

FY 2003-04
APPROPRIATIONS REPORT
Part III - Year-End Appropriations

January 2005



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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.

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

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

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



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OVERVIEW

FY 2003-04 YEAR-END APPROPRIATIONS OVERVIEW

At the close of fiscal year (FY) 2003-04, the Michigan Legislature had approved and Governor Jennifer Granholm had signed into law FY 2003-04 Adjusted Gross appropriations that totaled \$39.1 billion. This represents an increase of \$469.8 million over the initial appropriations enacted at the beginning of the fiscal year. This report provides a summary of the changes in FY 2003-04 appropriations that occurred between the enactment of the initial set of appropriation bills and the final level of appropriations for the fiscal year. A detailed summary of the initial FY 2003-04 appropriations is contained in the Senate Fiscal Agency's (SFA's) *FY 2003-04 Appropriation Report: Part II, Initial Appropriations* published in September 2003.

The changes made to the initial set of FY 2003-04 appropriations included the enactment of ten separate supplemental appropriation bills, appropriation adjustments related to Executive Order 2003-23, a pro-rata reduction in K-12 School Aid appropriations, revenue reductions related to changes in the level of State revenue sharing payments paid to cities, villages, townships, and counties, and other minor revenue adjustments having an impact on appropriations. This SFA report discusses these adjustments in detail as they affect each appropriation bill. Finally, the report provides a brief summary of the final year-end balances in the FY 2003-04 General Fund/General Purpose (GF/GP) and the FY 2003-04 School Aid Fund budgets.

Table 1 provides a summary of the final FY 2003-04 appropriations by source of funds. Final Adjusted Gross appropriations totaled \$39.1 billion, which included \$12.4 billion of Federal funds, \$951.2 million of local and private funds, \$17.0 billion of State Restricted funds, and \$8.8 billion of GF/GP appropriations. Table 2 provides a summary of the year-end Adjusted Gross appropriations. The initial set of FY 2003-04 Adjusted Gross appropriations totaled \$38.6 billion, supplemental appropriations totaled \$994.5 million, Executive Order 2003-23 reductions and a K-12 School Aid pro-rata reduction totaled \$493.2 million, and revenue adjustments reduced appropriations by \$31.4 million. Table 3 provides a summary of the \$994.5 million of Adjusted Gross appropriations contained in the ten supplemental appropriation bills. Table 4 provides a summary of the \$362.1 million of appropriation reductions contained in Executive Order 2003-23 and a K-12 School Aid pro-rata reduction totaling \$131.1 million.

Table 5 provides a summary of the final level of State Spending from State Resources appropriations. The initial set of FY 2003-04 State Spending from State Resources appropriations totaled \$26.1 billion, supplemental appropriations totaled \$233.2 million, Executive Order 2003-23 reductions and a K-12 School Aid pro-rata reduction totaled \$474.2 million, and revenue adjustments reduced appropriations by \$31.1 million. Table 6 provides a summary of the \$233.2 million of State Spending from State Resources appropriations contained in the ten supplemental appropriation bills. Table 7 provides a summary of the \$343.1 million of appropriation reductions contained in Executive Order 2003-23 and a K-12 School Aid pro-rata reduction totaling \$131.1 million.

Table 8 provides a summary of the final level of GF/GP appropriations. The initial set of FY 2003-04 GF/GP appropriations totaled \$8.8 billion, supplemental appropriations totaled \$168.3 million, and Executive Order 2003-23 reduced appropriations by \$200.9 million. Table 9 provides a summary of the \$168.3 million of GF/GP appropriations contained in the ten supplemental appropriation bills. Table 10 provides a summary of the \$200.9 million of appropriation reductions contained in Executive Order 2003-23.

FY 2003-04 SUPPLEMENTAL APPROPRIATION BILLS

During FY 2003-04, the Legislature approved and the Governor signed into law ten supplemental appropriation bills. The following information provides a brief summary of each of these supplemental appropriation bills. A more detailed discussion of the items in these bills is contained in the departmental sections of this report.

Public Act 158 of 2003: The bill provided a net \$92.8 million reduction in Adjusted Gross appropriations for the K-12 School Aid budget. Adjustments in the bill included funding adjustments based on revised pupil counts, taxable value data, and special education costs. Funding for adult education, career preparation programs, and math and science centers was reduced and funding for the sixth grade school laptop computer program was increased.

Public Act 172 of 2003: The bill provided for \$6.5 million of Adjusted Gross appropriations for a variety of programs in the Family Independence Agency. This funding resulted from the State's receiving from the Federal government a refund of penalties paid by the State regarding the child support enforcement system.

Public Act 173 of 2003: The bill provided a \$520,000 Adjusted Gross appropriation in the Department of Environmental Quality for a water discharge program.

Public Act 236 of 2003: The bill adjusted appropriations for K-12 School Aid payments by increasing Adjusted Gross appropriations by \$2.7 million. Included in the bill was a fund source shift of \$43.0 million to offset a reduction in estimated State Restricted funding with an increase in the GF/GP grant to the School Aid Fund.

Public Act 237 of 2003: This comprehensive bill increased Adjusted Gross appropriations by \$327.2 million. The largest items in the bill included base funding increases for the State Medicaid program, debt service funding increases for State Building Authority bonds, significant funding increases in the Department of Treasury to increase compliance regarding the payment of delinquent State taxes, and funding increases for a variety of environmental cleanup programs, and an appropriation from the Merit Award Trust Fund to the State General Fund.

Public Act 185 of 2004: The bill provided a \$50.1 million fund shift in the K-12 School Aid budget. The bill increased the GF/GP grant to the School Aid Fund to offset a projected deficit in the School Aid Fund budget.

Public Act 309 of 2004: This comprehensive bill increased Adjusted Gross appropriations by \$780.6 million. The largest items in the bill included adjustments to cover State Medicaid funding shortfalls, Federal funds for the Emerald Ash Borer program in the Department of Agriculture, the food stamp program in the Family Independence Agency, and job training programs in the Department of Labor and Economic Growth. The bill also included the funding of State Natural Resources Trust Fund projects, Clean Michigan Initiative projects, and transportation funding for State and local bridge projects. The bill reduced GF/GP appropriations by

\$76.2 million as a result of reductions in State Building Authority debt service payments and fund shifts to restricted revenues in the State Medicaid program and the child care program in the Family Independence Agency.

Public Act 351 of 2004: This bill reduced K-12 School Aid appropriations by \$50.7 million to reflect assumed local property tax revenue increases resulting from increased auditing of homestead exemptions claimed by property taxpayers.

Public Act 360 of 2004: This bill increased funding for payments in lieu of property taxes on State-owned land by \$3.3 million. This funding was necessary to ensure the State had sufficient funds to fully pay these payments in lieu of property taxes to units of local government. The bill also provided that for \$16.7 million of Adjusted Gross appropriations for a variety of Capital Outlay construction projects.

Public Act 468 of 2004: This bill contained an appropriation of \$625,000 to the Michigan State Fair to pay outstanding obligations of the Fair. The funding of this appropriation was from State Restricted funds generated by the Fair.

EXECUTIVE ORDER REDUCTION

On December 10, 2003, the House and Senate Appropriations Committees gave their approval to Executive Order 2003-23. This Executive Order was recommended by Governor Granholm to eliminate a projected FY 2003-04 budget deficit. Executive Order 2003-23 reduced Adjusted Gross appropriations by \$362.1 million and reduced GF/GP appropriations by \$200.9 million. Included in the Executive Order were reductions in GF/GP appropriations, reductions in Federal and State Restricted appropriations that resulted in GF/GP appropriation savings, and GF/GP savings from the termination of previously authorized work project accounts. The major appropriation reductions contained in Executive Order 2003-23 included a 5.0% reduction in revenue sharing payments to cities, villages, townships, and counties and a 5.0% reduction to universities and community colleges. Other major items in the Executive Order included savings from the refinancing of State debt, administrative reductions for State departments, and the reduction of several existing GF/GP appropriations that were offset by the appropriation of additional Federal or State Restricted funding.

STATE SCHOOL AID PRO-RATA REDUCTION

Pursuant to provisions of the State School Aid Act, Governor Granholm in December 2003 ordered a pro-rata reduction in State aid to local school districts. This pro-rata reduction was needed to eliminate a projected \$131.1 million deficit in the School Aid Fund budget. The pro-rata reduction was equal to \$74 per pupil in the total amount of State aid paid to each school district.

REVENUE ADJUSTMENTS

State revenue sharing payments to cities, villages, townships, and counties are appropriated based on consensus estimates of State 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 2003-04, revenue sharing payments were reduced by \$31.1 million due to this sales tax revenue reduction. The other revenue adjustment that had an impact on the final level of State appropriations was a \$338,429 reduction in the level of Adjusted Gross appropriations for the Department of Civil Service. This adjustment reconciled the funding of the Department of Civil Service based on the actual level of the State classified payroll in the prior fiscal year.

YEAR-END BALANCE ESTIMATES

Table 11 provides a summary of the FY 2003-04 GF/GP year-end budget after the final accounting of revenues and expenditures was completed. The GF/GP budget closed the fiscal year with an \$81.3 million year-end balance. Pursuant to statutory requirements, this final year-end balance was deposited into the Budget Stabilization Fund.

Table 12 provides a summary of the FY 2003-04 School Aid Fund year-end budget after the final accounting of revenues and expenditures was completed. The School Aid Fund budget closed the fiscal year with a \$74.1 million year-end balance. Pursuant to provisions of the State School Aid Act, this year-end balance was carried forward into FY 2004-05.

Table 13 provides an index of FY 2003-04 appropriation acts by budget area.

Table 1

FY 2003-04 YEAR-END APPROPRIATIONS BY SOURCE OF FUNDS

Department/Budget Area	Adjusted Gross	Federal Funds	Local & Private Funds	Other State Restricted	General Funds
Agriculture	\$105,287,000	\$32,925,800	\$1,127,600	\$40,974,400	\$30,259,200
Attorney General	50,693,800	9,563,800	0	10,870,100	30,259,900
Capital Outlay	533,864,200	206,952,000	22,789,600	75,120,000	229,002,600
Career Development	486,475,374	439,067,500	17,408,200	5,664,700	24,334,974
Civil Rights	12,654,158	934,000	0	0	11,720,158
Civil Service	28,995,408	5,224,030	1,062,617	14,876,224	7,832,537
Community Colleges	276,828,600	0	0	0	276,828,600
Community Health	10,015,134,400	5,604,382,700	810,196,700	991,386,500	2,609,168,500
Consumer and Industry Services	608,925,218	285,831,500	770,000	306,358,300	15,965,418
Corrections	1,702,576,281	27,855,800	391,100	65,057,100	1,609,272,281
Education	107,431,200	65,876,900	5,493,000	7,001,600	29,059,700
Environmental Quality (Operations)	359,179,821	133,174,800	435,700	171,988,546	53,580,775
Environmental Quality (CMI Bond)	91,065,000	0	0	91,065,000	0
Executive	4,859,500	0	0	0	4,859,500
Family Independence Agency	4,108,384,100	2,878,017,050	71,291,250	70,096,800	1,088,979,000
Higher Education	1,653,663,200	4,480,700	0	89,750,000	1,559,432,500
History, Arts, and Libraries	56,410,500	9,322,600	577,400	2,308,800	44,201,700
Information Technology	0	0	0	0	0
Judiciary	252,934,400	4,106,500	3,991,200	84,620,300	160,216,400
Legislature	116,967,900	0	400,000	2,495,100	114,072,800
Management and Budget	67,771,000	740,800	0	31,201,300	35,828,900
Military and Veteran Affairs	107,097,500	44,102,900	1,270,700	25,395,100	36,328,800
Natural Resources (Operations)	258,838,600	33,706,600	1,871,400	191,921,200	31,339,400
Natural Resources Trust Fund	23,680,900	0	0	23,680,900	0
School Aid	12,424,969,000	1,316,681,900	0	10,730,437,100	377,850,000
State	162,113,251	2,029,500	100	133,385,200	26,698,451
State Police	445,108,529	105,892,300	4,516,600	97,314,400	237,385,229
Strategic Fund Agency	102,236,509	52,953,300	853,100	10,050,000	38,380,109
Transportation	3,219,150,500	1,053,086,900	5,800,000	2,160,263,600	0
Treasury (Debt Service)	56,286,400	0	0	30,878,000	25,408,400
Treasury (Operations)	369,472,586	44,696,100	910,800	263,601,700	60,263,986
Treasury (Revenue Sharing)	1,306,257,900	0	0	1,304,715,600	1,542,300
TOTAL APPROPRIATIONS	\$39,115,312,735	\$12,361,605,980	\$951,157,067	\$17,032,477,570	\$8,770,072,118

Table 2

FY 2003-04 YEAR-END APPROPRIATIONS - ADJUSTED GROSS					
Department/Budget Area	FY 2003-04 Appropriations	FY 2003-04 Total Supplemental Appropriations	FY 2003-04 Executive Orders	Fund Transfers/ Revenue Adjustments	Year-End FY 2003-04 Appropriations
Agriculture	\$86,292,200	\$20,114,600	\$(1,119,800)	\$0	\$105,287,000
Attorney General	50,651,800	792,000	(750,000)	0	50,693,800
Capital Outlay	569,063,900	(6,199,700)	(29,000,000)	0	533,864,200
Career Development	466,880,000	25,967,100	(6,371,726)	0	486,475,374
Civil Rights	13,117,200	0	(463,042)	0	12,654,158
Civil Service	29,553,900	0	(220,063)	(338,429)	28,995,408
Community Colleges	289,013,100	250,000	(12,434,500)	0	276,828,600
Community Health	9,409,610,000	610,614,800	(5,090,400)	0	10,015,134,400
Consumer and Industry Services	603,415,100	6,214,500	(704,382)	0	608,925,218
Corrections	1,721,253,600	(12,632,500)	(6,044,819)	0	1,702,576,281
Education	113,381,200	482,800	(6,432,800)	0	107,431,200
Environmental Quality (Operations)	331,261,500	31,053,846	(3,135,525)	0	359,179,821
Environmental Quality (CMI Bond)	0	91,065,000	0	0	91,065,000
Executive	4,859,500	0	0	0	4,859,500
Family Independence Agency	3,958,248,400	196,470,000	(46,334,300)	0	4,108,384,100
Higher Education	1,789,754,500	80,700	(136,172,000)	0	1,653,663,200
History, Arts, and Libraries	56,993,600	0	(583,100)	0	56,410,500
Information Technology	0	0	0	0	0
Judiciary	254,934,400	(2,000,000)	0	0	252,934,400
Legislature	118,217,500	(1,249,600)	0	0	116,967,900
Management and Budget	67,971,000	300,000	(500,000)	0	67,771,000
Military and Veteran Affairs	102,897,500	5,170,000	(970,000)	0	107,097,500
Natural Resources (Operations)	250,713,100	8,837,500	(712,000)	0	258,838,600
Natural Resources (Trust Fund)	0	23,680,900	0	0	23,680,900
School Aid	12,696,906,100	(140,837,100)	(131,100,000)	0	12,424,969,000
State	161,121,500	1,280,000	(288,249)	0	162,113,251
State Police	443,013,800	14,971,000	(12,876,271)	0	445,108,529
Strategic Fund Agency	104,412,300	0	(2,175,791)	0	102,236,509
Transportation	3,111,032,100	108,118,400	0	0	3,219,150,500
Treasury (Debt Service)	73,286,400	0	(17,000,000)	0	56,286,400
Treasury (Operations)	359,815,300	10,390,000	(732,714)	0	369,472,586
Treasury (Revenue Sharing)	1,407,850,000	1,542,300	(72,025,800)	(31,108,600)	1,306,257,900
TOTAL APPROPRIATIONS	\$38,645,520,500	\$994,476,546	\$(493,237,282)	\$(31,447,029)	\$39,115,312,735

Table 3

FY 2003-04 SUPPLEMENTAL APPROPRIATIONS SUMMARY - ADJUSTED GROSS						
Department/Budget Area	Public Act 158 of 2003	Public Act 172 of 2003	Public Act 173 of 2003	Public Act 236 of 2003	Public Act 237 of 2003	Public Act 185 of 2004
Agriculture	\$0	\$0	\$0	\$0	\$548,000	\$0
Attorney General	0	0	0	0	28,000	0
Capital Outlay	0	0	0	0	20,400,200	0
Career Development	0	0	0	0	1,087,100	0
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	0	0	0	0	0	0
Community Health	0	0	0	0	238,881,700	0
Consumer and Industry Services	0	0	0	0	1,820,000	0
Corrections	0	0	0	0	(12,689,900)	0
Education	0	0	0	0	332,800	0
Environmental Quality (Operations)	0	0	520,000	0	28,618,546	0
Environmental Quality (CMI Bond)	0	0	0	0	0	0
Executive	0	0	0	0	0	0
Family Independence Agency	0	6,454,500	0	0	33,976,900	0
Higher Education	0	0	0	0	80,700	0
History, Arts, and Libraries	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0
Judiciary	0	0	0	0	(500,000)	0
Legislature	0	0	0	0	(1,249,600)	0
Management and Budget	0	0	0	0	300,000	0
Military and Veteran Affairs	0	0	0	0	870,000	0
Natural Resources (Operations)	0	0	0	0	25,000	0
Natural Resources (Trust Fund)	0	0	0	0	0	0
School Aid	(92,837,100)	0	0	2,700,000	0	0
State	0	0	0	0	255,000	0
State Police	0	0	0	0	6,100,000	0
Strategic Fund Agency	0	0	0	0	0	0
Transportation	0	0	0	0	(3,213,400)	0
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	0	0	0	0	9,940,000	0
Treasury (Revenue Sharing)	0	0	0	0	1,542,300	0
TOTAL APPROPRIATIONS	\$(92,837,100)	\$6,454,500	\$520,000	\$2,700,000	\$327,153,346	\$0

Table 3 (continued)

FY 2003-04 SUPPLEMENTAL APPROPRIATIONS SUMMARY - ADJUSTED GROSS					
Department/Budget Area	Public Act 309 of 2004	Public Act 351 of 2004	Public Act 360 of 2004	Public Act 468 of 2004	FY 2003-04 Total Appropriations
Agriculture	\$18,941,600	\$0	\$0	\$625,000	\$20,114,600
Attorney General	764,000	0	0	0	792,000
Capital Outlay	(43,299,900)	0	16,700,000	0	(6,199,700)
Career Development	24,880,000	0	0	0	25,967,100
Civil Rights	0	0	0	0	0
Civil Service	0	0	0	0	0
Community Colleges	250,000	0	0	0	250,000
Community Health	371,733,100	0	0	0	610,614,800
Consumer and Industry Services	4,394,500	0	0	0	6,214,500
Corrections	57,400	0	0	0	(12,632,500)
Education	150,000	0	0	0	482,800
Environmental Quality (Operations)	1,915,300	0	0	0	31,053,846
Environmental Quality (CMI Bond)	91,065,000	0	0	0	91,065,000
Executive	0	0	0	0	0
Family Independence Agency	156,038,600	0	0	0	196,470,000
Higher Education	0	0	0	0	80,700
History, Arts, and Libraries	0	0	0	0	0
Information Technology	0	0	0	0	0
Judiciary	(1,500,000)	0	0	0	(2,000,000)
Legislature	0	0	0	0	(1,249,600)
Management and Budget	0	0	0	0	300,000
Military and Veteran Affairs	4,300,000	0	0	0	5,170,000
Natural Resources (Operations)	5,562,500	0	3,250,000	0	8,837,500
Natural Resources (Trust Fund)	23,680,900	0	0	0	23,680,900
School Aid	0	(50,700,000)	0	0	(140,837,100)
State	1,025,000	0	0	0	1,280,000
State Police	8,871,000	0	0	0	14,971,000
Strategic Fund Agency	0	0	0	0	0
Transportation	111,331,800	0	0	0	108,118,400
Treasury (Debt Service)	0	0	0	0	0
Treasury (Operations)	450,000	0	0	0	10,390,000
Treasury (Revenue Sharing)	0	0	0	0	1,542,300
TOTAL APPROPRIATIONS	\$780,610,800	\$(50,700,000)	\$19,950,000	\$625,000	\$994,476,546

Table 4

FY 2003-04 EXECUTIVE ORDER APPROPRIATIONS SUMMARY - ADJUSTED GROSS			
Department/Budget Area	FY 2003-04 Executive Order 2003-23	FY 2003-04 School Aid Proration	FY 2003-04 Total Executive Order Appropriations
Agriculture	\$(1,119,800)	\$0	\$(1,119,800)
Attorney General	(750,000)	0	(750,000)
Capital Outlay	(29,000,000)	0	(29,000,000)
Career Development	(6,371,726)	0	(6,371,726)
Civil Rights	(463,042)	0	(463,042)
Civil Service	(220,063)	0	(220,063)
Community Colleges	(12,434,500)	0	(12,434,500)
Community Health	(5,090,400)	0	(5,090,400)
Consumer and Industry Services	(704,382)	0	(704,382)
Corrections	(6,044,819)	0	(6,044,819)
Education	(6,432,800)	0	(6,432,800)
Environmental Quality (Operations)	(3,135,525)	0	(3,135,525)
Environmental Quality (CMI Bond)	0	0	0
Executive	0	0	0
Family Independence Agency	(46,334,300)	0	(46,334,300)
Higher Education	(136,172,000)	0	(136,172,000)
History, Arts, and Libraries	(583,100)	0	(583,100)
Information Technology	0	0	0
Judiciary	0	0	0
Legislature	0	0	0
Management and Budget	(500,000)	0	(500,000)
Military and Veteran Affairs	(970,000)	0	(970,000)
Natural Resources (Operations)	(712,000)	0	(712,000)
Natural Resources (Trust Fund)	0	0	0
School Aid	0	(131,100,000)	(131,100,000)
State	(288,249)	0	(288,249)
State Police	(12,876,271)	0	(12,876,271)
Strategic Fund Agency	(2,175,791)	0	(2,175,791)
Transportation	0	0	0
Treasury (Debt Service)	(17,000,000)	0	(17,000,000)
Treasury (Operations)	(732,714)	0	(732,714)
Treasury (Revenue Sharing)	(72,025,800)	0	(72,025,800)
TOTAL APPROPRIATIONS	\$(362,137,282)	\$(131,100,000)	\$(493,237,282)

Table 5

FY 2003-04 YEAR-END APPROPRIATIONS - TOTAL STATE SPENDING					
Department/Budget Area	FY 2003-04 Initial Appropriations	FY 2003-04 Total Supplemental Appropriations	FY 2003-04 Executive Orders	Fund Transfers/ Revenue Adjustments	Year-End FY 2003-04 Appropriations
Agriculture	\$71,112,900	\$1,240,500	\$(1,119,800)	\$0	\$71,233,600
Attorney General	41,680,000	200,000	(750,000)	0	41,130,000
Capital Outlay	323,622,300	9,500,300	(29,000,000)	0	304,122,600
Career Development	31,371,400	0	(1,371,726)	0	29,999,674
Civil Rights	12,183,200	0	(463,042)	0	11,720,158
Civil Service	22,924,800	0	(220,063)	4,024	22,708,761
Community Colleges	289,013,100	250,000	(12,434,500)	0	276,828,600
Community Health	3,295,979,000	309,666,400	(5,090,400)	0	3,600,555,000
Consumer and Industry Services	318,813,600	4,214,500	(704,382)	0	322,323,718
Corrections	1,693,064,100	(12,689,900)	(6,044,819)	0	1,674,329,381
Education	42,054,100	440,000	(6,432,800)	0	36,061,300
Environmental Quality (Operations)	201,656,300	27,048,546	(3,135,525)	0	225,569,321
Environmental Quality (CMI Bond)	0	91,065,000	0	0	91,065,000
Executive	4,859,500	0	0	0	4,859,500
Family Independence Agency	1,203,836,200	(12,500,000)	(32,260,400)	0	1,159,075,800
Higher Education	1,785,354,500	0	(136,172,000)	0	1,649,182,500
History, Arts, and Libraries	47,093,600	0	(583,100)	0	46,510,500
Information Technology	0	0	0	0	0
Judiciary	247,086,700	(2,250,000)	0	0	244,836,700
Legislature	117,817,500	(1,249,600)	0	0	116,567,900
Management and Budget	67,530,200	0	(500,000)	0	67,030,200
Military and Veteran Affairs	60,998,900	1,695,000	(970,000)	0	61,723,900
Natural Resources (Operations)	215,135,100	8,837,500	(712,000)	0	223,260,600
Natural Resources (Trust Fund)	0	23,680,900	0	0	23,680,900
School Aid	11,477,080,900	(237,693,800)	(131,100,000)	0	11,108,287,100
State	159,801,900	570,000	(288,249)	0	160,083,651
State Police	334,604,900	12,971,000	(12,876,271)	0	334,699,629
Strategic Fund Agency	50,605,900	0	(2,175,791)	0	48,430,109
Transportation	2,163,477,000	(3,213,400)	0	0	2,160,263,600
Treasury (Debt Service)	73,286,400	0	(17,000,000)	0	56,286,400
Treasury (Operations)	314,708,400	9,890,000	(732,714)	0	323,865,686
Treasury (Revenue Sharing)	1,407,850,000	1,542,300	(72,025,800)	(31,108,600)	1,306,257,900
TOTAL APPROPRIATIONS	\$26,074,602,400	\$233,215,246	\$(474,163,382)	\$(31,104,576)	\$25,802,549,688

Table 6

FY 2003-04 SUPPLEMENTAL APPROPRIATIONS SUMMARY - TOTAL STATE SPENDING						
Department/Budget Area	Public Act 158 of 2003	Public Act 172 of 2003	Public Act 173 of 2003	Public Act 236 of 2003	Public Act 237 of 2003	Public Act 185 of 2004
Agriculture	\$0	\$0	\$0	\$0	\$198,000	\$0
Attorney General	0	0	0	0	0	0
Capital Outlay	0	0	0	0	16,100,200	0
Career Development	0	0	0	0	0	0
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	0	0	0	0	0	0
Community Health	0	0	0	0	100,204,000	0
Consumer and Industry Services	0	0	0	0	0	0
Corrections	0	0	0	0	(12,689,900)	0
Education	0	0	0	0	290,000	0
Environmental Quality (Operations)	0	0	520,000	0	26,528,546	0
Environmental Quality (CMI Bond)	0	0	0	0	0	0
Executive	0	0	0	0	0	0
Family Independence Agency	0	0	0	0	(500,000)	0
Higher Education	0	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	(750,000)	0
Legislature	0	0	0	0	(1,249,600)	0
Management and Budget	0	0	0	0	0	0
Military and Veteran Affairs	0	0	0	0	870,000	0
Natural Resources (Operations)	0	0	0	0	25,000	0
Natural Resources (Trust Fund)	0	0	0	0	0	0
School Aid	(189,693,800)	0	0	2,700,000	0	0
State	0	0	0	0	255,000	0
State Police	0	0	0	0	6,100,000	0
Strategic Fund Agency	0	0	0	0	0	0
Transportation	0	0	0	0	(3,213,400)	0
Treasury (Debt Service)	0	0	0	0	0	0
Treasury (Operations)	0	0	0	0	9,440,000	0
Treasury (Revenue Sharing)	0	0	0	0	1,542,300	0
TOTAL APPROPRIATIONS	\$(189,693,800)	\$0	\$520,000	\$2,700,000	\$143,150,146	\$0

Table 6 (continued)

FY 2003-04 SUPPLEMENTAL APPROPRIATIONS SUMMARY - TOTAL STATE SPENDING					
Department/Budget Area	Public Act 309 of 2004	Public Act 351 of 2004	Public Act 360 of 2004	Public Act 468 of 2004	FY 2003-04 Total Appropriations
Agriculture	\$417,500	\$0	\$0	\$625,000	\$1,240,500
Attorney General	200,000	0	0	0	200,000
Capital Outlay	(23,299,900)	0	16,700,000	0	9,500,300
Career Development	0	0	0	0	0
Civil Rights	0	0	0	0	0
Civil Service	0	0	0	0	0
Community Colleges	250,000	0	0	0	250,000
Community Health	209,462,400	0	0	0	309,666,400
Consumer and Industry Services	4,214,500	0	0	0	4,214,500
Corrections	0	0	0	0	(12,689,900)
Education	150,000	0	0	0	440,000
Environmental Quality (Operations)	0	0	0	0	27,048,546
Environmental Quality (CMI Bond)	91,065,000	0	0	0	91,065,000
Executive	0	0	0	0	0
Family Independence Agency	(12,000,000)	0	0	0	(12,500,000)
Higher Education	0	0	0	0	0
History, Arts, and Libraries	0	0	0	0	0
Information Technology	0	0	0	0	0
Judiciary	(1,500,000)	0	0	0	(2,250,000)
Legislature	0	0	0	0	(1,249,600)
Management and Budget	0	0	0	0	0
Military and Veteran Affairs	825,000	0	0	0	1,695,000
Natural Resources (Operations)	5,562,500	0	3,250,000	0	8,837,500
Natural Resources (Trust Fund)	23,680,900	0	0	0	23,680,900
School Aid	0	(50,700,000)	0	0	(237,693,800)
State	315,000	0	0	0	570,000
State Police	6,871,000	0	0	0	12,971,000
Strategic Fund Agency	0	0	0	0	0
Transportation	0	0	0	0	(3,213,400)
Treasury (Debt Service)	0	0	0	0	0
Treasury (Operations)	450,000	0	0	0	9,890,000
Treasury (Revenue Sharing)	0	0	0	0	1,542,300
TOTAL APPROPRIATIONS	\$306,663,900	\$(50,700,000)	\$19,950,000	\$625,000	\$233,215,246

Table 7

FY 2003-04 EXECUTIVE ORDER APPROPRIATIONS SUMMARY - TOTAL STATE SPENDING			
Department/Budget Area	FY 2003-04 Executive Order 2003-23	FY 2003-04 School Aid Proration	FY 2003-04 Total Executive Order Appropriations
Agriculture	\$(1,119,800)	\$0	\$(1,119,800)
Attorney General	(750,000)	0	(750,000)
Capital Outlay	(29,000,000)	0	(29,000,000)
Career Development	(1,371,726)	0	(1,371,726)
Civil Rights	(463,042)	0	(463,042)
Civil Service	(220,063)	0	(220,063)
Community Colleges	(12,434,500)	0	(12,434,500)
Community Health	(5,090,400)	0	(5,090,400)
Consumer and Industry Services	(704,382)	0	(704,382)
Corrections	(6,044,819)	0	(6,044,819)
Education	(6,432,800)	0	(6,432,800)
Environmental Quality (Operations)	(3,135,525)	0	(3,135,525)
Environmental Quality (CMI Bond)	0	0	0
Executive	0	0	0
Family Independence Agency	(32,260,400)	0	(32,260,400)
Higher Education	(136,172,000)	0	(136,172,000)
History, Arts, and Libraries	(583,100)	0	(583,100)
Information Technology	0	0	0
Judiciary	0	0	0
Legislature	0	0	0
Management and Budget	(500,000)	0	(500,000)
Military and Veteran Affairs	(970,000)	0	(970,000)
Natural Resources (Operations)	(712,000)	0	(712,000)
Natural Resources (Trust Fund)	0	0	0
School Aid	0	(131,100,000)	(131,100,000)
State	(288,249)	0	(288,249)
State Police	(12,876,271)	0	(12,876,271)
Strategic Fund Agency	(2,175,791)	0	(2,175,791)
Transportation	0	0	0
Treasury (Debt Service)	(17,000,000)	0	(17,000,000)
Treasury (Operations)	(732,714)	0	(732,714)
Treasury (Revenue Sharing)	(72,025,800)	0	(72,025,800)
TOTAL APPROPRIATIONS	\$(343,063,382)	\$(131,100,000)	\$(474,163,382)

Table 8

FY 2003-04 YEAR-END APPROPRIATIONS - GENERAL FUND/GENERAL PURPOSE					
Department/Budget Area	FY 2003-04 Initial Appropriations	FY 2003-04 Total Supplemental Appropriations	FY 2003-04 Executive Orders	Fund Transfers/ Revenue Adjustments	Year-End FY 2003-04 Appropriations
Agriculture	\$31,379,000	\$0	\$(1,119,800)	\$0	\$30,259,200
Attorney General	31,009,900	0	(750,000)	0	30,259,900
Capital Outlay	281,302,300	(23,299,700)	(29,000,000)	0	229,002,600
Career Development	24,706,700	0	(371,726)	0	24,334,974
Civil Rights	12,183,200	0	(463,042)	0	11,720,158
Civil Service	8,052,600	0	(220,063)	0	7,832,537
Community Colleges	289,013,100	250,000	(12,434,500)	0	276,828,600
Community Health	2,558,570,700	55,688,200	(5,090,400)	0	2,609,168,500
Consumer and Industry Services	19,669,800	(3,000,000)	(704,382)	0	15,965,418
Corrections	1,632,205,300	(16,888,200)	(6,044,819)	0	1,609,272,281
Education	29,392,500	0	(332,800)	0	29,059,700
Environmental Quality (Operations)	56,196,300	520,000	(3,135,525)	0	53,580,775
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	4,859,500	0	0	0	4,859,500
Family Independence Agency	1,133,739,400	(12,500,000)	(32,260,400)	0	1,088,979,000
Higher Education	1,632,604,500	0	(73,172,000)	0	1,559,432,500
History, Arts, and Libraries	44,784,800	0	(583,100)	0	44,201,700
Information Technology	0	0	0	0	0
Judiciary	161,316,400	(1,100,000)	0	0	160,216,400
Legislature	115,322,400	(1,249,600)	0	0	114,072,800
Management and Budget	36,328,900	0	(500,000)	0	35,828,900
Military and Veteran Affairs	37,198,800	100,000	(970,000)	0	36,328,800
Natural Resources (Operations)	28,801,400	3,250,000	(712,000)	0	31,339,400
Natural Resources (Trust Fund)	0	0	0	0	0
School Aid	198,413,500	179,436,500	0	0	377,850,000
State	16,731,700	10,255,000	(288,249)	0	26,698,451
State Police	247,641,500	2,620,000	(12,876,271)	0	237,385,229
Strategic Fund Agency	40,555,900	0	(2,175,791)	0	38,380,109
Transportation	0	0	0	0	0
Treasury (Debt Service)	72,408,400	(30,000,000)	(17,000,000)	0	25,408,400
Treasury (Operations)	58,296,700	2,700,000	(732,714)	0	60,263,986
Treasury (Revenue Sharing)	0	1,542,300	0	0	1,542,300
TOTAL APPROPRIATIONS	\$8,802,685,200	\$168,324,500	\$(200,937,582)	\$0	\$8,770,072,118

Table 9

FY 2003-04 SUPPLEMENTAL APPROPRIATIONS SUMMARY - GENERAL FUND/GENERAL PURPOSE						
Department/Budget Area	Public Act 158 of 2003	Public Act 172 of 2003	Public Act 173 of 2003	Public Act 236 of 2003	Public Act 237 of 2003	Public Act 185 of 2004
Agriculture	\$0	\$0	\$0	\$0	\$0	\$0
Attorney General	0	0	0	0	0	0
Capital Outlay	0	0	0	0	200	0
Career Development	0	0	0	0	0	0
Civil Rights	0	0	0	0	0	0
Civil Service	0	0	0	0	0	0
Community Colleges	0	0	0	0	0	0
Community Health	0	0	0	0	99,500,000	0
Consumer and Industry Services	0	0	0	0	(3,000,000)	0
Corrections	0	0	0	0	(16,888,200)	0
Education	0	0	0	0	0	0
Environmental Quality (Operations)	0	0	520,000	0	0	0
Environmental Quality (CMI Bond)	0	0	0	0	0	0
Executive	0	0	0	0	0	0
Family Independence Agency	0	0	0	0	(500,000)	0
Higher Education	0	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	(1,100,000)	0
Legislature	0	0	0	0	(1,249,600)	0
Management and Budget	0	0	0	0	0	0
Military and Veteran Affairs	0	0	0	0	100,000	0
Natural Resources (Operations)	0	0	0	0	0	0
Natural Resources (Trust Fund)	0	0	0	0	0	0
School Aid	83,686,500	0	0	45,650,000	0	50,100,000
State	0	0	0	0	255,000	0
State Police	0	0	0	0	0	0
Strategic Fund Agency	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	2,700,000	0
Treasury (Revenue Sharing)	0	0	0	0	1,542,300	0
TOTAL APPROPRIATIONS	\$83,686,500	\$0	\$520,000	\$45,650,000	\$81,359,700	\$50,100,000

Table 9 (continued)

FY 2003-04 SUPPLEMENTAL APPROPRIATIONS SUMMARY - GENERAL FUND/GENERAL PURPOSE					
Department/Budget Area	Public Act 309 of 2004	Public Act 351 of 2004	Public Act 360 of 2004	Public Act 468 of 2004	FY 2003-04 Total Appropriations
Agriculture	\$0	\$0	\$0	\$0	\$0
Attorney General	0	0	0	0	0
Capital Outlay	(23,299,900)	0	0	0	(23,299,700)
Career Development	0	0	0	0	0
Civil Rights	0	0	0	0	0
Civil Service	0	0	0	0	0
Community Colleges	250,000	0	0	0	250,000
Community Health	(43,811,800)	0	0	0	55,688,200
Consumer and Industry Services	0	0	0	0	(3,000,000)
Corrections	0	0	0	0	(16,888,200)
Education	0	0	0	0	0
Environmental Quality (Operations)	0	0	0	0	520,000
Environmental Quality (CMI Bond)	0	0	0	0	0
Executive	0	0	0	0	0
Family Independence Agency	(12,000,000)	0	0	0	(12,500,000)
Higher Education	0	0	0	0	0
History, Arts, and Libraries	0	0	0	0	0
Information Technology	0	0	0	0	0
Judiciary	0	0	0	0	(1,100,000)
Legislature	0	0	0	0	(1,249,600)
Management and Budget	0	0	0	0	0
Military and Veteran Affairs	0	0	0	0	100,000
Natural Resources (Operations)	0	0	3,250,000	0	3,250,000
Natural Resources (Trust Fund)	0	0	0	0	0
School Aid	0	0	0	0	179,436,500
State	0	0	10,000,000	0	10,255,000
State Police	2,620,000	0	0	0	2,620,000
Strategic Fund Agency	0	0	0	0	0
Transportation	0	0	0	0	0
Treasury (Debt Service)	0	0	(30,000,000)	0	(30,000,000)
Treasury (Operations)	0	0	0	0	2,700,000
Treasury (Revenue Sharing)	0	0	0	0	1,542,300
TOTAL APPROPRIATIONS	\$(76,241,700)	\$0	\$(16,750,000)	\$0	\$168,324,500

Table 10

FY 2003-04 EXECUTIVE ORDER APPROPRIATIONS SUMMARY - GENERAL FUND/GENERAL PURPOSE			
Department/Budget Area	FY 2003-04 Executive Order 2003-23	FY 2003-04 School Aid	FY 2003-04 Total Executive Order Appropriations
Agriculture	\$(1,119,800)	\$0	\$(1,119,800)
Attorney General	(750,000)	0	(750,000)
Capital Outlay	(29,000,000)	0	(29,000,000)
Career Development	(371,726)	0	(371,726)
Civil Rights	(463,042)	0	(463,042)
Civil Service	(220,063)	0	(220,063)
Community Colleges	(12,434,500)	0	(12,434,500)
Community Health	(5,090,400)	0	(5,090,400)
Consumer and Industry Services	(704,382)	0	(704,382)
Corrections	(6,044,819)	0	(6,044,819)
Education	(332,800)	0	(332,800)
Environmental Quality (Operations)	(3,135,525)	0	(3,135,525)
Environmental Quality (CMI Bond)	0	0	0
Executive	0	0	0
Family Independence Agency	(32,260,400)	0	(32,260,400)
Higher Education	(73,172,000)	0	(73,172,000)
History, Arts, and Libraries	(583,100)	0	(583,100)
Information Technology	0	0	0
Judiciary	0	0	0
Legislature	0	0	0
Management and Budget	(500,000)	0	(500,000)
Military and Veteran Affairs	(970,000)	0	(970,000)
Natural Resources (Operations)	(712,000)	0	(712,000)
Natural Resources (Trust Fund)	0	0	0
School Aid	0	0	0
State	(288,249)	0	(288,249)
State Police	(12,876,271)	0	(12,876,271)
Strategic Fund Agency	(2,175,791)	0	(2,175,791)
Transportation	0	0	0
Treasury (Debt Service)	(17,000,000)	0	(17,000,000)
Treasury (Operations)	(732,714)	0	(732,714)
Treasury (Revenue Sharing)	0	0	0
TOTAL APPROPRIATIONS	\$(200,937,582)	\$0	\$(200,937,582)

Table 11
FY 2003-04
GENERAL FUND/GENERAL PURPOSE
REVENUES, EXPENDITURES, AND YEAR-END BALANCE
(Millions of Dollars)

Revenues:	Final
Beginning Balance	\$174.0
Ongoing Revenues:	
Final Revenue Collections	8,041.3
Revenue Sharing Reductions	<u>275.9</u>
Subtotal Ongoing Revenues	8,317.2
Non-Ongoing Revenues:	
Transfer from Employment Security Fund (PA 84 of 2003)	10.0
Unrestricted Federal Aid	169.0
Executive Order 2003-23 (Work Project Lapse to GF/GP)	31.0
Executive Order 2003-23 (Restricted Revenue Lapse to GF/GP)	69.9
Lapse of Prior-Year Airport Improvement Funds (PA 237 of 2003)	<u>4.1</u>
Subtotal Non-Ongoing Revenues	284.0
Total Estimated Revenues	\$8,775.2
Expenditures:	
Initial Enacted Appropriations	\$8,886.4
Supplemental Appropriations:	
PA 173 of 2003	0.5
GF/GP to SAF - PA 236 of 2003	45.6
PA 237 of 2003	81.4
PA 46 of 2004	0.1
GF/GP to SAF - PA 185 of 2004	50.1
PA 309 of 2004	(76.2)
PA 360 of 2004	<u>(16.7)</u>
Subtotal Supplemental Appropriations	84.8
Executive Order 2003-23 (GF/GP Reductions)	(200.9)
Other Book-Closing Adjustments	11.3
Projected Net Appropriation Lapses	<u>(87.7)</u>
Total Estimated Expenditures	\$8,693.9
Preliminary Year-End Balance	\$81.3
Transfer to Budget Stabilization Fund	\$81.3
Final Year-End Balance	\$0.0

Table 12

**FY 2003-04
SCHOOL AID FUND
REVENUES, EXPENDITURES, AND YEAR-END BALANCE
(Millions of Dollars)**

Revenues:	Final
Beginning Balance	\$113.7
Ongoing Revenue Estimate	10,624.8
Other Revenue Adjustments:	
General Fund/General Purpose Grant (PA 158 of 2003)	282.1
General Fund/General Purpose Grant (PA 236 of 2003)	45.6
General Fund/General Purpose Grant (PA 185 of 2004)	<u>50.1</u>
Subtotal GF/GP Grant to SAF	377.8
Federal Aid	<u>1,256.7</u>
Total Estimated Revenues.....	\$12,373.0
Expenditures:	
Enacted Appropriation (PA 521 of 2002)	\$12,636.9
Supplemental Appropriations (PA 158 of 2003)	(92.8)
Supplemental Appropriations (PA 236 of 2003)	2.7
School Aid Proration Reduction (\$74 per pupil)	(131.1)
Projected Appropriation Lapses	<u>(116.8)</u>
Total Estimated Expenditures.....	\$12,298.9
Projected Year-End Balance¹⁾	\$74.1

¹⁾ Transfer to School Aid Stabilization Fund subaccount pursuant to Sec. 11a of the State School Aid Act.

Table 13

FY 2003-04 INDEX OF APPROPRIATIONS ACTS		
BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Agriculture		
Initial	Senate Bill 288	Public Act 157 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Supplemental	Senate Bill 1130	Public Act 468 of 2004
Attorney General		
Initial	Senate Bill 270	Public Act 161 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Capital Outlay		
Initial	House Bill 4386	Public Act 193 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Supplemental	House Bill 5527	Public Act 360 of 2004
Career Development		
Initial	Senate Bill 285	Public Act 169 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Civil Rights		
Initial	Senate Bill 270	Public Act 161 of 2003
Civil Service		
Initial	Senate Bill 270	Public Act 161 of 2003
Community Colleges		
Initial	House Bill 4388	Public Act 146 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Supplemental	Senate Bill 1062	Public Act 358 of 2004
Community Health		
Initial	House Bill 4392	Public Act 159 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004

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INDEX OF APPROPRIATIONS ACTS**

BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Consumer and Industry Services		
Initial	Senate Bill 286	Public Act 167 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Corrections		
Initial	House Bill 4390	Public Act 154 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Education		
Initial	House Bill 4391	Public Act 145 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Environmental Quality - Clean Michigan Initiative		
Initial	Senate Bill 267	Public Act 309 of 2004
Environmental Quality - Operations		
Initial	House Bill 4393	Public Act 171 of 2003
Supplemental	Senate Bill 540	Public Act 173 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Executive		
Initial	Senate Bill 270	Public Act 161 of 2003
Family Independence Agency		
Initial	Senate Bill 283	Public Act 172 of 2003
Supplemental	Senate Bill 283	Public Act 172 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Higher Education		
Initial	House Bill 4396	Public Act 144 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
History, Arts, and Libraries		
Initial	Senate Bill 279	Public Act 160 of 2003

**FY 2003-04
INDEX OF APPROPRIATIONS ACTS**

BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
Information Technology		
Initial	Senate Bill 270	Public Act 161 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Judiciary		
Initial	Senate Bill 281	Public Act 155 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Legislature		
Initial	Senate Bill 270	Public Act 161 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Management and Budget		
Initial	Senate Bill 270	Public Act 161 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Military and Veterans Affairs		
Initial	Senate Bill 266	Public Act 156 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Natural Resources - Operations		
Initial	House Bill 4400	Public Act 147 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Supplemental	House Bill 5527	Public Act 360 of 2004
Natural Resources Trust Fund		
Initial	Senate Bill 267	Public Act 309 of 2004
School Aid		
Initial	House Bill 5881	Public Act 521 of 2002
Supplemental	House Bill 4401	Public Act 158 of 2003
Supplemental	Senate Bill 556	Public Act 236 of 2003
Supplemental	Senate Bill 1194	Public Act 185 of 2004
Supplemental	Senate Bill 1069	Public Act 351 of 2004
State		
Initial	Senate Bill 270	Public Act 161 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003

**FY 2003-04
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BUDGET AREA	BILL NUMBER	PUBLIC ACT NO.
State, continued		
Supplemental	Senate Bill 267	Public Act 309 of 2004
Supplemental	House Bill 5527	Public Act 360 of 2004
State Police		
Initial	Senate Bill 277	Public Act 149 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Strategic Fund		
Initial	Senate Bill 285	Public Act 169 of 2003
Transportation		
Initial	Senate Bill 265	Public Act 162 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Treasury - Debt Service		
Initial	Senate Bill 270	Public Act 161 of 2003
Supplemental	House Bill 5527	Public Act 360 of 2004
Treasury - Operations		
Initial	Senate Bill 270	Public Act 161 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003
Supplemental	Senate Bill 267	Public Act 309 of 2004
Treasury - Revenue Sharing		
Initial	Senate Bill 270	Public Act 161 of 2003
Supplemental	House Bill 4367	Public Act 237 of 2003

BUDGET AREA DETAIL

DEPARTMENT OF AGRICULTURE

The initial appropriation was contained in Public Act 157 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	563.0	710.0
Gross	97,150,800	116,090,600
IDG	10,858,600	10,803,600
Federal	14,051,700	32,925,800
Private	1,127,600	1,127,600
Restricted	39,733,900	40,974,400
GF/GP	31,379,000	30,259,200

**Change From FY 2003-04
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

- a. Bovine Tuberculosis.** Additional Federal resources were appropriated to eradicate bovine tuberculosis from Michigan livestock and wildlife. The funding will support disease monitoring and surveillance and animal identification activities.
- b. Farmland and Open Space Preservation.** Executive Order (EO) 2003-23 reduced GF/GP support for the administration of this program by \$170,000. This appropriation added State restricted resources from the Agricultural Preservation Fund to replace the GF/GP resources reduced under EO 2003-23. Sufficient revenue existed in the Agricultural Preservation Fund from prior-year carryforward to effect this supplemental. State law allows up to \$900,000 annually from the Fund to be used for the administrative costs of the program. This transfer increased total Fund authorization to \$869,800 in FY 2003-04.
- c. Aquifer Dispute Resolution.** The initial appropriation contained an interdepartmental grant from the Department of Environmental Quality (DEQ) to monitor water withdrawals on Michigan farms, as contemplated under proposed legislation. Although the final version of the legislation (Public Act 177 of 2003) required the Department of Agriculture to undertake additional work, overall program responsibility was left with the DEQ. This appropriation eliminated the original interdepartmental grant.

Gross	350,000
Federal	350,000
GF/GP	0
Gross	170,000
Restricted	170,000
GF/GP	0
Gross	(100,000)
IDG	(100,000)
GF/GP	0

		Change From FY 2003-04 Initial Appropriation	
d. Grain Dealer Fees. The supplemental appropriation provided authorization to use available carry-forward revenue to replace GF/GP resources that were reduced under EO 2003-23.		Gross	28,000
		Restricted	28,000
		GF/GP	0
2. Public Act 309 of 2004			
a. Emerald Ash Borer. The supplemental appropriation provided position authorization and Federal resources for combating the emerald ash borer in Michigan. This exotic pest is responsible for the destruction of the ash tree population in Southeastern Michigan and other areas of the State. The Department is charged with pest monitoring, research, surveillance, and eradication activities.		FTE	155.0
		Gross	17,750,000
		Federal	17,750,000
		GF/GP	0
b. Animal Health Program. The appropriation provided authorization for drug residue investigations, various Federal grants, and veterinarian training for emergency management.		Gross	285,600
		Federal	267,100
		Restricted	18,500
		GF/GP	0
c. Environmental Stewardship Program. The appropriation provided authorization for additional pollution prevention, Right to Farm, and conservation activities.		Gross	150,000
		IDG	45,000
		Federal	100,000
		Restricted	5,000
		GF/GP	0
d. Pesticide and Plant Pest Management Program. The appropriation provided authorization to receive funds from Michigan State University for generating pesticide residue data and monitoring plant pest diseases.		Gross	200,000
		Restricted	200,000
		GF/GP	0
e. Groundwater and Freshwater Protection Program. The appropriation provided authorization to enroll 15 full-time AmeriCorps members in the groundwater stewardship program.		Gross	162,000
		Federal	162,000
		GF/GP	0
f. Agriculture Development Program. The appropriation provided authorization to receive three Federal grants for agri-tourism, the Select a Taste of Michigan program, and the 2004-05 Michigan Farm Market & U-Pick Directory.		Gross	245,000
		Federal	245,000
		GF/GP	0

g. Distribution of Outstanding Winning Ticket Revenue. The initial appropriation contained \$500,000 for the distribution of outstanding winning ticket revenue associated with wagering at Michigan horse racing tracks. The actual amount of 2003 revenue available for distribution in 2004 was \$694,000. This supplemental provided the additional authorization needed to distribute the funds to the specific horse racing programs.

Change From FY 2003-04 Initial Appropriation	
Gross	194,000
Restricted	194,000
GF/GP	0

3. Public Act 468 of 2004

The appropriation increased spending authorization for the Michigan State Fair to cover over-expenditures associated with the 2004 Fair. Total appropriations for the Fair in FY 2003-04 were \$5,735,200.

Gross	625,000
Restricted	625,000
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2003-23

The EO reduced GF/GP appropriations in the following programs/line items to meet the projected State budget shortfall:

Commissions and boards	\$(10,000)
Executive direction	(85,000)
Management services	(115,400)
Agriculture development, marketing, and emergency management	(120,200)
Pesticide and plant pest management	(312,900)
Animal health and welfare	(91,800)
Food safety and quality assurance	(67,100)
Laboratory analysis program	(86,400)
Environmental stewardship	(170,000)
Local conservation districts	(60,900)

FTE	(8.0)
Gross	(1,119,800)
GF/GP	(1,119,800)

C. TRANSFERS

1. State Budget Office Letter 09-21-04

This administrative transfer adjusted amounts between Federal sources of financing. The U.S. Department of Agriculture (USDA) provided additional funding for increased inspections and grading services at dairy operations. Additional authorization was needed to allow the Department to receive and spend the funds.

Gross	0
GF/GP	0

**Change From FY 2003-04
Initial Appropriation**

The transfer moved \$15,000 of authorization from the Health and Human Services, U.S. Food and Drug Administration funding source to the USDA, multiple grants funding source in the Food and Dairy Program.

Another administrative transfer moved GF/GP authorization to the Rent and Building Occupancy Charges line item to assure sufficient funding for leased space used by the Department. The transfer moved \$200,000 from the Pesticide and Plant Pest Management line item and \$100,000 from the Animal Health and Welfare line item.

2. State Budget Office Letter 09-21-04

This transfer satisfied the negative appropriation for employee turnover savings included in the original budget. The initial budget included \$100,000 GF/GP savings associated with vacancies and delays in hiring personnel that occur throughout the year. The transfer moved \$50,000 from the Laboratory Analysis Program and \$50,000 from the Bovine Tuberculosis Program to achieve the savings.

Gross	0
GF/GP	0

DEPARTMENT OF ATTORNEY GENERAL

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	562.0	562.0
Gross	61,462,400	61,504,400
IDG	10,810,600	10,810,600
Federal	8,971,800	9,563,800
Local	0	0
Private	0	0
Restricted	10,670,100	10,870,100
GF/GP	31,009,900	30,259,900

**Change From FY 2003-04
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

The Prosecuting Attorneys Coordinating Council received additional Federal Byrne grant funding from the Office of Drug Control Policy. The funding will support the design of the prosecution component of an electronic communication system between police agencies, prosecutors, courts, and State agencies. The system will provide for the transfer of criminal justice information and arrest, charge, and conviction data.

Gross	28,000
Federal	28,000
GF/GP	0

2. Public Act 309 of 2004

a. Medicaid Fraud Control Unit. The United States Department of Health and Human Services approved the carryforward of FY 2002-03 unspent program income from Medicaid fraud cases for FY 2003-04 program expenditures.

Gross	434,000
Federal	434,000
GF/GP	0

b. Real Estate Enforcement Fund. Public Act 623 of 2002 created the Real Estate Enforcement Fund to provide funding for the investigation and prosecution of cases involving unlicensed individuals and companies engaged in real estate transactions. Funding is allocated from licensing fees.

Gross	200,000
Restricted	200,000
GF/GP	0

**Change From FY 2003-04
Initial Appropriation**

- c. **Domestic Violence Prosecution Program.** The Department received a Federal grant to assist local prosecutors with misdemeanor and felony domestic violence cases to prevent future violence and promote safety and stability for domestic violence victims and their children.

Gross	130,000
Federal	130,000
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2003-23

Due to revised revenue estimates, the Governor issued Executive Order 2003-23 to bring appropriations in line with projected revenue. The following reductions were made to the Department of Attorney General.

- 1. **Attorney General Operations.** Most of the budget for the Department of Attorney General supports personnel costs. The Department has covered previous reductions by holding vacancies and transferring positions to open restricted fund positions. The Attorney General laid off 6.0 FTE employees in anticipation of this Executive Order.
- 2. **Prosecuting Attorneys Coordinating Council.** This reduction was achieved through administrative efficiencies.

Gross	(722,100)
GF/GP	(722,100)
Gross	(27,900)
GF/GP	(27,900)

C. TRANSFERS - NONE

CAPITAL OUTLAY

The initial appropriation was contained in Public Act 193 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	N/A	N/A
Gross	571,063,900	535,864,200
IDG	2,000,000	2,000,000
Federal	202,652,000	206,952,000
Local	42,789,600	22,789,600
Private	0	0
Restricted	42,320,000	75,120,000
GF/GP	281,302,300	229,002,600
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

- a. Department of Military and Veterans Affairs.** The Act provided new Federal funds for two new construction projects: electrical service upgrades at Camp Grayling totaling \$2.8 million and additions and renovations to the Pontiac armory totaling \$1.5 million.
- b. Construction Authorizations.** The Act provided construction authorizations for two projects. The first project is for improvements at the Capitol complex in Lansing and provides \$27,563,300 in State Building Authority (SBA) bond revenue to fund a variety of construction and renovation projects including parking ramp renovations, new elevators, and other major maintenance and repair items. The State was able to realize General Fund savings of \$12.2 million by financing many of the smaller projects with bond proceeds through the SBA; the projects previously had been financed with General Fund appropriations. The savings were taken in Executive Order 2003-23.

Gross	4,300,000
Federal	4,300,000
GF/GP	0
Gross	200
GF/GP	200

The second project is for renovations to the Roll building at Kellogg Community College, with a total project cost of \$4.5 million, of which \$1,624,800 is to be financed through the SBA. The project had received planning authorization in Public Act 746 of 2002.

		Change From FY 2003-04 Initial Appropriation	
c. State Building Authority Rent. The Act provided \$12.0 million in restricted fund revenue appropriated from the Commercial Mobile Radio Suppliers Emergency Telephone Fund to replace the \$12.0 million General Fund reduction to SBA Rent contained in Executive Order 2003-23. The money funds part of the \$21.6 million in annual rental (debt service) payments for the Michigan Public Safety Communication System towers.		Gross	12,000,000
		Restricted	12,000,000
		GF/GP	0
d. Airport Safety and Protection Plan. The Act appropriated additional revenue from the State Aeronautics Fund, which replaced General Fund appropriations for airport improvement projects appropriated in prior fiscal years. The General Fund reductions were made in Section 227 of the Act.		Gross	4,100,000
		Restricted	4,100,000
		GF/GP	0
2. Public Act 309 of 2004			
a. Construction Authorizations. The Act provided construction authorization for a food service addition and facility renovations at the Huron Valley complex for the Department of Corrections. Total project cost is authorized at \$3,675,100 financed from SBA bond proceeds. Language in the Act canceled the same basic program at Camp Brighton, and shifts the authorization of SBA funds to the Huron Valley complex.		Gross	100
		GF/GP	100
b. Airport Safety and Protection Plan. The Act reduced the authorization for local financing match for airport improvement projects due to the reduced match requirement approved by the Federal government.		Gross	(20,000,000)
		Local	(20,000,000)
		GF/GP	0
c. State Building Authority Rent. Due to the refinancing and restructuring of several prior bond deals, the SBA was able to realize savings in the rent (debt service) line item.		Gross	(23,300,000)
		GF/GP	(23,300,000)
3. Public Act 360 of 2004			
a. Maintenance Projects. The Act authorized several new major special maintenance projects as well as the refinancing of several prior projects from General Fund revenue to escrow restructuring revenue available from the SBA. New projects include Hawthorne center utility separation (\$3.0 million) and State agency special maintenance projects (\$2.0 million), as well as several new and previously funded projects for the Department of Corrections totaling \$10,950,000.		Gross	15,950,000
		Restricted	15,950,000
		GF/GP	0
b. Purchase of Valley School Building. The Act authorized the purchase of the Valley school building and property located adjacent to the Michigan Schools for the Deaf and Blind in the City of Flint. Funding is from escrow restructuring revenue.		Gross	750,000
		Restricted	750,000
		GF/GP	0

**Change From FY 2003-04
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2003-23

Funds for SBA Rent (debt service) were reduced due to the refinancing and restructuring of several prior bond deals.

Gross	(29,000,000)
GF/GP	(29,000,000)

C. TRANSFERS - NONE

DEPARTMENT OF CAREER DEVELOPMENT

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	989.5	989.5
Gross	466,880,000	486,475,400
IDG	0	0
Federal	418,100,400	439,067,500
Local	15,011,900	15,011,900
Private	2,396,300	2,396,300
Restricted	6,664,700	5,664,700
GF/GP	24,706,700	24,335,000
Change From FY 2003-04 Initial Appropriation		

The initial appropriation was contained in Public Act 169 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

FTE	989.5	989.5
Gross	466,880,000	486,475,400
IDG	0	0
Federal	418,100,400	439,067,500
Local	15,011,900	15,011,900
Private	2,396,300	2,396,300
Restricted	6,664,700	5,664,700
GF/GP	24,706,700	24,335,000

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

Additional Federal funds were made available for the Michigan Rehabilitation Services Program. The grants included a High School/High Tech program for youths with disabilities and a technology loan program for the severely disabled to purchase computers and other equipment, enabling them to work from home.

Gross	1,087,100
Federal	1,087,100
GF/GP	0

2. Public Act 309 of 2004

Additional Federal funds were made available for the Adult Basic Education, the Carl D. Perkins Grants, and the Job Training Programs Subgrantees lines.

Gross	24,880,000
Federal	24,880,000
GF/GP	0

B. EXECUTIVE ORDERS

1. Executive Order 2003-18

This Executive Order (EO) abolished the Department and combined most of its functions with functions of the Department of Consumer and Industry Services and the Michigan Strategic Fund, creating the Department of Labor and Economic Growth (DLEG). The EO transferred all of the licensing regarding health professions and facilities to the Department of Community

FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
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Health and all the regulation of day care and foster care facilities to the Family Independence Agency. The EO also transferred to DLEG the Commission for the Blind from the Family Independence Agency and the remaining duties of the State Fire Marshal from the Department of State Police.

2. Executive Order 2003-23

This was a negative adjustment to all the department budgets required to balance the FY 2003-04 budgets. Reductions were taken from the Administration line items, through the elimination of the \$1 million grant to the Council of Michigan Foundations, and through a \$5 million reduction of Federal Temporary Assistance for Needy Families (TANF) funding for the Work First Program. These funds were transferred to the Family Independence Agency to offset GF/GP reductions in that budget.

Gross	(6,371,700)
Federal	(5,000,000)
Restricted	(1,000,000)
GF/GP	(371,700)

C. TRANSFERS

State Budget Office Letter 11-3-04

Year-end transfers reallocated \$361,300 of unused Federal TANF spending authority from the Information Technology line item to the Work First Program due to an increase in caseload referrals from the Family Independence Agency.

Gross	0
GF/GP	0

DEPARTMENT OF CIVIL RIGHTS

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	137.0	137.0
Gross	13,117,200	12,654,158
IDG	0	0
Federal	934,000	934,000
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	12,183,200	11,720,158
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

Executive Order 2003-23

Due to revised revenue estimates, the Governor issued Executive Order 2003-23 to bring appropriations in line with projected revenue. Reductions included:

Civil Rights Operations. Approximately \$231,600 in savings related to FTE positions resulted from military and medical leaves of absence and the sharing of an internal auditor position with the State Police. Other savings included \$51,000 from reductions to subscriptions, furnishings, and equipment. The balance of \$180,400 was achieved through training reductions.

Gross	(463,042)
GF/GP	(463,042)

C. TRANSFERS - NONE

DEPARTMENT OF CIVIL SERVICE

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	211.5	211.5
Gross	31,853,900	31,633,837
IDG	2,300,000	2,638,429
Federal	4,779,100	5,224,030
Local	1,700,000	1,035,361
Private	150,000	27,256
Restricted	14,872,200	14,876,224
GF/GP	8,052,600	7,832,537

**Change From FY 2003-04
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

Executive Order 2003-23

Due to revised revenue estimates, the Governor issued Executive Order 2003-23 to bring appropriations in line with projected revenue. Reductions totaled \$220,063 and included:

- | | |
|---|--|
| <p>1. Agency Services. Savings were achieved through administrative efficiencies.</p> | <p>Gross (150,000)
GF/GP (150,000)</p> |
| <p>2. Human Resources/Administrative Support. Savings were achieved through administrative efficiencies.</p> | <p>Gross (70,063)
GF/GP (70,063)</p> |

**Change From FY 2003-04
Initial Appropriation**

C. TRANSFERS

State Budget Office Letter 11-01-04

One-Percent Charges. This transfer adjusted appropriations to reflect actual 1.0% revenue received by the Department of Civil Service.

Gross	0
IDG	338,429
Federal	444,930
Local	(664,639)
Private	(122,744)
Restricted	4,024
GF/GP	0

COMMUNITY COLLEGES

The initial appropriation was contained in Public Act 146 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	N/A	N/A
Gross	289,013,100	285,349,800
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	289,013,100	285,349,800

**Change From FY 2003-04
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 309 of 2004

The Act provided revenue to meet the additional costs of renaissance zone tax reimbursements, as required by the Michigan Renaissance Zone Act.

Gross	250,000
GF/GP	250,000

2. Public Act 358 of 2004

The Act provides FY 2004-05 operating appropriations for community colleges, and contains an FY 2003-04 appropriation for tuition restraint incentive payments of 3% for each college that certified it would not raise tuition by more than 2.8%. All 28 colleges qualified for the 3% rebate. The payments were made in the State's 2004-05 fiscal year but are tracked as an FY 2003-04 supplemental.

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

B. EXECUTIVE ORDERS

Executive Order 2003-23

The Executive Order made across-the-board reductions to all 28 community colleges of 4.4%.

Gross	(12,434,500)
GF/GP	(12,434,500)

C. TRANSFERS - NONE

DEPARTMENT OF COMMUNITY HEALTH

The initial appropriation was contained in Public Act 159 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	4,382.3	4,371.3
Gross	9,478,814,800	10,089,373,400
IDG	69,204,800	69,330,100
Federal	5,243,530,900	5,603,072,700
Local	812,256,100	757,799,200
Private	57,844,000	58,616,400
Restricted	737,408,300	991,386,500
GF/GP	2,558,570,700	2,609,168,500
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Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

a. Lead Abatement. Additional Restricted revenue was added to support the lead abatement program.	Gross Restricted GF/GP	289,500 289,500 0
b. Fund Source Shift in Crime Victims Services Unit. General Fund/General Purpose funding removed in Executive Order 2003-23 was supplanted by Restricted revenue. (See item B.3 below.)	Gross Restricted GF/GP	414,500 414,500 0
c. Budgetary Savings. A budgetary savings line item was included.	Gross GF/GP	(500,000) (500,000)
d. Medicaid Base Funding. A Medicaid supplemental of \$100.0 million GF/GP was included.	Gross Federal GF/GP	238,677,700 138,677,700 100,000,000

**Change From FY 2003-04
Initial Appropriation**

2. Public Act 309 of 2004

a. Certificate of Need Revenue. Additional Restricted revenue was recognized.	Gross Restricted GF/GP	100,000 100,000 0
b. Developmental Disabilities Council Grant. An increase in the Federal grant was recognized.	Gross Federal GF/GP	500,000 500,000 0
c. Michigan Essential Health Provider Program. Additional Federal and Private revenue was recognized.	Gross Federal Private GF/GP	54,800 27,400 27,400 0
d. Mental Health/Substance Abuse Administration. Additional Federal revenue was recognized.	Gross Federal GF/GP	233,000 233,000 0
e. Trade-Off Funding Transfer. Due to a decline in the census at State mental health facilities, more funding remained with community mental health (CMH) programs. These programs pay for the care of individuals at State facilities, but trade-off funding is transferred back to the CMH programs if the actual census is lower than what was initially budgeted.	Gross Local Private GF/GP	17,841,000 17,116,000 725,000 0
f. Mental Health Block Grant. Funding was included to recognize the final level of the Federal Mental Health Block Grant approved by Congress.	Gross Federal GF/GP	1,900,000 1,900,000 0
g. Minority Health Grants and Contracts. Additional Federal revenue was recognized.	Gross Federal GF/GP	20,000 20,000 0
h. Vital Records. The final level of the interdepartmental grant from the Family Independence Agency as well as the final amount of Federal revenue were recognized.	Gross IDG Federal GF/GP	350,300 125,300 225,000 0

		Change From FY 2003-04 Initial Appropriation	
i. Laboratory Services. Additional Federal and Restricted revenue was recognized.	Gross	1,991,500	
	Federal	691,500	
	Restricted	1,300,000	
	GF/GP	0	
j. AIDS surveillance. An increase in the Federal grant was recognized.	Gross	203,200	
	Federal	203,200	
	GF/GP	0	
k. Bioterrorism. The final amount of the FY 2003-04 Federal bioterrorism grant was recognized.	Gross	600,000	
	Federal	600,000	
	GF/GP	0	
l. Epidemiology Administration. Additional Federal revenue was recognized.	Gross	392,500	
	Federal	392,500	
	GF/GP	0	
m. Lead Abatement. An increase in a Federal grant was recognized.	Gross	100,000	
	Federal	100,000	
	GF/GP	0	
n. Cancer Prevention and Control. Increases in Federal grants were recognized.	Gross	2,868,200	
	Federal	2,868,200	
	GF/GP	0	
o. Chronic Disease. Increases in Federal grants were recognized.	Gross	707,400	
	Federal	707,400	
	GF/GP	0	
p. Diabetes and Kidney Program. An increase in a Federal grant was recognized.	Gross	222,000	
	Federal	222,000	
	GF/GP	0	
q. Traffic Safety Programs. An increase in a Federal grant was recognized.	Gross	214,500	
	Federal	214,500	
	GF/GP	0	
r. Violence Prevention. An increase in a Federal grant was recognized.	Gross	310,800	
	Federal	310,800	
	GF/GP	0	

		Change From FY 2003-04 Initial Appropriation	
s. Pediatric AIDS. Additional Federal revenue was recognized.	Gross	340,100	
	Federal	340,100	
	GF/GP	0	
t. Migrant Health Care. Additional Federal revenue was recognized.	Gross	72,200	
	Federal	72,200	
	GF/GP	0	
u. Fetal Alcohol Syndrome. An increase in a Federal grant was recognized.	Gross	400,000	
	Federal	400,000	
	GF/GP	0	
v. Children's Special Health Care Services Base and Caseload. Due to a significant increase in costs in this program, supplemental funding was added. Revenue from the increase in the tobacco tax was used in place of GF/GP support.	Gross	33,197,700	
	Federal	14,716,500	
	Restricted	18,481,200	
	GF/GP	0	
w. Choice Systems Grants (Aging). An increase in the Federal grant was recognized.	Gross	99,400	
	Federal	99,400	
	GF/GP	0	
x. Aging Administration. Additional Private revenue was recognized.	Gross	20,000	
	Private	20,000	
	GF/GP	0	
y. Community Services (Aging). An increase in the Federal grant was recognized.	Gross	200,000	
	Federal	200,000	
	GF/GP	0	
z. Senior Respite Care. Additional escheats revenue was recognized.	Gross	450,000	
	Restricted	450,000	
	GF/GP	0	
aa. Federal Grants for U-M and MSU Hospital Initiatives. Federal authorization was increased to enable expenditure of these grants.	Gross	3,000,000	
	Federal	3,000,000	
	GF/GP	0	

- bb. Use of Vitamin Settlement Revenue to Support Medicaid Base.** Restricted funding from a settlement of a vitamin price-fixing case was used, with Federal Medicaid match, to support the Medicaid program.
- cc. Michigan State University and Wayne State University Psychiatric Residency Funding.** Authorization was increased to reflect Restricted dollars provided by the two universities to be combined with Federal Medicaid match to support psychiatric residency programs.
- dd. Restricted Revenue for the Elder Prescription Insurance Coverage (EPIC) Program.** Additional Restricted revenue was recognized.
- ee. Information Technology Funding.** Additional Federal revenue, to be used for the Women, Infants, Children (WIC) program computerization, as well as technology projects related to the Health Insurance Portability and Accountability Act (HIPAA), was included.
- ff. Hospital Quality Assurance Assessment Program (QAAP) Expansion.** Authorization was increased to reflect the final proposed funding level for the Hospital QAAP.
- gg. Medicaid Special Financing.** Adjustments were made to reflect the Medicaid special financing mechanisms that were approved and in place for FY 2003-04.
- hh. Medicaid Base Funding.** Adjustments were made to reflect the May 2004 consensus agreement on Medicaid base funding needed for FY 2003-04.
- ii. FY 2003-04 Tobacco Tax Revenue.** A GF/GP saving was achieved by using revenue from the increase in the tobacco tax to support the Medicaid program.

Change From FY 2003-04 Initial Appropriation	
Gross	7,398,600
Federal	4,298,600
Restricted	3,100,000
GF/GP	0
Gross	3,104,000
Federal	1,559,300
Restricted	1,544,700
GF/GP	0
Gross	610,000
Restricted	610,000
GF/GP	0
Gross	8,800,000
Federal	8,800,000
GF/GP	0
Gross	82,000,000
Federal	45,829,800
Restricted	36,170,200
GF/GP	0
Gross	15,355,000
Federal	24,246,500
Local	(77,791,800)
Restricted	77,699,300
GF/GP	(8,799,000)
Gross	188,202,200
Federal	109,396,200
GF/GP	78,806,000
Gross	0
Restricted	113,818,800
GF/GP	(113,818,800)

**Change From FY 2003-04
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2003-23

1. Administrative Savings. The Executive Order included savings from vacancies and reductions in contracts and travel.	FTE Gross GF/GP	(11.0) (3,675,900) (3,675,900)
2. Medicaid Quality Improvement. The Executive Order took savings from efficiencies in Medicaid, focusing on improvements in computer systems to eliminate dual enrollments.	Gross Federal GF/GP	(2,310,000) (1,310,000) (1,000,000)
3. Crime Victim Services Fund Source Shift. In conjunction with the supplemental Public Act 237 of 2003, GF/GP funding in the Crime Victim Services unit was reduced, to be replaced by Restricted revenue via the supplemental.	Gross GF/GP	(414,500) (414,500)

C. TRANSFERS

1. State Budget Office Letter 5-14-04

Reorganization Transfer. A total of \$6,118,300 was shifted among various administration lines to reflect the Governor's reorganization of the Department of Community Health.	Gross GF/GP	0 0
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2. State Budget Office Letter 8-27-04

a. Medicaid Adult Benefits Waiver. An amount of \$8,843,800 was transferred from the Community Mental Health (CMH) Non-Medicaid Services line into the Medicaid Adult Benefits Waiver (ABW) line. This transfer was made due to the delay in approval of the Adult Benefits Waiver until January 15, 2004, which necessitated paying for mental health services to the ABW population from the General Fund.	Gross GF/GP	0 0
b. State Facility Census Increase. Funding totaling \$12,822,800 was transferred from the CMH Medicaid and non-Medicaid lines to cover funding shortfalls at the six State mental health facilities. This transfer led to an apparent increase in authorization because purchase of State services costs are budgeted in both the CMH unit and the facilities unit.	Gross Local GF/GP	6,218,900 6,218,900 0
c. Health Plan Services Shortfall. The Health Plan Services line, due to increasing Medicaid caseload, was in deficit and a transfer of \$88,023,200 was made from other Medicaid accounts to ensure that September capitation payments could be made.	Gross GF/GP	0 0

		Change From FY 2003-04 Initial Appropriation	
d. Medicare Premium Payments Shortfall. The Medicare Premium Payments line was in deficit and required a transfer of \$6,158,700 to cover September payments.	Gross		0
	GF/GP		0
e. MICHild Program Shortfall. The MICHild program line was in deficit due to caseload and required a transfer of \$4.0 million to cover September capitation payments.	Gross		0
	GF/GP		0
f. Children’s Special Health Care Services (CSHCS). Due to an increase in caseload and pharmaceutical costs, the CSHCS Medical Care and Treatment line needed a transfer of \$10,449,800 from other Medicaid accounts to cover FY 2003-04 costs.	Gross		0
	GF/GP		0
3. State Budget Office Letter 9-21-04			
a. Family Support Subsidy. Federal authorization of \$800,000 was transferred from excess authorization in the Mental Health/Substance Abuse Program Administration to support the Family Support Subsidy program, which had a caseload overrun.	Gross		0
	GF/GP		0
b. AIDS Surveillance Federal Grant. Excess Federal authorization of \$467,700 was transferred from the Epidemiology Administration line to the AIDS Surveillance and Prevention Program line to reflect the final value of the AIDS Surveillance grant.	Gross		0
	GF/GP		0
c. Purchase of Medical Services. Due to rising costs of health care for clients served at State mental health facilities, the line faced a shortfall of \$360,000, which was filled with a transfer from excess authorization in the Mental Health/Substance Abuse Program Administration and Civil Service Charges lines.	Gross		0
	GF/GP		0
d. Injury Control Intervention Projects. The final Federal grant for Injury Control Intervention Grants was \$40,000 greater than originally assumed. Excess authorization was transferred from the Family Planning Local Agreements line.	Gross		0
	GF/GP		0
e. Additional Federal Medicaid Outreach Revenue. Additional Federal Medicaid Outreach Revenue of \$1.0 million was recognized by a transfer of funding from excess authorization in the Women, Infants, and Children Program Administration line.	Gross		0
	GF/GP		0
f. Crime Victim Services Grant Administration Services. A transfer of \$8,000 was made from excess Federal authorization in the Anti-Drug Abuse Grants line to cover administrative costs.	Gross		0
	GF/GP		0

		Change From FY 2003-04 Initial Appropriation	
g. Budgetary Savings. A transfer filled a budgetary savings deduct of \$500,000 by transferring in administrative savings from the Director and Other Unclassified, Sexually Transmitted Diseases Control Management and Field Support, Epidemiology Administration, and Community Living, Children, and Families Administration lines.	Gross		0
	GF/GP		0
h. Worker's Compensation Shortfall. Excess GF/GP authorization of \$130,000 was transferred from the Immunization Program Management and Field Support line to cover a shortfall in the Worker's Compensation line.	Gross		0
	GF/GP		0
i. Rent Shortfall. A rent shortfall of \$547,300 was taken care of through a transfer of excess GF/GP authorization from the Departmentwide Administration, Community Living, Children, and Families Administration, and WIC Program Local Agreements and Food Costs line items.	Gross		0
	GF/GP		0
4. State Budget Office Letter 10-29-04			
Worker's Compensation Shortfall. An administrative transfer of \$70,000 from the Community Living, Children, and Families Administration line to the Worker's Compensation line was made to ensure that the Worker's Compensation account did not close in deficit.	Gross		0
	GF/GP		0
5. State Budget Office Letter 11-01-04			
a. American Legacy Foundation Grant. Excess Private authorization of \$75,000 was transferred from the patient Gifts and Bequests line item to the Federal and Other Special Projects line to recognize an American Legacy Foundation grant.	Gross		0
	GF/GP		0
b. Medicaid Substance Abuse Services. The Medicaid Substance Abuse Services line faced a small book closing shortfall, so \$153,000 was transferred from the Medicaid Mental Health Services line.	Gross		0
	GF/GP		0
c. Additional Federal Medicaid Revenue Earned at State Facilities. A total of \$850,000 additional Federal Medicaid revenue was earned at the Caro and Mt. Pleasant facilities. The authorization was transferred from the surplus in the Medicaid Mental Health Services line.	Gross		0
	GF/GP		0
d. Unrealized Savings at the Forensic Center. Among the administrative efficiencies in Executive Order 2003-23 were assumed savings from changes in food purchasing at the Forensic Center. A delay in this initiative, combined with wage costs, led to a \$310,000 shortfall, which was filled by the surplus in the Medicaid Mental Health Services line.	Gross		0
	GF/GP		0

		Change From FY 2003-04 Initial Appropriation	
e. Additional Rebate Revenue for AIDS Drugs. Additional rebate revenue of \$210,000 was acknowledged through a transfer of Private revenue from the Adult Benefits Waiver line, which had excess Private authorization.	Gross		0
	GF/GP		0
f. Additional Federal Medicaid Outreach Revenue. Additional Federal Medicaid Outreach Revenue of \$310,000 was recognized by a transfer of funding from excess authorization in the Women, Infants, and Children Program Administration line.	Gross		0
	GF/GP		0
g. Omnibus Budget Reconciliation Act (OBRA) Implementation. The Department saw higher Federal earnings and a transfer of \$660,000 in excess revenue from the Medicaid Mental Health Services line was made.	Gross		0
	GF/GP		0
h. Children’s Special Health Care Services Conveyor Contract. The Conveyor Contract line, which provides transportation services to CSHCS clients, has been underfunded for several years. Excess authorization of \$425,000 was available in the Medical Services Administration line to fill this deficit.	Gross		0
	GF/GP		0
i. Department of Information Technology (DIT) Billings. A transfer of \$450,000 from excess authorization in Departmental Administration and Management and Public Health Executive Administration was made to cover DIT billings.	Gross		0
	GF/GP		0
j. Medicaid Authorization Adjustments. As is usually the case at bookclosing, the authorization amounts in a number of Medicaid accounts were adjusted to reflect final bookclosing estimates of expenditures. A total of \$69,983,700 was transferred from various accounts, mostly from excess Federal authorization.	Gross		0
	GF/GP		0

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

The initial appropriation was contained in Public Act 167 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	3,470.0	3,470.0
Gross	603,526,200	609,036,300
IDG	111,100	111,100
Federal	283,831,500	285,831,500
Local	0	0
Private	770,000	770,000
Restricted	299,143,800	306,358,300
GF/GP	19,669,800	15,965,400
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	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

Authorization was provided for additional Federal funding to support new grant programs. The first is a \$1,270,000 U.S. Department of Energy grant for a Hydrogen Power Park project that is being implemented by DTE Energy Ventures. The second grant program provides funding to promote gas pipeline safety around the State. Additionally, this Act provided for a fund shift of \$3.0 million from General Fund/General Purpose revenue to restricted sources in order to balance the budget.

Gross	1,820,000
Federal	1,820,000
Restricted	3,000,000
GF/GP	(3,000,000)

2. Public Act 309 of 2004

Additional authorization was provided to three different programs in this budget. First, \$215,300 in restricted fund authorization was provided for the Land Bank Fast Track Authority, which Public Act 258 of 2003 created to allow the Department to spend expected revenue that would be made available from the sale of land. Second, a \$4.0 million increase in restricted spending authority was provided to the Remonumentation grant program, which is working to replace county markers around the State. Finally, new one-time Federal Homeland Security funding was provided to the Michigan Occupational Safety and Health Administration (MIOSHA) for the purchase of necessary equipment to monitor the health and safety of first responders to a terror incident.

Gross	4,394,500
Federal	180,000
Restricted	4,214,500
GF/GP	0

**Change From FY 2003-04
Initial Appropriation**

B. EXECUTIVE ORDERS

1. Executive Order 2003-18

This Executive Order (EO) abolished the Department and combined most of its functions with functions of the Department of Career Development and the Michigan Strategic Fund, creating the Department of Labor and Economic Growth (DLEG). The EO transferred all of the licensing regarding health professions and facilities to the Department of Community Health and all the regulation of day care and foster care facilities to the Family Independence Agency. The EO also transferred to DLEG the Commission for the Blind from the Family Independence Agency and the remaining duties of the State Fire Marshal from the Department of State Police.

Gross	0
GF/GP	0

2. Executive Order 2003-23

This was a negative adjustment to all department budgets required to balance the FY 2003-04 budget. Of this amount, \$354,400 was taken from the Bureau of Regulatory Services through unfilled vacancies in the Day Care Licensure and Adult Foster Care Licensure programs. The remaining \$350,000 GF/GP reduction was achieved through a fund shift with restricted Securities Fees in the Tax Tribunal.

Gross	(704,400)
GF/GP	(704,400)

C. TRANSFERS - NONE

DEPARTMENT OF CORRECTIONS

The initial appropriation was contained in Public Act 154 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	18,296.7	18,296.7
Gross	1,724,507,200	1,705,829,881
IDG	3,253,600	3,253,600
Federal	27,798,400	27,855,800
Local	391,100	391,100
Private	0	0
Restricted	60,858,800	65,057,100
GF/GP	1,632,205,300	1,609,272,281
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

a. Sheriffs' Coordinating and Training Office. The Act provided authorization to spend new restricted funds collected from counties in order to provide training to local corrections officers.	Gross Restricted GF/GP	4,000,000 4,000,000 0
b. Public Works User Fees. The supplemental increased restricted funds in recognition of an increase in the rate charged by the Department of Corrections (DOC) to public works service users from \$8 to \$10 per prisoner workday.	Gross Restricted GF/GP	198,300 198,300 0
c. Budgetary Savings. The Act created a negative appropriation line item for budgetary savings, for which the DOC had to find savings and efficiencies throughout the fiscal year.	Gross GF/GP	(14,888,200) (14,888,200)
d. Academic/Vocational Programs. Education programs for prisoners were reduced by \$2.0 million.	Gross GF/GP	(2,000,000) (2,000,000)

2. Public Act 309 of 2004

Federal Education Grant. The supplemental recognized the receipt of a Federal education grant under the Library Services and Technology grant program.	Gross Federal GF/GP	57,400 57,400 0
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**Change From FY 2003-04
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2003-23

1. Employee Drug Testing. The Executive Order reduced the Human Resources line item to reduce random employee drug testing.	Gross GF/GP	(224,400) (224,400)
2. Department of Justice Psychiatric Plan. The DOC eliminated vacant positions at the Huron Valley Center to save \$1,100,000 and realized \$1,150,000 in food and pharmacy savings at the facility.	Gross GF/GP	(2,250,000) (2,250,000)
3. Health Care. The Executive Order reduced the Hospital and Specialty Care Services line item by \$700,000 to recognize savings achieved in the managed care contract. It also recognized efficiencies made in the facility health care clinics for an additional saving of \$750,000.	Gross GF/GP	(1,450,000) (1,450,000)
4. Public Works User Fees. The Executive Order decreased General Fund support for facilities in recognition of an increase in the rate charged by the DOC to public works service users from \$8 to \$10 per prisoner workday. The additional restricted funding was added in Public Act 237 of 2003.	Gross GF/GP	(198,300) (198,300)
5. Bed Closings. The Executive Order included the closure of Camp Tuscola as well as a number of other beds due to the reorganization of residential treatment programs.	Gross GF/GP	(1,922,119) (1,922,119)

C. TRANSFERS

1. State Budget Office Letter 05-14-04

a. Housing Inmates in Federal Institutions. The transfer provided an additional \$230,000 to house in Federal facilities State inmates who cannot safely be housed in Michigan facilities. An increase in the number of State offenders in Federal institutions, a decrease in Federal offenders in Michigan prisons, and an increase in the per diem charged to house offenders by the Federal Bureau of Prisons combined to create a revenue shortfall in this line. Funds were available due to temporary, noncustody vacancies in the Pine River Correctional Facility.	Gross GF/GP	0 0
b. Additional Beds/Staff Seniority. The transfer provided approximately \$8.0 million to fund beds, formerly part of the Jackson Maximum Facility, now operated as part of the Charles E. Egeler Correctional Facility. Although they were open for several months of the fiscal year, the A and B units were not funded in the FY 2003-04 appropriation act. Beds in 7-block were funded for only part of the year but were open the entire fiscal year. The	Gross GF/GP	0 0

**Change From FY 2003-04
Initial Appropriation**

transfer also provided \$6.8 million for staff seniority and associated salaries that were higher than was anticipated in the budget for the Egeler, Southern Michigan, and Bellamy Creek Facilities. Funding was available due to vacancies and spending restrictions in a number of line items.

- c. **Planning, Research, and Records/Inmate Legal Services.** The transfer provided \$450,000 for increased record storage and retrieval costs in the Planning, Research, and Records line item and \$390,000 for additional inmate legal services costs for legal writers pursuant to court order in the *Federal Knop v. Johnson* case. Funding was available from workers' compensation funds due to a lower number of claims and below-average settlement costs.

Gross	0
GF/GP	0

2. State Budget Office Letter 05-24-04

Rent. This administrative transfer provided \$670,000 for rent increases for Grand View Plaza and the DeMarse Training Academy. Funds were available from workers' compensation due to a lower number of claims and below-average settlement costs.

Gross	0
GF/GP	0

3. State Budget Office Letter 09-21-04

- a. **Budgetary Savings.** Pursuant to Public Act 237 of 2003, this transfer provided \$14,888,200 to satisfy the negative appropriation for budgetary savings. Funding was available due to workers' compensation programs that were successful in decreasing the number of claims, the amount of time off required from work, and average settlement costs. Funding was also available from savings in hospital and specialty care services and clinic lines because of a decrease in the inmate population, reduced managed care rates and pharmaceutical costs, and clinical staff vacancies. Finally, funding was available from a number of facilities due to operational efficiencies, administrative savings, spending restrictions, and vacancies.

Gross	0
GF/GP	0

- b. **Michigan Youth Correctional Facility (MYCF).** The transfer provided \$580,000 to pay the balance of the management services contract for the MYCF. Funding was required because the Federal Violent Offender Incarceration/Truth in Sentencing grant funds, which until then had completely funded the youth facility, were exhausted. Funding was available due to savings from new workers' compensation programs and from the compensatory buy-out and union leave bank as these expenditures were paid directly from facility line items.

Gross	0
GF/GP	0

- c. **Prosecutorial and Detainer Expenses/Prisoner Extradition.** The transfer provided \$70,000 for increased detainer payments to counties because of the additional fugitive sweeps undertaken by the DOC, Michigan State Police, and local law enforcement. It also provided \$120,000 for a historical funding shortfall in the prisoner extradition contract with TransCor. Funding was available due to savings from new workers' compensation programs and from the compensatory buy-out and union leave bank as these expenditures were paid directly from facility line items.

Change From FY 2003-04 Initial Appropriation	
Gross	0
GF/GP	0

DEPARTMENT OF EDUCATION

The initial appropriation was contained in Public Act 145 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	433.1	433.1
Gross	114,381,200	108,431,200
IDG	1,000,000	1,000,000
Federal	65,834,100	65,876,900
Local	4,791,600	4,791,600
Private	701,400	701,400
Restricted	12,661,600	7,001,600
GF/GP	29,392,500	29,059,700
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	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

Restoring Executive Order Reductions with Non-GF/GP Fund Sources. Items in this supplemental appropriation restored cuts in GF/GP funding implemented in Executive Order 2003-23 with Federal and restricted fund sources. Specifically, Certification Fees were used to offset GF/GP reductions in School Excellence Operations (\$221,000), Government Services (\$49,900), and Safe Schools (\$19,100), while increased Federal funds were used in Information Technology Operations (\$42,800). (A change in statute broadening the use of Certification Fees was enacted, thereby allowing greater use of this restricted funding source.)

Gross	332,800
Federal	42,800
Restricted	290,000
GF/GP	0

2. Public Act 309 of 2004

Teacher Certification Programs. Certification Fees were included in this supplemental to award \$75,000 to the Limited License to Instruct Program at Wayne State University, designed to increase teacher certification status at the Detroit Public Schools, and to award \$75,000 to Central Michigan University for the Alternative Route to Certification Program, designed to increase rural teacher certification.

Gross	150,000
Restricted	150,000
GF/GP	0

**Change From FY 2003-04
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2003-23

Driver's Education Reimbursement Elimination. Under this Executive Order, reimbursement to districts for the Driver's Education program was eliminated. The total eliminated from the budget was \$6.1 million in restricted driver fees. The remaining cuts, totaling \$332,800 GF/GP, were spread among four units and were later replaced with Federal and restricted funding sources in Public Act 237 of 2003 (as explained above).

Gross	(6,432,800)
Restricted	(6,100,000)
GF/GP	(332,800)

C. TRANSFERS

State Budget Office Letter 09-21-04

Worker's Compensation. An administrative transfer was requested for \$10,000 to be transferred from Central Support to Worker's Compensation because insufficient funds were allocated to cover claims in FY 2003-04.

Gross	0
GF/GP	0

DEPARTMENT OF ENVIRONMENTAL QUALITY - CLEAN MICHIGAN INITIATIVE

The initial appropriation for Clean Michigan Initiative (CMI) was enacted in August 2004, after the FY 2003-04 Initial Appropriations Report was completed.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	0.0	0.0
Gross	91,065,000	91,065,000
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	91,065,000	91,065,000
GF/GP	0	0

**Change From FY 2003-04
Initial Appropriation**

A. INITIAL APPROPRIATIONS

Public Act 309 of 2004

1. Brownfield Grants and Loan Program. Brownfield grants were provided to local units of government for the cleanup and redevelopment of contaminated sites from CMI-Response activities funds. An applicant must prove that a project would result in economic benefit for the community through job creation, private investment, or an increase in property tax revenue. Of the appropriation, \$15 million was provided for grants and \$15 million was provided for loans.	Gross	30,000,000
	Restricted	30,000,000
	GF/GP	0
2. Brownfield Revolving Loan Fund. The appropriation for brownfield loans was placed into a revolving loan fund. Upon application, the loans will be distributed from the revolving loan fund for the redevelopment of contaminated sites.	Gross	15,000,000
	Restricted	15,000,000
	GF/GP	0
3. 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	10,000,000
	Restricted	10,000,000
	GF/GP	0

**Change From FY 2003-04
Initial Appropriation**

4. Environmental Cleanup and Redevelopment Program. From the CMI-Response activities funds, support was provided for projects at 45 sites around the State determined to have redevelopment potential. The projects will take many years to complete and were given work project status, which means the State has five years to complete the cleanup activities.

Gross	24,565,000
Restricted	24,565,000
GF/GP	0

5. Contaminated Lake and River Sediment Cleanup Program. From CMI-Contaminated Sediments funds, five sites received money to address a substantial mass of bioaccumulative toxins. The sites selected presented the most significant risks to public health or the environment. The projects will take many years to complete and were given work project status, which means the State has five years to complete the cleanup activities.

Gross	11,500,000
Restricted	11,500,000
GF/GP	0

B. SUPPLEMENTAL APPROPRIATIONS - NONE

C. EXECUTIVE ORDERS - NONE

D. TRANSFERS - NONE

DEPARTMENT OF ENVIRONMENTAL QUALITY - OPERATIONS

The initial appropriation was contained in Public Act 171 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	1,605.7	1,605.7
Gross	345,924,400	373,322,721
IDG	14,142,900	14,142,900
Federal	129,169,500	133,174,800
Local	0	0
Private	435,700	435,700
Restricted	145,460,000	171,988,546
GF/GP	56,716,300	53,580,775
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2004

- a. Fund Shifts.** To offset General Fund reductions contained in Executive Order 2003-23, appropriations were made from several restricted funds for administrative costs in building occupancy charges, rent, and information technology services.
- b. Environmental Cleanup Program.** A supplemental appropriation was made to reauthorize work projects for the environmental cleanup program. Work projects expire after four years; however, cleanup projects often require many more years to reach completion. The projects are supported with revenue from the Cleanup and Redevelopment Fund and the Clean Michigan Initiative - Response activities fund.
- c. Medical Waste Program.** The Medical Waste program was eliminated in FY 2001-02 as a result of budget reductions contained in Executive Order 2000-9. The program fund was depleted and activities were discontinued; however, the enabling statute was not repealed. The program was reestablished in May 2003 and this appropriation reinstated the program in the annual budget.

Gross	3,135,525
Restricted	3,135,525
GF/GP	0
Gross	13,253,046
Restricted	13,253,046
GF/GP	0
Gross	240,000
Restricted	240,000
GF/GP	0

		Change From FY 2003-04 Initial Appropriation	
d. Aquifer Protection and Dispute Resolution. Public Act 177 of 2004 established a new aquifer conflict resolution program. This appropriation adjusted the funding for the program to support it with money from settlement funds instead of Clean Michigan Initiative funds. The reduction reflects actual needs and a consolidation of the program in the Department of Environmental Quality (DEQ) instead of its division between the DEQ and the Department of Agriculture.	Gross	(100,000)	
	Restricted	(100,000)	
	GF/GP	0	
e. Strategic Water Quality Initiative. The Strategic Water Quality Initiative Fund was created in Proposal 2, adopted by the voters in August 2002. The Fund will be used to provide low-interest loans to local units of government for improvements to sanitary sewer systems that are not covered under the State Revolving Fund program. Not more than \$10 million may be appropriated in a single year. Only \$1.1 million of this appropriation was committed to projects when Public Act 237 was enacted and the balance was placed in a work project.	Gross	10,000,000	
	Restricted	10,000,000	
	GF/GP	0	
f. Emergency Response Planning. Funding from the United States Department of Homeland Security was appropriated for the purchase of equipment for emergency response planning activities related to detection and decontamination.	Gross	210,000	
	Federal	210,000	
	GF/GP	0	
g. Air Quality Initiatives. The U.S. Environmental Protection Agency granted the Department of Environmental Quality funding to participate in a national air toxics lab program, for a computer linking system and risk analysis support.	Gross	880,000	
	Federal	880,000	
	GF/GP	0	
h. Brownfield Cleanup Loans. Federal funding will be awarded for cleanup grants at sites that have redevelopment potential. The State is required to provide a 20% match, which is supplied by the Clean Michigan Initiative - Brownfield grant funding.	Gross	1,000,000	
	Federal	1,000,000	
	GF/GP	0	
2. Public Act 309 of 2004			
a. Floodplain Mapping. Funding from the Federal Emergency Management Agency was granted to the State for the development of floodplain maps in Michigan. The money is used for a five-year national project to update existing maps and establish high priority floodplain areas.	Gross	700,000	
	Federal	700,000	
	GF/GP	0	
b. Nonpoint Source Grants. Funding from the U.S. Environmental Protection Agency was appropriated for grants to local units of government for the development of watershed plans and to implement nonpoint source pollution controls.	Gross	45,000	
	Federal	45,000	
	GF/GP	0	
c. Electronic Data Reporting. A grant from the U.S. Environmental Protection Agency was appropriated, enabling the Department to institute a system for public water supply systems to electronically report monthly operation data and laboratory data.	Gross	275,000	
	Federal	275,000	
	GF/GP	0	

Change From FY 2003-04 Initial Appropriation	
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d. Coastal Management Grants. Additional Federal funding became available for coastal management grants. The grants are awarded to local units of government and nonprofit organizations for waterfront redevelopment planning, Great Lakes coastal access projects, historic preservation, and water quality restoration.

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

e. Surface Water Programs. Federal funding was appropriated to support a number of projects, including water testing, public outreach and education activities, and training workshops for the detection of illicit discharges. A portion of the funding was used to conduct soil and groundwater sample testing regarding sediment in Ruddiman Creek.

Gross	695,300
Federal	695,300
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2003-23

General Fund Reductions. To meet reduced revenue estimates, the Executive Order removed General Fund appropriations on a statewide basis. In the DEQ, the reductions were taken from the lines for building occupancy charges (\$1,907,125), rent (\$128,400), and information technology (\$1,100,000). Restricted funds replaced the General Fund reductions in a supplemental appropriation.

Gross	(3,135,525)
GF/GP	(3,135,525)

C. TRANSFERS

1. State Budget Office Letter 5-14-04

Information Technology Funds. A series of six transfers adjusted the fund sources used to support information technology services. The changes were made pursuant to a cost allocation plan to reflect actual workload and attribute costs to the appropriate funds.

Gross	0
GF/GP	0

2. State Budget Office Letter 9-21-04

Federal Funds. Two transfers adjusted the Federal funds used to support many Department services. The changes were made pursuant to a cost allocation plan to reflect actual workload and attribute costs to the appropriate funds.

Gross	0
GF/GP	0

EXECUTIVE

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	74.2	74.2
Gross	4,859,500	4,859,500
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	4,859,500	4,859,500
<hr/>		
	Change From FY 2003-04 Initial Appropriation	

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

FAMILY INDEPENDENCE AGENCY

The initial appropriation was contained in Public Act 172 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	10,774.6	10,774.6
Gross	3,959,304,200	4,109,439,900
IDG	1,055,800	1,055,800
Federal	2,679,842,950	2,878,017,050
Local	65,097,100	61,819,100
Private	9,472,150	9,472,150
Restricted	70,096,800	70,096,800
GF/GP	1,133,739,400	1,088,979,000
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	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 172 of 2003

A supplemental appropriation included in the Act under Part 2A, Section 1001 provided \$16,085,700 contingent on the receipt of a Federal penalty refund to the State. The refund is related to penalties imposed on the State for failure to implement a federally certified child support enforcement technology system. A department request to the State Budget Office was approved to allot \$6,454,500 of the refund for FY 2003-04 program expansion.

a. The Michigan Coordinated Access to Food for the Elderly (MiCAFE) Project. The State established a contract with Elder Law of Michigan for food services to the elderly through the MiCAFE project.	Gross	50,000
	Federal	50,000
	GF/GP	0
b. Homeless Prevention Program. The funds provide a contract for services to extended families of clients at risk for homelessness.	Gross	100,000
	Federal	100,000
	GF/GP	0
c. Title IV-E Match. The funds provide a mechanism for the State to request reimbursement for additional Federal Title IV-E funds in order to expand adoption, statewide foster care, and Wayne County foster care services.	Gross	1,978,000
	Federal	1,978,000
	GF/GP	0

		Change From FY 2003-04 Initial Appropriation	
d. Protective Services Workers. The funds provide support for 14 full-time equated positions in the county offices.	Gross	1,000,000	
	Federal	1,000,000	
	GF/GP	0	
e. State Disability Assistance (SDA) Caseload Increase. The SDA caseload increase was funded with the available funds.	Gross	3,326,500	
	Federal	3,326,500	
	GF/GP	0	
2. Public Act 237 of 2003			
a. Executive Operations			
Salaries and Wages and Contractual Services, Supplies, and Materials (CSS&M). The Act provided State funds to replace the funds anticipated in Public Act 172 of 2003 from the sale of the W.J. Maxey Training School vacant property. The sale did not occur and the supplemental prevented an 18% staff reduction in the department's central office.	Gross	5,000,000	
	GF/GP	5,000,000	
b. Central Support Accounts			
i. Rent. The Act provided funds to replace anticipated savings from a provision (Sec. 261(2)) that required the department to reduce expenditures.	Gross	2,000,000	
	GF/GP	2,000,000	
ii. Grand Tower Reimbursement. The Act provided restoration of Federal Temporary Assistance for Needy Families (TANF) funds that were reduced as part of general budget cuts.	Gross	518,200	
	Federal	518,200	
	GF/GP	0	
iii. Worker's Compensation. The Act restored Federal TANF funds that were reduced as part of Executive Order 2003-23.	Gross	1,206,300	
	Federal	1,206,300	
	GF/GP	0	
c. Day Care Services. The Act restored Federal TANF and Child Care and Development funds that were reduced as part of Executive Order 2003-23.	Gross	5,000,000	
	Federal	16,058,900	
	GF/GP	(11,058,900)	

**Change From FY 2003-04
Initial Appropriation**

d. Information Technology

i. Child Support Automation. The Act restored the Federal funds reduced in Executive Order 2003-23. The funds are necessary to maintain and operate the federally mandated State Child Support Enforcement System.	Gross Federal GF/GP	9,600,000 9,600,000 0
ii. Information Technology Services and Projects. The Act restored Federal funds reduced in Executive Order 2003-23. The funds are necessary to maintain and operate high priority information systems.	Gross Federal GF/GP	6,820,200 4,475,000 2,345,200
iii. Client Services System. The Act restored Federal funds reduced in Executive Order 2003-23. The funds are necessary to maintain and operate high priority information systems.	Gross Federal GF/GP	1,846,100 1,178,200 667,900
iv. Data System Enhancement. The Act provided restoration of Federal funds reduced in Executive Order 2003-23. The funds are necessary to maintain and operate high priority information systems.	Gross Federal GF/GP	2,486,100 1,440,300 1,045,800
e. Budgetary Savings. The Act provided an appropriation line account in order for the department to receive identified savings transferred from within the department's budget.	Gross GF/GP	(500,000) (500,000)

3. Public Act 309 of 2004

a. Nutrition Education. The department contracts with Michigan State University Cooperative Extension Service to provide nutrition education services to Food Assistance Program recipients. The contract is funded by the U.S. Food and Nutrition Service. The supplemental complied with the audit finding to establish a new appropriation line.	Gross Federal GF/GP	7,669,800 7,669,800 0
b. Child Care Fund. The Act provided additional Federal TANF funds to the estimated maximum claimable Federal revenue amount and offset the same amount in State funds.	Gross Federal GF/GP	0 12,000,000 (12,000,000)
c. Family Independence Program. The Act provided additional Federal TANF funds to finance a caseload increase of 5,335 cases at an average cost of \$407 per case.	Gross Federal GF/GP	26,056,100 26,056,100 0

- d. **Food Assistance Program (FAP) Benefits.** The Act provided additional U.S. Food and Nutrition Assistance funds for an average cost per case increase and an increased caseload from a special Federal waiver that allows ready-to-work eligible adults without children to qualify for one year of FAP benefits.
- e. **Weatherization Assistance.** The Act provided additional funds from an increase in the U.S. Department of Energy grant award to the State above the original authorization.
- f. **Day Care Services.** The Act provided additional TANF funds for estimated increases in caseload and average monthly cost per case, 1,104 cases and \$13 per case, respectively.

Change From FY 2003-04 Initial Appropriation	
Gross	102,444,200
Federal	102,444,200
GF/GP	0
Gross	2,059,200
Federal	2,059,200
GF/GP	0
Gross	17,809,300
Federal	17,809,300
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2003-23

- 1. **Salaries and Wages.** The Executive Order contained a GF/GP reduction for budget savings.
- 2. **Contractual Services, Supplies, and Materials.** The Executive Order contained a GF/GP reduction for budget savings.
- 3. **Payroll Taxes and Fringe Benefits.** A reduction of 0.2% for the staff benefits appropriation was included in the Executive Order.
- 4. **Volunteer Services and Reimbursement.** A 10% saving was included in the Executive Order.
- 5. **Commissions.** The Executive Order included the following Gross appropriation reductions: the Commission on Disability Concerns 4%, the Commission for the Blind 0.2%, and the Youth Low Vision Program 7%.
- 6. **Demonstration Projects.** A reduction of 6.5% was taken from grants appropriated in this appropriation line.

Gross	(6,939,600)
Federal	(4,489,000)
GF/GP	(2,450,600)
Gross	(3,100,900)
Federal	(1,924,900)
GF/GP	(1,176,000)
Gross	(405,700)
Federal	(260,900)
GF/GP	(144,800)
Gross	(191,500)
Federal	(128,500)
GF/GP	(63,000)
Gross	(94,500)
Federal	(53,900)
GF/GP	(40,600)
Gross	(506,100)
Federal	(433,200)
GF/GP	(72,900)

		Change From FY 2003-04 Initial Appropriation	
7. Wage Employment and Verification. A reduction of 27.3% was included in the Executive Order.	Gross	(520,000)	
	Federal	(322,400)	
	GF/GP	(197,600)	
8. Training and Staff Development. The Executive Order included a reduction in department educational opportunities for full-time staff.	Gross	(294,600)	
	Federal	(195,600)	
	GF/GP	(99,000)	
9. Child Support Enforcement. The Executive Order included savings from Gross appropriation reductions in program operations of 5%, and the distribution computer system of 0.8%.	Gross	(1,168,700)	
	Federal	(771,300)	
	GF/GP	(397,400)	
10. Family Preservation and Prevention Services. A 0.9% appropriation reduction for State-funded Joint Delinquency Contracts and Adoption Family Support Services was included in the Executive Order.	Gross	(2,100)	
	GF/GP	(2,100)	
11. Youth in Transition. The Executive Order included a 2.7% appropriation reduction for the foster care services to youth preparing for independent living.	Gross	(308,100)	
	Federal	(235,400)	
	GF/GP	(72,700)	
12. Adoption Support Services. The Executive Order included savings in the appropriation for salaries and wages, staff benefits, CSS&M, and family preservation programs for adoptive parent support services.	Gross	(6,200)	
	Federal	(3,500)	
	GF/GP	(2,700)	
13. Child Care Fund Administration. The Executive Order included 4.6% savings in the appropriation for salaries and wages, staff benefits, travel, CSS&M, and equipment for services reimbursement related to county foster care and out-of-home placements.	Gross	(40,400)	
	GF/GP	(40,400)	
14. Community Support Services. The Executive Order included 11.2% savings in the appropriation for detention services and related staff positions converted to county grant responsibility.	Gross	(166,400)	
	GF/GP	(166,400)	
15. Juvenile Justice Operations. The Executive Order included a reduction in the department juvenile delinquency facilities operation, for items such as CSS&M, travel, rent, and equipment.	Gross	(6,556,000)	
	Local	(3,278,000)	
	GF/GP	(3,278,000)	
16. Juvenile Accountability Incentive Block Grant. An 0.8% reduction in the State funds associated with the Federal funds was included in the Executive Order.	Gross	(64,300)	
	Federal	(59,800)	
	GF/GP	(4,500)	

		Change From FY 2003-04 Initial Appropriation	
17. Committee on Juvenile Justice Administration. The Executive Order included a 6.6% reduction in State funds for the administration of Federal grants that fund new program approaches.	Gross		(30,600)
	Federal		(16,800)
	GF/GP		(13,800)
18. Central Support Accounts. The Executive Order included changes in the following accounts:			
	a. Travel. A 2.4% saving in reimbursed travel for department employees.	Gross	(137,400)
		Federal	(96,600)
		GF/GP	(40,800)
b. Equipment. An 86% funds reduction for approved office equipment purchases.	Gross		(900,000)
	Federal		(574,200)
	GF/GP		(325,800)
c. Rent. An 0.8% saving in local office space leasing costs.	Gross		(350,100)
	Federal		(232,100)
	GF/GP		(118,000)
d. Grand Tower Facility Reimbursement. A 64% saving in the annual costs of debt service.	Gross		(886,800)
	Federal		(460,200)
	GF/GP		(426,600)
19. Information Technology. The Executive Order included the following adjustments:			
	a. Information Technology Services and Projects. A 2% reduction in funds support for personal computer maintenance and software contracts, salaries and wages, and CSS&M costs and the department's share of the State's computer mainframe network.	Gross	(726,700)
		Federal	(476,700)
		GF/GP	(250,000)
b. Child Support Automation. An 82% reduction in the State funds to operate and maintain the federally mandated statewide automated child support enforcement system (CSES). The \$773,500 reduction in the language section (Sec. 413) and a supplemental appropriation (Public Act 237 of 2003) of \$9.6 million provided a net reduction of \$1,226,500.	Gross		(11,600,000)
	GF/GP		(11,600,000)
20. Disability Determination Services. The Executive Order included 4.2% savings in State funds for federally supported services to determine disability eligibility for Federal claims and a 5.6% reduction in State funds that provide disability determination services for Federal Medicaid claims.	Gross		(206,600)
	Federal		(60,900)
	GF/GP		(145,700)

Change From FY 2003-04 Initial Appropriation	
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21. Day Care Services. The Executive Order included a 5.7% reduction in the State funds that provide payments to eligible families for child care costs. The funds were restored with \$6.0 million in TANF funds from Sec. 657(3) and a supplemental appropriation (Public Act 237 of 2003) of \$5.0 million in TANF funds, providing a net State fund reduction of \$0.	Gross	(11,000,000)
	GF/GP	(11,000,000)
22. State Supplementation Administration. The Executive Order included a 0.2% reduction in State funds for the administration of the Supplemental Security Income State supplemental payment program.	Gross	(131,000)
	GF/GP	(131,000)
23. Language Section. The Executive Order made adjustments in the following language sections:		
a. Before- and After-School Programs. Sec. 657(3) authorization for the Before- and After-School Program was reduced by \$6,000,000 to \$2,550,000 in order for the department to use the TANF funds for day care services.		
b. Child Support Enforcement System Penalty Refund Revenue. Sec. 413 contingent authorization for program expansion was reduced by \$773,500 in order for the department to use the funds for the child support automation operation.		

C. TRANSFERS

1. State Budget Office Letter 05-14-04

a. Travel. The transfer provided \$250,000 Gross and \$200,000 GF/GP for travel costs. The majority was related to local office staff, especially children's protective services and foster care workers. The funding authority was transferred from the Workers' Compensation account.	Gross	0
	GF/GP	0
b. Child and Family Services, Salaries, and Wages. The transfer provided \$100,000 Gross and \$31,000 GF/GP for staff costs that exceeded the year-to-date authorization. The funding authority was transferred from the Child Care Administration account due to administrative efficiencies and the Prosecuting Attorney Contracts account due to fewer than expected local legal activities.	Gross	0
	GF/GP	0
c. Children's Trust Fund Grants. The transfer provided \$50,000 Gross and \$0 GF/GP for an increase in the Federal Community-based Family Resource Grant award, which funds child safety and avoidance of breakdowns in family relationships. The funding authority was transferred from the Family Preservation and Prevention Services account due to the availability of Federal authorization.	Gross	0
	GF/GP	0

		Change From FY 2003-04 Initial Appropriation	
d. Domestic Violence Prevention and Treatment. The transfer provided \$520,000 Gross and \$0 GF/GP for an increase in the Family Violence Grant award for emergency shelter services. The funding authority was transferred from the Family Preservation and Prevention Services account due to the availability of Federal authorization.	Gross		0
	GF/GP		0
e. State Disability Assistance Payments. The transfer provided \$817,000 Gross/GF/GP for an increase in the average monthly cost per case of \$5.35. The funding authority was transferred from the State Supplementation account because the program's cost was \$1.10 less per case.	Gross		0
	GF/GP		0
2. State Budget Office Letter 05-24-04			
Child Support Distribution Computer System. The transfer provided \$3,900,000 Gross and \$1,326,000 GF/GP for a deficit created by expenditures for the federally mandated system. The funds were transferred from the Child Support Automation line, which had a surplus authorization.	Gross		0
	GF/GP		0
3. State Budget Office Letter 08-27-04			
Community Services Block Grant. The transfer provided \$3,410,000 Gross and \$0 GF/GP for increased expenditure authority. The original appropriation did not include an available FY 2002-03 Federal funds carryforward and the transfer provided authority for Community Action Agencies to spend the funds on local programs. The funds were transferred from the following lines: Employment and Training Support Services and Legal Support Contracts based on State and county spending plans and Disability Determination Operations due to department expenditure restrictions and lower occupancy charges.	Gross		0
	GF/GP		0
4. State Budget Office Letter 09-17-041			
State Disability Assistance Payments. The transfer provided \$295,000 Gross/GF/GP for a caseload increase of 114 cases. The May 14, 2004, transfer was approved for an increase in the average cost per case. The funds were transferred from the State Emergency Relief line due to indigent burial expenditures that were lower than expected.	Gross		0
	GF/GP		0
5. State Budget Office Letter 09-21-04			
a. Local Office Staff and Operations, CSS&M. The transfer provided \$1,385,600 Gross and \$0 GF/GP to restore funding that was subject to recent statewide budget cuts affecting legal settlements, postage, and medical and psychological evaluations costs.	Gross		0
	GF/GP		0

		Change From FY 2003-04 Initial Appropriation	
b. Child Care Fund. The transfer provided \$1,525,900 Gross/GF/GP for increased demand for services and the required State 50% reimbursement to counties for eligible costs. The funds were transferred from the Adoption Subsidies line due to lower caseload growth.	Gross		0
	GF/GP		0
6. State Budget Office Letter 11-01-04			
a. Budgetary Savings. Section 111 of Public Act 172 of 2003 included a negative supplemental appropriation (A.1.e) of \$500,000 Gross/GF/GP to be realized through administrative savings. The funds were available for transfer from the AFC, Children's Welfare and Day Care Licensure line due to staff vacancies and less spending in the CSS&M accounts.	Gross		0
	GF/GP		0
b. Travel. The transfer provided \$255,600 Gross and \$0 GF/GP for cost reimbursements in support of protective services and foster care workers', inspector general agents', auditors' and adult services workers' travel to complete their work. The funds were transferred from the Grand Tower Facility Reimbursement line due to the bond interest being lower and paid off earlier in 2004.	Gross		0
	GF/GP		0
c. Payroll Taxes and Fringe Benefits. The transfer provided \$1,523,000 Gross/GF/GP for a less-than-1% increase in staff benefits costs. The funds were transferred from the Workers' Compensation and the Local Office Staff and Operations' CSS&M lines due to lower compensation payments and an administrative moratorium on office supplies spending.	Gross		0
	GF/GP		0
d. County Juvenile Offices. The transfer provided \$5,500 Gross/GF/GP to cover an error in a contract that increased expenditures. A change in the contract method has been made to prevent the problem in the future. The funds were transferred from the Child Care Fund Administration line due to staff vacancies from administrative hiring controls.	Gross		0
	GF/GP		0
e. Wayne County Foster Care Payments. The transfer provided \$5,781,700 Gross and \$0 GF/GP for a higher-than-appropriated cost per case, but the available funds remain below the FY 2003-04 consensus estimate. The funds were transferred from the Adoption Subsidies line because sufficient authorization was available as a result of lower caseload growth.	Gross		0
	GF/GP		0

- f. **Foster Care Payments.** The transfer provided \$5,246,600 Gross and \$3,346,600 GF/GP for higher-than-budgeted growth in caseload, but the available funds remain below the FY 2003-04 consensus estimate. The funds were transferred from the Adoption Subsidies and Support Services lines, and the Children’s Welfare and Day Care Licensure accounts because the State did not receive anticipated Federal adoption incentive payments, placement agencies’ services were reimbursed at a lower rate, child care fund and licensing staff turnover resulted in vacancies, and a decrease in Federal block grant awards resulted in a lower required State fund match.
- g. **Equipment.** The transfer provided \$3,100 Gross/GF/GP for local office cost increases. The funds were transferred from the Grand Tower Facility Reimbursement line due to the bond interest being lower and paid off earlier in 2004.
- h. **Child Support Automation.** The transfer provided \$1.5 million Gross/GF/GP to cover the receipt of lower-than-budgeted Federal incentive payments. The funds were transferred from Child Support Enforcement Operations, the Legal Support Contracts, and the AFC, Children’s Welfare and Day Care Licensure lines due to staff turnover and resulting vacancies and an administrative moratorium on CSS&M spending.

Change From FY 2003-04 Initial Appropriation	
Gross	0
GF/GP	0
Gross	0
GF/GP	0
Gross	0
GF/GP	0

HIGHER EDUCATION

The initial appropriation was contained in Public Act 144 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	1.0	1.0
Gross	1,789,754,500	1,696,671,400
IDG	0	0
Federal	4,400,000	4,480,700
Local	0	0
Private	0	0
Restricted	152,750,000	89,750,000
GF/GP	1,632,604,500	1,602,440,700
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 237 of 2003

1. **Tuition Restraint Incentive Funding.** Funding originally appropriated in Public Act 237 of 2003 to reward public universities that restrained their tuition in both academic years 2003-04 and 2004-05 was repealed and replaced with separate funding incentives for each of the academic years 2003-04 and 2004-05. For FY 2003-04, if a university certified to the State Budget Office that it did not adopt an increase in tuition and required fees after December 1, 2003, it would receive 3.0% of its base State funding in supplemental appropriations, but the university would receive only half of that amount if it did adopt a mid-year tuition increase. Each university's funding had been reduced by 5.0% in Executive Order 2003-23 (item B.1. below). Two universities (Lake Superior and Northern) did increase their tuition and required fees after December 1, 2003, and so received only 1.5% in supplemental funding for FY 2003-04. Pursuant to Sec. 1201(5) of Public Act 352 of 2004, the FY 2003-04 supplemental tuition restraint incentive funding of \$43,008,200 was paid out in FY 2004-05.
2. **State Competitive Scholarships.** During FY 2003-04, \$80,700 of additional Federal funds became available for State Competitive Scholarships, which are need-based grants for students who perform well on the American College Test (ACT). Total FY 2003-04 funding was \$35,611,200, of which \$2,980,700 was Federal.

Gross	43,008,200
GF/GP	43,008,200
Gross	80,700
Federal	80,700
GF/GP	0

**Change From FY 2003-04
Initial Appropriation**

3. **Michigan Merit Award Trust Fund.** Section 451 of Public Act 237 of 2003 appropriated \$63.0 million from the Michigan Merit Award Trust Fund to the State General Fund (item B.2. below).

B. EXECUTIVE ORDERS

Executive Order 2003-23

1. **Reduction of 5.0%.** This Executive Order reduced the Operations line item of each public university by 5.0%. As part of the Executive Order agreement, the restoration of 3.0% of the 5.0% reduction was proposed for any university that restrained its tuition in both academic years 2003-04 and 2004-05. The tuition restraint criteria evolved throughout the fiscal year and were finalized during leadership budget target meetings in September 2004 (item A.1. above).

Gross	(73,172,000)
GF/GP	(73,172,000)

2. **Michigan Merit Award Accounting Change.** The Executive Order reduced the Michigan Merit Award Program by \$63.0 million to reflect the payment of awards to students in the fiscal year beginning in October, following their June high school graduation. This accounting change provided for State GF/GP savings of \$63.0 million for each of the fiscal years 2003-04 and 2004-05. Public Act 69 of 2004 amended the Michigan Merit Award Act to accomplish this accounting change and Section 451 of Public Act 237 of 2003 appropriated the \$63.0 million in Michigan Merit Award Trust Fund savings to the State General Fund for FY 2003-04 (item A.3. above).

Gross	(63,000,000)
Restricted	(63,000,000)
GF/GP	0

C. TRANSFERS

State Budget Office Letter 6-14-04

Tuition Incentive Program. The Tuition Incentive Program (TIP) was created in FY 1986-87 as an incentive for Medicaid-eligible middle school and high school students to graduate from high school and go on to college. TIP pays for two years of community college and up to an additional \$2,000 for study at a four-year institution. The Program was audited in 1996, and it was discovered that students were being allowed to apply for TIP grants after they graduated from high school, rather than before high school graduation as the law intended. After this audit, the practice of awarding grants as an incentive to graduate from high school was reinstated, and there was an immediate drop in TIP payments. Students began to receive notification of their TIP eligibility as early as the sixth grade, and these students are now coming out of the pipeline to attend college; as a result, the TIP caseload is increasing. A transfer of \$1.5 million from the Michigan Merit Award Program to TIP provided FY 2003-04 total TIP appropriations of \$10.75 million. Of the \$67.0 million appropriated for the Merit Award Program, \$5.9 million was not spent during FY 2003-04, allowing sufficient funds to be available for the transfer to TIP. Both TIP and the Merit Award Program are financed from the Michigan Merit Award Trust Fund, which receives 75% of the State's share of the national tobacco settlement award.

Gross	0
GF/GP	0

DEPARTMENT OF DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

The initial appropriation was contained in Public Act 160 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	248.5	248.5
Gross	57,131,100	56,548,000
IDG	137,500	137,500
Federal	9,322,600	9,322,600
Local	0	0
Private	577,400	577,400
Restricted	2,308,800	2,308,800
GF/GP	44,784,800	44,201,700
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	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

Executive Order 2003-23

This was a negative adjustment to all department budgets required to balance the FY 2003-04 budget. All reductions were taken in Administration line items.

Gross	(583,100)
GF/GP	(583,100)

C. TRANSFERS - NONE

DEPARTMENT OF INFORMATION AND TECHNOLOGY

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	1,749.4	1,749.4
Gross	360,239,300	371,269,300
IDG	360,239,300	371,269,300
Federal	0	0
Local	0	0
Private	0	0
Restricted	0	0
GF/GP	0	0
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 309 of 2004

- | | |
|--|--|
| <p>1. Health Insurance Portability and Accountability Act (HIPAA). The supplemental appropriation included additional Federal Medicaid funding related to information technology costs regarding privacy requirements contained in HIPAA.</p> | <p>Gross 8,300,000
IDG 8,300,000
GF/GP 0</p> |
| <p>2. Electronic Banking Smart Card Project. The supplemental contained Federal Women, Infants, and Children (WIC) program funding to be allocated to the electronic banking smart card project.</p> | <p>Gross 500,000
IDG 500,000
GF/GP 0</p> |
| <p>3. Public Protection. The supplemental included an interdepartmental grant of Federal funding from the Department of State Police to fund system design and administrative costs related to the Commercial Vehicle Information Systems and Networks Automation Project. The project connects departmental computer systems (Labor and Economic Development, State, State Police, Transportation, and Treasury) that support commercial motor carrier registrations, safety compliance, and fuel tax collections.</p> | <p>Gross 2,000,000
IDG 2,000,000
GF/GP 0</p> |
| <p>4. Resource Services. The Department of Environmental Quality received Federal funding to streamline the permitting process through the implementation of a system to accept and process industrial storm water and construction storm water applications.</p> | <p>Gross 230,000
IDG 230,000
GF/GF 0</p> |

B. EXECUTIVE ORDERS

Executive Order 2003-23

Information Technology. The Department of Management and Budget maintained that the State would realize savings by reducing the demand for application support, eliminating system enhancements, converting vendor staff to State staff, streamlining organization, consolidating infrastructure, obtaining reductions in vendor rates, limiting new purchases, and achieving other efficiencies. Savings were allocated to the information technology appropriation for all State departments. While no specific reduction was made to the Department of Information Technology budget, the Executive Order directed the Department of Information Technology to reduce user charges to State agencies consistent with reductions contained in departmental budgets.

C. TRANSFERS - NONE

JUDICIARY

The initial appropriation was contained in Public Act 155 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	582.5	582.5
Gross	259,567,900	257,567,900
IDG	4,633,500	4,633,500
Federal	4,106,500	4,106,500
Local	2,898,700	3,148,700
Private	842,500	842,500
Restricted	85,770,300	84,620,300
GF/GP	161,316,400	160,216,400
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	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

Budget Reductions. In conjunction with Executive Order 2003-23, the Judiciary received a 1.5% GF/GP reduction after adjusting for judges' salaries. Fund shifts reduced GF/GP expenditures by \$600,000 and replaced them with \$250,000 in local-user fees and \$350,000 from additional revenue available from the new justice system assessments. A judiciary reductions line item fulfilled the balance of the reduction, and savings were transferred throughout the budget as efficiencies and vacancies were realized during the fiscal year.

Gross	(500,000)
Local	250,000
Restricted	350,000
GF/GP	(1,100,000)

2. Public Act 309 of 2004

Judicial Technology Improvement Fund (JTIF). The original appropriation act included a boilerplate appropriation of \$6.0 million for the JTIF contingent upon the receipt of a Federal Child Support Enforcement System penalty refund and required that at least \$1.0 million of it be spent on cyber court development. The target agreement to balance the FY 2004-05 budget reduced this by \$1.5 million and repealed the cyber court requirement.

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

B. EXECUTIVE ORDERS - NONE

C. TRANSFERS - NONE

LEGISLATURE

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
Gross	119,880,400	118,630,800
IDG	1,662,900	1,662,900
Federal	0	0
Local	0	0
Private	400,000	400,000
Restricted	2,495,100	2,495,100
GF/GP	115,322,400	114,072,800
<hr/>		
	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 237 of 2003

Budget Reductions. Updated revenue estimates projected revenue below the level of initial appropriations. The Governor issued Executive Order 2003-23 to bring expenditures in line with projected revenue, pursuant to the requirements of Article V, Section 20 of the Michigan Constitution. The Legislature is not subject to Executive Order reductions. Therefore, this supplemental appropriation was used to implement reductions to the legislative budget.

Gross	(1,249,600)
GF/GP	(1,249,600)

B. EXECUTIVE ORDERS - NONE

C. TRANSFERS - NONE

DEPARTMENT OF MANAGEMENT AND BUDGET

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	716.0	716.0
Gross	230,187,800	229,987,800
IDG	162,216,800	162,216,800
Federal	440,800	740,800
Local	0	0
Private	0	0
Restricted	31,201,300	31,201,300
GF/GP	36,328,900	35,828,900
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	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 237 of 2003

Homeland Security Grant Program. The Department of Management and Budget received Federal Homeland Security funds for security enhancements (access control and surveillance of buildings), equipment for the Incident Command Center, and funding to conduct and evaluate emergency exercises to increase and enhance response capabilities.

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

B. EXECUTIVE ORDERS

Executive Order 2003-23

Due to revised revenue estimates, the Governor issued Executive Order 2003-23 to bring appropriations in line with projected revenue. Reductions included:

- 1. Administrative Services.** The reduction was achieved though holding 1.0 FTE position vacant and reducing temporary services including book-closing accountants and training consultants.
- 2. Office of the State Employer.** This saving was attained by holding 1.0 FTE clerical position vacant.

Gross	(201,400)
GF/GP	(201,400)
Gross	(61,100)
GF/GP	(61,100)

**Change From FY 2003-04
Initial Appropriation**

- 3. **Information Technology Services and Projects.** This saving resulted from the development of more efficient methods to archive historical data and replacement of query tools resulting in reduced licensing and training costs.
- 4. **Restructuring of Cadillac Place Lease.** The Executive Order included language authorizing the State Budget Director to reduce building occupancy General Fund expenditures by \$5.9 million. The saving was achieved by restructuring payments for the lease of the Cadillac State Office Building in Detroit. The projected General Fund saving of \$5.9 million was lapsed by the Department at the close of the fiscal year.

Gross	(237,500)
GF/GP	(237,500)

C. TRANSFERS - NONE

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The initial appropriation was contained in Public Act 156 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	1,072.0	1,072.0
Gross	103,097,500	107,840,000
IDG	200,000	742,500
Federal	40,627,900	44,102,900
Local	0	0
Private	1,270,700	1,270,700
Restricted	23,800,100	25,395,100
GF/GP	37,198,800	36,328,800
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	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

- a. Homeland Security.** Public Act 237 provided for additional grant funding from the Department of Community Health of \$100,000 and \$100,000 GF/GP for Headquarters and Armories.
- b. State Veterans Homes.** Public Act 237 provided for the receipt of reserve funding from income and assessment charges of \$570,000 from the Grand Rapids Veterans Home and \$200,000 from the D.J. Jacobetti Veterans Home to offset identical GF/GP reductions taken under Executive Order 2003-23 (below).

Gross	200,000
IDG	100,000
GF/GP	100,000
Gross	770,000
Restricted	770,000
GF/GP	0

2. Public Act 309 of 2004

Additional Funding Adjustment. Public Act 309 provided for the receipt of additional funds from existing fund sources that became available to support existing programs, including \$700,000 for Headquarters and Armories, \$42,500 for the Challenge Program, \$2.0 million for Military Training Sites and Support Facilities, \$1.2 million for Departmentwide Accounts and \$800,000 for the State's veterans homes.

Gross	4,742,500
IDG	442,500
Federal	3,475,000
Restricted	825,000
GF/GP	0

**Change From FY 2003-04
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2003-23

Administrative Reductions. Executive Order 2003-23 ordered administrative reductions in Departmentwide Appropriations (\$200,000), the Grand Rapids Veterans Home (\$570,000), and the D.J. Jacobetti Veterans Home (\$200,000).

Gross	(970,000)
GF/GP	(970,000)

C. TRANSFERS

1. State Budget Office Letter 9-21-04

a. Deficit Prevention. The transfer included a shift of \$150,000 Federal from Information Technology to Headquarters and Armories and \$1.5 million Federal from Departmentwide Appropriations to Military Training Site and Support Facilities to prevent a deficit in those two accounts.

Gross	0
GF/GP	0

b. Increase in Federal Revenue. The transfer served to transfer \$40,000 in unneeded Federal funds from Departmentwide Appropriations to the Star Base educational program to allow for additional program expenditure.

Gross	0
GF/GP	0

c. Proper Alignment of Funding. The transfer provided for a correction in the distribution and funding of information technology costs by transferring \$100,000 GF/GP from Headquarters and Armories and \$50,000 Federal from the State veterans homes to Information Technology.

Gross	0
GF/GP	0

2. State Budget Office Letter 11-1-04

a. Funding Shortfall. This transfer shifted \$70,000 GF/GP from Headquarters and Armories to the Challenge Program to make up for a shortfall in private donations received by the program.

Gross	0
Federal	0
Restricted	0
GF/GP	0

b. Federal Funds Capture. This transfer shifted Federal fund authorization of \$200,000 from Departmentwide Appropriations to Military Training Sites and Support Facilities to optimize the capture of Federal funds for that program.

Gross	0
GF/GP	0

DEPARTMENT OF NATURAL RESOURCES

The initial appropriation was contained in Public Act 147 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	2,088.5	2,090.0
Gross	254,151,000	262,276,500
IDG	3,437,900	3,437,900
Federal	33,706,600	33,706,600
Local	0	0
Private	1,871,400	1,871,400
Restricted	186,333,700	191,921,200
GF/GP	28,801,400	31,339,400
<hr/>		
	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

Education and Outreach Fund Shift. To offset part of the General Fund reductions contained in Executive Order 2003-23, an appropriation was made from the Youth Hunting and Fishing Education and Outreach Fund to support Education and Outreach programs. The Fund receives revenue from the sale of small game and all-species fishing licenses to people between ages 12 and 16 to be used for education and outreach programs for children.

Gross	25,000
Restricted	25,000
GF/GP	0

2. Public Act 309 of 2004

a. Forest Certification Implementation. Public Acts 123 to 125 of 2004 require the Department of Natural Resources (DNR) to manage the State forest in a manner consistent with principles of sustainable forestry. The Department must seek and maintain third-party certification that forest management is consistent with sustainable forestry standards. This appropriation from the Forest Development Fund was enacted to implement the new forest management plan.

FTE	1.5
Gross	500,000
Restricted	500,000
GF/GP	0

		Change From FY 2003-04 Initial Appropriation	
b. Cervid Facility Audits. Executive Order 2004-3 transferred oversight of the captive cervid facilities from the Department of Agriculture to the DNR. The Executive Order required that the DNR perform an audit of the cervid facilities as part of the State's effort to prevent chronic wasting disease among the deer population. To make General Fund dollars available to support the audit, an appropriation was enacted, partially shifting support for Bovine Tuberculosis monitoring in the State's free-range deer herd from the General Fund to the Game and Fish Protection Fund.	Gross	500,000	
	Restricted	500,000	
	GF/GP	0	
c. Snowmobile Local Grants. The balance of the Snowmobile Trail Improvement Fund was appropriated to make additional funding available for grants to local units of government and nonprofit snowmobile organizations for grooming, special maintenance projects, and equipment replacement. The grants may be used only on snowmobile trails that are part of the designated statewide trail system.	Gross	4,000,000	
	Restricted	4,000,000	
	GF/GP	0	
d. Retail System Revisions. Hunting licenses for elk will be awarded through a weighted, random drawing that will give priority to individuals who have been applying for an elk hunting license for many years without receiving one. Since there are new criteria for issuing these hunting licenses, the software for the license retail system needed adjustments.	Gross	350,000	
	Restricted	350,000	
	GF/GP	0	
e. Pigeon River County State Forest Settlement. Pursuant to a settlement negotiated by the Attorney General, the DNR had to make a payment from the Michigan Natural Resources Trust Fund regarding a takings issue in the Pigeon River County State Forest. The total payment required from the Department was \$437,500. The balance of \$225,000 was taken from existing resources.	Gross	212,500	
	Restricted	212,500	
	GF/GP	0	
3. Public Act 360 of 2004			
Purchased Land Payments in Lieu of Taxes. The State makes ad valorem payments on land owned by the DNR. These payments increase annually with the changes in taxable property values and millages. Insufficient General Fund dollars were provided to pay fully the obligations of the State and the statute provided no instruction for partial payments. The appropriation enabled the Department to make the full payments and included late penalties of approximately \$500,000.	Gross	3,250,000	
	GF/GP	3,250,000	

**Change From FY 2003-04
Initial Appropriation**

B. EXECUTIVE ORDERS

Executive Order 2003-23

- | | | |
|---|--------------|------------------|
| <p>1. Administrative Reductions. To meet reduced revenue estimates, an Executive Order reduced General Fund appropriations on a statewide basis. A portion of the reductions in the DNR was taken from various administrative line items.</p> | <p>Gross</p> | <p>(527,000)</p> |
| | <p>GF/GP</p> | <p>(527,000)</p> |
| | | |
| <p>2. Training Postponement. A training class for new conservation officers originally scheduled for February 2004 was postponed to the late summer. General Fund savings resulted from delaying the employment costs of 20 conservation officers.</p> | <p>Gross</p> | <p>(160,000)</p> |
| | <p>GF/GP</p> | <p>(160,000)</p> |
| | | |
| <p>3. Education and Outreach Program Fund Shift. General Fund support was removed from the Education and Outreach program. It was replaced in a concurrent supplemental appropriation with restricted funds.</p> | <p>Gross</p> | <p>(25,000)</p> |
| | <p>GF/GP</p> | <p>(25,000)</p> |

C. TRANSFERS

1. State Budget Office Letter 5-14-04

- | | | |
|--|--------------|----------|
| <p>a. Land Ownership Tracking System (LOTS). The transfer adjusted the fund sources related to \$225,000 in information technology services for LOTS pursuant to a cost allocation plan.</p> | <p>Gross</p> | <p>0</p> |
| | <p>GF/GP</p> | <p>0</p> |
| | | |
| <p>b. Rural Community Fire Protection. Additional Federal funding of \$255,000 became available for grants to local units of government in rural areas for the purchase of fire-fighting equipment. To receive a grant, a local unit must cover 50% of the equipment costs, have a population under 10,000, and have publicly owned forested land within its jurisdiction.</p> | <p>Gross</p> | <p>0</p> |
| | <p>GF/GP</p> | <p>0</p> |
| | | |
| <p>c. Urban Forestry Grants. Detroit Edison voluntarily participates in the United States Department of Energy Climate Challenge Program, a tree planting program, as part of its efforts to reduce carbon dioxide in the atmosphere. With the \$100,000 provided through this transfer, grants of up to \$4,000, subject to a 50% cash or in-kind match, were awarded to local unit of government applicants from Detroit Edison's service area.</p> | <p>Gross</p> | <p>0</p> |
| | <p>GF/GP</p> | <p>0</p> |
| | | |
| <p>d. Hunter Education. Federal Pittman-Robertson funding of \$88,500 became available for the Law Enforcement Division to use at the six State shooting ranges for hunter education activities.</p> | <p>Gross</p> | <p>0</p> |
| | <p>GF/GP</p> | <p>0</p> |

**Change From FY 2003-04
Initial Appropriation**

2. State Budget Office Letter 9-21-04

Chronic Wasting Disease. The State received additional Federal funding of \$72,000 for testing for chronic wasting disease. The heads of affected or exposed animals are sent for testing at the DNR laboratory. No cases of chronic wasting disease have been found in Michigan.

Gross	0
GF/GP	0

3. State Budget Office Letter 11-1-04

Fire-Fighting Equipment. Additional Federal funding of \$475,000 was available for the purchase of fire-fighting equipment. The money was used to purchase hand-held 800 MHZ radios for foresters and radio adaptors for vehicles.

Gross	0
GF/GP	0

NATURAL RESOURCES TRUST FUND

The appropriations for the Michigan Natural Resources Trust Fund projects for FY 2003-04 are contained in Public Act 309 of 2003.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	N/A	N/A
Gross		23,680,900
IDG		0
Federal		0
Local		0
Private		0
Restricted		23,680,900
GF/GP		0

**Change From FY 2003-04
Initial Appropriation**

A. INITIAL APPROPRIATIONS

Public Act 309 of 2004. The Act provides funding from the Michigan Natural Resources Trust Fund for 27 acquisition projects and 24 development projects.

Gross	23,680,900
Restricted	23,680,900
GF/GP	0

B. EXECUTIVE ORDERS - NONE

C. TRANSFERS - NONE

SCHOOL AID

The initial appropriation was contained in Public Act 521 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	0.0	0.0
Gross	12,696,906,100	12,424,969,000
IDG	0	0
Federal	1,219,825,200	1,316,681,900
Local	0	0
Private	0	0
Restricted	11,278,667,400	10,730,437,100
GF/GP	198,413,500	377,850,000
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 158 of 2003

- | | |
|---|--|
| <p>a. Adjustments for Pupils, Taxable Values, and Special Education State Costs. The initial appropriations were based on estimates for pupils, taxable values, and special education costs. This supplemental incorporated newer data on which to build the budget, yielding savings from pupils and taxable values (\$110.0 million), as well as new savings included from personal property tax audits (\$27.0 million) and increasing special education costs (almost \$30.0 million).</p> | <p>Gross (107,038,900)
Restricted (107,038,900)
GF/GP 0</p> |
| <p>b. Adult Education and Partnership for Adult Learning (PAL). Due to budget constraints, funding for Adult Education was reduced 75%, from \$77.5 million to \$20.0 million, and funding for PAL was reduced from \$20.0 million to \$1.0 million.</p> | <p>Gross (76,500,000)
Restricted (57,500,000)
GF/GP (19,000,000)</p> |
| <p>c. Debt Service and Renaissance Zones. <i>Durant</i> bonds were refinanced, saving over \$39.8 million, and the School Bond Loan Fund debt service payment (costing \$28.3 million) was included in this supplemental. New renaissance zone designations and updated taxable values necessitated more than \$15.0 million in additional costs.</p> | <p>Gross 3,527,000
GF/GP 3,527,000</p> |
| <p>d. Career Preparation and Other Program Cuts. Public Act 158 virtually eliminated the Career Preparation program (\$20.85 million reduction), as well as the Advanced and Accelerated program (\$4.75 million). The Math and Science Centers program was reduced by nearly \$7.7 million.</p> | <p>Gross (33,297,500)
Restricted (12,447,500)
GF/GP (20,850,000)</p> |

		Change From FY 2003-04 Initial Appropriation	
e. Federal Grants. A number of Federal grants increased from the time the initial appropriation was enacted. The changes include nearly \$30.0 million more in No Child Left Behind funds, over \$50.0 million in Special Education funds, more than \$17.0 million for Freedom to Learn, and other smaller changes.	Gross	96,856,700	
	Federal	96,856,700	
	GF/GP	0	
f. Freedom to Learn, Michigan Virtual High School (MVHS), and Other Changes. The supplemental appropriation included \$22.0 million in State funding for the Freedom to Learn wireless laptop program, reduced MVHS State funding by \$4.25 million, and included nearly \$5.9 million in other changes.	Gross	23,615,600	
	Restricted	27,865,600	
	GF/GP	(4,250,000)	
g. Fund Source Shift. The supplemental adjusted the fund sources supporting the budget. Specifically, School Aid Fund revenue was lower than anticipated, necessitating an increase in GF/GP revenue (netting out the changes above) to support the anticipated expenditures.	Gross	0	
	Restricted	(124,259,500)	
	GF/GP	124,259,500	
2. Public Act 236 of 2003			
a. Renaissance Zones. Better data indicated a need for increased funding to support renaissance zone reimbursements.	Gross	4,700,000	
	GF/GP	4,700,000	
b. Program Eliminations. Two programs, previously appropriated at \$1.0 million each, were eliminated in this supplemental: Career Preparation and Partnership for Adult Learning.	Gross	(2,000,000)	
	GF/GP	(2,000,000)	
c. Fund Source Shift. The supplemental adjusted the fund sources supporting the budget. Specifically, School Aid Fund revenue was lower than anticipated, necessitating an increase in GF/GP revenue (netting out the changes above) to support the anticipated expenditures.	Gross	0	
	Restricted	(42,950,000)	
	GF/GP	42,950,000	
3. Public Act 185 of 2004			
Fund Source Shift. This supplemental appropriation added \$50.1 million in GF/GP revenue to support the K-12 budget because actual School Aid Fund revenue was insufficient to support the appropriations. (In total, the three fund source shifts enacted throughout FY 2003-04 and net of GF/GP program reductions shifted \$179,436,500 additional GF/GP revenue into the K-12 budget due to School Aid Fund revenue shortfalls.)	Gross	0	
	Restricted	(50,100,000)	
	GF/GP	50,100,000	
4. Public Act 351 of 2004			
Homestead Exemption Audits. Due to changes enacted in the General Property Tax Act that allowed for more audits of homestead exemptions claimed, a negative supplemental for the School Aid Act was adopted, reducing anticipated expenditures by \$50.7 million.	Gross	(50,700,000)	
	Restricted	(50,700,000)	
	GF/GP	0	

**Change From FY 2003-04
Initial Appropriation**

B. EXECUTIVE ORDERS

Proration – December 2003

Proration of School Aid Act. Although not through a supplemental bill, School Aid funding was prorated in December due to a shortfall in available revenue. The amount of proration necessary to bring the School Aid Act back into balance in FY 2003-04 was \$131.1 million, which equated to a \$74 per-pupil reduction to school districts. Prorated payments began with the December 20, 2003 payment and continued through the remaining payment on August 20, 2004.

Gross	(131,100,000)
Restricted	(131,100,000)
GF/GP	0

C. TRANSFERS

1. State Budget Office Letter 10-29-04

- a. Court Settlements – Benton Harbor.** An administrative transfer of \$2.3 million was approved to provide funds to Benton Harbor School District under the court-ordered desegregation plan.
- b. Renaissance Zone Reimbursements.** An administrative transfer of \$240,000 was approved to pay for statutorily required reimbursements to districts, intermediate districts, and the School Aid Fund.

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

2. State Budget Office Letter 11-01-04

- a. Special Education.** Two transfers were approved in order to transfer a total of \$19.51 million to special education programs to meet constitutional funding obligations. Money was available from refinancing the debt service payments on the School Bond Loan Fund (SBLF) program.
- b. Proposal A Obligation and Discretionary Payments.** Excess funds, primarily from refinancing the SBLF debt service, spending no State funds in the Freedom to Learn program, and lapsing unspent funds from the Center for Educational Performance and Information appropriation, were transferred into the Proposal A obligation payment (over \$7.2 million) and the discretionary payment (\$25.0 million) in anticipation of book-closing expenditures.

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

DEPARTMENT OF STATE

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	1,849.8	1,850.8
Gross	181,121,500	182,113,251
IDG	20,000,000	20,000,000
Federal	1,319,500	2,029,500
Local	0	0
Private	100	100
Restricted	143,070,200	133,385,200
GF/GP	16,731,700	26,698,451
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

Driver Responsibility Legislation. The supplemental appropriation included funding to implement the Department of State's responsibilities pursuant to Public Act 165 of 2003, which provided for additional fees related to the accumulation of seven or more points on driver licenses and certain other offenses. The funding includes 1.0 FTE/\$55,000 for call center support and \$200,000 for one-time computer programming costs.

FTE	1.0
Gross	255,000
GF/GP	255,000

2. Public Act 309 of 2004

a. Motorcycle Safety Education Program. The supplemental included funding available from the Motorcycle Safety Fund for grants to schools that provide training. The FY 2003-04 initial grant appropriation was \$875,800.

Gross	125,000
Restricted	125,000
GF/GP	0

b. Notary Public Legislation. Public Act 238 of 2003 revised Michigan's notary public law. The Act required additional administration functions on the part of the Department of State, fees, and grants for local training. The supplemental included funding based on available revenue.

Gross	190,000
Restricted	190,000
GF/GP	0

Change From FY 2003-04 Initial Appropriation	
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c. Help America Vote Act (HAVA). The Department of State was eligible to receive Federal Health and Human Services funding to comply with barrier-free requirements for election facilities. The funds were used to make polling places more easily accessible to individuals with disabilities, provide equal access and opportunity for disabled individuals, train election officials and personnel on how to promote access and participation of disabled individuals in Federal elections, and provide disabled individuals with information regarding the accessibility of polling places.

Gross	710,000
Federal	710,000
GF/GP	0

3. Public Act 360 of 2004

Transportation Administration Collection Fund (TACF) Shortfall. Revenue from service fees on Secretary of State branch transactions was below estimates. The supplemental reduced TACF support for branch operations and replaced it with State General Fund support.

Gross	0
Restricted	(10,000,000)
GF/GP	10,000,000

B. EXECUTIVE ORDERS

Executive Order 2003-23

Due to revised revenue estimates, the Governor issued Executive Order 2003-23 to bring appropriations in line with projected revenue. Reductions include:

- 1. Unclassified Positions.** This reduction was based on available funds.
- 2. Customer Services Administration.** This saving was achieved through funded vacancies.
- 3. Branch Operations.** This reduction consisted of a \$15,000 cut to travel and a \$113,246 reduction to CSS&M.
- 4. Central Records.** This reduction was attained through administrative savings.
- 5. Information Technology Services and Projects.** This reduction was achieved through efficiencies related to computer maintenance contracts and other administrative savings.

Gross	(5,000)
GF/GP	(5,000)
Gross	(42,221)
GF/GP	(42,221)
Gross	(128,246)
GF/GP	(128,246)
Gross	(30,429)
GF/GP	(30,429)
Gross	(82,353)
GF/GP	(82,353)

**Change From FY 2003-04
Initial Appropriation**

C. TRANSFERS

State Budget Office Letter 05-14-04

Qualified Voter File. The transfer shifted \$100,000 from the Branch Operations line item to fund increased contractual costs for the Qualified Voter File (QVF). Ongoing maintenance of the QVF is supplied by Science Application International Corporation, Oracle Corporation, Hewlett-Packard Company, and a contractual programmer analyst. Funding was available from the Branch Operations line item due to delayed implementation of the Federal requirement to record Social Security numbers when drivers' licenses are updated.

Gross	0
GF/GP	0

DEPARTMENT OF STATE POLICE

The initial appropriation was contained in Public Act 149 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	2,987.0	2,987.0
Gross	460,898,900	462,993,629
IDG	17,885,100	17,885,100
Federal	103,892,300	105,892,300
Local	4,506,600	4,506,600
Private	10,000	10,000
Restricted	86,963,400	97,314,400
GF/GP	247,641,500	237,385,229
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

At-Post Troopers. Public Act 237 provided State authority to spend restricted funds in support of salary and wage costs of State Troopers from driver license fee revenue that formerly was earmarked for use in support of local school driver education programs.

Gross	6,100,000
Restricted	6,100,000
GF/GP	0

2. Public Act 309 of 2004

a. Receipt of Additional Restricted Revenue. Public Act 309 provided State authority to use additional restricted revenue obtained through State Police Service fees of \$500,000, Auto Theft Prevention fees of \$1,935,000, Drunk Driving Prevention and Training fees of \$250,000, Secondary Road Patrol and Training fees of \$345,000, State Forensic Laboratory funds of \$696,000, and Commercial Mobile Radio Service fees of \$400,000.

Gross	4,126,000
Restricted	4,126,000
GF/GP	0

b. Public Safety Officers Benefit Program. Public Act 309 provided first-year funding from a Public Safety Officer Benefit Fund in the Department of Treasury to support the provisions of Public Act 46 of 2004, which provides for a \$25,000 benefit for each public safety officer who either is killed or suffers permanent disability while on duty.

Gross	125,000
Restricted	125,000
GF/GP	0

Change From FY 2003-04 Initial Appropriation	
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c. Information Technology. Public Act 309 provided additional U.S. Department of Transportation funds in support of a Federal commercial vehicle information system automation project.

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

d. Grants for Disaster Assistance. Public Act 309 provided for required matching funds to use toward Federal disaster funds from the Federal Emergency Management Administration (FEMA) to pay for the effects of flooding during May 2004.

Gross	2,620,000
GF/GP	2,620,000

B. EXECUTIVE ORDERS

Executive Order 2003-23

Administrative Reductions. Executive Order 2003-23 ordered administrative reductions in several appropriation units including the Executive Direction (\$79,700), Departmentwide Appropriations (\$700,000), Support Services (\$261,600), Highway Safety (\$10,071), Criminal Justice Information Center (\$17,600), Forensic Sciences (\$291,500), Michigan Commission on Law Enforcement Standards (\$18,100), Fire Investigation (\$176,500), Emergency Management (\$36,700), Uniform Services (\$10,544,900), Special Operations (\$119,400), Criminal Investigations (\$610,300), and Motor Carrier Enforcement (\$9,900).

Gross	(12,876,271)
GF/GP	(12,876,271)

C. TRANSFERS

1. State Budget Office Letter 9-17-04

Additional GF/GP Matching Funds for FEMA Grants. The transfer served to move available GF/GP funds of \$325,000 from Criminal Investigation to Grants for Disaster Assistance, to provide for additional matching funds to support additional Federal disaster relief funds necessitated by damaging spring floods as first authorized by Public Act 309 (above).

Gross	0
GF/GP	0

2. State Budget Office Letter 9-21-04

Accounts Receivable Write-Off. This transfer was made to shift available GF/GP funds of \$30,000 from School Bus Inspections and \$110,000 from Special Operations to Accounts Receivable Write-Off to balance the books by adjusting for unrealized assumed revenue.

Gross	0
GF/GP	0

**Change From FY 2003-04
Initial Appropriation**

3. State Budget Office Letter 11-1-04

More GF/GP Matching Funds for FEMA. This transfer shifted available GF/GP funds of \$15,000 from Executive Direction, \$85,000 from Highway Safety Planning, \$40,000 from Support Services, \$12,500 from the Michigan Commission on Law Enforcement Standards, \$250,000 from Criminal Investigations, \$27,000 from Special Operations, and \$60,000 from Criminal Justice Information to Grants for Disaster Assistance to provide a third payment of matching funds for FEMA grants dealing with the damage from spring flooding in the State.

Gross	0
GF/GP	0

STRATEGIC FUND AGENCY

The initial appropriation was contained in Public Act 169 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	200.0	200.0
Gross	104,513,200	102,337,400
IDG	100,900	100,900
Federal	52,953,300	52,953,300
Local	0	0
Private	853,100	853,100
Restricted	10,050,000	10,050,000
GF/GP	40,555,900	38,380,100
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	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS - NONE

B. EXECUTIVE ORDERS

1. Executive Order 2003-18

This Executive Order (EO) abolished the Department and combined most of its functions with functions of the Department of Career Development and the Department of Consumer and Industry Services, creating the Department of Labor and Economic Growth (DLEG). The EO transferred all of the licensing regarding health professions and facilities to the Department of Community Health and all the regulation of day care and foster care facilities to the Family Independence Agency. The EO also transferred to DLEG the Commission for the Blind from the Family Independence Agency and the remaining duties of the State Fire Marshal from the Department of State Police.

2. Executive Order 2003-23

This was a negative adjustment to all department budgets required to balance the FY 2003-04 budget. All reductions were taken in Administration line items.

Gross	(2,175,800)
GF/GP	(2,175,800)

C. TRANSFERS - NONE

DEPARTMENT OF TRANSPORTATION

The initial appropriation was contained in Public Act 162 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	3,050.3	3,050.3
Gross	3,111,032,100	3,219,150,500
Federal	941,755,100	1,053,086,900
Local	5,800,000	5,800,000
Restricted	2,163,477,000	2,160,263,600
GF/GP	0	0

**Change From FY 2003-04
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

This supplemental appropriation reduced debt service appropriations for the Airport Safety and Protection Plan program from \$5.0 million to \$1.8 million. The original appropriation was based on the assumption that the Department would issue \$60.0 million in long-term debt for this program. To date, the Department has issued \$24 million for the Airport Safety and Protection Plan program. The appropriation is supported by State Aeronautics Fund revenue.

Gross	(3,213,400)
Restricted	(3,213,400)
GF/GP	0

2. Public Act 309 of 2003

a. Federal Highway Funding. Congress did not pass the FY 2003-04 transportation budget until after enactment of the FY 2003-04 Michigan Department of Transportation budget. Therefore, the initial appropriation was based on preliminary estimates of available Federal road and bridge funding. This supplemental provided authorization to spend Federal resources consistent with the amount made available to Michigan by the Congress. The Federal funding was allocated to State and local road agencies consistent with past practice.

Gross	111,331,800
Federal	111,331,800
GF/GP	0

Change From FY 2003-04 Initial Appropriation	
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- b. Multi-Modal Transportation Services Bureau.** Section 802 of this supplemental appropriation prohibited the Department from charging any costs associated with the operation of the Multi-Modal Transportation Services Bureau to any appropriation contained in the initial appropriation (Public Act 162 of 2003) other than those in Sections 114 and 115, regardless of the funding source. This section attempted to limit the appropriations contained in the initial budget that could be used to support the Bureau.

Gross	N/A
GF/GP	N/A

According to the Governor, this section was not binding because it attempted to change provisions of an earlier appropriation without republication.

- c. Competing Passenger Transportation Services.** Section 805 of this supplemental prohibited the Department from providing an operating subsidy to a private or public passenger transportation service provider that is competing with another private or public carrier over the same route. The section further provided that in situations where there is a duplication of service over the same route, either both entities must receive the same operating subsidy from the State or neither may receive a subsidy.

Gross	N/A
GF/GP	N/A

According to the Governor, this section was not binding because it attempted to change provisions of an earlier appropriation without republication.

- d. Mackinac Bridge Authority.** Section 806 of this supplemental prohibited the Department from using funds to transfer investment management functions from the Mackinac Bridge Authority to the State Treasurer.

Gross	N/A
GF/GP	N/A

According to the Governor, this section was unenforceable because it attempted to change provisions of another statute by reference.

B. EXECUTIVE ORDERS - NONE

C. TRANSFERS - NONE

DEPARTMENT OF TREASURY - DEBT SERVICE

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
Gross	73,286,400	56,286,400
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	878,000	30,878,000
GF/GP	72,408,400	25,408,400
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	Change From FY 2003-04 Initial Appropriation	

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 360 of 2004

Funding Shift. As part of the solution to the imbalance between revenue and appropriations, \$30 million for debt service costs associated with Quality of Life bonds was shifted from the General Fund to the Refined Petroleum Fund. The source of funding for the Refined Petroleum Fund is the continuation of the seven-eighths-of-a-percent tax on refined petroleum that previously was allocated to the Michigan Underground Storage Tank Financial Assurance Fund.

Gross	0
Restricted	30,000,000
GF/GP	(30,000,000)

B. EXECUTIVE ORDERS

Executive Order 2003-23

Due to revised revenue estimates, the Governor issued Executive Order 2003-23 to bring appropriations in line with projected revenue.

Clean Michigan Initiative - Debt Service. This adjustment is based on refinancing/restructuring debt service for the Clean Michigan Initiative Bond. The initial FY 2003-04 appropriation was \$33,036,000.

Gross	(17,000,000)
GF/GP	(17,000,000)

**Change From FY 2003-04
Initial Appropriation**

C. TRANSFERS

State Budget Office Letter 9-21-04 (Administrative Transfer)

This administrative transfer shifted \$1.3 million from the Clean Michigan Initiative debt service line item to the Quality of Life Bond debt service line item based on the actual debt service requirements.

Gross	0
GF/GP	0

DEPARTMENT OF TREASURY - OPERATIONS

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	1,526.0	1,615.0
Gross	372,232,900	381,890,186
IDG	12,417,600	12,417,600
Federal	44,196,100	44,696,100
Local	910,800	910,800
Private	0	0
Restricted	256,411,700	263,601,700
GF/GP	58,296,700	60,263,986
Change From FY 2003-04 Initial Appropriation		

A. SUPPLEMENTAL APPROPRIATIONS

1. Public Act 237 of 2003

- a. Driver Responsibility Legislation.** The supplemental appropriation included funding to implement the activities by the Department of Treasury to collect assessments pursuant to Public Act 165 of 2003, which provides for additional fees related to the accumulation of seven or more points on driver licenses and certain other offenses. The funding includes 6.0 FTEs at \$480,000 and \$220,000 for mailing costs.
- b. Enhanced Revenue Collections.** The supplemental included additional resources that the Department of Treasury stated would result in additional tax collections of \$83.7 million in FY 2003-04 and \$120.6 million in FY 2004-05. The funding included 4.0 FTEs at \$800,000 for Local Finance, 49.0 FTEs at \$3.5 million for Tax Compliance, \$800,000 for Tax Processing, 30.0 FTEs at \$2,050,000 for Collections, and \$950,000 for Information Technology.
- c. Justice System Fund.** This supplemental appropriation provided funding to implement the Judiciary fee package pursuant to Public Act 97 of 2003 and Public Act 138 of 2003. The Department of Treasury collects and distributes Justice System Funds pursuant to statutory allocations.

FTE	6.0
Gross	700,000
GF/GP	700,000
FTE	83.0
Gross	8,100,000
Restricted	6,100,000
GF/GP	2,000,000
Gross	640,000
Restricted	640,000
GF/GP	0

Change From FY 2003-04 Initial Appropriation	
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d. Low-Income Energy Assistance. This supplemental provided additional Federal low-income energy assistance funding for operational costs related to processing basic home heating assistance payments with the Family Independence Agency (FIA), consistent with an FIA/Treasury agreement. The initial FY 2003-04 appropriation for the administration of this program was \$1.6 million.

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

e. MEAP Administration. Additional Federal funding became available for a National Assessment for Educational Progress State Administrator.

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

2. Public Act 309 of 2004

Litigation Costs. The State is involved in a lawsuit regarding the right to tax land that allegedly is no longer under Tribal possession or Federal possession on behalf of the Tribe. Another pending case involves enforcement actions taken by the State to stop illegal cigarette trafficking. Supplemental funding was included to cover expert witness and research costs.

Gross	450,000
Restricted	450,000
GF/GP	0

B. EXECUTIVE ORDERS

Executive Order 2003-23

Due to revised revenue estimates, the Governor issued Executive Order 2003-23 to bring appropriations in line with projected revenue. Reductions of \$732,714 included:

1. Worker's Compensation Insurance Premium. This adjustment was based on projected actual cost.

Gross	(32,714)
GF/GP	(32,714)

2. Travel. An overall reduction to travel was made.

Gross	(300,000)
GF/GP	(300,000)

3. Rent and Building Occupancy Charges. This adjustment was based on savings related to building occupancy costs, including property management services.

Gross	(100,000)
GF/GP	(100,000)

4. Finance and Accounting. This reduction was based on administrative savings, including contractual services, supplies, and materials.

Gross	(300,000)
GF/GP	(300,000)

**Change From FY 2003-04
Initial Appropriation**

C. TRANSFERS

1. State Budget Office Letter 09-21-04

Homestead Exemption Audits. This transfer shifted \$600,000 from rent and building occupancy charges to tax programs. The Department of Treasury is required to conduct annual audits of homestead exemptions in counties that choose not to perform the audits. In FY 2003-04, 22 counties elected not to conduct the homestead exemption audits. The FY 2003-04 General Government appropriation act included authorization for the Department of Treasury to receive and spend audit fund revenue for the cost of the audits. Actual reporting from counties was not available until after the close of the fiscal year. Sufficient funding was available to cover the difference from allocation of building occupancy charges to appropriate restricted fund accounts and property management savings.

Gross	0
GF/GP	0

2. State Budget Office Letter 09-21-04

Renaissance Zone Reimbursement. Actual costs for this program were above the original appropriation of \$1,640,000. Payments are made pursuant to Public Act 376 of 1996. The administrative transfer shifted \$60,000 from rent and building occupancy charges to the Renaissance Reimbursement line item.

3. State Budget Office Letter 10-29-04

Senior Citizens Cooperative Housing Tax Exemption Program. This administrative transfer moved \$350,000 from the Supervision of the General Property Tax Law line item to the Senior Citizens Cooperative Housing Tax Exemption Program due to increases in the number of qualifying housing facilities and the level of tax assessments. This brought the total FY 2003-04 appropriation to \$15,850,000.

4. State Budget Office Letter 11-01-04

Office of the Director. This transfer moved \$11,700 from the Casino Gaming Control Administration line item to the Office of the Director to reflect actual costs of fringe benefits for the Executive Director of the Michigan Gaming Control Board.

DEPARTMENT OF TREASURY - REVENUE SHARING

The initial appropriation was contained in Public Act 161 of 2003. See the FY 2003-04 Appropriations Report Part II - Initial Appropriations published in September 2003 for a detailed description.

	FY 2003-04 Initial Appropriation	FY 2003-04 Year-End Appropriation
FTE	N/A	N/A
Gross	1,407,850,000	1,306,257,900
IDG	0	0
Federal	0	0
Local	0	0
Private	0	0
Restricted	1,407,850,000	1,304,715,600
GF/GP	0	1,542,300

**Change From FY 2003-04
Initial Appropriation**

A. SUPPLEMENTAL APPROPRIATIONS

Public Act 237 of 2003

Executive Order 2003-23 reduced statutory revenue sharing payments to local units by approximately 5% of the payment received during FY 2002-03. This reduction affected almost all local units, including three local units under the control of a State-appointed emergency financial manager: the Cities of Flint, Hamtramck, and Highland Park. Because of the financial condition of the three local units, the supplemental provided \$1,542,300 of GF/GP money to replace revenue sharing funds those units lost as a result of Executive Order 2003-23.

Gross	1,542,300
GF/GP	1,542,300

B. EXECUTIVE ORDERS

Executive Order 2003-23

Executive Order 2003-23 reduced statutory revenue sharing payments by \$72,025,800. Earlier legislation, Public Act 168 of 2003, altered the distribution of revenue sharing payments by creating uniform changes across local units instead of distributing payments according to the revenue sharing formula. Supplemental legislation, Public Act 77 of 2004, altered the distribution to keep changes uniform across local units and consistent with the amount available for distribution under the Executive Order. The legislation was designed to equalize the reduction across all local units, such that all local units would receive a reduction of approximately 8.0% from the amount they would have received absent Executive Order 2003-23.

Gross	(72,025,800)
Restricted	(72,025,800)

**Change From FY 2003-04
Initial Appropriation**

C. TRANSFERS - NONE

D. OTHER ADJUSTMENTS

Revenue Adjustments

The revenue sharing appropriations were based on consensus sales tax estimates adopted at the May 2003 Consensus Revenue Estimating Conference. The appropriated levels represented the maximum amount that would be distributed for restricted revenue sharing. Actual sales tax collections were lower than the May 2003 forecast and subsequent forecasts and thus the full appropriation could not be supported, even accounting for the Executive Order reductions. Actual revenue sharing distributions totaled \$1,304,715,600, or \$103,134,400 less than initially appropriated and \$31,108,600 less than estimated at the time of Executive Order 2003-23.

Gross	(31,108,600)
Restricted	(31,108,600)



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