



FY 2014-15 LEGISLATIVE TRANSFER PACKAGE

Department/Budget Area	FY 2014-15 Year-to-Date Gross Appropriation	Contingency Transfer Amount	Standard Transfer Amount	Total Transfer Amount	Page Number	Transfer Percent of Y-T-D Gross
Corrections	\$2,023,221,700	\$0	\$3,575,000	\$3,575,000	1	0.2%
Health & Human Services - Community Health	19,101,921,900	161,128,000	104,650,000	265,778,000	3	1.4
Health & Human Services - Human Services	5,702,811,500	9,237,100	16,700,000	25,937,100	10	0.5
Military & Veterans Affairs	175,549,000	1,500,000	500,000	2,000,000	17	1.1
School Aid	13,673,960,100	0	9,397,000	9,397,000	19	0.1
State Police	657,466,900	480,500	0	480,500	20	0.1
Technology, Management, & Budget	1,361,809,900	0	2,000,000	2,000,000	21	0.1
Total		\$172,345,600	\$136,822,000	\$309,167,600		

FY 2014-15 LEGISLATIVE TRANSFER PACKAGE FUND SOURCES

Department/Budget Area	Federal	Private	Local	State Restricted	GF/GP	Total Transfer Amount
Corrections	\$0	\$0	\$0	\$0	\$3,575,000	\$3,575,000
Health & Human Services - Comm. Health	229,658,000	0	0	0	36,120,000	265,778,000
Health & Human Services - Human Services	13,800,000	2,937,100	1,700,000	0	7,500,000	25,937,100
Military & Veterans Affairs	1,500,000	0	0	0	500,000	2,000,000
School Aid	0	0	0	9,397,000	0	9,397,000
State Police	0	0	0	480,500	0	480,500
Technology, Management, & Budget	0	0	0	0	2,000,000	2,000,000
Total	\$244,958,000	\$2,937,100	\$1,700,000	\$9,877,500	\$49,695,000	\$309,167,600

November 4, 2015

State Budget Office Request 2015-8, October 29, 2015

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$1,690,000				
FROM: BUDGET AND OPERATIONS ADMINISTRATION				
Worker's compensation	14,000,000	(1,690,000)	(1,690,000)	(1,690,000)
State general fund/general purpose		(1,690,000)	(1,690,000)	(1,690,000)
TO: CORRECTIONAL FACILITIES ADMINISTRATION				
Prison food service	51,558,900	1,690,000	1,690,000	1,690,000
State general fund/general purpose		1,690,000	1,690,000	1,690,000

The Administration requested this transfer to support increased per meal costs and meal participation rates. Funding appears to be available due to lower-than-anticipated worker's compensation trends as reflected in the FY 2015-16 budget, which includes a worker's compensation appropriation of \$14,149,000.

Food service costs exceeded the amount appropriated for two reasons: 1) final meal counts under the original contractor were greater than those projected at the start of the contract, and 2) per meal costs increased under the new contractor during the transition. The new contract includes a sliding scale for per meal costs, with a higher per meal cost if fewer meals are served.

During the July and August transition period from the previous contractor, meal counts for the new contractor were lower due to not being in all facilities, resulting in a higher per meal cost. Compared to payments to the original contractor, this resulted in a \$765,000 difference for the period of July through September.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$1,885,000				
FROM: BUDGET AND OPERATIONS ADMINISTRATION				
Worker's compensation	14,000,000	(650,000)	(650,000)	(650,000)
State general fund/general purpose		(650,000)	(650,000)	(650,000)
HEALTH CARE	75,180,400			
Prisoner health care services		(1,235,000)	(1,235,000)	(1,235,000)
State general fund/general purpose		(1,235,000)	(1,235,000)	(1,235,000)
TO: HEALTH CARE				
Vaccination program	691,200	285,000	285,000	285,000
State general fund/general purpose		285,000	285,000	285,000
Mental health services and support	58,785,200	400,000	400,000	400,000
State general fund/general purpose		400,000	400,000	400,000
Clinical complexes	148,715,800	1,200,000	1,200,000	1,200,000
State general fund/general purpose		1,200,000	1,200,000	1,200,000

The Administration requested this transfer to support higher-than-anticipated vaccine costs and industry-wide price increases for pharmaceuticals. Funding appears to be available due to lower-than-anticipated worker's compensation costs, as reflected in the FY 2015-16 budget, and savings resulting from an increase in prisoners qualifying for Medicaid services for in-patient procedures.

The Department of Corrections saw pharmaceutical and vaccine costs increase more than expected due to an increase in cost per unit pricing and higher utilization of some drugs. The Department has projected increased costs for vaccines including tetanus, pneumonia, and Hepatitis A and B. The Department has projected an increase in expenditures for antipsychotic medications and antidepressants. Clinical complexes have seen increased pharmaceutical costs due to HIV treatments, which have increasing per unit costs as new medications become available.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - COMMUNITY HEALTH

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$2,216,000				
FROM: CONTINGENCY FUNDS				
Federal contingency funds	196,038,000	(2,216,000)	(2,216,000)	(2,216,000)
Federal contingency revenues		(2,216,000)	(2,216,000)	(2,216,000)
TO: CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION				
Chronic disease control and health promotion administration	6,139,900	2,216,000	2,216,000	2,216,000
Total federal revenues		2,216,000	2,216,000	2,216,000

The Administration is requesting \$2,216,000 of Federal authorization reflecting additional Preventive Health Block Grant funding from the Federal Department of Health and Human Services, Centers for Disease Control for the Chronic Disease Program. The grant supports health promotion activities and lifestyle improvements for the general population. The Administration indicates that the grant would be used to support interventions that prevent and improve control of heart disease and stroke, and major risk factors including high blood pressure, and cholesterol. The intent is to accomplish this through projects that promote collaboration among communities, health care systems, and health care providers.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - COMMUNITY HEALTH

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$1,412,000				
FROM: CONTINGENCY FUNDS				
Federal contingency funds	196,038,000	(1,412,000)	(1,412,000)	(1,412,000)
Federal contingency revenues		(1,412,000)	(1,412,000)	(1,412,000)
TO: LOCAL HEALTH ADMINISTRATION AND GRANTS				
Local health services	1,137,300	1,412,000	1,412,000	1,412,000
Total federal revenues		1,412,000	1,412,000	1,412,000

The Administration is requesting \$1,412,000 of Federal authorization to recognize additional Preventive Health Block Grant funding from the U.S. Department of Health and Human Services, Centers for Disease Control for the Local Health Services Program. This grant would support the operation of the Michigan Local Health Accreditation Program and is intended to build State, local, and tribal capacity for performance management, quality improvement, and meeting national accreditation standards. There was also a \$600,000 increase in available Federal funding for this purpose recognized in a March transfer.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - COMMUNITY HEALTH

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$2,850,000				
FROM: BEHAVIORAL HEALTH SERVICES				
Medicaid mental health services	2,318,090,000	(2,850,000)	(2,850,000)	(2,850,000)
Total federal revenues		(2,000,000)	(2,000,000)	(2,000,000)
State general fund/general purpose		(850,000)	(850,000)	(850,000)
TO: BEHAVIORAL HEALTH SERVICES				
Medicaid substance use disorder services	44,915,800	2,850,000	2,850,000	2,850,000
Total federal revenues		2,000,000	2,000,000	2,000,000
State general fund/general purpose		850,000	850,000	850,000

The Administration requested this transfer to address an increase in average costs per eligible person in the Medicaid Substance Use Disorder Services line. There is excess available Medicaid Mental Health Services authorization because of lower-than-anticipated expenditures in the line. Both of these lines are paid on a capitated basis and changes in Medicaid caseload and case mix have led to changes in funding need.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - COMMUNITY HEALTH

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$1,500,000				
FROM: CONTINGENCY FUNDS				
Federal contingency funds	196,038,000	(1,500,000)	(1,500,000)	(1,500,000)
Federal contingency revenues		(1,500,000)	(1,500,000)	(1,500,000)
TO: INFORMATION TECHNOLOGY				
Michigan Medicaid information system	82,201,100	1,500,000	1,500,000	1,500,000
Total federal revenues		1,500,000	1,500,000	1,500,000

The Administration requests a contingency fund transfer of \$1,500,000 in Federal authorization for the Michigan Medicaid Information System line. This transfer would recognize increased Federal earnings related to Statewide Integrated Government Management Applications (SIGMA) readiness activities associated with the Michigan Medicaid Information System. SIGMA is the State's new financial management system, and is expected to be implemented over the next two years.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - COMMUNITY HEALTH

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$11,000,000				
FROM: CONTINGENCY FUNDS				
Federal contingency funds	196,038,000	(11,000,000)	(11,000,000)	(11,000,000)
Federal contingency revenues		(11,000,000)	(11,000,000)	(11,000,000)
TO: INFORMATION TECHNOLOGY				
Michigan Medicaid information system	82,201,100	11,000,000	11,000,000	11,000,000
Total federal revenues		11,000,000	11,000,000	11,000,000

The Administration is requesting the transfer of \$11,000,000 of Federal authorization to recognize funding received from the Centers for Medicare and Medicaid Services for enhanced funding through an Advanced Planning Document. This grant would support the implementation of cloud computing, which is a model for enabling on-demand network access to a shared pool of configurable computing resources.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - COMMUNITY HEALTH

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$246,800,000				
FROM: MEDICAL SERVICES				
Hospital services and therapy	1,210,427,800	(68,000,000)	(68,000,000)	(68,000,000)
Total federal revenues		(45,000,000)	(45,000,000)	(45,000,000)
State general fund/general purpose		(23,000,000)	(23,000,000)	(23,000,000)
Federal contingency funds	196,038,000	(145,000,000)	(145,000,000)	(145,000,000)
Federal contingency revenues		(145,000,000)	(145,000,000)	(145,000,000)
Integrated care organizations	124,922,100	(33,800,000)	(33,800,000)	(33,800,000)
Total federal revenues		(21,530,000)	(21,530,000)	(21,530,000)
State general fund/general purpose		(12,270,000)	(12,270,000)	(12,270,000)
TO: MEDICAL SERVICES				
Home health services	5,716,900	400,000	400,000	400,000
Total federal revenues		265,000	265,000	265,000
State general fund/general purpose		135,000	135,000	135,000
Auxiliary medical services	5,899,500	400,000	400,000	400,000
Total federal revenues		265,000	265,000	265,000
State general fund/general purpose		135,000	135,000	135,000
Long term care services	1,765,327,200	10,000,000	10,000,000	10,000,000
Total federal revenues		10,000,000	10,000,000	10,000,000
Autism services	25,000,000	18,000,000	18,000,000	18,000,000
Total federal revenues		12,000,000	12,000,000	12,000,000
State general fund/general purpose		6,000,000	6,000,000	6,000,000

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - COMMUNITY HEALTH

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
Health plan services	4,739,542,400	198,000,000	198,000,000	198,000,000
Total federal revenues		169,000,000	169,000,000	169,000,000
State general fund/general purpose		29,000,000	29,000,000	29,000,000
Maternal and child health	20,279,500	20,000,000	20,000,000	20,000,000
Total federal revenues		20,000,000	20,000,000	20,000,000

The Administration is requesting a transfer to address the higher-than-anticipated accrual basis payments in Home Health Services, Auxiliary Medical Services, Long Term Care Services, Autism Services, Health Plan Services, and Maternal and Child Health Services appropriations. Hospital Services and Therapy and Integrated Care Organization authorization is available because of lower-than-anticipated expenditures in those lines. These are adjustments typical for bookclosing Medicaid transfers.

The increases for Home Health and Auxiliary Medical Services reflect minor final accrual-related adjustments. The transfer into the Long Term Care Services line, basically from the Integrated Care Organizations line, is tied to an updated estimate of participation in the dual eligible waiver. The Autism Services increase is due to cost settlements as families are now more fully accessing services, at a rate of \$3.0 million per month in costs. The increase to that level had been anticipated and is finally now occurring. The Autism Services adjustment is for the Medicaid Autism Services program. The adjustment is not related to the Autism Coverage Fund in the Department of Insurance and Financial Services, as Medicaid dollars cannot be spent on non-Medicaid Services.

The Maternal and Child Health adjustment reflects one-time prior year cost settlements. The increased cost, which is all Federal, is not anticipated to continue in FY 2015-16.

Finally, the proposed Health Plan Services transfer is mostly Federal, almost 85%, well in excess of the Medicaid match rate of 65.54%. This is because a large part of the transfer is tied to a corrected accrual amount for the primary care rate increase that was in effect in calendar years 2013 and 2014. That increase was 100% Federally funded. The Health Plan Services transfer also reflects the Health Insurer Fee adjustment that was funded explicitly in the FY 2014-15 budget (that amount was rolled into the base for FY 2015-16 so has already been accounted for in the current year) and a pharmaceutical rebate adjustment that, under accrual accounting, must be booked back to FY 2014-15.

The Administration has also indicated that they expect a large net FY 2014-15 GF/GP lapse in Medicaid of well over \$100.0 million. As such there is more than sufficient surplus GF/GP revenue in the Medicaid lines to cover the \$35.3 million GF/GP portion of this transfer.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - HUMAN SERVICES

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$4,600,000				
FROM: CONTINGENCY FUNDS				
Federal contingency funds	200,000,000	(4,600,000)	(4,600,000)	(4,600,000)
Federal contingency revenues		(4,600,000)	(4,600,000)	(4,600,000)
TO: ADULT AND FAMILY SERVICES				
Nutrition education	23,038,000	4,600,000	4,600,000	4,600,000
Total federal revenues		4,600,000	4,600,000	4,600,000

This contingency authorization remedies an overexpenditure due to final contract billings being higher than in prior years. The expenditures were \$18.2 million for FY 2013-14 and were \$27.5 million for FY 2014-15. This line item funds programs to encourage and promote healthy eating and lifestyle choices.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - HUMAN SERVICES

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$1,700,000				
FROM: CONTINGENCY FUNDS				
Local contingency funds	20,000,000	(1,700,000)	(1,700,000)	(1,700,000)
Local contingency revenues		(1,700,000)	(1,700,000)	(1,700,000)
TO: CHILD WELFARE SERVICES				
Foster care payments	192,938,500	1,700,000	1,700,000	1,700,000
Total local revenues		1,700,000	1,700,000	1,700,000

As the actual Local revenue received was higher than the initial authorization, this proposed transfer adjusts the balances accordingly. Local revenue is received from the reimbursement of 50% of the out-of-home maintenance for State Ward Board and Care cases.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - HUMAN SERVICES

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$2,937,100				
FROM: CONTINGENCY FUNDS				
Private contingency funds	20,000,000	(2,937,100)	(2,937,100)	(2,937,100)
Private contingency fund revenues		(2,937,100)	(2,937,100)	(2,937,100)
TO: PUBLIC ASSISTANCE				
Low-income home energy assistance program	174,951,600	2,937,100	2,937,100	2,937,100
Private contingency fund revenues		2,937,100	2,937,100	2,937,100

This transfer would increase the authorization to spend Private contingency funds in the Low Income Home Energy Assistance Program line item. DTE Gas Company agreed to pay \$2.5 million in penalties plus interest for violating a Federal Energy Regulatory Commission regulation. Per the Consent Agreement issued by the Commission, those fines were to be paid for energy assistance and weatherization in low-income Michigan homes.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - HUMAN SERVICES

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$9,500,000				
FROM: EXECUTIVE OPERATIONS				
Salaries and wages	17,469,700	(700,000)	(700,000)	(700,000)
General purpose revenues		(700,000)	(700,000)	(700,000)
Unclassified salaries	724,600	(300,000)	(300,000)	(300,000)
General purpose revenues		(300,000)	(300,000)	(300,000)
ADULT AND FAMILY SERVICES				
Office of program policy	3,652,900	(500,000)	(500,000)	(500,000)
General purpose revenues		(500,000)	(500,000)	(500,000)
CHILD WELFARE SERVICES				
Children's services administration	6,756,900	(500,000)	(500,000)	(500,000)
General purpose revenues		(500,000)	(500,000)	(500,000)
Child welfare institute	7,792,900	(700,000)	(700,000)	(700,000)
General purpose revenues		(700,000)	(700,000)	(700,000)
Adoption subsidies	229,703,700	(2,000,000)	(2,000,000)	(2,000,000)
General purpose revenues		(2,000,000)	(2,000,000)	(2,000,000)
Peer coaches	3,147,300	(300,000)	(300,000)	(300,000)
General purpose revenues		(300,000)	(300,000)	(300,000)
JUVENILE JUSTICE SERVICES				
W.J. Maxey training school	9,924,500	(1,000,000)	(1,000,000)	(1,000,000)
General purpose revenues		(1,000,000)	(1,000,000)	(1,000,000)

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - HUMAN SERVICES

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
Juvenile justice administration and maintenance	3,951,500	(200,000)	(200,000)	(200,000)
General purpose revenues		(200,000)	(200,000)	(200,000)
LOCAL OFFICE STAFF AND OPERATIONS				
Field staff, salaries and wages	292,433,300	(1,300,000)	(1,300,000)	(1,300,000)
General purpose revenues		(1,300,000)	(1,300,000)	(1,300,000)
Field staff, salaries and wages	292,433,300	(2,000,000)	(2,000,000)	(2,000,000)
Social security act, temporary assistance for needy families		(2,000,000)	(2,000,000)	(2,000,000)
TO: CHILD WELFARE SERVICES				
Adoption subsidies	229,703,700	2,000,000	2,000,000	2,000,000
Social security act, temporary assistance for needy families		2,000,000	2,000,000	2,000,000
BUDGETARY SAVINGS				
Staffing reductions	(7,500,000)	7,500,000	7,500,000	7,500,000
General purpose revenues		7,500,000	7,500,000	7,500,000

Section 275(1) PA 252 of 2014, Article X, requires the Department to offset the negative \$7.5 million GF/GP Staffing Reductions line through FTE reductions. These transfers move associated spending authorization from those line items where salaries and wages were appropriated to the Staffing Reductions line item. As a result of this proposed transfer, the negative Staffing Reductions line item would be zeroed out. The hiring freeze was successful in achieving the savings target. As part of this transfer, Temporary Assistance for Needy Families (TANF) funds are used to offset GF/GP funds within the Adoption Subsidies line item in order to realize budgetary savings.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - HUMAN SERVICES

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$3,200,000				
FROM: DISABILITY DETERMINATION SERVICES				
Disability determination operations	107,284,100	(3,200,000)	(3,200,000)	(3,200,000)
Total federal revenues		(3,200,000)	(3,200,000)	(3,200,000)
TO: CENTRAL SUPPORT ACCOUNTS				
Rent	41,006,400	3,200,000	3,200,000	3,200,000
Total federal revenues		3,200,000	3,200,000	3,200,000

This transfer would correct a fund source authorization deficit in the Rent Central Support account. This is not directly a result of local office consolidations as those closings are to be made in FY 2015-16. Due to the Department of Health and Human Services (DHHS) hiring freeze, there were additional Federal funds in the Disability Determination Operations line item, which were available for the Rent line item.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: HEALTH AND HUMAN SERVICES - HUMAN SERVICES

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$4,000,000				
FROM: ADULT AND FAMILY SERVICES				
Michigan rehabilitation services	149,289,700	(4,000,000)	(4,000,000)	(4,000,000)
Capped federal revenues		(4,000,000)	(4,000,000)	(4,000,000)
TO: CHILD WELFARE SERVICES				
Adoption support services	28,396,600	4,000,000	4,000,000	4,000,000
Capped federal revenues		4,000,000	4,000,000	4,000,000

This transfer would redirect excess capped Federal authorization in Michigan Rehabilitation Services to the Adoption Support Services line. An updated cost allocation plan has shifted the needed amount of Federal revenue for the Adoption Support Services line.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: MILITARY AND VETERANS AFFAIRS

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$500,000				
FROM: MICHIGAN VETERANS AFFAIRS AGENCY				
Michigan veterans affairs agency	16,059,300	(500,000)	(500,000)	(500,000)
State general fund/general purpose		(500,000)	(500,000)	(500,000)
TO: MICHIGAN VETERANS AFFAIRS AGENCY				
Veterans' homes	69,277,500	500,000	500,000	500,000
State general fund/general purpose		500,000	500,000	500,000

This transfer is requested to offset a restricted revenue shortfall in the Grand Rapids veterans' home line item due to declining member census. General Fund authorization is available in the Veterans Affairs Agency Administration line due to vacancies and efficiencies identified within the Veterans Affairs Agency including a contract for legal services which was not executed, multiple positions which were not fully staffed for the entire year and funds earmarked for a benefits management system and training which were not fully used.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: MILITARY AND VETERANS AFFAIRS

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$1,500,000				
FROM: CONTINGENCY FUNDS				
Federal contingency funds	8,963,600	(1,500,000)	(1,500,000)	(1,500,000)
Federal contingency funds		(1,500,000)	(1,500,000)	(1,500,000)
TO: MILITARY				
Departmental and national guard operations	68,942,100	1,500,000	1,500,000	1,500,000
Federal revenues		1,500,000	1,500,000	1,500,000

This transfer is requested to align authorization with higher-than-anticipated Federal Department of Defense - Department of the Army - National Guard Bureau revenue to support headquarters and armories operations. Additional revenue was made available to Michigan by the Department of Defense in September to support armory operating utility expenditures, armory network services, and carpet and furniture replacement.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: SCHOOL AID

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$9,397,000				
FROM: Sec. 22b DISCRETIONARY PAYMENT	3,440,000,000	(7,102,000)	(7,102,000)	(7,102,000)
School Aid Fund		(7,102,000)	(7,102,000)	(7,102,000)
Sec. 53a SPECIAL EDUCATION COURT PLACED PUPILS	10,500,000	(1,000,000)	(1,000,000)	(1,000,000)
School Aid Fund		(1,000,000)	(1,000,000)	(1,000,000)
Sec. 51a(3) SPECIAL EDUCATION HOLD HARMLESS	1,000,000	(600,000)	(600,000)	(600,000)
School Aid Fund		(600,000)	(600,000)	(600,000)
Sec. 51a(6) SPECIAL EDUCATION RULE CHANGES	2,200,000	(495,000)	(495,000)	(495,000)
School Aid Fund		(495,000)	(495,000)	(495,000)
Sec. 11g DURANT NON-PLAINTIFF SETTLEMENT DEBT SERVICE	39,500,000	(200,000)	(200,000)	(200,000)
School Aid Fund		(200,000)	(200,000)	(200,000)
TO: Sec. 51a(2) SPECIAL EDUCATION FOUNDATIONS	248,100,000	9,000,000	9,000,000	9,000,000
School Aid Fund		9,000,000	9,000,000	9,000,000
Sec. 11m CASH FLOW BORROWING COSTS	0	397,000	397,000	397,000
School Aid Fund		397,000	397,000	397,000

The transfer request utilizes funds remaining in various special education accounts, the Discretionary Payment, and the Durant Non-Plaintiff District Settlement Debt Service account after those obligations are met to fully fund estimated Special Education Foundations. The additional authorization is needed due to higher-than-estimated actual special education costs data reported by local and intermediate school districts subsequent to the last budget adjustment. Also, cashflow interfund borrowing costs to make timely State school aid payments are slightly higher than the \$0 cost estimated for the May 2015 Consensus Revenue Estimating Conference. Funds were available for transfer due to the interplay between foundation allowances and special education costs, and due to lower-than-anticipated costs in some specific areas.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: STATE POLICE

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$480,500				
FROM: CONTINGENCY FUNDS				
State restricted contingency funds	3,500,000	(480,500)	(480,500)	(480,500)
State restricted contingency funds		(480,500)	(480,500)	(480,500)
TO: SPECIALIZED SERVICES				
Specialized services	137,941,300	480,500	480,500	480,500
State restricted revenues		480,500	480,500	480,500

This transfer is requested to recognize higher-than-anticipated reimbursed services revenue for operational support rendered to State and county units of government. The reimbursed services include fees for regional dispatch services for Baraga, Houghton, Keweenaw, Marquette, Ontonagon, Otsego, and Schoolcraft counties; training provided for emergency dispatchers; and for costs associated with Department of State Police participation in the Wayne County Sexual Assault Kits Task Force.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2015-8

BUDGET AREA: TECHNOLOGY, MANAGEMENT, AND BUDGET

FISCAL YEAR: 2014-15

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION 11/4/15	HOUSE ACTION 11/4/15
TOTAL TRANSFER REQUEST: \$2,000,000				
FROM: ONE-TIME BASIS ONLY APPROPRIATIONS				
Office of urban initiatives	4,000,000	(2,000,000)	(2,000,000)	(2,000,000)
State general fund/general purpose		(2,000,000)	(2,000,000)	(2,000,000)
TO: ONE-TIME BASIS ONLY APPROPRIATIONS				
Litigation fund	2,000,000	2,000,000	2,000,000	2,000,000
State general fund/general purpose		2,000,000	2,000,000	2,000,000

The FY 2014-15 appropriation of \$2.0 million General Fund has been expended. For FY 2015-16, only \$1.0 million is appropriated for the line item, and there are not likely to be sufficient funds to pay outstanding litigation costs which may include legal costs associated with Right to Work, State employee benefit reforms, the Detroit bankruptcy case, and the Emergency Manager court challenge, among others.

The Litigation Fund line item and this transfer provide support for major litigation costs (such as securing outside legal advice) for lawsuits where the State of Michigan or Governor (acting in his official capacity) are the subject of the lawsuit and where no specific State department or agency is responsible. Funds are available for transfer from the Office of Urban Initiatives due to unfilled positions, undistributed funds, and other program efficiencies. The Office's central location is in Detroit and plans are to eventually open satellite offices in Grand Rapids and Flint. The main goal of the Office is to revitalize the economies of Michigan's major urban centers.

This transfer is requested as part of FY 2014-15 book closing. Funds remaining in the Litigation Fund line item after book closing (estimated to be \$2.0 million) will be transferred to a work project to fund litigation costs as described above in FY 2015-16. The tables below detail expenditures from the Litigation Fund for FY 2014-15.

Litigation Fund Claims to Date for FY 2014-15 (as of 9-30-15)	
Court Case/Legal Service	Amount
Detroit Chapter 9 Bankruptcy	\$589,600
State's Retirement System	222,600
DeBoer v Snyder	332,800
Bassett v Snyder	950,000
TOTAL	\$2,095,000

Litigation Funds Distributed in FY 2014-15 from FY 2013-14 Work Project Funds	
Court Case/Legal Service	Amount Distributed
Detroit Chapter 9 Bankruptcy	\$79,300
DeBoer v Snyder	1,467,200
Retired Detroit Police Settlement	90,000
TOTAL	\$1,636,500