUSE OF REPRESENTATIVES

**Laura Cox**

STATE REPRESENTATIVE  
APPROPRIATIONS CHAIR

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March 21, 2018

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

Dear Director Walsh,

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 March 9, 2018, Legislative Transfer Request 2018-3. The transfers are for the departments of Agriculture and Rural Development, Health and Human Services, Insurance and Financial Services, Natural Resources, State Police and Treasury.

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**

<b>Department/Budget Area</b>	<b>FY 2017-18 Year-to-Date Gross Appropriation</b>	<b>Contingency Transfer Amount</b>	<b>Standard Transfer Amount</b>	<b>Total Transfer Amount</b>	<b>Page Number</b>	<b>Transfer Percent of Y-T-D Gross</b>
Agriculture & Rural Development	\$114,698,600	\$380,000	\$0	\$380,000	1	0.3%
Health & Human Services	25,509,303,800	1,363,600	36,563,900	37,927,500	3	0.1%
Natural Resources	409,993,500	4,298,700	0	4,298,700	10	1.0%
State Police	698,946,800	3,016,600	79,400	3,096,000	11	0.4%
Treasury-Operations	513,929,900	9,000,000	0	9,000,000	13	1.8%
Treasury-Revenue Sharing	1,287,738,100	0	100	100	14	0.0%
<b>Total</b>	<b>\$56,641,947,100</b>	<b>\$18,058,900</b>	<b>\$36,643,400</b>	<b>\$54,702,300</b>		<b>0.1%</b>

**FY 2017-18 LEGISLATIVE TRANSFER PACKAGE FUND SOURCES**

<b>Department/Budget Area</b>	<b>Inter- Departmental Grants</b>	<b>Federal</b>	<b>Local/Private</b>	<b>State Restricted</b>	<b>GF/GP</b>	<b>Total Transfer Amount</b>
Agriculture & Rural Development	\$0	\$380,000	\$0	\$0	\$0	\$380,000
Health & Human Services	0	24,568,500	0	110,000	13,249,000	37,927,500
Natural Resources	0	0	0	4,298,700	0	4,298,700
State Police	0	79,400	0	3,016,600	0	3,096,000
Treasury-Operations	0	0	0	9,000,000	0	9,000,000
Treasury-Revenue Sharing	0	0	0	0	100	100
<b>Total</b>	<b>\$0</b>	<b>\$25,027,900</b>	<b>\$0</b>	<b>\$16,425,300</b>	<b>\$13,249,100</b>	<b>\$54,702,300</b>

March 22, 2018

State Budget Office Request 2018-3, March 9, 2018

Note: The House Appropriations Committee removed a \$25,000 transfer request for the Department of Insurance and Financial Services.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: AGRICULTURE AND RURAL DEVELOPMENT

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$80,000</b>				
<b>FROM: CONTINGENCY FUNDS</b>				
Contingency funds	5,000,000	(80,000)	(80,000)	(80,000)
Federal contingency revenues	5,000,000	(80,000)	(80,000)	(80,000)
<b>TO: FOOD AND DAIRY</b>				
Milk safety and quality assurance	4,510,300	80,000	80,000	80,000
HHS, FDA	0	80,000	80,000	80,000

This transfer would provide \$80,000 in authorization from Federal contingency funds to the Milk Safety and Quality Assurance line to align authorization with anticipated U.S. Food and Drug Administration (FDA) grant funding. Funding would be used to provide dairy program employees with proper inspection certifications and to plan reviews of dairy processing facilities. Spending authority is available from federal contingency authorization.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: AGRICULTURE AND RURAL DEVELOPMENT

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$300,000</b>				
<b>FROM: CONTINGENCY FUNDS</b>				
Contingency funds	5,000,000	(300,000)	(300,000)	(300,000)
Federal contingency revenues	5,000,000	(300,000)	(300,000)	(300,000)
<b>TO: LABORATORY SERVICES</b>				
Laboratory services	6,829,000	300,000	300,000	300,000
HHS, FDA	626,300	300,000	300,000	300,000

This transfer would provide \$300,000 in authorization from Federal contingency funds to the Laboratory Services line to align authorization with anticipated FDA grant funding. Funding would be used to support the ISO/Genome Sequencer Grant program to research the sequence of genomes for food related pathogens. Spending authority is available from federal contingency authorization.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$35,000,000</b>				
<b>FROM: MEDICAL SERVICES</b>				
Pharmaceutical services	366,015,600	(35,000,000)	(35,000,000)	(35,000,000)
Total other federal revenues	232,092,400	(22,873,700)	(22,873,700)	(22,873,700)
State general fund/general purpose	133,923,200	(12,126,300)	(12,126,300)	(12,126,300)
<b>TO: BEHAVIORAL HEALTH SERVICES</b>				
Autism services	105,097,300	35,000,000	35,000,000	35,000,000
Total other federal revenues	69,687,600	22,873,700	22,873,700	22,873,700
State general fund/general purpose	35,409,700	12,126,300	12,126,300	12,126,300

The Administration is requesting to transfer some of the excess authorization in the Pharmaceutical Services line to the Autism Services line in the Behavioral Health unit. In early 2016, the Federal government required that states expand Medicaid coverage of Applied Behavioral Analysis (ABA) from the current maximum age of 5 up to age 21. Since this requirement, the estimated growth in caseload has lagged behind actual growth, leading to insufficient funding to cover current enrollment levels. Unexpected growth, coupled with the fact that the number of ABA service providers has been slow to catch up with the sudden increase in demand, has resulted in difficulty accurately estimating both the caseload for the program and the average monthly benefit. This transfer is requested to cover the projected growth in recipients and costs for FY 2017-18.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$110,000</b>				
<b>FROM: CONTINGENCY FUNDS</b>				
State restricted contingency funds	37,500,000	(110,000)	(110,000)	(110,000)
State restricted contingency revenues	37,500,000	(110,000)	(110,000)	(110,000)
<b>TO: FIELD OPERATIONS AND SUPPORT SERVICES</b>				
Michigan rehabilitation services	128,750,800	110,000	110,000	110,000
Rehabilitation service fees	40,000	110,000	110,000	110,000

The administration is requesting an increase in State Restricted authorization to recognize an increase in revenue from the Rehabilitation Service Fees fund. In the enacted FY 2017-18 budget, the authorization for this fund was reduced from \$384,500 to \$40,000 to align with historical expenditures, which had averaged approximately \$32,600. The Business Network Division within Michigan Rehabilitation Services is supported by the Rehabilitation Service Fees fund, and due to expected revenue-generating projects commencing within FY 2017-18, the authorization for the fund is requested to be increased by \$110,000.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$77,600</b>				
<b>FROM: CONTINGENCY FUNDS</b>				
Federal contingency funds	400,000,000	(77,600)	(77,600)	(77,600)
Federal contingency revenues	400,000,000	(77,600)	(77,600)	(77,600)
<b>TO: CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE</b>				
Bay pines center	5,468,900	77,600	77,600	77,600
Capped federal revenues	117,400	77,600	77,600	77,600

The Administration is requesting \$77,600 of Federal authorization for the improvement of career and technical education at the Bay Pines Center. The authorization is available through the Michigan Department of Education as an interagency agreement to the Michigan Department of Health and Human Services for the improvement of the secondary and postsecondary educational opportunities at the Bay Pines center.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$1,176,000</b>				
<b>FROM: CONTINGENCY FUNDS</b>				
Federal contingency funds	400,000,000	(1,176,000)	(1,176,000)	(1,176,000)
Federal contingency funds	400,000,000	(1,176,000)	(1,176,000)	(1,176,000)
<b>TO: COMMUNITY SERVICES AND OUTREACH</b>				
Homeless programs	19,466,700	1,176,000	1,176,000	1,176,000
Capped federal revenues	2,437,900	1,176,000	1,176,000	1,176,000

The administration is requesting a transfer to increase Federal authorization for the Homeless Programs to recognize additional available Federal grants from the U.S. Department of Housing and Urban Development.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$1,563,900</b>				
<b>FROM: DEPARTMENTAL ADMINISTRATION AND SUPPORT</b>				
Departmental administration and management	109,342,700	(123,900)	(123,900)	(123,900)
Total other federal revenues	47,347,900	(62,000)	(62,000)	(62,000)
State general fund/general purpose	44,187,500	(61,900)	(61,900)	(61,900)
<b>LABORATORY SERVICES</b>				
Laboratory services	22,312,100	(40,000)	(40,000)	(40,000)
Total other federal revenues	3,840,100	(27,000)	(27,000)	(27,000)
State general fund/general purpose	6,847,600	(13,000)	(13,000)	(13,000)
<b>BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS</b>				
Behavioral health program administration	58,916,400	(70,000)	(70,000)	(70,000)
Total other federal revenues	32,778,200	(35,000)	(35,000)	(35,000)
State general fund/general purpose	25,133,000	(35,000)	(35,000)	(35,000)
<b>MEDICAL SERVICES ADMINISTRATION</b>				
Medical services administration	82,810,400	(250,000)	(250,000)	(250,000)
Total other federal revenues	52,909,500	(125,000)	(125,000)	(125,000)
State general fund/general purpose	29,327,100	(125,000)	(125,000)	(125,000)
<b>AGING AND ADULT SERVICES AGENCY</b>				
Aging and adult services administration	9,394,700	(30,000)	(30,000)	(30,000)
Total other federal revenues	4,489,700	(16,200)	(16,200)	(16,200)
State general fund/general purpose	4,313,500	(13,800)	(13,800)	(13,800)

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS</b>				
Bioterrorism preparedness	30,398,600	(30,000)	(30,000)	(30,000)
Total other federal revenues	30,209,700	(30,000)	(30,000)	(30,000)
Emergency medical services program	6,591,600	(30,000)	(30,000)	(30,000)
Total other federal revenues	1,156,400	(23,500)	(23,500)	(23,500)
State general fund/general purpose	1,446,500	(6,500)	(6,500)	(6,500)
<b>STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES</b>				
Caro Regional Mental Health Center- psychiatric hospital- adult	59,211,600	(150,000)	(150,000)	(150,000)
State general fund/general purpose	40,710,100	(150,000)	(150,000)	(150,000)
Center for forensic psychiatry	82,823,400	(230,000)	(230,000)	(230,000)
State general fund/general purpose	76,679,900	(230,000)	(230,000)	(230,000)
Hawthorn Center- psychiatric hospital- children and adolescents	31,793,100	(180,000)	(180,000)	(180,000)
Total other federal revenues	22,336,700	(122,500)	(122,500)	(122,500)
State general fund/general purpose	6,798,600	(57,500)	(57,500)	(57,500)
Kalamazoo Psychiatric Hospital- adult	68,057,700	(260,000)	(260,000)	(260,000)
State general fund/general purpose	53,866,600	(260,000)	(260,000)	(260,000)
Walter P. Reuther Psychiatric Hospital- adult	59,603,400	(170,000)	(170,000)	(170,000)
State general fund/general purpose	47,620,900	(170,000)	(170,000)	(170,000)

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TO: DEPARTMENTAL ADMINISTRATION AND SUPPORT</b>				
Terminal leave payments	5,686,100	1,563,900	1,563,900	1,563,900
Total other federal revenues	817,700	441,200	441,200	441,200
State general fund/general purpose	1,949,400	1,122,700	1,122,700	1,122,700

This transfer would consolidate all terminal leave funding into a single line item in the Departmental Administration and Support unit and would reflect an identical change made in the FY 2018-19 Executive Recommendation. Previously, all funding used to cover exit costs for employees who leave state service was appropriated in the various lines that funded FTE positions.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: NATURAL RESOURCES

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$4,298,700</b>				
<b>FROM: CONTINGENCY FUNDS</b>				
Contingency funds	10,000,000	(4,298,700)	(4,298,700)	(4,298,700)
State restricted contingency revenues	10,000,000	(4,298,700)	(4,298,700)	(4,298,700)
<b>TO: PARKS AND RECREATION DIVISION</b>				
Recreational boating	19,011,000	237,700	237,700	237,700
Michigan state waterways fund	17,391,200	237,700	237,700	237,700
State parks	67,144,900	4,061,000	4,061,000	4,061,000
Park improvement fund	42,399,500	4,061,000	4,061,000	4,061,000

This transfer is requested to provide clean and safe park amenities through increased hours and competitive wages for seasonal park staff, performing minor repairs and prevention maintenance on state park facilities and grounds, replacing aging maintenance equipment, and addressing the rise in costs related to the increase in campground reservations. Sufficient revenue is available to support the additional Park improvement spending authority due to increased camping and Recreation Passport sales. A similar increase is requested in the Governor's Recommendation for the FY 2018-19 DNR Budget. The additional Waterways authority can also be supported by current revenue, and would be used to fund additional hours for seasonal rangers at boating access sites. This transfer is requested before March 31, 2018.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$79,400</b>				
<b>FROM: LAW ENFORCEMENT SERVICES</b>				
Grants and community services	19,185,400	(79,400)	(79,400)	(79,400)
Federal revenues	9,912,900	(79,400)	(79,400)	(79,400)
<b>TO: COMMISSION ON LAW ENFORCEMENT STANDARDS</b>				
Standards and training/justice training grants	9,907,100	79,400	79,400	79,400
Federal revenues	175,700	79,400	79,400	79,400

This transfer would shift Federal authorization from the Grants and Community Services line item to the Standards and Training/Justice Training Grants line item to allow for the expenditure of Federally funded grant revenue in support of new sexual assault training for first responders, updated investigator training, and to conduct two statewide conferences. Federal authorization is available in the Grants and Community Services line item due to lower than appropriated Federal revenue.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18
<b>TOTAL TRANSFER REQUEST: \$3,016,600</b>				
<b>FROM: CONTINGENCY FUNDS</b>				
Contingency funds	3,500,000	(3,016,600)	(3,016,600)	(3,016,600)
State restricted contingency revenues	3,500,000	(3,016,600)	(3,016,600)	(3,016,600)
<b>TO: FIELD SERVICES</b>				
Post Operations	295,730,300	3,016,600	3,016,600	3,016,600
State restricted revenues	38,666,200	3,016,600	3,016,600	3,016,600

This transfer would provide increased authorization from State Restricted contingency funds to align authorization with available revenue in the Trooper Recruit School Fund to support training costs associated with the trooper recruit school that began January 14, 2018. Additional revenue is available as a result of accrued attrition savings. Spending authority is available from State Restricted contingency fund authorization.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: TREASURY

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18

**TOTAL TRANSFER REQUEST: \$9,000,000**

**FROM: CONTINGENCY FUNDS**

Contingency funds	10,000,000	(9,000,000)	(9,000,000)	(9,000,000)
State restricted contingency revenues	10,000,000	(9,000,000)	(9,000,000)	(9,000,000)

**TO: ONE-TIME APPROPRIATIONS**

Drinking water declaration of emergency	100	9,000,000	9,000,000	9,000,000
Drinking water declaration of emergency reserve fund	100	9,000,000	9,000,000	9,000,000

This State restricted contingency fund transfer would move \$9,000,000 into the Drinking Water Declaration of Emergency line item to support the efforts in Flint and the requirements of the Concerned Pastors for Social Action settlement agreement. Per the agreement, the State, the City of Flint, and the United States Environmental Protection Agency are to work together to provide funding for service line replacements. Prior to this transfer, there is an estimated \$17.2 million available in the reserve fund. Under the agreement, \$100.0 million will come from the United States Environmental Protection Agency and \$29.0 million will come from the State. The \$9.0 million in this transfer will be used to continue service line replacements as part of the \$29.0 million State portion of the agreement. The remaining \$20.0 million would need to be appropriated at a later date. This transfer is requested by March 31, 2018.

# LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2018-3

BUDGET AREA: TREASURY

FISCAL YEAR: 2017-18

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 3/21/18	HOUSE ACTION 3/21/18

**TOTAL TRANSFER REQUEST: \$100**

**FROM: DEPARTMENTAL ADMINISTRATION AND SUPPORT**

Executive direction and operations	7,867,200	(100)	(100)	(100)
State general fund/general purpose	5,297,700	(100)	(100)	(100)

**TO: ONE-TIME APPROPRIATIONS**

Supplemental city, village, and township revenue sharing	6,200,000	100	100	100
State general fund/general purpose	6,200,000	100	100	100

This transfer would move \$100 in General Fund from the Executive Direction and Operations line item to the Supplemental City, Village, and Township Revenue Sharing (CVTRS) line item. Based on final calculations, the Supplemental CVTRS payments will be very slightly over the current authorization amount.