

# **EXECUTIVE ORDER 2003-23**

## **SUMMARY AND DEPARTMENT/BUDGET AREA DETAIL FY 2003-04**



**DECEMBER 10, 2003**

**SUMMARY OF EXECUTIVE ORDER 2003-23**

Department/Budget Area	FY 2003-04 GF/GP Year-to-Date	EO 2003-23 GF/GP Reductions	EO 2003-23 Fed/Restricted Reductions that Reduce GF/GP	EO 2003-23 Fed/Restricted Reductions that Transfer Funds to Depts.	EO 2003-23 Work Project Reductions	EO 2003-23 Total Reductions
Agriculture	\$31,379,000	\$(1,119,800)	\$ 0	\$ 0	\$ 0	\$(1,119,800)
Attorney General	31,009,900	(750,000)	0	0	0	(750,000)
Capital Outlay	281,302,300	(29,000,000)	0	0	(12,228,237)	(41,228,237)
Career Development	24,706,700	(371,726)	(1,000,000)	(5,000,000)	0	(6,371,726)
Civil Rights	12,183,200	(463,042)	0	0	0	(463,042)
Civil Service	8,052,600	(220,063)	0	0	0	(220,063)
Community Colleges	289,013,100	(12,434,500)	0	0	0	(12,434,500)
Community Health	2,558,570,700	(5,090,400)	0	0	0	(5,090,400)
Consumer & Industry Services	19,669,800	(704,382)	0	0	0	(704,382)
Corrections	1,632,205,300	(6,044,819)	0	0	(7,300,984)	(13,345,803)
Education	29,392,500	(332,800)	0	(6,100,000)	0	(6,432,800)
Environmental Quality	56,716,300	(3,135,525)	0	0	0	(3,135,525)
Executive	4,859,500	0	0	0	0	0
Family Independence	1,133,739,400	(32,260,400)	0	(6,773,500)	(7,838,400)	(46,872,300)
Higher Education	1,632,604,500	(73,172,000)	(63,000,000)	0	0	(136,172,000)
History, Arts and Libraries	44,784,800	(583,100)	0	0	0	(583,100)
Judiciary	161,316,400	0	0	0	0	0
Legislature	115,322,400	0	0	0	0	0
Management & Budget	36,328,900	(500,000)	(5,900,000)	0	0	(6,400,000)
Military & Veterans Affairs	37,198,800	(970,000)	0	0	0	(970,000)
Natural Resources	28,801,400	(712,000)	0	0	0	(712,000)
School Aid	282,050,000	0	0	0	0	0
State	16,731,700	(288,249)	0	0	(251,297)	(539,546)
State Police	247,641,500	(12,876,271)	0	0	(1,676,572)	(14,552,843)
Strategic Fund	40,555,900	(2,175,791)	0	0	0	(2,175,791)
Transportation	0	0	0	0	0	0
Treasury (Debt Service)	72,408,400	(17,000,000)	0	0	0	(17,000,000)
Treasury (Operations)	58,296,700	(732,714)	0	0	(1,697,100)	(2,429,814)
Treasury (Revenue Sharing)	0	0	(72,025,800)	0	0	(72,025,800)
<b>Total</b>	<b>\$8,886,841,700</b>	<b>\$(200,937,582)</b>	<b>\$(141,925,800)</b>	<b>\$(17,873,500)</b>	<b>\$(30,992,590)</b>	<b>\$(391,729,472)</b>

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF AGRICULTURE**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
<p>1. <b>Grant Reduction: Local Conservation Districts.</b> Provides base funding for operations of local conservation districts statewide and some training dollars for districts. The reduction would apply to the training funding.</p>	\$1,661,200	\$1,661,200	\$60,900
<p>2. <b>Vacancy Savings.</b> Various programs will realize savings from not filling vacancies that occur throughout the year. The following programs will be affected, totaling 8.0 FTEs and \$545,000.</p> <p>Domestic marketing (1 FTE) ..... \$92,200                      Executive direction (1 FTE) ..... 50,000                      Management services (1 FTE) ..... 67,133                      Animal health and welfare (1 FTE) ..... 67,133                      Pesticide and plant pest (2 FTE) ..... 134,268                      Laboratory analysis (1 FTE) ..... 67,133                      Food safety (1 FTE) ..... 67,133</p>	Various	Various	\$545,000
<p>3. <b>Administrative Savings:</b> Various savings from contract reductions, travel reductions, per diem payment eliminations.</p> <p>Contract reductions ..... \$35,000                      Travel reductions ..... 49,300                      Commission per diem/travel ..... 10,000                      Training and bulk postage reduction ..... 48,300                      Fruit &amp; vegetable inspections ..... 154,000                      Seed testing ..... 19,300</p>	Various	Various	\$315,900
<p>4. <b>Funding Shift: Farmland and Open Space.</b> Currently, P.A. 451 of 1994, Part 362 sets a cap of \$700,000 at which program funds may be used for administrative activities. General Fund support is used to support a portion of the administrative costs of this program. A change in the law to increase the cap will allow restricted revenue to replace the GF/GP support.</p> <p>The supplemental includes the restricted revenue necessary to cover the GF/GP reduction associated with this funding shift.</p>	\$870,000	\$170,000	\$170,000
<p>5. <b>Funding Shift: Grain Dealer Licenses.</b> Replace current GF/GP support for the grain dealer license program with available commodity inspection fee revenue.</p> <p>The supplemental includes the restricted revenue necessary to cover the GF/GP reduction associated with this funding shift.</p>	\$28,000	\$28,000	\$28,000
<b>TOTAL SAVINGS:</b>			<b>\$1,119,800</b>

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**DEPARTMENT OF ATTORNEY GENERAL**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Attorney General Operations.</b> Most of the budget for the Department of Attorney General supports personnel costs. Previous reductions have been covered by holding vacancies and transferring positions to open restricted fund positions. The Attorney General recently laid off 6.0 FTE positions in anticipation of Executive Order reductions.	\$56,075,400	\$27,786,100	\$722,100
2. <b>Prosecuting Attorneys Coordinating Council.</b> This reduction will be achieved through administrative efficiencies.	1,503,800	1,073,000	27,900
3. <b>Information Technology Encumbrances.</b> The Department of Attorney General encumbered approximately \$2.2 million in FY 2002-03 for information technology improvements. The Department of Management and Budget is reducing the authorized encumbrance to \$1.5 million. This adjustment will be done administratively and is not included in the Executive Order.	N/A	N/A	N/A
4. <b>Boilerplate Adjustment (Section 307(3) of Public Act 161 of 2003).</b> The Executive Order reduces the authorization for the Department of Attorney General to carry forward litigation expense reimbursements awarded to the State from \$500,000 to \$200,000.	N/A	N/A	N/A
<b>TOTAL SAVINGS:</b>			<b>\$750,000</b>

## EXECUTIVE ORDER 2003-23

### CAPITAL OUTLAY

Program	Year-To-Date Gross Appropriation*	Year-To-Date GF/GP Appropriation*	FY 2003-04 GF/GP Savings
<p>1. <b>Capital Complex Renovations/State Building Authority Refinance.</b> This proposal would combine several new Capital Outlay projects in the Lansing Capital Complex (Ottawa Parking Ramp, exterior tuckpoint repairs, new elevators) totaling \$15.3 million, with a number of prior, smaller, General Fund special maintenance projects which total \$12.2 million. The whole \$27.6 million package would then be financed through the State Building Authority. The effect is to refinance, and thereby free-up the General Fund portion of the package for one-time savings of \$12.2 million General Fund. Future General Fund rent (debt service) payments to the SBA are estimated at \$2.7 million annually, and would likely begin in FY 2006 or 2007.</p>	\$0	\$0	\$12,228,237
<p>2. <b>Cell Phone Fees.</b> Current legislation authorizing a \$0.52 per month service fee on cell phone users to implement 911 call location identification technology is scheduled to sunset January 1, 2004. This proposal would continue the fee and dedicate \$0.25 of it for rent (debt service) payments on the State Police public safety communication system towers, and \$0.01 for tower maintenance. The fee is expected to generate \$12.0 million in FY 2003-04 and \$15 million in future years which will partially offset the existing \$21.6 million General Fund rent obligation to the SBA for the towers. The \$0.01 portion of the fee would generate approximately \$550,000 for tower maintenance when fully implemented. The balance of the fee revenue would continue to be available to counties for 911 training and equipment.</p>	21,600,000	21,600,000	12,000,000
<p>3. <b>State Building Authority Rent.</b> The State Building Authority (SBA) has refinanced and restructured many of its existing bond issues which has enabled the authority to cancel several existing leases on previous building projects, which in turn generates General Fund rent savings made to the SBA for these leases. In addition, the SBA has been granted an increase in the dollar limit of its short-term borrowing program from \$350 to \$500 million, which allows more projects to be kept in short-term financing before the State's rent (debt service) for long-term (bond) financing takes effect. This also has the effect of generating one-time General Fund savings.</p>	283,002,100	279,302,100	17,000,000
<b>TOTAL SAVINGS:</b>			<b>\$41,228,237</b>

## EXECUTIVE ORDER 2003-23

### DEPARTMENT OF CAREER DEVELOPMENT

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2003-04 GF/GP Savings
1. <b>Administration.</b> This reduction would result in reduced expenditures for marketing, operational costs, and the elimination of newswire subscriptions. The Department will work to maintain the Federal rehabilitation match requirement by relying more on in-kind and local agreements statewide.	\$6,489,600	\$1,607,900	\$61,533
2. <b>Worker's Compensation.</b> The Department will reduce the allocation for this line item with the understanding that if the costs exceed the appropriation, the programs where the liability occurs would be required to cover them. The Department will work to maintain the Federal rehabilitation match requirement by relying more on in-kind and local agreements statewide.	186,000	68,700	2,309
3. <b>Employment Training Services.</b> This reduction affects two programs administered in this line item. The first, the Michigan Community Service Commission would be reduced by \$31,800 resulting in reductions in travel, and operational costs. The second, Michigan Rehabilitation Services, would be reduced by \$186,592 resulting in reductions in travel, technology replacement, training and renovation costs. The Department will work to maintain the match requirement by relying more on in-kind and local agreements statewide.	80,931,200	7,198,300	218,378
4. <b>Michigan Career and Technical Institute.</b> This reduction will be achieved through reducing expenditures on food, textbooks and maintenance at the school. The Department will work to maintain the match requirement by relying more on in-kind and local agreements statewide.	10,894,300	1,040,200	34,966
5. <b>Career and Technical Education.</b> This reduction will be achieved by moving more of the charges for salary and wage costs to the Federal Perkins grant. The State matches this grant in total, so more in-kind agreements with the Michigan Department of Education and added cost funds in the School Aid budget will be used to meet the requirement.	3,324,900	605,200	20,344
6. <b>Postsecondary Education.</b> This reduction will be achieved by moving more of the charges for salary and wage costs to the Federal Perkins grant. The State matches this grant in total, so more in-kind agreements with the Michigan Department of Education and added cost funds in the School Aid budget will be used to meet the requirement.	2,402,900	635,300	21,355

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**DEPARTMENT OF CAREER DEVELOPMENT**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
7. <b>Adult Education.</b> This reduction will be achieved through administrative cost reductions. The State matches this grant in total and has a maintenance of effort requirement on spending for adult education services.	2,283,100	161,500	5,429
8. <b>Commission on Spanish Speaking Affairs.</b> This reduction will be achieved through reducing travel expenditures.	220,500	220,500	7,412
9. <b>Welfare-to-Work.</b> This is a reduction in the amount of Federal Temporary Assistance for Needy Families (TANF) funding appropriated for the Work First Program. The reduction will affect the employment and training programs for Work First clients by reducing the allocation to the local Workforce Development Boards for these services. These Federal funds will be reallocated in the Family Independence Agency to offset an equivalent reduction in General Fund.  Reduction: \$5,000,000			
10. <b>Council of Michigan Foundations.</b> This reduction will eliminate this grant program. The program, funded with Tobacco Settlement revenue, was awarded to local foundations to support health programs for youth and seniors including smoking prevention and cessation, childhood development, nutrition, day care and after school care.  Reduction: \$1,000,000			
<b>TOTAL GF/GP SAVINGS:</b>			<b>\$371,726</b>
<b>TOTAL SAVINGS FROM ALL FUND SOURCES:</b>			<b>\$6,371,726</b>

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DEPARTMENT OF CIVIL RIGHTS

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Civil Rights Operations.</b> Approximately \$231,600 in savings related to FTE positions will result from military and medical leave of absences and the sharing of an internal auditor position with the State Police. Other savings include \$51,000 from reductions to subscriptions, furnishings and equipment. The balance of \$180,400 will result from training reductions.	\$12,059,100	\$11,125,100	\$463,042
<b>TOTAL SAVINGS:</b>			<b>\$463,042</b>

# EXECUTIVE ORDER 2003-23

## DEPARTMENT OF CIVIL SERVICE

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
<b>1. Agency Services.</b> Savings will be achieved through administrative efficiencies.	\$5,549,900	\$4,000,000	\$150,000
<b>2. Human Resources/Administrative Support.</b> Savings will be achieved through administrative efficiencies..	15,141,900	2,968,400	70,063
<b>TOTAL SAVINGS:</b>			<b>\$220,063</b>

# EXECUTIVE ORDER 2003-23

## COMMUNITY COLLEGES

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
<p>1. <b>College Operations.</b> The Executive Order makes two changes to the appropriations for college operations. First, it restores "parity" which is a concept that claims that the proportion of college funding to university funding that existed in FY 2003, should be maintained in FY 2004. In order to achieve this proportion, an additional \$1,855,400 needs to be added to college operations. This amount is distributed proportionally to each college. Second, this newly increased amount for college operations is then reduced by 5%, or \$14,289,900 in total. The net effect of both actions results in an overall funding reduction of 4.38% to each college, or \$12,434,500 in total.</p> <p>2. <b>Tuition Restraint.</b> As part of the Executive Order agreement, language is proposed for the supplemental that would essentially restore 3% of the proposed 5% reduction to college operations, to any college that certifies that it did not raise tuition after December 1, 2003, for the 2003-2004 academic year, and will not raise tuition for the 2004-2005 academic year beyond the increase in the Detroit Consumer Price Index.</p>	\$283,940,400	\$283,940,400	\$12,434,500
<b>TOTAL SAVINGS:</b>			<b>\$12,434,500</b>

## EXECUTIVE ORDER 2003-23

### DEPARTMENT OF COMMUNITY HEALTH

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2003-04 GF/GP Savings
1. <b>Administrative Savings.</b> The Executive Order reduces GF/GP expenditures for the Department of Community Health through various administrative reductions and efficiencies. These include savings from vacancies, contract reductions/cancellations, travel reductions, and other CSS&M reductions.	NA	NA	3,675,900
2. <b>Continuous Quality Improvement Administrative Savings.</b> The Department plans to implement various strategies to achieve administrative efficiencies within the Medicaid program. These include the following: <ul style="list-style-type: none"> <li>• implementing an automatic link between the Medicaid and MICHild databases to eliminate dual enrollment;</li> <li>• working with the FIA to improve the enrollment process to reduce the number of beneficiaries who end up with multiple ID numbers; and,</li> <li>• improving the Michigan Medicaid Information System (MMIS) to catch billings for services that are already covered under the initial visit code.</li> </ul>	NA	NA	1,000,000
3. <b>Fund Shift.</b> The Executive Order removes GF/GP administrative savings from the Crime Victim Services Commission. The FY 2003-04 supplemental replaces this revenue with \$414,500 of state restricted Victims Services funds.	NA	NA	414,500
<b>TOTAL SAVINGS:</b>			<b>\$5,090,400</b>

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Bureau of Regulatory Services.</b> This reduction will be achieved through unfilled vacancies in the Day Care Licensure (4.0 FTEs) and Adult Foster Care Licensure (1.0 FTEs) programs. These programs were transferred to the Family Independence Agency pursuant to Executive Order 2003-18 which became effective December 7, 2003.	\$22,980,300	11,301,900	\$354,382
2. <b>Tax Tribunal Fund Shift.</b> This fund shift would use funds from Safety Education and Training (SET) Fund to replace the Securities Fees in the Michigan Occupational Safety and Health program. The Securities Fees will then be transferred to the Tax Tribunal to replace General Fund revenue. Due to a time study, more of the costs for the enforcement staff can be charged to the SET Fund as eligible expenditures due to an increase in the amount of time spent on nonenforcement duties. As a result these funds can be allocated for these costs and also used to match the Federal funding. This reduction is included in the Supplemental to accommodate the fund source changes in the Tax Tribunal that are being recommended.	1,276,100	635,600	350,000
<b>TOTAL SAVINGS:</b>			<b>\$704,382</b>

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF CORRECTIONS**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Human Resources.</b> Reduce random employee drug testing.	\$15,752,000	\$15,752,000	\$224,400
2. <b>DOJ-psychiatric Plan-MDCH Mental Health Services.</b> Food and pharmacy savings at the Huron Valley Center.	68,291,200	68,291,200	1,150,000
3. <b>DOJ-psychiatric Plan-MDOC Staff and Services.</b> Eliminate vacant positions.	15,483,400	15,483,400	1,100,000
4. <b>Hospital and Specialty Care Services.</b> Reduce to recognize savings achieved in the health care managed care contract.	60,800,200	60,800,200	700,000
5. <b>Health Care Operational Efficiencies.</b> Savings in both the Southeastern and Southwestern regional clinical complexes lines.	80,587,400	80,412,700	750,000
6. <b>Increase Public Works Crew Fees.</b> The Department of Corrections will increase the rate charged to service users from \$8 to \$10 per prisoner work day. The additional restricted funding will be added in the supplemental and will replace GF/GP in multiple facility line items.	N/A	N/A	198,300
7. <b>Miscellaneous Bed Closings.</b> Closure of the Camp Tuscola Annex, as well as other bed closures due to the reorganization of residential treatment programs.	N/A	N/A	1,922,119
8. <b>Work Project.</b> Elimination of the carryforward of \$7,300,984 from a FY 2001-02 work project for capacity enhancements.	N/A	N/A	7,300,984
9. <b>Additional Budgetary Savings.</b> A budgetary savings line is added in the negative supplemental to implement a reduction of \$12,888,200. The Department will identify vacancies and other efficiencies throughout the Department and will require legislative transfers to assign savings to the appropriate line items.			
<b>TOTAL SAVINGS:</b>			<b>\$13,345,803</b>

## EXECUTIVE ORDER 2003-23

### DEPARTMENT OF EDUCATION

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2002-03 GF/GP Savings
<p>1. <b>Information Technology Operations.</b> The proposal reduces the GF/GP funding in this line by 4.18%. However, the proposed supplemental replaces the cut in funding with Federal Title I and No Child Left Behind testing funds, and therefore there will be no impact on the functions of this line item. This change requires both the E.O. and the supplemental in order for the line to be held harmless.</p>	\$2,514,100	\$1,024,200	\$42,800
<p>2. <b>School Excellence Operations.</b> The proposal reduces the GF/GP funding in this line by 14.58%. However, the proposed supplemental replaces the cut in funding with State restricted Certification Fee revenue, and therefore there will be no impact on the functions of this line item. This change requires both the E.O. and the supplemental in order for the line to be held harmless. Also, the statute containing the expenditure guidelines for Certification Fee revenue needs amending in order for the supplemental funds to be used in this line item.</p>	10,413,300	1,515,700	221,000
<p>3. <b>Government Services Operations.</b> The proposal reduces the GF/GP funding in this line by 32.85%. However, the proposed supplemental replaces the cut in funding with State restricted Certification Fee revenue, and therefore there will be no impact on the functions of this line item. This change requires both the E.O. and the supplemental in order for the line to be held harmless. Also, the statute containing the expenditure guidelines for Certification Fee revenue needs amending in order for the supplemental funds to be used in this line item.</p>	572,300	151,900	49,900
<p>4. <b>Safe Schools Operations.</b> The proposal reduces the GF/GP funding in this line by 100%. However, the proposed supplemental replaces the cut in funding with State restricted Certification Fee revenue, and therefore there will be no impact on the functions of this line item. This change requires both the E.O. and the supplemental in order for the line to be held harmless. Also, the statute containing the expenditure guidelines for Certification Fee revenue needs amending in order for the supplemental funds to be used in this line item.</p>	393,700	19,100	19,100

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DEPARTMENT OF EDUCATION

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2002-03 GF/GP Savings</b>
5. <b>Driver's Education Grants.</b> The proposal eliminates funding to school districts for driver's education grants. Last year, nearly all school districts received driver's education grant funding from the State, and provided matching funding in the same amount as the State grant. In FY 2002-03, the estimated grant amount was between \$80 and \$90 per driver's education pupil who successfully completed the course.  The funding that is proposed to be eliminated in the E.O. (\$6,100,000 after contracts paid out from October 2003 through January 2004) will be used to support the Michigan State Police At-Post Troopers line item. This change must be effected in both the supplemental and statutory legislation, which will change the designation of driver's license fee revenue from driver's ed grants to the Traffic Law Enforcement and Safety Fund.	7,600,000	0	0
<b>TOTAL SAVINGS:</b>			<b>\$332,800</b>

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
<p>1. <b>Building Occupancy Charges Fund Shift.</b> This proposed GF/GP reduction is offset with State restricted funds for no net change to the Department. The GF/GP reductions are included in the Executive Order and the restricted funds are recommended for a supplemental appropriations bill. The restricted funds used are:</p> <p>Air emission fees . . . . . \$160,800            Cleanup and redevelopment fund . . . . . 25,900            Groundwater discharge permit fees . . . . . 41,500            NPDES fees . . . . . 75,200            Oil and gas regulatory fund . . . . . 134,500            Scrap tire regulatory fund . . . . . 8,925            Sewage sludge land application fee . . . . . 32,200            Stormwater permit fees . . . . . 140,600            Water analysis fees . . . . . 187,500            Waste reduction fee revenue . . . . . <u>1,100,000</u>            Total . . . . . \$1,907,125</p>	\$7,895,000	\$5,954,400	\$1,907,125
<p>2. <b>Rent Fund Shift.</b> This proposed GF/GP reduction is offset with State restricted funds for no net change to the Department. The GF/GP reductions are included in the Executive Order and the restricted funds are recommended for a supplemental appropriations bill. The restricted funds used are:</p> <p>Air emission fees . . . . . \$33,000            Cleanup and redevelopment fund . . . . . 4,700            Groundwater discharge permit fees . . . . . 8,500            NPDES fees . . . . . 15,500            Oil and gas regulatory fund . . . . . 27,700            Scrap tire regulatory fund . . . . . 1,800            Sewage sludge land application fee . . . . . 6,600            Stormwater permit fees . . . . . <u>30,600</u>            Total . . . . . \$128,400</p>	1,836,900	1,222,800	128,400
<p>3. <b>Information Technology Fund Shift.</b> This proposed GF/GP reduction is offset with waste reduction fee revenue, which has a fund balance. The GF/GP reductions are included in the Executive Order and the restricted funds are recommended for a supplemental appropriations bill.</p>	6,559,800	2,101,900	1,100,000
<b>TOTAL SAVINGS:</b>			<b>\$3,135,525</b>

**EXECUTIVE ORDER 2003-23**

**FAMILY INDEPENDENCE AGENCY**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Position Vacancies.</b> The FIA's 328.5 FTE vacancies as of August 2003 will not be filled.	\$479,921,400	\$175,619,100	\$3,696,600
2. <b>Travel.</b> A nine-month savings through fleet reduction of 77 vehicles used by the Department.	5,776,800	1,717,200	40,800
3. <b>Contractual Services, Supplies and Materials.</b> The savings include: <ul style="list-style-type: none"> <li>1) approximately 7% reduction in all CSS&amp;M appropriations, a total of \$1,741,800;</li> <li>2) a 5% reduction of \$131,000 in State Supplementation Administration appropriation line;</li> <li>3) a 4.3% reduction of \$1,574,700 in Juvenile Justice Operations appropriation line; and</li> <li>4) a projected \$100,000 lapse in the Medical Consultation Program appropriation.</li> </ul>	175,743,500	65,743,000	3,547,500
4. <b>Administrative Savings.</b> The savings include the following appropriation reductions: 86% in Equipment spending of \$325,800; .8% in Rent of \$118,000 and 64% in the Grand Tower Facility Reimbursement of \$426,600; a 20% reduction in estimated local office staff overtime of \$557,500; estimated \$100,000 for four to five administrative local staff positions from purchasing and contract management services consolidation; \$197,600 in the Department of Consumer and Industry Services contract to verify employment income; and \$400,000 for Park Place Community Justice Center closure due to placement reduction.	628,372,900	54,675,200	2,125,500
5. <b>Day Care Services.</b> This Executive Order reduction will be offset by available Temporary Assistance for Needy Families (TANF) funds: a proposed supplemental of \$5 million and a reduction of \$6 million from the Before- or After-School Programs appropriation in the E.O.	490,244,000	192,217,600	11,000,000
6. <b>Information Technology.</b> The Child Support (CS) Automation appropriation is reduced by \$11.6 million. The proposed supplemental will restore \$9.6 million in available CS penalty refund dollars. Other FIA computer projects are reduced by \$250,000.	108,647,500	27,431,400	11,850,000
<b>TOTAL SAVINGS:</b>			<b>\$32,260,400</b>

## EXECUTIVE ORDER 2003-23

### HIGHER EDUCATION

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2003-04 GF/GP Savings																																
<p>1. <b>Across-the-Board Reduction for Universities.</b>                      The Executive Order includes a 5.0% reduction for each of the fifteen public universities but does not include any reductions for the Agricultural Experiment Station, the Cooperative Extension Service, the higher education database, the King-Chavez-Parks competitive grant programs, or grants and financial aid. The reduction amounts for each university are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Central</td><td style="text-align: right;">\$4,077,100</td></tr> <tr><td>Eastern</td><td style="text-align: right;">3,943,700</td></tr> <tr><td>Ferris</td><td style="text-align: right;">2,498,400</td></tr> <tr><td>Grand Valley</td><td style="text-align: right;">2,954,300</td></tr> <tr><td>Lake Superior</td><td style="text-align: right;">642,100</td></tr> <tr><td>Michigan State</td><td style="text-align: right;">14,669,200</td></tr> <tr><td>Michigan Tech</td><td style="text-align: right;">2,485,900</td></tr> <tr><td>Northern</td><td style="text-align: right;">2,340,600</td></tr> <tr><td>Oakland</td><td style="text-align: right;">2,454,400</td></tr> <tr><td>Saginaw Valley</td><td style="text-align: right;">1,333,700</td></tr> <tr><td>UM-Ann Arbor</td><td style="text-align: right;">16,360,300</td></tr> <tr><td>UM-Dearborn</td><td style="text-align: right;">1,259,700</td></tr> <tr><td>UM-Flint</td><td style="text-align: right;">1,083,100</td></tr> <tr><td>Wayne State</td><td style="text-align: right;">11,414,000</td></tr> <tr><td>Western</td><td style="text-align: right;"><u>5,655,500</u></td></tr> <tr><td>Total</td><td style="text-align: right;">\$73,172,000</td></tr> </table>	Central	\$4,077,100	Eastern	3,943,700	Ferris	2,498,400	Grand Valley	2,954,300	Lake Superior	642,100	Michigan State	14,669,200	Michigan Tech	2,485,900	Northern	2,340,600	Oakland	2,454,400	Saginaw Valley	1,333,700	UM-Ann Arbor	16,360,300	UM-Dearborn	1,259,700	UM-Flint	1,083,100	Wayne State	11,414,000	Western	<u>5,655,500</u>	Total	\$73,172,000	\$1,463,435,500	\$1,453,935,500	\$73,172,000
Central	\$4,077,100																																		
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Total	\$73,172,000																																		
<p>2. <b>Tuition Restraint.</b> As part of the Executive Order agreement, language is proposed for a supplemental bill that would provide a restoration of 3.0% of the 5.0% reduction to any university that meets two criteria: a) no increase in academic year 2003-04 resident undergraduate tuition and fee rates after December 1, 2003; and b) an undergraduate resident tuition and fee increase for academic year 2004-05 of no more than the projected increase in the Detroit Consumer Price Index.</p>																																			

EXECUTIVE ORDER 2003-23

HIGHER EDUCATION

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
<b>3. Accounting Change for Michigan Merit Awards.</b> Under current law, the application deadline for Merit Awards is September 15 and sufficient funds are reserved in the Merit Award Trust Fund for the fiscal year ending September 30, to pay for all awards for which application has been made by the deadline. If the application deadline is permanently extended to October 15, a case could be made that funds for these awards could be paid out of that new fiscal year. This would align award payments with the academic year corresponding to the State fiscal year, and would achieve a one-time savings of approximately \$63 million in the Michigan Merit Award Trust Fund. The FY 2003-04 Michigan Merit Award line-item could be reduced by \$63 million while the \$63 million due to qualified students would be paid out of appropriations for FY 2004-05. The FY 2003-04 \$63 million in savings could then be appropriated from the Michigan Merit Award Trust Fund to the State General Fund to offset the FY 2003-04 deficit.	130,000,000	0	63,000,000
<b>TOTAL SAVINGS:</b>			<b>\$136,172,000</b>

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF HISTORY ARTS AND LIBRARIES**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Council for Arts and Cultural Affairs Administration.</b> This reduction will be achieved by maintaining two program coordinator position vacancies for three months.	\$694,400	\$694,400	\$31,300
2. <b>Historical Administration and Services.</b> The following reductions will be made to the programs funded under this line item: <ul style="list-style-type: none"> <li>a. Reduction in the supplies for the preservation of historical collections - \$8,400</li> <li>b. Local Historical Society Grants - elimination of this new grant program - \$100,000</li> <li>c. Freedom Trail Commission - eliminate administrative funding - \$25,000</li> <li>d. Lighthouse Grant Program - eliminate administrative funding - \$48,500</li> <li>e. National History Day - eliminate funding for this partnership/history competition program - \$25,000</li> </ul>	5,074,400	4,841,000	206,900
3. <b>Library of Michigan.</b> This reduction will be achieved through administrative savings that include new book purchases and materials, electronic database costs, as well as reducing training and consulting services for libraries and librarians around the State.	6,239,600	6,239,600	144,100
4. <b>Mackinac Island State Park Commission.</b> This reduction will be achieved through reducing travel and other administrative costs, as well as reducing the work schedule of one seasonal receptionist by two additional weeks (other cuts have reduced the work schedule cuts for this position by six weeks). Additionally, the salaries and wages for the skilled trades staff that provide repair and maintenance services in the parks, will be reduced by \$35,000.	1,288,300	1,181,900	71,800
5. <b>Michigan Film Office.</b> This reduction will result in the elimination of the administrative funding for the Los Angeles trade show exhibit, and a reduction in student assistant hours.	129,900	129,900	5,000
6. <b>Management Services.</b> This reduction will result in reduced spending on supplies and equipment.	1,819,700	1,819,700	25,000
7. <b>Information Technology.</b> This reduction will result in the inability to replace servers and desktop units in the Department.	1,036,500	989,500	99,000
<b>TOTAL SAVINGS:</b>			<b>\$583,100</b>

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF MANAGEMENT AND BUDGET**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Administrative Services.</b> The reduction will be achieved though holding 1.0 FTE vacant position and reducing temporary services including book closing accountants and training consultants.	\$5,738,600	\$1,086,600	\$201,400
2. <b>Office of the State Employer.</b> This savings will be attained by holding 1.0 FTE vacant clerical position.	2,498,600	768,600	61,100
3. <b>Information Technology Services and Projects.</b> This savings results from the development of more efficient methods to archive historical data, and replacement of query tools resulting in reduced licensing and training costs.	25,897,600	16,406,400	237,500
4. <b>Restructuring of Cadillac Place Lease.</b> The Executive Order includes language authorizing the State Budget Director to reduce building occupancy General Fund expenditures by \$5,900,000. The savings will be achieved by restructuring payments for the lease of the Cadillac State Office Building in Detroit. This projected General Fund savings of \$5,900,000 will be lapsed by the Department at the close of the fiscal year.	N/A	N/A	5,900,000
<b>TOTAL SAVINGS:</b>			<b>\$6,400,000</b>

## EXECUTIVE ORDER 2003-23

### DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Special Maintenance–State.</b> Reduction in number of projects.	\$351,200	\$351,200	200,000
2. <b>Grand Rapids Veterans Home.</b> GF/GP reduction to be replaced by restricted fund reserve appropriation in supplemental appropriations bill HB 4367.	42,090,700	13,824,800	570,000
3. <b>D.J. Jacobetti Veterans Home.</b> GF/GP reduction to be replaced by restricted fund reserves appropriated in supplemental appropriations bill H.B. 4367.	12,945,600	4,680,400	200,000
<b>TOTAL SAVINGS:</b>			<b>\$970,000</b>

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF NATURAL RESOURCES**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Training Postponement.</b> A training class for conservation officers planned for February is postponed to the late summer. The delay of employment costs for 20 new conservation officers will result in General Fund savings.	\$25,504,300	\$3,740,000	\$160,000
2. <b>Education and Outreach Program Fund Shift.</b> A GF/GP reduction in the Education and Outreach Program is offset with money from the Youth Hunting and Fishing Education and Outreach Fund. This restricted fund source receives revenue from the sale of small game and all-species fishing licenses to persons between the ages of 12 and 16. The Fund may be expended for hunting and fishing education and outreach programs for children under age 16. The Fund has a balance of approximately \$663,000 and has never been appropriated before. The GF/GP reductions are included in the Executive Order and the restricted funds are recommended for a supplemental appropriations bill.	2,991,500	211,600	25,000
3. <b>Administrative Savings.</b> Anticipated savings from vacancies equivalent to 7.0 FTEs would occur due to reductions in the following administrative lines:	Various	Various	527,000
Unclassified salaries . . . . .			\$22,100
Executive direction . . . . .			25,000
Human resources . . . . .			56,900
Office of financial services . . . . .			150,000
Office of land and facilities . . . . .			243,000
Program assistance and review . . . . .			<u>30,000</u>
Total . . . . .			<u>\$527,000</u>
<b>TOTAL SAVINGS:</b>			<b>\$712,000</b>

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF STATE**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Unclassified Positions.</b> This reduction is based on available funds.	\$464,200	\$464,200	\$5,000
2. <b>Customer Services Administration.</b> This savings will be achieved through funded vacancies.	15,433,300	870,400	42,221
3. <b>Branch Operations.</b> This reduction consists of a \$15,000 cut to travel and a \$113,246 reduction to contractual services supplies and materials.	63,797,300	2,746,900	128,246
4. <b>Central Records.</b> This reduction will be attained through administrative savings.	15,590,300	627,300	30,429
5. <b>Information Technology Services and Projects.</b> This reduction will be achieved through efficiencies related to computer maintenance contracts and other administrative savings.	24,071,600	4,780,300	82,353
6. <b>Uniform Commercial Code Standards.</b> A work project of \$2,500,000 was approved for implementation of new Uniform Commercial Code standards from a FY 2000-01 appropriation. The Executive Order removes \$251,297 from the project.	N/A	N/A	251,297
<b>TOTAL SAVINGS:</b>			<b>\$539,546</b>

## EXECUTIVE ORDER 2003-23

### DEPARTMENT OF STATE POLICE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2003-04 GF/GP Savings
1. <b>Executive Direction.</b> Reduction due to savings from DROP* program.	\$3,148,900	\$3,148,900	\$59,700
2. <b>Unclassified Positions.</b> Reduction result of vacancy.	258,500	258,500	20,000
3. <b>Fleet Leasing.</b> Reductions from vehicle and mileage reductions.	15,169,200	15,169,200	700,000
4. <b>Human Resources.</b> Reductions due to savings from DROP* program.	2,183,800	2,120,200	19,900
5. <b>Management Services.</b> Reduce CSS&M.	3,416,000	3,260,600	32,600
6. <b>Training Administration.</b> Reduce CSS&M and for DROP savings.	4,544,200	1,553,700	55,800
7. <b>Communications.</b> Reduce CSS&M and for DROP savings.	5,968,300	5,968,300	153,300
8. <b>State Program Planning and Administration.</b> Reduce CSS&M.	1,111,000	508,700	10,071
9. <b>Traffic Safety.</b> Reduce CSS&M.	1,510,800	469,500	17,600
10. <b>Laboratory Operations.</b> Reductions due to unfilled vacancies and savings from DROP program.	16,978,100	15,538,400	291,500
11. <b>Standards and Training.</b> Reduce CSS&M.	2,174,800	1,764,800	18,100
12. <b>Fire Marshal Program.</b> Vacancy and CSS&M savings.	3,832,000	3,832,000	176,500
13. <b>Emergency Management Planning and Administration.</b> Savings from CSS&M and DROP program.	2,869,000	1,349,300	36,700
14. <b>Uniform Services.</b> Reductions from unfilled vacancies, CSS&M and DROP program.	46,581,700	45,081,700	1,944,900
15. <b>Operational Support.</b> Reductions due to savings from DROP program.	2,776,200	2,689,000	79,600
16. <b>Aviation Program.</b> Reductions due to savings from DROP program.	1,498,600	1,339,300	39,800
17. <b>Criminal Investigation.</b> Reductions due to savings from vacancies and DROP program.	30,640,600	29,517,700	600,400
18. <b>Federal Antidrug Initiatives.</b> Reductions due to savings from DROP program.	10,077,200	1,890,100	9,900
19. <b>School Bus Inspections.</b> Reductions due to savings from DROP program.	1,146,300	1,146,300	9,900

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF STATE POLICE**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
20. <b>At-post Troopers.</b> GF/GP reductions offset in part by restricted fund appropriation of \$6.1 million in supplemental H.B. 4367, leaving net reduction to program of \$2.5 million, representing half the amount planned for an FY 2003-04 trooper school. As a result, proposed school may be reduced in size from it's planned 100 troopers or delayed until late FY 2003-04.	110,185,300	76,900,600	8,600,000
21. <b>Grants for Disaster Assistance Work Project.</b> The \$1,676,572 GF/GP work project for disaster assistance is eliminated. See summary of work project/capital outlay reductions.	N/A	N/A	1,676,572
<b>TOTAL SAVINGS:</b>			<b>\$14,552,843</b>

\* **Note:** DROP program stands for deferred retirement option plan. This proposed plan, to begin on April 1, 2004, would allow MSP-enlisted personnel with the rank of lieutenant or above and eligible for retirement, to sign an agreement to retire in the future at a certain date (most likely within six years), but continue to work until that time with the Department only being responsible for the payment of salary at his or her current rate. The Department would save money by not being required to pay retirement costs (amounting to 40% of an officer's salary) or insurance costs amounting to approximately \$9,500 annually. Those officers choosing the plan would receive insurance coverage from their retirement plan and would have any pension payments due to them during this period banked into a 401K account to be paid out following final separation. The projected savings from the DROP program noted above totals \$1,382,500 department-wide and assumes 70 of the 92 eligible officers would participate. Passage of H.B. 5279 or a similar bill amending the State Police Retirement Act would be required for this plan to be implemented.

**EXECUTIVE ORDER 2003-23**

**STRATEGIC FUND AGENCY**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Job Creation Services.</b> The reductions in this line include the following :	\$19,693,000	15,735,700	654,891
a. <b>Funded Vacancies.</b> Existing vacancies resulting from attrition within the Emerging Business Sector and the Business Development divisions will not be filled. The vacancies total 1.5 FTEs - \$279,300.			
b. <b>Fund Shift.</b> This shift will replace GF/GP funding with Federal Community Development Block Grant (CDBG) funds. This grant allows for a certain amount of administrative costs to be charged to this grant - \$100,000.			
c. <b>Administrative Savings.</b> Additional administrative reductions will be taken from this line - \$275,600.			
2. <b>Administration.</b> Reductions will be taken from this line for general office operations and eliminating the costs being charged to the General Fund for building maintenance and janitorial services .	4,054,700	4,054,700	1,520,900
<b>TOTAL REDUCTION:</b>			<b>\$2,175,791</b>

**EXECUTIVE ORDER 2003-23**

**DEPARTMENT OF TREASURY**

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings</b>
1. <b>Worker's Compensation Insurance Premium.</b> Adjustment based on projected actual cost.	\$557,000	\$193,600	\$32,714
2. <b>Travel.</b> Overall reduction to travel.	1,715,900	627,400	300,000
3. <b>Rent and Building Occupancy Charges.</b> This adjustment is based on savings related to building occupancy costs including property management services.	6,092,300	3,665,600	100,000
4. <b>Finance and Accounting.</b> Reduction based on administrative savings including contractual services, supplies, and materials.	1,235,000	853,600	300,000
5. <b>Clean Michigan Initiative - Debt Service.</b> This adjustment is based on refinancing/restructuring debt service for the Clean Michigan Initiative Bond.	33,036,000	33,036,000	17,000,000
6. <b>Tax Increment Finance Authority (TIFA) Payments - Work Project Accounts.</b> Annual appropriations for this program ended in FY 2002-03. TIFA payments are authorized under Public Act 450 of 1980. Local units of government make capital improvements for the promotion of economic development and then submit bills to the State. The Executive Order eliminates \$1,197,000 in work project authorization from FY 2000-01 and \$500,100 from FY 2001-02.	N/A	N/A	1,697,100
<b>TOTAL SAVINGS:</b>			<b>\$19,429,814</b>

## EXECUTIVE ORDER 2003-23

### DEPARTMENT OF TREASURY – REVENUE SHARING

<b>Program</b>	<b>Year-To-Date Gross Appropriation</b>	<b>Year-To-Date GF/GP Appropriation</b>	<b>FY 2003-04 GF/GP Savings*</b>
1. <b>Revenue Sharing Payments.</b> Current law will automatically reduce payments for below-forecast revenues. The reduction would lower payments by 5 percentage points from the current reduction fraction computed under current law. The reduction would total \$72.0 million. Figures used in the formula in statute would need to be adjusted. Approximately \$1.5 million of the reduction would be offset in the supplemental by grants to local units under an emergency financial manager from January 10, 2003, to September 30, 2003.	\$1,335,824,200	\$0	\$72,025,800
* Note: Revenue sharing reductions produce GF/GP savings because if restricted revenue sharing funds are not paid out the money will lapse to the General Fund.			
<b>TOTAL SAVINGS:</b>			<b>\$72,025,800</b>