

SENATE FISCAL AGENCY
MEMORANDUM



DATE: November 9, 2020
TO: Members of the Senate Appropriations Committee
FROM: Christopher Harkins, Director
RE: FY 2020-21 Legislative Transfer Request 2021-1

**Legislative Transfer Request 2021-1
was rescinded and replaced with
Legislative Transfer Request 2021-2**

The Management and Budget Act (Public Act 431 of 1984) provides for two types of transfers: administrative and legislative. **Administrative transfers** allow adjustments for cost and price, certain fund sources, and for court judgments. Administrative transfers go into effect 30 days following the request unless the Senate or the House Appropriations Committee disapproves them. **Legislative transfers** are transfers within departments that are more substantive than the cost and price variations that are allowed under administrative transfers. There are two kinds of legislative transfers: "standard" and "contingency fund". **Standard** legislative transfers shift line-item authorization between existing line items in a department to reflect changes in either expenditures or funding sources, and do not change the total appropriation for the department.

The second kind of legislative transfer is a **contingency fund** transfer which is authorized in the boilerplate of individual departments' annual appropriation bills. A contingency fund transfer moves authorization from the boilerplate section of an appropriation bill to the line-item section in Part 1 of the bill to recognize additional Federal, private, local, or State restricted revenue that has become available since the initial enactment of the budget. Contingency fund transfers increase the total appropriation for a department. The total amount of contingency fund transfers is capped in the boilerplate at a specific amount for each fund source, and the funds cannot be expended until additional funds are actually available and have been transferred to a Part 1 line-item using the legislative transfer process created under Section 393(2) of the Management and Budget Act.

You should have received **Legislative Transfer Request 2021-1** dated October 30, 2020, from the State Budget Office. The requested transfers will require approval of identical amounts by both the House and Senate Appropriations Committees before taking effect. The transfer request would affect the following budget areas:

<u>Department/Budget Area</u>	<u>Amount</u>	<u>Fiscal Analyst</u>
Licensing and Regulatory Affairs	\$9,297,400	Elizabeth Raczkowski
Military and Veterans Affairs	10,000	Bruce Baker
Transportation	774,500	Michael Siracuse
Total	\$10,081,900	

The Senate Fiscal Agency analysis of the October 30, 2020, transfer request is attached. These transfers will be discussed at a future Senate Appropriations Committee meeting.

If you have questions on the transfers, please contact the fiscal analyst assigned to the budget area, or you may contact me at 373-5300.

/lms

Attachment

c: Scott Jones, Senate Appropriations Committee Clerk
Tom Davis, Senate Majority Policy Office
David Ettinger, Senate Democratic Staff Office
Viola Wild, House Fiscal Agency



FY 2020-21 LEGISLATIVE TRANSFER PACKAGE

Department/Budget Area	FY 2020-21 Year-to-Date Gross Appropriation	Contingency Transfer Amount	Standard Transfer Amount	Total Transfer Amount	Page Number	Transfer Percent of Y-T-D Gross
Licensing and Regulatory Affairs	\$484,389,600	\$0	\$9,297,400	\$9,297,400	1	1.92%
Military and Veterans Affairs	226,092,500	10,000	0	10,000	3	0.00%
Transportation	5,107,470,600	0	774,500	774,500	4	0.02%
Total	\$62,759,877,600	\$10,000	\$10,071,900	\$10,081,900		0.02%

Year-to-Date Gross Appropriation Total represents all department budgets.

FY 2020-21 LEGISLATIVE TRANSFER PACKAGE FUND SOURCES

Department/Budget Area	Inter- Departmental Grants	Federal	Local/ Private	State Restricted	GF/GP	Total Transfer Amount
Licensing and Regulatory Affairs	\$0	\$8,648,000	\$649,400	\$0	\$0	\$9,297,400
Military and Veterans Affairs	0	0	10,000	0	0	\$10,000
Transportation	0	0	0	774,500	0	\$774,500
Total	\$0	\$8,648,000	\$659,400	\$774,500	\$0	\$10,081,900

November 9, 2020

State Budget Office Request 2021-1, October 30, 2020

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2021-1

BUDGET AREA: Licensing and Regulatory Affairs

FISCAL YEAR: 2020-21

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

TOTAL TRANSFER REQUEST: \$ 9,297,400

FROM: OCCUPATIONAL REGULATION

Bureau of community and health systems administration	13,365,700	(9,297,400)
HHS-Medicaid, certification of health care providers and suppliers	730,900	(289,600)
HHS-Medicare, certification of health care providers and suppliers	9,106,400	(8,358,400)
State general fund/general purpose	1,693,400	(649,400)

TO: OCCUPATIONAL REGULATION

Adult foster care and camps licensing and regulation	13,144,400	359,800
State General fund/general purpose	12,526,500	359,800
Health facilities regulation	23,289,400	7,779,600
HHS-Medicare, certification of health care providers and suppliers	4,991,200	7,779,600
Nurse aide program	600,000	1,158,000
HHS-Medicaid, certification of health care providers and suppliers	0	289,600
HHS-Medicaid, certification of health care providers and suppliers	0	578,800
State General fund/general purpose	0	289,600

This transfer shifts funding between four appropriations and corresponding fund sources to align authorization with projected expenditures for Fiscal Year 2020-21 within the Bureau of Community Health Systems (BCHS) and its programs. These transfers net-to-zero by fund source.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2021-1

BUDGET AREA: Licensing and Regulatory Affairs

FISCAL YEAR: 2020-21

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

The transfers affect the following line items:

Nurse Aide Program: \$289,600 in Medicaid funding, \$578,800 in Medicare funding, and \$289,600 General Fund (GF) is shifted from the Bureau of Community and Health Systems Administration to the Nurse Aid Program line as the program utilizes funding from Medicare (25%) and Medicaid (50%) and GF to provide the required state match for the Medicare portion.

Health Facilities Regulation: \$7,779,600 of Medicare funding is shifted from the Bureau of Community Health Systems Administration to provide authorization consistent with the necessary level of Medicare spending for the regulatory activities of this program.

Adult Foster Care and Camps Licensing and Regulation: \$359,800 GF is shifted from the Bureau of Community and Health Systems Administration to support anticipated costs for licensing and regulatory activities in Fiscal Year 2020-21.

Bureau of Community and Health Systems Administration: \$289,600 of Medicaid funding, \$8,358,400 of Medicare funding, and \$649,400 GF is shifted to the other three lines in the amounts noted above.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2021-1

BUDGET AREA: MILITARY AND VETERANS AFFAIRS

FISCAL YEAR: 2020-21

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

TOTAL TRANSFER REQUEST: \$10,000

FROM: BOILERPLATE APPROPRIATIONS

Contingency funds	100,000	(10,000)	
Private contingency revenues	100,000	(10,000)	

TO: MICHIGAN VETERANS AFFAIRS AGENCY

Michigan veterans affairs agency administration	7,458,200	10,000	
Private donations	0	10,000	

This transfer request would transfer private contingency authorization to the Michigan Veterans Affairs Agency Administration line in order to receipt and expend a donation from Humana, Inc. The purpose of the funding is to address social determinants of health for veterans. Spending authority is available from PA 166 of 2020, Article 10, Section 210(4).

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2021-1

BUDGET AREA: TRANSPORTATION

FISCAL YEAR: 2020-21

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

TOTAL TRANSFER REQUEST: \$774,500

FROM: AERONAUTICS SERVICES

Air fleet operations and maintenance	1,774,500	(774,500)	
State aeronautics fund	1,774,500	(774,500)	

TO: AVIATION SERVICES

Aviation services	4,925,500	774,500	
State aeronautics fund	4,925,500	774,500	

This transfer would shift \$774,500 of State Aeronautics Fund authorization from the Air Fleet Operations and Maintenance line item to Aviation Services to assist the Department in mitigating the impacts of a forecasted State Aeronautics Fund revenue shortfall in FY 2020-21. These two line items were previously rolled together prior to FY 2018-19. The lines were rolled up by the State Administrative Board on October 1, 2019, and unrolled, again, by legislative transfer on December 11, 2019. The transfer would leave exactly \$1.0 million to cover salary and benefits for the 8 FTEs in the Air Fleet Operations and Maintenance line.