

SENATE FISCAL AGENCY
MEMORANDUM



DATE: November 8, 2022
TO: Members of the Senate Appropriations Committee
FROM: Cory Savino, Transfer Coordinator
RE: FY 2021-22 Legislative Transfer Request 2022-8

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. 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 2022-8** dated October 26, 2022, from the State Budget Office. The requested transfer will require approval of identical amounts and fund source 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>
Corrections	\$13,046,000	Joe Carrasco
Health and Human Services	137,425,000	Ellyn Ackerman, John Maxwell, and Humphrey Akujobi
Military and Veterans Affairs	62,000	Bruce Baker
School Aid	45,000,000	Ryan Bergan
Treasury (Revenue Sharing)	102,875	Cory Savino
Total	\$195,635,875	

The Senate Fiscal Agency analysis of the October 26, 2022, transfer request is attached. This transfer package will be discussed at a future Senate Appropriations Committee meeting.

If you have questions on this transfer package, please contact the fiscal analyst assigned to the budget area, or you may contact me at 373-2768 or CSavino@senate.michigan.gov

/nlf

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 2021-22 LEGISLATIVE TRANSFER PACKAGE

FY 2021-22					
Department/Budget Area	Year-to-Date Gross Appropriation	Contingency Transfer Amount	Standard Transfer Amount	Total Transfer Amount	Page Number
Corrections	\$2,065,873,000	\$0	\$13,046,000	\$13,046,000	1
Health and Human Services	34,929,041,900	7,000,000	130,425,000	137,425,000	5
Military and Veterans Affairs	232,004,000	0	62,000	62,000	15
School Aid	17,080,768,700	0	45,000,000	45,000,000	16
Treasury (Revenue Sharing)	1,917,297,600	0	102,875	102,875	17
Total	\$56,220,985,200	\$7,000,000	\$188,635,875	\$195,635,875	

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
Corrections	\$0	\$0	\$0	\$0	\$0	0.00%
Health and Human Services	0	0	0	7,000,000	7,000,000	0.02%
Military and Veterans Affairs	0	0	0	0	0	0.00%
School Aid	0	0	0	0	0	0.00%
Treasury	0	0	0	0	0	0.00%
Total	\$0	\$0	\$0	\$7,000,000	\$7,000,000	0.01%

FY 2021-22 STANDARD TRANSFER FUND SOURCES

Department/Budget Area	Inter-Departmental Grants	Federal	Local/Private	State Restricted	GF/GP	Total Standard Transfer Amount
Corrections	\$0	\$0	\$0	\$0	\$13,046,000	\$13,046,000
Health and Human Services	0	90,394,400	0	25,000	45,005,600	130,425,000
Military and Veterans Affairs	0	0	0	0	62,000	62,000
School Aid	0	0	0	45,000,000	0	45,000,000
Treasury	0	0	0	102,875	0	102,875
Total	\$0	\$90,394,400	\$0	\$45,127,875	\$53,113,600	\$188,635,875

YTD as of October 13, 2022

State Budget Office Request 2022-8, October 26, 2022

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2021-22

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

TOTAL TRANSFER REQUEST: \$920,000

FROM: CORRECTIONAL FACILITIES

Special alternative incarceration program - Jackson	5,905,800	(920,000)	
State general fund/general purpose	3,867,700	(920,000)	

TO: CORRECTIONAL FACILITIES ADMINISTRATION

Transportation	30,850,400	920,000	
State general fund/general purpose	11,438,000	920,000	

This transfer would provide funding for higher than budgeted prisoner transportation costs due to staff retention premiums and higher fuel costs. Funding is available due to fewer court sentences to the Special Alternative Incarceration Program.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$10,000,000				
FROM: HEALTH CARE				
Prisoner health care services	94,793,600	(10,000,000)		
State general fund/general purpose	94,793,600	(10,000,000)		
TO: HEALTH CARE				
Clinical complexes	148,457,900	10,000,000		
State general fund/general purpose	80,502,800	10,000,000		

This transfer request would provide for higher than anticipated onsite clinical costs. Funding is available due to lower than budgeted offsite health care costs.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$2,126,000				
FROM: CORRECTIONAL FACILITIES				
Alger Correctional Facility - Munising State general fund/general purpose	32,062,300 13,395,300	(258,900) (258,900)		
Baraga Correctional Facility - Baraga State general fund/general purpose	38,174,700 16,199,900	(352,300) (352,300)		
Carson City Correctional Facility - Carson City State general fund/general purpose	51,347,100 21,089,200	(408,500) (408,500)		
Gus Harrison Correctional Facility - Adrian State general fund/general purpose	52,960,900 22,419,200	(422,200) (422,200)		
Kinross Correctional Facility - Kincheloe State general fund/general purpose	34,558,400 16,022,900	(350,200) (350,200)		
Michigan Reformatory - Ionia State general fund/general purpose	37,583,000 16,407,500	(333,900) (333,900)		
TO: CORRECTIONAL FACILITIES				
Macomb Correctional Facility - New Haven State general fund/general purpose	38,667,900 15,319,500	748,000 748,000		
Thumb Correctional Facility - Lapeer State general fund/general purpose	35,580,100 13,858,600	624,000 624,000		

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: CORRECTIONS

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
Woodland Correctional Facility - Whitmore Lake	36,473,900	754,000		
State general fund/general purpose	14,021,400	754,000		

This transfer request would support the payment of staff retention premiums at the Macomb, Thumb, and Woodland Correctional Facilities. Funding is available from facilities that had housing unit closures during the fiscal year.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$25,000				
FROM: MEDICAL SERVICES				
Special Medicaid reimbursement	338,370,100	(25,000)		
Total other state restricted revenues	87,952,700	(25,000)		
TO: MEDICAL SERVICES ADMINISTRATION				
Medical services administration	84,064,400	25,000		
Total other state restricted revenues	336,300	25,000		

This transfer would shift \$25,000 in State restricted authorization from the Special Medicaid Reimbursement line item to the Medical Services Administration line item to allow for expenditure of available revenue in this line. Each year, a portion of Specialty Network Access Fee (SNAF) and physician adjustor revenue is provided to the Medical Services Administration line item to cover the cost of processing those payments. The final quarter of FY 2020-21 SNAF revenue was not included in the FY 2020-21 accrual and is therefore available in FY 2021-22. Due to the timing of the revenue, there will be five quarters of revenue recorded in FY 2021-22 which will push total available State restricted revenue above authorized amounts.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$2,700,000				
FROM: BEHAVIORAL HEALTH SERVICES				
Health homes	44,705,800	(2,700,000)		
Total other federal revenues	39,009,900	(2,700,000)		
TO: BEHAVIORAL HEALTH SERVICES				
Federal mental health block grant	20,595,700	2,700,000		
Total other federal revenues	20,595,700	2,700,000		

This transfer would shift \$2.7 million in Federal authorization from the Health Homes line item to the Federal Mental Health Block Grant line item to allow expenditure of available revenue on eligible costs in FY 2021-22. The current FY 2021-22 appropriation is lower than the FY 2021-22 Federal Mental Health Block Grant Award received by the State. This transfer would provide the Department with the necessary authorization to recognize the receipt of the higher grant amount. Federal authority from the Health Homes line item is available for transfer due to lower than anticipated expenditures in FY 2021-22.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$1,500,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	15,400,000		(1,500,000)	
State restricted contingency revenues	15,400,000		(1,500,000)	
TO: STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES				
Care Regional Mental Health Center – psychiatric hospital – adult	58,842,000		1,500,000	
Total other state restricted revenues	3,122,700		1,500,000	

This transfer request would increase State restricted authorization in the Caro Regional Mental Health Center line item by \$1.5 million. The request is necessary to fully utilize the anticipated State restricted revenues received by the Caro Regional Mental Health Center. State restricted revenue in the Caro Regional Mental Health Center line item comes from Medicare, first party insurance, and commercial insurance payments.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$3,000,000				
FROM: FIELD OPERATIONS AND SUPPORT SERVICES				
Electronic benefit transfer (EBT)	10,289,000	(1,500,000)		
State general fund/general purpose	3,843,900	(1,500,000)		
Public assistance field staff	467,327,100	(1,500,000)		
State general fund/general purpose	200,953,300	(1,500,000)		
TO: FIELD OPERATIONS AND SUPPORT SERVICES				
Contractual services, supplies, and materials	17,595,000	3,000,000		
State general fund/general purpose	7,740,400	3,000,000		

This transfer request would shift \$3.0 million in GF/GP authorization to the Field Operations and Support Services Contractual Services, Supplies, and Materials (CSS&M) line item. These funds are requested to cover increased costs for employment verification services. The employment verification program is operated by Equifax Workforce Solutions (TALX). The contract with this vendor includes the DHHS, the Michigan Department of Treasury, the Michigan Department of Labor and Economic Opportunity, and the Michigan State Housing and Development Authority. In 2021, the contract was modified from a flat rate contract to a per-verification contract rate. The most recent pricing schedule for the four departments included in the contract is a \$791,700 per month fee that includes 2.5 million database searches.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$86,600,000				
FROM: CHILDREN'S SPECIAL HEALTH CARE SERVICES				
Medical care and treatment	270,475,500	(18,100,000)		
Total other federal revenues	164,802,800	(14,000,000)		
State general fund/general purpose	102,311,700	(4,100,000)		
MEDICAL SERVICES				
Adult home help services	479,456,800	(2,500,000)		
Total other federal revenues	343,674,700	(1,792,000)		
State general fund/general purpose	135,782,100	(708,000)		
Federal Medicare pharmaceutical program	331,525,400	(12,000,000)		
State general fund/general purpose	331,525,400	(12,000,000)		
Health plan services	6,449,093,800	(18,000,000)		
Total other federal revenues	4,655,024,500	(15,168,000)		
State general fund/general purpose	188,321,200	(2,832,000)		
* Healthy Michigan plan	5,348,616,000	(28,000,000)		
* Total other federal revenues	4,814,684,300	(25,200,000)		
* State general fund/general purpose	0	(2,800,000)		
* Hospital services and therapy	783,303,500	0		
* State general fund/general purpose	12,753,000	0		
Medicare premium payments	777,251,100	(8,000,000)		
Total other federal revenues	659,958,100	(5,734,400)		
State general fund/general purpose	117,293,000	(2,265,600)		

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TO: MEDICAL SERVICES				
Ambulance services	15,807,000	200,000		
Total other federal revenues	11,330,500	143,400		
State general fund/general purpose	3,792,000	56,600		
Home health services	3,132,500	200,000		
Total other federal revenues	2,245,400	143,400		
State general fund/general purpose	887,100	56,600		
Hospice services	129,500,500	10,000,000		
Total other federal revenues	90,447,600	7,168,000		
State general fund/general purpose	39,052,900	2,832,000		
Integrated care organizations	365,643,500	2,000,000		
Total other federal revenues	249,866,200	1,433,600		
State general fund/general purpose	115,777,300	566,400		
Long-term care services	1,795,297,200	24,000,000		
Total other federal revenues	1,282,496,500	17,203,200		
State general fund/general purpose	167,305,600	6,796,800		
Physician services	194,192,800	35,000,000		
Total other federal revenues	139,575,300	20,659,400		
State general fund/general purpose	54,612,500	14,340,600		

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
School-based services	152,838,600	15,000,000		
Total other federal revenues	152,838,600	15,000,000		
Transportation	17,074,300	200,000		
Total other federal revenues	11,364,100	143,400		
State general fund/general purpose	5,710,200	56,600		

This transfer request would shift Federal and GF/GP authorization among line items in the Children Special Health Care Services and Medical Services appropriation units for fiscal year-end “book closing” adjustments. The Department states that the Federal and GF/GP shifts between the line items are necessary to reflect actual FY 2021-22 Medicaid caseload spending. Due to uncertainty in how Medicaid caseload programs will expend funds between the annual May 2022, Consensus Revenue Estimating Conference process and the end of the fiscal year, the adjustments represent a reconciliation between line items where there is a projected surplus and line items where there is a projected deficit. This \$86.6 million Gross transfer represents 0.4% of the total \$22.8 billion Gross appropriated in the three Medicaid appropriations units.

***NOTE: The original State Budget Office (SBO) Transfer Letter for Transfer Request 2022-8 shifted \$2.8 million in GF/GP authorization from the Healthy Michigan Plan line item, however there is no GF/GP authorization in that line item. SBO has requested an informal correction to the transfer letter that would shift \$2.8 million in GF/GP authorization from the Hospital Services and Therapy line item rather than the Healthy Michigan Plan line item.**

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$5,500,000				
FROM: BOILERPLATE APPROPRIATIONS				
Contingency funds	15,400,000	(5,500,000)		
State restricted contingency revenues	15,400,000	(5,500,000)		
TO: MEDICAL SERVICES				
Health plan services	6,449,093,800	1,000,000		
Total other state restricted revenues	1,589,498,500	1,000,000		
Healthy Michigan plan	5,348,616,000	500,000		
Total other state restricted revenues	530,548,800	500,000		
Long-term care services	1,795,297,200	4,000,000		
Total other state restricted revenues	275,576,300	4,000,000		

This transfer request would increase State restricted authorization by \$5.5 million, in the form of Quality Assurance Assessment Program (QAAP) revenue, in the Health Plan, Healthy Michigan Plan, and Long-Term Care Services line items. The Department states that QAAP revenue accruals will not be finalized until December 2022, and the increase in State restricted authorization is necessary in case collected or accrued QAAP revenue is more than current authorization amounts.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$31,000,000				
FROM: BEHAVIORAL HEALTH SERVICES				
Medicaid mental health services	3,068,718,600	(31,000,000)		
Total other federal revenues	2,198,728,300	(19,000,000)		
State general fund/general purpose	809,165,200	(12,000,000)		
TO: BEHAVIORAL HEALTH SERVICES				
Certified community behavioral health clinic demonstration	99,266,800	31,000,000		
Total other federal revenues	82,923,900	19,000,000		
State general fund/general purpose	16,342,900	12,000,000		

This transfer request reflects the usual book closing Behavioral Health Medicaid transfers that are requested to align line item appropriations and fund sourcing for Medicaid programs with projected expenditures. The State Budget Office, the House Fiscal Agency, and the Senate Fiscal Agency reached consensus estimates for Medicaid expenditures in May 2022, but variances in spending and accrual costs occurring after May would leave several line items with shortfalls at book closing, necessitating the transfer request.

This transfer request would shift \$31.0 million Gross, \$19.0 million in Federal authorization and \$12.0 million in GF/GP authorization, from the Medicaid Mental Health Services line item to the Certified Community Behavioral Health Clinic Demonstration line item. Expenditures in the Certified Community Behavioral Health Clinic Demonstration line item have exceeded the forecasted expenditure for this line item agreed to during the May 2022, Consensus Revenue Estimating Conference process, resulting in the need for additional funding.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: HEALTH AND HUMAN SERVICES

FISCAL YEAR: 2021-22

TRANSFER ITEMS	Y-T-D GROSS APPROP.	TRANSFER AMOUNT		
		GOV.'S REC.	SENATE ACTION	HOUSE ACTION
TOTAL TRANSFER REQUEST: \$7,100,000				
FROM: BEHAVIORAL HEALTH SERVICES				
Autism services	287,484,700	(1,100,000)		
Total other federal revenues	207,271,000	(800,000)		
State general fund/general purpose	80,213,700	(300,000)		
Medicaid mental health services	3,068,718,600	(6,000,000)		
Total other federal revenues	2,198,728,300	(6,000,000)		
TO: BEHAVIORAL HEALTH SERVICES				
Healthy Michigan plan – behavioral health	582,291,300	6,000,000		
Total other federal revenues	519,922,100	6,000,000		
Medicaid substance use disorder services	83,000,000	1,100,000		
Total other federal revenues	59,494,400	800,000		
State general fund/general purpose	23,505,600	300,000		

This transfer request reflects the usual book closing Behavioral Health Medicaid transfers that are requested to align line item appropriations and fund sourcing for Medicaid programs with projected expenditures. The State Budget Office, the House Fiscal Agency, and the Senate Fiscal Agency reached consensus estimates for Medicaid expenditures in May 2022, but variances in spending and accrual costs occurring subsequent to May would leave several line items with shortfalls at book closing, necessitating the transfer request.

This transfer request would shift \$1.1 million Gross, \$800,000 in Federal authorization and \$300,000 in GF/GP authorization, from the Autism Services line item to the Medicaid Substance Use Disorder Services line item. Additionally, \$6.0 million in Federal authorization from the Medicaid Mental health Services line item would be shifted to the Healthy Michigan Plan – Behavioral Health line item.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: MILITARY AND VETERANS AFFAIRS

FISCAL YEAR: 2021-22

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

TOTAL TRANSFER REQUEST: \$62,000

FROM: MICHIGAN VETERANS AFFAIRS AGENCY

Veterans service grants	4,250,000	(62,000)	
State general fund/general purpose	4,250,000	(62,000)	

TO: MICHIGAN VETERANS AFFAIRS AGENCY

Michigan veterans affairs agency administration	7,458,600	62,000	
State general fund/general purpose	7,398,600	62,000	

This request would transfer \$62,000 in General Fund authorization from the Veterans Service Grants line to the Michigan Veterans Affairs Agency Administration line to support costs for the development of a grant management system. Spending authority is available in the Veterans Service Grants line due to the grantee (the Michigan Veteran Coalition) not having earned the full amount available.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: SCHOOL AID

FISCAL YEAR: 2021-22

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

TOTAL TRANSFER REQUEST: \$45,000,000

FROM: SCHOOL AID ONE-TIME APPROPRIATIONS

Sec. 31y - Year-Round Schools: 3% Foundation Increase	60,000,000	(45,000,000)
School aid fund	60,000,000	(45,000,000)

TO: SCHOOL AID

Sec. 51a(2) - Special Education Foundations (ISDs)	311,800,000	10,000,000
School aid fund	311,800,000	10,000,000
Sec. 51c - Special Education Headlee Obligation	686,200,000	35,000,000
School aid fund	686,200,000	35,000,000

This transfer request would move \$45.0 million from foundation allowance bonus payments for districts providing year-round school (Sec. 31y) and use this amount to offset higher than anticipated special education costs (Sec. 51a(2) and 51c). There were no requests for payments from Sec. 31y in FY 2021-22.

Final special education costs and transportation costs were submitted by districts at the end of September. These costs grew by 7.3% and 22% over prior year costs. At the May Consensus Revenue Estimating Conference, growth was projected at 3.4% and at 7.3%. The State is required to reimburse 28.6% of special education costs and 70.4% of special education transportation costs.

LEGISLATIVE TRANSFER

S.B.O. REQUEST NO: 2022-8

BUDGET AREA: TREASURY

FISCAL YEAR: 2021-22

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

TOTAL TRANSFER REQUEST: \$102,875

FROM: REVENUE SHARING

City, village, and township revenue sharing	266,245,100	(102,875)	
Sales tax	266,245,100	(102,875)	

TO: REVENUE SHARING

Financially distressed cities, villages, or townships	2,500,000	102,875	
Sales tax	2,500,000	102,875	

This transfer would make unexpended City, Village, and Township Revenue Sharing (CVTRS) funds available for expenditure under the program for Financially Distressed Cities, Villages, or Townships (FDCVT), in accordance with boilerplate section 952(5) of 2021 PA 87. There were no funds remaining in the County Incentive Program (CIP) to transfer for fiscal year 2021-22.

CVTRS funds are available due to eligible units not qualifying for some or all of their payments. The FDCVT grant program supports grant funding to cities, villages, or townships with one or more conditions that indicate probable financial distress to pay for specific projects, services, or strategies that move a local unit toward financial stability. For fiscal year 2021-22, there was one city, 24 villages, and eight townships that did not qualify for some or all of their CVTRS payments. This transfer is requested as part of fiscal year 2021-22 book closing transfers. Consistent with prior years, these transfer amounts should not be rounded.