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MICHIGAN HOUSE OF REPRESENTATIVES

THOMAS A. ALBERT

APPROPRIATIONS CHAIR

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September 21, 2022

Mr. Chris Harkins, Director
Office of the State Budget
Department of Technology, Management, and Budget
6th Floor Romney Building
Lansing, MI 48090

Dear Director Harkins,

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 June 1, 2022, Legislative Transfer Request 2022-3. The transfers are for the Departments of Environment, Great Lakes, and Energy, Health and Human Services, Military and Veterans Affairs, State and State Police.

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

Sincerely,

Thomas Albert, Chair
House Appropriations Committee

Jim Stamas, Chair
Senate Appropriations Committee



FY 2021-22 LEGISLATIVE TRANSFER PACKAGE

Department/Budget Area	FY 2021-22 Year-to-Date Gross Appropriation	Contingency Transfer Amount	Standard Transfer Amount	Total Transfer Amount	Page Number	Transfer Percent of Y-T-D Gross
Environment, Great Lakes, and Energy	\$2,644,068,500	\$10,000,000	\$0	\$10,000,000	1	0.38%
Health and Human Services	33,183,378,600	4,600,000	0	4,600,000	2	0.01%
Military and Veterans Affairs	220,852,600	3,500,000	0	3,500,000	3	1.58%
State	252,164,300	150,000	0	150,000	4	0.06%
State Police	856,236,100	216,000,000	0	216,000,000	5	25.23%
Total	\$37,156,700,100	\$234,250,000	\$0	\$234,250,000		0.63%

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

FY 2021-22 CONTINGENCY TRANSFER FUND SOURCES

Department/Budget Area	Inter- Departmental Grants	Federal	Local/ Private	State Restricted	Total Contingency Transfer Amount	Percent Increase of Y-T-D Gross
Environment, Great Lakes, and Energy	\$0	\$0	\$0	\$10,000,000	\$10,000,000	0.38%
Health and Human Services	0	0	0	4,600,000	4,600,000	0.01%
Military and Veterans Affairs	0	3,500,000	0	0	3,500,000	1.58%
State	0	0	0	150,000	150,000	0.07%
State Police	0	216,000,000	0	0	216,000,000	25.23%
Total	\$0	\$219,500,000	\$0	\$14,750,000	\$234,250,000	0.63%

YTD as of March 31, 2022

State Budget Office Request 2022-3, June 1, 2022

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-3

BUDGET AREA: ENVIRONMENT, GREAT LAKES, AND ENERGY

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 9/20/2022	HOUSE ACTION 8/17/2022
TOTAL TRANSFER REQUEST: \$ 10,000,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	10,000,000	(10,000,000)	(10,000,000)	(10,000,000)
Contaminated site cleanup contingency reserve fund	10,000,000	(10,000,000)	(10,000,000)	(10,000,000)
TO: ONE-TIME APPROPRIATIONS				
Contaminated site cleanup contingency reserve fund	100	10,000,000	10,000,000	10,000,000
Contaminated site cleanup contingency reserve fund	100	10,000,000	10,000,000	10,000,000

This request would transfer \$10.0 million in State restricted boilerplate authorization to support contaminated site cleanups. State restricted contingency funds are available in accordance with P.A. 87 of 2021, Article 4, Section 1017. These funds are only allowed to be used 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. According to the Department, all available funding from other sources for the use of contaminated site cleanups has been allocated to qualified cleanup projects, although those funds have not yet been encumbered in the Statewide Integrated Governmental Management Application (SIGMA). Therefore, the Department has indicated that the \$10.0 million available in the contaminated site cleanup contingency reserve fund is necessary for the Department to be able to address emergency cleanup situations, and to not cause the Department to halt ongoing projects when emergency action is necessary.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-3

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 9/20/2022	HOUSE ACTION 8/17/2022
TOTAL TRANSFER REQUEST: \$ 4,600,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	20,000,000	(4,600,000)	(4,600,000)	(4,600,000)
State restricted contingency revenues	20,000,000	(4,600,000)	(4,600,000)	(4,600,000)
TO: BEHAVIORAL HEALTH SERVICES				
Healthy Michigan plan - behavioral health	603,614,300	4,600,000	4,600,000	4,600,000
Total other state restricted revenues	6,891,900	4,600,000	4,600,000	4,600,000

This transfer request would shift \$4.6 million in restricted contingency fund authorization to the Healthy Michigan Plan-Behavioral Health line. This transfer is needed to account for additional revenue from the Quality Assurance Assessment Tax. The department anticipates receiving five quarters of Psychiatric Hospital Rate Adjustment (HRA) revenue in FY 2021-2022. The Psychiatric HRA is a supplemental payment that is made after Prepaid Inpatient Health Plans pay inpatient psychiatric facilities. The payment is allocated to inpatient private psychiatric facilities providers. Outpatient behavioral health providers do not participate in the tax assessment and do not receive HRA payments.

In FY 2020-21, the 4th quarter Psychiatric HRA bill did not go out until November 29th, 2021. In accordance with Federal Office of Financial Management guidelines, only revenue that has been received by November 30th of the following fiscal year can be recorded as revenue received in the previous fiscal year. Due to the timing of the payment, the revenue will need to be recognized in FY 2021-22. This transfer provides the Department with the necessary authorization to recognize the receipt of this revenue.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-3

BUDGET AREA: MILITARY AND VETERANS AFFAIRS

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 9/20/2022	HOUSE ACTION 8/17/2022

TOTAL TRANSFER REQUEST: \$ 3,500,000

FROM: BOILERPLATE APPROPRIATIONS

Contingency funds	8,600,000	(3,000,000)	(3,000,000)	(3,000,000)
Federal contingency revenues	8,600,000	(3,000,000)	(3,000,000)	(3,000,000)

TO: MICHIGAN VETERANS' FACILITY AUTHORITY

D.J. Jacobetti home for veterans	24,639,200	3,000,000	3,000,000	3,000,000
DVA-VHA	5,263,900	3,000,000	3,000,000	3,000,000

This request would transfer Federal contingency authorization to the D.J. Jacobetti Home for Veterans line in order to align authorization with projected USDVA-VHA revenue and expenditures. DVA-USVHA revenue is calculated based on the daily census at the home and the established per diem rate.

FROM: BOILERPLATE APPROPRIATIONS

Contingency funds	8,600,000	(500,000)	(500,000)	(500,000)
Federal contingency revenues	8,600,000	(500,000)	(500,000)	(500,000)

TO: MICHIGAN VETERANS' FACILITY AUTHORITY

D.J. Jacobetti home for veterans	24,639,200	500,000	500,000	500,000
HHS-HCFA, title XIX, Medicaid	1,807,900	500,000	500,000	500,000

This request would transfer Federal contingency authorization to the D.J. Jacobetti Home for Veterans line in order to align authorization with projected Medicaid revenue and expenditures. Anticipated revenues are based on the average of FY 2021-22 year-to-date monthly billings.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-3

BUDGET AREA: STATE

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 9/20/2022	HOUSE ACTION 8/17/2022
TOTAL TRANSFER REQUEST: \$ 150,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	500,000	(150,000)	(150,000)	(150,000)
State restricted contingency revenues	500,000	(150,000)	(150,000)	(150,000)
TO: DEPARTMENTAL ADMINISTRATION AND SUPPORT				
Worker's compensation	122,900	100,000	100,000	100,000
Transportation administration collection fund	66,800	100,000	100,000	100,000
CUSTOMER DELIVERY SERVICES				
Motorcycle safety education administration	647,600	50,000	50,000	50,000
Motorcycle safety and education awareness fund	300,000	50,000	50,000	50,000

This transfer would provide a total of \$150,000 of State restricted contingency authorization to two line items, pursuant to PA 87 of 2021, Article 5, Section 701. It would include \$100,000 in contingency fund authorization transferred to the Worker's Compensation line item to provide for additional Transportation Administration Collection (TAC) Fund authorization needed for the Department to fulfill a one-time settlement payment, and \$50,000 transferred to the Motorcycle Safety Education Administration line item to provide for the expenditure of additional Motorcycle Safety and Education Awareness (MSEA) Fund revenues for the "Look Twice Save a Life" media campaign, designed to reduce automobile and bicycle collisions, for the 2022 summer season. Sufficient TAC and MSEA revenues exist to support these transfers.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-3

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 9/20/2022	HOUSE ACTION 8/17/2022
TOTAL TRANSFER REQUEST: \$ 216,000,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	300,000,000	(216,000,000)	(216,000,000)	(216,000,000)
Total federal revenues	300,000,000	(216,000,000)	(216,000,000)	(216,000,000)
TO: ONE-TIME APPROPRIATIONS				
Emergency and disaster response and mitigation	45,000,000	216,000,000	216,000,000	216,000,000
Total federal revenues	45,000,000	216,000,000	216,000,000	216,000,000

This request would transfer Federal contingency authorization to the Emergency and Disaster Response and Mitigation line to align authorization with available Federal Emergency Management Agency (FEMA) funding to support COVID 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. Spending authority is available in accordance with PA 87 of 2021, Article 12, Section 801, which allows up to \$300.0 million in Federal authorization for emergency and disaster response and mitigation that is available for expenditure only after a transfer to a Part 1 line item.

FEMA reimburses states and locals for costs associated with disasters or emergencies. Generally, costs must be incurred by state/local entities up front for a project at time of disaster and repair, and once completed, the project is then entered into the FEMA Public Assistance portal for approval by FEMA for reimbursement. FEMA then reviews and reimburses the state/local entity. Depending on the magnitude of the disaster or emergency, this may take years for projects to close. Under the COVID pandemic provisions, timing of review and reimbursement from FEMA is taking longer than normal.