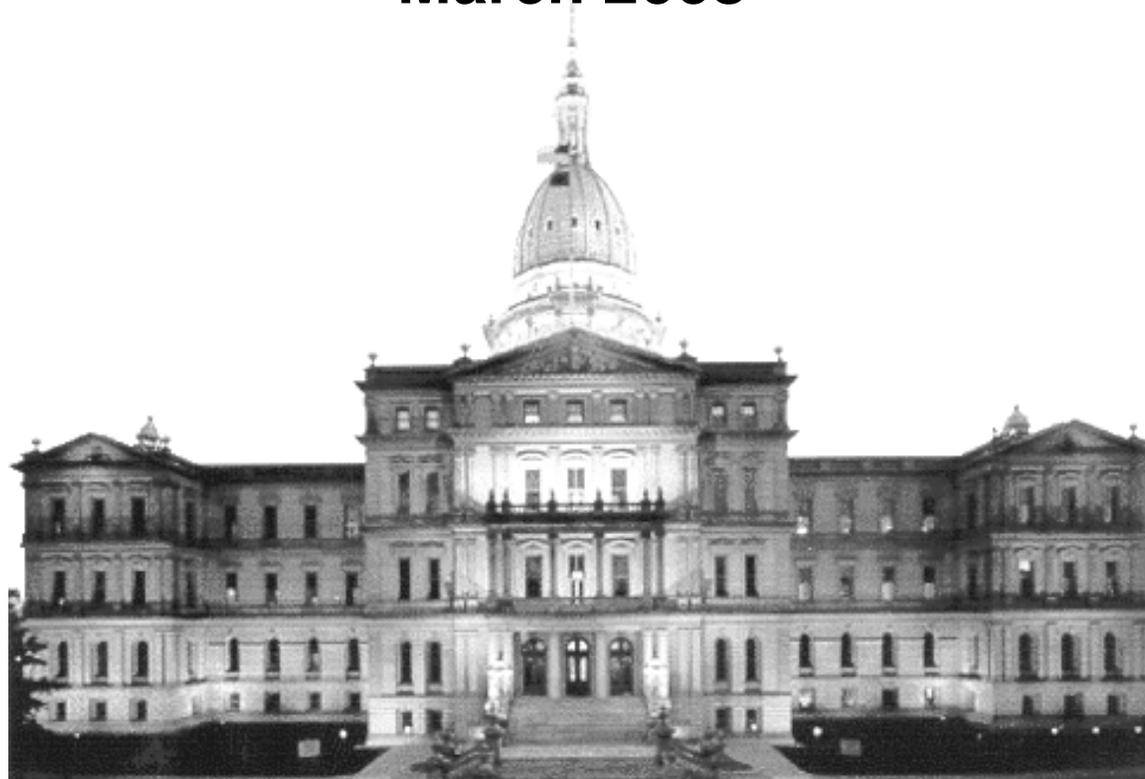




FY 2001-02
APPROPRIATIONS REPORT
Year-End Appropriations

March 2003



THE SENATE FISCAL AGENCY

The Senate Fiscal Agency is governed by a board of five members, including the majority and minority leaders of the Senate, the Chairperson of the Appropriations Committee of the Senate, and two other members of the Appropriations Committee of the Senate appointed by the Chairperson of the Appropriations Committee with the concurrence of the Majority Leader of the Senate, one from the minority party.

The purpose of the Agency, as defined by statute, is to be of service to the Senate Appropriations Committee and other members of the Senate. In accordance with this charge the Agency strives to achieve the following objectives:

1. To provide technical, analytical, and preparatory support for all appropriations bills.
2. To provide written analyses of all Senate bills, House bills and Administrative Rules considered by the Senate.
3. To review and evaluate proposed and existing State programs and services.
4. To provide economic and revenue analysis and forecasting.
5. To review and evaluate the impact of Federal budget decisions on the State.
6. To review and evaluate State issuance of long-term and short-term debt.
7. To review and evaluate the State's compliance with constitutional and statutory fiscal requirements.
8. To prepare special reports on fiscal issues as they arise and at the request of members of the Senate.

The Agency is located on the 8th floor of the Victor Office Center. The Agency is an equal opportunity employer.



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OVERVIEW

FY 2001-02 YEAR-END APPROPRIATIONS OVERVIEW

At the close of fiscal year (FY) 2001-02, the Michigan Legislature had approved and Governor John Engler had signed into law FY 2001-02 Adjusted Gross appropriations that totaled \$38.7 billion. This represents an increase of \$1.16 billion over the level of FY 2001-02 initial appropriations enacted before the beginning of the fiscal year. This report provides a summary of the changes in FY 2001-02 appropriations that occurred between the enactment of the initial set of appropriation bills and the final level of appropriations for the fiscal year. A detailed summary of the initial FY 2001-02 appropriation bills is contained in the Senate Fiscal Agency's (SFA's) FY 2001-02 Appropriation Report published in October 2001.

The changes made to the initial set of FY 2001-02 appropriations include the enactment of 12 separate supplemental appropriation bills, an adjustment related to Executive Order 2001-9, a series of contingency transfers approved by both the House and the Senate Appropriations Committees, and reductions in State revenue sharing payments due to adjustments in revenue estimates. The following information provides a brief summary of these appropriation adjustments. This SFA report discusses these adjustments in detail as they affect each separate appropriation bill. Finally, the report provides a brief summary of the final year-end balances in both the FY 2001-02 General Fund/General Purpose (GF/GP) budget and the FY 2001-02 School Aid Fund budget.

Table 1 provides a summary of the final level of FY 2001-02 appropriations by fund source. Table 2 provides a summary of the year end Adjusted Gross appropriations. The initial set of FY 2001-02 Adjusted Gross appropriations totaled \$37.6 billion, supplemental appropriations totaled \$1.28 billion, contingency fund transfers and revenue adjustments totaled \$297.4 million, and Executive Order 2001-9 reduced appropriations by \$443.0 million. Table 3 provides a summary of the \$1.28 billion of Adjusted Gross appropriations contained in the 12 supplemental appropriation bills. Table 4 provides a summary of the final level of FY 2001-02 State Spending from State Resources appropriations. The initial set of FY 2001-02 State Spending from State Resources appropriations totaled \$26.3 billion, supplemental appropriations totaled \$200.7 million, contingency fund transfers and revenue adjustments reduced appropriations by \$2.9 million, and Executive Order 2001-9 reduced appropriations by \$397.0 million. Table 5 provides a summary of the \$200.7 million of State Spending from State Resources appropriations contained in the 12 supplemental appropriation bills. Table 6 provides a summary of the final level of FY 2001-02 GF/GP appropriations. The initial set of FY 2001-02 GF/GP appropriations totaled \$9.56 billion, supplemental appropriations reduced appropriations by \$76.9 million, and Executive Order 2001-9 reduced appropriations by \$298.7 million. Table 7 provides a summary of the \$76.9 million of GF/GP appropriation reductions contained in the 12 supplemental appropriation bills.

FY 2001-02 SUPPLEMENTAL APPROPRIATION BILLS

During FY 2001-02, the Legislature approved and Governor John Engler signed into law 12 supplemental appropriation bills. The following information provides a summary of each of these 12 supplemental appropriation bills.

Public Act 120 of 2001: The bill provided for \$303.3 million of Adjusted Gross and \$7.6 million of GF/GP appropriations. The bill made appropriations for Michigan Natural Resources Trust Fund projects, environmental cleanup projects financed from general obligation bond proceeds, additional Federal funds for the food stamp program in the Family Independence Agency, and several programs originally vetoed by the Governor.

Public Act 121 of 2001: The bill reduced the existing appropriation for K-12 School Aid by \$62.7 million. This reduction was necessary to ensure that enacted K-12 School Aid appropriations did not exceed the current estimate of available revenues. The changes reflected new cost estimates of program requirements and the elimination of State funding for professional development requirements for teachers.

Public Act 138 of 2001: The bill appropriated \$7.4 million for State fire protection grants to local units of government financed from State Restricted revenues. This appropriation restored funds twice previously vetoed by the Governor at a \$9.4 million level.

Public Act 161 of 2001: The bill reduced enacted GF/GP appropriations to the Legislature and the Judiciary by \$9.7 million. These reductions were part of an overall plan to eliminate a projected FY 2001-02 GF/GP budget deficit, which also included the approval of Executive Order 2001-9.

Public Act 168 of 2001: The bill appropriated \$1.5 million of GF/GP revenues for the implementation by the Department of Treasury of a tax amnesty program.

Public Act 99 of 2002: The bill appropriated \$2.1 million of State Restricted funds to the Department of Management and Budget for the implementation of an early retirement plan for members of the State Employees Retirement System.

Public Act 161 of 2002: The bill appropriated \$400 of GF/GP revenues for the construction authorization of four building projects financed by State Building Authority bond proceeds. The construction projects were two projects at Northern Michigan University, and single projects at Northwestern Michigan College and Southwestern Michigan College.

Public Act 191 of 2002: The bill reduced the existing appropriation for K-12 School Aid by \$27.6 million. The reduction was necessary to ensure that enacted K-12 School Aid appropriations did not exceed the current estimate of available revenues.

Public Act 525 of 2002: The bill appropriated \$237,300 of State Restricted funds in the Department of Natural Resources for payments in lieu of property taxes and for marine safety grants to counties.

Public Act 530 of 2002: The bill appropriated \$1.0 billion of Adjusted Gross appropriations and reduced GF/GP appropriations by \$68.1 million. The GF/GP appropriation adjustments contained in the bill were designed to eliminate a projected GF/GP budget deficit. The bill contained several fund source shifts that allowed additional Federal funds to be used to offset GF/GP appropriations, and it included caseload adjustments in human service programs and the adjustment of State debt service appropriations to reflect updated estimates.

Public Act 560 of 2002: The bill appropriated \$25.4 million of Gross appropriations and \$0.3 million of GF/GP appropriations. The bill included the appropriation of funds to nursing homes from a nursing home assessment, and it funded shortfalls to State payments in lieu of property taxes to local libraries and community colleges.

Public Act 746 of 2002: The bill appropriated \$19.2 million of Gross appropriations and reduced GF/GP appropriations by \$8.5 million. The bill included a shift from GF/GP funding to State Restricted funding for the airport safety program and also made adjustments in numerous programs to provide for the estimated final expenditure needs of several State programs.

EXECUTIVE ORDER REDUCTION

Pursuant to a constitutional provision (Article V, Section 20 of the State Constitution of 1963), Governor John Engler presented Executive Order 2001-9 to the Legislature on November 6, 2001. This Executive Order, which was approved by the House and Senate Appropriations Committees on

November 6, 2001, reduced the projected FY 2001-02 GF/GP budget deficit by \$465.7 million. Of this \$465.7 million budget deficit reduction, \$298.7 million consisted of GF/GP appropriation reductions and \$167.0 million consisted of State Restricted revenue transfers to the GF/GP budget. The departmental section of this report provides details of the appropriation reductions contained in Executive Order 2001-9.

CONTINGENCY FUND TRANSFER APPROPRIATIONS

The House and Senate Appropriations Committees approved \$320.7 million of Adjusted Gross contingency fund transfer appropriations throughout the fiscal year. Contingency fund transfer appropriations are the appropriation of unanticipated Federal, State Restricted, or private and local funds that the State realizes after the initial appropriation bills are enacted. The process for these appropriations begins with boilerplate language in each departmental appropriation bill that allows for the receipt of Federal, State Restricted, and local and private funds above the amounts specified in the line item appropriations for that department. When unanticipated funds arrive in the State they are deposited into these contingency funds and then transferred into the proper existing appropriation line item by the use of the legislative transfer process. The process requires the House and Senate Appropriations Committees to approve the transfers in identical amounts before they take effect. The department with the largest level of contingency fund transfer appropriations approved in FY 2001-02 was the Family Independence Agency with \$157.0 million.

REVENUE SHARING ADJUSTMENTS

State revenue sharing payments to cities, villages, townships, and counties are appropriated based on consensus revenue estimates of sales tax collections. To the extent that actual sales tax collections are lower than the initial estimates upon which the revenue sharing payment appropriation was based, an automatic reduction in this appropriation takes place. During FY 2001-02 revenue sharing payments were reduced by \$23.3 million due to this sales tax revenue reduction.

YEAR-END BALANCE ESTIMATES

Table 8 provides a summary of the final FY 2001-02 GF/GP budget after the final accounting of revenues and expenditures was completed. The GF/GP budget closed the year with a \$114.5 million year-end balance. Pursuant to statutory requirements, this balance was carried forward into FY 2002-03 and is available to support FY 2002-03 GF/GP appropriations. In order to achieve this year-end balance, a total of \$452.8 million was transferred from the Budget Stabilization Fund to the General Fund.

Table 9 provides a summary of the final status of the FY 2001-02 School Aid Fund budget. The School Aid Fund closed the year with a \$237.0 million balance. Pursuant to statutory requirements, this balance was carried forward into FY 2002-03 and is available to support FY 2002-03 School Aid Fund appropriations. In order to achieve this year-end balance, a total of \$382.0 million was transferred from the Budget Stabilization Fund to the School Aid Fund.

An index of FY 2001-02 appropriation acts by budget area is provided beginning on page 16.

Table 1

**FY 2001-02 YEAR-END APPROPRIATIONS
BY SOURCE OF FUNDS**

Department/Budget Area	Adjusted Gross	Federal Funds	Local & Private Funds	Other State Restricted	General Funds
Agriculture	\$92,386,600	\$10,880,000	\$1,121,900	\$38,753,700	\$41,631,000
Attorney General	53,896,500	8,377,700	1,171,600	8,871,900	35,475,300
Capital Outlay	575,934,900	176,567,000	42,480,000	73,234,000	283,653,900
Career Development	686,121,600	630,699,900	17,374,500	9,444,500	28,602,700
Civil Rights	15,618,400	1,285,400	0	0	14,333,000
Civil Service	26,673,369	4,979,325	1,740,038	9,297,666	10,656,340
Community Colleges	320,212,219	0	0	344,800	319,867,419
Community Health	9,117,649,500	4,818,037,200	1,233,547,000	567,849,500	2,498,215,800
Consumer and Industry Services	644,368,600	331,440,500	740,000	274,291,400	37,896,700
Corrections	1,682,050,600	28,669,300	349,600	53,577,800	1,599,453,900
Education	1,020,550,100	966,591,000	5,591,000	14,471,400	33,896,700
Environmental Quality (Operations)	412,228,130	140,707,600	1,567,100	186,339,730	83,613,700
Environmental Quality (CMI Bond)	60,266,000	0	0	60,266,000	0
Executive	5,480,900	0	0	0	5,480,900
Family Independence Agency	4,011,858,600	2,685,733,850	96,009,550	59,334,400	1,170,780,800
Higher Education	1,945,778,966	4,900,000	0	128,210,450	1,812,668,516
History, Arts and Libraries	78,857,200	11,111,800	577,400	2,247,400	64,920,600
Judiciary	238,849,900	3,581,700	3,755,400	56,288,900	175,223,900
Legislature	124,237,800	0	400,000	1,478,600	122,359,200
Management & Budget	89,815,400	380,300	0	45,566,900	43,868,200
Military and Veterans Affairs	103,804,600	39,676,100	530,000	23,252,400	40,346,100
Natural Resources (Operations)	255,836,100	30,129,000	1,860,800	178,533,200	45,313,100
Natural Resources (Trust Fund)	37,601,200	0	0	37,601,200	0
School Aid	11,423,561,700	203,000,000	0	11,022,148,200	198,413,500
State	83,554,300	1,303,600	100	64,451,900	17,798,700
State Police	400,196,600	44,770,700	4,506,600	57,049,300	293,870,000
Strategic Fund Agency	169,390,600	63,334,400	850,000	45,050,000	60,156,200
Transportation	3,101,366,500	985,283,900	5,800,000	2,110,282,600	0
Treasury (Debt Service)	96,995,000	0	700,000	0	96,295,000
Treasury (Operations)	352,309,100	44,898,800	950,100	251,969,200	54,491,000
Treasury (Revenue Sharing)	1,517,303,000	0	0	1,517,303,000	0
TOTAL APPROPRIATIONS	\$38,744,753,984	\$11,236,339,075	\$1,421,622,688	\$16,897,510,046	\$9,189,282,175

Table 2
FY 2001-02 YEAR-END APPROPRIATIONS
ADJUSTED GROSS

Department/Budget Area	FY 2001-02 Initial Appropriations	FY 2001-02 Total Supplemental Appropriations	FY 2001-02 Executive Order 2001-9	Contingency Fund Transfers/Revenue Adjustments	Year-End FY 2001-02 Appropriations
Agriculture	\$ 88,786,500	\$ 235,000	\$ (2,323,500)	\$ 5,688,600	\$ 92,386,600
Attorney General	55,004,200	0	(1,860,600)	752,900	53,896,500
Capital Outlay	492,557,700	96,773,700	(13,396,500)	0	575,934,900
Career Development	528,326,500	161,450,000	(3,654,900)	0	686,121,600
Civil Rights	15,527,000	0	(260,000)	351,400	15,618,400
Civil Service	27,349,200	0	(560,860)	(114,971)	26,673,369
Community Colleges	324,596,319	(1,384,100)	(3,000,000)	0	320,212,219
Community Health	8,585,995,800	570,849,400	(136,733,200)	97,537,500	9,117,649,500
Consumer and Industry Services	560,336,700	72,421,000	(10,389,100)	22,000,000	644,368,600
Corrections	1,731,701,400	4,500,000	(55,412,700)	1,261,900	1,682,050,600
Education	996,159,000	25,507,800	(1,572,100)	455,400	1,020,550,100
Environmental Quality (Operations)	397,002,000	20,063,100	(17,796,700)	12,959,730	412,228,130
Environmental Quality (CMI Bond)	0	60,266,000	0	0	60,266,000
Executive	5,709,800	0	(228,900)	0	5,480,900
Family Independence Agency	3,635,617,300	247,850,500	(28,703,200)	157,094,000	4,011,858,600
Higher Education	1,947,842,366	19,936,600	(22,000,000)	0	1,945,778,966
History, Arts, and Libraries	81,756,300	2,739,500	(6,638,600)	1,000,000	78,857,200
Judiciary	243,221,700	(4,590,300)	0	218,500	238,849,900
Legislature	128,161,100	(3,923,300)	0	0	124,237,800
Management and Budget	89,480,600	2,100,000	(2,308,900)	543,700	89,815,400
Military and Veteran Affairs	101,949,600	891,625	(1,791,625)	2,755,000	103,804,600
Natural Resources (Operations)	253,410,100	3,302,000	(6,770,300)	5,894,300	255,836,100
Natural Resources (Trust Fund)	0	37,601,200	0	0	37,601,200
School Aid	11,521,053,300	(90,291,600)	(7,200,000)	0	11,423,561,700
State	126,512,100	80,000	(43,037,800)	0	83,554,300
State Police	388,926,300	13,517,700	(7,550,000)	5,302,600	400,196,600
Strategic Fund Agency	177,946,200	800,000	(9,755,600)	400,000	169,390,600
Transportation	3,076,412,900	34,633,600	(11,800,000)	2,120,000	3,101,366,500
Treasury (Debt Service)	105,995,000	(9,000,000)	0	0	96,995,000
Treasury (Operations)	348,250,000	10,698,800	(11,104,800)	4,465,100	352,309,100
Treasury (Revenue Sharing)	1,577,800,000	0	(37,200,000)	(23,297,000)	1,517,303,000
TOTAL APPROPRIATIONS	\$37,613,386,985	\$1,277,028,225	\$(443,049,885)	\$297,388,659	\$38,744,753,984

Table 3

**FY 2001-02 SUPPLEMENTAL APPROPRIATIONS SUMMARY
ADJUSTED GROSS**

Department/Budget Area	Public Act 120 of 2001	Public Act 121 of 2001	Public Act 138 of 2001	Public Act 161 of 2001	Public Act 168 of 2001	Public Act 99 of 2002
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Career Development	450,000	0	0	0	0	0
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	0	0	0	0	0	0
Community Health	1,500,000	0	0	0	0	0
Consumer and Industry Services	0	0	7,421,000	0	0	0
Corrections	0	0	0	0	0	0
Education	0	0	0	0	0	0
Environmental Quality (Operations)	748,000	0	0	0	0	0
Environmental Quality (CMI Bond)	60,266,000	0	0	0	0	0
Executive	0	0	0	0	0	0
Family Independence Agency	197,800,000	0	0	0	0	0
Higher Education	0	0	0	0	0	0
History, Arts, and Libraries	(572,000)	0	0	0	0	0
Judiciary	0	0	0	(4,590,300)	0	0
Legislature	1,215,100	0	0	(5,138,400)	0	0
Management and Budget	0	0	0	0	0	2,100,000
Military and Veteran Affairs	0	0	0	0	0	0
Natural Resources (Operations)	0	0	0	0	0	0
Natural Resources (Trust Fund)	37,601,200	0	0	0	0	0
School Aid	0	(62,739,900)	0	0	0	0
State	0	0	0	0	0	0
State Police	5,980,000	0	0	0	0	0
Strategic Fund Agency	800,000	0	0	0	0	0
Transportation	0	0	0	0	0	0
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	(2,500,000)	0	0	0	1,500,000	0
Treasury (Revenue Sharing)	0	0	0	0	0	0
TOTAL APPROPRIATIONS	\$303,288,300	\$(62,739,900)	\$7,421,000	\$(9,728,700)	\$1,500,000	\$2,100,000

Table 3 (continued)

FY 2001-02 SUPPLEMENTAL APPROPRIATIONS SUMMARY							
ADJUSTED GROSS							
Department/Budget Area	Public Act 161 of 2002	Public Act 191 of 2002	Public Act 525 of 2002	Public Act 530 of 2002	Public Act 560 of 2002	Public Act 746 of 2002	FY 2001-02 Total Suppl. Approps.
Agriculture	\$ 0	\$ 0	\$ 0	\$ 235,000	\$ 0	\$ 0	\$ 235,000
Attorney General	0	0	0	0	0	0	0
Capital Outlay	400	0	0	96,773,300	0	0	96,773,700
Career Development	0	0	0	161,000,000	0	0	161,450,000
Civil Rights	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0
Community Colleges	0	0	0	66,000	205,100	(1,655,200)	(1,384,100)
Community Health	0	0	0	544,209,600	25,139,800	0	570,849,400
Consumer and Industry Services	0	0	0	65,000,000	0	0	72,421,000
Corrections	0	0	0	4,500,000	0	0	4,500,000
Education	0	0	0	24,377,000	0	1,130,800	25,507,800
Environmental Quality (Op.)	0	0	0	19,315,100	0	0	20,063,100
Environ. Quality (CMI Bond)	0	0	0	0	0	0	60,266,000
Executive	0	0	0	0	0	0	0
Family Independence Agency	0	0	0	41,050,500	0	9,000,000	247,850,500
Higher Education	0	0	0	9,200,000	0	10,736,600	19,936,600
History, Arts, and Libraries	0	0	0	3,211,500	100,000	0	2,739,500
Judiciary	0	0	0	0	0	0	(4,590,300)
Legislature	0	0	0	0	0	0	(3,923,300)
Management and Budget	0	0	0	0	0	0	2,100,000
Military and Veteran Affairs	0	0	0	891,625	0	0	891,625
Natural Resources (Op.)	0	0	237,300	3,064,700	0	0	3,302,000
Natural Res. (Trust Fund)	0	0	0	0	0	0	37,601,200
School Aid	0	(27,551,700)	0	0	0	0	(90,291,600)
State	0	0	0	80,000	0	0	80,000
State Police	0	0	0	7,537,700	0	0	13,517,700
Strategic Fund Agency	0	0	0	0	0	0	800,000
Transportation	0	0	0	34,633,600	0	0	34,633,600
Treasury (Debt Service)	0	0	0	(9,000,000)	0	0	(9,000,000)
Treasury (Operations)	0	0	0	11,698,800	0	0	10,698,800
Treasury (Revenue Sharing)	0	0	0	0	0	0	0
TOTAL APPROPRIATIONS	\$ 400	\$(27,551,700)	\$ 237,300	\$1,017,844,425	\$ 25,444,900	\$ 19,212,200	\$1,277,028,225

Table 4

**FY 2001-02 YEAR-END APPROPRIATIONS
TOTAL STATE SPENDING**

Department/Budget Area	FY 2001-02 Initial Appropriations	FY 2001-02 Total Supplemental Appropriations	FY 2001-02 Executive Order 2001-9	Contingency Fund Transfers/Revenue Adjustments	Year-End FY 2001-02 Appropriations
Agriculture	\$ 81,784,600	\$ 235,000	\$ (2,323,500)	\$ 688,600	\$ 80,384,700
Attorney General	46,207,800	0	(1,860,600)	0	44,347,200
Capital Outlay	358,975,700	11,308,700	(13,396,500)	0	356,887,900
Career Development	47,252,100	(5,550,000)	(3,654,900)	0	38,047,200
Civil Rights	14,593,000	0	(260,000)	0	14,333,000
Civil Service	20,720,100	0	(560,860)	(205,234)	19,954,006
Community Colleges	324,596,319	(1,384,100)	(3,000,000)	0	320,212,219
Community Health	2,995,326,400	169,043,000	(100,725,100)	2,421,000	3,066,065,300
Consumer and Industry Services	319,642,200	(2,579,000)	(4,875,100)	0	312,188,100
Corrections	1,703,319,400	4,500,000	(55,412,700)	625,000	1,653,031,700
Education	48,008,900	1,495,900	(1,572,100)	435,400	48,368,100
Environmental Quality (Operations)	264,157,400	20,063,100	(17,796,700)	3,529,630	269,953,430
Environmental Quality (CMI Bond)	0	60,266,000	0	0	60,266,000
Executive	5,709,800	0	(228,900)	0	5,480,900
Family Independence Agency	1,233,211,800	21,050,500	(24,197,100)	50,000	1,230,115,200
Higher Education	1,942,942,366	19,936,600	(22,000,000)	0	1,940,878,966
History, Arts, and Libraries	74,067,100	(260,500)	(6,638,600)	0	67,168,000
Judiciary	236,103,100	(4,590,300)	0	0	231,512,800
Legislature	127,761,100	(3,923,300)	0	0	123,837,800
Management and Budget	89,100,300	2,100,000	(2,308,900)	543,700	89,435,100
Military and Veteran Affairs	65,083,500	306,625	(1,791,625)	0	63,598,500
Natural Resources (Operations)	223,199,600	3,302,000	(6,770,300)	4,115,000	223,846,300
Natural Resources (Trust Fund)	0	37,601,200	0	0	37,601,200
School Aid	11,376,053,300	(148,291,600)	(7,200,000)	0	11,220,561,700
State	125,208,400	80,000	(43,037,800)	0	82,250,600
State Police	341,801,600	13,517,700	(7,550,000)	3,150,000	350,919,300
Strategic Fund Agency	114,161,800	800,000	(9,755,600)	0	105,206,200
Transportation	2,110,129,000	10,633,600	(11,800,000)	1,320,000	2,110,282,600
Treasury (Debt Service)	105,295,000	(9,000,000)	0	0	96,295,000
Treasury (Operations)	313,809,900	0	(11,104,800)	3,755,100	306,460,200
Treasury (Revenue Sharing)	1,577,800,000	0	(37,200,000)	(23,297,000)	1,517,303,000
TOTAL APPROPRIATIONS	\$ 26,286,021,585	\$ 200,661,125	\$ (397,021,685)	\$ (2,868,804)	\$ 26,086,792,221

Table 5

FY 2001-02 SUPPLEMENTAL APPROPRIATIONS SUMMARY						
TOTAL STATE SPENDING						
Department/Budget Area	Public Act 120 of 2001	Public Act 121 of 2001	Public Act 138 of 2001	Public Act 161 of 2001	Public Act 168 of 2001	Public Act 99 of 2002
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Career Development	450,000	0	0	0	0	0
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	0	0	0	0	0	0
Community Health	1,500,000	0	0	0	0	0
Consumer and Industry Services	0	0	7,421,000	0	0	0
Corrections	0	0	0	0	0	0
Education	0	0	0	0	0	0
Environmental Quality (Operations)	748,000	0	0	0	0	0
Environmental Quality (CMI Bond)	60,266,000	0	0	0	0	0
Executive	0	0	0	0	0	0
Family Independence Agency	0	0	0	0	0	0
Higher Education	0	0	0	0	0	0
History, Arts, and Libraries	(572,000)	0	0	0	0	0
Judiciary	0	0	0	(4,590,300)	0	0
Legislature	1,215,100	0	0	(5,138,400)	0	0
Management and Budget	0	0	0	0	0	2,100,000
Military and Veteran Affairs	0	0	0	0	0	0
Natural Resources (Operations)	0	0	0	0	0	0
Natural Resources (Trust Fund)	37,601,200	0	0	0	0	0
School Aid	0	(120,739,900)	0	0	0	0
State	0	0	0	0	0	0
State Police	5,980,000	0	0	0	0	0
Strategic Fund Agency	800,000	0	0	0	0	0
Transportation	0	0	0	0	0	0
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	(2,500,000)	0	0	0	1,500,000	0
Treasury (Revenue Sharing)	0	0	0	0	0	0
TOTAL APPROPRIATIONS	\$105,488,300	\$(120,739,900)	\$7,421,000	\$(9,728,700)	\$1,500,000	\$ 2,100,000

Table 5 (continued)

FY 2001-02 SUPPLEMENTAL APPROPRIATIONS SUMMARY							
TOTAL STATE SPENDING							
FY 2001-02							
Department/Budget Area	Public Act 161 of 2002	Public Act 191 of 2002	Public Act 525 of 2002	Public Act 530 of 2002	Public Act 560 of 2002	Public Act 746 of 2002	Total Supplemental Appropriations
Agriculture	\$ 0	\$ 0	\$ 0	\$ 235,000	\$ 0	\$ 0	\$ 235,000
Attorney General	0	0	0	0	0	0	0
Capital Outlay	400	0	0	11,308,300	0	0	11,308,700
Career Development	0	0	0	(6,000,000)	0	0	(5,550,000)
Civil Rights	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0
Community Colleges	0	0	0	66,000	205,100	(1,655,200)	(1,384,100)
Community Health	0	0	0	155,772,000	10,971,000	800,000	169,043,000
Consumer and Industry Services	0	0	0	(10,000,000)	0	0	(2,579,000)
Corrections	0	0	0	4,500,000	0	0	4,500,000
Education	0	0	0	365,100	0	1,130,800	1,495,900
Environmental Quality (Operations)	0	0	0	19,315,100	0	0	20,063,100
Environmental Quality (CMI Bond)	0	0	0	0	0	0	60,266,000
Executive	0	0	0	0	0	0	0
Family Independence Agency	0	0	0	21,050,500	0	0	21,050,500
Higher Education	0	0	0	9,200,000	0	10,736,600	19,936,600
History, Arts, and Libraries	0	0	0	211,500	100,000	0	(260,500)
Judiciary	0	0	0	0	0	0	(4,590,300)
Legislature	0	0	0	0	0	0	(3,923,300)
Management and Budget	0	0	0	0	0	0	2,100,000
Military and Veteran Affairs	0	0	0	306,625	0	0	306,625
Natural Resources (Operations)	0	0	237,300	3,064,700	0	0	3,302,000
Natural Resources (Trust Fund)	0	0	0	0	0	0	37,601,200
School Aid	0	(27,551,700)	0	0	0	0	(148,291,600)
State	0	0	0	80,000	0	0	80,000
State Police	0	0	0	7,537,700	0	0	13,517,700
Strategic Fund Agency	0	0	0	0	0	0	800,000
Transportation	0	0	0	10,633,600	0	0	10,633,600
Treasury (Debt Service)	0	0	0	(9,000,000)	0	0	(9,000,000)
Treasury (Operations)	0	0	0	1,000,000	0	0	0
Treasury (Revenue Sharing)	0	0	0	0	0	0	0
TOTAL APPROPRIATIONS	\$ 400	\$(27,551,700)	\$237,300	\$219,646,125	\$11,276,100	\$11,012,200	\$ 200,661,125

Table 6

**FY 2001-02 YEAR-END APPROPRIATIONS
GENERAL FUND/GENERAL PURPOSE**

Department/Budget Area	FY 2001-02	FY 2001-02	FY 2001-02	Contingency Fund	Year-end
	Initial Appropriations	Total Supplemental Appropriations	Executive Order 2001-9	Transfers/Revenue Adjustments	FY 2001-02 Appropriations
Agriculture	\$43,719,500	\$235,000	\$(2,323,500)	\$ 0	\$41,631,000
Attorney General	37,335,900	0	(1,860,600)	0	35,475,300
Capital Outlay	315,866,700	(18,816,300)	(13,396,500)	0	283,653,900
Career Development	35,807,600	(5,550,000)	(1,654,900)	0	28,602,700
Civil Rights	14,593,000	0	(260,000)	0	14,333,000
Civil Service	11,217,200	0	(560,860)	0	10,656,340
Community Colleges	319,596,319	271,100	0	0	319,867,419
Community Health	2,645,961,900	(62,442,000)	(85,304,100)	0	2,498,215,800
Consumer and Industry Services	42,771,800	0	(4,875,100)	0	37,896,700
Corrections	1,654,353,900	0	(54,900,000)	0	1,599,453,900
Education	33,972,900	1,495,900	(1,572,100)	0	33,896,700
Environmental Quality (Operations)	101,007,900	0	(17,394,200)	0	83,613,700
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	5,709,800	0	(228,900)	0	5,480,900
Family Independence Agency	1,179,977,900	15,000,000	(24,197,100)	0	1,170,780,800
Higher Education	1,812,668,516	0	0	0	1,812,668,516
History, Arts, and Libraries	71,819,700	(260,500)	(6,638,600)	0	64,920,600
Judiciary	179,814,200	(4,590,300)	0	0	175,223,900
Legislature	126,282,500	(3,923,300)	0	0	122,359,200
Management and Budget	46,177,100	0	(2,308,900)	0	43,868,200
Military and Veteran Affairs	41,831,100	306,625	(1,791,625)	0	40,346,100
Natural Resources (Operations)	52,083,400	0	(6,770,300)	0	45,313,100
Natural Resources (Trust Fund)	0	0	0	0	0
School Aid	205,613,500	0	(7,200,000)	0	198,413,500
State	60,756,500	80,000	(43,037,800)	0	17,798,700
State Police	294,190,000	7,230,000	(7,550,000)	0	293,870,000
Strategic Fund Agency	64,111,800	800,000	(4,755,600)	0	60,156,200
Transportation	0	0	0	0	0
Treasury (Debt Service)	105,295,000	(9,000,000)	0	0	96,295,000
Treasury (Operations)	62,335,800	2,260,000	(10,104,800)	0	54,491,000
Treasury (Revenue Sharing)	0	0	0	0	0
TOTAL APPROPRIATIONS	\$9,564,871,435	\$(76,903,775)	\$(298,685,485)	\$ 0	\$9,189,282,175

Table 7

FY 2001-02 SUPPLEMENTAL APPROPRIATIONS SUMMARY						
GENERAL FUND/GENERAL PURPOSE						
Department/Budget Area	Public Act 120 of 2001	Public Act 121 of 2001	Public Act 138 of 2001	Public Act 161 of 2001	Public Act 168 of 2001	Public Act 99 of 2002
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Career Development	450,000	0	0	0	0	0
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	0	0	0	0	0	0
Community Health	0	0	0	0	0	0
Consumer and Industry Services	0	0	0	0	0	0
Corrections	0	0	0	0	0	0
Education	0	0	0	0	0	0
Environmental Quality (Operations)	0	0	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0	0
Executive	0	0	0	0	0	0
Family Independence Agency	0	0	0	0	0	0
Higher Education	0	0	0	0	0	0
History, Arts, and Libraries	(572,000)	0	0	0	0	0
Judiciary	0	0	0	(4,590,300)	0	0
Legislature	1,215,100	0	0	(5,138,400)	0	0
Management and Budget	0	0	0	0	0	0
Military and Veteran Affairs	0	0	0	0	0	0
Natural Resources (Operations)	0	0	0	0	0	0
Natural Resources (Trust Fund)	0	0	0	0	0	0
School Aid	0	0	0	0	0	0
State	0	0	0	0	0	0
State Police	5,980,000	0	0	0	0	0
Strategic Fund Agency	800,000	0	0	0	0	0
Transportation	0	0	0	0	0	0
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	(240,000)	0	0	0	1,500,000	0
Treasury (Revenue Sharing)	0	0	0	0	0	0
TOTAL APPROPRIATIONS	\$7,633,100	\$ 0	\$ 0	\$(9,728,700)	\$1,500,000	\$ 0

Table 7 (continued)

FY 2001-02 SUPPLEMENTAL APPROPRIATIONS SUMMARY							
GENERAL FUND/GENERAL PURPOSE							
Department/Budget Area	Public Act 161 of 2002	Public Act 191 of 2002	Public Act 525 of 2002	Public Act 530 of 2002	Public Act 560 of 2002	Public Act 746 of 2002	FY 2001-02 Total Supplemental Appropriations
Agriculture	\$ 0	\$ 0	\$ 0	\$ 235,000	\$ 0	\$ 0	\$235,000
Attorney General	0	0	0	0	0	0	0
Capital Outlay	400	0	0	(9,216,700)	0	(9,600,000)	(18,816,300)
Career Development	0	0	0	(6,000,000)	0	0	(5,550,000)
Civil Rights	0	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0	0
Community Colleges	0	0	0	66,000	205,100	0	271,100
Community Health	0	0	0	(62,442,000)	0	0	(62,442,000)
Consumer and Industry Services	0	0	0	0	0	0	0
Corrections	0	0	0	0	0	0	0
Education	0	0	0	365,100	0	1,130,800	1,495,900
Environmental Quality (Operations)	0	0	0	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0	0	0
Executive	0	0	0	0	0	0	0
Family Independence Agency	0	0	0	15,000,000	0	0	15,000,000
Higher Education	0	0	0	0	0	0	0
History, Arts, and Libraries	0	0	0	211,500	100,000	0	(260,500)
Judiciary	0	0	0	0	0	0	(4,590,300)
Legislature	0	0	0	0	0	0	(3,923,300)
Management and Budget	0	0	0	0	0	0	0
Military and Veteran Affairs	0	0	0	306,625	0	0	306,625
Natural Resources (Operations)	0	0	0	0	0	0	0
Natural Resources (Trust Fund)	0	0	0	0	0	0	0
School Aid	0	0	0	0	0	0	0
State	0	0	0	80,000	0	0	80,000
State Police	0	0	0	1,250,000	0	0	7,230,000
Strategic Fund Agency	0	0	0	0	0	0	800,000
Transportation	0	0	0	0	0	0	0
Treasury (Debt Service)	0	0	0	(9,000,000)	0	0	(9,000,000)
Treasury (Operations)	0	0	0	1,000,000	0	0	2,260,000
Treasury (Revenue Sharing)	0	0	0	0	0	0	0
TOTAL APPROPRIATIONS	\$400	\$0	\$0	\$(68,144,475)	\$305,100	\$(8,469,200)	\$(76,903,775)

Table 8
FY 2001-02
GENERAL FUND/GENERAL PURPOSE
REVENUES, EXPENDITURES AND YEAR-END BALANCE
(millions of dollars)

	Final Closing
Revenues:	
Beginning Balance	\$ 28.1
Actual Ongoing Revenue Collections	8,276.2
Non-Ongoing Revenue Adjustments	317.1
Budget Stabilization Fund Withdrawal (PA 504 of 2002)	452.8
Executive Order 2001-9 Revenue Adjustments	167.0
Total Revenues	\$9,241.2
Expenditures:	
Initial Appropriations	\$9,564.9
Supplemental Appropriation (PA 120 of 2001)	7.6
Supplemental Appropriation (PA 161 of 2001)	(9.7)
Supplemental Appropriation (PA 168 of 2001)	1.5
Supplemental Appropriation (PA 161 of 2002)	0.0004
Supplemental Appropriation (PA 530 of 2002)	(68.1)
Supplemental Appropriation (PA 560 of 2002)	0.3
Supplemental Appropriation (PA 746 of 2002)	(8.5)
Executive Order 2001-9	(298.7)
Actual Appropriation Lapses	(67.2)
Other Book-closing Adjustments	4.6
Total Expenditures	\$9,126.7
Actual Year-End Balance	\$ 114.5

Table 9
FY 2001-02
SCHOOL AID FUND
REVENUES, EXPENDITURES AND YEAR-END BALANCE
(millions of dollars)

	Final Closing
Revenues:	
Beginning Balance	\$ 694.8
Actual Ongoing Revenue Collections	10,140.9
<u>Non-Ongoing Revenue Adjustments:</u>	
Tax Amnesty Program	4.5
Budget Stabilization Fund Withdrawal (Durant)	32.0
Budget Stabilization Fund Withdrawal (PA 161 of 2001)	71.7
Budget Stabilization Fund Withdrawal (PA 504 of 2002)	278.3
Total Non-Ongoing Revenue Adjustments	386.5
<u>Other Revenue Sources:</u>	
General Fund/General Purpose	198.4
Book-closing Adjustments	4.4
Federal Aid	183.0
Total Other Revenue Sources	385.8
Total Revenues	\$11,608.0
Expenditures:	
Original Appropriation (PA 297 of 2000)	\$11,521.0
Supplemental Appropriation (PA 121 of 2001)	(62.8)
Supplemental Appropriation (PA 191 of 2002)	(27.5)
Executive Order 2001-9	(7.2)
Actual Appropriation Lapses	(52.5)
Total Expenditures	\$11,371.0
Actual Year-End Balance	\$237.0

**INDEX OF APPROPRIATIONS ACTS
FY 2001-02**

BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Agriculture		
Initial	Senate Bill 230	Public Act 53 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Attorney General		
Initial	Senate Bill 234	Public Act 83 of 20001
Capital Outlay		
Initial	Senate Bill 231	Public Act 45 of 2001
Supplemental	Senate Bill 671	Public Act 161 of 2001
Supplemental	House Bill 4373	Public Act 530 pf 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Career Development		
Initial	Senate Bill 232	Public Act 80 of 2001
Supplemental	Senate Bill 291	Public Act 120 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Civil Rights		
Initial	Senate Bill 234	Public Act 83 of 2001
Civil Service		
Initial	Senate Bill 234	Public Act 83 of 2001
Community Colleges		
Initial	House Bill 4253	Public Act 52 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Supplemental	Senate Bill 287	Public Act 560 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Community Health		
Initial	House Bill 4254	Public Act 60 of 2001
Supplemental	Senate Bill 291	Public Act 120 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Supplemental	Senate Bill 287	Public Act 560 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002

**INDEX OF APPROPRIATIONS ACTS
FY 2001-02**

BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Consumer and Industry Services		
Initial	Senate Bill 233	Public Act 119 of 2001
Supplemental	House Bill 4360	Public Act 138 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Corrections		
Initial	House Bill 4255	Public Act 41 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Education		
Initial	House Bill 4256	Public Act 42 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Environmental Quality		
Initial	House Bill 4257	Public Act 43 of 2001
Supplemental	Senate Bill 291	Public Act 120 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Environmental Quality (Clean Michigan Initiative)		
Initial	Senate Bill 291	Public Act 120 of 2001
Executive		
Initial	Senate Bill 234	Public Act 83 of 2001
Family Independence Agency		
Initial	Senate Bill 235	Public Act 82 of 2001
Supplemental	Senate Bill 291	Public Act 120 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002
Higher Education		
Initial	House Bill 4258	Public Act 118 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Supplemental	House Bill 5705	Public Act 746 of 2002

**INDEX OF APPROPRIATIONS ACTS
FY 2001-02**

BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
History, Arts, and Libraries		
Initial	Senate Bill 291	Public Act 120 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Supplemental	Senate Bill 287	Public Act 560 of 2002
Judiciary		
Initial	Senate Bill 236	Public Act 55 of 2001
Supplemental	Senate Bill 671	Public Act 161 of 2001
Legislature		
Initial	Senate Bill 234	Public Act 83 of 2001
Supplemental	Senate Bill 291	Public Act 120 of 2001
Supplemental	Senate Bill 671	Public Act 161 of 2001
Management and Budget		
Initial	Senate Bill 234	Public Act 83 of 2001
Supplemental	House Bill 5109	Public Act 99 of 2002
Military Affairs		
Initial	Senate Bill 237	Public Act 54 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Natural Resources		
Initial	House Bill 4259	Public Act 44 of 2001
Supplemental	Senate Bill 1106	Public Act 525 of 2002
Supplemental	House Bill 4373	Public Act 530 of 2002
Natural Resources Trust Fund		
Initial	Senate Bill 291	Public Act 120 of 2001
School Aid		
Initial	House Bill 1044	Public Act 297 of 2000
Supplemental	House Bill 4371	Public Act 121 of 2001
Supplemental	Senate Bill 1107	Public Act 191 of 2002
State		
Initial	Senate Bill 234	Public Act 83 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002

INDEX OF APPROPRIATIONS ACTS FY 2001-02		
BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
State Police		
Initial	Senate Bill 238	Public Act 51 of 2001
Supplemental	Senate Bill 291	Public Act 120 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Strategic Fund		
Initial	Senate Bill 232	Public Act 80 of 2001
Supplemental	Senate Bill 291	Public Act 120 of 2001
Transportation		
Initial	Senate Bill 239	Public Act 59 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002
Treasury		
Initial	Senate Bill 234	Public Act 83 of 2001
Supplemental	Senate Bill 291	Public Act 120 of 2001
Supplemental	House Bill 5036	Public Act 168 of 2001
Supplemental	House Bill 4373	Public Act 530 of 2002

BUDGET AREA DETAIL

DEPARTMENT OF AGRICULTURE

The initial appropriation was contained in Public Act 53 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	647.5	647.5
Gross	100,894,600	104,624,700
IDG	12,108,100	12,238,100
Federal	5,880,000	10,880,000
Private	1,121,900	1,121,900
Restricted	38,065,100	38,753,700
GF/GP	43,719,500	41,631,000
<hr/>		
	Change from FY 2001-02 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 530 of 2002

Animal Indemnification Payment. Section 14 of the Animal Industry Act provides authorization to the Michigan Department of Agriculture to destroy animals that are infected or are suspected of being infected with a disease, in order to control the spread of the disease. The Act also authorizes for the Department to indemnify, at market value, animal owners for those animals ordered destroyed by the Department. The Department was required to destroy a turkey flock of approximately 28,000 birds, valued at \$235,000, infected with Avian Influenza.

Gross	235,000
GF/GP	235,000

**Change from FY 2001-02
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Grant Reductions. The Executive Order reduced the following GF/GP grant line items, totaling \$1,783,500:

Gross (1,783,500)
GF/GP (1,783,500)

- Migrant labor housing \$(345,400)
- Food bank (319,000)
- Grown in Michigan (94,500)
- Northwest Michigan horticultural research station (41,800)
- Orchard or vineyard removal (37,800)
- Horse shows (15,000)
- Disease and pest intervention fund (50,000)
- Local conservation districts (780,000)
- Agriculture development (100,000)

2. Administrative Reductions. The Executive Order reduced the following GF/GP operations line items, totaling \$540,000:

Gross (540,000)
GF/GP (540,000)

- Agriculture development \$(190,000)
- Management services (224,000)
- Upper Peninsula state fair (10,000)
- Fairs and expositions (9,400)
- Statistical reporting service (30,000)
- Pesticide and plant pest management (76,600)

These savings were realized through fund shifts, not filling vacancies, and certain fee increases.

C. CONTINGENCY FUNDS

1. State Budget Office Letter 11-6-01

a. Agriculture Development. This transfer provided authorization to use available restricted funds from the Family Farm Development Authority. These funds were used to offset the FY 2001-02 reductions to the Agriculture Development program included in EO 2001-9.

Gross 75,000
Restricted 75,000
GF/GP 0

b. Pesticide and Plant Pest Management. This transfer provided authorization to use restricted funds from licensing and inspection fees and commodity inspection fees. These funds were used to offset the FY 2001-02 reductions to the program included in EO 2001-9.

Gross 76,600
Restricted 76,600
GF/GP 0

		Change from FY 2001-02 Initial Appropriation	
c. Food Bank - Federal Funds. This transfer provided authorization to use available Federal funds from the Federal Emergency Food Assistance Act of 1983 through the United States Department of Agriculture. The use of this funding is limited to processing, transporting, or distributing commodities to eligible food banks. The funding was used to offset the FY 2001-02 reduction to the food bank program included in EO 2001-9.		Gross	319,000
		Federal	319,000
		GF/GP	0
2. State Budget Office Letter 4-16-02			
a. Livestock Surveillance. This transfer provided authorization to use available Federal funds from the United States Departments of Agriculture and Health and Human Services to support increased surveillance, education, and training activities with respect to meat inspection.		Gross	72,000
		Federal	72,000
		GF/GP	0
b. Conservation Reserve Enhancement Program. This transfer provided authorization to use funds received from a settlement involving the General Motors Powertrain-Saginaw Malleable Iron Facility. These funds were provided to the Saginaw Basin Land Conservancy for securing conservation easements as part of the Conservation Reserve Enhancement Program.		Gross	52,000
		Restricted	52,000
		GF/GP	0
c. Outstanding Winning Ticket Revenue. Pursuant to statute, the revenue from outstanding winning tickets at licensed horse tracks is distributed 50% to the tracks and 50% to the Agriculture Equine Industry Development Fund for subsequent distribution to the appropriate horse racing program. This transfer provided authorization to spend the additional 2001 outstanding winning ticket revenue in excess of the \$500,000 appropriated in the budget. (See item a under TRANSFERS, State Budget Office Letter 4-16-02.)		Gross	156,800
		Restricted	156,800
		GF/GP	0
d. Microbiology Data Program. This transfer provided authorization to use available Federal funds from the United States Department of Agriculture for the Microbiology Data Program. This program provides information on the presence of food borne pathogens.		Gross	655,000
		Federal	655,000
		GF/GP	0
e. Grape and Wine Industry Council. This transfer provided authorization to use available carryforward funds to promote Michigan's grape and wine industries.		Gross	130,000
		IDG	130,000
		GF/GP	0

f. Office of Racing Commissioner. Public Act 291 of 2000 provided \$425,000 of spending authorization for the Office of Racing Commissioner (ORC) to promote the safety, security, growth, and integrity of Michigan horse racing. The entire authorization was carried forward into fiscal year 2000-01 via a work project as authorized by Section 211(b) of Public Act 291. In fiscal year 2000-01, all but \$128,200 of the authorization had been spent. This transfer provided authorization to use the remaining funds for industry forums and to supplement the regulatory programs of the ORC.

**Change from FY 2001-02
Initial Appropriation**

Gross	128,200
Restricted	128,200
GF/GP	0

g. Pesticide and Plant Pest Management. This transfer provided authorization to use additional Federal and State restricted revenues for inspection activity at licensed feed establishments and for disease prevention efforts in the Department's food safety programs.

Gross	231,000
Federal	31,000
Restricted	200,000
GF/GP	0

3. State Budget Office Letter 11-6-02

Accounting Adjustment. This transfer provided a technical adjustment to the FY 2001-02 budget to correct an accounting error arising from the improper recording of Federal revenue in the prior fiscal year.

Gross	3,923,000
Federal	3,923,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 4-16-02

a. Distribution of Outstanding Winning Tickets. The FY 2001-02 budget contained a "place holder" line item to account for the 2001 race season outstanding winning ticket revenue that the State received. Pursuant to a boilerplate provision in the budget, when the revenue is received, a transfer is required to move the spending authorization from the Distribution of Outstanding Winning Tickets line item to the appropriate line item. Pursuant to the Horse Racing Law of 1995, one-half of the outstanding winning ticket revenue is returned to the State for distribution to horse racing programs. This transfer moved the \$500,000 appropriation from the Distribution of Outstanding Winning Tickets line item to the various horse racing program lines. Allocations were based on discussions with the horse racing industry.

Gross	0
GF/GP	0

b. Executive Order 2001-9 Correction. This transfer corrected for the reductions included in Executive Order 2001-9 related to the completion of the 1997 early retirement sick leave payouts. This reduction was applied entirely to the Management Services line item as opposed to the various program line items. This transfer effectively applied the savings to the appropriate line items in the budget.

Gross	0
GF/GP	0

c. **Budgetary Savings.** The FY 2001-02 enacted budget contained a line item entitled Budgetary Savings to reflect administrative savings required to meet expected revenue levels. These savings were to be applied to the appropriate line items via legislative transfers. This transfer applied the \$536,800 in GF/GP savings to various line items in the budget based on departmental priorities. The savings were the result of efficiencies and the statewide hiring freeze.

2. State Budget Office Letter 9-11-02

Leased Space. This administrative transfer moved \$85,000 of GF/GP spending authorization from the Management Services line item to the Departmentwide line item in order to ensure sufficient funding for leased space used by the Department.

Change from FY 2001-02 Initial Appropriation	
Gross	0
GF/GP	0
Gross	0
GF/GP	0

DEPARTMENT OF ATTORNEY GENERAL

The initial appropriation was contained in Public Act 83 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	595.0	595.0
Gross	64,761,100	63,653,400
IDG	9,756,900	9,756,900
Federal	7,624,800	8,377,700
Local	0	0
Private	1,171,600	1,171,600
Restricted	8,871,900	8,871,900
GF/GP	37,335,900	35,475,300

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

Executive Order 2001-9.

- Attorney General Operations.** The 5% GF/GP reduction was met through vacancies related to the hiring freeze.
- Prosecuting Attorneys Coordinating Council.** The 5% GF/GP reduction was met by maintaining an existing vacancy.

Gross	(1,800,200)
GF/GP	(1,800,200)
Gross	(60,400)
GF/GP	(60,400)

C. CONTINGENCY FUNDS

State Budget Office Letter 9-11-02

- Medicaid Fraud.** The initial FY 2001-02 appropriation of Federal funds for Medicaid fraud cases was \$3,124,900. Of that amount, \$170,000 was based on estimated program income. Actual program income from civil penalties exceeded the appropriation by approximately \$600,000. Program income must be used in accordance with Federal guidelines. The Department used the funds to offset the State's General Fund match requirement

Gross	600,000
Federal	600,000
GF/GP	0

Change from FY 2001-02 Initial Appropriation	
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2. **Money Laundering Task Force.** The Money Laundering Task Force initiates forfeiture proceedings against individuals convicted of drug offenses. The FY 2001-02 initial appropriation of Federal funds for this program was \$616,000. Program income from forfeiture proceedings was not included in the original appropriation. The transfer allowed the Department to use \$125,000 in program income to offset the State's General Fund match requirement for this program.

3. **Prosecuting Attorneys Coordinating Council.** The Prosecuting Attorneys Coordinating Council's application for Federal Byrne Memorial Grant funding was approved at an amount that exceeded the initial \$103,100 appropriation. This was mainly due to approval of the Federal match rate at 75% instead of 60%. The Byrne Grant funding supports the Shared Justice Information Project, which facilitates the communication of criminal case tracking information between prosecutors, police, and the court system.

Gross	125,000
Federal	125,000
GF/GP	0
Gross	27,900
Federal	27,900
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 4-16-02

Budgetary Savings. Consistent with other FY 2001-02 budgets, the appropriation for the Department of Attorney General included a negative line item (\$191,400) for budgetary savings. Pursuant to boilerplate (Section 213 of the General Government FY 2001-02 Appropriation bill), savings were to be achieved from the hiring freeze and if necessary other savings approved by the State Budget Director. Section 213 also required legislative transfers to implement the reductions. This transfer reflected savings of \$184,700 from the Attorney General's operations line item and \$6,700 from the Prosecuting Attorneys Coordinating Council.

Gross	0
GF/GP	0

2. State Budget Office Letter 9-11-02

Salary and Wage Account Shortages. This transfer partially offset shortages in salary and wage accounts resulting from Executive Order 2001-9 and budgetary savings reductions included in the initial appropriation. The transfer moved \$220,100 from the unclassified salary line item to the operations budget. Sufficient funds existed for the transfer due to vacancies in the unclassified positions line item.

Gross	0
GF/GP	0

CAPITAL OUTLAY

The initial appropriation was contained in Public Act 45 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	0.0	0.0
Gross	\$499,557,700	\$582,934,900
IDG	7,000,000	7,000,000
Federal	106,332,000	176,567,000
Local	26,000,000	41,000,000
Private	1,250,000	1,480,000
Restricted	43,109,000	63,634,000
GF/GP	\$315,866,700	\$283,653,900
	Change from FY 2001-02 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 530 of 2001

- | | |
|---|---|
| <p>a. Farmland and Open Space Development Acquisition. This program provides funds for the purchase of development rights from farmland and open space deemed critical for preservation. Federal money was made available to assist with the program and was appropriated in Public Act 530 of 2001.</p> | <p>Gross 2,000,000
Federal 2,000,000
GF/GP 0</p> |
| <p>b. State Building Authority Construction Projects. Public Act 530 contained construction authorization for projects that previously were authorized for planning. It included projects at five community colleges and one university. A new housing unit at Camp Brighton for the Department of Corrections (\$7,075,000) also was included.</p> | <p>Gross 7,075,600
Federal 7,075,000
GF/GP 600</p> |
| <p>c. Department of Military Affairs. New Federal money was made available for a variety of armory construction and maintenance projects including new armories at Jackson (\$10,000,000) and Calumet (\$5,500,000), an armory airfleet support facility at Grand Ledge (\$1,500,000), and a cost increase for the new combined maintenance shop in Lansing (\$6,000,000).</p> | <p>Gross 25,415,000
Federal 21,160,000
Private 230,000
Restricted 4,025,000
GF/GP 0</p> |

		Change from FY 2001-02 Initial Appropriation	
d. Department of Natural Resources. The supplemental appropriation provided funding for two new items, additional improvements to Sterling State Park funded from State park revenue bonds (\$15,500,000), and two new Great Lakes fisheries research vessels (\$1,000,000).		Gross	16,500,000
		Restricted	16,500,000
		GF/GP	0
e. Department of Transportation - Aeronautics. The appropriation enabled the Department to implement the new airport safety and protection plan by providing additional Federal money (matched by local funds) for the completion of a variety of safety and security enhancements at airports statewide.		Gross	55,000,000
		Federal	40,000,000
		Local	15,000,000
		GF/GP	0
f. State Building Authority - Rent. The Public Act 530 reduced appropriations for rent payments made by the State to the State Building Authority, which it uses to pay off bonds sold to finance construction. The reduced appropriations more accurately reflect anticipated expenditures.		Gross	(9,217,300)
		GF/GP	(9,217,300)
2. Public Act 161 of 2001			
State Building Authority Construction Projects. This legislation contained construction authorization for projects that previously were authorized for planning. There were two projects at community colleges, and two university projects.		Gross	400
		GF/GP	400
3. Public Act 746 of 2001			
Detroit Metropolitan Airport Midfield Terminal Project. The original appropriation for the State's contractually obligated payment for FY 2001-02 was \$20,000,000, appropriated from the General Fund. Public Act 746 shifted \$9,600,000 of the General Fund obligation to Comprehensive Transportation Fund revenue.		Gross	0
		Restricted	9,600,000
		GF/GP	(9,600,000)
B. EXECUTIVE ORDERS			
Executive Order 2001-9			

Change from FY 2001-02 Initial Appropriation	
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1. State Agency Special Maintenance. The Executive Order reduced appropriations for State agency special maintenance by \$4,396,500, or about 52% of the original appropriations. Special maintenance appropriations for the Department of Military Affairs were left unchanged, as they are used to match Federal maintenance funds.

Gross	(4,396,500)
GF/GP	(4,396,500)

2. State Building Authority - Rent. The Executive Order reduced appropriations for rent payments made by the State to the State Building Authority, which it uses to pay off bonds sold to finance construction. The reduced appropriations more accurately reflect anticipated expenditures.

Gross	(9,000,000)
GF/GP	(9,000,000)

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

DEPARTMENT OF CAREER DEVELOPMENT

The initial appropriation was contained in Public Act 80 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	1,141.0	1,141.0
Gross	529,374,500	686,121,600
IDG	1,048,000	0
Federal	463,699,900	630,699,900
Local	14,978,200	14,978,200
Private	2,396,300	2,396,300
Restricted	11,444,500	9,444,500
GF/GP	35,807,600	28,602,700

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 530 of 2002

Federal Reed Act Funding. This one-time Federal funding was made available to the states in October 2001 after the Unemployment Trust Fund balance exceeded the statutory cap. Michigan's share of this funding totaled \$292,000,000. The entire award was appropriated in Public Act 503. This appropriation is being used to replace GF/GP, Workforce Investment Act funding, and Temporary Assistance for Needy Families funding in the Job Training Programs Subgrantees and the Welfare-to-Work line items. Additionally, a one-time allocation of \$7,000,000 was made to the Employment Service Agency for Information Technology projects related to the Internet job search services, the Michigan Talent Bank, and the Talent Freeway.

Gross	161,000,000
Federal	167,000,000
GF/GP	(6,000,000)

2. Public Act 120 of 2001

Focus Hope. Public Act 120 made a supplemental appropriation for this organization. The increase brought FY 2001-02 total appropriations for this line to \$5,994,300.

Gross	450,000
GF/GP	450,000

**Change from FY 2001-02
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2001-9

Reductions were taken from various grant programs which will reduce awards to volunteer groups, engineering education, and community foundations. Additional GF/GP savings are realized through unused matching funds that were available from the welfare-to-work program which provides placement assistance to welfare recipients. The interdepartmental grant reduction was a program funded under the Corrections budget to provide employment assistance to parolees. The Executive Order made reductions to the following line items:

Gross	(4,702,900)
IDG	(1,048,000)
Restricted	(2,000,000)
GF/GP	(1,654,900)

Job Training Programs Subgrantees	\$(1,048,000)
Michigan Community Service Commission Subgrantees	(50,000)
Welfare-to-Work	(1,500,400)
Precollege Programs in Engineering and the Sciences	(104,500)
Council of Michigan Foundations	(2,000,000)

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

DEPARTMENT OF CIVIL RIGHTS

The initial appropriation was contained in Public Act 83 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	166.5	166.5
Gross	15,527,000	15,618,400
IDG	0	0
Federal	934,000	1,285,400
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	14,593,000	14,333,000

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Unclassified Salaries. This line item was reduced based on 2.0 vacancies out of the 5.0 unclassified positions authorized in this line item.	Gross	(120,000)
	GF/GP	(120,000)
2. Civil Rights Operations. Reductions were made to tuition reimbursement (\$60,000), training (\$30,000), and professional development (\$50,000).	Gross	(140,000)
	GF/GP	(140,000)
3. Work Project. Work project funding (\$740,000) appropriated in FY 1999-2000 was lapsed to the State General Fund.	Gross	0
	GF/GP	0

C. CONTINGENCY FUNDS

State Budget Office Letter 9-11-02

Federal Grant for Housing Cases. The Department of Civil Rights receives a grant from the U.S. Department of Housing and Urban Development (HUD) for each housing complaint that is resolved. The Department closed more cases than originally estimated, resulting in a larger HUD grant than the budget included, requiring additional authorization.	Gross	351,400
	Federal	351,400
	GF/GP	0

**Change from FY 2001-02
Initial Appropriation**

D. TRANSFERS

1. State Budget Office Letter 10-29-01

Administrative Transfer. This transfer adjusted Federal revenue sources to reflect actual amounts. The transfer moved \$186,850 from the United States Equal Employment Opportunity Commission (EEOC) line to the HUD revenue line.

Gross	0
GF/GP	0

2. State Budget Office Letter 4-16-02

Budgetary Savings. This transfer distributed the general budgetary savings line of (\$74,800) to the Civil Rights operations line item.

Gross	0
GF/GP	0

3. State Budget Office Letter 9-11-02

Unclassified Positions. The line item for unclassified positions was reduced by \$120,000 for FY 2001-02 in Executive Order 2001-9. The reduction created a \$3,100 shortfall in this line. Funding was available in the Operations line item as a result of savings from the hiring freeze.

Gross	0
GF/GP	0

DEPARTMENT OF CIVIL SERVICE

The initial appropriation was contained in Public Act 83 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	230.5	230.5
Gross	30,649,200	30,088,340
IDG	3,300,000	3,414,971
Federal	4,779,100	4,979,325
Local	1,700,000	1,706,039
Private	150,000	33,999
Restricted	9,502,900	9,297,666
GF/GP	11,217,200	10,656,340
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Change from FY 2001-02 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDER

Executive Order 2001-9

Civil Service Operations. The Executive Order made a 5% GF/GP reduction to the Department of Civil Service. The savings were achieved by the ongoing hiring freeze and by reducing travel.

Gross	(560,860)
GF/GP	(560,860)

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

1. State Budget Office Letter 4-16-02

Budgetary Savings. This transfer distributed the general budgetary savings line of (\$57,500) to the Civil Service Operations line item in the Department's budget.

Gross	0
GF/GP	0

2. State Budget Office Letter 9-11-02

Fund Source Adjustments. Pursuant to Article XI, Section 5 of the Michigan Constitution, the Department of Civil Service is entitled to an appropriation of not less than one percent of the aggregate payroll of the classified service for the preceding fiscal year. The funding often comes from fund sources other than originally estimated based on the annual payroll. This transfer adjusts the authorization to accept \$321,235 from the source from which the funds are available, with no change to the gross appropriation.

**Change from FY 2001-02
Initial Appropriation**

Gross	0
IDG	114,971
Federal	200,225
Local	6,039
Private	(116,001)
Restricted	(205,234)
GF/GP	0

COMMUNITY COLLEGES

The initial appropriation was contained in Public Act 52 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	0.0	0.0
Gross	324,596,319	320,212,219
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	5,000,000	344,800
GF/GP	319,596,319	319,867,419

Change from FY 2001-02 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 530 of 2001

Renaissance Zone Reimbursement. This program reimburses community colleges for property tax revenue loss, as required by law, due to the establishment of a renaissance zone in a college's district. Initial estimates of anticipated program costs were less than actual costs.

Gross	\$66,000
GF/GP	66,000

2. Public Act 560 of 2001

Renaissance Zone Reimbursement. Initial estimates of anticipated program costs were less than actual costs.

Gross	205,100
GF/GP	205,100

3. Public Act 746 of 2001

Postsecondary Access Student Scholarship (PASS) Program. The PASS program aims to provide free college tuition for eligible participants by financing the difference between tuition and all other scholarships and grants for qualifying students. The program is financed from the Merit Award Trust Fund, which was created from the Tobacco Settlement Trust Fund. Actual program expenditures were less than originally appropriated. Public Act 746 reduced the original appropriation of \$5,000,000 and provided for the money to lapse to the Merit Award Trust Fund.

Gross	(1,655,200)
Restricted	(1,655,200)
GF/GP	0

**Change from FY 2001-02
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2001-9

Postsecondary Access Student Scholarship (PASS) Program. As indicated above (item A3.), actual program expenditures were less than originally appropriated. Executive Order 2001-9 reduced the original appropriation of \$5,000,000 and provided for the money to lapse to the Merit Award Trust Fund.

Gross	(3,000,000)
Restricted	(3,000,000)
GF/GP	0

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

DEPARTMENT OF COMMUNITY HEALTH

The initial appropriation was contained in Public Act 60 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	6,201.1	6,201.1
Gross	8,660,953,200	9,192,606,900
IDG	74,507,400	74,507,400
Federal	4,464,281,900	4,818,487,200
Local	1,063,251,900	1,169,360,400
Private	63,585,600	64,186,600
Restricted	349,364,500	567,849,500
GF/GP	2,645,961,900	2,498,215,800

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 120 of 2001

University Cancer Centers. Governor Engler had vetoed the \$3,000,000 boilerplate appropriation for the three University cancer centers. Public Act 120 of 2001 restored \$1,500,000 in Healthy Michigan Fund dollars, to be divided equally among the centers.

Gross	1,500,000
Restricted	1,500,000
GF/GP	0

2. Public Act 530 of 2002

a. Community Mental Health (CMH) Medicaid Base Funding. Public Act 530 of 2002 included a base adjustment for the CMH Medicaid program, due to increasing Medicaid caseloads.

Gross	15,731,500
Federal	8,864,700
GF/GP	6,866,800

b. Federal Anti-Bioterrorism Funding. Public Act 530 of 2002 included a large increase in Federal funding for anti-Bioterrorism efforts. This funding was appropriated to the states by Congress in the wake of the September 11, 2001 terrorist, attacks.

Gross	31,200,000
Federal	31,200,000
GF/GP	0

c. MICHCare Program. Public Act 530 of 2002 included additional Federal funds to cover the costs of a caseload increase in the MICHCare program, which provides prenatal care services to women who are not enrolled in the Medicaid program.

Gross	4,214,000
Federal	4,214,000
GF/GP	0

d. Children's Special Health Care Services (CSHCS) Base Funding. Public Act 530 of 2002 included a base adjustment for the CSHCS Medical Care and Treatment program to reflect projected expenditures.

Gross	28,951,000
Federal	14,186,000
GF/GP	14,765,000

		Change from FY 2001-02 Initial Appropriation	
e. Medicaid Base Funding. Public Act 530 of 2002 included base adjustments for most of the major Medicaid accounts, reflecting increased projected expenditures mostly related to rising Medicaid caseloads. The nearly \$300,000,000 Gross appropriated represented about a 7% increase in funding for the major Medicaid accounts.		Gross	297,654,600
		Federal	167,728,400
		GF/GP	129,926,200
f. Medicaid "Special Financing" Adjustments. The Gross authorization for so-called Medicaid "special financing" mechanisms was increased.		Gross	166,458,500
		Federal	60,000,000
		Local	106,458,500
		GF/GP	0
g. Fund Source Shifts. To reduce GF/GP costs, \$11,000,000 from a vitamin price-fixing settlement and \$203,000,000 from the Medicaid Trust Fund were used to support the Medicaid program.		Gross	0
		Restricted	214,000,000
		GF/GP	(214,000,000)
3. Public Act 560 of 2002			
Nursing Home Quality Assurance Assessment. Public Act 303 of 2002 created a Nursing Home Quality Assurance Assessment, which took effect on July 1, 2002. The funding in Public Act 560 was to reflect the revenue collected from this assessment as well as the funding necessary to provide a 7% net increase in Medicaid payments to nursing homes.		Gross	25,139,800
		Federal	14,168,800
		Restricted	10,971,000
		GF/GP	0
4. Public Act 746 of 2002			
Revenue Shift for Wayne County "County-Care" Program. A shift of \$800,000 from Local sources to Restricted revenue (from the cigarette tax increase that took effect on August 1, 2002) was included.		Gross	0
		Local	(800,000)
		Restricted	800,000
		GF/GP	0
B. EXECUTIVE ORDERS			
Executive Order 2001-9			
1. CMH Multicultural Services. Executive Order 2001-9 included a 10% reduction in mental health multicultural services contracts.		Gross	(396,200)
		GF/GP	(396,200)
2. Mental Health Pilot Prevention Projects. Executive Order 2001-9 eliminated the Pilot Prevention Projects program, effective January 1, 2002.		Gross	(800,000)
		GF/GP	(800,000)
3. Colo-Rectal Cancer Funding. Executive Order 2001-9 eliminated funding dedicated to colo-rectal cancer education and outreach, effective January 1, 2002.		Gross	(112,500)
		GF/GP	(112,500)

		Change from FY 2001-02 Initial Appropriation	
4. Parkinson's Foundation.	Executive Order 2001-9 eliminated a grant given to the Michigan Parkinson's Foundation, effective January 1, 2002.	Gross	(150,000)
		GF/GP	(150,000)
5. Employee Wellness Program Grants.	Executive Order 2001-9 eliminated funding for employee wellness grants, effective January 1, 2002.	Gross	(3,200,000)
		Restricted	(3,200,000)
		GF/GP	0
6. Violence Prevention.	Executive Order 2001-9 reduced funding for Violence Prevention.	Gross	(1,500,000)
		Restricted	(1,500,000)
		GF/GP	0
7. AIDS Prevention Funding.	Executive Order 2001-9 reduced funding for AIDS Prevention programs.	Gross	(600,000)
		Restricted	(600,000)
		GF/GP	0
8. Adolescent Health Centers.	Executive Order 2001-9 eliminated funding for Adolescent Health Centers, effective February 1, 2002. This funding was restored in the School Aid budget.	Gross	(2,800,000)
		Restricted	(636,000)
		GF/GP	(2,164,000)
9. Long Term Care Advisor.	Executive Order 2001-9 eliminated media outreach funding from the Long Term Care Advisor line item.	Gross	(2,285,000)
		Restricted	(2,285,000)
		GF/GP	0
10. Senior Centers Staffing and Equipment.	Executive Order 2001-9 reduced funding for this line by roughly 50%.	Gross	(1,000,000)
		GF/GP	(1,000,000)
11. Hospital Services and Therapy.	Executive Order 2001-9 made a number of reductions to Medicaid payments to hospitals: Psychiatric residency funding was eliminated (\$3,620,500 Gross); the rural outpatient adjustor was eliminated (\$5,220,000); inpatient rates were rebased (\$13,260,700); and Graduate Medical Education funding was cut 5% (\$9,395,100).	Gross	(31,496,300)
		Federal	(17,751,300)
		GF/GP	(13,745,000)
12. Ambulance Services.	Executive Order 2001-9 eliminated the mileage reimbursement increase that had been given to Medicaid Ambulance providers in FY 2001-02.	Gross	(1,000,000)
		Federal	(563,600)
		GF/GP	(436,400)
13. Long Term Care Services.	Executive Order 2001-9 repealed language directing that Medicaid long term care services rates be rebased, producing savings.	Gross	(14,894,600)
		Federal	(8,394,600)
		GF/GP	(6,500,000)

14. State and Local Medical Programs. Executive Order 2001-9 included a reduction in funding for county medical programs.

15. Medicaid Trust Fund Withdrawal. In conjunction with supplemental item A. 2. e. above, Executive Order 2001-9 included an adjustment in special provider payments to reflect a withdrawal from the Medicaid Trust Fund.

**Change from FY 2001-02
Initial Appropriation**

Gross	(16,498,600)
Federal	(9,298,600)
Restricted	(7,200,000)
GF/GP	0

Gross	(60,000,000)
GF/GP	(60,000,000)

C. CONTINGENCY FUNDS

1. State Budget Office Letter 4-16-02

a. CMH Medicaid Services. As developmentally disabled persons are shifted from State institutions to the community, Medicaid funding for these persons is shifted to the CMH boards.

Gross	6,415,400
Federal	6,415,400
GF/GP	0

b. Federal Mental Health Block Grant. This contingency transfer reflected the final authorization for the Federal Mental Health Block Grant.

Gross	2,287,800
Federal	2,287,800
GF/GP	0

c. Aging Programs. The final Federal authorization for three Office of Services to the Aging line items was higher than originally appropriated. This transfer increased authorization for the following line items: Community Services (by \$3,000,000), Nutrition Services (by \$700,000), and Senior Volunteer Services (by \$40,000).

Gross	3,740,000
Federal	3,740,000
GF/GP	0

d. Aging Respite Care Program. The Senior Respite Care program is funded from escheat revenue. As additional revenue was collected and available, this transfer increased authorization for the program.

Gross	500,000
Restricted	500,000
GF/GP	0

e. Women, Infants and Children (WIC) Administration. The WIC program was eligible for additional administrative funding from the U.S. Department of Agriculture. This money was used to cover training, an electronic benefits transfer project, and other endeavors.

Gross	1,553,200
Federal	1,553,200
GF/GP	0

f. Sexually Transmitted Disease Programs. Additional Federal funds were made available for administration and local programming.

Gross	719,900
Federal	719,900
GF/GP	0

g. AIDS Drug Rebates. The Department received additional rebate revenue from AIDS drug manufacturers and this money was added to the AIDS Prevention line to increase ongoing program expenditures.

Gross	500,000
Private	500,000
GF/GP	0

		Change from FY 2001-02 Initial Appropriation	
h. Laboratory Services. Federal funding for the Epidemiology and Laboratory Capacity grant was increased and was reflected in this transfer.	Gross	310,000	
	Federal	310,000	
	GF/GP	0	
i. Special Projects. There was an increase in Federal funds for various projects, including newborn hearing screening, the Michigan Teen Outreach Program, pregnancy risk assessment monitoring, oral disease prevention, and child care and development.	Gross	1,516,300	
	Federal	1,516,300	
	GF/GP	0	
j. Family Planning Local Agreements. Additional Federal funding was made available under Title X of the Social Security Act for family planning services.	Gross	1,251,900	
	Federal	1,251,900	
	GF/GP	0	
k. Cancer Prevention and Control. Several Federal cancer grants were increased: National Comprehensive Cancer Control, National Breast and Cervical Cancer Early Detection, and the WISEWOMAN grant for screening services.	Gross	1,839,200	
	Federal	1,839,200	
	GF/GP	0	
l. Chronic Disease Prevention. Additional Federal money was made available for the arthritis program.	Gross	24,300	
	Federal	24,300	
	GF/GP	0	
m. Diabetes and Kidney Program. Additional Federal money was made available for the Diabetes Control program.	Gross	72,500	
	Federal	72,500	
	GF/GP	0	
n. Obesity Program. Additional Federal carry-forward revenue was available for nutrition and physical activity programs designed to combat obesity.	Gross	267,200	
	Federal	267,200	
	GF/GP	0	
o. Public Health Traffic Safety. Additional Federal dollars were made available through the Department of State Police for various child traffic safety programs.	Gross	232,000	
	Federal	232,000	
	GF/GP	0	
p. Epidemiology Administration. Additional funding from the Federal Centers for Disease Control was made available for asthma surveillance, behavioral risk factor surveillance, bioterrorism preparedness, and epidemiology and laboratory capacity.	Gross	1,700,000	
	Federal	1,700,000	
	GF/GP	0	
q. Health Insurance Portability and Accountability Act (HIPAA) and other Medicaid Administrative Services. Additional Federal funds were made available for the costs of the Federal HIPAA program and a managed care assessment contract with Michigan State University.	Gross	6,700,000	
	Federal	6,700,000	
	GF/GP	0	

		Change from FY 2001-02 Initial Appropriation	
r.	Newborn Screening Services. Additional newborn screening fee revenue was available in FY 2001-02 and this transfer increased authorization to cover expenditures for the program.	Gross	550,000
		Restricted	550,000
		GF/GP	0
2. State Budget Office Letter 9-12-02			
a.	Bequests for Care and Services. This transfer recognized additional available private contribution revenue to allow the Department to approve requests for special needs that are pending on a waiting list.	Gross	79,000
		Private	79,000
		GF/GP	0
b.	Center for Forensic Psychiatry. This transfer recognized additional available local county match revenue for the forensic center.	Gross	450,000
		Local	450,000
		GF/GP	0
c.	Mental Health/Substance Abuse Program Administration. This transfer recognized additional revenue available from a Flinn Foundation grant for evaluation of Assertive Community Treatment programs.	Gross	22,000
		Private	22,000
		GF/GP	0
d.	Vital Records and Health Statistics. This transfer recognized additional revenue available from fees paid by the public for copies of vital records. The revenue was used to cover projected expenditures of the vital records system.	Gross	392,500
		Restricted	392,500
		GF/GP	0
e.	Community Substance Abuse Prevention, Education and Treatment Programs. This transfer recognized additional substance abuse licensing fee revenue to be used to cover compliance costs related to Federal requirements on preventing underage smoking.	Gross	630,000
		Restricted	630,000
		GF/GP	0
f.	Rural Health Services. This transfer recognized additional Federal revenue to cover ongoing activities of the Michigan Center for Rural Health.	Gross	306,000
		Federal	306,000
		GF/GP	0
g.	Medicaid Mental Health Services. This transfer covered costs associated with transferring developmentally disabled individuals from State facilities to the community.	Gross	5,363,000
		Federal	5,363,000
		GF/GP	0
h.	Federal Mental Health Block Grant. This transfer recognized the actual amount available from this block grant.	Gross	864,300
		Federal	864,300
		GF/GP	0
i.	AIDS Surveillance and Prevention Program. This transfer recognized additional revenue available under a Federal grant to cover ongoing activities of this program.	Gross	209,000
		Federal	209,000
		GF/GP	0

		Change from FY 2001-02 Initial Appropriation	
j. Tuberculosis Control and Recalcitrant AIDS program. This transfer recognized additional revenue available under a Federal grant to cover ongoing activities of this program.	Gross	304,300	
	Federal	304,300	
	GF/GP	0	
k. Medicaid Services Cost Reimbursement to Local Health Departments. This line reimburses local health departments for services they provide that are eligible for Federal Medicaid funds. This transfer increased the authorization of this line to recognize additional Federal earnings to cover the anticipated expenditures.	Gross	300,000	
	Federal	300,000	
	GF/GP	0	
l. Cancer Prevention and Control Program. This transfer recognized additional revenue available under a Federal grant to cover ongoing activities of the Breast and Cervical Cancer Early Detection program.	Gross	1,144,500	
	Federal	1,144,500	
	GF/GP	0	
m. School Health and Education Programs. This transfer recognized additional revenue available under a Federal grant to cover ongoing adolescent and school health education activities.	Gross	20,300	
	Federal	20,300	
	GF/GP	0	
n. Smoking Prevention Program. This transfer recognized additional revenue available under a Federal grant to cover ongoing tobacco prevention and control activities.	Gross	234,000	
	Federal	234,000	
	GF/GP	0	
o. Violence Prevention. This transfer recognized additional revenue available under a Federal grant to cover ongoing rape prevention and education activities.	Gross	818,200	
	Federal	818,200	
	GF/GP	0	
p. Childhood Lead Program. This transfer recognized additional revenue available under a Federal grant to cover ongoing activities of the childhood lead program.	Gross	82,400	
	Federal	82,400	
	GF/GP	0	
q. Family Planning Local Agreements. This transfer recognized additional revenue available under a Federal grant to cover ongoing activities of the family planning program.	Gross	113,200	
	Federal	113,200	
	GF/GP	0	
r. Family Support Subsidy. This transfer increased the Federal authorization of this line, allowing the Department to spend additional Temporary Assistance for Needy Families (TANF) revenue. The additional revenue was needed to cover a slight increase in the number of cases in the existing program.	Gross	100,000	
	Federal	100,000	
	GF/GP	0	
s. Housing and Support Services. This transfer recognized additional revenue available under a Federal grant to cover ongoing activities that provide housing assistance to persons with mental illness or disabilities.	Gross	867,100	
	Federal	867,100	
	GF/GP	0	

		Change from FY 2001-02 Initial Appropriation	
t. Drug Control Policy. This transfer recognized additional revenue available under a Federal grant to cover projected expenditures of this program.	Gross	200,000	
	Federal	200,000	
	GF/GP	0	
u. Grants Administration Services. This transfer recognized additional revenue available under a Federal grant to cover ongoing activities of the crime victims grant reporting system.	Gross	80,000	
	Federal	80,000	
	GF/GP	0	
v. Primary Care Services. This transfer recognized additional available funds from the Federal Bureau of Primary Health Care. These funds are distributed to the Michigan Primary Care Association and also are used to support Department staff oversight of the primary care services program.	Gross	18,000	
	Federal	18,000	
	GF/GP	0	
3. State Budget Office Letter 11-6-02			
a. AIDS Prevention, Testing and Care Programs. This transfer recognized additional revenue available under a Federal grant to cover expenditures of the AIDS Drug Assistance Program (ADAP).	Gross	630,000	
	Federal	630,000	
	GF/GP	0	
b. Community Services. This transfer recognized additional revenue available under a Federal grant to cover projected expenditures of the community services program for seniors.	Gross	630,000	
	Federal	630,000	
	GF/GP	0	
c. Medicaid. As part of the typical year-end adjustments to Medicaid, funding from accounts with surpluses was shifted to accounts with deficits. These transfers adjusted for the difference between estimates and expenditures plus accrual adjustments and are very consistent with the Medicaid consensus estimates made in May 2002. This transfer consisted of both contingency fund transfers and noncontingency fund transfers. (As a result, this description also can be found under D.3.b. below.) The contingency fund transfers totaled \$53,500,000 of Federal and State restricted contingency fund authorization that was made available for the Medicaid program. The noncontingency fund transfers totaled \$83,563,500 that was transferred from various line items containing surplus revenue to those lines that were projected to exceed their authorization.	Gross	53,500,000	
	Federal	53,151,500	
	Restricted	348,500	
	GF/GP	0	

**Change from FY 2001-02
Initial Appropriation**

D. TRANSFERS

1. State Budget Office Letter 4-16-02

- | | | |
|---|-------|---|
| <p>a. CMH Medicaid Services. In conjunction with the transfer described in item C.1.a. above, \$4,967,500 in GF/GP funding was transferred from the non-Medicaid and CMHSP purchase of state services lines to the CMH Medicaid line to cover the transfer of developmentally disabled individuals to the community.</p> | Gross | 0 |
| | GF/GP | 0 |
| <p>b. Southgate Center. Due to the closure costs for the Southgate Center, the line was short. An \$800,000 transfer from surplus funding in the Worker's Compensation line was made.</p> | Gross | 0 |
| | GF/GP | 0 |

2. State Budget Office Letter 9-12-02

- | | | |
|---|-------|---|
| <p>a. Rent and Building Occupancy. This line was projected to be in deficit due to higher-than-anticipated rental costs. The line received a transfer of \$300,000 from the Departmentwide Administration line, which was projected to have lower-than-anticipated administrative costs.</p> | Gross | 0 |
| | GF/GP | 0 |
| <p>b. Medicaid Substance Abuse Services. As part of the May Medicaid consensus estimating conference, an increase in the base funding for CMH Medicaid and Medicaid Substance Abuse Services was agreed to. However, the supplemental appropriation put all of the additional funding into the CMH Medicaid line. This transfer shifted \$1,401,000 from the Medicaid Mental Health line to the Medicaid Substance Abuse Services line to reflect more accurately the consensus agreement.</p> | Gross | 0 |
| | GF/GP | 0 |
| <p>c. Closed Site, Transition, and Related Costs. The Southgate Center for the Developmentally Disabled was closed in FY 2001-02. This transfer increased funding to cover the costs of closing the facility. Funding from the following line items was transferred into the Closed Site, Transition, and Related Costs line to effect this transfer: Special Maintenance and Equipment (\$600,000); Center for Forensic Psychiatry (\$900,000); and, Children's Waiver Home Care Program (\$2,000,000).</p> | Gross | 0 |
| | GF/GP | 0 |

3. State Budget Office Letter 11-6-02

- | | | |
|---|-------|---|
| <p>a. Budgetary Savings. As part of the FY 2001-02 budget, each department had a budgetary savings "deduct" equal to .5% of total GF/GP funding. For the Department of Community Health, this amount totaled \$13,722,400. Various savings were taken in the Department to generate the deductions necessary to fulfill this deduct. Most of the savings were from administrative efficiencies, but some were actual program reductions.</p> | Gross | 0 |
| | GF/GP | 0 |

- b. Medicaid.** As part of the typical year-end adjustments to Medicaid, funding from accounts with surpluses was shifted to accounts with deficits. These transfers adjusted for the difference between estimates and expenditures plus accrual adjustments and are very consistent with the Medicaid consensus estimates made in May. This transfer consisted of both contingency fund transfers and noncontingency fund transfers (as described in item C.3.c., above). The contingency fund transfers totaled \$53,500,000 of Federal and State restricted contingency fund authorization that was made available for the Medicaid program. The noncontingency fund transfers totaled \$83,563,500 that was transferred from various line items containing surplus revenue to those lines that were projected to exceed their authorization.

Change from FY 2001-02 Initial Appropriation	
Gross	0
GF/GP	0

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

The initial appropriation was contained in Public Act 119 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	4,178.4	4,175.4
Gross	560,448,500	644,480,400
IDG	111,800	111,800
Federal	239,954,500	331,440,500
Local	0	0
Private	740,000	740,000
Restricted	276,870,400	274,291,400
GF/GP	42,771,800	37,896,700
<hr/>		
	Change from FY 2001-02 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 138 of 2001

Fire Protection Grants. This program provides funding to cities, villages, and townships for fire protection services for State-owned buildings in lieu of property taxes. This line item was vetoed from the appropriation bill for this Department.

Gross	7,421,000
Restricted	7,421,000
GF/GP	0

2. Public Act 530 of 2001

Federal Reed Act Funding. This one-time Federal funding was made available to the states in October 2001 after the Unemployment Trust Fund balance had exceeded the statutory cap. Michigan's share of this funding totaled \$292,000,000. The entire amount was appropriated in Public Act 530. The Department of Consumer and Industry Services received \$75,000,000 of this funding for the Unemployment Agency. The appropriation was separated for two purposes. First, a one-time \$45,000,000 appropriation was provided to expedite the transition to the Remote Initial Claims System. The remaining \$30,000,000 was used for a fund shift by replacing Contingent Fund Penalty and Interest (P&I) funding. This P&I funding then was to be deposited into the General Fund (in \$10,000,000 increments over the three fiscal years, FY 2001-02 through 2003-04) following a statutory change to effect this transfer.

Gross	65,000,000
Federal	75,000,000
Restricted	(10,000,000)
GF/GP	0

**Change from FY 2001-02
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2001-9

Various program and administrative lines received reductions. Savings were achieved through unfilled vacancies and administrative reductions. The Executive Order included reductions to the following line items:

- Policy Development - (\$25,000)
- Bureau of Hearings - (\$25,000)
- Administrative Services - (\$25,000)
- Technology Support - (\$42,500)
- Occupational Safety and Health - (\$50,000)
- Commercial Services - (\$121,100)
- Tax Tribunal Operations - (\$50,000)

FTE	(3.0)
Gross	(10,389,100)
Federal	(5,514,000)
GF/GP	(4,875,100)

Additionally, the Nursing Home Quality Incentive Grants were eliminated. These grants were provided to nursing homes that demonstrated consistent quality of care for residents. This was a Federal matching program: Gross - (\$10,050,500), GF - (\$4,536,500).

C. CONTINGENCY FUNDS

1. State Budget Office Letter 04-16-02

Unemployment Programs. This Federal Contingency Fund transfer increased the Federal spending authority to allow the use of \$12,000,000 in additional administrative funding to expedite the transition to the Remote Initial Claims System and \$3,000,000 to reimburse for postage for additional unemployment claims filed during the year.

Gross	15,000,000
Federal	15,000,000
GF/GP	0

2. State Budget Office Letter 09-11-02

Michigan State Housing Development Authority. This Federal Contingency Fund transfer increased the spending authority for this line as the actual amount of revenue available was greater than the appropriation for FY 2001-02. This program provides rental assistance to eligible households by making subsidization payments directly to landlords.

Gross	7,000,000
Federal	7,000,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 11-06-02

Michigan State Housing Development Authority. This was a \$4,500,000 line item transfer to increase the spending authority in the Payments On Behalf Of Tenants line item from the Homeless Program line item. The Michigan State Housing Development Authority (MSHDA) administers two Federal Section 8 Housing programs. The first, which is still administered but has not funded a new project since the 1980s, is a program that provides mortgage subsidies for developers who built or rehabilitated low-income housing units. The second is a rental subsidy program in which a subsidy is made on behalf of tenants directly to landlords. Many of the mortgages in the first program are now being closed out through maturity and accelerated payments. Without the mandatory rental restrictions some of these landowners are converting the properties to market rate units. The individuals currently occupying these units, who are unable to afford the market rate prices, are eligible for vouchers under the rental subsidy program. It is this shift in clients from the mortgage program to the rental assistance program that necessitated the increase in expenditures from this line.

2. State Budget Office Letter 04-16-02

Fund Shifts. Two fund shift transfers were approved. One adjusted the amount of Federal revenue that is used to support the Unclassified Salaries line item from the Michigan Employment Security Board of Review (\$126,600), and the other adjusted the rent line to reflect more accurately the cost due to the late implementation of the Department of Management and Budget Space Plan (\$311,900).

DEPARTMENT OF CORRECTIONS

The initial appropriation was contained in Public Act 41 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	19,390.5	19,390.5
Gross	1,737,667,100	1,688,016,300
IDG	5,965,700	5,965,700
Federal	28,032,400	28,669,300
Local	349,600	349,600
Private	0	0
Restricted	48,965,500	53,577,800
GF/GP	1,654,353,900	1,599,453,900

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 530 of 2002

County Jail Reimbursement Program (CJRP). In conjunction with Executive Order 2001-9, which reduced the GF/GP appropriation for this program by \$4,500,000, Public Act 213 of 2001 increased assessments on civil infractions in order to create a County Jail Reimbursement Fund with revenues dedicated to the CJRP. Public Act 530 of 2002 recognized this new source of State restricted revenue.

Gross	4,500,000
Restricted	4,500,000
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Prison Operations. The Department of Corrections (DOC) closed facilities and reduced prison staff as part of the Executive Order reductions. Closing Jackson Maximum and double-bunking Southern Michigan Correctional Facility allowed a reduction of \$29,508,200, and closing Camp Pellston provided additional savings of \$1,182,600. Closing the facilities also created a reduction of \$512,700 in State restricted revenue from resident contributions and public works fees. The Department also reduced the Fire Safety Program by \$1,165,600 by moving to a regional program rather than having a fire safety officer in each facility. Finally, the DOC reduced mid-level management positions throughout the Department to save an additional \$8,082,700.

Gross	(40,451,800)
Restricted	(512,700)
GF/GP	(39,939,100)

		Change from FY 2001-02 Initial Appropriation	
2. Training. Because of layoffs created by facility closings, the DOC was able to transfer existing employees to open positions, thereby reducing the need for training new correctional officers.	Gross	(2,900,000)	
	GF/GP	(2,900,000)	
3. DOJ Psychiatric Plan. The DOC reduced funding for mental health services at the Huron Valley Center. Services are provided through contract by the Department of Community Health.	Gross	(5,000,000)	
	GF/GP	(5,000,000)	
4. Field Operations. The Executive Order required the closure of the Pontiac Corrections Center, reducing the Community Residential Program by \$1,012,900. It also eliminated an interdepartmental grant of \$1,048,000 to the Department of Career Development for employment services to parolees, and increased parole and probation oversight fees in order to reduce the GF/GP appropriation by \$500,000. The increased fee revenue was later added in a contingency fund transfer.	Gross	(2,560,900)	
	GF/GP	(2,560,900)	
5. County Jail Reimbursement Program. The Executive Order decreased the GF/GP appropriation for the CJRP by \$4,500,000. New State restricted revenue was added by supplemental appropriation in Public Act 530 of 2002 in order to offset this loss.	Gross	(4,500,000)	
	GF/GP	(4,500,000)	
C. CONTINGENCY FUNDS			
1. State Budget Office Letter 11-06-01			
Parole and Probation Oversight Fees. Executive Order 2001-9 raised parole and probation oversight fees in order to replace reduced GF/GP appropriations. This contingency fund transfer recognized the additional \$500,000 in State restricted revenue.	Gross	500,000	
	Restricted	500,000	
	GF/GP	0	
2. State Budget Office Letter 4-16-02			
a. Parole and Probation Supervision Fees. State statutes require a 20% set-aside of collected probation and parole fees for enhanced services, which include counseling, employment training and placement, and educational services for probationers and parolees. This contingency fund transfer provided the set-aside for the additional revenues raised by the increase in parole and probation fees in E.O. 2001-9.	Gross	125,000	
	Restricted	125,000	
	GF/GP	0	
b. Education Services. The Library and Technology Services Act made available Federal funds to assist prisoners who have difficulty using the library. This was originally approved as a contingency fund transfer in FY 2000-01, but was delayed due to software security concerns.	Gross	112,500	
	Federal	112,500	
	GF/GP	0	

		Change from FY 2001-02 Initial Appropriation	
c. Education Services. This transfer recognized the receipt of a Federal vocational education grant to support existing special education programs within the Department.		Gross	46,000
		Federal	46,000
		GF/GP	0
d. Housing Federal Inmates. This transfer recognized the negotiated increase in the fee the State receives for housing Federal inmates.		Gross	22,900
		Federal	22,900
		GF/GP	0
3. State Budget Office Letter 9-11-02			
a. Michigan Youth Correctional Facility. This contingency fund transfer authorized the expenditure of additional Federal Violent Offender Incarceration/Truth in Sentencing (VOITIS) funding for the Michigan Youth Correctional Facility management services line. Additional funding was needed due to the operating contract's provision for annual economic increases. The increase raised the per diem rate from \$69.25 to \$70.38 per prisoner.		Gross	98,000
		Federal	98,000
		GF/GP	0
b. Social Security Administration Reimbursement. This contingency fund transfer recognized a Federal Social Security Administration (SSA) reimbursement received in exchange for providing the SSA with the names of prisoners to ensure that they are not receiving Social Security benefits.		Gross	179,000
		Federal	179,000
		GF/GP	0
4. State Budget Office Letter 11-06-02			
Michigan Youth Correctional Facility. This transfer authorized the expenditure of additional Federal VOITIS funding for the Michigan Youth Correctional Facility lease payments. Funding was necessary to cover cost/price variances of maintenance and property insurance.		Gross	178,500
		Federal	178,500
		GF/GP	0
D. TRANSFERS			
1. State Budget Office Letter 4-16-02			
a. Egeler Correctional Facility. This transfer provided \$13,000,000 in funding to the Egeler Correctional Facility, which was providing oversight and administrative functions for the two units remaining open at what was Jackson Maximum. Funding was available from the training line item because the reduction in force mandated by E.O. 2001-9 reduced the need for new employees. Additional funding was available from noncustodial vacancies and reduction in custodial staff overtime at a number of facilities. Funds also were transferred from Jackson Maximum and Riverside Correctional Facilities as part of the reception center transition.		Gross	0
		GF/GP	0

		<u>Change from FY 2001-02 Initial Appropriation</u>	
b. Southern Michigan Correctional Facility. This transfer provided \$1,500,000 for the above-average salary and wages of the high-seniority staff who transferred to Southern Michigan Correctional Facility as part of the E.O. 2001-9 changes. Funding was available due to noncustodial vacancies, reduction in custodial staff overtime, and lower seniority staffing levels at the Crane and Muskegon correctional facilities. This transfer also moved \$33,300 in resident store restricted funds from Jackson Maximum to Southern Michigan as part of the E.O. 2001-9 reorganization.	Gross	0	
	GF/GP	0	
c. Training and Operational Costs. This transfer provided \$1,035,000 for training administration to cover the cost of rent, which nearly doubled from FY 2000-01 to FY 2001-02, and to maintain the leadership training program, which began in FY 2000-01 with funds available after the end of the higher education program, but did not receive additional funds for FY 2001-02. The transfer provided an additional \$1,300,000 for high-seniority staff at the recently expanded Pugsley Correctional Facility, which was funded at the second-year payroll level, as well as \$210,000 for housing inmates in Federal institutions and \$65,400 for educational services and Federal education grants. The funding was available from noncustodial vacancies, reduction in custodial staff overtime, and low-seniority in a number of facilities, as well as from the training line item due to the reduced need for new employees associated with the E.O. 2001-9 reduction in force.	Gross	0	
	GF/GP	0	
2. State Budget Office Letter 9-11-02			
a. Michigan Youth Correctional Facility. For FY 2001-02, the facility operation, lease, and administration lines were funded with Federal Violent Offender Incarceration/Truth in Sentencing funds. However, VOITIS funds may not be used for administrative oversight. This transfer provided \$196,000 General Fund/General Purpose funds to replace Federal funds for the administration line. Funding was available due to vacancies in administrative services.	Gross	0	
	GF/GP	0	
b. Field Operations. This transfer provided \$1,310,000 to compensate for the shortfalls in resident contributions that support the community residential program and in oversight fees that support field operations personnel costs. It also provided \$385,000 for ongoing computerization costs in field programs and for the cost of a court judgement applied directly to the field programs line item. Funds were available due to vacancies in central office staff as well as in the technical rule violator and special alternative incarceration programs. Vacancies and utility savings at the Kinross and Deerfield Correctional Facilities due to a mild winter provided the balance of needed funds.	Gross	0	
	GF/GP	0	

		Change from FY 2001-02 Initial Appropriation	
c. Administration and Operational Costs. This transfer provided \$1,250,000 for historic shortfalls in data processing operations and reimbursement to counties for holding parole violators or prisoners being prosecuted for crimes committed while on parole or in prison. It also provided \$2,600,000 for additional beds at Egeler, Southern Michigan, and Lakeland Correctional Facilities as well as \$240,900 for housing inmates in Federal institutions and increased costs of extradition services. Funding was available due to vacancies, reduced need for new employee training schools, and anticipated lapses in lines funding community corrections grant programs and the county jail reimbursement program.	Gross	0	
	GF/GP	0	
d. FY 2002-03 Prison Capacity. This transfer provided \$13,000,000, for which the Department of Corrections requested a work project account in order to support additional bed space needed for FY 2002-03 due to prison population increases that exceeded expectations. Funds were available from multiple facilities due to vacancies created by hiring only from within the Department, fuel and utility savings from a mild winter, and spending restrictions. Additional funds were available due to vacancies in academic/vocational programs as well as vacancies and savings in consent decree lines resulting from Jackson Maximum bed closures and the consolidation of residential treatment FTEs at the Gus Harrison Correctional Facility.	Gross	0	
	GF/GP	0	
e. Health Care. This transfer provided \$1,646,000 for increased health care and pharmaceutical costs at various on-site clinics as well as \$3,254,000 for the off-site hospital and specialty care contract. Funds were available due to savings in the Southeastern region clinical complexes and consent decree lines because of the recent closure of the Michigan Reformatory and Jackson Maximum Correctional Facilities. Vacancies in health care administration and the reduced need for vaccines as a result of fewer new employees provided the balance of needed funds.	Gross	0	
	GF/GP	0	
3. State Budget Office Letter 9-11-02			
a. Workers' Compensation. This administrative transfer provided \$3,500,000 for cost/price variances for workers' compensation premiums. Funding was available due to vacancies and operational efficiencies at several facilities.	Gross	0	
	GF/GP	0	
b. Court Settlements. This administrative transfer provided for the cost of various court settlements totaling \$3,412,200 as authorized by the Management and Budget Act. Funding was available due to the delayed opening of a unit at the Parnall Correctional Facility, the closure of Jackson Maximum, and vacancies and operational efficiencies at several other facilities.	Gross	0	
	GF/GP	0	

		<u>Change from FY 2001-02 Initial Appropriation</u>	
4. State Budget Office Letter 10-30-02			
a. Workers' Compensation.	This administrative transfer provided \$460,000 for cost/price variances for workers' compensation premiums. Funding was available due to vacancies and operational efficiencies at several facilities.	Gross	0
		GF/GP	0
b. Court Settlements.	This administrative transfer provided for the cost of various court settlements totaling \$770,000 as authorized by the Management and Budget Act. Funding was available due to the delayed opening of a unit at the Parnall Correctional Facility, the closure of Jackson Maximum, and vacancies and operational efficiencies at several other facilities.	Gross	0
		GF/GP	0
5. State Budget Office Letter 11-06-02			
a. Prosecutorial and Detainer Expenses.	This transfer provided \$335,000 for historical shortfalls in reimbursing counties for housing parole violators, community placement violators, and prisoners being prosecuted for crimes committed while in prison. Funds were available due to administrative savings and vacancies at the St. Louis Correctional Facility.	Gross	0
		GF/GP	0
b. Health Care.	This transfer provided \$355,000 for clinical operations in the Northern and Southeastern regions. Funding was available due to vacancies in the Southwestern region clinics, efficiencies in other health care areas, and the reduced need for vaccines as a result of fewer new employees in the Department.	Gross	0
		GF/GP	0

DEPARTMENT OF EDUCATION

The initial appropriation was contained in Public Act 42 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	461.0	461.0
Gross	996,677,000	1,021,068,100
IDG	518,000	518,000
Federal	942,579,100	966,591,000
Local	4,889,600	4,889,600
Private	681,400	701,400
Restricted	14,036,000	14,471,400
GF/GP	33,972,900	33,896,700

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 530 of 2002

a. Federal Grants. Additional Federal revenues became available after enactment of the original Department of Education budget. Michigan was awarded Reading First grants, Improving Teacher Quality grants, and Language Acquisition grants, and Public Act 530 appropriated funding for both program administration and grant awards.

Gross	\$24,011,900
Federal	24,011,900
GF/GP	0

b. School Breakfast Program. Additional State funding was appropriated in anticipation of reimbursing districts for both increasing numbers of breakfasts served and higher costs associated with serving school breakfasts.

Gross	\$365,100
GF/GP	365,100

2. Public Act 746 of 2002

School Breakfast Program. Additional State funding was appropriated in anticipation of reimbursing districts for both increasing numbers of breakfasts served and higher costs associated with serving school breakfasts.

Gross	\$1,130,800
GF/GP	1,130,800

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Unclassified Positions. Funding in this line item was reduced since positions were unfilled.

Gross	(\$150,000)
GF/GP	(150,000)

		Change from FY 2001-02 Initial Appropriation	
2. State Board/Superintendent Operations. Contractual supplies, services, and maintenance (CSS&M) and travel funds were reduced in this line item.	Gross		(\$35,000)
	GF/GP		(35,000)
3. Central Support. Funding of \$115,000 was eliminated to reflect savings due to unfilled vacancies.	Gross		(\$115,000)
	GF/GP		(115,000)
4. Technology Operations. Funding of \$50,000 was eliminated to reflect savings due to unfilled vacancies.	Gross		(\$50,000)
	GF/GP		(50,000)
5. School Excellence Operations. Funding of \$200,000 was eliminated to reflect savings due to unfilled vacancies.	Gross		(\$200,000)
	GF/GP		(200,000)
6. Administrative Law Operations. Funding of \$15,000 for new computers was eliminated.	Gross		(\$15,000)
	GF/GP		(15,000)
7. Education Options Operations. Funding of \$65,000 was eliminated to reflect savings due to unfilled vacancies.	Gross		(\$65,000)
	GF/GP		(65,000)
8. Michigan Schools for the Deaf and Blind Operations. Funding of \$50,000 was eliminated to reflect savings due to unfilled vacancies.	Gross		(\$50,000)
	GF/GP		(50,000)
9. School Readiness Grants. This grant line was reduced to lapse unused balances. Typically, grants are awarded in cycles, as pupil caseloads are realized and adjusted to reflect actual enrollment. With this reduction, only one round of grants was awarded.	Gross		(\$650,000)
	GF/GP		(650,000)
10. Summer Institute. This reduction eliminated the summer institute programs for deaf students, reverting to the original intent of the program: to provide summer programs for blind students. Private funds were substituted for GF/GP dollars.	Gross		(\$242,100)
	GF/GP		(242,100)

C. CONTINGENCY FUNDS

State Budget Office Letter 11-6-01

1. Summer Institute at the Michigan Schools for the Deaf and Blind. A contingency fund transfer of \$20,000 private funds was approved in November 2001 to support the summer institute program for blind students. This program's funding had been reduced previously in Executive Order 2001-9, thereby necessitating the additional revenue.	Gross		\$20,000
	Private		20,000
	GF/GP		0
2. Michigan School for the Blind (MSB) Former Site Rent. This line item was increased with private contingency fund revenues to reflect an increase in the rental amount for space occupied at the MSB former site by the Department of Corrections.	Gross		\$435,400
	Private		435,400
	GF/GP		0

DEPARTMENT OF ENVIRONMENTAL QUALITY - CLEAN MICHIGAN INITIATIVE

The initial appropriation for Clean Michigan Initiative (CMI) projects was enacted in September 2001, after the FY 2001-02 Initial Appropriations Report was completed.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	0.0	0.0
Gross	60,266,000	60,266,000
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	60,266,000	60,266,000
GF/GP	0	0
Change from FY 2001-02 Initial Appropriation		

INITIAL APPROPRIATIONS

Public Act 120 of 2001

- | | | | | | | | |
|---|---|-------|-----------|------------|-----------|-------|---|
| <p>1. Abandoned Well Management Grants Program. Clean Michigan Initiative bonds were issued in October 2001. A total of \$5,400,000 was made available for Clean Water Projects. From the CMI-Clean Water Fund, grant funding was made available for the Abandoned Well Management Program. These grants assist communities in locating and plugging abandoned wells with community public water supply wellhead protection areas. The grants require a 25% local match.</p> | <table border="0"> <tr> <td>Gross</td> <td align="right">2,400,000</td> </tr> <tr> <td>Restricted</td> <td align="right">2,400,000</td> </tr> <tr> <td>GF/GP</td> <td align="right">0</td> </tr> </table> | Gross | 2,400,000 | Restricted | 2,400,000 | GF/GP | 0 |
| Gross | 2,400,000 | | | | | | |
| Restricted | 2,400,000 | | | | | | |
| GF/GP | 0 | | | | | | |
| <p>2. Conservation Reserve Enhancement Program Match. CMI-Clean Water Fund dollars were used to match Federal Conservation Reserve Enhancement Program funds. These funds support implementation of water quality practices, including grassed waterways, riparian buffer strips, and wetland creation and restoration.</p> | <table border="0"> <tr> <td>Gross</td> <td align="right">3,000,000</td> </tr> <tr> <td>Restricted</td> <td align="right">3,000,000</td> </tr> <tr> <td>GF/GP</td> <td align="right">0</td> </tr> </table> | Gross | 3,000,000 | Restricted | 3,000,000 | GF/GP | 0 |
| Gross | 3,000,000 | | | | | | |
| Restricted | 3,000,000 | | | | | | |
| GF/GP | 0 | | | | | | |
| <p>3. NPL Municipal Landfill Match Grant Program. Of the total \$60,266,000 of Clean Michigan Initiative bonds issued in FY 2001-02, \$54,866,000 was designated for Response activities. CMI-Response Activities funds were provided for the Municipal Landfill Grant Program, which provides reimbursement to local units of government for up to 50% of the costs of response activities at municipal solid waste landfills on, or proposed for inclusion on, the National Priorities List (NPL) of contaminated sites.</p> | <table border="0"> <tr> <td>Gross</td> <td align="right">4,000,000</td> </tr> <tr> <td>Restricted</td> <td align="right">4,000,000</td> </tr> <tr> <td>GF/GP</td> <td align="right">0</td> </tr> </table> | Gross | 4,000,000 | Restricted | 4,000,000 | GF/GP | 0 |
| Gross | 4,000,000 | | | | | | |
| Restricted | 4,000,000 | | | | | | |
| GF/GP | 0 | | | | | | |

4. Environmental Cleanup and Redevelopment Projects. From the CMI-Response Activities funds, \$28,470,000 was provided for projects at 26 sites determined to have redevelopment potential and \$7,250,000 was provided for three sites that posed imminent or substantial danger to public health or the environment.

5. Leaking Underground Storage Tank Cleanup Projects. Of the CMI bond revenue for Response Activities, \$12,776,000 was appropriated for storage tank projects at 95 sites with redevelopment potential and \$2,370,000 was provided for nine sites that posed imminent or substantial danger to public health or the environment.

- A. SUPPLEMENTAL APPROPRIATIONS - NONE**
- B. EXECUTIVE ORDERS - NONE**
- C. CONTINGENCY FUNDS - NONE**
- D. TRANSFERS - NONE**

Change from FY 2001-02 Initial Appropriation	
Gross	35,720,000
Restricted	35,720,000
GF/GP	0
Gross	15,146,000
Restricted	15,146,000
GF/GP	0

DEPARTMENT OF ENVIRONMENTAL QUALITY - OPERATIONS

The initial appropriation was contained in Public Act 43 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	1,672.7	1,672.7
Gross	414,811,000	430,037,130
IDG	17,809,000	17,809,000
Federal	131,277,500	140,707,600
Local	1,133,400	1,133,400
Private	433,700	433,700
Restricted	163,897,500	186,339,730
GF/GP	101,007,900	83,613,700
	Change from FY 2001-02 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 120 of 2001

<p>a. Soil Erosion and Sedimentation Control Training Fund. Amendments to the Natural Resources and Environmental Protection Act (NREPA) enacted in 2001 created this Training Fund. Training fees are paid to the Department of Environmental Quality for certification and training of individuals who administer and enforce the soil erosion and sedimentation control provisions of NREPA. This will be an ongoing appropriation in future fiscal years.</p>	Gross	100,000
	Restricted	100,000
	GF/GP	0
<p>b. GM Powertrain in Saginaw. Public Act 120 provided funding from the Environmental Response Fund for environmental projects related to the GM Powertrain Malleable Iron Facility. The projects included the purchase of wetlands (\$58,200) and the development of a riverwalk in the City of Saginaw (\$89,800).</p>	Gross	148,000
	Restricted	148,000
	GF/GP	0
<p>c. Retired Engineers Technical Assistance Program (RETAP). This program uses retired engineers, scientists, and other technical professionals to provide businesses with free, confidential, on-site pollution prevention and energy assessments. The funding was provided from the Retired Engineers Technical Assistance Fund, which received a portion of revenue from the Clean Michigan Initiative Bond Program.</p>	Gross	500,000
	Restricted	500,000
	GF/GP	0

**Change from FY 2001-02
Initial Appropriation**

2. Public Act 530 of 2002

a. State Sites Cleanup. When originally appropriated in a previous fiscal year, work project authorization was not included for the sites funded in this line. This supplemental appropriation reauthorized the funding and established the cleanup sites as work projects.	Gross Restricted GF/GP	965,100 965,100 0
b. White Lake Tannery Bay Court Settlement. Revenue from a court settlement was deposited in the Environmental Response Fund and appropriated for cleanup at the site subject to the settlement, White Lake Tannery Bay.	Gross Restricted GF/GP	3,350,000 3,350,000 0
c. Environmental Cleanup and Redevelopment Program. Funding from the Environmental Protection Fund was appropriated to offset a General Fund reduction contained in Executive Order 2001-9.	Gross Restricted GF/GP	11,049,800 11,049,800 0
d. Contaminated Site Investigation, Cleanup, and Revitalization. Funding from the Environmental Protection Fund was appropriated to offset a General Fund reduction contained in Executive Order 2001-9.	Gross Restricted GF/GP	3,399,800 3,399,800 0
e. State Cleanup (Part 201 of NREPA). Funding from the Environmental Protection Fund was appropriated to offset a General Fund reduction contained in Executive Order 2001-9.	Gross Restricted GF/GP	550,400 550,400 0

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Fund Shifts. The Executive Order contained a GF/GP reduction for a number of fund shifts. Public Act 530 of 2002 contained a supplemental appropriation of \$15,000,000 from the Environmental Protection Fund with \$11,049,800 for environmental cleanup and redevelopment, \$3,300,800 for contaminated site cleanup, and \$550,400 for State site cleanup. Contingency fund transfers totaling \$1,717,830 were contained in the State Budget Office letter dated 11-6-01 and are discussed below.	Gross GF/GP	(16,717,830) (16,717,830)
2. Medical Waste Fees. The Executive Order transferred the unappropriated balance of the Medical Waste Emergency Response Fund, up to \$1,100,000, to the General Fund. This included the amount appropriated for Environmental Health programs in the Department of Environmental Quality. The program was discontinued and the fee is no longer collected.	Gross Restricted GF/GP	(402,500) (402,500) 0
3. Hiring Freeze Savings. The Executive Order reduced General Fund appropriations in selected line items for savings realized through enforcement of the Statewide hiring freeze.	Gross GF/GP	(450,000)

		Change from FY 2001-02 Initial Appropriation	
4. Low-income Community Wastewater Assistance.	This program supported grants to small, rural communities for wastewater planning projects and was entirely supported by General Fund dollars. The Executive Order eliminated the balance of this funding.	Gross	(67,500)
		GF/GP	(67,500)
5. Volunteer Programs.	The Executive Order eliminated General Fund support for supplies and assistance for two volunteer programs. A program for local volunteer lake associations received an \$83,870 GF/GP reduction. A program for volunteer river, stream, and creek cleanup projects received a \$75,000 GF/GP reduction and still receives revenue from the environmental license plate.	Gross	(158,870)
		GF/GP	(158,870)
C. CONTINGENCY FUNDS			
1. State Budget Office Letter 11-6-01			
a. Water Quality Monitoring Program.	A contingency fund transfer was made to offset General Fund dollars reduced in Executive Order 2001-9 for water quality monitoring with Clean Michigan Initiative funding.	Gross	500,000
		Restricted	500,000
		GF/GP	0
b. Laboratory Services.	A contingency fund transfer was made to offset General Fund dollars reduced in Executive Order 2001-9 for laboratory services with available water analysis fees. The fees are charged for laboratory testing performed at State labs.	Gross	85,000
		Restricted	85,000
		GF/GP	0
c. Site Cleanup.	A contingency fund transfer was made to offset General Fund dollars reduced in Executive Order 2001-9 with funding from the Environmental Response Fund for contaminated site investigations, cleanup, and revitalization.	Gross	1,132,830
		Restricted	1,132,830
		GF/GP	0
2. State Budget Office Letter 4-16-02			
a. Federal NOAA Funds.	The United States Congress provided \$30,000,000 for Great Lakes coastal management programs for FY 2001-02. United States Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) funds were available in excess of amounts currently appropriated. From the \$7,000,000 available to Michigan, up to 5%, or \$350,000 may be used to administer a grants program. The grants portion was awarded to local units of government or State agencies with jurisdiction over coastal areas. Grant projects were to be consistent with the State's Federally-approved coastal management program, and may include coastal habitat restoration, greenways/buffer acquisition, contaminated site cleanup, and stormwater and polluted runoff control activities. There is a matching requirement of 75:25, Federal to State. Local grant applicants are required to provide the 25% match to receive an award; the State match on administrative funds came from existing appropriations.	Gross	7,000,000
		Federal	7,000,000
		GF/GP	0

		Change from FY 2001-02 Initial Appropriation	
b. Hazardous Waste Fee Collection System. New hazardous waste users fees, established by Public Act 165 of 2001, went into effect on October 1, 2002. A new fee collection system required before that date enabled the Department to generate invoices, to more than 7,000 hazardous waste handlers, from information contained in State and Federal databases on amounts of waste generated, facility legal status, and owner names/addresses. Environmental Pollution Prevention Fund dollars (revenue from existing hazardous waste haulers fees) were used to develop the fee collection system.	Gross	130,000	
	Restricted	130,000	
	GF/GP	0	
c. Closure of Solid Waste Disposal Facility. The solid waste disposal facility closure appropriation is funded at \$1,000,000 and used in the event the Department is required to fund the proper closure of a solid waste disposal facility. The Crown Paper Company Landfill in Kalamazoo County ceased operations in the fall of 2000. As a result of subsequent bankruptcy proceedings, the Department received funding to close the landfill, in accordance with Part 115 (Solid Waste Management) of NREPA. Total costs of closing the landfill were estimated to be \$2,000,000, with the final closure expected by September 30, 2002.	Gross	1,000,000	
	Restricted	1,000,000	
	GF/GP	0	
d. Wayne County Air Quality Laboratory. In FY 2001-02, the Department assumed responsibility for the Wayne County Air Quality Program. Federal funding was available to support activities regarding the monitoring of particulate matter of less than 2.5 microns for the program for testing ambient air quality.	Gross	50,000	
	Federal	50,000	
	GF/GP	0	
e. Indoor Radon Program. Additional United States Environmental Protection Agency (EPA) funds became available for the Indoor Radon Program, which provides technical training to State and local agencies to enable expanded public outreach efforts, and the shift of some program responsibilities to the local level (primarily local health departments). The increased funding was used to expand the public personnel training effort, and to purchase additional radon test kits and outreach supplies.	Gross	15,000	
	Federal	15,000	
	GF/GP	0	
f. Office of the Great Lakes. United States Department of Interior funds were available for programs in the Office of the Great Lakes for the development of educational materials and the enhancement of policies, procedures, and regulations involving aquatic nuisance species and ballast water.	Gross	65,100	
	Federal	65,100	
	GF/GP	0	

g. Arsenic Testing Program. Public Act 165 of 2001 allowed an appropriation of up to \$500,000 from the Waste Reduction Fund to implement a new Arsenic Testing Program. Beginning on the effective date of a regulation that provides a new Federal drinking water standard for arsenic, the Department is required to implement a program that provides free testing of private drinking water wells in areas of the State with potentially high levels of arsenic. Under the program, the Department is required also to encourage households with seniors, children, and persons with medical illness to test their drinking water; to notify residents of testing results, relative to the Federal standard; to develop and provide educational materials to households and local health departments; and to develop maps designating areas of the State known to contain arsenic, nitrates, and volatile organic compounds.

**Change from FY 2001-02
Initial Appropriation**

Gross	500,000
Restricted	500,000
GF/GP	0

h. Federal Water Pollution Control Grant. Additional Federal funds were available for this grant program. The funding provided \$1,500,000 to enhance regulatory and enforcement efforts through contractual arrangements, including the development of an electronic wastewater discharge monitoring data reporting system; and \$500,000 to contract for assistance in developing Total Maximum Daily Loads, or specific discharge limits, for bodies of water not meeting water quality standards or designated uses.

Gross	2,000,000
Federal	2,000,000
GF/GP	0

3. State Budget Office Letter 9-11-02

a. Audit Adjustments. A single audit found the method used by the Department to allocate administrative costs to the Water Pollution Control Revolving Fund and the Drinking Water Revolving Fund to be in error. Consequently, the use of those sources of financing to support certain administrative costs was disallowed. This transfer provided an alternative source of funding, Waste Reduction Fee revenue, to replace the revolving funds to support the cost of administrative activities.

Gross	181,800
Restricted	181,800
GF/GP	0

b. Statewide Groundwater Database. Federal Environmental Protection Agency funds were available in excess of amounts appropriated for the statewide groundwater database. Information from the groundwater database is used to aid in resolving water supply conflicts, and to support wellhead protection programs in support of protecting public water supplies.

Gross	300,000
Federal	300,000
GF/GP	0

D. TRANSFERS - NONE

EXECUTIVE OFFICE

The initial appropriation was contained in Public Act 83 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	75.0	75.0
Gross	5,709,800	5,480,900
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	5,709,800	5,480,900

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

Executive Order 2001-9.

Executive Office. The Executive Order reduction to the Executive Office was met by maintaining vacancies and administrative efficiencies..

Gross	(228,900)
GF/GP	(228,900)

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

State Budget Office Letter 4-16-02

Budgetary Savings. Consistent with other FY 2001-02 budgets, the appropriation for the Executive Office included a negative line item (\$29,200) for budgetary savings. Pursuant to boilerplate (Section 213 of the General Government FY 2001-02 Appropriation bill), savings were to be achieved from the hiring freeze and if necessary other savings approved by the State Budget Director. Section 213 also required legislative transfers to implement the reductions. This transfer implemented the reductions for the Executive Office.

Gross	0
GF/GP	0

FAMILY INDEPENDENCE AGENCY

The initial appropriation was contained in Public Act 84 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	13,499.6	13,499.6
Gross	3,636,582,600	4,012,823,900
IDG	965,300	965,300
Federal	2,302,401,750	2,685,733,850
Local	90,293,200	86,299,000
Private	9,710,550	9,710,550
Restricted	53,233,900	59,334,400
GF/GP	1,179,977,900	1,170,780,800

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 120 of 2001

- a. Food Assistance.** The Act increased Federal authority by approximately 48% for the Food Stamp Program funds from the U.S. Department of Agriculture. The caseload increase is the result of program outreach.
- b. Indigent Burial.** An increase in GF/GP support was provided to lessen the reduction in the indigent burial rate.
- c. Budgetary Savings.** A unit was appropriated in order for funds within the Department to be used to satisfy this "deduct".
- d. Language Sections.** Changes included in language sections are:
 - i. Foster Care.** A reference to 2002 was corrected to 2001 in the effective date for a 1% rate increase for foster care and adoption.
 - ii. Indigent Burial.** A reduction from \$2,600 to \$2,450 was appropriated in the allowable families' contribution to the cost of indigent burial services. An additional section provided an increase from \$1,160 to \$1,310 in the allowable reimbursed State rate for indigent burial services. The section also included a reporting requirement for participating funeral directors on burial services elements.

Gross	197,800,000
Federal	197,800,000
GF/GP	0
Gross	610,500
GF/GP	610,500
Gross	(610,500)
GF/GP	(610,500)

**Change from FY 2001-02
Initial Appropriation**

iii. **Budgetary Savings.** This required the Department to achieve budgetary savings through administrative efficiencies and other means if necessary and then use the transfer process.

2. Public Act 530 of 2002

a. **Funds Shift.** The Act provided increased State Restricted revenue authority to replace a portion of the General Fund/General Purpose authority in the Child Support Enforcement System appropriation.

Gross	6,050,500
Restricted	6,050,500
GF/GP	0

b. **FIP Caseload Increase.** An increase in GF/GP funds authority was appropriated for an increase of 500 cases in the Family Independence Program.

Gross	15,000,000
GF/GP	15,000,000

c. **Homestead Property Tax Credit.** An increase was appropriated in the use of Federal Temporary Assistance for Needy Families (TANF) funds for an increase in the number of eligible claims for reimbursement.

Gross	20,000,000
Federal	20,000,000
GF/GP	0

3. Public Act 746 of 2002

Homestead Property Tax Credit. The Act provided an increase in the use of Federal TANF funds for an increase in the number of eligible claims for reimbursement.

Gross	9,000,000
Federal	9,000,000
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. **Administration.** The Executive Order included savings in salaries and wages from a hiring freeze, and reductions in agency operations, such as State-run facility beds, rent, travel, equipment, training, local service contracts, and related program supplies and materials.

Gross	(15,320,400)
Federal	(511,900)
Local	(3,994,200)
GF/GP	(10,814,300)

2. **Technology.** The remaining Finger Imaging work project funds were eliminated for use in computer upgrades and training. A reduction of \$6,100,000 also was taken in the child support automation GF/GP funds and replaced with restricted funds appropriated by Public Act 530 of 2002.

Gross	(6,550,500)
GF/GP	(6,550,500)

3. **Incentive Payments.** The Executive Order eliminated the GF/GP authority in the State incentive payments appropriation line. The Federal funds remaining finance county child support activities in local Friend of the Court offices.

Gross	(2,510,200)
GF/GP	(2,510,200)

4. **Grants.** The changes in service contracts funding authority are as follows:

- a. Elimination of nine months of funding for the Child Advocacy Centers and multicultural contract services;
- b. Reduction of \$255,000 for non-energy home repair lifetime limit payments;
- c. A 15%, or \$1,100,000, reduction in burial rates; and
- d. A \$1,500,000 reduction in Community Action Agencies emergency services.

Change from FY 2001-02 Initial Appropriation	
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Gross	(4,322,100)
GF/GP	(4,322,100)

C. CONTINGENCY FUNDS

1. State Budget Office Letter 4-16-02

- a. **Refugee Services.** The transfer provided funds for an influx of Sudanese refugees into Michigan resulting in higher-than-estimated costs of foster care services and medical costs for unaccompanied minors.
- b. **Adoption Subsidies.** The transfer provided additional Federal funding authority to partially fund the costs of 600 cases over the appropriated level in the average caseload.
- c. **Adoption Support Services.** The adoptions in Michigan continue to increase, resulting in expenditures that exceeded the appropriation. This transfer provided an increase in Federal Adoption Incentive Funds authority.
- d. **Low-Income Home Energy Assistance.** The transfer provided for an increase in the State's increased Federal allotment that was announced by the U.S. Department of Health and Human Services after enactment of the appropriation.
- e. **Weatherization Program.** The State was notified by the U.S. Department of Energy of a 37% increase in the State's Weatherization grant award. The funds are used for assistance to low-income clients for home weatherization costs.
- f. **Food Assistance.** The transfer provided additional Federal funding authority for an average monthly Food Stamp Program benefit increase that was approximately 8% above the appropriated level.

Gross	4,600,000
Federal	4,600,000
GF/GP	0
Gross	3,900,000
Federal	3,900,000
GF/GP	0
Gross	1,100,000
Federal	1,100,000
GF/GP	0
Gross	37,000,000
Federal	37,000,000
GF/GP	0
Gross	4,000,000
Federal	4,000,000
GF/GP	0
Gross	60,000,000
Federal	60,000,000
GF/GP	0

		Change from FY 2001-02 Initial Appropriation	
g. Community Services Block Grant. The State was notified by the U.S. Department of Health and Human Services of a 20% increase in the State's Federal block grant award. The increased award allows Community Action Agencies additional funds for initiatives that address self-sufficiency issues of low-income citizens.		Gross	4,560,400
		Federal	4,560,400
		GF/GP	0
h. Family Preservation and Prevention Services. An increase in the Federal funding authority reflected the increased use of TANF funds in this account and subsequently a transfer enabled the use of GF/GP funds in the development of the Child Support Enforcement System.		Gross	9,700,000
		Federal	9,700,000
		GF/GP	0
i. Payroll Taxes and Fringe Benefits. The transfer provided for an increase in the Federal funding authority to avoid a shortfall in the Department's fringe benefit account. Various Federal funding sources were available to effect the transfer.		Gross	21,000,000
		Federal	21,000,000
		GF/GP	0
j. State Emergency Relief. An increase in Federal funding authority was provided to avoid a shortfall in available funds for emergency rent, utilities, and home repair costs. Some changes in the Federal regulations permit using Federal funds for these purposes.		Gross	8,583,600
		Federal	8,583,600
		GF/GP	0
2. State Budget Office Letter 9-11-02			
a. Juvenile Accountability Incentive Block Grant. Additional block grant revenue was available to the State and would have been returned to the Federal government if the funds were not obligated by the end of the year. The funds included accrued interest on unspent grant funds from previous years.		Gross	600,000
		Federal	600,000
		GF/GP	0
b. Child Support Automation. The additional Federal Title IV-D funds partially finance training on the prosecuting attorneys module portion of the Child Support Enforcement System.		Gross	1,000,000
		Federal	1,000,000
		GF/GP	0
c. Travel. The expenditures exceeded the appropriated authority. There were various Federal sources available to meet the additional costs.		Gross	600,000
		Federal	600,000
		GF/GP	0
3. State Budget Office Letter 11-06-02			
a. Adoption Support Services. The unobligated Federal Adoption Incentive funds authority was available to cover the costs of completing an adoption records project.		Gross	400,000
		Federal	400,000
		GF/GP	0

Change from FY 2001-02 Initial Appropriation	
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b. State Disability Payments. The amount of recovery of supplemental security income exceeded the appropriation amount. The transfer provided the authority to spend the additional revenue.

Gross	50,000
Restricted	50,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 4-16-02

a. Adoption Subsidies. A lapse of \$1,100,000 GF/GP from the Family Preservation and Prevention Services account was authorized to partially fund an increase of 600 adoption cases.

Gross	0
GF/GP	0

b. Adoption Support Services. A lapse of \$100,000 GF/GP from the Family Preservation and Prevention Services account was authorized to partially fund services for 600 additional adoption cases.

Gross	0
GF/GP	0

c. State Disability Assistance. The cost of a 14% increase above the appropriated level in the caseload was funded with \$3,100,000 in State supplementation GF/GP authority.

Gross	0
GF/GP	0

d. Child Support Automation. Additional State and Federal authority was provided to cover the costs of the Federal certification requirements for the Child Support Enforcement System implementation and operation in all 83 counties of the State. The \$29,157,400 in Federal authority was transferred from the Legal Support Contracts, Child Support Incentive Payments, and Child Support Distribution Computer System appropriation lines, and \$14,818,600 in GF/GP authority was transferred from the Legal Support Contracts, Child Support Distribution Computer System, Data System Enhancement, and Family Preservation and Prevention Services appropriation lines.

Gross	0
Federal	0
GF/GP	0

e. Child Care Fund. An \$18,900,000 Gross, \$12,900,000 GF/GP increase in funding authority was transferred from the Wayne County Foster Care Payments account. The change was the consequence of the restructuring of Wayne County service delivery to county delinquent youths. The county's Child Care Fund claims increased because its care management organizations committed fewer adjudicated youths to the State. The youths were subsequently placed in community-based programs or institutional placements that are eligible for reimbursement from the Child Care Fund account.

Gross	0
Federal	0
GF/GP	0

2. State Budget Office Letter 9-11-02

a. Child Support Automation. An additional \$500,000 GF/GP authorization was used to partially finance the prosecuting attorneys training on the prosecuting attorneys module portion of the Child Support Enforcement System.

Gross	0
GF/GP	0

		Change from FY 2001-02 Initial Appropriation	
b. Child Care Fund. A \$17,000,000 Gross, \$13,000,000 GF/GP increase in the Fund authority was transferred from the Wayne County Foster Care Payments account. The change was the consequence of the restructuring of Wayne County service delivery to county delinquent youths. The county's Child Care Fund claims continued to increase because the county's care management organizations committed fewer adjudicated youths to the State.	Gross		0
	Federal		0
	GF/GP		0
c. Day Care Services. The number of child day care hours increased compared with FY 2000-01. Federal funding authority of \$11,600,000 in the Foster Care Payments account was available to transfer due to a decline in the account expenditures.	Gross		0
	Federal		0
	GF/GP		0
3. State Budget Office Letter 11-06-02			
a. Workers' Compensation. Workers' compensation claims exceeded the number assumed in the original appropriation. The additional funding authority of \$235,000 Gross, \$84,300 GF/GP was transferred from the Payroll Taxes and Fringe Benefits account.	Gross		0
	Federal		0
	GF/GP		0
b. Day Care Services. The average number of day care cases increased over the appropriated caseload level. The \$4,800,000 in Federal authority to cover the increased cost was transferred from the Food Stamp Program Benefits account.	Gross		0
	Federal		0
	GF/GP		0

HIGHER EDUCATION

The initial appropriation was contained in Public Act 118 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	1.0	1.0
Gross	\$1,947,842,366	\$1,945,778,966
IDG	0	0
Federal	4,900,000	4,900,000
Local	0	0
Private	0	0
Restricted	130,273,850	128,210,450
GF/GP	\$1,812,668,516	\$1,812,668,516

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 530 of 2002

Michigan Merit Award Program. The initial appropriation for the Merit Award Program, which provides \$2,500 merit-based scholarships to graduating high school seniors who receive qualifying scores on the MEAP test, was \$125,023,850. Executive Order 2001-9 (item B. below) reduced the amount appropriated for the Merit Awards to \$103,023,850. Subsequent to the Executive Order reductions, the Department of Treasury revised its estimate of the number of qualified students and this resulted in a request for a supplemental appropriation of \$9,200,000 to finance estimated expenditures of \$112,223,850. Merit Awards are funded from the Michigan Merit Award Trust Fund.

Gross	\$9,200,000
Restricted	9,200,000
GF/GP	0

2. Public Act 746 of 2002

a. Michigan Merit Award Program. Subsequent to a supplemental appropriation enacted in July 2002 (see item A. above), Merit Award expenditure estimates were revised again at the end of the State's fiscal year to account for the following total expenditures: a) \$7,106,500 for 3,539 students from the class of 2000; b) \$14,320,196 for 9,196 students from the class of 2001; and c) \$99,878,500 for 42,683 students from the class of 2002. With total estimated expenditures of \$121,305,196 and an existing appropriation of \$112,223,850, the deficit of \$9,081,346 was resolved with a supplemental appropriation.

Gross	9,081,400
Restricted	9,081,400
GF/GP	0

b. Tuition Grants. The Tuition Grant Program, which provides need-based grants to students at independent colleges in Michigan, received initial appropriations of \$66,100,200 for FY 2001-02. Although language in the Higher Education appropriations act [Sec. 302(3)] required the Michigan Higher Education Assistance Authority (MHEAA) to determine, by February 1, 2002, a maximum Tuition Grant award that ensured that aggregate payments would not exceed the appropriation amount, the MHEAA's original estimates of qualifying students and attrition were not accurate. The MHEAA implemented a new electronic reporting system for the FY 2001-02 Tuition Grants which slowed down reporting and reduced the amount of information available in a timely manner. As a result, expenditures for Tuition Grants exceeded the appropriation by \$4,337,900. An amount of \$1,655,200 in unspent Tobacco Settlement Trust Fund dollars was removed from the Postsecondary Access Student Scholarship line item in the Community Colleges budget via a negative supplemental and appropriated in the Higher Education budget for Tuition Grants. A transfer of unspent funds from the State Competitive Scholarship Program and the Michigan Work Study Program (item D. below), made up for the remaining \$2,682,700 deficit for Tuition Grants.

Change from FY 2001-02 Initial Appropriation	
Gross	1,655,200
Restricted	1,655,200
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. **Michigan Merit Award Scholarships.** Based on an initial appropriation of \$125,023,850 and projected expenditures (at that time, in November 2001) of \$118,000,000, the Executive Order included an appropriation reduction of \$7,000,000 from Merit Award Trust Fund revenue to reflect estimated payments for scholarships. This revenue was transferred to the State General Fund.
2. **Merit Award Statute Amendments.** The Executive Order reduced the Merit Award Program line item by \$15,000,000, with the subsequent transfer of the Merit Award Trust Fund dollars to the State General Fund. Public Act 537 of 2002 amended the Michigan Merit Award Scholarship Act to reduce the eligibility period for claiming a scholarship and to establish an annual application deadline; these changes were estimated to save \$15,000,000 annually.
3. **Accounting Treatment for Merit Awards.** The Executive Order included a one-time reduction of \$33,000,000 to the accounts payable that had been established for the Merit Award scholarships. Because these Michigan Merit Award Trust Fund accounts payable were off-budget accounts, the \$33,000,000 was transferred to the State General Fund with no Higher Education appropriation line item reduction necessary.

Gross	(7,000,000)
Restricted	(7,000,000)
GF/GP	0
Gross	(15,000,000)
Restricted	(15,000,000)
GF/GP	0
Gross	n/a
Restricted	n/a
GF/GP	n/a

**Change from FY 2001-02
Initial Appropriation**

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

State Budget Office Letter 11-6-02

Grants and Financial Aid. Unspent funds from the State Competitive Scholarship Program (\$2,574,100) and the Michigan Work Study Program (\$108,600) were transferred to the Tuition Grant Program to partially offset the \$4,337,900 deficit in that line item (item A.2.b. above).

Gross	0
GF/GP	0

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

The initial appropriation was contained in Public Act 83 (Library of Michigan) and Public Act 120 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	139.7	139.7
Gross	81,756,300	78,857,200
IDG	0	0
Federal	7,111,800	11,111,800
Local	0	0
Private	577,400	577,400
Restricted	2,247,400	2,247,400
GF/GP	71,819,700	64,920,600

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 530 of 2002

a. Federal Reed Act Funding. This one-time Federal funding was made available to the states in October 2001 after the Unemployment Trust Fund balance had exceeded the statutory cap. Michigan's share of this funding totaled \$292,000,000. The entire amount was appropriated in Public Act 530. Of this supplemental appropriation, \$3,000,000 funds three line items for library staff training and computer equipment purchases to allow unemployment claimants to use the libraries in their local areas for on-line access to the Unemployment Agency.

Gross	3,000,000
Federal	3,000,000
GF/GP	0

i. Federal Aid to Libraries. Public Act 530 appropriated \$2,000,000 for distribution to all libraries around the State. This was a one-time appropriation.

ii. Grant to the Detroit Public Library. This library was allocated \$935,200 in funding which has been placed into a work project account and will be distributed in FY 2003-04. The funding replaces GF/GP funding.

iii. Grand Rapids Public Library. This library was allocated \$64,800 in funding which also was placed into a work project account and will be distributed in FY 2003-04.

b. Renaissance Zone Reimbursement. The total appropriation for this line was increased by \$393,400 in FY 2001-02. The original amount estimated did not include new properties in Flint and Grand Rapids, or a change in the millage rate in Detroit. These funds are used to provide reimbursement to local libraries for lost revenues due to the location of a renaissance zone in their district. (Items A.2., D.1. and D.2. below include the other increases to this line item during FY 2001-02.)

**Change from FY 2001-02
Initial Appropriation**

Gross	211,500
GF/GP	211,500

2. Public Act 560 of 2002

Renaissance Zone Reimbursement. This supplemental appropriation increased the amount for renaissance zone reimbursement (as described in item A.1.b. above).

Gross	100,000
GF/GP	100,000

3. Public Act 120 of 2002

Due to the transfer of the Library of Michigan from the Legislature to the Executive branch, funding adjustments were necessary to reflect more accurately the Information Technology services that remained with the Legislature.

Gross	(572,000)
GF/GP	(572,000)

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Department Administration. Savings were achieved through unfilled vacancies and increased administrative savings. The following lines were reduced:

Gross	(6,638,600)
GF/GP	(6,638,600)

Operations	\$(475,200)
Library Automation	(26,600)
Arts and Cultural Grants Administration	(46,500)
Building Occupancy Charges and Rent	(10,100)

2. Program Reductions. Savings were achieved through unfilled vacancies, elimination of outstate travel, elimination of some archeology programs, and classroom material distributions. The following line items were reduced:

Office of Film and Television Services	\$ (7,900)
Mackinac Island State Parks Operations	(81,500)
Historical Facilities System	(20,500)
Historical Administration and Services	(274,800)

3. Grants. The following grant programs were reduced:

State Aid to Libraries	\$ (736,700)
Grant to the Detroit Public Library	(2,877,100)
Subregional State Aid	(31,000)
Grand Rapids Public Library	(199,100)
Book Distribution Centers	(17,000)
Wayne County Library for the Blind and Physically Handicapped	(2,600)
Arts and Cultural Grants	(1,276,500)
Arts and Cultural Supplemental Grants	(500,000)
Statewide Database Access	(55,500)

C. CONTINGENCY FUNDS

State Budget Office Letter 11-06-02

Library Services Technology Act. The Federal Library Services Technology Act provides for a \$4.600,000 grant program administered by the Library of Michigan. The grants are distributed to local, academic, and school libraries to assist with the cost of improving the technology services that are available to library patrons. The funds are provided as seed money for initial capital expenses; the responsibility for operational funding falls to the recipient organization. The grants are awarded each fiscal year but are available for expenditure for 24 months. This allows consecutive fiscal year awards to be accrued at the same time, which requires the authorization in the line item to exceed the annual Federal award. This transfer increased the spending authority for this line to reflect more accurately the amount of Federal revenue that was spent for FY 2001-02.

Gross	1,000,000
Federal	1,000,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 9-11-02

Renaissance Zone Reimbursement. A GF/GP transfer of \$80,000 from the Management Services and Worker's Compensation line items (Department Operations Unit) to the Renaissance Zone Reimbursement line item (Library of Michigan Unit) was approved. This transfer is consistent with the two supplemental appropriations described in item A. above.

2. State Budget Office Letter 11-06-02

Renaissance Zone Reimbursement. A GF/GP transfer of \$1,900 from the Operations line item to the Renaissance Zone Reimbursement line item was approved. This transfer is consistent with the two supplemental appropriations described in item A. above.

JUDICIARY

The initial appropriation was contained in Public Act 55 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	591.5	591.5
Gross	246,040,200	241,668,400
IDG	2,818,500	2,818,500
Federal	3,363,200	3,581,700
Local	2,912,900	2,912,900
Private	842,500	842,500
Restricted	56,288,900	56,288,900
GF/GP	179,814,200	175,223,900
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	Change from FY 2001-02 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 161 of 2001

Budget Reductions. Public Act 161 of 2001 (Enrolled Senate Bill 671) included a General Fund reduction of \$4,777,700 to the Judiciary budget. The reduction was not line item specific. However, boilerplate Section 397(3) limited any reduction to Court Equity Fund Reimbursements to not more than 7.5% of the General Fund portion of that line item. The FY 2001-02 Gross Appropriation for Court Equity Fund Reimbursements was \$73,840,400, with \$37,796,400 coming from the General Fund. A 7.5% reduction to the General Fund portion of the Court Equity Fund Reimbursements equated to \$2,834,700, which had the impact of a 3.8% reduction to the total appropriation.

Gross	(4,590,300)
GF/GP	(4,590,300)

The reductions implemented by the Supreme Court included:

- Using the maximum reduction allowed for Court Equity Fund Reimbursements.
- Reducing the FY 2001-02 \$500,000 increase for the Drug Court Program by \$406,300.
- Reducing the new Judicial Technology Improvement Fund by \$806,300.
- Reducing other General Fund line items (excluding judicial compensation) by 1%.

Pursuant to Section 397(2), the Judiciary also used \$187,400 from an FY 2000-01 work project to satisfy a portion of the \$4,777,700 negative appropriation, resulting in an actual reduction in FY 2001-02 of \$4,590,300.

**Change from FY 2001-02
Initial Appropriation**

B. EXECUTIVE ORDERS - NONE

C. CONTINGENCY FUNDS

State Budget Office Letter 11-6-02

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|---|--|
| <p>1. Guardian Ad Litem. After the FY 2001-02 budget was adopted, the State Court Administrative Office received a \$75,000 grant from the U.S. Department of Health and Human Services for an evaluation of the lawyer-guardian ad litem statute (MCL 712A.17d). The evaluation includes focus groups with children who have guardians; interviews with judges, attorneys, and court personnel; and completion of a comprehensive report.</p> | <p>Gross 75,000
Federal 75,000
GF/GP 0</p> |
| <p>2. Adoption Benchbook. The State Court Administrative Office received a \$77,000 grant from the U.S. Department of Health and Human Services for costs related to producing a comprehensive Adoption Benchbook containing information on pertinent statutes and court rules. The Adoption Benchbook is a procedural manual that will serve as a reference for judges, court staff, and attorneys. Approximately \$10,000 of the grant was spent in FY 2001-02.</p> | <p>Gross 10,000
Federal 10,000
GF/GP 0</p> |
| <p>3. Drug Court Training. Section 311 of the FY 2001-02 Judiciary appropriation bill required the Michigan Judicial Institute to provide in-State training for Drug Court personnel, including judges. The Michigan Judicial Institute received a Federal grant of \$113,969 from the Department of Justice to provide drug court training, as part of the Michigan Association of Drug Court Professionals Annual Conference. Approximately \$75,000 of the grant was spent in FY 2001-02.</p> | <p>Gross 75,000
Federal 75,000
GF/GP 0</p> |
| <p>4. State Appellate Defender. The FY 2001-02 appropriation for the State Appellate Defender included \$36,500 in estimated funding from the U.S. Department of Justice. The State Appellate Defender received a grant totaling \$150,000 over two fiscal years. The grant funds phone and Internet access to trained criminal defense attorneys who assist assigned counsel on a statewide basis. The contingency fund transfer of \$58,500 covered actual expenses in FY 2001-02.</p> | <p>Gross 58,500
Federal 58,500
GF/GP 0</p> |

D. TRANSFERS - NONE

LEGISLATURE

The initial appropriation was contained in Public Act 83 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
Gross	129,773,300	125,850,000
IDG	1,612,200	1,612,200
Federal	0	0
Local	0	0
Private	400,000	400,000
Restricted	1,478,600	1,478,600
GF/GP	126,282,500	122,359,200
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	Change from FY 2001-02 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 120 of 2001

Library of Michigan Transfer. Public Act 61 of 2001 transferred the Library of Michigan from the Legislature to a newly created Department of History, Arts, and Libraries, effective October 1, 2001. The supplemental appropriation in Public Act 120 was needed to transfer from the Library of Michigan \$461,400 related to property management costs formerly consolidated between the Library of Michigan and the Legislative Council, and \$753,700 related to the operation of the Michiganlegislature.org website. The increase to the Legislative budget was \$224,300 more than the \$990,900 reduction to the Library of Michigan budget due to one-time costs and loss of efficiencies resulting from the transfer.

Gross	1,215,100
GF/GP	1,215,100

2. Public Act 161 of 2001

Reductions. The Legislature is not subject to Executive Order reductions; therefore, this supplemental appropriation was used to implement reductions to the Legislative budget.

	(5,138,400)
	(5,138,400)

B. EXECUTIVE ORDERS - NONE

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

DEPARTMENT OF MANAGEMENT AND BUDGET

The initial appropriation was contained in Public Act 83 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	919.5	919.5
Gross	174,994,200	175,329,000
IDG	85,513,600	85,722,700
Federal	380,300	380,300
Local	0	0
Private	0	0
Restricted	42,923,200	45,357,800
GF/GP	46,177,100	43,868,200

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 99 of 2002

Early Retirement Implementation. This supplemental appropriation from the pension trust fund provided funding for implementation of the early retirement option authorized in Public Act 93 of 2002.

Gross	2,100,000
Restricted	2,100,000
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Health Insurance Reserve Fund. Pursuant to statute, savings related to the defined contribution retirement plan are deposited into the Health Insurance Reserve Fund. The Executive Order removed this amount for FY 2001-02.

Gross	(154,100)
GF/GP	(154,100)

2. Departmentwide Services. This savings was achieved through reductions in planning, training, and development of new systems, and through efficiencies related to reorganization. These reductions were partially offset by a \$209,100 increase in restricted financing (Item C. below).

Gross	(412,300)
GF/GP	(412,300)

3. Statewide Administrative Services. This reduction was achieved by decreased consulting assistance for information technology issues. The reduction was partially offset by a \$334,600 increase in restricted financing (Item C below).

Gross	(687,300)
GF/GP	(687,300)

		Change from FY 2001-02 Initial Appropriation	
4.	Office of Children's Ombudsman. This reduction was met through reduced support costs and efficiencies.	Gross	(61,100)
		GF/GP	(61,100)
5.	Michigan Administrative Information Network. Savings were achieved by reducing planned application upgrades, software purchases, and infrastructure upgrades.	Gross	(994,100)
		GF/GP	(994,100)
C. CONTINGENCY FUNDS			
State Budget Office Letter 11-6-01			
	Restricted Fund Source Shift. These transfers offset a portion of the General Fund reduction adopted in Executive Order 2001-9 with user fees, State sponsored group insurance funds, and internal service funds. Computer upgrades and other expenses were foregone in order to support staff positions in the Office of Design and Construction, the Office of Purchasing, and the Office of the State Employer.	Gross	543,700
		IDG	209,100
		Restricted	334,600
		GF/GP	0
D. TRANSFERS			
State Budget Office Letter 4-16-02			
	Budgetary Savings. This transfer distributed the general budgetary savings line of (\$238,300) to the Statewide administrative services line item in the Department.	Gross	0
		GF/GP	0

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The initial appropriation was contained in Public Act 54 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	1,083.5	1,083.5
Gross	102,059,600	104,004,600
IDG	110,000	200,000
Federal	36,386,100	39,676,100
Local	0	0
Private	480,000	530,000
Restricted	23,252,400	23,252,400
GF/GP	41,831,100	40,346,100

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 530 of 2002

1. Veterans Service Organization Grants. Public Act 530 restored GF/GP appropriations reductions for grants to Veterans Service Organizations which had been cut by \$891,625 under Executive Order 2001-9 (Item B. below).	Gross	891,625
	GF/GP	891,625
2. Grand Rapids Veterans Home Funding Switch. Public Act 530 reduced GF/GP appropriations for the Home by \$585,000 and replaced this amount with Federal Medicaid (\$500,000) and Medicare (\$85,000) dollars.	Gross	0
	Federal	585,000
	GF/GP	(585,000)

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Military Operations. The Executive Order reduced GF/GP appropriations from the Military Training Sites and Support Facilities (\$600,000), Departmentwide Appropriations (\$200,000), and Special Maintenance-State (\$100,000).	Gross	(900,000)
	GF/GP	(900,000)
2. Veterans Service Organization Grants. The Executive Order reduced GF/GP appropriations for Veterans Service Organization Grants from an initial FY 2001-02 appropriation of \$3,884,400 to \$2,992,775.	Gross	(891,625)
	GF/GP	(891,625)

**Change from FY 2001-02
Initial Appropriation**

C. CONTINGENCY FUNDS

1. State Budget Office Letter 4-6-02

- a. D.J. Jacobetti Veterans Home.** This transfer allowed the expenditure of additional Federal Veterans Administration (\$150,000) and Private donation revenue for the operation of the Home.
- b. Counter-Narcotics.** This transfer allowed the expenditure of additional Federal narcotics revenue for use in the Department's Counternarcotic Operation unit.

Gross	200,000
Federal	150,000
Private	50,000
GF/GP	0
Gross	20,000
Federal	20,000
GF/GP	0

2. State Budget Office Letter 9-11-02

Increased Spending Authority to Reflect Receipt of Additional Federal Revenue. This transfer provided additional Federal funds for the youth Challenge Program (\$90,000 via interdepartmental grant from the Department of Community Health), Special Maintenance (\$1,500,000), and Military Training Sites and Support Facilities (\$300,000).

Gross	1,890,000
IDG	90,000
Federal	1,800,000
GF/GP	0

3. State Budget Office Letter 11-6-02

Increased Spending Authority to Reflect Receipt of Additional Federal Revenue. This transfer provided additional Federal funds for Special Maintenance (\$100,000), Military Training Sites and Support Facilities (\$500,000) and the Grand Rapids Veterans Home (\$135,000 Medicaid).

Gross	735,000
Federal	735,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 9-11-02

Military Retirement. The transfer moved available GF/GP funds (\$85,000) from the Unclassified Military Personnel line to Military Retirement, to pay for higher-than-anticipated Department retirement costs.

Gross	0
GF/GP	0

2. State Budget Office Letter 11-6-02

National Guard Tuition Program. This transfer moved available GF/GP funds from Headquarters and Armories (\$50,000) and Departmentwide Accounts (\$50,000) to pay for unanticipated additional costs for the Guard's college tuition program.

Gross	0
GF/GP	0

DEPARTMENT OF NATURAL RESOURCES

The initial appropriation was contained in Public Act 44 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	2,177.5	2,177.5
Gross	256,827,000	259,253,000
IDG	3,416,900	3,416,900
Federal	28,461,700	30,129,000
Local	0	0
Private	1,748,800	1,860,800
Restricted	171,116,200	178,533,200
GF/GP	52,083,400	45,313,100

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 530 of 2002

- a. Timber Harvest.** This appropriation from Forest resource revenue was made to offset a General Fund reduction included in Executive Order 2001-9.
- b. Marine Safety Grants Accounting Adjustments.** This appropriation was made to correct accrued accounting liabilities for grants awarded to counties for marine safety.

Gross	1,042,900
Restricted	1,042,900
GF/GP	0
Gross	2,021,800
Restricted	2,021,800
GF/GP	0

2. Public Act 525 of 2002

- a. Payments in Lieu of Taxes.** A supplemental appropriation was made to eliminate a shortfall in the initial appropriation for purchased land taxes. This appropriation was for \$801,000 and the Governor vetoed one of the supporting fund sources. The remaining appropriation was \$202,300.
- b. Watercraft Engine Noise.** This funding was made available for Michigan State University to study the measurement and recording of sound levels of watercraft engines. The funding is contingent upon matching funds from lake property associations.

Gross	202,300
Restricted	202,300
GF/GP	0
Gross	35,000
Restricted	35,000
GF/GP	0

**Change from FY 2001-02
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2001-9

- | | |
|--|--|
| <p>1. Senior Citizens License Fee Reimbursement. The Executive Order eliminated an appropriation of \$2,300,000 from the General Fund to the Game and Fish Protection Fund. The appropriation was required by statute to compensate for revenue lost due to reduced license fees for senior citizens.</p> | <p>Gross (2,300,000)
GF/GP (2,300,000)</p> |
| <p>2. Michigan Civilian Conservation Corps (MCCC). This reduction resulted in the closing of Camp Proud Lake in Oakland County, the last of three residential camps for the MCCC.</p> | <p>Gross (500,000)
GF/GP (500,000)</p> |
| <p>3. Forest Management Programs. The Executive Order eliminated \$1,042,900 GF/GP originally appropriated to compensate for a projected shortfall in the Forest Development Fund that did not occur. A General Fund increase of \$256,500 for tree planting in urban and suburban areas also was eliminated. In addition, a \$500,000 increase for the hiring of Conservation Officers was eliminated. As a result of greater enforcement of the statewide hiring freeze, the Department was unable to hire additional officers.</p> | <p>Gross (1,799,400)
GF/GP (1,799,400)</p> |
| <p>4. Abandoned Mineshaft Closures. This General fund reduction resulted in the elimination of a program that supported the proper closing of abandoned mines that constituted a threat to public safety.</p> | <p>Gross (350,000)
GF/GP (350,000)</p> |
| <p>5. Payments in Lieu of Taxes. The Department is required to make payments in lieu of taxes on certain State-purchased lands. In general, these payments are made from the same source of financing as that used to purchase the land. This General Fund reduction was offset by a contingency fund transfer included in the State Budget Letter dated 11-6-01 that appropriated revenue from the Game and Fish Protection Fund to make the tax payment.</p> | <p>Gross (1,820,900)
GF/GP (1,820,900)</p> |

C. CONTINGENCY FUNDS

1. State Budget Office Letter 11-6-01

- | | |
|--|---|
| <p>a. General Fund Offset. A contingency fund appropriation was made to partially offset a General Fund reduction contained in Executive Order 2001-9. The transfer included \$400,000 for wildlife management operations and \$400,000 for fisheries resource management. The contingency funds were available from the Game and Fish Protection Fund.</p> | <p>Gross 800,000
Restricted 800,000
GF/GP 0</p> |
|--|---|

		Change from FY 2001-02 Initial Appropriation	
b. Payments in Lieu of Taxes. A contingency fund transfer was made to allow the Department to offset a General Fund reduction included in Executive Order 2001-9 for payments in lieu of taxes on State lands with revenue from the Game and Fish Protection Fund.		Gross	1,820,900
		Restricted	1,820,900
		GF/GP	0
2. State Budget Office Letter 4-16-02			
a. Bovine Tuberculosis. Additional Federal funding from the United States Department of Agriculture became available for the eradication of bovine tuberculosis. This transfer enabled the Department to receive and spend the funding.		Gross	500,000
		Federal	500,000
		GF/GP	0
b. Mineral Lease Audits. The Department has contracted for audits of oil, gas, sand, gravel and other mineral leases to ensure that the State is receiving appropriate compensation from those leases. This transfer increased the spending authority from the Natural Resources Trust Fund by \$114,800 and the State Park Endowment Fund by \$53,200 to support the audit contracts.		Gross	168,000
		Restricted	168,000
		GF/GP	0
c. Snowmobile Law Enforcement. This transfer provided snowmobile registration fee revenue for additional enforcement of snowmobile laws. State statute allows the fee revenue to be used for both State and local enforcement efforts.		Gross	200,000
		Restricted	200,000
		GF/GP	0
d. Inflationary Increases. A contingency fund transfer was made to provide for an inflationary increase in refuse services, utilities, vehicles, and travel expenses in State parks and recreational boating. The transfer consisted of \$582,500 from the Park Improvement Fund for State parks and \$231,200 from the State Waterways Fund for recreational boating.		Gross	813,700
		Restricted	813,700
		GF/GP	0
e. Habitat Restoration. Additional Federal funding from the United States Department of the Interior became available. The funding was used to complete assessments, habitat evaluation, and modeling of various rivers, and for fish habitat restoration on the Au Sable River.		Gross	500,000
		Federal	500,000
		GF/GP	0
f. Purchase of Patrol Boat. Funding from the United States Coast Guard was made available through Federal homeland security appropriations and used for the purchase of a 25-foot Sea Ark patrol boat. The boat cost approximately \$110,000 and will be used to enhance the Department's marine safety, law enforcement, and international border patrol efforts. Existing Marine Safety Fund appropriations served as the required match for receipt of the Federal funds.		Gross	83,500
		Federal	83,500
		GF/GP	0

		Change from FY 2001-02 Initial Appropriation	
g. Land Resources Inventory. This transfer enabled the Department to use available restricted revenue from the Michigan Geographic Information System to support the cost of maintaining the land resource and current use inventory. The inventory provides a base of information for the analysis of existing and future productivity of the State's natural resources, and provides information to assist in the analysis of the timing, location, and intensity of future development in the State. The information contained in the inventory is available on the Internet.	Gross	129,400	
	Restricted	129,400	
	GF/GP	0	
h. Escanaba River Boating Facility. Under a Federal Energy Regulatory Commission hydroelectric licensing agreement, the Upper Peninsula Power Company is required to provide funding for the operation and maintenance of a boating facility on the Escanaba River.	Gross	35,000	
	Private	35,000	
	GF/GP	0	
i. Hunter Safety Education Programs. United States Fish and Wildlife Service funds in excess of current appropriations became available. The Department plans to use the Federal dollars for hunter safety education programs at the seven public shooting ranges.	Gross	527,300	
	Federal	527,300	
	GF/GP	0	
j. Massasauga Rattlesnake Study. The Department was awarded funding by the United States Department of Defense for a study of the Massasauga rattlesnake at Camp Grayling. The study will involve assessing habitat and current management practices, conducting a field survey to estimate populations, and developing a reporting mechanism to verify sightings of the snake.	Gross	26,500	
	Federal	26,500	
	GF/GP	0	
k. Karner Blue Butterfly Study. Funding from the United States Fish and Wildlife Service has been awarded to the Department for a study of the endangered Karner blue butterfly.	Gross	30,000	
	Federal	30,000	
	GF/GP	0	
l. St. Aubin Marina. The Department has assumed responsibility for the maintenance and operation of the St. Aubin Marina in Detroit. Available Michigan State Waterways Fund dollars support the costs of operating the marina.	Gross	133,000	
	Restricted	133,000	
	GF/GP	0	
m. Lake Erie Fish Data Collection. Additional funding was available from the International Great Lakes Fish Commission for gathering and sharing, with Ontario, New York, Pennsylvania, and Ohio, survey data on Lake Erie catch, effort, and tagging.	Gross	77,000	
	Private	77,000	
	GF/GP	0	

**Change from FY 2001-02
Initial Appropriation**

3. State Budget Office Letter 9-11-02

Payments in Lieu of Taxes. A shortfall was projected for FY 2001-02 for payments to local units of government in lieu of taxes. A transfer approved by the Senate and House Appropriations Committees on August 14, 2002, was intended to cover the projected shortfall. The Department received additional tax bills after the August transfer was approved, resulting in a greater shortfall in the purchased lands taxes account than could be covered by that transfer. The September transfer of \$200,000 addressed the new shortfall projection. The transfer included small amounts of GF/GP dollars transferred from a number of line items and a contingency fund appropriation of \$50,000 from the Natural Resources Trust Fund.

Gross	50,000
Restricted	50,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 4-16-02

a. Shooting Range Administration Shift. This transfer shifted \$100,000 from the Game and Fish Protection Fund to reflect changes made in a 2001 reorganization of the Department. Responsibility for the State's seven shooting ranges was shifted from the Wildlife and Parks and Recreation Divisions to the Law Enforcement Division.

Gross	0
GF/GP	0

b. Rural Community Fire Protection. This transfer shifted excess Federal spending authority of \$159,000 in the Federal - forest stewardship grants line item to the Federal - rural community fire protection line item, where available U.S. Department of Agriculture grant funding exceeded the existing appropriation. The increased Federal grant funds were distributed to local volunteer fire departments in communities of less than 10,000 population for the replacement of dry hydrants, equipment purchases, and training. A 50% local match is required for this funding.

Gross	0
Federal	0
GF/GP	0

c. Forest Fire Protection. This transfer shifted to the forest fire protection line item Federal spending authority of \$234,100 in several forest management unit line items, where U.S. Department of Agriculture Forest Service grant funds were available in excess of current appropriations. The increased Federal funds were used for equipment purchases under the National Fire Plan State Fire Assistance Program, and to support a pilot local fire safety education program.

Gross	0
Federal	0
GF/GP	0

d. Urban Forestry Grants. Detroit Edison voluntarily participates in the United States Department of Energy Climate Challenge Program, a tree planting program, as part of its efforts to reduce carbon dioxide in the atmosphere. With the \$100,000 provided through this transfer, grants of up to \$4,000, subject to a 50% cash or in-kind match, were awarded to local units of government applicants from Detroit Edison's service area in Huron, Lapeer, Livingston, Macomb, Monroe, Oakland, Sanilac, St. Clair, Tuscola, Washtenaw, and Wayne Counties.

**Change from FY 2001-02
Initial Appropriation**

Gross	0
Private	0
GF/GP	0

2. State Budget Office Letter 7-29-02

Payments in Lieu of Taxes. A shortfall in taxes paid by the State on State-purchased lands was projected because inflationary adjustments have not been built into the appropriation base on the General Fund portion of the payment for a number of years. This transfer provided the Department with sufficient spending authority to make the entire 2002 summer payments in lieu of taxes. An additional transfer was required later due to a revised estimate of taxes due.

Gross	0
GF/GP	0

3. State Budget Office Letter 9-11-02

Detroit Legacy of Trees Program. The Program involved the planting of trees at schools, parks, and neighborhoods in celebration of Detroit's 300th year. The originally proposed FY 2001-02 budget included \$540,000 in General Fund appropriations for the tree planting program. After FY 2001-02 budget targets were set and Executive Order 2001-9 was approved, the \$540,000 GF/GP appropriation was eliminated. The Department, however, had committed \$600,000 to the Legacy of Trees Program. This transfer of \$417,100 GF/GP provided the spending authority for a portion of the committed funding. Resources were available from the forest fire equipment account because of fewer forest fires than anticipated.

Gross	0
GF/GP	0

NATURAL RESOURCES TRUST FUND

The initial appropriation for Natural Resources Trust Fund projects was enacted in September 2001, after the FY 2001-02 Initial Appropriation Report was completed.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	N/A	N/A
Gross	37,601,200	37,601,200
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	37,601,200	37,601,200
GF/GP	0	0

**Change from FY 2001-02
Initial Appropriation**

INITIAL APPROPRIATIONS

PUBLIC ACT 120 OF 2001

Natural Resources Trust Fund Projects. An appropriation from the Michigan Natural Resources Trust Fund was made for acquisition and development projects after the enactment of most of the FY 2001-02 appropriation bills. Included with the funding were two priority lists: one for 10 acquisition projects and another for 31 development projects.

Gross	37,601,200
Restricted	37,601,200
GF/GP	0

- A. SUPPLEMENTAL APPROPRIATIONS - NONE**
- B. EXECUTIVE ORDERS - NONE**
- C. CONTINGENCY FUNDS - NONE**
- D. TRANSFERS - NONE**

SCHOOL AID

The initial appropriation was contained in Public Act 297 of 2000, and was supplemented by Public Act 121 of 2001 and Public Act 191 of 2002. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	0.0	0.0
Gross	11,521,053,300	11,423,561,700
IDG	0	0
Federal	145,000,000	203,000,000
Local	0	0
Private	0	0
Restricted	11,170,439,800	11,022,148,200
GF/GP	205,613,500	198,413,500
Change from FY 2001-02 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 121 of 2001

a. Federal Special Education Dollars. An increase of Federal Special Education funding for the Individuals with Disabilities Education Act was appropriated in Public Act 121.	Gross Federal GF/GP	58,000,000 58,000,000 0
b. Elimination of Several State Categorical Grants. Public Act 121 eliminated funding for Infrastructure grants, Elementary Summer School Program grants, Coordinating Counseling Services grants, Professional Development reimbursement, and Vocational Education Technical Centers. Funding for Golden Apples and the Partnership for Adult Learning also was eliminated, but Gubernatorial vetoes restored funding for the programs.	Gross Restricted GF/GP	(93,800,000) (93,800,000) 0
c. Reduction in Funding of Several State Grants. This supplemental appropriation reduced funding for At-Risk (\$5,000,000), School Readiness (\$25,000,000), Small Class Size (\$3,100,000), Reading Programs (\$12,750,000), Gifted and Talented (\$1,000,000), Career Preparation (\$2,000,000), Accreditation Assistance (\$2,000,000), Math and Science Centers (\$1,000,000), and Adult Education (\$5,000,000). State Special Education funding also was reduced, based on lower estimated costs (\$11,040,000).	Gross Restricted GF/GP	(67,890,000) (67,890,000) 0
d. Foundation Allowance Funding Adjustments. An increase of \$24,300,000 was necessary to fully fund the foundation allowance increase implemented in FY 2001-02, due to increasing numbers of pupils and taxable value adjustments.	Gross Restricted GF/GP	24,300,000 24,300,000 0

		Change from FY 2001-02 Initial Appropriation	
e. Detroit Public Schools. This grant was provided to Detroit Public Schools as long as the district remained under the direction of the Reform Board.		Gross	15,000,000
		Restricted	15,000,000
		GF/GP	0
f. Miscellaneous Adjustments. Public Act 121 included a \$400,000 increase in the Equity Payment, a \$1,000,000 increase in School Lunch, and a \$500,000 increase in Court-Placed Pupils, in order to fully fund anticipated cost obligations. Also, funding for administration of the Parental Involvement and Education program was eliminated (\$249,900).		Gross	1,650,100
		Restricted	1,650,100
		GF/GP	0
2. Public Act 191 of 2002			
a. Foundation Allowance Adjustments. This supplemental appropriation included a net reduction of \$29,300,000, achieving a realization of savings by not appropriating dollars in anticipation of lower revenues due to personal property tax depreciation table adjustments, partially offset by increased funds necessary to pay for pupils.		Gross	(29,300,000)
		Restricted	(29,300,000)
		GF/GP	0
b. Renaissance Zone Reimbursement. An increase was necessary to fully reimburse districts and the School Aid Fund for the costs of renaissance zones.		Gross	1,800,000
		Restricted	1,800,000
		GF/GP	0
c. School Lunch and Special Education. Increases in both of these items were necessary to fully meet the funding obligations determined under the <i>Durant</i> court cases.		Gross	3,018,300
		Restricted	3,018,300
		GF/GP	0
d. Miscellaneous Funding Adjustments for Personal Property Tax Depreciation Tables. Public Act 191 included a realization of savings by not appropriating dollars in anticipation of lower revenues due to personal property tax depreciation table adjustments.		Gross	(2,270,000)
		Restricted	(2,270,000)
		GF/GP	0
e. Golden Apples. The remaining appropriation for this program, after accounting for the Executive Order reduction discussed below, was eliminated.		Gross	(800,000)
		Restricted	(800,000)
		GF/GP	0
B. EXECUTIVE ORDERS			
Executive Order 2001-9			
Golden Apples. The Executive Order included a 90% cut in funding for this program, designed originally to award \$50,000 to schools that performed extremely well or improved greatly on the MEAP.		Gross	(7,200,000)
		GF/GP	(7,200,000)

**Change from FY 2001-02
Initial Appropriation**

C. TRANSFERS

1. State Budget Office Letter 9-11-02

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| <p>a. Renaissance Zone Reimbursement. An increase of \$1,700,000 was necessary to fully reimburse districts and the School Aid Fund for the costs of renaissance zones. Funds that otherwise would have lapsed were transferred from the <i>Durant</i> Debt Service and Settlement lines, and from the Discretionary Payment to satisfy this transfer.</p> | <p>Gross 0
GF/GP 0</p> |
| <p>b. Court-Placed Children. An increase of \$2,900,000 was necessary to fully fund the State's obligation of paying 100% of the costs of educating court-placed pupils. A new facility opened, educating additional pupils, and thereby increased costs. Funding for this transfer came from the Discretionary Payment and excess funds in Section 53a of Special Education.</p> | <p>Gross 0
GF/GP 0</p> |
| <p>c. School Lunch. An increase of \$385,000 was necessary to meet the State's funding obligation determined under the <i>Durant</i> court cases. Funding was transferred from the Equity Payment and the Discretionary Payment.</p> | <p>Gross 0
GF/GP 0</p> |
| <p>d. Court Judgment. In order to meet court judgment costs, \$1,000,000 was transferred from excess funds in the Discretionary Payment line item.</p> | <p>Gross 0
GF/GP 0</p> |

2. State Budget Office Letter 10-30-02

- | | |
|---|----------------------------|
| <p>Administrative Transfer - Benton Harbor Desegregation Payment. An administrative transfer of \$5,985,000 was approved to provide funds to Benton Harbor Schools under the court-ordered desegregation plan.</p> | <p>Gross 0
GF/GP 0</p> |
|---|----------------------------|

DEPARTMENT OF STATE

The initial appropriation was contained in Public Act 83 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	1,973.3	1,973.3
Gross	182,326,200	179,368,400
IDG	55,814,100	95,814,100
Federal	1,303,600	1,303,600
Local	0	0
Private	100	100
Restricted	64,451,900	64,451,900
GF/GP	60,756,500	17,798,700
Change from FY 2001-02 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 530 of 2002

Election Worker Training Video. This appropriation was related to Ballot Proposal 02-1 in the November 2002 General Election, which would have provided for certain election reforms. The ballot proposal was not adopted.

Gross	80,000
GF/GP	80,000

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Customer Delivery Services. Savings were generated through consolidating related services and closing branch offices in Lansing, Saginaw, and Muskegon Heights.

Gross	(1,000,000)
GF/GP	(1,000,000)

2. Administrative Savings. Reductions were achieved by maintaining vacancies, delaying hardware and software purchases, consolidating space, delaying remodeling, and other efficiencies.

Gross	(2,037,800)
GF/GP	(2,037,800)

3. Funding Shift. The Executive Order reduced the Department's General Fund appropriation by an additional \$40,000,000, which was offset by an increase of \$40,000,000 from the Michigan Transportation Fund.

Gross	0
IDG	40,000,000
GF/GP	(40,000,000)

**Change from FY 2001-02
Initial Appropriation**

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

1. State Budget Office Letter 4-16-02

Budgetary Savings. This transfer distributed the general budgetary savings line of (\$340,200) to specific expenditure line items in the Department.

Gross	0
GF/GP	0

2. State Budget Letter 9-11-02

Administrative Transfer. Based on actual workers' compensation costs, \$75,000 was transferred from the Department services line item to the workers' compensation line item.

Gross	0
GF/GP	0

DEPARTMENT OF STATE POLICE

The initial appropriation was contained in Public Act 51 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	3,648.5	3,648.5
Gross	408,853,800	420,506,100
IDG	19,927,500	20,309,500
Federal	43,211,000	44,770,700
Local	3,913,700	4,506,600
Private	0	0
Restricted	47,611,600	57,049,300
GF/GP	294,190,000	293,870,000

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 120 of 2001

Secondary Road Patrol Grants. Public Act 120 restored GF/GP appropriations for grants to County Sheriffs for secondary road patrol costs which had been vetoed from the enacted FY 2001-02 State Police budget.

Gross	5,980,000
GF/GP	5,980,000

2. Public Act 530 of 2002

a. Secondary Road Patrol Grants. Public Act 530 provided additional authority to spend restricted revenue gained by the increase from \$5 to \$10 of assessment on moving violations.

Gross	4,500,000
Restricted	4,500,000
GF/GP	0

b. Court Judgments. The supplemental appropriation included funds to pay for accumulated court-ordered judgments against the Department.

Gross	1,250,000
GF/GP	1,250,000

c. Increased Spending Authority for Restricted Revenues. The supplemental appropriation provided authority to spend higher-than-anticipated levels of revenue from fees for reimbursed services (\$770,000) and user fees (\$585,000 lab, \$400,000 DNA, and \$339,700 truck safety).

Gross	2,094,700
Restricted	2,094,700
GF/GP	0

**Change from FY 2001-02
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2001-9

<p>1. Criminal Investigation and Information. The Executive Order reduced GF/GP appropriations from the Criminal Justice Information Center (\$2,800,000), and Criminal Investigations (\$250,000).</p>	<p>Gross (3,050,000) GF/GP (3,050,000)</p>
<p>2. Secondary Road Patrol Grants. The Executive Order reduced GF/GP appropriations from the Secondary Road Patrol Grant Program from a GF/GP appropriation of \$5,980,000 to \$1,480,000.</p>	<p>Gross (4,500,000) GF/GP (4,500,000)</p>

C. CONTINGENCY FUNDS

1. State Budget Office Letter 11-6-01

<p>Increased Spending Authority. The transfer reflected additional revenue from Security Guard and Private Detective licensing fee increases (\$250,000—which supplanted the reduction in GF/GP support made by Executive Order 2001-9) and for criminal history and fingerprint background checks (\$2,800,000)</p>	<p>Gross 3,050,000 Restricted 3,050,000 GF/GP 0</p>
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2. State Budget Office Letter 4-16-02

<p>Increased Spending Authority. The transfer reflected additional local fee revenue (\$592,900) for operation of the State's LEIN system, Federal highway funds for occupant protection programs (\$586,200), truck safety inspections (\$123,500), and U.S. Department of Justice funds (\$850,000) for criminal records improvements.</p>	<p>Gross 2,152,600 Federal 1,559,700 Local 592,900 GF/GP 0</p>
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3. State Budget Office Letter 9-11-02

<p>Increased Spending Authority. The transfer reflected additional Truck Safety Fund revenue (\$75,000) for the operation of truck safety enforcement teams within the Motor Carrier Enforcement Division.</p>	<p>Gross 75,000 Restricted 75,000 GF/GP 0</p>
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4. State Budget Office Letter 11-6-02

<p>Increased Spending Authority. The transfer reflected additional revenue (\$100,000) from the Highway Safety Fund, created from \$5 assessments on moving violations to be used for the payment of new trooper contract costs.</p>	<p>Gross 100,000 Restricted 100,000 GF/GP 0</p>
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**Change from FY 2001-02
Initial Appropriation**

D. TRANSFERS

1. State Budget Office Letter 9-11-02

Administrative Transfer to Cover Unforeseen Costs. The transfer took available GF/GP funds from Unclassified Salaries (\$46,575), Criminal Justice Information Center (\$925,000), At-post Troopers (\$712,925), and School Bus Inspections (\$315,000) and applied them to higher-than-anticipated costs for Court Judgments (\$174,500), Fleet Leasing (\$1,380,000), Workers Compensation (\$125,000), and Management Services (\$320,000).

Gross 0
GF/GP 0

2. State Budget Office Letter 9-11-02

Accounts Receivables Write-Off. This transfer provided GF/GP funds (\$160,000) from the At-post Trooper line (available due to vacancies) to cover the write-off of previous-year accounts receivables.

Gross 0
GF/GP 0

3. State Budget Office Letter 10-30-02

Administrative Transfer to Cover Unforeseen Costs. General Fund/General Purpose dollars (\$116,000) were transferred from Local LEIN Services to cover unanticipated Workers Compensation costs.

Gross 0
GF/GP 0

4. State Budget Office Letter 11-6-02

a. Accounts Receivables Write-Off. This transfer provided unspent GF/GP funds (\$21,000) from the Officer's Survivor Tuition Program to cover the write-off of previous-year accounts receivables.

Gross 0
GF/GP 0

b. Trooper Contract Costs. This transfer provided unspent GF/GP funds from Highway Safety Planning (\$55,000), Local LEIN Services (\$60,000), Automated Fingerprint Identification Services (\$15,000), and Special Operations (\$50,000) to help cover costs of the new Trooper contract.

Gross 0
GF/GP 0

STRATEGIC FUND AGENCY

The initial appropriation was contained in Public Act 80 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	234.0	234.0
Gross	178,046,200	169,490,600
IDG	100,000	100,000
Federal	62,934,400	63,334,400
Local	0	0
Private	850,000	850,000
Restricted	50,050,000	45,050,000
GF/GP	64,111,800	60,156,200

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 120 of 2001

Capital Access Program. Funding was appropriated to supplement this program, which primarily receives Indian casino gaming revenue. The program provides funding for a loan loss reserve fund at participating banks that provide financing for business loans that, due to the high-risk nature of the loans, would not otherwise receive financing. This funding supplemented the Indian casino gaming revenue which had been reduced by an identical amount.

Gross	1,000,000
GF/GP	1,000,000

2. Public Act 120 of 2001

Michigan Promotion. Boilerplate language in Public Act 120 allocated \$200,000 of the \$7,000,000 Michigan Promotion appropriation for the northeast side of the State. This language was vetoed, reducing the line item by an identical amount.

Gross	(200,000)
GF/GP	(200,000)

**Change from FY 2001-02
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2001-9

Savings will be achieved from reductions in programs such as employee training, business services, marketing, and grant distributions. The Executive Order included reductions from the following line items:

Administration	\$ (139,600)
Job Creation Services	(1,216,000)
Michigan Promotion	(400,000)
Economic Development Job Training Grants	(3,000,000)
Health and Aging Research and Development Strategies	(5,000,000)

Gross	(9,755,600)
Restricted	(5,000,000)
GF/GP	(4,755,600)

C. CONTINGENCY FUNDS

State Budget Office Letter 09-11-02

Community Development Block Grants. This transfer increased the spending authority to allow for additional Federal revenue that was made available for this program. The funds are used to cover the costs of administering this program, which provides Federal infrastructure funding as assistance for economic development projects to municipalities with fewer than 50,000 residents and nonurban counties.

Gross	400,000
Federal	400,000
GF/GP	0

D. TRANSFERS - NONE

DEPARTMENT OF TRANSPORTATION

The initial appropriation was contained in Public Act 59 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	3,176.3	3,176.3
Gross	3,087,872,400	3,112,826,000
IDG	11,459,500	11,459,500
Federal	960,483,900	985,283,900
Local	5,800,000	5,800,000
Restricted	2,110,129,000	2,110,282,600
GF/GP	0	0

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 530 of 2002

- 1. Local Bridge Funding.** In the initial budget bill, the Governor vetoed \$24,000,000 in Federal funding provided to the Critical Bridge program for local projects. Consistent with Federal Highway Administration guidelines, 15% of all Federal aid bridge funds coming to Michigan are earmarked for local projects. The bill included a 20% earmark of Federal bridge funds for locals, thereby increasing the allotment by \$6,000,000 and reducing the State's share by an equal amount.

Gross	24,000,000
Federal	24,000,000
GF/GP	0

Public Act 530 restored the vetoed Federal bridge funding, but under the 15% (local) / 85% (State) distribution schedule.

- 2. Comprehensive Transportation Programs.** Public Act 530 appropriated available FY 2000-01 carryforward revenue of \$10,633,600. Of the total, \$4,247,300 was provided to local bus operating grants, \$764,000 to bus capital, and \$190,000 for specialized services. These appropriations restored the cuts to the programs contained in Executive Order 2001-9 (Item B below).

Gross	10,633,600
Restricted	10,633,600
GF/GP	0

The supplemental appropriation also provided \$5,432,300 to match available Federal revenue for the development of an intermodal freight terminal in southeastern Michigan.

**Change from FY 2001-02
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2001-9

- 1. Transportation Grants to Other Departments.** The Executive Order (EO) increased the Michigan Transportation Fund (MTF) authorization to the Department of State from \$55,814,100 to \$95,814,100. It also provided \$8,000,000 in MTF revenue to the Department of Treasury. At the same time, the EO reduced the GF/GP appropriations to these two Departments by the same amounts. (These funding shifts are explained in more detail under the Department of State and Department of Treasury sections of this report.)

Gross	0
GF/GP	0

The impact on MTF formula distributions was:

Comprehensive Transportation Fund	\$(4,800,000)
State Trunkline Fund	(16,891,200)
County Road Commissions	(16,891,200)
Cities and Villages	(9,417,600)
Total	\$(48,000,000)

These funding shifts did not affect the appropriation levels in the Transportation budget.

2. Comprehensive Transportation Fund - Sales Tax Revenue. Pursuant to Article IX, Section 9 of the Michigan Constitution, the Comprehensive Transportation Fund (CTF) receives a portion of the sales tax on motor vehicle-related sales, estimated at \$71,000,000 in FY 2001-02. The EO reduced the sales tax allocation to the CTF by \$12,750,000 for FY 2001-02. Correspondingly, the EO reduced the following CTF-funded lines in the FY 2001-02 budget:

Administration	\$(200,000)
Local Bus Operating	(3,247,300)
Freight Property Management	(119,300)
Detroit/Wayne County Port Authority	(31,500)
Intercity Bus Equipment	(1,000,000)
Rail Passenger Service	(78,000)
Rail Infrastructure Loan Program	(800,000)
Intercity Bus Service Development	(100,000)
Marine Passenger Services	(500,000)
Terminal Development	(200,000)
Specialized Services	(190,000)
Bus Capital	(378,000)
Bus Property Management	(60,000)
Service Development and New Technology	(155,000)
Planning Grants	(40,000)
Audit Settlements	(50,000)
Region Service Coordination	(900,000)
Work First Initiative	(1,500,000)
Total	\$(9,550,000)

The EO also transferred \$3,200,000 from the reserve account of the Rail Infrastructure Loan Program to the General Fund.

Change from FY 2001-02 Initial Appropriation	
Gross	(9,550,000)
Restricted	(9,550,000)
GF/GP	0

**Change from FY 2001-02
Initial Appropriation**

3. Transportation Economic Development Fund. Total funding for the Transportation Economic Development Fund in FY 2001-02 was estimated at 57,275,000. Of this total, \$13,000,000 represented revenue from the 1987 increase in driver's and chauffeur's license fees contained in the Motor Vehicle Code. The EO transferred \$2,250,000 from the revenue generated from license fees to the General Fund. The EO reduced the following line items pursuant to the statutory formula of the Transportation Economic Development Fund:

Gross	(2,250,000)
Restricted	(2,250,000)
GF/GP	0

Target Industries	\$(1,125,000)
Urban County Congestion	(562,500)
Rural County Primary	(562,500)
Total	\$(2,250,000)

C. CONTINGENCY FUNDS

State Budget Office Letter 4-16-02

- 1. Nonurban Bus Capital.** This transfer provided authorization to spend additional available Federal Transit Administration funding for public transit projects.
- 2. Intercity Bus Equipment.** This transfer provided authorization to spend available revenue in the Intercity Bus Equipment Fund for the purchase of intercity buses. This Fund is used by the State to purchase intercity buses, which are then leased to private intercity carriers. The Fund received additional revenue resulting from the sale of older buses.

Gross	800,000
Federal	800,000
GF/GP	0
Gross	1,320,000
Restricted	1,320,000
GF/GP	0

D. TRANSFERS

1. State Budget Office Letter 4-16-02

- a. Property Management.** This transfer provided additional authorization to spend \$5,700,000 in the Property Management line item to cover costs associated with clean-up, restoration, and replacement resulting from the December 22, 2001, fire at the Transportation Building in Lansing. The authorization was transferred from various administration line items in the budget funded with State Trunkline Fund revenue.

Gross	0
GF/GP	0

		Change from FY 2001-02 Initial Appropriation	
2. State Budget Office Letter 9-11-02			
a. Property Management.	This transfer provided additional authorization to spend \$571,000 in the Property Management line item to cover costs associated with clean-up, restoration, and replacement resulting from the December 22, 2001, fire at the Transportation Building in Lansing. The authorization was transferred from the Program Services line item funded with State Trunkline Fund revenue.	Gross	0
		GF/GP	0
b. Workers' Compensation.	This administrative transfer provided additional spending authorization of \$285,000 for workers' compensation claims. The authorization was transferred from the State Road and Bridge Program line item to the Workers' Compensation line funded with State Trunkline Fund revenue.	Gross	0
		GF/GP	0
c. Interurban Transit Partnership.	This transfer provided sufficient CTF revenue to the bus capital line item to match Federal funds for the purchase of replacement buses and vans for the Interurban Transit Partnership (ITP). Under the Federal Transit Administration, Section 5307 Program, Federal funds require a 20% match. This transfer provided the required State portion of the match to purchase seven buses and 27 vans for the ITP. The transfer moved \$122,400 in authorization to the Bus Capital line item.	Gross	0
		GF/GP	0
3. State Budget Office Letter 10-30-02			
a. Workers' Compensation.	This administrative transfer provided additional spending authorization of \$200,000 for workers' compensation claims. The authorization was transferred from the State Road and Bridge Program line item to the Workers' Compensation line funded with State Trunkline Fund revenue.	Gross	0
		GF/GP	0

DEPARTMENT OF TREASURY - DEBT SERVICE

The initial appropriation was contained in Public Act 83 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	0	0
Gross	105,995,000	96,995,000
IDG	0	0
Federal	0	0
Local	700,000	700,000
Private	0	0
Restricted	0	0
GF/GP	105,295,000	96,295,000

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 530 of 2002

School Bond Loan Reduction. As a result of refinancing and restructuring the School Bond Loan Fund debt, the State realized savings of \$35,000,000. A portion of the savings is credited to the 2001-02 fiscal year and the balance is credited to the 2002-03 fiscal year.

Gross	(9,000,000)
GF/GP	(9,000,000)

B. EXECUTIVE ORDERS - NONE

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS

State Budget Office Letter 9-11-02

New Clean Michigan Initiative Debt Service. A bond issue of \$57,000,000 was issued in October 2001 for the Clean Michigan Initiative, resulting in additional debt service costs. This transfer increased the funding available for debt service payments on the new bond issue by \$460,000. Unobligated funds were available in the Quality of Life debt service line as a result of bond refinancing.

Gross	0
GF/GP	0

DEPARTMENT OF TREASURY - OPERATIONS

The initial appropriation was contained in Public Act 83 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	1995.5	1,995.5
Gross	357,487,000	369,546,100
IDG	9,237,000	17,237,000
Federal	33,490,000	44,898,800
Local	950,100	950,100
Private	0	0
Restricted	251,474,100	251,969,200
GF/GP	62,335,800	54,491,000

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 120 of 2001

a. MEAP Test and Database Development. In order to meet reduced budget estimates, Public Act 120 reduced an appropriation from the Michigan Merit Award Trust Fund. Originally, \$1,000,000 of the funding was allocated to the development of a database to track Michigan students' MEAP scores and Merit Awards, and \$1,500,000 allocated to MEAP test development.

Gross	(2,500,000)
Restricted	(2,500,000)
GF/GP	0

b. Pari-Mutuel Audits. In an effort to reduce expenditures from the General Fund, the supplemental appropriation shifted the fund source for pari-mutuel audits from the General Fund to the State Services Fee Fund, which is supported by assessments paid by the three Detroit casinos.

Gross	0
Restricted	240,000
GF/GP	(240,000)

2. Public Act 168 of 2001

Tax Amnesty Administration. To encourage remittance of delinquent taxes, the State offered a 60-day period in 2002 in which it waived all criminal and civil penalties for failure to file and remit the appropriate payment for taxes due before June 1, 2001. A supplemental appropriation was made to support administration of the tax amnesty program and funds were made available from the revenue generated by the additional tax payments received under the program.

Gross	1,500,000
GF/GP	1,500,000

**Change from FY 2001-02
Initial Appropriation**

3. Public Act 530 of 2002

a. Senior Citizen Cooperative Housing Payments. These payments are made pursuant to the General Property Tax Act, which exempts eligible nonprofit organizations from paying local property taxes. The State makes the payments to local units of government on behalf of the housing facility. Estimated payments for eligible housing units were greater than initially appropriated.

Gross	1,000,000
GF/GP	1,000,000

b. Federal Education Assessments Grant. The Federal government made grants to the states to conduct yearly testing in math and reading of students in grades 3-8. The Federal funding supplements the Michigan Education and Assessment Program (MEAP), which is currently testing in only two of those grades. States have until the 2004-05 school year to implement the additional tests. Use of the Federal funds may include the creation of state standards, test development, and administration.

Gross	10,698,800
Federal	10,698,800
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2001-9

1. Funding Shift. The Executive Order reduced the General Fund by \$8,000,000 and offset this reduction by authorizing \$8,000,000 in Michigan Transportation Fund support for costs related to gas tax collection and audits.

Gross	0
IDG	8,000,000
GF/GP	(8,000,000)

2. Revenue Programs. This reduction was met by reducing temporary staff that processed tax returns.

Gross	(1,500,000)
GF/GP	(1,500,000)

3. Financial Services. This reduction increased processing time for State banking transactions.

Gross	(604,800)
GF/GP	(604,800)

4. Michigan Education Savings Plan. The Executive Order reduced the Merit Award Trust Fund support for the Michigan Education Savings Program based on projected spending.

Gross	(1,000,000)
Restricted	(1,000,000)
GF/GP	0

C. CONTINGENCY FUNDS

1. State Budget Office Letter 4-16-02

a. Health and Safety Fund grants. The Health and Safety Fund Act requires that the Fund be entirely spent every fiscal year. The revenue generated in this Fund surpassed the authorized appropriation. This transfer allowed the Department to spend the additional revenue as necessary in order to be in compliance with statute.

Gross	650,000
Restricted	650,000
GF/GP	0

b. Salary of Casino Gaming Director. This transfer provided for a salary increase for the Executive Director of the Michigan Gaming Control Board. His annual salary was \$105,000 and increased to \$107,100, a 2.0% change. This salary increase was retroactive to the beginning of the fiscal year, October 2001. The transfer amount was the difference between the initial appropriation made for FY 2001-02 and the new salary.

**Change from FY 2001-02
Initial Appropriation**

Gross	5,100
Restricted	5,100
GF/GP	0

c. Home Heating Assistance Program. The Department of Treasury administers the Federal Low-Income Home Energy Assistance Program (LIHEAP) and the grants are funded in the budget for the Family Independence Agency. The Department of Treasury anticipated a greater number of applications and processing time as a result of an increased Federal grant level. It received approval from the Family Independence Agency for an increase of \$260,000 from the existing authorization of \$1,600,000.

Gross	260,000
Federal	260,000
GF/GP	0

d. Delinquent Property Tax Program. The Land Reutilization Fund was created to replace the Delinquent Property Tax Administration Fund in revisions made to the General Property Tax Act. Administration of the program is handled by a vendor who is paid on a parcel basis. The vendor reported approximately \$4,028,300 in revenue, which was \$3,100,000 greater than the appropriated amount of \$928,300.

Gross	3,100,000
Restricted	3,100,000
GF/GP	0

e. NAEP State Administrator. The National Center for Education Statistics (NCES) received funding from the Federal "No Child Left Behind Act" to provide states with an administrative coordinator for educational assessments and testing. The Department of Treasury has received grant funding approval for one position, a National Assessment for Educational Progress (NAEP) State Administrator. The position will serve as a liaison between the NAEP assessment and the Michigan Education Assessment Program.

Gross	100,000
Federal	100,000
GF/GP	0

2. State Budget Office Letter 9-11-02

Home Heating Assistance Program. The Family Independence Agency approved an additional \$350,000 for administration of the program. The original appropriation for this line item was \$1,600,000. A similar contingency fund transfer for \$260,000 was included in the State Budget Office letter dated 4-16-02.

Gross	350,000
Federal	350,000
GF/GP	0

D. TRANSFERS

State Budget Office Letter 4-16-02

Budgetary Savings. This transfer distributed the general budgetary savings line of (\$408,700) to specific line items in the Department.

Gross	0
GF/GP	0

DEPARTMENT OF TREASURY - REVENUE SHARING

The initial appropriation was contained in Public Act 234 of 2001. See the FY 2001-02 Appropriations Report published in October 2001 for a detailed description.

	FY 2001-02 Initial Appropriation	FY 2001-02 Year-End Appropriation
FTE	N/A	N/A
Gross	1,577,800,000	1,517,303,047
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	1,577,800,000	1,517,303,047
GF/GP	0	0

**Change from FY 2001-02
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

Executive Order 2001-9

The Executive Order reduced statutory revenue sharing payments by \$37,200,000. Supplemental legislation, Public Act 679 of 2002, altered the way the reduction would be distributed across local units of government. Without Public Act 679 of 2002, the reductions would have been distributed according to the revenue sharing formula and the effect of the reductions would not have been uniform across local units. The legislation was designed to equalize the reduction across all local units, such that all local units would receive a 3.5% reduction from the amount they would have received absent Executive Order 2001-9.

Gross	(37,200,000)
Restricted	(37,200,000)

C. CONTINGENCY FUNDS - NONE

D. TRANSFERS - NONE

E. OTHER ADJUSTMENTS

The revenue sharing appropriations were based on Consensus sales tax estimates adopted at the May 2001 Consensus Revenue Estimating Conference. The appropriated levels represented the maximum amount that would be distributed for restricted revenue sharing. Actual sales tax collections were lower than the May 2001 forecast; thus, the full appropriation could not be supported, even accounting for Executive Order reductions. Actual revenue sharing distributions totaled \$1,517,303,047, or \$60,496,953 less than appropriated and \$7,796,953 less than estimated at the time of the Executive Order.

Change from FY 2001-02 Initial Appropriation	
Gross	(23,296,953)
Restricted	(23,296,953)



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