

SENATE FISCAL AGENCY
MEMORANDUM



DATE: June 26, 2025
TO: Members of the Senate Appropriations Committee
FROM: Cory Savino, Transfer Coordinator
RE: Fiscal Year 2024-25 Legislative Transfer Request 2025-6

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 rejected by the Senate or the House Appropriations Committee. Legislative transfers are transfers within departments that are more substantive than the cost and price variations that are allowed under administrative transfers. Additionally, 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 type of legislative transfer is a contingency fund transfer 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 realize 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 and funding source for a department and is capped in the boilerplate for each fund source. The additional funds may not be spent until they are 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 2025-6**, dated June 4, 2025, 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 requested transfers would affect the following budget areas:

<u>Department/Budget Area</u>	<u>Amount</u>	<u>Fiscal Analyst</u>
Corrections	\$16,100,000	Joe Carrasco
School Aid	5,666,600	Ryan Bergan
State Police	2,970,000	Bruce Baker
Technology, Management and Budget	3,342,600	Elizabeth Raczowski
Total	\$28,079,200	

If you have questions on this transfer package, please contact me at 373-2768 or CSavino@senate.michigan.gov

/nlf

Attachment

c: Scott Jones, Senate Appropriations Committee Clerk
Lori Dey, Senate Democratic Policy Office
Tom Davis, Senate Republican Policy Office
Robin Risko, House Fiscal Agency



FY 2024-25 LEGISLATIVE TRANSFER PACKAGE

FY 2024-25					
Department/Budget Area	Year-to-Date Gross Appropriation	Contingency Transfer Amount	Standard Transfer Amount	Total Transfer Amount	Page Number
Corrections	\$2,147,379,000	\$0	\$16,100,000	\$16,100,000	1
School Aid	20,644,275,400	0	5,666,600	5,666,600	5
State Police	953,108,500	2,970,000	0	2,970,000	6
Technology, Management and Budget	1,796,825,200	3,342,600	0	3,342,600	12
Total	\$25,541,588,100	\$6,312,600	\$21,766,6000	\$28,079,200	

FY 2024-25 CONTINGENCY TRANSFER FUND SOURCES

Department/Budget Area	Federal	Local/ Private	State Restricted	Total Contingency Transfer Amount	Percent Increase of Y-T-D Gross
Corrections	\$0	\$0	\$0	\$0	0.00%
School Aid	0	0	0	0	0.00%
State Police	0	0	2,970,000	2,970,000	0.31%
Technology, Management and Budget	0	0	3,342,600	3,342,600	0.19%
Total	\$0	\$0	\$6,312,600	\$6,312,600	0.02%

FY 2024-25 STANDARD TRANSFER FUND SOURCES

Department/Budget Area	Federal	Local/ Private	State Restricted	GF/GP	Total Standard Transfer Amount
Corrections	\$0	\$0	\$0	\$16,100,000	\$16,100,000
School Aid	0	0	5,666,600	0	5,666,600
State Police	0	0	0	0	0
Technology, Management and Budget	0	0	0	0	0
Total	\$0	\$0	\$5,666,600	\$16,100,000	\$21,766,600

YTD as of October 1, 2024

State Budget Office Request 2025-6, June 4, 2025

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 3,750,000				
FROM: CORRECTIONAL FACILITIES				
Baraga Correctional Facility - Baraga	39,605,900	(3,750,000)		
State general fund/general purpose	39,605,900	(3,750,000)		
TO: CORRECTIONAL FACILITIES				
Central Michigan Correctional Facility - St. Louis	50,609,400	750,000		
State general fund/general purpose	50,609,400	750,000		
Earnest C. Brooks Correctional Facility - Muskegon	33,461,400	1,200,000		
State general fund/general purpose	33,461,400	1,200,000		
Muskegon Correctional Facility - Muskegon	30,113,900	700,000		
State general fund/general purpose	30,113,900	700,000		
Oaks Correctional Facility - Eastlake	38,522,200	1,100,000		
State general fund/general purpose	38,522,200	1,100,000		

This transfer request would provide additional funding to the Baraga, Central Michigan, Brooks, Muskegon, and Oaks Correctional Facilities to address variations in operating costs among those facilities. Funds are available in the Baraga Correctional Facility line item from the temporary closing of several housing units due to a lower prisoner population. Savings result from lower staffing costs and lower marginal operating costs for the facility.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 9,000,000				
FROM: HEALTH CARE				
Prisoner health care services	117,540,700	(9,000,000)		
State general fund/general purpose	117,540,700	(9,000,000)		
TO: HEALTH CARE				
Clinical complexes	174,030,600	9,000,000		
State general fund/general purpose	173,773,400	9,000,000		

This transfer request would support higher-than-anticipated onsite clinical costs due to the use of more costly contractual nurses, whose costs average 30% more than the cost of a civil service nurse, and other increased clinical service costs. Funding is available from the Prisoner Health Care Services line item due to lower-than-budgeted costs in other health care areas.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 2,000,000				
FROM: FIELD OPERATIONS ADMINISTRATION				
Field operations	233,525,600	(2,000,000)		
State general fund/general purpose	226,610,100	(2,000,000)		
TO: CORRECTIONAL FACILITIES ADMINISTRATION				
Transportation	32,548,600	2,000,000		
State general fund/general purpose	31,674,000	2,000,000		

This transfer request would provide funding for higher-than-budgeted prisoner transportation costs. Prisoners are transported by Corrections Transportation Officer (CTO) position staff with higher seniority and higher wages. Nearly all (98%) of the current CTO staff are at the top of their pay scale for their positions, resulting in higher costs for transportation services. Funding is available from the Field Operations line item due to lower-than-budgeted expenditures in the line item. The FY 2025-26 Executive Recommendation included a baseline adjustment to align costs in the Transportation line item going forward.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 1,350,000				
FROM: FIELD OPERATIONS ADMINISTRATION				
Field operations	233,525,600	(1,350,000)		
State general fund/general purpose	226,610,100	(1,350,000)		
TO: CORRECTIONAL FACILITIES				
Macomb Correctional Facility - New Haven	41,215,200	900,000		
State general fund/general purpose	41,215,200	900,000		
Woodland Correctional Facility - Whitmore Lake	40,427,500	450,000		
State general fund/general purpose	40,427,500	450,000		

This transfer request would provide funding for the Woodland and Macomb Correctional Facilities to support the costs associated with the relocation of staff to those facilities from the Detroit Detention Center (DDC) following its closure. Some of those costs include training and related supplies and materials for the relocated officers and increased operating costs resulting from the increased staff size at those facilities. Under an agreement with the City of Detroit, since August 2013, the Department of Corrections has operated the DDC to house pre-arraignment detainees, with the operating costs wholly funded by the city. The current agreement with the city will end in July 2025, with the city resuming responsibility for its detainees. Funding is available in the Field Operations Administration line item due to lower-than-budgeted expenditures in the line.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: SCHOOL AID

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 5,666,600				
FROM: SCHOOL AID				
School breakfast programs	16,900,000	(5,666,600)		
School aid fund	16,900,000	(5,666,600)		
TO: SCHOOL AID				
School lunch programs	945,953,400	5,666,600		
School aid fund	29,553,400	5,666,600		

Section 31d (School lunch programs) appropriates \$29.5 million from the School Aid Fund to pay the amount necessary to reimburse districts for 6.0127% of the costs of the State-mandated portion of lunch programs, using the methods of calculation adopted by the Michigan Supreme Court in the consolidated cases known as *Durant v State of Michigan*, 456 Mich 175 (1997).

Based on increased meal participation rates for the current fiscal year, the total cost is estimated to be \$35.2 million, which would require an increased appropriation. The transfer request would shift \$5,666,600 in School Aid Fund dollars from Section 31f (School breakfast programs) to Section 31d (School lunch programs). The Department estimates that sufficient funding exists in Section 31f to cover the need in Section 31d.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 300,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	4,000,000	(300,000)		
State restricted contingency revenues	4,000,000	(300,000)		
TO: LAW ENFORCEMENT SERVICES				
Biometrics and identification	11,593,600	300,000		
State forensic laboratory fund	117,600	300,000		

This transfer request would increase State restricted authorization in the Biometrics and Identification line item to align authorization with available State Forensic Laboratory Fund revenue. Additional revenue would be used to support laboratory equipment replacement and upgrades.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 140,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	4,000,000	(140,000)		
State restricted contingency revenues	4,000,000	(140,000)		
TO: LAW ENFORCEMENT SERVICES				
Criminal justice information center	29,554,200	140,000		
Sex offenders registration fund	395,800	140,000		

This transfer request would increase State restricted authorization in the Criminal Justice Information Center line item to align authorization with available Sex Offenders Registration fund revenue. Additional revenue would be used to maintain existing system operations.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 1,390,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	4,000,000		(1,390,000)	
State restricted contingency revenues	4,000,000		(1,390,000)	
TO: LAW ENFORCEMENT SERVICES				
Forensic science	49,567,300		1,390,000	
State forensic laboratory fund	650,000		1,390,000	

This transfer request would increase State restricted authorization in the Forensic Science line item to align authorization with available State Forensic Laboratory Fund revenue. Additional revenue would be used to support laboratory equipment replacement and upgrades.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$1,000,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	4,000,000	(1,000,000)		
State restricted contingency revenues	4,000,000	(1,000,000)		
TO: INFORMATION TECHNOLOGY				
Information technology services and projects	30,224,000	1,000,000		
Criminal justice information center service fees	10,390,500	1,000,000		

This transfer request would increase State restricted authorization in the Information Technology Services and Projects line item to align authorization with available Criminal Justice Information Center Service Fee revenue. Additional authorization would be used to support various information technology systems upgrades, including the eDaily, Statewide Records Management System, the Michigan Incident Crime Reporting, the Crime Dashboard, and the Statewide Network of Agency Photos.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 40,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	4,000,000	(40,000)		
State restricted contingency revenues	4,000,000	(40,000)		
TO: SPECIALIZED SERVICES				
Intelligence operations	35,524,300	40,000		
Criminal justice information center service fees	427,400	40,000		

This transfer request would increase State restricted authorization in the Intelligence Operations line item to align authorization with available Criminal Justice Information Center Service Fees revenue. Additional revenue would be used to support increased operating costs within the Michigan Intelligence Operations Center.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 100,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	4,000,000		(100,000)	
State restricted contingency revenues	4,000,000		(100,000)	
TO: DEPARTMENTAL ADMINISTRATION AND SUPPORT				
Departmentwide	53,292,400		100,000	
Vehicle sales proceeds	650,000		100,000	

This transfer request would increase authorization in the Departmentwide line item to align authorization with available vehicle sales revenue generated through the sale of surplus vehicles from the Department's fleet. Revenue from vehicle sales would be used to support the Department's ongoing fleet costs.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2025-6

BUDGET AREA: TECHNOLOGY, MANAGEMENT AND BUDGET

FISCAL YEAR: 2024-25

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$ 3,342,600				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	83,734,200	(3,342,600)		
State restricted contingency revenues	83,734,200	(3,342,600)		
TO: CIVIL SERVICE COMMISSION				
Information technology services and projects	4,645,900	3,342,600		
State restricted funds 1%	2,646,900	3,342,600		

This transfer request would shift \$3.3 million from available State restricted contingency funds to the Civil Service Commission's State Restricted Funds 1% (SRF) fund source to support planned information technology upgrades for the statewide Human Resource Management Network System (HRMN). The HRMN system supports over 50,000 users and delivers payroll, employee benefits, human resource functionality, and data exchange capabilities through an integrated network. Sufficient revenue is available from the SRF to support this transfer. Article XI, Section 5 of the State Constitution of 1963 requires all restricted funds to be assessed a sum of not less than 1% of the total aggregate classified payroll paid from those funds during the prior year to support Michigan Civil Service Commission operations in the current year, which are deposited into the SRF. However, historically, the Commission has not requested the full amount.