



STATE OF MICHIGAN
 STATE BUDGET OFFICE
 LANSING

GRETCHEN WHITMER
 GOVERNOR

CHRISTOPHER M. HARKINS
 DIRECTOR

March 16, 2022

The Honorable Jim Stamas, Chair
 Senate Appropriations Committee
 Michigan State Senate
 State Capitol
 Lansing, Michigan 48909

The Honorable Thomas Albert, Chair
 House Appropriations Committee
 Michigan House of Representatives
 State Capitol
 Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Legislative Transfer Request 2022-2

I recommend the following fiscal year 2022 legislative transfers for your approval. 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 recommendation:

<u>Department</u>	<u>Transfer Amount</u>
Health and Human Services	\$650,000
Licensing and Regulatory Affairs	\$3,800,000
Natural Resources	\$300,000
Treasury	\$275,000
Total	\$5,025,000

Sincerely,

Christopher M. Harkins
 State Budget Director

Attachment

cc: Mike Shirkey, Senate Majority Leader
 Jason Wentworth, Speaker of the House
 Jim Ananich, Senate Minority Leader
 Donna Lasinski, House Minority Leader
 Senate Appropriations Committee
 House Appropriations Committee
 Senate Fiscal Agency
 House Fiscal Agency

Departments
 JoAnne Huls, Chief of Staff
 Tricia Foster, Chief Operating Officer
 Jen Flood, Deputy Chief of Staff
 George Cook, Director of Legislative Affairs
 Bethany Wicksall, Deputy State Budget Director
 Heather Boyd, Office of Financial Management
 Internal State Budget Office

Report ID: BUD-TRNLET-0046

SIGMA

Run Date: 03/8/2022

Transfer Letter Detail

Run Time: 8:07:28 AM

Legislative Transfer

Letter # 2022-2

Health and Human Services

FROM: HEALTH AND AGING SERVICES ADMINISTRATION

Electronic health record incentive program	41150		(650,000)
Federal funds	3000	FDRL	(650,000)

TO: CHILDREN'S SPECIAL HEALTH CARE SERVICES

Children's special health care services administration	35650		650,000
Federal funds	3000	FDRL	650,000

This transfer request moves \$650,000 in federal authorization from Electronic Health Record Incentive Programs line item to Children's Special Health Care Services (CSHCS) Administration line item to recognize available Medicaid administration matching funds for sickle cell disease outreach, testing, and support services. This transfer request is consistent with a base adjustment included in the FY23 Executive Recommendation.

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Letter # 2022-2

Licensing and Regulatory Affairs

FROM: OCCUPATIONAL REGULATION

Medical marihuana facilities licensing and tracking	52940		(3,800,000)
Marihuana regulatory fund	1551	STRS	(3,800,000)

TO: OCCUPATIONAL REGULATION

Recreational marihuana regulation	61671		3,800,000
Marihuana regulation fund	1555	STRS	3,800,000

The Marijuana Regulatory Agency (MRA) supports the licensing and regulation of medical marihuana and adult-use establishments. These programs are supported by the restricted Marihuana Regulatory Fund (medical) and the Marihuana Regulation Fund (adult-use). To align with the changing market share between adult-use and medical marihuana, the MRA is shifting time and resources to the expanding adult-use regulatory program. This \$3.8 million transfer adjusts the program appropriations to reflect the shifting allocation of resources between the medical and adult-use programs. As a result of this transfer, the Medical Marihuana Facilities Licensing and Tracking line would decrease from \$11.6 million to \$7.8 million, and the Recreational Marihuana line would increase from \$7.4 million to \$11.2 million. The Governor's Executive Budget Recommendation includes a similar shift in resources from the medical to adult-use program in fiscal year 2023.

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Letter # 2022-2

Natural Resources

FROM: BOILERPLATE APPROPRIATIONS

Contingency funds	B24000		(300,000)
State restricted contingency revenues	1441	STRS	(300,000)

TO: COMMUNICATION AND CUSTOMER SERVICES

Marketing and outreach	52400		300,000
Game and fish protection fund	1112	STRS	300,000

This request transfers state restricted contingency fund authorization to the Marketing and Outreach line to align authorization with available revenues collected to support non-discretionary credit card processing fees from increased online license sales. State restricted contingency funds are available in accordance with P.A. 87 of 2021, Article 11, Section 210.

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Legislative Transfer

Letter # 2022-2

Treasury

FROM: DEPARTMENTAL ADMINISTRATION AND SUPPORT

Collections services bureau	56500		(275,000)
Delinquent tax collection revenue	1253	STRS	(275,000)

TO: DEPARTMENTAL ADMINISTRATION AND SUPPORT

Department services	11500		275,000
Delinquent tax collection revenue	1253	STRS	275,000

This transfer request reflects a partial-year shift of several staff between the Collections Services Bureau and Department Services due to an internal departmental reorganization. A corresponding transfer of 5.0 FTEs and \$364,600 is requested in the Fiscal Year 2023 Executive Recommendation to properly align both line items on an ongoing and full-year basis.