



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

MARY A. LANNOYE
DIRECTOR

February 19, 2003

The Honorable Shirley Johnson, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Marc Shulman, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

The following fiscal year 2003 transfers are submitted as part of the overall plan to address the fiscal year 2003 revenue shortfall. These recommended transfers offset various Executive Order 2003-3 general fund reductions by authorizing the expenditure of available restricted fund revenue sources. These transfers are in accordance with section 393(2) of Act No. 431, P.A. 1984, as amended, and are recommended for approval by the House and Senate appropriations committees. The following information summarizes the transfer recommendations:

<u>DEPARTMENT</u>	<u>TRANSFER AMOUNT</u>
Agriculture (791014, 791018-791022, 791024, 791026, 791027)	\$622,200
Capital Outlay (078SB03)	1,755,900
Consumer & Industry Services (631006)	665,200
Education (313050-313055)	666,800
Environmental Quality (761011, 761011a)	3,212,700
Family Independence Agency (431100)	17,304,400
History, Arts & Libraries (251005)	211,300
Military & Veterans Affairs (511006-511007)	1,418,200

The Honorable Shirley Johnson
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DEPARTMENT

Natural Resources (751010, 751011)

TRANSFER AMOUNT

\$1,375,100

Sincerely,

Mary A. Lannoye
State Budget Director

cc: Ken Sikkema, Senate Majority Leader
Rick Johnson, Speaker of the House
Bob Emerson, Senate Minority Leader
Dianne Byrum, House Minority Leader
Senate Appropriations Committee
House Appropriations Clerk
Senate Fiscal Agency
House Fiscal Agency

Tim Hughes, Executive Office
Rick Wiener, Executive Office
Departments
Nancy W. Duncan, Deputy State
Budget Director
Mike Moody, Financial Management
Internal Budget Office Distribution

DEPARTMENT OF AGRICULTURE

FROM: CONTINGENCY FUNDS
Federal contingency fund 01170 (62,200)
Federal contingency revenues (62,200)

TO: PESTICIDE AND PLANT PEST MANAGEMENT
Pesticide and plant pest management 02205 62,200
DAG, multiple grants 62,200

Increased authorization of federal funds in place of general funds which were reduced as part of the February 2003 Executive order. These funds will be used to assist in the eradication efforts of the Emerald Ash Borer.

FROM: CONTINGENCY FUNDS
State restricted contingency fund 01180 (10,000)
State restricted contingency revenues (10,000)

TO: EXECUTIVE
Management services 01210 10,000
Licensing & inspection fees 10,000

Increased authorization is needed to expend available fees in place of general funds which were reduced as part of Executive Order 2003-3.

FROM: CONTINGENCY FUNDS
State restricted contingency fund 01180 (50,000)
State restricted contingency revenues (50,000)

TO: PESTICIDE AND PLANT PEST MANAGEMENT
Pesticide and plant pest management 02205 50,000
Licensing and inspection fees 50,000

Increased authorization is needed to expend available fees in place of general funds which were reduced as part of Executive Order 2003-3.

FROM: CONTINGENCY FUNDS
State restricted contingency fund 01180 (150,000)
State restricted contingency revenues (150,000)

TO: FOOD AND DAIRY
Food safety and quality assurance 02490 150,000
Licensing and inspection fees 150,000

Increased authorization is needed to expend available fees in place of general funds which were reduced as part of Executive Order 2003-3.

FROM: CONTINGENCY FUNDS
State restricted contingency fund 01180 (25,000)
State restricted contingency revenues (25,000)

TO: LABORATORY PROGRAM
Laboratory analysis program 02530 25,000
Testing fees 25,000

Increased authorization is needed to expend available fees in place of general funds which were reduced as part of Executive Order 2003-3.

FROM:	CONTINGENCY FUNDS		
	State restricted contingency fund	01180	(25,000)
	State restricted contingency revenues		(25,000)
TO:	LABORATORY PROGRAM		
	Consumer protection program	02540	25,000
	Weights and measures regulation fees		25,000
	Increased authorization is needed to expend available fees in place of general funds which were reduced as part of Executive Order 2003-3.		
FROM:	CONTINGENCY FUNDS		
	State restricted contingency fund	01180	(100,000)
	State restricted contingency revenues		(100,000)
TO:	DEPARTMENTWIDE		
	Rent and building occupancy charges	01420	100,000
	IDG from MDCIS (LCC), nonretail liquor license fees		6,600
	Agricultural preservation fund		27,300
	Groundwater and freshwater protection fund		10,900
	Licensing & inspection fees		55,200
	Increased authorization is needed to expend available agricultural preservation fund and groundwater and freshwater protection fund fees in place of general funds that were reduced as part of Executive Order 2003-3.		
FROM:	CONTINGENCY FUNDS		
	State restricted contingency fund	01180	(50,000)
	State restricted contingency revenues		(50,000)
TO:	ENVIRONMENTAL STEWARDSHIP		
	Environmental stewardship	03120	50,000
	Groundwater and freshwater protection fund		50,000
	Increase authorization is needed to expend available groundwater and freshwater protection fees in place of general funds that were reduced as part of Executive Order 2003-3.		
FROM:	CONTINGENCY FUNDS		
	Federal contingency fund	01170	(150,000)
	Federal contingency revenues		(150,000)
TO:	ANIMAL INDUSTRY		
	Bovine tuberculosis program	02365	150,000
	DAG, multiple grants		150,000
	Increased authorization is needed to expend available federal funds in place of general funds which were reduced as part of February 2003 Executive Order.		
CAPITAL OUTLAY			
FROM:	DEPARTMENT OF MANAGEMENT & BUDGET		
	health	74775	(171,300)
	General fund/general purpose		(171,300)
	Major special maintenance and remodeling for department of corrections	74776	(711,700)
	General fund/general purpose		(711,700)
	Major special maintenance and remodeling for family independence agency	74777	(188,400)
	General fund/general purpose		(188,400)

Major special maintenance and remodeling for department of state police General fund/general purpose	74779	(87,800) (87,800)
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DEPARTMENT OF MILITARY AFFAIRS

For department of military affairs remodeling and additions and special maintenance projects General fund/general purpose	74780	(596,700) (596,700)
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TO: DEPARTMENT OF MANAGEMENT & BUDGET

Major special maintenance and remodeling for department of management and budget General fund/general purpose	74778	1,755,900 1,755,900
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Explanation: Consolidates all remaining general fund-supported special maintenance appropriations (\$2 million) in the Department of Management and Budget for statewide emergency special maintenance projects. The Department will be responsible for allocating project expenditures among the various state agencies, with priority given to those projects that address immediate health and safety needs.

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

FROM: CONTINGENCY FUNDS

State restricted contingency fund	19004	(665,200)
State restricted contingency revenues		(665,200)

TO: FIRE SAFETY

Office of fire safety	29001	665,200
Fire service fees		665,200

The purpose of this transfer is to authorize the expenditure of available fire service fees in order to offset the general fund reduction to the the Office of Fire Safety in Executive Order 2003-3.

DEPARTMENT OF EDUCATION

FROM: CONTINGENCY FUNDS

Federal contingency fund	01607	(53,000)
Federal contingency revenues		(53,000)

TO: STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Unclassified positions	01403	53,000
Federal revenues		53,000

Increased authorization is needed to expend available federal revenue in place of general funds which were reduced as part of Executive Order 2003-3.

FROM: CONTINGENCY FUNDS

Federal contingency fund	01607	(498,700)
Federal contingency revenues		(498,700)

TO: STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

State board/superintendent operations	01404	498,700
Federal revenues		498,700

Increased authorization is needed to expend available federal revenue in place of general funds which were reduced as part of Executive Order 2003-3.

FROM: CONTINGENCY FUNDS

State restricted contingency fund	01613	(63,900)
State restricted contingency revenues		(63,900)

TO:	STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT		
	State board/superintendent operations	01404	63,900
	Certification fees		63,900

Increased authorization is needed to expend available fees in place of general funds which were reduced as part of Executive Order 2003-3.

FROM:	CONTINGENCY FUNDS		
	State restricted contingency fund	01613	(6,800)
	State restricted contingency revenues		(6,800)

TO:	STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT		
	Unclassified positions	01403	6,800
	Certification fees		6,800

Increased authorization is needed to expend available fees in place of general funds which were reduced as part of Executive Order 2003-3.

FROM:	CONTINGENCY FUNDS		
	Federal contingency fund	01607	(14,400)
	Federal contingency revenues		(14,400)

TO:	SAFE SCHOOLS AND ADMINISTRATIVE LAW		
	Administrative law operations	07602	14,400
	Federal revenues		14,400

Increased authorization is needed to expend available federal revenue in place of general funds which were reduced as part of Executive Order 2003-3.

FROM:	CONTINGENCY FUNDS		
	State restricted contingency fund	01613	(30,000)
	State restricted contingency revenues		(30,000)

TO:	CENTRAL SUPPORT		
	Central support	01605	30,000
	Certification fees		30,000

Increased authorization is needed to expend available fees in place of general funds which were reduced as part of Executive Order 2003-3.

DEPARTMENT OF ENVIRONMENTAL QUALITY

FROM:	CONTINGENCY FUNDS		
	State restricted contingency fund	01124	(2,897,100)
	State restricted contingency revenues		(2,897,100)

TO:	STORAGE TANKS		
	Leaking underground storage tank cleanup program	04419	2,897,100
	Cleanup and redevelopment fund		2,897,100

EXPLANATION: This transfer provides for an increase in authority to spend available cleanup and redevelopment funds in place of general fund which was reduced as part of Executive Order 2003-3.

FROM:	CONTINGENCY FUNDS		
	State restricted contingency fund	01124	(315,600)
	State restricted contingency revenues		(315,600)

TO:	DRINKING WATER PROTECTION AND RADIOLOGICAL HEALTH		
	Laboratory services administration	04903	315,600
	State restricted contingency revenues		315,600

EXPLANATION: This transfer provides for an increase in authority to spend available state restricted contingency funds, specifically Clean Michigan Initiative - response activities funds, in place of general fund which was reduced as part of Executive Order 2003-3.

FAMILY INDEPENDENCE AGENCY

FROM:	CONTINGENCY FUNDS		
	Federal, state restricted, local and private contingency funds	12100	(17,304,400)
	Federal contingency revenues		(17,304,400)

TO:	JUVENILE JUSTICE SERVICES		
	Child care fund	47290	17,304,400
	Total federal revenues		17,304,400

Explanation: This transfer authorizes federal Temporary Assistance to Needy Families (TANF) revenue to replace the general fund reduction contained in Executive Order 2003-3. This adjustment is based on receiving federal Temporary Assistance for Needy Families reimbursement for the costs of Child Care Fund in-home services.

DEPARTMENT OF HISTORY, ARTS AND LIBRARIES

FROM:	CONTINGENCY FUNDS		
	Federal contingency fund	80000	(211,300)
	Federal contingency revenues		(211,300)

TO:	LIBRARY OF MICHIGAN		
	Grant to the Detroit public library	03200	26,900
	Library of Michigan operations	03050	184,400
	Federal section 903(d), SSA funds		211,300

The purpose of this transfer is to authorize the expenditure of available Federal XXV revenues in order to offset general fund reductions to the Detroit Public Library and state aid to libraries in Executive Order 2003-3.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

FROM:	CONTINGENCY FUNDS		
	Federal contingency fund	04020	(1,209,100)
	Federal contingency revenues		(1,209,100)

TO:	GRAND RAPIDS VETERANS HOME		
	Grand Rapids veterans home	03500	750,000
	DVA-VHA		750,000

	D.J. JACOBETTI VETERANS HOME		
	D.J. Jacobetti veterans home	03700	459,100
	DVA-VHA		459,100

This transfer provides for an increase in authorization to account for additional U.S. Department of Veterans Administration dollars available to the veterans' home. The increased federal authorization will offset GF/GP reductions contained in Executive Order 2003-3.

FROM:	CONTINGENCY FUNDS		
	State restricted contingency fund	04023	(209,100)
	State restricted contingency revenues		(209,100)

TO:	GRAND RAPIDS VETERANS HOME		
	Grand Rapids veterans home	03500	209,100
	Income and assessments		209,100

This transfer provides for an increase in authorization to account for additional income and assessment dollars available to the veterans' home. The increased authorization will offset GF/GP reductions contained in for Executive Order 2003-3.

DEPARTMENT OF NATURAL RESOURCES

FROM:	GRANTS		
	Federal - land and water conservation fund payments	06006	(200,000)
	DOI - NPS		(200,000)

TO:	ADMINISTRATIVE SERVICES		
	Financial and operations services	01101	200,000
	DOI - NPS		200,000

This transfer authorized available Department of Interior federal revenue to replace the reduction contained in Executive Order 2003-3 by allocating funds to administrative expenses and reducing grants for acquisition and development of public recreational lands and facilities.

FROM:	CONTINGENCY FUNDS		
	State restricted contingency fund	01124	(1,175,100)
	State restricted contingency revenues		(1,175,100)

TO:	DEPARTMENTAL OPERATION SUPPORT		
	Building occupancy charges	01345	1,175,100
	Park improvement fund		247,700
	Game and fish protection fund		53,500
	Forest resource revenue		612,700
	Michigan natural resources trust fund		50,000
	Michigan state parks endowment fund		211,200

This transfer allocates building occupancy charges to available state restricted funds in accord with the actual use of the building. This transfer replaces the general fund reduction contained in Executive Order 2003-3 for building occupancy charges.