



FY 2004-05
APPROPRIATIONS REPORT
Part III - Year-End Appropriations

January 2006



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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.

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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 2004-05 YEAR-END APPROPRIATIONS OVERVIEW

At the close of fiscal year (FY) 2004-05, the Michigan Legislature had approved and Governor Granholm had signed into law FY 2004-05 Adjusted Gross appropriations that totaled \$39.9 billion. This represents an increase of \$698.9 million over the initial level of appropriations enacted at the beginning of the fiscal year. This Senate Fiscal Agency (SFA) report provides a summary of the changes in FY 2004-05 appropriations that occurred between the enactment of the initial set of appropriation bills and the achievement of the final level of appropriations for the fiscal year. A detailed summary of the initial FY 2004-05 appropriations is contained in the SFA's *FY 2004-05 Appropriation Report: Part II - Initial Appropriations* published in October 2004.

The changes made to the initial set of FY 2004-05 appropriations included the enactment of 11 separate supplemental appropriation bills, appropriation reductions related to Executive Order 2005-7, and revenue sharing reductions related to changes in the level of revenue sharing payments to cities, villages, and townships. This SFA report discusses these adjustments in detail as they affect each separate departmental and agency budget. In addition, the report provides a brief summary of the final year-end balances of the FY 2004-05 General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) budgets.

Table 1 provides a summary of the final FY 2004-05 appropriations by source of funds. Final Adjusted Gross appropriations totaled \$39.9 billion, which included \$12.9 billion of Federal funds, \$767.8 million of local and private funds, \$17.6 billion of State Restricted funds, and \$8.7 billion of GF/GP appropriations. Table 2 provides a summary of the year-end Adjusted Gross appropriations. The initial set of Adjusted Gross appropriations totaled \$39.2 billion, supplemental appropriations totaled \$1.1 billion, Executive Order 2005-7 appropriation reductions totaled \$321.5 million, and reductions to revenue sharing payments totaled \$14.2 million. Table 3 provides a summary of the \$1.1 billion of Adjusted Gross appropriations contained in the 11 supplemental appropriation bills.

Table 4 provides a summary of the final level of State Spending from State Resources appropriations. The initial set of FY 2004-05 State Spending from State Resources appropriations totaled \$26.1 billion, supplemental appropriations totaled \$479.3 million, Executive Order 2005-7 reductions totaled \$284.1 million, and reductions to revenue sharing payments totaled \$14.2 million. Table 5 provides a summary of the \$479.3 million of State Spending from State Resources appropriations contained in the 11 supplemental appropriation bills.

Table 6 provides a summary of the final level of GF/GP appropriations. The initial set of FY 2004-05 GF/GP appropriations totaled \$8.7 billion, supplemental appropriations totaled \$287.4 million, and Executive Order 2005-7 reductions totaled \$284.1 million. Table 7 provides a summary of the \$287.4 million of GF/GP appropriations contained in the 11 supplemental appropriation bills.

FY 2004-05 Supplemental Appropriation Bills

Public Act 352 of 2004: This bill appropriated \$43.0 million for universities that did not increase tuition during the academic school year of 2003-2004 above the amount established on December 1, 2003.

Public Act 358 of 2004: The bill appropriated \$8.5 million for community colleges that did not increase tuition during the academic school year of 2003-2004 above the amount established on December 1, 2003, and did not increase tuition during the academic school year of 2004-2005 above 2.8%.

Public Act 360 of 2004: The bill appropriated \$6.6 million of Federal and State Restricted funds for information technology projects in the Family Independence Agency (now named the Department of Human Services). The bill also appropriated \$1.1 million of State Restricted funds in the Department of Treasury for sports promotion. The funding was designed to assist local governments with the costs associated with hosting the 2005 Major League Baseball All Star game and the 2006 National Football League Super Bowl game.

Public Act 468 of 2004: The bill appropriated \$0.2 million of GF/GP funds to Lake Superior State University for infrastructure, technology, equipment, and maintenance projects.

Public Act 518 of 2004: The bill appropriated \$99.5 million of GF/GP funds to the K-12 School Aid Fund. This funding increase offset a \$99.5 million reduction in the amount of State Restricted funding available in the budget.

Public Act 10 of 2005: The bill included appropriations authorizing the preliminary planning of 22 construction projects at universities and community colleges. These projects, if authorized for final construction, will be financed by a combination of bonds sold by the State Building Authority and university and community college funding. The bill also contained the final construction authorization of four State Building Authority construction projects. These projects included one community college project and three projects that had an impact on State agencies.

Public Act 11 of 2005: This multidepartment appropriation bill contained \$709.8 million of Adjusted Gross appropriations and \$70.0 million of GF/GP appropriations. This appropriation bill was enacted in conjunction with Executive Order 2005-7, as part of a comprehensive proposal to bring the FY 2004-05 GF/GP budget into balance. The major items in the bill included the funding of the balance of the FY 2004-05 Capital Outlay budget that was not enacted by the beginning of the fiscal year and funding for the Department of Community Health that addressed projected funding shortfalls in the Medicaid program. The bill also included the appropriation of a variety of Federal and State Restricted funds that would be used by State departments to partially offset GF/GP funding reductions that were part of Executive Order 2005-7, and numerous appropriations of Federal and State Restricted funds not appropriated in the initial budget for the fiscal year. The final item in the bill was a \$30.0 million appropriation for universities and community colleges that was contingent on the level of GF/GP revenue collected during the fiscal year. Actual revenue collections exceeded the level established in the bill and the universities and community colleges received this supplemental funding.

Public Act 98 of 2005: The bill made adjustments to existing K-12 School Aid appropriations, and increased overall FY 2004-05 K-12 School Aid appropriations by \$39.1 million. The adjustments included revised estimates of pupil counts, taxable values, and other cost factors that assured that actual expenditures would be equal to the level of initial K-12 School Aid appropriations.

Public Act 109 of 2005: This multidepartment appropriation bill contained \$247.8 million of Adjusted Gross appropriations and \$57.3 million of GF/GP appropriations. The major item in the bill was additional funding for the Medicaid program to fund projected actual expenditures. The bill contained the appropriation of \$32.3 million of Federal funds in the Department of Human Services (DHS), \$33.7 million of Federal funds in the Department of State available to support election reform efforts, and \$0.6 million in Federal and State Restricted dollars for the split-pay adjustments in various departments.

Public Act 200 of 2005: The bill made \$8.9 million of GF/GP appropriations for the Department of Labor and Economic Growth and the Department of State Police. The State Police funding was designed to partially offset appropriation reductions in a variety of programs contained in the initial fiscal year appropriation bill for the Department. The Department of Labor and Economic Growth funding provided for an increase in the level of fire protection grants paid to units of local government.

Public Act 297 of 2005: This bill made \$2.0 million of Adjusted Gross appropriations that were financed with State Restricted and Federal funds. The bill included year-end supplemental appropriations for the Department of Attorney General, Department of Civil Rights, and Department of Natural Resources.

Executive Order Reduction

On March 23, 2005, the House and Senate Appropriations Committees gave their approval to Executive Order 2005-7. This Executive Order was recommended by Governor Granholm to eliminate a projected FY 2004-05 budget deficit. Executive Order 2005-7 reduced Adjusted Gross appropriations by \$321.5 million and reduced GF/GP appropriations by \$284.1 million. The Executive Order also increased the GF/GP year-end balance by \$11.9 million from the lapsing of existing appropriations and the transfer of restricted revenue to the GF/GP budget. The major appropriation reductions contained in the Executive Order are the following: \$99.5 million reduction in the GF/GP grant to the K-12 School Aid Fund, \$51.3 million of administrative reductions spread across numerous State departments, \$30.0 million reduction in the operations funding for universities and community colleges, \$25.9 million shift from GF/GP appropriations to State Restricted appropriations in the Medicaid program, and a variety of other GF/GP funding reductions that were partially or completely offset by supplemental appropriations contained in Public Act 11 of 2005.

Revenue Adjustments

State revenue sharing payments to cities, villages, and townships are appropriated based on consensus estimates of the amount of sales tax collections. To the extent that actual sales tax collections are lower than the consensus revenue estimate upon which the

revenue sharing appropriation was based, an automatic reduction in this appropriation takes place. During FY 2004-05, this reduction lowered the actual level of revenue sharing payments by \$14.2 million from the initial appropriated level.

Final Year-End Balances

Table 8 provides a summary of the FY 2004-05 GF/GP budget after the final accounting of revenue and expenditures. The GF/GP budget closed the fiscal year with a \$220.5 million balance. Pursuant to statutory requirements, this final year-end balance is carried forward into FY 2005-06.

Table 9 provides a summary of the FY 2004-05 School Aid Fund budget after the final accounting of revenue and expenditures. The School Aid Fund budget closed the fiscal year with a \$93.7 million balance. Pursuant to statutory requirements, this final year-end balance is carried forward into FY 2005-06.

Table 1

FY 2004-05 YEAR-END APPROPRIATIONS BY SOURCE OF FUNDS					
Department/Budget Area	Adjusted Gross	Federal Funds	Local & Private Funds	Other State Restricted	General Fund
Agriculture	\$115,739,600	\$34,102,200	\$138,700	\$53,070,800	\$28,427,900
Attorney General	51,132,200	9,594,300	0	10,485,000	31,052,900
Capital Outlay	551,010,200	227,880,200	22,790,000	57,142,500	243,197,500
Civil Rights	13,258,400	1,690,900	0	0	11,567,500
Civil Service	29,546,500	3,979,100	1,850,000	16,274,600	7,442,800
Community Colleges	294,268,200	0	0	0	294,268,200
Community Health	10,413,685,100	5,689,963,800	594,266,800	1,540,617,400	2,588,837,100
Corrections	1,765,543,600	9,188,100	393,600	67,075,600	1,688,886,300
Education	115,925,100	63,305,000	6,923,400	19,635,000	26,061,700
Environmental Quality (CMI Bond)	48,968,900	0	0	48,968,900	0
Environmental Quality (Operations)	336,726,200	136,484,000	445,900	173,669,200	26,127,100
Executive	5,205,500	0	0	0	5,205,500
Family Independence Agency/DHS	4,292,110,600	3,062,602,900	82,779,700	70,321,400	1,076,406,600
Higher Education	1,723,005,800	4,500,000	0	85,150,000	1,633,355,800
History, Arts, and Libraries	58,982,400	10,815,900	577,400	2,412,400	45,176,700
Information Technology	0	0	0	0	0
Judiciary	250,803,200	4,015,600	4,140,600	85,099,700	157,547,300
Labor and Economic Growth	1,257,055,800	836,607,200	19,809,700	303,202,600	97,436,300
Legislature	124,930,400	0	400,000	2,356,500	122,173,900
Management and Budget	70,063,900	444,600	0	33,878,700	35,740,600
Military and Veterans Affairs	115,310,000	51,061,300	1,282,300	26,309,800	36,656,600
Natural Resources (Operations)	265,492,400	40,009,200	2,024,300	194,957,200	28,501,700
Natural Resources (Trust Fund)	32,184,000	0	0	32,184,000	0
School Aid	12,467,062,300	1,353,540,100	0	10,948,322,200	165,200,000
State	203,757,100	36,202,000	100	152,363,500	15,191,500
State Police	468,340,900	112,110,400	5,331,400	104,524,500	246,374,600
Transportation	3,274,196,400	1,132,701,200	5,800,000	2,135,695,200	0
Treasury (Debt Service)	81,450,400	0	0	39,001,800	42,448,600
Treasury (Operations)	351,985,700	34,681,800	964,300	267,681,300	48,658,300
Treasury (Revenue Sharing)	1,130,814,600	0	17,868,500	1,112,050,800	895,300
TOTAL APPROPRIATIONS	\$39,908,555,400	\$12,855,479,800	\$767,786,700	\$17,582,450,600	\$8,702,838,300

**Table 2
FY 2004-05 YEAR-END APPROPRIATIONS - ADJUSTED GROSS**

Department/Budget Area	FY 2004-05		FY 2004-05 Executive Orders	Fund Transfers/ Revenue Adjustments	Year-End FY 2004-05 Appropriations
	FY 2004-05 Initial Appropriations	Total Supplemental Appropriations			
Agriculture	\$115,299,600	\$2,103,500	\$(1,663,500)	\$ 0	\$115,739,600
Attorney General	50,290,200	1,293,000	(451,000)	0	51,132,200
Capital Outlay	250,797,100	300,213,100	0	0	551,010,200
Civil Rights	12,693,000	756,900	(191,500)	0	13,258,400
Civil Service	29,775,800	0	(229,300)	0	29,546,500
Community Colleges	285,747,000	13,440,800	(4,919,600)	0	294,268,200
Community Health	10,103,162,800	398,528,700	(88,006,400)	0	10,413,685,100
Corrections	1,782,818,400	1,729,000	(19,003,800)	0	1,765,543,600
Education	112,476,900	3,781,200	(333,000)	0	115,925,100
Environmental Quality (CMI Bond)	0	48,968,900	0	0	48,968,900
Environmental Quality (Operations)	326,306,300	12,959,800	(2,539,900)	0	336,726,200
Executive	5,205,500	0	0	0	5,205,500
Family Independence Agency/DHS	4,290,442,300	47,983,200	(46,314,900)	0	4,292,110,600
Higher Education	1,690,150,500	68,088,600	(35,233,300)	0	1,723,005,800
History, Arts, and Libraries	56,944,600	2,664,600	(626,800)	0	58,982,400
Information Technology	0	0	0	0	0
Judiciary	248,583,200	2,220,000	0	0	250,803,200
Labor and Economic Growth	1,241,350,400	16,757,100	(1,051,700)	0	1,257,055,800
Legislature	124,930,400	0	0	0	124,930,400
Management and Budget	70,334,900	1,407,600	(1,678,600)	0	70,063,900
Military and Veterans Affairs	109,670,900	6,353,200	(714,100)	0	115,310,000
Natural Resources (Operations)	260,806,700	5,069,000	(383,300)	0	265,492,400
Natural Resources (Trust Fund)	0	32,184,000	0	0	32,184,000
School Aid	12,527,440,100	39,122,200	(99,500,000)	0	12,467,062,300
State	167,179,500	47,187,000	(10,609,400)	0	203,757,100
State Police	455,929,100	15,832,800	(3,455,000)	34,000	468,340,900
Transportation	3,279,058,100	(4,861,700)	0	0	3,274,196,400
Treasury (Debt Service)	81,450,400	0	0	0	81,450,400
Treasury (Operations)	353,827,400	2,762,500	(4,604,200)	0	351,985,700
Treasury (Revenue Sharing)	1,144,610,800	453,000	0	(14,249,200)	1,130,814,600
TOTAL APPROPRIATIONS	\$39,177,281,900	\$1,066,998,000	\$(321,509,300)	\$(14,215,200)	\$39,908,555,400

Table 3

FY 2004-05 SUPPLEMENTAL APPROPRIATIONS SUMMARY - ADJUSTED GROSS						
Department/Budget Area	Public Act 352 of 2004	Public Act 358 of 2004	Public Act 360 of 2004	Public Act 468 of 2004	Public Act 518 of 2004	Public Act 10 of 2005
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0	0
Capital Outlay	0	0	0	192,700	0	2,600
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	0	8,521,200	0	0	0	0
Community Health	0	0	0	0	0	0
Corrections	0	0	0	0	0	0
Education	0	0	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0	0
Environmental Quality (Operations)	0	0	0	0	0	0
Executive	0	0	0	0	0	0
Family Independence Agency/DHS	0	0	6,614,600	0	0	0
Higher Education	43,008,200	0	0	0	0	0
History, Arts, and Libraries	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0
Judiciary	0	0	0	0	0	0
Labor and Economic Growth	0	0	0	0	0	0
Legislature	0	0	0	0	0	0
Management and Budget	0	0	0	0	0	0
Military and Veterans 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	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	0	0	1,075,000	0	0	0
Treasury (Revenue Sharing)	0	0	0	0	0	0
TOTAL APPROPRIATIONS	\$43,008,200	\$8,521,200	\$7,689,600	\$192,700	\$ 0	\$2,600

Table 3 (continued)

FY 2004-05 SUPPLEMENTAL APPROPRIATIONS SUMMARY - ADJUSTED GROSS

Department/Budget Area	Public Act 11 of 2005	Public Act 98 of 2005	Public Act 109 of 2005	Public Act 200 of 2005	Public Act 297 of 2005	FY 2004-05 Total Appropriations
Agriculture	\$1,603,500	\$ 0	\$ 500,000	\$ 0	\$ 0	\$2,103,500
Attorney General	93,000	0	0	0	1,200,000	1,293,000
Capital Outlay	299,317,800	0	700,000	0	0	300,213,100
Civil Rights	313,700	0	0	0	443,200	756,900
Civil Service	0	0	0	0	0	0
Community Colleges	4,919,600	0	0	0	0	13,440,800
Community Health	245,398,600	0	153,130,100	0	0	398,528,700
Corrections	1,729,000	0	0	0	0	1,729,000
Education	2,781,200	0	1,000,000	0	0	3,781,200
Environmental Quality (CMI Bond)	41,968,900	0	7,000,000	0	0	48,968,900
Environmental Quality (Operations)	10,004,100	0	2,955,700	0	0	12,959,800
Executive	0	0	0	0	0	0
Family Independence Agency/DHS	9,000,000	0	32,368,600	0	0	47,983,200
Higher Education	25,080,400	0	0	0	0	68,088,600
History, Arts, and Libraries	2,664,600	0	0	0	0	2,664,600
Information Technology	0	0	0	0	0	0
Judiciary	0	0	2,220,000	0	0	2,220,000
Labor and Economic Growth	13,057,100	0	0	3,700,000	0	16,757,100
Legislature	0	0	0	0	0	0
Management and Budget	735,000	0	672,600	0	0	1,407,600
Military and Veterans Affairs	2,515,000	0	3,838,200	0	0	6,353,200
Natural Resources (Operations)	3,594,000	0	1,100,000	0	375,000	5,069,000
Natural Resources (Trust Fund)	32,184,000	0	0	0	0	32,184,000
School Aid	0	39,122,200	0	0	0	39,122,200
State	11,150,000	0	36,037,000	0	0	47,187,000
State Police	4,838,100	0	5,844,700	5,150,000	0	15,832,800
Transportation	(4,869,000)	0	7,300	0	0	(4,861,700)
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	1,687,500	0	0	0	0	2,762,500
Treasury (Revenue Sharing)	0	0	453,000	0	0	453,000
TOTAL APPROPRIATIONS	\$709,766,100	\$39,122,200	\$247,827,200	\$8,850,000	\$2,018,200	\$1,066,998,000

Table 4

FY 2004-05 YEAR-END APPROPRIATIONS - TOTAL STATE SPENDING

Department/Budget Area	FY 2004-05				
	FY 2004-05 Initial Appropriations	Total Supplemental Appropriations	FY 2004-05 Executive Orders	Fund Transfers/ Revenue Adjustments	Year-End FY 2004-05 Appropriations
Agriculture	\$ 81,684,700	\$ 1,477,500	\$(1,663,500)	\$ 0	\$ 81,498,700
Attorney General	41,988,900	0	(451,000)	0	41,537,900
Capital Outlay	250,797,100	49,542,900	0	0	300,340,000
Civil Rights	11,759,000	0	(191,500)	0	11,567,500
Civil Service	23,146,700	0	(229,300)	800,000	23,717,400
Community Colleges	285,747,000	13,440,800	(4,919,600)	0	294,268,200
Community Health	4,021,755,300	171,292,000	(63,592,800)	0	4,129,454,500
Corrections	1,774,236,700	729,000	(19,003,800)	0	1,755,961,900
Education	45,864,700	165,000	(333,000)	0	45,696,700
Environmental Quality (CMI Bond)	0	48,968,900	0	0	48,968,900
Environmental Quality (Operations)	192,093,600	10,242,600	(2,539,900)	0	199,796,300
Executive	5,205,500	0	0	0	5,205,500
Family Independence Agency/DHS	1,179,232,000	772,200	(33,276,200)	0	1,146,728,000
Higher Education	1,685,650,500	68,088,600	(35,233,300)	0	1,718,505,800
History, Arts, and Libraries	48,215,900	0	(626,800)	0	47,589,100
Information Technology	0	0	0	0	0
Judiciary	240,427,000	2,220,000	0	0	242,647,000
Labor and Economic Growth	385,038,600	16,652,000	(1,051,700)	0	400,638,900
Legislature	124,530,400	0	0	0	124,530,400
Management and Budget	69,890,300	1,407,600	(1,678,600)	0	69,619,300
Military and Veterans Affairs	62,970,500	710,000	(714,100)	0	62,966,400
Natural Resources (Operations)	221,587,200	2,255,000	(383,300)	0	223,458,900
Natural Resources (Trust Fund)	0	32,184,000	0	0	32,184,000
School Aid	11,173,900,000	39,122,200	(99,500,000)	0	11,113,522,200
State	165,788,400	12,376,000	(10,609,400)	0	167,555,000
State Police	344,982,200	9,337,900	(3,455,000)	34,000	350,899,100
Transportation	2,140,556,900	(4,861,700)	0	0	2,135,695,200
Treasury (Debt Service)	81,450,400	0	0	0	81,450,400
Treasury (Operations)	318,181,300	2,762,500	(4,604,200)	0	316,339,600
Treasury (Revenue Sharing)	1,126,742,300	453,000	0	(14,249,200)	1,112,946,100
TOTAL APPROPRIATIONS	\$26,103,423,100	\$479,338,000	\$(284,057,000)	\$(13,415,200)	\$26,285,288,900

Table 5

FY 2004-05 SUPPLEMENTAL APPROPRIATIONS SUMMARY - TOTAL STATE SPENDING						
Department/Budget Area	Public Act 352 of 2004	Public Act 358 of 2004	Public Act 360 of 2004	Public Act 468 of 2004	Public Act 518 of 2004	Public Act 10 of 2005
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0	0
Capital Outlay	0	0	0	192,700	0	2,600
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	0	8,521,200	0	0	0	0
Community Health	0	0	0	0	0	0
Corrections	0	0	0	0	0	0
Education	0	0	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0	0
Environmental Quality (Operations)	0	0	0	0	0	0
Executive	0	0	0	0	0	0
Family Independence Agency/DHS	0	0	772,200	0	0	0
Higher Education	43,008,200	0	0	0	0	0
History, Arts, and Libraries	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0
Judiciary	0	0	0	0	0	0
Labor and Economic Growth	0	0	0	0	0	0
Legislature	0	0	0	0	0	0
Management and Budget	0	0	0	0	0	0
Military and Veterans 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	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	0	0	1,075,000	0	0	0
Treasury (Revenue Sharing)	0	0	0	0	0	0
TOTAL APPROPRIATIONS	\$43,008,200	\$8,521,200	\$1,847,200	\$192,700	\$ 0	\$2,600

Table 5 (continued)

FY 2004-05 SUPPLEMENTAL APPROPRIATIONS SUMMARY - TOTAL STATE SPENDING

Department/Budget Area	Public Act 11 of 2005	Public Act 98 of 2005	Public Act 109 of 2005	Public Act 200 of 2005	Public Act 297 of 2005	FY 2004-05 Total Appropriations
Agriculture	\$ 977,500	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ 1,477,500
Attorney General	0	0	0	0	0	0
Capital Outlay	49,147,600	0	200,000	0	0	49,542,900
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	4,919,600	0	0	0	0	13,440,800
Community Health	120,409,300	0	50,882,700	0	0	171,292,000
Corrections	729,000	0	0	0	0	729,000
Education	165,000	0	0	0	0	165,000
Environmental Quality (CMI Bond)	41,968,900	0	7,000,000	0	0	48,968,900
Environmental Quality (Operations)	8,749,600	0	1,493,000	0	0	10,242,600
Executive	0	0	0	0	0	0
Family Independence Agency/DHS	0	0	0	0	0	772,200
Higher Education	25,080,400	0	0	0	0	68,088,600
History, Arts, and Libraries	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0
Judiciary	0	0	2,220,000	0	0	2,220,000
Labor and Economic Growth	12,952,000	0	0	3,700,000	0	16,652,000
Legislature	0	0	0	0	0	0
Management and Budget	735,000	0	672,600	0	0	1,407,600
Military and Veterans Affairs	515,000	0	195,000	0	0	710,000
Natural Resources (Operations)	780,000	0	1,100,000	0	375,000	2,255,000
Natural Resources (Trust Fund)	32,184,000	0	0	0	0	32,184,000
School Aid	0	39,122,200	0	0	0	39,122,200
State	10,000,000	0	2,376,000	0	0	12,376,000
State Police	3,018,500	0	1,169,400	5,150,000	0	9,337,900
Transportation	(4,869,000)	0	7,300	0	0	(4,861,700)
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	1,687,500	0	0	0	0	2,762,500
Treasury (Revenue Sharing)	0	0	453,000	0	0	453,000
TOTAL APPROPRIATIONS	\$309,149,900	\$39,122,200	\$68,269,000	\$8,850,000	\$375,000	\$479,338,000

Table 6

FY 2004-05 YEAR-END APPROPRIATIONS - GENERAL FUND/GENERAL PURPOSE

Department/Budget Area	FY 2004-05 Initial Appropriations	FY 2004-05 Total Supplemental Appropriations	FY 2004-05 Executive Orders	Fund Transfers/ Revenue Adjustments	Year-End FY 2004-05 Appropriations
Agriculture	\$ 30,091,400	\$ 0	\$ (1,663,500)	\$ 0	\$ 28,427,900
Attorney General	31,503,900	0	(451,000)	0	31,052,900
Capital Outlay	243,002,100	195,400	0	0	243,197,500
Civil Rights	11,759,000	0	(191,500)	0	11,567,500
Civil Service	7,672,100	0	(229,300)	0	7,442,800
Community Colleges	285,747,000	13,440,800	(4,919,600)	0	294,268,200
Community Health	2,557,910,600	94,519,300	(63,592,800)	0	2,588,837,100
Corrections	1,708,161,100	(271,000)	(19,003,800)	0	1,688,886,300
Education	26,394,700	0	(333,000)	0	26,061,700
Environmental Quality (CMI Bond)	0	0	0	0	0
Environmental Quality (Operations)	28,671,800	(4,800)	(2,539,900)	0	26,127,100
Executive	5,205,500	0	0	0	5,205,500
Family Independence Agency/DHS	1,109,682,800	0	(33,276,200)	0	1,076,406,600
Higher Education	1,600,500,500	68,088,600	(35,233,300)	0	1,633,355,800
History, Arts, and Libraries	45,803,500	0	(626,800)	0	45,176,700
Information Technology	0	0	0	0	0
Judiciary	158,093,300	(546,000)	0	0	157,547,300
Labor and Economic Growth	94,538,000	3,950,000	(1,051,700)	0	97,436,300
Legislature	122,173,900	0	0	0	122,173,900
Management and Budget	36,684,200	735,000	(1,678,600)	0	35,740,600
Military and Veterans Affairs	37,370,700	0	(714,100)	0	36,656,600
Natural Resources (Operations)	28,885,000	0	(383,300)	0	28,501,700
Natural Resources (Trust Fund)	0	0	0	0	0
School Aid	165,200,000	99,500,000	(99,500,000)	0	165,200,000
State	23,909,900	1,891,000	(10,609,400)	0	15,191,500
State Police	244,380,200	5,449,400	(3,455,000)	0	246,374,600
Transportation	0	0	0	0	0
Treasury (Debt Service)	42,448,600	0	0	0	42,448,600
Treasury (Operations)	53,262,500	0	(4,604,200)	0	48,658,300
Treasury (Revenue Sharing)	442,300	453,000	0	0	895,300
TOTAL APPROPRIATIONS	\$8,699,494,600	\$287,400,700	\$(284,057,000)	\$ 0	\$8,702,838,300

Table 7

FY 2004-05 SUPPLEMENTAL APPROPRIATIONS SUMMARY - GENERAL FUND/GENERAL PURPOSE						
Department/Budget Area	Public Act 352 of 2004	Public Act 358 of 2004	Public Act 360 of 2004	Public Act 468 of 2004	Public Act 518 of 2004	Public Act 10 of 2005
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0	0
Capital Outlay	0	0	0	192,700	0	2,600
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	0	8,521,200	0	0	0	0
Community Health	0	0	0	0	0	0
Corrections	0	0	0	0	0	0
Education	0	0	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0	0
Environmental Quality (Operations)	0	0	0	0	0	0
Executive	0	0	0	0	0	0
Family Independence Agency/DHS	0	0	0	0	0	0
Higher Education	43,008,200	0	0	0	0	0
History, Arts, and Libraries	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0
Judiciary	0	0	0	0	0	0
Labor and Economic Growth	0	0	0	0	0	0
Legislature	0	0	0	0	0	0
Management and Budget	0	0	0	0	0	0
Military and Veterans 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	99,500,000	0
State	0	0	0	0	0	0
State Police	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	0	0	0	0	0	0
Treasury (Revenue Sharing)	0	0	0	0	0	0
TOTAL APPROPRIATIONS	\$43,008,200	\$8,521,200	\$ 0	\$192,700	\$99,500,000	\$2,600

Table 7 (continued)

FY 2004-05 SUPPLEMENTAL APPROPRIATIONS SUMMARY - GENERAL FUND/GENERAL PURPOSE						
Department/Budget Area	Public Act 11 of 2005	Public Act 98 of 2005	Public Act 109 of 2005	Public Act 200 of 2005	Public Act 297 of 2005	FY 2004-05 Total Appropriations
Agriculture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Attorney General	0	0	0	0	0	0
Capital Outlay	100	0	0	0	0	195,400
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	4,919,600	0	0	0	0	13,440,800
Community Health	39,814,900	0	54,704,400	0	0	94,519,300
Corrections	(271,000)	0	0	0	0	(271,000)
Education	0	0	0	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0	0
Environmental Quality (Operations)	0	0	(4,800)	0	0	(4,800)
Executive	0	0	0	0	0	0
Family Independence Agency/DHS	0	0	0	0	0	0
Higher Education	25,080,400	0	0	0	0	68,088,600
History, Arts, and Libraries	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0
Judiciary	(546,000)	0	0	0	0	(546,000)
Labor and Economic Growth	250,000	0	0	3,700,000	0	3,950,000
Legislature	0	0	0	0	0	0
Management and Budget	735,000	0	0	0	0	735,000
Military and Veterans 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	99,500,000
State	0	0	1,891,000	0	0	1,891,000
State Police	0	0	299,400	5,150,000	0	5,449,400
Transportation	0	0	0	0	0	0
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	0	0	0	0	0	0
Treasury (Revenue Sharing)	0	0	453,000	0	0	453,000
TOTAL APPROPRIATIONS	\$69,983,000	\$ 0	\$57,343,000	\$8,850,000	\$ 0	\$287,400,700

Table 8
FY 2004-05
GENERAL FUND/GENERAL PURPOSE
REVENUE, EXPENDITURES, AND YEAR-END BALANCE
(Millions of Dollars)

	Bookclosing December 2005
Revenue:	
Beginning Balance	\$ 0.0
<u>Ongoing Revenue:</u>	
Final Revenue Collections	8,289.1
Revenue Sharing Adjustments.....	<u>506.3</u>
Subtotal Ongoing Revenue	8,795.4
<u>Non-Ongoing Revenue:</u>	
Sale of Surplus State Property.....	17.2
Merit Award Trust Fund Transfer (PA 360 of 2004)	5.2
Tobacco Settlement Trust Fund Transfer (PA 360 of 2004)	1.8
Juror Compensation Fund Transfer	4.0
Judicial Technology Fund Transfer	1.5
Withdrawal from Budget Stabilization Fund (PA 188 of 2005).....	<u>81.3</u>
Subtotal Non-Ongoing Revenue	111.0
Total GF/GP Revenue	<u>\$8,906.4</u>
Expenditures:	
Initial Enacted Appropriations	\$8,699.4
Supplemental Appropriations (PA 352 of 2004).....	43.0
Supplemental Appropriations (PA 358 of 2004).....	8.5
Supplemental Appropriations (PA 360 of 2004).....	0.0
Supplemental Appropriations (PA 468 of 2004).....	0.2
Supplemental Appropriations (PA 518 of 2004).....	99.5
Supplemental Appropriations (PA 10 of 2005).....	0.003
Supplemental Appropriations (PA 11 of 2005).....	40.0
Supplemental Appropriations (PA 11 of 2005).....	30.0
Supplemental Appropriations (PA 109 of 2005).....	57.3
Supplemental Appropriations (PA 200 of 2005).....	8.9
Supplemental Appropriations (PA 297 of 2005).....	<u>0.0</u>
Subtotal Supplemental Appropriations.....	287.4
Executive Order 2005-7 (GF/GP Reductions).....	(284.1)
Executive Order 2005-7 (Lapses/Revenue Shifts).....	(11.9)
Net Year-End Appropriation Lapses	(46.4)
Write-off of Prior-Year Receivables.....	41.5
Total GF/GP Expenditures.....	<u>\$8,685.9</u>
Year-End Balance.....	<u>\$ 220.5</u>

Table 9
FY 2004-05
SCHOOL AID FUND
REVENUE, EXPENDITURES, AND YEAR-END BALANCE
(Millions of Dollars)

	Bookclosing December 2005
Revenue:	
Beginning Balance	\$ 74.1
Final Revenue Collections	10,909.8
GF/GP Grant	164.2
GF/GP Grant (PA 518 of 2004).....	99.5
GF/GP Grant (EO 2005-7)	(99.5)
Federal Aid.....	1,321.6
School Bond Loan Fund Reform Proposal	41.1
Other Revenue Adjustments.....	12.9
Total Estimated Revenue	\$12,523.7
Expenditures:	
Enacted Appropriations.....	\$12,527.5
Executive Order 2005-7	(99.5)
Supplemental Appropriation (PA 98 of 2005)	39.1
Federal Funding Adjustments	(32.0)
Appropriation Lapses	(5.1)
Total Estimated Expenditures	\$12,430.0
Projected Year-End Balance	\$ 93.7

Table 10
FY 2004-05
INDEX OF APPROPRIATIONS ACTS

BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Agriculture		
Initial	House Bill 5509	Public Act 353 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Supplemental	House Bill 5527	Public Act 360 of 2004
Attorney General		
Initial	House Bill 5517	Public Act 327 of 2004
Supplemental	House Bill 5527	Public Act 360 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	Senate Bill 236	Public Act 297 of 2005
Capital Outlay		
Initial	Senate Bill 267	Public Act 309 of 2004
Supplemental	Senate Bill 1130	Public Act 468 of 2004
Supplemental	Senate Bill 235	Public Act 10 of 2005
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Civil Rights		
Initial	House Bill 5517	Public Act 327 of 2004
Supplemental	House Bill 4038	Public Act 11 of 2005
Supplemental	Senate Bill 236	Public Act 297 of 2005
Civil Service		
Initial	House Bill 5517	Public Act 327 of 2004
Community Colleges		
Initial	Senate Bill 1062	Public Act 358 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Community Health		
Initial	Senate Bill 1063	Public Act 349 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Corrections		
Initial	Senate Bill 1064	Public Act 345 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005

**FY 2004-05
INDEX OF APPROPRIATIONS ACTS**

BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Education		
Initial	Senate Bill 1065	Public Act 346 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Environmental Quality - Clean Michigan Initiative		
Initial	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Environmental Quality - Operations		
Initial	Senate Bill 1066	Public Act 350 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Executive		
Initial	House Bill 5517	Public Act 327 of 2004
Family Independence Agency/Human Services		
Initial	House Bill 5516	Public Act 344 of 2004
Supplemental	House Bill 5527	Public Act 360 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Higher Education		
Initial	Senate Bill 1067	Public Act 352 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
History, Arts, and Libraries		
Initial	House Bill 5519	Public Act 340 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Information Technology		
Initial	House Bill 5517	Public Act 327 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Judiciary		
Initial	House Bill 5520	Public Act 339 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005

**FY 2004-05
INDEX OF APPROPRIATIONS ACTS**

BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Labor and Economic Growth		
Initial	House Bill 5521	Public Act 354 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4307	Public Act 200 of 2005
Supplemental	House Bill 5527	Public Act 360 of 2004
Legislature		
Initial	House Bill 5517	Public Act 327 of 2004
Management and Budget		
Initial	House Bill 5517	Public Act 327 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Military and Veterans Affairs		
Initial	House Bill 5522	Public Act 341 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Natural Resources - Operations		
Initial	Senate Bill 1068	Public Act 347 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Supplemental	Senate Bill 236	Public Act 297 of 2005
Natural Resources Trust Fund		
Initial	House Bill 4308	Public Act 11 of 2005
School Aid		
Initial	Senate Bill 1069	Public Act 351 of 2004
Supplemental	Senate Bill 1193	Public Act 518 of 2004
Supplemental	Senate Bill 279	Public Act 98 of 2005
State		
Initial	House Bill 5517	Public Act 327 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005

**FY 2004-05
INDEX OF APPROPRIATIONS ACTS**

BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
State Police		
Initial	House Bill 5526	Public Act 348 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Supplemental	House Bill 4307	Public Act 200 of 2005
Transportation		
Initial	House Bill 5528	Public Act 361 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Treasury - Debt Service		
Initial	House Bill 5517	Public Act 327 of 2004
Treasury - Operations		
Initial	House Bill 5517	Public Act 327 of 2004
Supplemental	House Bill 4308	Public Act 11 of 2005
Supplemental	House Bill 4436	Public Act 109 of 2005
Supplemental	House Bill 5527	Public Act 360 of 2004
Treasury - Revenue Sharing		
Initial	House Bill 5517	Public Act 327 of 2004
Supplemental	House Bill 4436	Public Act 109 of 2005

BUDGET AREA DETAIL

DEPARTMENT OF AGRICULTURE

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	743.0	743.0
Gross	126,131,300	126,608,300
IDG	10,831,700	10,868,700
Federal	33,476,200	34,102,200
Private	138,700	138,700
Restricted	51,593,300	53,070,800
GF/GP	30,091,400	28,427,900
<hr/>		
	Change From FY 2004-05 Initial Appropriation	

The initial appropriation was contained in Public Act 353 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 360 of 2004

This supplemental repealed language contained in Section 205 of the initial appropriation, Public Act 353 of 2004, regarding the State hiring freeze. The initial language was not consistent with the Leadership Target Agreement. The agreed-upon language was included in this supplemental as Section 251.

Gross	NA
GF/GP	NA

2. Public Act 11 of 2005

a. State Restricted Revenue. Additional available State restricted revenue, totaling \$285,000, was appropriated to replace GF/GP appropriations reduced under Executive Order 2005-07. The supplemental included \$150,000 for the Pesticide and Plant Pest Management line item and \$135,000 for the Laboratory Services line item from licensing and inspection fees.

Gross	285,000
Restricted	285,000
GF/GP	0

b. Federal Homeland Security Funding. The supplemental included U.S. Department of Homeland Security funding for emergency response readiness in Detroit (\$55,000) and for improving security of agri-chemicals in Wayne County (\$11,000).

Gross	66,000
Federal	66,000
GF/GP	0

c. Pollution Prevention. The supplemental included \$310,000 Federal funding to provide technical assistance for protecting surface and groundwater from pesticide-fertilizer contamination.

Gross	310,000
Federal	310,000
GF/GP	0

Change From FY 2004-05 Initial Appropriation	
---------------------------------------------------------	--

d. AmeriCorps. The supplemental included \$250,000 Federal funding to enroll 20 full-time AmeriCorps members to work with local communities to enhance groundwater stewardship efforts.

Gross	250,000
Federal	250,000
GF/GP	0

e. Right to Farm. The supplemental contained an additional \$37,000 grant from the Department of Environmental Quality (DEQ) for the Department of Agriculture's Right to Farm Program. This resulted in \$150,000 in total funding from DEQ for the program in FY 2004-05.

Gross	37,000
IDG	37,000
GF/GP	0

f. Funding Shift. The supplemental replaced \$692,500 in appropriation authorization from the State Services Fee Fund with an equal amount from the Michigan Agriculture Equine Industry Development Fund in support of the Building and Track Improvement – County and State Fairs line item. The additional Michigan Agriculture Equine Industry Development Fund revenue was available from a prior-year carryforward. The State Services Fee Fund revenue was then used to replace GF/GP appropriations for information technology services and projects reduced under Executive Order 2005-07.

Gross	692,500
Restricted	692,500
GF/GP	0

3. Public Act 109 of 2005

This supplemental provided an additional \$500,000 in State restricted revenue appropriations to pay for unemployment and/or relocation costs due to the reorganization of the Emerald Ash Borer (EAB) Program. With updated eradication strategies as well as the spread of the EAB infestation, the Department realigned staff to meet current needs. As a result, 43.0 limited-term appointments were terminated. Federal funding did not cover these unemployment and/or relocation costs.

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

B. EXECUTIVE ORDERS

Executive Order 2005-07

The Executive Order reduced GF/GP appropriations in various line items to balance the State General Fund. Of the total reduction, \$977,500 was restored in State restricted revenue appropriations contained in Public Act 11 of 2005.

Gross	(1,663,500)
GF/GP	(1,663,500)

**Change From FY 2004-05
Initial Appropriation**

C. TRANSFERS

State Budget Office Letter 11-02-05

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <p>1. Employee Savings. This transfer moved the (\$100,000) GF/GP appropriation from the Employee Savings line item to the Bovine Tuberculosis Program line item to recognize position vacancies.</p> | <p>Gross 0
GF/GP 0</p> |
| <p>2. Pesticide and Plant Pest Management. This transfer changed the amount of the funding sources for the Pesticide and Plant Pest Management line item, reducing the amount appropriated from Commodity Inspection fees and Industry Support funds and increasing the amount appropriated from Licensing and Inspection fees. The transfer was based on revenue availability from all the sources and did not affect the total amount appropriated for the line item.</p> | <p>Gross 0
GF/GP 0</p> |

DEPARTMENT OF ATTORNEY GENERAL

FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
558.0	558.0
62,835,700	63,677,700
12,545,500	12,545,500
8,301,300	9,594,300
0	0
0	0
10,485,000	10,485,000
31,503,900	31,052,900
Change From FY 2004-05 Initial Appropriation	

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

FTE	558.0	558.0
Gross	62,835,700	63,677,700
IDG	12,545,500	12,545,500
Federal	8,301,300	9,594,300
Local	0	0
Private	0	0
Restricted	10,485,000	10,485,000
GF/GP	31,503,900	31,052,900

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

Prosecuting Attorneys Coordinating Council (PACC). Subsequent to the passage of the FY 2004-05 initial appropriation, the PACC received a Federal Byrne Grant award of \$93,000 over the \$132,000 initial appropriation.

Gross	93,000
Federal	93,000
GF/GP	0

2. Public Act 297 of 2005

a. Child Support Enforcement Division. The supplemental included additional spending authorization of Title IV-D Federal funds for the Child Support Enforcement Division based on an interagency agreement with the Department of Human Services.

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

b. Medicaid Fraud Unit. The Department of Attorney General received approval from the United States Department of Health and Human Services to use unspent program income collected in FY 2002-03 for State match and program costs in the next two fiscal years. The supplemental provides the necessary spending authorization.

Gross	800,000
Federal	800,000
GF/GP	0

**Change From FY 2004-05
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2005-7

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <p>1. Attorney General Operations. This line item funds general operation costs of the Department of Attorney General, including 518.0 FTE positions. The Executive Order reduced this line item by 0.7% Gross and 1.3% GF/GP.</p> | <p>Gross (379,500)
GF/GP (379,500)</p> |
| <p>2. Information Technology Services and Projects. Reductions to this line item were achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions.</p> | <p>Gross (71,500)
GF/GP (71,500)</p> |

C. TRANSFERS - NONE

CAPITAL OUTLAY

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	0.0	0.0
Gross	250,797,100	553,010,200
IDG	0	2,000,000
Federal	0	227,880,200
Local	0	22,790,000
Private	0	0
Restricted	7,795,000	57,142,500
GF/GP	243,002,100	243,197,500
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	Change From FY 2004-05 Initial Appropriation	

The initial appropriation was contained in Public Act 309 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 468 of 2004

This supplemental provided funds for Lake Superior State University for infrastructure, technology, equipment, and maintenance.

Gross	192,700
GF/GP	192,700

2. Public Act 10 of 2005

This Act provided capital outlay planning authorizations for 12 community college and 10 university construction projects, and construction authorizations for one college, one university, and a variety of smaller State agency special maintenance projects. The expected total project cost of all the projects is \$383.0 million, with the expected State share to be \$270.0 million.

Gross	2,600
GF/GP	2,600

3. Public Act 11 of 2005

This Act provided the balance of the FY 2004-05 capital outlay appropriations as originally recommended by the Governor, and included a variety of construction and maintenance projects at various State agencies. The appropriations included \$4.8 million for State agency special maintenance, \$62.8 million for a number of mainly Federally funded construction projects for the Department of Military and Veterans Affairs, \$1.5 million for State parks, forest roads, and wildlife area maintenance, \$10.0 million for a number of boating and harbor projects,

Gross	301,317,800
IDG	2,000,000
Federal	227,380,200
Local	22,790,000
Restricted	49,147,500
GF/GP	100

**Change From FY 2004-05
Initial Appropriation**

\$11.8 million for a variety of maintenance and repair projects for the Department of Transportation, and \$202.1 million for airport improvement projects.

4. Public Act 109 of 2005

This Act appropriated additional funds for the Shiawassee County armory replacement project, increasing the total authorized cost from \$5.0 million to \$5.7 million due to cost increases and design changes.

Gross	700,000
Federal	500,000
Restricted	200,000

B. EXECUTIVE ORDERS - NONE

C. TRANSFERS - NONE

DEPARTMENT OF CIVIL RIGHTS

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	136.0	136.0
Gross	12,693,000	13,258,400
IDG	0	0
Federal	934,000	1,690,900
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	11,759,000	11,567,500

**Change From FY 2004-05
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

Civil Rights Operations. This supplemental offset General Fund reductions contained in Executive Order 2005-7 by recognizing additional available Federal funds. The \$313,700 is the result of the level of case production by the Department. Housing and Urban Development funding accounted for \$190,000, and \$123,700 was from Equal Employment Opportunity Commission antidiscrimination agency contracts.

Gross	313,700
Federal	313,700
GF/GP	0

2. Public Act 297 of 2005

Civil Rights Operations. This supplemental provided additional Federal spending authorization based on final reimbursement rates and the actual number of cases completed. Housing and Urban Development funding accounted for \$281,900, and \$161,300 was from Equal Employment Opportunity Commission antidiscrimination agency contracts.

Gross	443,200
Federal	443,200
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2005-07

- 1. Civil Rights Operations.** The reduction was offset by Public Act 11 of 2005 (Item A, 1). Additional Federal funding was available due to the number of cases and reimbursement rates.

Gross	(155,800)
GF/GP	(155,800)

Change From FY 2004-05 Initial Appropriation	
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2. Information Technology Services and Projects. Reductions to this line item were achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions.

Gross	(35,700)
GF/GP	(35,700)

C. TRANSFERS

State Budget Office Letter 07-06-05

This transfer increased funding for the Civil Rights operations line item by \$80,000 to reflect actual salary and fringe benefit costs. Original projections were low due to allocating days to the appropriate fiscal year and a lower-than-anticipated level of attrition. Funding was available from the information technology line item due to a position that was left vacant and the delay of equipment purchases.

Gross	0
GF/GP	0

DEPARTMENT OF CIVIL SERVICE

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	240.5	240.5
Gross	35,146,700	34,917,400
IDG	5,370,900	5,370,900
Federal	4,779,100	3,979,100
Local	1,700,000	1,700,000
Private	150,000	150,000
Restricted	15,474,600	16,274,600
GF/GP	7,672,100	7,442,800
Change From FY 2004-05 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

Executive Order 2005-7

Reductions totaling \$229,300 were made to the following line items:

- | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------|
| 1. Agency Services. Savings were attained through vacancies and administrative efficiencies. | Gross
GF/GP | (20,000)
(20,000) |
| 2. Human Resources/Administrative Support. Savings were attained through vacancies and administrative efficiencies. | Gross
GF/GP | (110,000)
(110,000) |
| 3. Audit and Compliance. Savings were attained through vacancies and administrative efficiencies. | Gross
GF/GP | (74,100)
(74,100) |
| 4. Information Technology Services and Projects. Reductions to this line item were achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. | Gross
GF/GP | (25,200)
(25,200) |

**Change From FY 2004-05
Initial Appropriation**

C. TRANSFERS

State Budget Office Letter 09-20-05

1% Charges. This transfer of \$800,000 from Federal funds to State Restricted funds adjusted appropriation funding sources to reflect actual 1% revenue received by the Department of Civil Service pursuant to Article XI, Section 5, of the Michigan Constitution of 1963. There was no programmatic impact resulting from this transfer.

Gross	0
Federal	(800,000)
Restricted	800,000
GF/GP	0

COMMUNITY COLLEGES

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	0.0	0.0
Gross	285,747,000	294,268,200
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	285,747,000	294,268,200
Change From FY 2004-05 Initial Appropriation		

The initial appropriation was contained in Public Act 358 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

FTE
Gross
IDG
Federal
Local
Private
Restricted
GF/GP

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 358 of 2004

This Act appropriated the tuition incentive payments to colleges that kept their tuition low for FY 2003-04, but paid for the payments from the State's FY 2004-05 revenue.

Gross 8,521,200
GF/GP 8,521,200

2. Public Act 11 of 2005

This Act provided appropriations intended to restore the funding reduced in Executive Order 2005-07, contingent upon the availability of extra revenue as determined at the May 2005 Consensus Revenue Estimating Conference (CREC), and the availability of additional revenue at the State's FY 2004-05 general bookclosing. Partial restoration was allocated after the May CREC (\$2,705,800) and the balance was restored at bookclosing (\$2,213,800).

Gross 4,919,600
GF/GP 4,919,600

B. EXECUTIVE ORDERS

Executive Order 2005-07

Due to falling revenue, the Governor issued Executive Order 2005-07 which, in part, reduced funding for Community Colleges by 1.75% or \$4,919,600 in total taken as across-the-board equal percentage reductions to each college.

Gross (4,919,600)
GF/GP (4,919,600)

C. TRANSFERS - NONE

DEPARTMENT OF COMMUNITY HEALTH

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	5,112.6	5,112.6
Gross	10,173,199,800	10,483,864,200
IDG	70,037,000	70,179,100
Federal	5,502,478,700	5,689,963,800
Local	523,452,400	529,996,700
Private	55,476,400	64,270,100
Restricted	1,463,844,700	1,540,617,400
GF/GP	2,557,910,600	2,588,837,100
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	Change From FY 2004-05 Initial Appropriation	

The initial appropriation was contained in Public Act 349 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

a. Fund Source Shift in Departmentwide Administration. Additional Restricted health regulatory revenue was used to supplant GF/GP funding reduced in Executive Order 2005-7.	Gross Restricted GF/GP	137,000 137,000 0
b. Implementation of Community Mental Health (CMH) Quality Assurance Assessment Program (QAAP). In concert with Executive Order 2005-7, funding was adjusted to reflect the collection of revenue from a proposed CMH QAAP in FY 2004-05 as well as a corresponding increase in Medicaid rates paid to CMHs (Item B, 2).	Gross Federal Restricted GF/GP	25,490,000 11,052,800 14,437,200 0
c. Transfer of CMH Risk Pool Dollars to CMH Purchase of State Services Line. The supplemental included a transfer of \$1.4 million GF/GP in risk pool dollars to support the CMH Purchase of State Services line.	Gross GF/GP	0 0
d. Fund Source Shift in Immunization Local Agreements Line. The supplemental, in concert with Executive Order 2005-7, reflected a fund source shift of \$500,000 from GF/GP to Restricted pharmaceutical products funding to support the Immunization Local Agreements line.	Gross Restricted GF/GP	500,000 500,000 0

		Change From FY 2004-05 Initial Appropriation	
<p>e. Medicaid Base and Caseload. The supplemental included funding to support the Medicaid base in the traditional Medicaid accounts and the Children's Special Health Care Services (CSHCS) line.</p> <p>f. Additional Restricted Funds. In concert with Executive Order 2005-7, the supplemental reflected the availability of \$25.9 million in additional tobacco tax revenue as well as \$3.0 million in one-time funding from a pharmaceutical overcharge lawsuit settlement (Item B, 6).</p> <p>g. Fund Source Shift for School Health Programs. The supplemental reflected the availability of additional local funds for school health programs to supplant GF/GP funding reduced in Executive Order 2005-7.</p> <p>h. Use of Disproportionate Share Hospital (DSH) Funding to Support Dental and Psychiatric Clinics. The supplemental reflected the shift of funding used to support the University of Detroit dental clinic and the Wayne State psychiatric clinic. Savings were taken in Executive Order 2005-7 in the Higher Education budget, with the reinstatement through DSH funding reflected in the Department of Community Health budget.</p> <p>i. Medicare Prescription Drug Act Federal Funding. A Federal grant to support the transition to Medicare Part D was included.</p> <p>j. Hospital QAAP Adjustments. The supplemental reflected the final estimated FY 2004-05 funding for the hospital quality assurance assessment program.</p>	Gross	86,081,400	
	Federal	45,816,500	
	Restricted	450,000	
	GF/GP	39,814,900	
	Gross	28,900,000	
	Restricted	28,900,000	
	GF/GP	0	
	Gross	3,665,000	
	Local	3,665,000	
	GF/GP	0	
Gross	17,903,200		
Federal	10,152,900		
Local	4,279,300		
Private	3,471,000		
GF/GP	0		
Gross	722,000		
Federal	722,000		
GF/GP	0		
Gross	82,000,000		
Federal	45,829,800		
Restricted	36,170,200		
GF/GP	0		
2. Public Act 109 of 2005			
<p>a. Adjustments to Authorization at State Facilities. Funding for State mental health facilities was adjusted to reflect available revenue.</p>	Gross	1,800,000	
	Federal	100,000	
<p>b. HIV/AIDS Pharmaceutical Rebates. Additional rebate revenue for this program was recognized.</p>	Local	400,000	
	Private	400,000	
	Restricted	900,000	
	GF/GP	0	
	Gross	4,200,000	
	Private	4,200,000	
GF/GP	0		

- c. **Newborn Screening Revenue.** Additional newborn screening fee revenue was recognized to be used to support the Laboratory Services line.
- d. **Fish Tissue Analysis.** An interdepartmental grant from the Department of Environmental Quality was recognized to support the Laboratory Services line.
- e. **Saginaw Bay Watershed Grant.** A private grant was reflected to support epidemiology services for the watershed.
- f. **American Legacy Foundation Grant.** A private grant for antismoking efforts was reflected.
- g. **Women, Infants, and Children (WIC) Food Program Rebates.** Additional formula rebate revenue to support the WIC program was recognized.
- h. **Project FRESH Administrative Funding.** Additional rebate revenue for the FRESH farm market food program was recognized.
- i. **Maternal and Child Health Federal Authorization.** The authorization was adjusted to reflect available Federal revenue.
- j. **Medicaid Supplemental Funding.** Funding for the base Medicaid program and the Children's Special Health Care program was adjusted to reflect the final consensus caseload and base estimate.
- k. **Mount Pleasant Center Funding.** Additional available Federal revenue for operations at this center for the developmentally disabled was recognized.

Change From FY 2004-05 Initial Appropriation	
Gross	705,900
Restricted	705,900
GF/GP	0
Gross	142,100
IDG	142,100
GF/GP	0
Gross	76,200
Private	76,200
GF/GP	0
Gross	114,000
Private	114,000
GF/GP	0
Gross	457,500
Private	457,500
GF/GP	0
Gross	75,000
Private	75,000
GF/GP	0
Gross	11,045,000
Federal	11,045,000
GF/GP	0
Gross	130,384,100
Federal	82,479,700
Local	(1,800,000)
Restricted	11,000,000
GF/GP	38,704,400
Gross	1,600,000
Federal	1,600,000
GF/GP	0

Change From FY 2004-05 Initial Appropriation	
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I. Contracts with the University of Michigan and Michigan State University. Federal funding for contracts in the Medical Services Administration was reflected.	Gross	3,800,000
	Federal	3,800,000
	GF/GP	0
m. Tobacco Tax Shortfall. Due to a shortfall in projected tobacco tax revenue, additional GF/GP funding was included.	Gross	0
	Restricted	(9,000,000)
	GF/GP	9,000,000
n. Tobacco Settlement Revenue Shortfall. Due to a shortfall in projected tobacco settlement revenue, additional GF/GP funding was included.	Gross	0
	Restricted	(7,000,000)
	GF/GP	7,000,000
o. Split Pay Adjustment. Funding was adjusted to reflect savings.	Gross	(1,127,600)
	Federal	(700,000)
	Restricted	(427,600)
	GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2005-7

1. Administrative Savings. The Executive Order included savings from a number of line items due to efficiencies and fund source shifts.	Gross	(4,534,500)
	GF/GP	(4,534,500)
2. CMH QAAP. The Executive Order reflected a projected \$6.0 million in gainsharing savings from the proposed CMH QAAP.	Gross	(6,000,000)
	GF/GP	(6,000,000)
3. Local Public Health. The Executive Order included a reduction in funding for local public health departments.	Gross	(677,000)
	GF/GP	(677,000)
4. Medicaid Provider Rate Reductions. The Executive Order reflected a 4% cut in rates paid to most Medicaid providers, effective May 1, 2005.	Gross	(42,854,400)
	Federal	(24,413,600)
	GF/GP	(18,440,800)
5. Pharmacy Benefits Manager (PBM) Incentive Payment. The Executive Order eliminated this incentive payment made to the PBM that oversees Medicaid pharmaceutical services.	Gross	(195,500)
	GF/GP	(195,500)

		Change From FY 2004-05 Initial Appropriation	
6. GF/GP Savings Due to Additional Restricted and Local Revenue. The Executive Order reflected shifts in funding from additional Restricted revenue available from the tobacco tax, from a lawsuit settlement, and from an increase in cost-sharing in the Children's Special Health Care Services program. In addition, Local revenue was used to supplant GF/GP funding to support school health clinics.	Gross	(33,015,000)	
	GF/GP	(33,015,000)	
7. Information Technology. The Executive Order reduced funding for information technology in the Department.	Gross	(730,000)	
	GF/GP	(730,000)	
C. TRANSFERS			
1. State Budget Office Letter 05-05-05			
a. Retirement Actuarial Experience Study. A total of \$883,000 was transferred to three administrative lines to reflect more accurately the impact of split pay and retirement-related savings identified in the FY 2004-05 budget process.	Gross	0	
	GF/GP	0	
b. State Facility Census Adjustments. A transfer of \$2,848,800 was made from the Walter P. Reuther Psychiatric Hospital and Caro Mental Health Center to the Hawthorn Center and Mt. Pleasant Center. This transfer was made to adjust appropriations to reflect more accurately the patient census at these facilities.	Gross	0	
	GF/GP	0	
2. State Budget Office Letter 07-06-05			
a. Certificate of Need. A transfer of \$150,000 in State restricted authorization was made from the Departmental Administration and Management line to the Certificate of Need (CON) Program Administration line to recognize additional CON fee revenue. Certificate of need fees were increased in FY 2004-05.	Gross	0	
	GF/GP	0	
b. Recognition of Federal Grants. Federal authorization was transferred from the Anti-Drug Abuse Grants line to the Federal and Other Special Projects line. This transfer of \$1,464,000 was made to recognize two Federal grants: a \$1.1 million Integrated Health Project Grant and a \$381,000 Medicaid Infrastructure Grant.	Gross	0	
	GF/GP	0	
c. Family Support Subsidy. The Family Support Subsidy program received a transfer of \$562,000 in Federal authorization from the Highway Safety Projects line to recognize an increase in Temporary Assistance for Needy Families (TANF) funding. This funding is necessary because of an increase in program enrollment.	Gross	0	
	GF/GP	0	

		Change From FY 2004-05 Initial Appropriation	
d. Housing Support Programs. A transfer of \$1,166,000 in Federal authorization was made from the Federal Mental Health Block Grant line to the Housing and Support Services line. This authorization was used to recognize a number of Federal housing grants.	Gross		0
	GF/GP		0
e. Medicaid Substance Abuse. A total of \$900,000 in GF/GP and Federal funding was transferred from Medicaid Mental Health Services to the Medicaid Substance Abuse Services line. This transfer was necessary due to an increase in caseload in the substance abuse program.	Gross		0
	GF/GP		0
f. HIV/AIDS Surveillance. Excess Federal authorization was transferred from the Bioterrorism Preparedness line to the AIDS Surveillance and Prevention Program line. This \$240,000 in authorization will be used to recognize a Federal HIV/AIDS surveillance grant.	Gross		0
	GF/GP		0
g. Nursing Home Background Checks. A transfer of \$824,000 in Federal authorization was made from the Health Systems Administration line to the Health Professions line. This transfer was made to recognize Federal financial support for efforts to conduct criminal background checks on nursing home employees.	Gross		0
	GF/GP		0
h. Federal Obesity Grant. The Chronic Disease Prevention line received a transfer of \$450,000 in Federal authorization from the Bioterrorism line to recognize a Federal Centers for Disease Control (CDC) obesity grant.	Gross		0
	GF/GP		0
i. Traumatic Brain Injury Grant. A \$100,000 transfer was made from the Violence Prevention line to the Injury Control Intervention Project line to recognize a Federal Traumatic Brain Injury grant.	Gross		0
	GF/GP		0
j. Crime Victim Services. Because of a projected increase in the cost of crime victim compensation claims, \$1,610,000 in Federal and State restricted authorization was transferred from four line items to the Crime Victim Rights Services Grants line.	Gross		0
	GF/GP		0
k. Medicaid Auxiliary Medical Services. A transfer of \$11,903,500 was made from the Medicaid Hospital Services and Therapy line to the Medicaid Auxiliary Medical Services line to meet projected payroll through the end of FY 2004-05.	Gross		0
	GF/GP		0
l. Information Technology. Budgeted savings in the Information Technology line were improperly classified as General Fund savings, instead of Federal. A transfer of \$1,648,200 in Federal and GF/GP funding was made from a number of line items to reflect properly expenditures in this line.	Gross		0
	GF/GP		0

		Change From FY 2004-05 Initial Appropriation	
m. Children's Special Health Care Services (CSHCS) Transportation. A shift of \$400,000 in Federal authorization was made from the MICHild Administration line to the CSHCS Conveyer Contract line to fund medically needed transportation services for CSHCS recipients.		Gross	0
		GF/GP	0
3. State Budget Office Letter 08-29-05			
Medicaid Program Shortfalls. Excess funding (\$12.1 million) was transferred from the Medicaid Hospital Services and Therapy line to the MICHild Program, Medicaid Adult Benefits Waiver (ABW), and Medicaid Medicare Premium Payment line items to adjust for projected program shortfalls.		Gross	0
		GF/GP	0
4. State Budget Office Letter 9-20-05			
a. Health Insurance Planning Grant. A transfer of \$320,000 in Federal authorization was made from the Bioterrorism Preparedness line to the Departmental Administration and Management line. This authorization was used to recognize a Federal grant financing the development of a State plan to increase health insurance coverage in Michigan.		Gross	0
		GF/GP	0
b. Certificate of Need Commission. A \$75,000 transfer in State restricted authorization was made from the Departmentwide Administration and Management line to the Certificate of Need Program Administration line to recognize an increase in CON fee revenue. This revenue supports the activities of the CON Commission.		Gross	0
		GF/GP	0
c. Worker's Compensation Shortfall. An anticipated shortfall in funding in the Department of Community Health (DCH) worker's compensation fund made necessary an \$868,300 transfer in GF/GP, State Restricted, and Federal authorization from several line items.		Gross	0
		GF/GP	0
d. Building Occupancy Shortfall. Unanticipated building occupancy costs for the DCH health systems and health professions bureaus created a shortfall in the Rent and Building Occupancy line. A transfer of \$613,000 in Federal and State restricted authorization from the Emergency Medical Services Grants and Services and Health Professions line was made to fill this shortfall.		Gross	0
		GF/GP	0
e. Rural Health Grant. A transfer of \$24,000 was made from the Bioterrorism Preparedness line to the Rural Health Services line to recognize carryforward revenue from a Federal Rural Health grant.		Gross	0
		GF/GP	0

		Change From FY 2004-05 Initial Appropriation	
f. Primary Care Grant. A transfer of \$36,000 in Federal authorization was made from the Bioterrorism Preparedness line to the Primary Care Services line to recognize carryforward revenue from a Federal Primary Care grant.	Gross		0
	GF/GP		0
g. Medicaid Mental Health Managed Care Waiver. Additional Medicaid reimbursement was generated through the Mental Health/Substance Abuse Program Administration line for personnel costs. A transfer of \$375,000 in Federal authorization from the Highway Safety Projects line was used to recognize this revenue.	Gross		0
	GF/GP		0
h. Center for Forensic Psychiatry. Increased cost associated with the transition to a new facility created a shortfall in the Center for Forensic Psychiatry line. A transfer of \$820,000 in GF and State restricted funds was made to fill this shortfall.	Gross		0
	GF/GP		0
i. Federal Asthma Grant. A transfer of \$71,000 in Federal authorization was made from the Bioterrorism Preparedness line to the Asthma Prevention and Control line to recognize carryforward revenue from a Federal CDC Asthma grant.	Gross		0
	GF/GP		0
j. Local Health Department Medicaid Reimbursement. Federal authorization (\$1.5 million) was transferred from the Bioterrorism Preparedness line to the Medical Services Cost Reimbursement to Local Health Departments line to support Medicaid outreach activities.	Gross		0
	GF/GP		0
k. Cancer Prevention and Control. A transfer of \$400,000 was made to the Cancer Prevention and Control Program line from the Bioterrorism Preparedness line to recognize carryforward revenue from a CDC Cancer Prevention and Control grant and Special Projects grant.	Gross		0
	GF/GP		0
l. Smoking Prevention. Higher-than-anticipated payroll costs in the Smoking Prevention Program line made necessary a transfer of \$381,000 in Federal authorization from the Violence Prevention line. This revenue will cover activities conducted through CDC Tobacco Award funding.	Gross		0
	GF/GP		0
m. Migrant Health Care. A transfer of \$81,000 from the Family Planning Local Agreements line to the Migrant Health Care line was made to support Medicaid outreach services targeted to migrant workers.	Gross		0
	GF/GP		0

**Change From FY 2004-05
Initial Appropriation**

5. State Budget Office Letter 11-02-05

a. Federal State Planning Grant. Federal authorization was transferred from the Bioterrorism Preparedness line to the Departmental Administration and Management line to permit the Department to recognize a \$200,000 Federal Planning grant for health insurance capacity expansion.	Gross GF/GP	0 0
b. Worker's Compensation Shortfall. Final calculation of costs in the Worker's Compensation Program line revealed the need for an additional transfer of \$320,000 in GF/GP and State restricted funding from the Substance Abuse Program Administration and Bovine Tuberculosis lines.	Gross GF/GP	0 0
c. Fairlawn and Northville Costs. A transfer of \$2.6 million was made from the Medicaid Mental Health Services line to the Closed Site, Transition, and Related Costs line to cover costs associated with maintaining the closed Fairlawn and Northville Hospital sites.	Gross GF/GP	0 0
d. Ryan White Funding Carryforward. Federal authorization was increased by \$2.5 million in the AIDS Prevention, Testing, and Care Programs line to cover increased caseload and pharmaceutical costs. This authorization was transferred from the Bioterrorism Preparedness line.	Gross GF/GP	0 0
e. Local Health Department Medicaid Reimbursement. A transfer of \$1.1 million in Federal authorization was made from the Women, Infants, and Children Program Local Agreements and Food Costs line to the Medical Services Cost Reimbursement to Local Health Departments line. This transfer was made to recognize increased reimbursement for Medicaid outreach activities.	Gross GF/GP	0 0
f. Federal Cancer Grants. Carryforward revenue in Federal Comprehensive Cancer and Breast and Cervical Cancer grants and new revenue from a CDC-Wisewoman grant created the need for an increase in Federal authorization in the Cancer Prevention and Control Program line. A transfer of \$450,000 in authorization was made from the Bioterrorism Preparedness line.	Gross GF/GP	0 0
g. Migrant Health Care. Federal authorization was increased by \$10,000 in the Migrant Health Care line to recognize additional Federal reimbursement for Medicaid outreach activities. The authorization was transferred from the Family Planning Local Agreements line.	Gross GF/GP	0 0

- h. **Pediatric AIDS Program.** A transfer of \$80,000 in Federal authorization was made from the Family Planning Local Agreements line to the Pediatric AIDS Prevention and Control line. This authorization is necessary to recognize increased Ryan White Title IV reimbursement.
- i. **Children's Special Health Care Services Administration.** A transfer of \$100,000 was made from the CSHCS Medical Care and Treatment line to the CSHCS Administration line to cover increased costs.
- j. **CSHCS Transportation.** Higher-than-necessary nonemergency transportation costs for CSHCS enrollees led to a GF/GP shortfall in this line. A transfer of \$110,000 from the CSHCS Medical Care and Treatment line to the CSHCS Conveyer Contract line was made to cover these costs.
- k. **Medicaid Authorization Adjustments.** As is usually the case at book closing, the authorization amounts in a number of Medicaid accounts were adjusted to reflect final book closing estimates of expenditures. A total of \$99,137,000 was transferred from various accounts, mostly from excess Federal authorization.

Change From FY 2004-05 Initial Appropriation	
Gross	0
GF/GP	0
Gross	0
GF/GP	0
Gross	0
GF/GP	0

DEPARTMENT OF CORRECTIONS

The initial appropriation was contained in Public Act 345 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	17,753.8	17,753.8
Gross	1,786,182,600	1,768,907,800
IDG	3,364,200	3,364,200
Federal	8,188,100	9,188,100
Local	393,600	393,600
Private	0	0
Restricted	66,075,600	67,075,600
GF/GP	1,708,161,100	1,688,886,300
Change From FY 2004-05 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 11 of 2005

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| <p>1. Benton Harbor Corrections Center. The supplemental eliminated appropriations for the Benton Harbor Corrections Center. Due to a dwindling population of eligible offenders sentenced prior to Truth in Sentencing, the use of this community supervision program and the need for corrections center beds has dropped to an all-time low. The Department of Corrections (DOC) still operates one remaining center in Grand Rapids.</p> | <p>Gross (271,000)
GF/GP (271,000)</p> |
| <p>2. Parole/Probation Supervision Fees. The Act increased restricted funds in recognition of higher rates of collecting parole and probation supervision fees. The \$1.0 million in additional State restricted revenue allowed an equivalent GF/GP reduction in Executive Order 2005-07.</p> | <p>Gross 1,000,000
Restricted 1,000,000
GF/GP 0</p> |
| <p>3. Federal Prison Rape Prevention Grant. The supplemental recognized the receipt of a \$1.0 million grant to Correctional Facilities Administration from the U.S. Department of Justice to develop a program to reduce the incidence of sexual assault in prisons.</p> | <p>Gross 1,000,000
Federal 1,000,000
GF/GP 0</p> |

**Change From FY 2004-05
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2005-07

1. Security Level Changes. The Executive Order reduced security levels at five facilities: Bellamy Creek, Boyer Road, Ojibway, Mound, and Ryan.	Gross GF/GP	(2,871,900) (2,871,900)
2. Facility Closures. Executive Order 2005-07 closed 325 occupied beds and 160 funded, but empty, beds at the Mangum Farm Barracks, Camp Tuscola, and Camp Sauble. This resulted in an appropriation reduction for the Marquette, Thumb, and Oaks Correctional Facilities.	Gross GF/GP	(3,141,800) (3,141,800)
3. Conditional Reintegration Program (CRP II). CRP II, an underused community supervision program, was eliminated for savings of \$1,949,800 in Field Operations and \$1,705,900 in Electronic Monitoring.	Gross GF/GP	(3,655,700) (3,655,700)
4. Worker's Compensation. The DOC saved \$1.6 million due to lower worker's compensation premiums.	Gross GF/GP	(1,600,000) (1,600,000)
5. Hospital and Specialty Care Services. The Executive Order adjusted the Hospital and Specialty Care Services line item to reflect savings due to administrative efficiencies in the health care managed care contract achieved through cooperation between the DOC and Correctional Medical Services.	Gross GF/GP	(1,698,200) (1,698,200)
6. Central Office Staffing. The Executive Order eliminated vacant positions in the central office.	Gross GF/GP	(1,118,700) (1,118,700)
7. Training. Executive Order 2005-07 decreased training for savings of \$368,100 to reflect an anticipated surplus. The Executive Order also closed the DeMarse Training Academy in the former School for the Blind and moved training to the Michigan State Police training facility. The move saved \$300,000.	Gross GF/GP	(668,100) (668,100)
8. Jackson Area Support and Services. The Executive Order eliminated the centralized Jackson Food Production Kitchen shared by Jackson facilities.	Gross GF/GP	(720,900) (720,900)
9. Community Corrections. This action reduced lines with any remaining grant funds not yet obligated.	Gross GF/GP	(111,000) (111,000)
10. Prison Food Services. Executive Order 2005-07 eliminated coffee from prisoner food services.	Gross GF/GP	(250,000) (250,000)

		Change From FY 2004-05 Initial Appropriation	
11. Field Operations Business Office. Executive Order 2005-07 moved accounting functions that had been in three regional offices to the central office.	Gross	(239,500)	
	GF/GP	(239,500)	
12. Facility Business and Personnel Operations. The DOC consolidated the business and personnel offices of the facilities located in Muskegon, St. Louis, Detroit, and Kincheloe.	Gross	(445,600)	
	GF/GP	(445,600)	
13. Department of Information Technology. The Executive Order recognized savings achieved through maintenance contract revisions for Academic/Vocational Program computers.	Gross	(400,000)	
	GF/GP	(400,000)	
14. Riverside Salary Changes. Executive Order 2005-07 adjusted salaries at the Riverside Correctional Facility to reflect its new security level. The security level at Riverside was previously reduced from a Level IV to a Level II.	Gross	(196,400)	
	GF/GP	(196,400)	
15. Parole/Probation Supervision Fees. The Executive Order reduced GF/GP funding due to additional restricted revenue in the accompanying supplemental from increased collections of parole and probation supervision fees.	Gross	(1,000,000)	
	GF/GP	(1,000,000)	
16. Statewide Information Technology Reductions. Executive Order 2005-07 reduced information technology funding by \$567,900.	Gross	(567,900)	
	GF/GP	(567,900)	
17. Saginaw Corrections Center. The Executive Order eliminated appropriations for the Saginaw Corrections Center. Due to a dwindling population of eligible offenders sentenced prior to Truth in Sentencing, the use of this community supervision program and the need for corrections center beds has dropped to an all-time low. The DOC still operates one remaining center in Grand Rapids.	Gross	(318,100)	
	GF/GP	(318,100)	
C. TRANSFERS			
1. State Budget Office Letter 05-05-05			
a. Correctional Facilities. The transfer provided funding for high seniority salary step levels at Mound, Ryan, and Bellamy Creek Correctional Facilities. Funding also provided for increased overtime costs at Mound, the new regional transportation hub at Ryan, and higher-than-anticipated operational costs at Bellamy Creek. Funds for the \$2.3 million transfer were available due to hiring freeze vacancies and spending restrictions.	Gross	0	
	GF/GP	0	

		Change From FY 2004-05 Initial Appropriation	
b. Inmate Legal Services. The transfer provided an additional \$390,000 for legal writer services pursuant to a Federal court order in the <u>Knop v. Johnson</u> case. This program provides minimal access to courts for prisoners who are unable to assist themselves in drafting and filing legal pleadings. Funding was available due to hiring freeze vacancies and spending restrictions	Gross	0	
	GF/GP	0	
c. Additional Beds. The transfer provided \$1,424,900 to open additional prisoner beds at Kinross, Ojibway, Pugsley, and Cotton Correctional Facilities. Funding was available through the closure of beds at "A" and "B" Units at Egeler Correctional Facility and due to efficiencies at the Jackson area support and services unit.	Gross	0	
	GF/GP	0	
2. State Budget Office Letter 09-20-05			
County Jail Reimbursement Program. The administrative transfer adjusted amounts between State restricted financing sources for the County Jail Reimbursement Program by using \$2,392,720 of available civil infraction fee carryforward revenue to replace a shortfall in telephone fees and commissions.	Gross	0	
	GF/GP	0	
3. State Budget Office Letter 09-20-05			
a. Transportation Efficiencies. The transfer fulfilled the negative \$2.0 million appropriation for savings realized through transportation efficiencies pursuant to Section 220 of Public Act 345 of 2004.	Gross	0	
	GF/GP	0	
b. Health Care. The transfer provided an additional \$4,060,000 to meet the health care caseload needs of the Southeastern and Southwestern regions. Funding was available due to lower worker's compensation administrative costs, position vacancies, lower use of employee vaccines due to vacancies and hiring from other State departments that provide them, and purchasing restrictions.	Gross	0	
	GF/GP	0	
c. Housing Inmates in Federal Institutions. The transfer provided an additional \$570,000 to house State inmates in Federal prisons, which is historically underfunded. Additional funding was needed due to the higher-than-anticipated number of State inmates housed in the Federal Bureau of Prisons, as well as extraordinary medical costs (\$279,900) for one State inmate who became ill and died while in Federal custody. Funding was available from the Saginaw Correctional Facility due to vacancies and spending restrictions.	Gross	0	
	GF/GP	0	
d. Prisoner Extradition. The transfer provided an additional \$100,000 to cover increased costs for extradition services. Funding was available from the Thumb Correctional Facility due to vacancies and spending restrictions.	Gross	0	
	GF/GP	0	

		Change From FY 2004-05 Initial Appropriation	
e. Western Wayne Correctional Facility. The transfer provided \$6.0 million for funding three months of operating costs at the Western Wayne Correctional Facility, which was originally slated for closure in October 2004 with the shift of female prisoners to the Huron Valley complex, but did not close until December 2004. Funding was available due to the closure of the Woodward Corrections Center, as well as vacancies and spending restrictions throughout the DOC.	Gross	0	
	GF/GP	0	
f. Gun Tower Assignments/Split Pay Period. The transfer provided funding for gun tower assignments at various facilities where position closures were delayed due to a court injunction. The Michigan Corrections Organization (MCO) filed a grievance charging the DOC and the Office of the State Employer with unfair labor practices. The MCO requested the injunction, which prohibited the DOC from reducing its tower staffing until the Michigan Civil Service Commission decided the case. The case was decided in March 2005. This transfer also made adjustments to cover the costs of the split pay period at the end of the fiscal year. The FY 2004-05 appropriation reflected only 26 pay periods, but FY 2004-05 had 26.1 pay periods. The additional \$11,150,000 was available due to lower worker's compensation costs, negotiated contractual savings, and vacancies and spending restrictions throughout the DOC.	Gross	0	
	GF/GP	0	
g. Probation Residential Centers. The transfer provided an additional \$4.0 million to the probation residential centers program. The funding was available due to underused telephone fees and commissions revenue from the felony drunk driver jail reduction and community treatment program and the county jail reimbursement program. The transfer satisfied all local obligations for these programs and allowed GF/GP funds from the probation residential centers line item to be subsequently transferred to meet shortfalls in other DOC programs.	Gross	0	
	GF/GP	0	
4. State Budget Office Letter 11-02-05			
a. Health Care. The transfer provided an additional \$280,000 to meet the health care caseload needs of the Southeastern and Southwestern regions. Prisoners with health concerns are frequently housed in these regions due to their proximity to the DOC's health care program. Funding was available due to lower worker's compensation administrative costs, position vacancies, lower use of employee vaccines due to vacancies and hiring from other State departments that provide them, and purchasing restrictions.	Gross	0	
	GF/GP	0	

b. Gun Tower Assignments/Split Pay Period. This transfer provided funding for gun tower assignments at various facilities where position closures were delayed due to a court injunction (described in Item C, 3, f above). This transfer also made adjustments to cover the costs of the split pay period at the end of the fiscal year (described above). The \$700,000 in additional funding was available due to lower worker's compensation administrative costs.

c. County Jail Reimbursement Program (CJRP). The transfer funded the CJRP's final year-end billings. The additional \$120,000 to fund the CJRP, which is partially funded by telephone fees and commissions, came from the felony drunk driver jail reduction and community treatment program and from the Probation Residential Centers Program, which both had a surplus of telephone fees and commissions revenue.

Change From FY 2004-05 Initial Appropriation	
Gross	0
GF/GP	0
Gross	0
GF/GP	0

DEPARTMENT OF EDUCATION

The initial appropriation was contained in Public Act 346 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	413.0	414.5
Gross	113,549,000	116,997,200
IDG	1,072,100	1,072,100
Federal	60,796,800	63,305,000
Local	5,208,800	5,208,800
Private	606,600	1,714,600
Restricted	19,470,000	19,635,000
GF/GP	26,394,700	26,061,700
Change From FY 2004-05 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

- a. Michigan After-School Partnership.** The supplemental appropriated \$75,000 in private funds from the Mott Foundation and \$33,000 from the Robert Wood Johnson Foundation to the Early Childhood Education and Family Services unit. The funds support a full-time coordinator, required travel, and miscellaneous support costs of administering the Michigan After-School Partnership.
- b. Federal Migrant Education Program.** The supplemental appropriated funds to the School Improvement Services unit to administer the Migrant Education Program Consortium Grant Program. This program coordinates efforts between states to provide professional development to teachers of migrant children, especially in the subject of mathematics.
- c. Federal Safe and Drug Free Schools Program.** The supplemental appropriated funds to the Grants Administration and School Support Services unit to administer a Federal grant to enhance the ability to collect, analyze, and use data to improve the quality of drug and violence prevention programs. The grant provides funding for the Center for Educational Performance and Information (CEPI) to oversee the development and implementation of an integrated data support system.

Gross	108,000
Private	108,000
GF/GP	0
Gross	20,000
Federal	20,000
GF/GP	0
FTE	1.5
Gross	717,200
Federal	717,200
GF/GP	0

Change From FY 2004-05 Initial Appropriation	
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d. Federal Community Services Grant. The supplemental appropriated funds to administer a grant awarded from the Title IV Safe and Drug-Free Schools and Community Program. These formula grants go to local education agencies to provide programs under which expelled or suspended students are required to perform community service.

Gross	1,750,000
Federal	1,750,000
GF/GP	0

e. Replacing Executive Order GF/GP Reductions with Restricted Funds. The GF/GP funding in the offices of Early Childhood Education and School Finance/School Law was reduced in Executive Order 2005-7, but replaced with teacher certification fees (\$165,000) and Federal funding (\$21,000).

Gross	186,000
Federal	21,000
Restricted	165,000
GF/GP	0

2. Public Act 109 of 2005

School Improvement Operations. The supplemental appropriated National Governors Association grant funding for the development and implementation of rigorous high school course content standards and increasing dual enrollment opportunities for high school students.

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

B. EXECUTIVE ORDERS

Executive Order 2005-7

CSS&M Reductions, Fund Shifts, and DIT Rate Reduction. Executive Order (EO) 2005-7 reduced Contractual Services, Supplies, and Materials (CSS&M) funding in three units: Central Support (\$50,000), Early Childhood/Family Services (\$50,000), and State Board/Superintendent Operations (\$15,000). The EO also reduced the rate the Department of Information Technology charged departments for services, resulting in savings of \$32,000 for the Department of Education. Finally, the EO made General Fund reductions in School Finance/School Law and Early Childhood/Family Services that subsequently were restored in Public Act 11 of 2005 (described above).

Gross	(333,000)
GF/GP	(333,000)

C. TRANSFERS

State Budget Office Letter 05-05-05

Early Childhood and Family Services Travel. A transfer of \$5,000 from Early Childhood Education and Family Services Operations to the Travel line within the unit was approved. This transfer moved available teacher certification fees from operations to travel in response to an audit of the Michigan School Readiness Program, which stated that additional on-site monitoring should occur.

Gross	0
GF/GP	0

DEPARTMENT OF ENVIRONMENTAL QUALITY - CLEAN MICHIGAN INITIATIVE

The initial appropriation was contained in Public Act 11 of 2004, enacted after the FY 2004-05 Initial Appropriations Report was completed.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	0.0	0.0
Gross	41,968,900	48,968,900
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	41,968,000	48,968,000
GF/GP	0	0
<hr/> Change From FY 2004-05 Initial Appropriation <hr/>		

A. INITIAL APPROPRIATIONS

Public Act 11 of 2005

- | | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|------------|------------|-------|---|
| <p>1. Environmental Cleanup and Redevelopment Sites. From the CMI - Response activities fund, support was provided for projects at 47 sites around the State determined to have redevelopment potential. The projects will take many years to complete and were given work project status, meaning the State has five years to complete the cleanup activities.</p> | <table border="0"> <tr> <td>Gross</td> <td align="right">37,618,000</td> </tr> <tr> <td>Restricted</td> <td align="right">37,618,000</td> </tr> <tr> <td>GF/GP</td> <td align="right">0</td> </tr> </table> | Gross | 37,618,000 | Restricted | 37,618,000 | GF/GP | 0 |
| Gross | 37,618,000 | | | | | | |
| Restricted | 37,618,000 | | | | | | |
| GF/GP | 0 | | | | | | |
| <p>2. Voluntary Stormwater Permit Grants. Funding from the CMI - Clean Water Fund was made available in the form of grants to local units of government to conduct construction projects or other improvement activities for managing stormwater runoff. The grants require a 50% match from the recipient.</p> | <table border="0"> <tr> <td>Gross</td> <td align="right">2,426,300</td> </tr> <tr> <td>Restricted</td> <td align="right">2,426,300</td> </tr> <tr> <td>GF/GP</td> <td align="right">0</td> </tr> </table> | Gross | 2,426,300 | Restricted | 2,426,300 | GF/GP | 0 |
| Gross | 2,426,300 | | | | | | |
| Restricted | 2,426,300 | | | | | | |
| GF/GP | 0 | | | | | | |
| <p>3. Waterfront Redevelopment Grant. An amount from the CMI - Waterfront Redevelopment allocation was reappropriated for a project in the City of Lansing, made necessary since the funds had lapsed without being spent. The grant requires a 25% match from the recipient.</p> | <table border="0"> <tr> <td>Gross</td> <td align="right">1,924,600</td> </tr> <tr> <td>Restricted</td> <td align="right">1,924,600</td> </tr> <tr> <td>GF/GP</td> <td align="right">0</td> </tr> </table> | Gross | 1,924,600 | Restricted | 1,924,600 | GF/GP | 0 |
| Gross | 1,924,600 | | | | | | |
| Restricted | 1,924,600 | | | | | | |
| GF/GP | 0 | | | | | | |

**Change From FY 2004-05
Initial Appropriation**

B. SUPPLEMENTAL APPROPRIATIONS

Public Act 109 of 2005

Nonpoint Source Pollution Control Grants. This appropriation provided grants to local units of government or nonprofit organizations for physical improvements in watershed management plans. The improvements must have a long-term impact on water quality and be consistent with a Department-approved watershed plan or Remedial Action Plan. Grantees must provide a 25% match.

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

C. EXECUTIVE ORDERS – NONE

D. TRANSFERS - NONE

DEPARTMENT OF ENVIRONMENTAL QUALITY - OPERATIONS

The initial appropriation was contained in Public Act 350 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	1,564.2	1,564.2
Gross	340,569,300	351,685,200
IDG	14,263,000	14,959,000
Federal	133,766,800	136,484,000
Local	0	0
Private	445,900	445,900
Restricted	163,421,800	173,669,200
GF/GP	28,671,800	26,127,100
Change From FY 2004-05 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

- a. Executive Order Fund Shifts.** Executive Order 2005-7 reduced General Fund appropriations in numerous lines throughout the operating budget. Supplemental appropriations of State restricted funds were enacted, where available, to lessen the programmatic impact of the reductions.
- b. Federal Funding Increases.** Incremental amounts of additional Federal funds were received to support numerous programs in the Department, including the development of an aquatic nuisance species State management plan, a position in the National Environmental Information Exchange Network, pollution prevention activities, enforcement in the clean water program, and coastal management grants.
- c. State Site Cleanup Program.** As recommended by the Brownfield Redevelopment Board, an appropriation of interest from the State Site Cleanup Fund was provided to support remediation activities of State-owned contaminated sites.
- d. NPDES Nonstormwater Permitting.** Funding from the United States Environmental Protection Agency was provided for applications and permit processing within the National Pollutant Discharge Elimination System (NPDES) nonstormwater program. A 5% match requirement was met with NPDES permit fees.

Gross	1,722,600
IDG	684,000
Restricted	1,038,600
GF/GP	0
Gross	566,500
Federal	566,500
GF/GP	0
Gross	5,000,000
Restricted	5,000,000
GF/GP	0
Gross	400,000
Federal	400,000
GF/GP	0

		Change From FY 2004-05 Initial Appropriation	
e. Septage and Recreational Resources Fees. Statutory changes enacted in 2004 increased the permit fees for septage disposal, public swimming pool construction, and campground construction. The additional fee revenue was appropriated to address the staff costs for permitting, inspection, and enforcement activities.	Gross	756,000	
	Restricted	756,000	
	GF/GP	0	
f. Hazardous Materials Training. The United States Department of Homeland Security provided funding for training workshops on hazardous materials and for testing emergency response plans at water systems.	Gross	288,000	
	Federal	288,000	
	GF/GP	0	
g. Great Lakes Research and Protection Grants. This appropriation restored funding vetoed when the initial operating budget was enacted. The Governor vetoed a language section regarding the completion of the wetland inventory and this funding was removed along with that language. The grants are awarded for research and demonstration projects that preserve and restore the Great Lakes ecosystem.	Gross	30,000	
	Restricted	30,000	
	GF/GP	0	
h. Scrap Tire Grants. A balance in the Scrap Tire Fund was appropriated for additional grants to be awarded for the removal of abandoned scrap tires, the promotion of use of scrap tire material, and projects that demonstrate new uses for scrap tire processed material. Grants may be awarded to private or public entities.	Gross	1,750,000	
	Restricted	1,750,000	
	GF/GP	0	
i. Volunteer River, Stream, and Creek Cleanup. A portion of the balance of the Water Quality Protection Fund, which receives revenue from the water quality fund-raising license plate, was used for a grant to Michigan State University to develop water quality standards for nutrients as part of a Federally mandated program.	Gross	175,000	
	Restricted	175,000	
	GF/GP	0	
2. Public Act 109 of 2005			
a. Laboratory Services. Recent rule changes under the Federal Safe Drinking Water Act implemented additional requirements for drinking water monitoring, including a revised list of contaminants for which drinking water must be tested. Water analysis fees were appropriated for the purchase of monitoring instruments.	Gross	200,000	
	Restricted	200,000	
	GF/GP	0	
b. Redevelopment Site Assessments. A balance in the Environmental Protection Bond Fund was appropriated to support a site assessment grant program. The grants are provided to communities for activities evaluating the contamination at sites with redevelopment potential.	Gross	715,600	
	Restricted	715,600	
	GF/GP	0	

- c. **Water Monitoring Equipment.** Federal funds from the United States Department of Homeland Security will be used to purchase equipment for real time water quality monitoring in the connecting channels between Lake Huron and Lake Erie, including the St. Clair River, the Detroit River, and Lake St. Clair.
- d. **Federal Funding Increases.** Federal funding for selected programs was available in amounts higher than originally anticipated. The programs affected include these areas of concern: field permitting and enforcement, and surface water monitoring. The Office of the Great Lakes also received additional Federal funds, which were combined with State restricted funds to offset a reduction in General Fund appropriations.
- e. **Split Pay Adjustments.** A plan to split between two fiscal years the allocation of expenses for a pay period divided between FY 2003-04 and FY 2004-05 was reversed following a review by the Auditor General. The reversal resulted in additional expenditures in FY 2004-05. This funding was appropriated in a language section.

Change From FY 2004-05 Initial Appropriation	
Gross	760,000
Federal	760,000
GF/GP	0
Gross	449,100
Federal	450,700
Restricted	3,200
GF/GP	(4,800)
Gross	843,000
IDG	12,000
Federal	252,000
Restricted	579,000
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2005-7

- 1. **Complete Fund Shifts.** The Executive Order reduced General Fund appropriations for building occupancy charges, rent, laboratory services, field permitting for land and water management, and hazardous waste management. Supplemental appropriations in Public Act 11 of 2005 entirely replaced these reductions with State restricted funds.
- 2. **Partial Fund Shifts.** The Executive Order reduced General Fund appropriations for air quality programs and environmental investigations. Supplemental appropriations in Public Act 11 of 2005 partially replaced these reductions with \$488,600 from State restricted funds.
- 3. **Program Reductions.** General Fund support was reduced in financial and business services, information technology, pollution prevention, dam safety, and radiological protection. The reductions were taken in all areas of these programs, including salaries and fringe benefits, travel, and other operational expenses.
- 4. **Radon Grants.** The grants are used by local health departments for radon outreach and education activities, distribution of radon kits, and mapping of test results. All of the General Fund support for this program was removed and Federal funding of \$90,000 remained. A 50% match requirement was met with resources in other line items.

Gross	(1,234,000)
GF/GP	(1,234,000)
Gross	(643,600)
GF/GP	(643,600)
Gross	(618,000)
GF/GP	(618,000)
Gross	(44,300)
GF/GP	(44,300)

**Change From FY 2004-05
Initial Appropriation**

C. TRANSFERS

1. State Budget Office Letter 5-5-05

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---|
| <p>a. Information Technology Adjustment. The transfer adjusted the fund sources supporting information technology to reflect actual services provided to department divisions. Funding of \$1,497,400 from Federal and Restricted fund sources in program lines and information technology services was affected.</p> | Gross | 0 |
| | GF/GP | 0 |
| | | |
| <p>b. Program Component Adjustments. The FY 2004-05 operating budget for the Department of Environmental Quality (DEQ) unrolled each program line item into three lines, entitled salaries and fringe benefits, travel, and other operational expenses. The amounts included in the budget were estimates based on expenses in prior years. The transfers made adjustments to appropriations to reflect actual expenditures in FY 2004-05. The transfers moved amounts between lines within program items, but did not change the total funding or fund sources for any program.</p> | Gross | 0 |
| | GF/GP | 0 |

2. State Budget Office Letter 7-6-05

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---|
| <p>Program Component Adjustments. The FY 2004-05 operating budget for the DEQ unrolled each program line item into three lines, entitled salaries and fringe benefits, travel, and other operational expenses. The amounts included in the budget were estimates based on expenses in prior years. The transfers made adjustments to appropriations to reflect actual expenditures in FY 2004-05. The transfers moved amounts between lines within program items, but did not change the total funding or fund sources for any program.</p> | Gross | 0 |
| | GF/GP | 0 |

3. State Budget Office Letter 9-20-05

- | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---|
| <p>a. Program Component Adjustments. The FY 2004-05 operating budget for the DEQ unrolled each program line item into three lines, entitled salaries and fringe benefits, travel, and other operational expenses. The amounts included in the budget were estimates based on expenses in prior years. The transfers made adjustments to appropriations to reflect actual expenditures in FY 2004-05. The transfers moved amounts between lines within program items, but did not change the total funding or fund sources for any program.</p> | Gross | 0 |
| | GF/GP | 0 |
| | | |
| <p>b. Air Quality Title V Costs. The transfer moved \$393,000 to the appropriate expenditure lines within the Air Quality Division so Title V air permitting activities could be assessed against the correct fund sources.</p> | Gross | 0 |
| | GF/GP | 0 |

**Change From FY 2004-05
Initial Appropriation**

4. State Budget Office Letter 11-2-05

- a. Program Component Adjustments.** The FY 2004-05 operating budget for the DEQ unrolled each program line item into three lines, entitled salaries and fringe benefits, travel, and other operational expenses. The amounts included in the budget were estimates based on expenses in prior years. The transfers made adjustments to appropriations to reflect actual expenditures in FY 2004-05. The transfers moved amounts between lines within program items, but did not change the total funding or fund sources for any program.

- b. Split Pay Expenses.** A plan to split between two fiscal years the allocation of expenses for a pay period divided between FY 2003-04 and FY 2004-05 was reversed following a review by the Auditor General. The reversal resulted in additional expenditures in FY 2004-05. Some of the expenses were addressed through a supplemental appropriation in Public Act 109 of 2005 and \$24,000 in the Land and Water Management Division was covered with excess funds in other lines.

Gross	0
GF/GP	0
Gross	0
GF/GP	0

EXECUTIVE OFFICE

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	74.2	74.2
Gross	5,205,500	5,205,500
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	5,205,500	5,205,500
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Change From FY 2004-05 Initial Appropriation		

- A. SUPPLEMENTAL APPROPRIATIONS - NONE
- B. EXECUTIVE ORDERS - NONE
- C. TRANSFERS - NONE

FAMILY INDEPENDENCE AGENCY

The initial appropriation was contained in Public Act 344 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	10,302.0	10,302.0
Gross	4,291,526,700	4,293,195,000
IDG	1,084,400	1,084,400
Federal	3,028,126,600	3,062,602,900
Local	73,326,100	73,022,100
Private	9,757,600	9,757,600
Restricted	69,549,200	70,321,400
GF/GP	1,109,682,800	1,076,406,600

**Change From FY 2004-05
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 360 of 2004

a. Information Technology Services and Projects. The Act restored Federal funds that were reduced as part of general budget cuts.

Gross	2,129,400
Federal	2,129,400
GF/GP	0

b. Child Support Automation. The Act restored Federal and State Restricted funds that were reduced as part of general budget cuts.

Gross	3,263,200
Federal	2,491,000
Restricted	772,200
GF/GP	0

c. Client Services System. The Act restored Federal funds that were reduced as part of general budget cuts.

Gross	549,800
Federal	549,800
GF/GP	0

d. Data System Enhancement. The Act restored Federal funds that were reduced as part of general budget cuts.

Gross	672,200
Federal	672,200
GF/GP	0

		Change From FY 2004-05 Initial Appropriation	
2. Public Act 11 of 2005			
a. Child Care Fund.	The Act provided additional Federal Temporary Assistance for Needy Families (TANF) funds to shift the costs from GF/GP funds reduced in Executive Order 2005-07.	Gross	5,300,000
		Federal	5,300,000
		GF/GP	0
b. Homeless Shelter Contracts.	The Act provided additional Federal TANF funds to shift the costs from GF/GP funds reduced in Executive Order 2005-07.	Gross	1,700,000
		Federal	1,700,000
		GF/GP	0
c. Child Support Automation.	The Act provided additional Federal Child Support incentive funds to shift the cost from GF/GP funds reduced in Executive Order 2005-07.	Gross	2,000,000
		Federal	2,000,000
		GF/GP	0
3. Public Act 109 of 2005			
a. Nutrition Education.	The Act provided additional Federal Food and Nutrition Service grant funds for nutrition education services to Food Assistance Program recipients. The Department contracts with Michigan State University Cooperative Extension Food and Nutrition Education for the provision of these services.	Gross	1,120,300
		Federal	1,120,300
		GF/GP	0
b. Field Staff, Salaries, and Wages.	The Act provided additional Federal funds for the actual claimable Federal revenue amount to offset GF/GP costs of Department staff who serve in county offices.	Gross	5,500,000
		Federal	5,500,000
		GF/GP	0
c. Public Assistance			
i. Family Independence Program.	The Act provided additional Federal TANF funds for monthly caseload and cost-per-case increases.	Gross	7,635,500
		Federal	7,635,500
		GF/GP	0
ii. Weatherization Assistance.	The Act provided additional U.S. Department of Energy funds to assist low-income families with the cost of home weatherization.	Gross	1,598,100
		Federal	1,598,100
		GF/GP	0
iii. Food Assistance Program.	The Act provided additional U.S. Department of Agriculture funds for monthly caseload and cost-per-case increases.	Gross	14,014,700
		Federal	14,014,700
		GF/GP	0

- iv. **Payroll Taxes and Fringe Benefits.** The Act provided additional Federal funds for the actual claimable Federal revenue amount to offset GF/GP costs of Department staff.

		Change From FY 2004-05 Initial Appropriation
	Gross	2,500,000
	Federal	2,500,000
	GF/GP	0
	Gross	(1,335,000)
	Federal	(839,800)
	GF/GP	(495,200)
	Gross	(2,000,000)
	GF/GP	(2,000,000)
	Gross	(436,600)
	GF/GP	(436,600)
	Gross	(566,200)
	Federal	(380,000)
	GF/GP	(186,200)
	Gross	(1,473,600)
	Federal	(690,600)
	GF/GP	(783,000)
	Gross	(3,296,600)
	Federal	(569,800)
	GF/GP	(2,726,800)
	Gross	(4,085,300)
	Federal	(2,835,200)
	GF/GP	(1,250,100)
	Gross	(608,000)
	Federal	(304,000)
	GF/GP	(304,000)
	Gross	(100,000)
	GF/GP	(100,000)

B. EXECUTIVE ORDERS

Executive Order 2005-07

1. **Worker's Compensation.** The Executive Order contained an administration reduction based on the number of claims submitted.
2. **AFC, Children's Welfare, and Day Care Licensure.** The Executive Order contained a reduction based on program need.
3. **Information Technology Services and Projects.** The Department of Information Technology renegotiated contracts with reduced rates effective April 1, 2005. The Executive Order contained the savings from the reduced charges in department-related contracts.
4. **Client Services System.** The Executive Order contained the savings from the reductions in personal services contracts and information technology overhead.
5. **Data System Enhancement.** The Executive Order contained the savings from the reductions in personal services contracts and information technology overhead.
6. **Child Support Automation.** The Executive Order contained the savings achieved through reductions in personal services contracts, information technology overhead, and a fund shift from GF/GP funds to Federal Child Support Incentive Payments.
7. **Child Support Distribution Computer System.** The Executive Order contained savings achieved through renegotiated lower contract rates effective April 1, 2005.
8. **Juvenile Justice Field Staff, Administration, and Maintenance.** The Executive Order contained a reduction achieved through unfilled staff vacancies.
9. **Child Care Fund Administration.** The Executive Order contained a reduction achieved through the consolidation of administrative activities.

Change From FY 2004-05 Initial Appropriation	
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10. Indigent Burial. The Executive Order contained a 4% reduction in services.	Gross	(102,600)
	GF/GP	(102,600)
11. Adoption Support Services. The elimination of the adoptive parents support and services programs, effective on April 1, 2005, was contained in the Executive Order.	Gross	(211,000)
	Federal	(119,300)
	GF/GP	(91,700)
12. Michigan Housing and Community Development Fund. The Executive Order contained the elimination of a Federal TANF-supported program for low-income households to help with housing development and security deposits for eligible applicants.	Gross	(2,000,000)
	Federal	(2,000,000)
	GF/GP	0
13. Day Care Services. A 30-day waiting period for the reimbursement of day care costs to low-income families, affecting 19,500 new cases, reduced the appropriation by \$10.0 million Gross, GF/GP. A delay in the distribution of funds for Before- and After-School program day care services contracts resulted in Federal TANF savings of \$3.3 million.	Gross	(13,300,000)
	Federal	(3,300,000)
	GF/GP	(10,000,000)
14. Legal Support Contracts. The Executive Order contained a reduction in the child support legal services contract rates that included a \$2.0 million reduction in the Federal Child Support Incentive Payments, which were appropriated in the supplemental, Public Act 11 of 2005.	Gross	(3,300,000)
	Federal	(2,000,000)
	GF/GP	(1,300,000)
15. Food Stamp Reinvestment. The Executive Order contained a reduction in the amount of the penalty repayment to the Federal government as well as the penalty and funds reinvestment being spread over an extended number of years.	Gross	(6,500,000)
	GF/GP	(6,500,000)
16. Homeless Shelter Contracts. The allocation of State funds for homeless shelter contracts was reduced in order to offset GF/GP fund expenditures with Federal TANF funds contained in the supplemental, Public Act 11 of 2005.	Gross	(1,700,000)
	GF/GP	(1,700,000)
17. Child Care Fund. The allocation of State funds for the Child Care Fund expenditures was reduced in order to offset GF/GP fund expenditures with Federal funds in the supplemental, Public Act 11 of 2005.	Gross	(5,300,000)
	GF/GP	(5,300,000)

C. TRANSFERS

1. State Budget Office Letter 05-05-05

a. Juvenile Justice Facilities. The transfer provided \$6,115,600 Gross, \$3,057,800 GF/GP for increased expenditures to the following facilities because insufficient spending authority was moved from the Juvenile Justice Operations line when it was unrolled: W.J. Maxey Training School, \$3.2 million Gross, \$1.6 million GF/GP; Adrian Training	Gross	0
	GF/GP	0

**Change From FY 2004-05
Initial Appropriation**

School, \$949,000 Gross, \$474,500 GF/GP; Bay Pines Center, \$583,200 Gross, \$291,600 GF/GP; Nokomis Challenge Center, \$680,400 Gross, \$340,200 GF/GP; Shawono Center, \$527,000 Gross, \$263,500 GF/GP; Arbor Heights, \$161,000 Gross, \$80,500 GF/GP; and Community Juvenile Justice Centers, \$33,600 Gross, \$16,800 GF/GP.

- b. Committee on Juvenile Justice Administration.** The transfer provided \$45,000 Gross, \$0 GF/GP for travel related to Federally required staff training.
- c. Child and Family Services Salaries and Wages.** The transfer provided \$417,200 Gross, \$65,400 GF/GP to realign staff work, retroactive pay adjustments, and related expenditures with the appropriate accounts.
- d. Travel.** The transfer provided \$525,000 Gross, \$0 GF/GP for cost reimbursements in support of protective services, foster care, and adult services workers and inspector general agents required to travel to complete their work.

Gross	0
GF/GP	0
Gross	0
GF/GP	0
Gross	0
GF/GP	0

2. State Budget Office Letter 07-06-05

- a. Salaries and Wages.** The transfer provided \$1,154,500 Gross, \$490,000 GF/GP in additional spending authority in order to cover staff payroll for Executive Operations and Family Independence Services Administration.
- b. Child Support Distribution Computer System.** The transfer provided \$2,807,200 Gross, \$1,149,800 GF/GP in increased spending authority needed because Executive Order 2005-7 savings were not realized in the fiscal year.

Gross	0
GF/GP	0
Gross	0
GF/GP	0

3. State Budget Office Letter 09-20-05

Contractual Services, Supplies, and Materials. The transfer provided \$1,063,700 Gross, \$6,000 GF/GP for increased expenditures in the following: \$663,700 Gross, \$6,000 GF/GP in additional Electronic Benefit Transfer card Federal charges incurred when cash assistance recipients call the State to inquire about cash benefits; and \$400,000 Gross, \$0 GF/GP in local offices clients' medical and psychological examinations and Department equipment repairs.

Gross	0
GF/GP	0

4. State Budget Office Letter 11-02-05

- a. Family Independence Program.** The transfer provided \$6,700,000 Gross and GF/GP to cover shortfalls in retained child support and public assistance recoupment revenue.

Gross	0
GF/GP	0

		Change From FY 2004-05 Initial Appropriation	
b. County Juvenile Offices. The transfer provided \$150,000 Gross and GF/GP to cover a shortfall due to economic increases for three remaining salaried State employees and lower-than-expected Federal claims.	Gross	0	
	GF/GP	0	
c. Children's Trust Fund. The transfer provided \$185,400 Gross, \$0 GF/GP for the following: \$159,100 Gross, \$0 GF/GP for an additional amount of Federal Community-Based Child Abuse Prevention Grant funds available to the State; and \$26,300 Gross, \$0 GF/GP related to the administration of additional available Federal funds.	Gross	0	
	GF/GP	0	
d. Consensus Agreement. The Senate and House Fiscal Agencies and the State Budget Office agreed to the transfer of \$11.5 million Gross, \$10.0 million GF/GP to cover increased expenditures in the following accounts: the Child Care Fund for reimbursement to counties for one-half of the total eligible expenses for out-of-home placements for county youth; and Day Care Services for payments to eligible families for child care costs due to parents' employment, education, and/or health or social circumstances, requiring some form of treatment.	Gross	0	
	GF/GP	0	
e. Community Juvenile Justice Centers. The transfer provided \$1.2 million Gross, \$0 GF/GP for larger Federal claims for services in low-security facilities that offer structured reintegration programs for youth.	Gross	0	
	GF/GP	0	
f. Increased Payroll Costs. The transfer provided \$12.7 million Gross, \$10.8 million GF/GP for increases in the following accounts: Juvenile Justice Field Staff, Administration, and Maintenance costs of \$3.7 million Gross and GF/GP; Payroll Taxes and Fringe Benefits due to fewer Federal revenue claims, which required additional \$2.9 million Gross and GF/GP; Field Staff, Salaries, and Wages costs of \$4.2 million Gross and GF/GP; Executive Operations and Inspector General Salaries and Wages of \$1.2 million Gross, \$0 GF/GP and \$700,000 Gross, \$0 GF/GP, respectively, for greater Federal claims than originally budgeted.	Gross	0	
	GF/GP	0	
g. Contractual Services, Supplies, and Materials. The transfer provided \$100,000 Gross, \$75,000 GF/GP for payments to a law firm that represented the Department in a dispute between it and the Internal Revenue Service.	Gross	0	
	GF/GP	0	
h. Demonstration Operations. The transfer provided increased Federal funds of \$830,000 that are available to the State to cover expenditures for experimental projects and programs during a testing period to determine new and efficient program methods.	Gross	0	
	GF/GP	0	

- i. **AFC, Children's Welfare, and Day Care Licensure.** The transfer provided \$5.1 million Gross, \$0 GF/GP for an increase in Federal claims for the regulation of facilities, group and family homes, and centers that provide services to adults and children.
- j. **Information Technology.** The transfer provided \$3.1 million Gross and GF/GP for increased funds needed due to \$830,000 in reduced Federal claims in the Information Technology Services and Projects account and \$2.3 million in reduced Federal child support incentive revenue in the Child Support Automation account.

Change From FY 2004-05 Initial Appropriation	
Gross	0
GF/GP	0
Gross	0
GF/GP	0

HIGHER EDUCATION

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
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The initial appropriation was contained in Public Act 352 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

FTE	1.0	1.0
Gross	1,690,150,500	1,723,005,800
IDG	0	0
Federal	4,500,000	4,500,000
Local	0	0
Private	0	0
Restricted	85,150,000	85,150,000
GF/GP	1,600,500,500	1,633,355,800

Change From FY 2004-05 Initial Appropriation

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 352 of 2004

Tuition Restraint Incentive Funding. Section 452 of Public Act 237 of 2003 appropriated funds to reward public universities that restrained their tuition in both academic years 2003-04 and 2004-05. During ongoing budget discussions, the decision was made to decouple 2003-04 tuition restraint from 2004-05 tuition restraint, and Section 452 was repealed. Separate criteria were used to determine compliance for each academic year and these criteria, as well as the repeal of Section 452, were included in Public Act 352 of 2004.

Section 1201 of Public Act 352 of 2004 provided \$43,903,000 as a reward for tuition restraint in academic year 2003-04 and the funds were allocated based on each university's proportional share of FY 2003-04 operations appropriations. Two universities, Lake Superior State and Northern Michigan, raised their tuition after December 1, 2003, for the 2003-04 academic year and thus did not comply with the tuition restraint requirements, and were penalized by being paid only half of what had originally been allotted to them. These penalties of \$192,650 for Lake Superior and \$702,150 for Northern Michigan resulted in an academic year 2003-04 tuition restraint incentive appropriation of \$43,008,200 for all 15 public universities. Due to the fact that the Northville Psychiatric Hospital property was not sold by October 1, 2004, the tuition restraint funds were not paid out until FY 2004-05.

Gross	43,008,200
GF/GP	43,008,200

**Change From FY 2004-05
Initial Appropriation**

2. Public Act 468 of 2004

NA

Capital Outlay Grant. Section 15(2) of this Act included a \$192,700 GF/GP Capital Outlay appropriation for Lake Superior State University for an infrastructure, technology, equipment, and maintenance (ITEM) grant. The amount of this grant offset the tuition restraint reduction for Lake Superior that is described in Item 1 above, but the ITEM funds are not included in the Higher Education Operations budget.

3. Public Act 11 of 2005

Gross	25,080,400
GF/GP	25,080,400

a. Restoration of Executive Order 2005-7 Reductions. Section 436(3) of Public Act 352 of 2004 states: "If a state university complies with the tuition restraint requirements described in this section, its state appropriation will not be reduced by executive order or any other manner during the 2004-2005 fiscal year." Executive Order 2005-7 (Item B below) did reduce FY 2004-05 university appropriations. As part of the negotiations on EO 2005-7, and in an attempt to comply with Section 436(3), there was an agreement to restore the 1.75% university operations reductions if sufficient revenue became available. Public Act 11 of 2005 included two triggers for the restoration of the funds:

- i. If the May 2005 consensus revenue estimate for FY 2004-05 GF/GP and School Aid Fund revenue were higher than the January 2005 consensus revenue estimate, then an amount up to \$25.1 million would be appropriated for universities. The revenue estimate did increase and \$13,794,200 was appropriated, on a pro-rata basis, for university operations.
- ii. If funds were not fully restored in May, and if there were an unreserved GF/GP balance at the close of FY 2004-05, then an amount, not to exceed \$25.1 million, would be appropriated for university operations. When the final book-closing occurred on December 28, 2005, there was sufficient revenue to fully restore the EO 2005-7 community college and university reductions, which meant an additional appropriation of \$11,286,200 for universities.

b. Repealers. Section 1001(1) of Public Act 11 of 2005 repealed the FY 2004-05 Higher Education boilerplate language in Public Act 352 of 2004 for the University of Detroit - Mercy Dental Clinics Grant (Sec. 315) and the Joseph F. Young, Sr. Psychiatric Research and Training Program (Sec. 401), due to the transfer of these programs to the Department of Community Health budget.

**Change From FY 2004-05
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2005-7

Gross	(35,233,300)
GF/GP	(35,233,300)

University Operations Reductions and Transfer of Grants. Executive Order 2005-7 cut the Operations appropriation of each public university by 1.75% (\$25.1 million), eliminated \$5.6 million in funding for Wayne State University's Joseph F. Young, Sr. Psychiatric Research and Training Program, and removed the \$4.5 million appropriation for the University of Detroit - Mercy Dental Clinics Grant. It is intended that Medicaid appropriations in the Department of Community Health budget be used to fund both the Psychiatric Research and Training Program and the Dental Clinics Grant in FY 2004-05 and subsequent years.

C. TRANSFERS

State Budget Office Letter 09-20-05

Gross	0
GF/GP	0

Tuition Incentive Program (TIP). A 1996 audit of TIP resulted in the enforcement of the intent of the program to award grants only to middle and high school students, rather than to students who had already graduated from high school. Many of these former middle and high school students are now coming out of the pipeline to attend college and this has caused an increase in the TIP caseload. In order to address the increase in caseload, a transfer of \$1.5 million from unspent Merit Award appropriations to TIP was approved by the House and Senate Appropriations Committees and transmitted to the State Budget Office on September 29, 2005. Both Merit Awards and TIP are financed by the Merit Award Trust Fund, and this transfer produced final FY 2004-05 Merit Award Trust Fund appropriations of \$59.9 million for Merit Awards and \$11.75 million for TIP.

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

The initial appropriation was contained in Public Act 340 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	232.0	232.0
Gross	57,083,600	59,121,400
IDG	139,000	139,000
Federal	8,151,300	10,815,900
Local	0	0
Private	577,400	577,400
Restricted	2,412,400	2,412,400
GF/GP	45,803,500	45,176,700

**Change From FY 2004-05
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 11 of 2005

Additional Federal funds were made available from the Institute of Museum and Library Services for a \$133,600 grant to Mackinac Island to create a new military medicine exhibit, and from the National Endowment for the Arts for a \$50,000 grant to the Michigan State University Museum. Public Act 11 also appropriated \$2,431,000 to the Library of Michigan to allow additional Federal Library Services and Technology Act funding to be used for statewide library services, including the Michigan Electronic Library project.

Gross	2,664,600
Federal	2,664,600
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2005-07

Administrative savings of \$463,000 were taken from the following line items: Management Services (\$29,300); Library of Michigan Operations (\$281,500); Michigan Council for Arts and Cultural Affairs Administration (\$54,800); Film Office (\$5,000); and Historical Administration and Services (\$92,400). Additional reductions were achieved through a \$72,300 reduction in Information Technology charges and the elimination of \$91,500 of GF/GP funding for Lighthouse Preservation Grants. The reduction in the Library of Michigan Operations line was offset by \$100,000 of Federal funds appropriated in Public Act 11 of 2005 (Item A above).

Gross	(626,800)
GF/GP	(626,800)

C. TRANSFERS - NONE

DEPARTMENT OF INFORMATION TECHNOLOGY

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	1,756.4	1,756.4
Gross	360,738,600	353,858,400
IDG	360,738,600	353,858,400
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	0	0

**Change From FY 2004-05
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

Public Protection. The supplemental increased interdepartmental grant funding from the Department of State Police by \$1,304,100. Of that amount, \$741,500 supports costs of the Public Safety Communications System. The funding was available from the sale of excess property at the Michigan Public Safety Communications System Tower sites. The supplemental also included \$562,600 from revenue related to the fee schedule that was approved in April 2004 by the Criminal Justice Information System Policy Council. That funding is used to cover increased operating costs of the Law Enforcement Information Network (LEIN) related to Federal security requirements for access to national crime information.

Gross	1,304,100
IDG	1,304,100
GF/GP	0

2. Public Act 109 of 2005

Health and Human Services/Resource Services. This supplemental increased interdepartmental grant funding from the Department of Agriculture (\$692,500) and the Department of Human Services (\$2.0 million) to reflect funding available from those Departments in their respective information technology appropriations.

Gross	2,692,500
IDG	2,692,500
GF/GP	0

**Change From FY 2004-05
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2005-7

Information Technology Services and Projects. Approximately \$4.34 million of the reductions to the Department of Information Technology were achieved through reduced overhead charges by the Department, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. The Department stated that these reductions would be achieved through efficiencies, not service reductions. Other reductions were proposed by individual departments. Total reductions to information technology units in departmental budgets amounted to \$9,234,400. The Department of Management and Budget also reduced the Department of Human Services Federal match, due to General Fund reductions in the Executive Order by \$1,640,400. The Executive Order also included a boilerplate reduction of \$2,060,000 based on savings attained through expenditure reductions under the Master Computing Contract.

Gross	(10,876,800)
IDG	(10,876,800)
GF/GP	0

C. TRANSFERS - NONE

JUDICIARY

The initial appropriation was contained in Public Act 339 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	582.5	582.5
Gross	253,216,700	255,436,700
IDG	4,633,500	4,633,500
Federal	4,015,600	4,015,600
Local	3,298,100	3,298,100
Private	842,500	842,500
Restricted	82,333,700	85,099,700
GF/GP	158,093,300	157,547,300
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	Change From FY 2004-05 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

Additional Filing Fee Revenue. In conjunction with Executive Order 2005-07, the Judiciary GF/GP appropriation was reduced by \$546,000 (\$46,000 from drug treatment courts and \$500,000 from Court Equity Fund reimbursements). Additional funds available from increased revenue collections in the Civil Filing Fee Fund were used to replace the reduced GF/GP support.

Gross	0
Restricted	546,000
GF/GP	(546,000)

2. Public Act 109 of 2005

Additional Filing Fee Revenue. The supplemental increased the appropriation for multiple line items in recognition of increased revenue collections in the Civil Filing Fee Fund. It added \$20,000 for the State Court Administrator's Office, \$100,000 for drug treatment courts, \$600,000 for indigent civil legal assistance, and \$1.5 million for Court Equity Fund reimbursements to local trial courts.

Gross	2,220,000
Restricted	2,220,000
GF/GP	0

B. EXECUTIVE ORDERS - NONE

C. TRANSFERS - NONE

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

The initial appropriation was contained in Public Act 354 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	4,248.5	4,256.5
Gross	1,241,865,600	1,257,571,000
IDG	515,200	515,200
Federal	836,502,100	836,607,200
Local	15,669,600	15,669,600
Private	4,140,100	4,140,100
Restricted	290,500,600	303,202,600
GF/GP	94,538,000	97,436,300
Change From FY 2004-05 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 360 of 2004

Authorization was provided for an additional 8.0 FTE employees for the Public Service Commission (PSC) to handle increased complaint volume. These positions were funded by increased expenditure authority from public utility assessments provided in Public Act 354 of 2004.

FTE	8.0
Gross	0
GF/GP	0

2. Public Act 11 of 2005

Additional authorization of \$10.0 million was provided to the PSC for grants from the Low Income Energy Efficiency Fund. The PSC also received \$2.3 million to cover the cost of a court judgment. The line item for the Michigan Community Service Subgrantees was increased by \$250,000 GF/GP for Volunteer Investment Grants. To implement a shift in fund sources from GF/GP to State restricted funds, increases were provided in several lines to offset General Fund reductions in Executive Order 2005-07 (described in Item B below). The Tax Tribunal operations line item was increased by \$306,900 and Code Enforcement and Fire Safety was increased by \$95,100. The appropriation for Employment Training Services was increased by \$105,100 to reflect Federal funds available for America's Career Resource Network, which assists high school students with career planning.

Gross	13,057,100
Federal	105,100
Restricted	12,702,000
GF/GP	250,000

Change From FY 2004-05 Initial Appropriation	
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3. Public Act 200 of 2005

An increase of \$3.7 million GF/GP revenue was provided for Fire Protection Grants. This increase will restore funding for this grant program to the FY 2001-02 level of \$7.4 million.

Gross	3,700,000
GF/GP	3,700,000

B. EXECUTIVE ORDERS

Executive Order 2005-7

Administrative savings of (\$649,700) GF/GP were achieved by the following line item reductions: Policy Development (\$4,700); Commission for the Blind (\$50,000); Administrative Services (\$40,000); Employment Training Services (\$135,000); Michigan Career and Technical Institute (\$20,000); Job Training Program Subgrantees (\$10,000); Economic Development Job Training Grants (\$250,000); and Job Creation Services (\$140,000). The Executive Order also made General Fund reductions of (\$306,900) in Tax Tribunal Operations and (\$95,100) Code Enforcement and Fire Safety that were offset by restricted fund increases in Public Act 11 of 2005.

Gross	(1,051,700)
GF/GP	(1,051,700)

C. TRANSFERS

1. State Budget Office Letter 5-05-05

a. Rent. The transfer of \$17,400 adjusted Federal fund sources in this rent line item.

Gross	0
GF/GP	0

b. Building Occupancy Charges. The transfer moved \$10,000 between Federal fund sources.

Gross	0
GF/GP	0

2. State Budget Office Letter 9-20-05

The legislative transfers moved \$46,700 of restricted funds from the line item for administration of the Michigan Broadband Development Authority to the individual line items for each position in the Authority to reflect the actual costs of each employee.

Gross	0
GF/GP	0

3. State Budget Office Letter 11-2-05

A transfer of \$12,600 from the line item for Worker's Compensation administration to the line item for Employment Services shifted State restricted funds to a line where they could be used to match additional Federal revenue. A related transfer of \$12,600 shifted other available Federal funds from Employment Services to Worker's Compensation administration to restore an amount equal to the funds transferred out.

Gross	0
GF/GP	0

LEGISLATURE

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	N/A	N/A
Gross	126,731,900	126,731,900
IDG	1,801,500	1,801,500
Federal	0	0
Local	0	0
Private	400,000	400,000
Restricted	2,356,500	2,356,500
GF/GP	122,173,900	122,173,900
<hr/> Change From FY 2004-05 Initial Appropriation <hr/>		

- A. SUPPLEMENTAL APPROPRIATIONS – NONE**
- B. EXECUTIVE ORDERS - NONE**
- C. TRANSFERS - NONE**

DEPARTMENT OF MANAGEMENT AND BUDGET

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	725.0	725.0
Gross	213,410,100	213,367,200
IDG	143,075,200	143,303,300
Federal	444,600	444,600
Local	0	0
Private	0	0
Restricted	33,206,100	33,878,700
GF/GP	36,684,200	35,740,600
<hr/> Change From FY 2004-05 Initial Appropriation <hr/>		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

- a. Building Operation Services.** The supplemental increased the line item for building operation services to reflect the lease of space in the One Division Building (Grand Rapids) to the Bankruptcy Court.
- b. Litigation Payments.** The supplemental included funding to pay settlement costs in Stetzer, et al. v. Department of Attorney General. The case involved a contract dispute regarding expert witness services provided for the "stray voltage" case filed against Consumers Energy in 1998.

Gross	201,500
IDG	201,500
GF/GP	0
Gross	735,000
GF/GP	735,000

2. Public Act 109 of 2005

- a. Michigan State Fair.** Public Act 353 of 2004 moved the administration of the Michigan State Fair from the Department of Agriculture to the Department of Management and Budget effective March 1, 2005. Additional revenue was available for costs related to the State Fair due to conservative revenue estimates and revenue from non-Fair events. The initial FY 2004-05 appropriation for the State Fair in the Department of Agriculture budget was \$5,486,100.

Gross	587,400
Restricted	587,400
GF/GP	0

Change From FY 2004-05 Initial Appropriation	
Gross	111,800
IDG	26,600
Restricted	85,200
GF/GP	0

- b. Section 203.** Section 203 of Public Act 109 provided that, in addition to the line item amounts appropriated in Part 1 of the supplemental appropriation, there was appropriated to the Departments of Agriculture, Attorney General, Community Health, Environmental Quality, Labor and Economic Growth, Management and Budget, Military and Veterans Affairs, State, State Police, Transportation, and Treasury and the Michigan Strategic Fund from Federal and State restricted revenue sources an amount equal to FY 2003-04 salaries, wages, and fringe benefits charged to FY 2004-05 and financed from Federal and State restricted revenue sources. The amounts appropriated under Section 203 could not exceed the Federal and State restricted appropriations lapses at September 30, 2004, and the available Federal and State restricted revenue in excess of appropriated amounts for FY 2004-05.

B. EXECUTIVE ORDERS

Executive Order 2005-7

The Executive Order included reductions totaling \$1,678,600 to the following line items:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| 1. Administrative Services. Savings resulted from administrative efficiencies. | Gross (45,000)
GF/GP (45,000) |
| 2. Budget and Financial Management. Savings resulted from maintaining vacancies. | Gross (508,000)
GF/GP (508,000) |
| 3. Office of the State Employer. Savings resulted from administrative efficiencies. | Gross (52,700)
GF/GP (52,700) |
| 4. Information Technology Services and Projects. Reductions to this line item were achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. The Department of Management and Budget (DMB) reduction also includes savings from postponing application development. | Gross (1,072,900)
GF/GP (1,072,900) |
| 5. Other Items. The Executive Order (EO) included language that resulted in \$7,938,700 in General Fund lapses for all State departments in FY 2004-05. The reduction did the following: | |
| a. Required the DMB to reduce building occupancy General Fund expenditures by \$211,500 and reduce procurement card restricted fund expenditures by \$370,000. | |

**Change From FY 2004-05
Initial Appropriation**

- b. Required the DMB (pursuant to State Employer and Union agreement) to reduce the Child Care Information and Referral Services fund balance to \$0 by depositing \$1,254,400 in the State General Fund and returning \$1,265,500 of State Restricted and Federal funds to State agencies.
- c. Required the DMB (pursuant to State Employer and Union agreement) to reduce the UAW Severance Pay fund balance to \$0 by depositing the unspent portion of \$1,102,800 in the State General Fund and returning the unspent portion of \$1,404,700 of State Restricted and Federal funds to State agencies.
- d. Required the DMB to reduce statewide contractual General Fund expenditures by \$5.0 million.

C. TRANSFERS

State Budget Office Letter 09-20-05

Retirement Services. This administrative transfer of \$510,000 between funding sources (from Deferred Compensation to Pension Trust Funds) reflected the actual allocation of costs to support the Retirement Services line item in FY 2004-05. The new payroll and reporting system required temporary additional staff for testing.

Gross	0
Restricted	0
GF/GP	0

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The initial appropriation was contained in Public Act 341 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	1016.0	1016.0
Gross	110,713,400	116,952,500
IDG	1,042,500	1,642,500
Federal	45,418,100	51,061,300
Local	0	0
Private	1,282,300	1,282,300
Restricted	25,599,800	26,309,800
GF/GP	37,370,700	36,656,600
Change From FY 2004-05 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

- a. Military Family Relief Fund.** Public Act 11 provided for the first authorization for expenditure of funds generated by income tax form check-off contributions created by Public Acts 363 and 364 of 2004 to assist military families in need.
- b. Federal Funds.** Public Act 11 provided for receipt of \$600,000 in Federal Homeland Security grant money via an interdepartmental grant from the Department of State Police and \$2.0 million in Federal National Guard funds to support Military Training Sites and Support Facilities.
- c. State Active Duty.** Public Act 11 included additional funds from the Mackinac Bridge Authority to pay for increased guard-provided security for the annual bridge walk.

Gross	500,000
Restricted	500,000
GF/GP	0
Gross	2,600,000
IDG	600,000
Federal	2,000,000
GF/GP	0
Gross	15,000
Restricted	15,000
GF/GP	0

2. Public Act 109 of 2005

- a. State Support for Hurricane Katrina Disaster.** Public Act 109 provided authorization for Federal reimbursement for State efforts to assist the emergency response to hurricane Katrina.

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

Change From FY 2004-05 Initial Appropriation	
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b. Grand Rapids Veterans Home. Public Act 109 provided additional operating authorization for the Grand Rapids Veterans Home (\$326,600 from the Federal Veterans Administration and \$109,700 from Medicaid).

Gross	463,300
Federal	463,300
GF/GP	0

c. Boilerplate Appropriations. In addition, according to the provisions contained within boilerplate Section 203 of the Act, certain additional appropriations were made from Federal and State Restricted sources in an amount equal to FY 2003-04 salaries, wages, and fringe benefits charged to FY 2004-05 and financed from Federal and State Restricted sources. This provision resulted in additional appropriations to the Grand Rapids Veterans Home \$281,300 (\$130,900 Federal, \$150,400 Restricted); to the D.J. Jacobetti Veterans Home \$81,800 (\$37,200 Federal, \$44,600 Restricted); \$23,500 in Federal funds for Headquarters and Armories; and \$18,300 in Federal funds for Military Training Sites and Support Facilities.

Gross	404,900
Federal	209,900
Restricted	195,000
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2005-7

Administrative Reductions. Executive Order 2005-7 ordered administrative reductions in Headquarters and Armories (\$185,000), Military Training Sites and Support Facilities (\$516,500), and Information Technology Services and Projects (\$12,600).

Gross	(714,100)
GF/GP	(714,100)

C. TRANSFERS

1. State Budget Office Letter 5-5-05

Increase in Federal Revenue. The transfer shifted \$800,000 in unneeded Federal fund spending authority from Special Maintenance - Federal to Headquarters and Armories for operating costs and another \$164,000 to the educational program Starbase to reflect added operating costs.

Gross	0
GF/GP	0

2. State Budget Office Letter 9-20-05

a. Military Retirement. The transfer shifted available GF/GP funds from Military Training Sites and Support Facilities (\$125,000) and from Unclassified Military Personnel (\$10,000) to Military Retirement to pay for higher-than-anticipated costs.

Gross	0
GF/GP	0

b. Starbase Grant. The transfer moved available Federal funds (\$100,000) from Special Maintenance - Federal to the Starbase Grant to cover additional curriculum costs.

Gross	0
GF/GP	0

Change From FY 2004-05 Initial Appropriation	
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3. State Budget Office Letter 11-2-05

- a. Headquarters and Armories.** The transfer shifted available GF/GP funding of \$100,000 from Departmentwide Accounts to Headquarters and Armories in order to maximize Federal reimbursements for utility and maintenance expenditures.
- b. Additional Federal Authorization.** The transfer moved available Federal funds of \$100,000 from Headquarters and Armories and \$300,000 from Departmentwide Accounts to Military Training Sites and Support Facilities for higher-than-anticipated fuel, utility, and maintenance costs.

Gross	0
GF/GP	0
Gross	0
GF/GP	0

DEPARTMENT OF NATURAL RESOURCES

The initial appropriation was contained in Public Act 347 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	2,064.5	2,070.5
Gross	264,335,400	269,021,100
IDG	3,528,700	3,528,700
Federal	37,195,200	40,009,200
Local	0	0
Private	2,024,300	2,024,300
Restricted	192,702,200	194,957,200
GF/GP	28,885,000	28,501,700
<hr/> Change From FY 2004-05 Initial Appropriation <hr/>		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

a. Fish Production. Federal Dingell-Johnson funds were provided for fish rearing and planning activities at the State fish hatcheries. Of the total, \$100,000 was designated for improvements at the Oden fish hatchery, including the interpretive center, road signs, the pump system, and a nature trail.	Gross Federal GF/GP	300,000 300,000 0
b. Wildlife Management. Federal funds were passed through the State to local land conservancies for the purchase of four land parcels.	Gross Federal GF/GP	2,514,000 2,514,000 0
c. Forest Certification. In order to complete preliminary activities and auditing in preparation for implementation of the forest certification process beginning in 2006, additional forester positions and funding from the Forest Development Fund were provided for strategic planning and coordination with the forest habitat program.	FTE Gross Restricted GF/GP	6.0 650,000 650,000 0
d. Menominee Harbor. A new harbor in Menominee was provided with one-time funding from the Michigan State Waterways Fund for development activities.	Gross Restricted GF/GP	130,000 130,000 0

Change From FY 2004-05 Initial Appropriation	
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2. Public Act 109 of 2005

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|------------|---------|-------|---|
| <p>a. Forest and Timber Treatments. Funding from the Forest Development Fund was used to hire four additional foresters, of whom two will increase the marking of timber for harvest and two will address inaccessible roads, old growth areas, and other limiting factors to harvesting timber on State forest lands.</p> | <table border="0"> <tr><td>Gross</td><td style="text-align: right;">350,000</td></tr> <tr><td>Restricted</td><td style="text-align: right;">350,000</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">0</td></tr> </table> | Gross | 350,000 | Restricted | 350,000 | GF/GP | 0 |
| Gross | 350,000 | | | | | | |
| Restricted | 350,000 | | | | | | |
| GF/GP | 0 | | | | | | |
| <p>b. Forest Fire Suppression. The summer of 2005 was unusually dry in the State forests and efforts to extinguish forest fires required significantly more resources than originally estimated. There were increased overtime charges and travel expenses assessed to the Forest Development Fund to meet the critical fire-fighting needs.</p> | <table border="0"> <tr><td>Gross</td><td style="text-align: right;">750,000</td></tr> <tr><td>Restricted</td><td style="text-align: right;">750,000</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">0</td></tr> </table> | Gross | 750,000 | Restricted | 750,000 | GF/GP | 0 |
| Gross | 750,000 | | | | | | |
| Restricted | 750,000 | | | | | | |
| GF/GP | 0 | | | | | | |

3. Public Act 297 of 2005

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|------------|---------|-------|---|
| <p>a. Purchased Land Payments In Lieu of Taxes. Statutory changes to the timing of county tax assessments and the distribution of county revenue sharing payments resulted in a two-year loss of revenue for 20 counties whose fiscal years end on September 30. Excess appropriations of \$340,000 were moved from the purchased land line item to a new line for special payments to counties to compensate for the loss of revenue. The payments will be divided between fiscal years 2004-05 and 2005-06, with \$170,000 paid in each fiscal year.</p> | <table border="0"> <tr><td>Gross</td><td style="text-align: right;">0</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">0</td></tr> </table> | Gross | 0 | GF/GP | 0 | | |
| Gross | 0 | | | | | | |
| GF/GP | 0 | | | | | | |
| <p>b. State Parks Court Settlement. A court settlement from an incident at Island Lake State Park resulted in the State paying \$1,750,000 to the party involved. Of the amount, \$1.0 million was paid from insurance, \$375,000 with General Fund appropriations available in the purchased land payments in lieu of taxes line item, and \$375,000 from the Park Improvement Fund, which was included in this supplemental appropriations bill.</p> | <table border="0"> <tr><td>Gross</td><td style="text-align: right;">375,000</td></tr> <tr><td>Restricted</td><td style="text-align: right;">375,000</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">0</td></tr> </table> | Gross | 375,000 | Restricted | 375,000 | GF/GP | 0 |
| Gross | 375,000 | | | | | | |
| Restricted | 375,000 | | | | | | |
| GF/GP | 0 | | | | | | |

B. EXECUTIVE ORDERS

Executive Order 2005-7

1. General Law Enforcement

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----------|-------|-----------|
| <p>The Executive Order reduced General Fund support for conservation officers. The Department accommodated the reduction by limiting the officers to enforcing State game, fish, and recreation laws and addressing other law violations only in limited circumstances.</p> | <table border="0"> <tr><td>Gross</td><td style="text-align: right;">(308,100)</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">(308,100)</td></tr> </table> | Gross | (308,100) | GF/GP | (308,100) |
| Gross | (308,100) | | | | |
| GF/GP | (308,100) | | | | |

Change From FY 2004-05 Initial Appropriation	
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2. Commercial Forest Reserves

At the time the Executive Order was issued, these annual payments had already been distributed. The Executive Order removed the excess appropriation that would lapse to the General Fund at the end of the year.

Gross	(29,100)
GF/GP	(29,100)

3. Information Technology

All State departments were subject to a reduction in General Fund support for information technology services. This reduction represents 3.5% of the original General Fund provided for this function.

Gross	(46,100)
GF/GP	(46,100)

C. TRANSFERS

1. State Budget Office Letter 5-5-05

a. Chronic Wasting Disease. Additional Federal grant funding of \$89,300 for chronic wasting disease testing was received.

Gross	0
GF/GP	0

b. Law Enforcement Travel. In the FY 2004-05 Department of Natural Resources (DNR) budget, travel expenses for each division were unrolled into a separate line item. The amounts included were estimates based on expenses in prior years. Due to reductions in the number of conservation and field officers, the individual officers were traveling further to cover larger areas. The transfer moved \$200,000 within the Law Enforcement Division to reflect actual expenditures in FY 2004-05.

Gross	0
GF/GP	0

c. Cooperative Resource Programs. The transfer allowed the DNR to spend additional Federal grant money of \$100,000 received for State activities within the Forest Legacy Program. The Forest Legacy Program is a joint program with the U.S. Forest Service. Its goal is to keep private or environmentally sensitive forest lands from being used for nonforest uses, primarily by purchasing conservation easements.

Gross	0
GF/GP	0

d. Forest Stewardship Grants. The transfer allowed the DNR to spend additional Federal grant money of \$500,000 received for grants within the Forest Legacy Program (described in Item C, 1, c above).

Gross	0
GF/GP	0

		Change From FY 2004-05 Initial Appropriation	
2. State Budget Office Letter 9-20-05			
a. Island Lake Shooting Sheds.	The DNR installed shooting sheds at the Island Lake Shooting Range to address noise concerns. Excess Federal dollars from hunter education programs were used to reimburse the State's Game and Fish Protection Fund for the \$125,000 expense of the shooting sheds.	Gross	0
		GF/GP	0
b. Forestry and Mineral Management Travel.	Due to dry weather conditions in the spring and summer of 2005, it was an especially busy fire season, necessitating increased travel expenses for fire-fighting. In addition, activities related to initial forest certification required more travel than anticipated. The forest certification process is expected to be complete in January 2006. Funding of \$110,000 from the Forest Development Fund was transferred to travel expenditures.	Gross	0
		GF/GP	0
c. Executive Travel.	The FY 2004-05 budget for the DNR moved travel expenses out of program line items and into a separate travel line for each division. The amounts included in the budget were estimates based on expenses in prior years. This transfer adjusted appropriations of \$45,000 to reflect actual expenditures in FY 2004-05.	Gross	0
		GF/GP	0
3. State Budget Office Letter 11-2-05			
a. Property Sale Preparation.	To prepare tax-reverted property in Wayne County for sale, the Department contracted with the Wayne County Sheriff's Department for visual inspection of the parcels, address verification, public notices, and photographs of the parcels. The contract covered 6,000 parcels at \$17 each. This transfer made \$102,000 available to pay for the completed work.	Gross	0
		GF/GP	0
b. Novi Office Space.	In April 2005, the Department moved from office space in Livonia to Novi. The Novi location is privately owned and an increase of \$12,000 in the appropriation for rent was necessary for the Department to meet its obligations.	Gross	0
		GF/GP	0
c. Travel Adjustments.	The FY 2004-05 budget for the DNR moved travel expenses out of program line items and into a separate travel line for each division. The amounts included in the budget were estimates based on expenses in prior years. The transfers adjusted appropriations to reflect actual expenditures in FY 2004-05.	Gross	0
		GF/GP	0

NATURAL RESOURCES TRUST FUND

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
	N/A	N/A
Gross		32,184,000
IDG		0
Federal		0
Local		0
Private		0
Restricted		32,184,000
GF/GP		0
Change From FY 2004-05 Initial Appropriation		

The appropriations for the Michigan Natural Resources Trust Fund projects for FY 2004-05 are contained in Public Act 11 of 2005.

FTE
Gross
IDG
Federal
Local
Private
Restricted
GF/GP

A. INITIAL APPROPRIATIONS

Public Act 11 of 2005

The Act provided funding from the Michigan Natural Resources Trust Fund for 15 acquisitions and 26 development projects.

Gross 32,184,000
Restricted 32,184,000
GF/GP 0

SCHOOL AID

The initial appropriation was contained in Public Act 351 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	0.0	0.0
Gross	12,527,440,100	12,467,062,300
IDG	0	0
Federal	1,353,540,100	1,353,540,100
Local	0	0
Private	0	0
Restricted	11,008,700,000	10,948,322,200
GF/GP	165,200,000	165,200,000
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	Change From FY 2004-05 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 518 of 2004

Fund Source Shift. This supplemental appropriation added \$99.5 million in GF/GP revenue to support the K-12 budget due to insufficient School Aid Fund (SAF) revenue as determined at the December 2004 Consensus Revenue Estimating Conference. Conversely, the SAF source was reduced to reflect the lower-than-anticipated revenue, thus resulting in a net change of zero in the gross appropriation.

Gross	0
Restricted	(99,500,000)
GF/GP	99,500,000

2. Public Act 98 of 2005

Line Item Expenditure Changes. This supplemental appropriation added \$39.1 million in SAF revenue to help balance the FY 2004-05 budget. It was determined at the January 2005 Consensus Revenue Estimating Conference that the fund shift that occurred in Public Act 518 (explained in Item A, 1 above) was unnecessary as SAF revenue came in higher than anticipated at the December 2004 Consensus Revenue Estimating Conference. The \$99.5 million in GF/GP support that was added as a result of the fund shift in Public Act 518 was negated by Executive Order 2005-07 (explained in Item B below); however, there was no corresponding funding increase in school aid revenue to offset the General Fund reduction.

Gross	39,122,200
Restricted	39,122,200
GF/GP	0

**Change From FY 2004-05
Initial Appropriation**

This supplemental increased SAF revenue by \$39.1 million and made changes to appropriations that netted to a reduction of \$60.4 million in SAF revenue to offset the elimination of the \$99.5 million in General Fund revenue. These changes in line items are as follows:

- a. **Proposal A Obligation Payment.** The appropriation was reduced by \$63,977,800 (SAF) to reflect changes in taxable values and pupil membership blends.
- b. **Discretionary Payment.** The appropriation was increased by \$12.9 million (SAF) to reflect changes in taxable values and pupil membership blends.
- c. **School Bond Redemption Fund.** A fund shift of \$41.1 million from GF/GP to the SAF was made to incorporate the restructuring of the School Bond Loan Fund by creating a revolving loan fund starting in FY 2004-05. A payment of \$41.1 million was made in FY 2004-05 from the new revolving fund, thus reducing that amount from the General Fund in school aid. This fund shift was a net zero change in the gross appropriation.
- d. **Special Education Funding.** The appropriation was reduced by \$9.3 million (SAF) to reflect a reduction in special education costs from previous estimates.

B. EXECUTIVE ORDERS

Executive Order 2005-07

General Fund Reduction. Following the fund source shift in Public Act 518 (noted above) that added \$99.5 million in GF/GP revenue, it was determined at the January 2005 Consensus Revenue Estimating Conference that SAF revenue had actually increased from the estimate presented at the December 2004 Consensus Revenue Estimating Conference. Coupled with the appropriation changes subsequently made in Public Act 98 (described in Item A, 1 above), the additional General Fund revenue was not necessary. This Executive Order reduced the additional General Fund revenue in the School Aid budget, returning the GF/GP appropriation to the original amount of \$165.2 million for FY 2004-05.

Gross	(99,500,000)
Restricted	0
GF/GP	(99,500,000)

C. TRANSFERS

1. State Budget Office Letter 10-28-05

Court Settlements – Benton Harbor. An administrative transfer of \$1.7 million was approved to provide funds to the Benton Harbor School District under the court-ordered desegregation plan.

Gross	0
GF/GP	0

2. **State Budget Office Letter 11-02-05**

a. **School Breakfast Program.** A transfer totaling \$265,300 was approved to ensure full funding of the School Breakfast Program. Excess school lunch funds (due to lower-than-anticipated costs) were transferred to this line item.

b. **Special Education Foundation Allowances.** A transfer totaling nearly \$4.4 million was approved to fully fund foundation allowance payments related to special education pupils. Available funds used for this transfer came from several line items that were in excess of the dollars needed to make those specific payments and otherwise would have lapsed to the School Aid Fund.

Change From FY 2004-05 Initial Appropriation	
Gross	0
GF/GP	0
Gross	0
GF/GP	0

DEPARTMENT OF STATE

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	1,851.8	1,851.8
Gross	187,179,500	223,757,100
IDG	20,000,000	20,000,000
Federal	1,391,000	36,202,000
Local	0	0
Private	100	100
Restricted	141,878,500	152,363,500
GF/GP	23,909,900	15,191,500
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Change From FY 2004-05 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

- a. Branch Operations.** The supplemental replaced the \$10.0 million General Fund reduction included in Executive Order 2005-7 by increasing support from the Transportation Administration Collection Fund (TACF) by \$10.0 million. Revenue previously deposited in the TACF was not sufficient to support this funding shift. Amendments to the Michigan Vehicle Code were necessary to enact the Governor's proposed redirection of certain fees from the Michigan Transportation Fund to the TACF. The fees include vehicle transfer fees and duplicate certificate of title fees.
- b. Central Records.** The supplemental appropriated Federal funding related to the Federal Motor Carrier Safety Improvement Act. The Act requires improvements to licensing standards and enforcement for commercial driver licenses.
- c. Help America Vote Act.** The supplemental included Federal funding from the U.S. Department of Health and Human Services (HHS) to assist local units of government in making polling places more accessible, provide disabled individuals with information regarding accessibility, and train poll workers on accessibility issues. Michigan received HHS grants totaling \$696,500 in previous fiscal years.

Gross	10,000,000
Restricted	10,000,000
GF/GP	0
Gross	850,000
Federal	850,000
GF/GP	0
Gross	300,000
Federal	300,000
GF/GP	0

**Change From FY 2004-05
Initial Appropriation**

2. Public Act 109 of 2005

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------|
| <p>a. Help America Vote Act. The supplemental included Federal funding related to the Help America Vote Act of 2002. The funding will be used for compliance with Federal mandates regarding replacing outdated voting equipment, access for voters with disabilities, and access for those living outside the United States, including military personnel. A 5% State match is required for receipt of the Federal funds.</p> | <p>Gross</p> <p>Federal</p> <p>GF/GP</p> | <p>35,552,000</p> <p>33,661,000</p> <p>1,891,000</p> |
| <p>b. Section 203. Section 203 of Public Act 109 provided that in addition to the line item amounts appropriated in Part 1 of the supplemental appropriation, there was appropriated to the Departments of Agriculture, Attorney General, Community Health, Environmental Quality, Labor and Economic Growth, Management and Budget, Military and Veterans Affairs, State, State Police, Transportation, and Treasury and the Michigan Strategic Fund from Federal and State restricted revenue sources an amount equal to FY 2003-04 salaries, wages, and fringe benefits charged to FY 2004-05 and financed from Federal and State restricted revenue sources. The amounts appropriated under Section 203 could not exceed the Federal and State restricted appropriations lapses at September 30, 2004, and the available Federal and State restricted revenue in excess of appropriated amounts for FY 2004-05. The funding source for this appropriation for the Department of State was the Transportation Administration Collection Fund.</p> | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>485,000</p> <p>485,000</p> <p>0</p> |

B. EXECUTIVE ORDERS

Executive Order 2005-7

The Executive Order included reductions totaling \$10,609,400 to the following line items:

- | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------|
| <p>1. Operations (Regulatory). This item funds the Bureau of Driver Safety, the Bureau of Legal Services, and the Bureau of Automotive Regulation.</p> | <p>Gross</p> <p>GF/GP</p> | <p>(10,000)</p> <p>(10,000)</p> |
| <p>2. Branch Operations. This item funds the operation of branch offices. Of this amount, \$10.0 million was offset by increased support from the Transportation Administration Collection Fund. This was accomplished by redirecting revenue previously deposited in the Michigan Transportation Fund to the TACF.</p> | <p>Gross</p> <p>GF/GP</p> | <p>(10,412,000)</p> <p>(10,412,000)</p> |
| <p>3. Central Records. This item funds the record-keeping activities of the Department of State (driver records, vehicle records, financing statements, Uniform Commercial Code responsibilities, and the Office of the Great Seal).</p> | <p>Gross</p> <p>GF/GP</p> | <p>(12,200)</p> <p>(12,200)</p> |

		Change From FY 2004-05 Initial Appropriation	
4. Customer Services Administration. This item supports various functions that are not performed by the branch offices.	Gross	(25,400)	
	GF/GP	(25,400)	
5. Building Occupancy Charges/Rent. This item was reduced based on efficiencies achieved by all State departments.	Gross	(74,200)	
	GF/GP	(74,200)	
6. Worker's Compensation. This item is based on projected premium costs.	Gross	(6,200)	
	GF/GP	(6,200)	
7. Information Technology Services and Projects. Reductions to this line item were achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions.	Gross	(69,400)	
	GF/GP	(69,400)	
C. TRANSFERS			
1. State Budget Office Letter 09-20-05			
a. Branch Operations. The transfer of \$1.5 million to Branch Operations (\$750,000 from Department Services Operations and \$750,000 from Regulatory Services Operations) reflected adjustments necessary based on actual savings related to employee concessions, which were less than projected amounts. Available funding in Department Services and Regulatory Services was the result of holding vacant positions due to pending budget reductions and revenue shortfalls.	Gross	0	
	Restricted	0	
	GF/GP	0	
b. Fees to Local Units. The fees to local units appropriation line item funds reimbursement to county clerks for processing voter registration forms. The reimbursement rate is \$0.16 per form. The transfer of \$30,000 from the Qualified Voter File line item to the Fees to Local Units line item reflected funding required based on the number of forms processed. The transfer increased the appropriation from \$69,800 to \$99,800. A sufficient balance was available in the Qualified Voter File line item to fund the transfer.	Gross	0	
	GF/GP	0	
2. State Budget Office Letter 10-28-05			
Administrative Transfer. This decreased Transportation Administration Collection Fund revenue by \$2.0 million and increased Look-up Fee revenue by \$2.0 million based on available revenue to support the Regulatory Services appropriation for the Department of State.	Gross	0	
	Restricted	0	
	GF/GP	0	

DEPARTMENT OF STATE POLICE

The initial appropriation was contained in Public Act 348 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	2,948.0	2,959.0
Gross	475,845,900	488,223,700
IDG	19,916,800	19,882,800
Federal	106,255,100	112,110,400
Local	4,681,100	5,243,700
Private	10,700	87,700
Restricted	100,602,000	104,524,500
GF/GP	244,380,200	246,374,600
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	Change From FY 2004-05 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

a. Additional Restricted Revenue. Public Act 11 provided authority to spend additional realized restricted revenue for Auto Theft Prevention (\$1,165,000 in insurance fees), Criminal Justice Information Center Division (\$500,000 from sex offender fees), DNA Analysis (\$225,000 in lab fees), At-Post Troopers (\$387,000 in highway safety funds), Information Technology and Services and Projects (\$562,600 in LEIN fees and \$741,500 from property sale revenue).	Gross Local Restricted GF/GP	3,581,100 562,600 3,018,500 0
b. Federal Funds. Public Act 11 provided authority to spend additional Federal funds that have become available, including \$200,000 for Management Service in Federal transportation funds and \$980,000 for Communications from the U.S. Department of Homeland Security.	Gross Federal GF/GP	1,180,000 1,180,000 0
c. Donated Funds. Public Act 11 provided authority to spend \$77,000 in donated funds for the canine unit of the Operational Support Division.	Gross Private GF/GP	77,000 77,000 0

**Change From FY 2004-05
Initial Appropriation**

2. Public Act 109 of 2005

a. Motor Carrier. Public Act 109 provided additional Federal transportation funds of \$527,700 for Motor Carrier Division safety projects.	Gross Federal GF/GP	527,700 527,700 0
b. State Support for Hurricane Katrina Disaster. Public Act 109 provided authorization to the Emergency Management Division for Federal reimbursement for State efforts to assist the emergency response to hurricane Katrina.	Gross Federal GF/GP	3,000,000 3,000,000 0
c. Traffic Services. Public Act 109 provided additional operational support for the Traffic Services Division from Federal transportation funds (\$1,147,600) and the Drunk Driving Prevention and Training Fund (\$120,000).	Gross Federal Restricted GF/GP	1,267,600 1,147,600 120,000 0
d. Criminal Justice Information. Public Act 109 provided spending authorization for additional realized revenue from Criminal Justice Information Center service fees for center operations.	Gross Restricted GF/GP	750,000 750,000 0
e. Body Armor. Public Act 109 provided GF/GP funding for replacement of body armor that was found faulty by the Department.	Gross GF/GP	299,400 299,400

3. Public Act 200 of 2005

a. Restoration of Programs Reduced or Eliminated in the Original FY 2005-06 Budget Bill. Public Act 200 provided GF/GP funds identified as work project funding for use by programs in FY 2005-06, including \$1.9 million for Justice Training Grants, 11.0 FTEs and \$1.2 million for Fire Investigation, and \$1,050,000 for the continued funding of the Grand Haven, Iron River, and Groveland Township State Police posts.	FTE Gross GF/GP	11.0 4,150,000 4,150,000
b. Public Safety Reimbursement Grants. Public Act 200 provided public safety grants to counties for costs related to the 2005 Major League All-Star Game and the 2006 Super Bowl XL.	Gross GF/GP	1,000,000 1,000,000

**Change From FY 2004-05
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2005-7

Administrative Reductions. Executive Order 2005-7 ordered GF/GP administrative reductions in Human Resources (\$64,800), Criminal Justice Information Center Division (\$63,200), DNA Analysis Program (\$225,000 - later restored with restricted revenue by Public Act 11 of 2005), Uniform Services (\$555,000), At-Post Troopers (\$387,000 - later restored with restricted revenue in Public Act 11 of 2005), Criminal Investigations (\$1,493,000), and Information Technology Services and Projects (\$541,200).

Gross	(3,455,000)
GF/GP	(3,455,000)

C. TRANSFERS

1. State Budget Office Letter 9-20-05

a. Disaster Assistance Matching Funds. In order to provide the Emergency Management Division with sufficient GF/GP funding (\$163,900) to provide needed matching funds for Federal dollars in support of recoveries from a May 2004 flood, available GF/GP support was transferred from Unclassified Positions (\$17,700), Highway Safety Planning (\$50,500), Officer's Survivor Tuition Program (\$12,800), and Criminal Investigations (\$82,900).

Gross	0
GF/GP	0

b. Rent and Building Occupancy. The transfer was to prevent a shortfall in rent funding by shifting to the rent line available GF/GP funding of \$208,600 from Traffic Services (\$64,800), Criminal Investigations (\$127,100), and Traffic Safety (\$16,700).

Gross	0
GF/GP	0

c. Accounts Receivable. The transfer was made to shift available GF/GP funds of \$16,300 from Highway Safety Planning to Accounts Receivable Write-off to balance the books by adjusting for unrealized assumed revenue.

Gross	0
GF/GP	0

2. State Budget Office Letter 9-20-05

Uniform Services. The administrative transfer moved authorization of \$550,000 from the Law Enforcement and Safety Fund to the Highway Safety Fund line within the At-Post Trooper appropriation deduct to adjust for actual revenue received.

Gross	0
GF/GP	0

3. State Budget Office Letter 10-28-05

Adjustments to Reflect Actual Revenue. The administrative transfer shifted authorization for Training Academy revenue (\$34,000) to Criminal Justice Training Center Service Fees under Rent and Building Occupancy Charges and shifted \$250,000 in authority from the Sex Offender Registration Fund to Criminal Justice Information Center Service Fees to reflect actual revenue levels anticipated to be received.

Gross	0
GF/GP	0

**Change From FY 2004-05
Initial Appropriation**

4. State Budget Office Letter 11-2-05

Shortfall in Uniform Services. The transfer moved \$128,100 in available GF/GP support to cover a potential shortfall in Uniform Services due to a Department realignment from Worker's Compensation (\$31,200), Highway Safety Planning (\$21,900), and Traffic Safety (\$75,000).

Gross	0
GF/GP	0

DEPARTMENT OF TRANSPORTATION

The initial appropriation was contained in Public Act 361 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	3,031.3	3,031.3
Gross	3,279,058,100	3,274,196,400
Federal	1,132,701,200	1,132,701,200
Local	5,800,000	5,800,000
Restricted	2,140,556,900	2,135,695,200
GF/GP	0	0
Change From FY 2004-05 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 11 of 2005

a. Commission Audit. The supplemental included administrative reductions and efficiencies in travel, equipment, contracts, and vacancies.	Gross Restricted GF/GP	(167,900) (167,900) 0
b. Finance and Support Services. The supplemental included administrative reductions and efficiencies in travel, equipment, and contracts.	Gross Restricted GF/GP	(452,900) (452,900) 0
c. Planning Services. The supplemental included administrative reductions and efficiencies in overtime and vacancies.	Gross Restricted GF/GP	(202,500) (202,500) 0
d. Design and Engineering Services. The supplemental included administrative reductions and efficiencies in overtime and vacancies.	Gross Restricted GF/GP	(3,995,700) (3,995,700) 0
e. Aeronautics Services. The supplemental included administrative reductions and efficiencies from air fleet insurance costs.	Gross Restricted GF/GP	(50,000) (50,000) 0

**Change From FY 2004-05
Initial Appropriation**

2. Public Act 109 of 2005

This supplemental appropriated an additional \$7,300 in State restricted revenue to cover the split payroll obligations between FY 2003-04 and FY 2004-05.

Gross	7,300
Restricted	7,300
GF/GP	0

B. EXECUTIVE ORDERS – NONE

C. TRANSFERS

1. State Budget Office Letter 05-05-05

As a result of the "unrolling" of the Michigan Department of Transportation budget for FY 2004-05, internal transfers were needed to align spending plans within and across certain operating line items. This package contained a number of legislative transfers to adjust appropriation authorizations between the various cost centers (salaries and fringe benefits, travel, and other) for a number of operating line items. These adjustments had no net effect on the overall budget.

2. State Budget Office Letter 07-06-05

This transfer package included a single legislative transfer that was previously omitted from the package dated 05-05-05 and subsequently approved by the Senate and House of Representatives Appropriations Committees. This transfer moved budget authority among cost centers within a single line item to reflect spending plans accurately.

Gross	0
GF/GP	0

DEPARTMENT OF TREASURY - DEBT SERVICE

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
Gross	81,450,400	81,450,400
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	39,001,800	39,001,800
GF/GP	42,448,600	42,448,600
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	Change From FY 2004-05 Initial Appropriation	

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

State Budget Office Letter 12-01-04

Funding Sources. This administrative transfer reduced the Refined Petroleum Fund financing source for the Quality of Life Bond by \$4.2 million and increased the Cleanup and Redevelopment Fund financing source by the same amount to reflect appropriate charges to each fund.

Gross	0
Restricted	0
GF/GP	0

DEPARTMENT OF TREASURY - OPERATIONS

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	1,653.5	1653.5
Gross	367,000,200	365,158,500
IDG	13,172,800	13,172,800
Federal	34,681,800	34,681,800
Local	964,300	964,300
Private	0	0
Restricted	264,918,800	267,681,300
GF/GP	53,262,500	48,658,300
<hr/> Change From FY 2004-05 Initial Appropriation <hr/>		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 360 of 2004

State Sports Tourism. The supplemental included an appropriation for State Sports Tourism consistent with Public Act 386 of 2004. That Act amended the State Convention Facility Development Act to create the State Sports Tourism Fund and earmark a one-time appropriation of \$1,075,000 from the Convention Facility Development Fund to the State Sports Tourism Fund. Use of the State Sports Tourism Fund is limited to grants for Super Bowl XL Host Committee functions, or reimbursement to a county for not more than \$500,000 in contributions or grants already made to the Super Bowl XL Host Committee.

Gross	1,075,000
Restricted	1,075,000
GF/GP	0

2. Public Act 11 of 2005

a. Local Finance. This supplemental offset the \$143,200 reduction under Executive Order 2005-7 with available restricted revenue (Municipal Finance Fees).

Gross	143,200
Restricted	143,200
GF/GP	0

b. Human Resources Optimization User Charges. The supplemental offset the \$44,300 Executive Order reduction with available restricted revenue (Delinquent Property Tax Collection Revenue).

Gross	44,300
Restricted	44,300
GF/GP	0

Change From FY 2004-05 Initial Appropriation	
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c. **Unclaimed Property.** The supplemental included \$500,000 in escheats revenue to implement an unclaimed property enforcement audit program. According to the Department of Treasury, only 5,500 businesses out of over 200,000 registered businesses reported unclaimed property in 2003. The purpose of the audit program is to increase compliance.

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

d. **School Bond Loan Program Reform.** The Department of Treasury used \$1.0 million in school bond fees to update methodologies used to evaluate construction costs, building utilization, financial evaluation standards, and enrollment growth projections. The Department also used the funding to develop a web-based application process. These improvements are associated with reform to create a School Bond Loan Revolving Fund. The plan includes the Michigan Municipal Bond Authority capitalizing the School Bond Revolving Loan Fund from the sale of revenue bonds.

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

B. EXECUTIVE ORDERS

Executive Order 2005-7

The Executive Order included reductions totaling \$4,604,200 to the following line items:

1. **Worker's Compensation Insurance Premium.** This adjustment is based on projected premium costs.

Gross	(166,900)
GF/GP	(166,900)

2. **Local Finance.** This reduction is offset by \$143,200 in available Municipal Finance Fee revenue under the FY 2004-05 supplemental.

Gross	(143,200)
GF/GP	(143,200)

3. **Human Resources Optimization User Charges.** This reduction was offset by \$44,300 in Delinquent Property Tax Collection Revenue under the FY 2004-05 supplemental.

Gross	(44,300)
GF/GP	(44,300)

4. **Student Financial Assistance Programs.** This line item supports administration of the Michigan Education Trust, the Tuition Incentive Program, the Michigan Education Assistance Program, the Postsecondary Access Student Scholarship Program, the Higher Education Student Loan Authority, the Higher Education Assistance Authority, and the Michigan Guaranty Agency.

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

5. **Personal Property Tax Auditors.** The purpose of this appropriation was to fund State employees or contractors, under the Department of Treasury's supervision, to perform personal property tax audits. The Executive Order eliminated the program.

Gross	(3,500,000)
GF/GP	(3,500,000)

Change From FY 2004-05 Initial Appropriation	
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6. Information Technology Services and Projects. Reductions to this line item were achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. Savings will also be attained through the reduction of costs from the Master Contract by a reduction in equipment purchases.

Gross	(549,800)
GF/GP	(549,800)

7. Other Items. The Executive Order required the Department of Treasury to reduce contract collection costs by \$1.0 million and thereby increase collections revenue that will be deposited in the State General Fund. The annual appropriation bill authorized the Department of Treasury to contract with private agencies to collect taxes and other accounts due to the State (Section 903, Public Act 327 of 2004).

Gross	N/A
GF/GP	N/A

C. TRANSFERS

State Budget Office Letter 05-05-05

1. Principal Residence Audits. This transfer moved \$500,000 from Rent and Building Occupancy charges to Tax Processing because revenue from the Homestead Property Tax Exemption Audit Program was insufficient to cover the cost of the audits. There are 10.0 FTEs assigned to this program. Section 924 of Public Act 327 of 2004 authorized the Department of Treasury to receive and spend Homestead Property Tax Exemptions Audit Fund revenue for administration costs of the Program. To date, the audits have not generated sufficient funds to support administrative costs. In FY 2003-04, a \$600,000 transfer was approved to fund the Program.

Gross	0
Restricted	0
GF/GP	0

Funds were available to cover the transfer from the Rent and Building Occupancy Charges line item mainly due to the termination of two leases and building occupancy charges being lower than projected amounts.

2. Casino Gaming. Fringe benefits for the Executive Director of the Michigan Gaming Control Board are funded in the Office of the Director line item in the Department of Treasury. The appropriation did not reflect the actual costs. A transfer of \$13,000 from the Casino Gaming Control Administration line item was approved to fund actual costs.

Gross	0
Restricted	0
GF/GP	0

DEPARTMENT OF TREASURY - REVENUE SHARING

	FY 2004-05 Initial Appropriation	FY 2004-05 Year-End Appropriation
FTE	N/A	N/A
Gross	1,144,168,500	1,130,814,600
IDG	0	0
Federal	0	0
Local	17,868,500	17,868,500
Private	0	0
Restricted	1,126,300,000	1,112,946,100
GF/GP	442,300	895,300
	Change From FY 2004-05 Initial Appropriation	

The initial appropriation was contained in Public Act 327 of 2004. See the FY 2004-05 Appropriations Report Part II - Initial Appropriations published in October 2004 for a detailed description.

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 109 of 2005

Michigan statute allows local units to conduct a "special census" in years more than three years before or after a Federal decennial census. If the population of the local unit has grown 10.0% or more since the last Federal decennial census, the local unit is eligible to receive additional payments to supplement the regular revenue sharing payment. Public Act 109 provided \$453,000 in GF/GP revenue to fund special census payments to those local units eligible to receive payments during FY 2004-05.

Gross	453,000
GF/GP	453,000

B. EXECUTIVE ORDERS - NONE

C. TRANSFERS - NONE

D. OTHER ADJUSTMENTS

Revenue Adjustments

The initial revenue sharing appropriations were based on consensus sales tax estimates adopted at the May 2004 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 predicted in the May 2004 estimate and thus the full appropriation could not be supported. Actual restricted fund revenue sharing distributions totaled \$1,112,050,800 or \$14,249,200 less than initially appropriated.

Gross	(14,249,200)
Restricted	(14,249,200)



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RECURRING SENATE FISCAL AGENCY REPORTS

RECURRING SENATE FISCAL AGENCY REPORTS	
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Appropriations Report - Initial Appropriations	Produced Annually
Appropriations Report - Year-End Appropriations	Produced Annually
Estimated State Spending by County	Produced Annually
Status of Lawsuits Against the State	Produced Annually
Higher Education Appropriations Report	Produced Annually
Michigan's Economic Outlook and Budget Review	Produced Twice a Year
Monthly Revenue Report	Produced Monthly
Michigan Economic Indicators	Produced Monthly
State Notes: Topics of Legislative Interest	Produced Six Times a Year
U.S. and Michigan Motor Vehicle Statistical Report	Produced Annually