



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

CHRISTOPHER M. HARKINS  
DIRECTOR

October 26, 2023

The Honorable Sarah Anthony, Chair  
Senate Appropriations Committee  
Michigan State Senate  
State Capitol  
Lansing, Michigan 48909

The Honorable Angela Witwer, Chair  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Legislative Transfer Request 2023-8

I recommend the following fiscal year 2023 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 recommendations:

<b><u>Department</u></b>	<b><u>Transfer Amount</u></b>
Corrections	\$18,700,000
Health and Human Services	\$361,109,200
Licensing and Regulatory Affairs	\$750,000
Military and Veterans Affairs	\$7,291,000
State Police	200,000
Treasury	\$153,644
<b>Total</b>	<b>\$388,203,844</b>

If you have any questions regarding this request, please contact my office at (517) 335-3420.

Sincerely,

Christopher M. Harkins  
State Budget Director

Attachment

Senator Sarah Anthony  
Representative Angela Witwer  
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cc: Winnie Brinks, Senate Majority Leader  
Joe Tate, Speaker of the House  
Aric Nesbitt, Senate Minority Leader  
Matt Hall, 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  
Patti Tremblay, Director of Legislative Affairs  
Kyle Guerrant, Deputy State Budget Director  
Heather Boyd, Office of Financial Management  
Internal State Budget Office

**Report ID:** BUD-TRNLET-0046**Run Date:** 10/25/2023**Run Time:** 8:00:00 AM**SIGMA****Transfer Letter Detail****Legislative Transfer****Letter # 2023-8****Corrections****FROM: CORRECTIONAL FACILITIES ADMINISTRATION**

Prison food service	59100		(700,000)
State general fund/general purpose	1000	GFGP	(700,000)

**TO: CORRECTIONAL FACILITIES ADMINISTRATION**

Transportation	67800		700,000
State general fund/general purpose	1000	GFGP	700,000

This transfer will provide funding for higher than budgeted prisoner transportation costs due to high staff seniority. Funding is available from the facility consolidations made at the Michigan Reformatory and Gus Harrison Correctional Facility in November 2022. This transfer is needed to complete the Fiscal Year 2023 book closing process.

**FROM: ONE-TIME APPROPRIATIONS**

COVID-19 suspended intake payments	T38525		(1,000,000)
State general fund/general purpose	1000	GFGP	(1,000,000)

**CORRECTIONAL FACILITIES**

Gus Harrison Correctional Facility - Adrian	22340		(7,000,000)
State general fund/general purpose	1000	GFGP	(7,000,000)

Michigan Reformatory - Ionia	22460		(7,600,000)
State general fund/general purpose	1000	GFGP	(7,600,000)

**HEALTH CARE**

Prisoner health care services	59250		(2,400,000)
State general fund/general purpose	1000	GFGP	(2,400,000)

**TO: HEALTH CARE**

Clinical complexes	36140		18,000,000
State general fund/general purpose	1000	GFGP	18,000,000

This transfer request will provide for higher than anticipated onsite clinical costs. Funding is available due to lower than budgeted costs in other health care areas. Funding is also available from the facility consolidations made at the Michigan Reformatory and Gus Harrison Correctional Facility in November 2022. Due to the end of the COVID-19 pandemic, funding is also available from the one-time COVID-19 suspended intake payment line item. This transfer is requested as part of the fiscal year 2023 book closing process.

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Contingency funds	B24000		(1,200,000)
State restricted contingency revenues	1441	STRS	(1,200,000)

**TO: CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

Foster care payments	45250		1,200,000
Foster children SSA	1593	STRS	1,200,000

This transfer moves \$1.2 million in contingency fund revenue to the Foster Care Payments line to recognize higher than projected state restricted revenues. Spending authority is available from state restricted contingency fund authorization in accordance with PA 166 of 2022, Article 6, Section 210(2).

**FROM: CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

Family preservation programs	42850		(100,000)
State general fund/general purpose	1000	GFGP	(100,000)

**TO: CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

Guardianship assistance program	46600		100,000
State general fund/general purpose	1000	GFGP	100,000

This transfer moves \$100,000 General Fund available from the Family Preservation Programs line to the Guardianship Assistance Program line to support greater-than-anticipated expenditures in that line. General Fund funding is available for transfer from the Family Preservation Program line due to lower-than-anticipated expenditures for FFPSA prevention services.

**FROM: DEPARTMENTAL ADMINISTRATION AND SUPPORT**

Legal services	50905		(1,500,000)
State general fund/general purpose	1000	GFGP	(1,500,000)

**ONE-TIME APPROPRIATIONS**

Child welfare day treatment pilot program	T34495		(2,400,000)
State general fund/general purpose	1000	GFGP	(2,400,000)

**CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

Children's protective services - caseload staff	35554		(8,100,000)
State general fund/general purpose	1000	GFGP	(8,100,000)

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Food assistance reinvestment	44802		(5,000,000)
State general fund/general purpose	1000	GFGP	(5,000,000)

**TO: CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

Child care fund	34150		17,000,000
State general fund/general purpose	1000	GFGP	17,000,000

This transfer moves \$17 million General Fund from various lines to the Child Care Fund line to support greater-than-anticipated expenditures in that line. General Fund is available in the Food Assistance Reinvestment, the Child Welfare Day Treatment Pilot Program, the Children's Protective Services - Caseload Staff, and Legal Services lines all due to lower than anticipated expenditures in FY 2023.

**FROM: CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

Family preservation programs	42850		(60,000)
Social security act, temporary assistance for needy families	3510	FDRL	(60,000)

**TO: BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS**

Family support subsidy	42950A		60,000
Social security act, temporary assistance for needy families	3510	FDRL	60,000

This transfer shifts \$60,000 in Temporary Assistance for Needy Families authorization from the Family Preservation line to the Family Support Subsidy line. This transfer is needed for higher than anticipated payments to income-eligible families who care for their children with severe disabilities at home.

**FROM: BEHAVIORAL HEALTH SERVICES**

Autism services	31650		(1,130,000)
Federal funds	3000	FDRL	(830,000)
State general fund/general purpose	1000	GFGP	(300,000)

**TO: BEHAVIORAL HEALTH SERVICES**

Nursing home PAS/ARR-OBRA	56300		1,130,000
Federal funds	3000	FDRL	830,000
State general fund/general purpose	1000	GFGP	300,000

This transfer shifts \$1.1 million Gross (\$300,000 General Fund) from the Autism Services line to the Nursing Home PAS/ARR-OBRA line. This transfer is needed for increased costs of providing pre-admission screenings and evaluations services to seriously mentally ill individuals who are seeking admission to nursing home facilities.

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Behavioral health community supports and services	32044		(1,500,000)
Federal funds	3000	FDRL	(1,500,000)

**TO: BEHAVIORAL HEALTH SERVICES**

Federal mental health block grant	43750		1,500,000
Federal funds	3000	FDRL	1,500,000

This transfer shifts \$1.5 million in Federal authorization from the Behavioral Health Community Supports and Services line to the Federal Mental Health Block Grant line. This adjustment is necessary to allow expenditure of available revenue on eligible costs in FY23.

**FROM: BOILERPLATE APPROPRIATIONS**

Contingency funds	B24000		(1,519,200)
State restricted contingency revenues	1441	STRS	(1,519,200)

**TO: BEHAVIORAL HEALTH SERVICES**

Healthy Michigan plan - behavioral health	47620		223,700
Quality assurance assessment tax	1902	STRS	223,700
Medicaid mental health services	52700		1,295,500
Quality assurance assessment tax	1902	STRS	1,295,500

This transfer shifts \$1.5 million in state restricted contingency fund authority to the Medicaid Mental Health Services line (\$1.3 million) and Healthy Michigan Plan-Behavioral Health line (\$223,700). This authority is needed to account for greater than anticipated Quality Assurance Assessment Program tax revenue. State Restricted contingency funds are available in accordance with PA 119 of 2023, Article 6, Sec. 210 (2).

**FROM: BEHAVIORAL HEALTH SERVICES**

Healthy Michigan plan - behavioral health	47620		(2,000,000)
State general fund/general purpose	1000	GFGP	(2,000,000)
Medicaid mental health services	52700		(33,600,000)
Federal funds	3000	FDRL	(20,600,000)
State general fund/general purpose	1000	GFGP	(13,000,000)

**TO: BEHAVIORAL HEALTH SERVICES**

Certified community behavioral health clinic demonstration	33935		35,600,000
Federal funds	3000	FDRL	20,600,000
State general fund/general purpose	1000	GFGP	15,000,000

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This transfer shifts \$33.6 million Gross (\$13 million General Fund) from the Medicaid Mental Health Services and \$2 million in Federal authorization from the Healthy Michigan Plan - Behavioral Health lines to the Certified Community Behavioral Health Clinic Demonstration (CCBHC) line. This transfer is needed to account for all payments to be made to CCBHC providers for services rendered in FY23.

**FROM: BOILERPLATE APPROPRIATIONS**

Contingency funds	B24000		(3,100,000)
State restricted contingency revenues	1441	STRS	(3,100,000)

**STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

Hawthorn Center - psychiatric hospital - children and adolescents	46750		(1,000,000)
Federal funds	3000	FDRL	(1,000,000)
Walter P. Reuther Psychiatric Hospital - adult	69250		(1,900,000)
State general fund/general purpose	1000	GFGP	(1,900,000)

**TO: STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

Caro Regional Mental Health Center - psychiatric hospital - adult	33450		2,300,000
Federal funds	3000	FDRL	1,000,000
Other state restricted revenues	1200	STRS	1,300,000
Center for forensic psychiatry	33650		3,200,000
Other state restricted revenues	1200	STRS	1,300,000
State general fund/general purpose	1000	GFGP	1,900,000
Walter P. Reuther Psychiatric Hospital - adult	69250		500,000
Other state restricted revenues	1200	STRS	500,000

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The transfer is needed to properly align authorization with projected revenues and expenditures within state psychiatric hospital lines. The transfer includes the following:

- \$1.9 million in GF/GP and \$1.3 million in State Restricted contingency fund authorization to the Center for Forensic Psychiatry line.
- \$1.3 million in State Restricted contingency fund and \$1 million in Federal authorization to the Caro Regional Mental Health Center - Psychiatric Hospital - Adult line.
- \$500,000 in State restricted contingency fund authorization to the Walter P. Reuther Psychiatric Hospital - adult line.

State restricted contingency funds are available in accordance with PA 119 of 2023, Article 6, Sec. 210 (2).

**FROM: PUBLIC ASSISTANCE**

Food assistance program benefits	44800		(20,000,000)
Federal funds	3000	FDRL	(20,000,000)

**TO: BEHAVIORAL HEALTH SERVICES**

Healthy Michigan plan - behavioral health	47620		20,000,000
Federal funds	3000	FDRL	20,000,000

This transfer shifts \$20 million in Federal authorization from the Food Assistance Program Benefits line to the Women, Infants, and Children Program Local Agreements and Food Costs line. This transfer is necessary due to an increase in monthly cash value benefit provided to families participating in the program.

**FROM: DEPARTMENTAL ADMINISTRATION AND SUPPORT**

Legal services	50905		(5,000,000)
State general fund/general purpose	1000	GFGP	(5,000,000)

**BEHAVIORAL HEALTH SERVICES**

Behavioral health community supports and services	32044		(12,000,000)
State general fund/general purpose	1000	GFGP	(12,000,000)

Medicaid mental health services	52700		(8,000,000)
State general fund/general purpose	1000	GFGP	(8,000,000)



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Dental services	39270		(13,000,000)
Federal funds	3000	FDRL	(5,000,000)
State general fund/general purpose	1000	GFGP	(8,000,000)
Health plan services	47300		(63,000,000)
Federal funds	3000	FDRL	(63,000,000)
Healthy Michigan plan	47600		(35,000,000)
Federal funds	3000	FDRL	(10,000,000)
Insurance provider fund	1561	STRS	(25,000,000)
Hospital services and therapy	48350		(82,000,000)
Federal funds	3000	FDRL	(52,000,000)
State general fund/general purpose	1000	GFGP	(30,000,000)
Medicare premium payments	53150		(27,000,000)
State general fund/general purpose	1000	GFGP	(27,000,000)
Pharmaceutical services	58550		(25,000,000)
Federal funds	3000	FDRL	(12,000,000)
State general fund/general purpose	1000	GFGP	(13,000,000)
Special Medicaid reimbursement	64900		(6,500,000)
Federal funds	3000	FDRL	(6,500,000)

**TO: CHILDREN'S SPECIAL HEALTH CARE SERVICES**

Medical care and treatment	52850		5,000,000
Federal funds	3000	FDRL	5,000,000

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Adult home help services	30400		4,500,000
State general fund/general purpose	1000	GFGP	4,500,000
Health plan services	47300		52,000,000
Insurance provider fund	1561	STRS	25,000,000
State general fund/general purpose	1000	GFGP	27,000,000
Hospice services	48250		6,000,000
State general fund/general purpose	1000	GFGP	6,000,000
Long-term care services	51950		155,000,000
Federal funds	3000	FDRL	100,000,000
State general fund/general purpose	1000	GFGP	55,000,000
Maternal and child health	52450		6,000,000
Federal funds	3000	FDRL	6,000,000
Medicaid home- and community-based services waiver	52650		18,500,000
Federal funds	3000	FDRL	15,500,000
State general fund/general purpose	1000	GFGP	3,000,000
Physician services	58600		29,500,000
Federal funds	3000	FDRL	22,000,000
State general fund/general purpose	1000	GFGP	7,500,000

This transfer adjusts General Fund and Federal authorization between Medicaid and Children's Special Health Care Services (CSHCS) program lines to align with forecasted final expenditures for fiscal year 2023. These adjustments are necessary to account for all payments made to Medicaid and CSHCS providers for services rendered in fiscal year 2023.

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**SIGMA**

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**FROM: HEALTH AND AGING SERVICES ADMINISTRATION**

Healthy Michigan plan administration	47610		(500,000)
Federal funds	3000	FDRL	(500,000)

**TO: CHILDREN'S SPECIAL HEALTH CARE SERVICES**

Children's special health care services administration	35650		500,000
Federal funds	3000	FDRL	500,000

This transfer increases Federal authorization to allow expenditure of anticipated revenue related to sickle cell agreements. These agreements are eligible to receive 50% federal Medicaid match that is not currently included in the budget.

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**SIGMA**

**Transfer Letter Detail**

**Legislative Transfer**

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## **Licensing and Regulatory Affairs**

**FROM: CANNABIS REGULATORY AGENCY**

Medical marihuana program	52950A		(750,000)
Marihuana registry fund	1342	STRS	(750,000)

**TO: CANNABIS REGULATORY AGENCY**

Medical marihuana facilities licensing and tracking	52940A		50,000
Marihuana regulatory fund	1551	STRS	50,000
Recreational marihuana regulation	61671A		700,000
Marihuana regulation fund	1555	STRS	700,000

This transfer shifts funding between three restricted fund sources to properly align authorization with final book closing expenditures for Fiscal Year 2023 within the Cannabis Regulatory Agency (CRA) and its programs. This is a net-to-zero transfer by fund source.

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Headquarters and armories	46870		59,000
Rental fees	1404	STRS	59,000

**TO: BOILERPLATE APPROPRIATIONS**

Contingency funds	B24000		(59,000)
State restricted contingency revenues	1441	STRS	(59,000)

This request transfers state restricted contingency authorization to the Headquarters and Armories line in order to allow for the receipt and expenditure of armory Rental Fees funds. Spending authority is available from PA 166 of 2022, Article 10, Section 210(2).

**FROM: BOILERPLATE APPROPRIATIONS**

Contingency funds	B24000		(500,000)
Federal contingency revenues	3010	FDRL	(500,000)

**TO: MILITARY**

Headquarters and armories	46870		500,000
DOD-DOA-NGB	3270	FDRL	500,000

This request transfers federal contingency authorization to the Headquarters and Armories line in order to align authorization with projected federal DOD-DOA-NGB revenue and expenditures. Expenditures exceeded original projections due to a one-time funded energy conservation audit. Spending authority is available from PA 166 of 2022, Article 10, Section 210(1).

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Contingency funds	B24000		(6,850,000)
Federal contingency revenues	3010	FDRL	(6,850,000)

**TO: MICHIGAN VETERANS' FACILITY AUTHORITY**

Chesterfield Township home for veterans	33970		3,000,000
USDVA-VHA	3278	FDRL	3,000,000

D.J. Jacobetti home for veterans	38850A		3,600,000
USDVA-VHA	3278	FDRL	3,600,000

Grand Rapids home for veterans	45800A		250,000
HHS-HCFA, Medicare, hospital insurance	3276	FDRL	250,000

This request transfers federal contingency authorization to the Chesterfield Township home for veterans and D.J. Jacobetti home for veterans lines in order to align authorization with projected federal USDVA-VHA revenue and expenditures. This request also transfers federal contingency fund authorization to the Grand Rapids home for veterans line in order to align authorization with projected federal Medicare revenue and expenditures. Spending authority is available from PA 166 of 2022, Article 10, Section 210(1).

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**SIGMA**

**Transfer Letter Detail**

**Legislative Transfer**

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## **State Police**

**FROM: BOILERPLATE APPROPRIATIONS**

Contingency funds	B24000		(200,000)
State restricted contingency revenues	1441	STRS	(200,000)

**TO: DEPARTMENTAL ADMINISTRATION AND SUPPORT**

Departmentwide	11530		200,000
Vehicle sales proceeds	1939	STRS	200,000

This transfer request shifts state restricted contingency fund authorization to the Departmentwide line to align authorization with available vehicle sales revenue generated through the sale of surplus vehicles from the department's fleet. Revenue from vehicle sales will be used to support the department's ongoing fleet costs. Spending authority is available from state restricted contingency fund authorization in accordance with PA 166 of 2022, Article 12, Section 210(2).

**Report ID:** BUD-TRNLET-0046**SIGMA****Run Date:** 10/25/2023**Transfer Letter Detail****Run Time:** 8:00:00 AM**Legislative Transfer****Letter # 2023-8****Treasury****FROM: REVENUE SHARING**

City, village, and township revenue sharing	23100		(153,644)
Sales tax	1411	STRS	(153,644)

**TO: REVENUE SHARING**

Financially distressed cities, villages, or townships	23300		153,644
Sales tax	1411	STRS	153,644

This transfer will 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 2022 PA 166. There were no funds remaining in the County Incentive Program (CIP) to transfer for fiscal year 2023.

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. This transfer is requested as part of fiscal year 2023 book closing. Consistent with prior years, these transfer amounts should not be rounded.