

**GOVERNOR'S PROPOSAL TO  
BALANCE FY 2004-05 BUDGET:**

**EXECUTIVE ORDER 2005-07  
AND  
FY 2004-05 SUPPLEMENTAL  
HOUSE BILL 4308 (S-1)**

**SUMMARY AND  
DEPARTMENT/BUDGET AREA  
DETAIL**



**March 24, 2005**

**Table 1**  
**FY 2004-05**  
**General Fund/General Purpose**  
**Revenues, Expenditures and Year-End Balance**  
**(Millions of Dollars)**

|  | <b>March 2005<br/>Agreement</b> |
|--|---------------------------------|
| <b>Revenues:</b>                                   |                                 |
| Beginning Balance .....                            | \$ 0.0                          |
| <u>Ongoing Revenues:</u>                           |                                 |
| Consensus Revenue Estimate.....                    | 7,869.8                         |
| Revenue Sharing Adjustments.....                   | 511.1                           |
| Adjust Interfund Borrowing Costs.....              | 20.0                            |
| Pharmaceutical Tax Credit Adjustment.....          | 10.0                            |
| Subtotal Ongoing Revenues .....                    | <u>\$8,410.9</u>                |
| <u>Non-ongoing Revenues:</u>                       |                                 |
| Sale of Surplus State Property.....                | 83.4                            |
| Restricted Fund Transfers to General Fund.....     | 15.5                            |
| Subtotal Non-ongoing Revenues.....                 | <u>\$ 98.9</u>                  |
| <b>Total GF/GP Revenues.....</b>                   | <b><u>\$8,509.8</u></b>         |
| <b>Expenditures:</b>                               |                                 |
| Initial Enacted Appropriations.....                | \$8,699.4                       |
| Supplemental Appropriations (PA 352 of 2004) ..... | 43.0                            |
| Supplemental Appropriations (PA 358 of 2004) ..... | 8.5                             |
| Supplemental Appropriations (PA 358 of 2004) ..... | 99.5                            |
| Supplemental Appropriations (PA 468 of 2004) ..... | 0.2                             |
| Lapse from Building Occupancy Charges .....        | (0.7)                           |
| <b>Total GF/GP Expenditures.....</b>               | <b><u>\$8,849.9</u></b>         |
| <b>Projected Current Law Year-End Balance.....</b> | <b><u>\$(340.1)</u></b>         |
| <u>Supplemental Appropriation Recommendations:</u> |                                 |
| Community Health (Medicaid Caseload) .....         | 39.8                            |
| Lawsuit Settlement.....                            | 0.7                             |
| Subtotal .....                                     | <u>\$40.5</u>                   |
| <b>Projected Year-End Balance.....</b>             | <b><u>\$(380.6)</u></b>         |

**Table 2**

**Proposal to Balance FY 2004-05  
General Fund/General Purpose Budget  
(Millions of Dollars)**

|  | <b>March 2005<br/>Agreement</b> |
|--|---------------------------------|
| <b>Projected Year-End Balance .....</b>                          | <b>\$(380.6)</b>                |
| <u>Appropriation Reductions:</u>                                 |                                 |
| Executive Order 2005-07 Appropriation Reductions .....           | 296.0                           |
| Negative Supplemental Appropriation Items (H.B. 4308 (S-1))..... | 0.9                             |
| Subtotal.....  | <u>\$296.9</u>                  |
| <u>Revenue Adjustments:</u>                                      |                                 |
| Withdrawal from Budget Stabilization Fund .....                  | 81.3                            |
| Escheats Enforcement.....  | 2.5                             |
| Subtotal.....  | <u>\$ 83.8</u>                  |
| Total Recommended Adjustments to Budget.....                     | <u>\$380.7</u>                  |
| <b>Adjusted Year-End Balance .....</b>                           | <b>\$0.1</b>                    |

**Table 3**  
**FY 2004-05**  
**School Aid Fund Budget**  
**Revenues, Expenditures and Year-End Balance**  
**(millions of dollars)**

|  | <b>March 2005<br/>Agreement</b> |
|--|---------------------------------|
| <b>Revenues:</b>                                       |                                 |
| Beginning Balance.....                                 | \$ 74.1                         |
| Ongoing Estimated Restricted Revenues.....             | 10,878.8                        |
| Other Revenue Adjustments:                             |                                 |
| GF/GP Grant .....                                      | 165.2                           |
| GF/GP Grant (PA 518 of 2004) .....                     | 99.5                            |
| Federal Aid .....                                      | 1,353.6                         |
| Payment in Lieu of Taxes .....                         | (2.0)                           |
| Subtotal Other Revenue Adjustments.....                | 1,616.3                         |
| <b>Total Estimated Revenue .....</b>                   | <b>\$12,569.2</b>               |
| <b>Expenditures:</b>                                   |                                 |
| Enacted Appropriations .....                           | 12,527.4                        |
| Reduction of Homestead Audit Savings .....             | 26.6                            |
| Reduction of Personal Property Tax Audit Savings ..... | 14.5                            |
| Special Education Cost Shift .....                     | 0.0                             |
| Enhanced Tax Enforcement Savings.....                  | (3.5)                           |
| Appropriation Lapse (Pupils/Taxable Value).....        | (70.0)                          |
| <b>Total Estimated Expenditures .....</b>              | <b>12,495.0</b>                 |
| <b>Projected Year-End Balance .....</b>                | <b>\$ 74.2</b>                  |
| Governor's Recommended Adjustments to Balance:         |                                 |
| Executive Order 2005-07 (Reduce GF/GP Grant) .....     | (99.5)                          |
| School Bond Loan Fund Reform Package.....              | 41.1                            |
| Revised Pupil Count Expenditure Adjustment .....       | 8.0                             |
| Total Recommended Adjustments.....                     | (50.4)                          |
| <b>Projected Year-End Balance .....</b>                | <b>\$ 23.8</b>                  |

**Table 4**

**Executive Order 2005-07  
Major Recommendations to Reduce GF/GP Appropriations  
(Millions of Dollars)**

|  |                   |
|--|-------------------|
| K-12 School Aid (Reduce GF/GP Grant to School Aid Fund) .....  | \$ (99.5)         |
| Departmental Administrative Reductions .....   | (51.3)            |
| Higher Education Operations .....  | (25.1)            |
| Community College Operations .....   | (4.9)             |
| Medicaid (Offset GF/GP with Medicaid Benefits Trust Fund) .....  | (25.9)            |
| Medicaid (Reduce Provider Rates by 4.0%) .....   | (18.4)            |
| Higher Education (Fund Shift on funding of University of Detroit Dental Clinic and Wayne State University Psychiatric Research and Training Program) ..... | (10.1)            |
| Family Independence Agency (Day Care Waiting Period) .....   | (10.0)            |
| State (Offset GF/GP with Transportation Collection Fund) .....   | (10.0)            |
| Various GF/GP Reductions Offset with Federal and State Restricted Funding ...  | (9.8)             |
| Medicaid (Fund Shift to Various Local and State Restricted Revenue Sources) .  | (7.2)             |
| Medicaid (6.0% Provider Tax on Community Mental Health) .....  | (6.0)             |
| Liquor Licensing and Enforcement Program .....   | (0.9)             |
| Agriculture (Fund Shift to Agriculture Equine Fund) .....  | (0.7)             |
| Corrections (Close Saginaw Corrections Center) .....   | (0.3)             |
| Various Departmental Appropriation Lapses .....  | (15.9)            |
| <b>Total Executive Order Reductions .....</b>  | <b>\$ (296.0)</b> |

**Table 5**

| <b>Summary of Executive Order 2005-07</b> |  |  |   |  |
|---|--|--|---|--|
| <b>Department/Budget Area</b>             | <b>FY 2004-05<br/>GF/GP<br/>Year-to-Date</b> | <b>EO 2005-07<br/>GF/GP<br/>Reductions</b> | <b>EO 2005-07<br/>Restricted/Other<br/>Reductions that<br/>Reduce GF/GP</b> | <b>EO 2005-07<br/>Total<br/>Reductions</b> |
| Agriculture                               | \$30,091,400                                 | (\$1,663,500)                              |   | (\$1,663,500)                              |
| Attorney General                          | 31,503,900                                   | (451,000)                                  |   | (451,000)                                  |
| Capital Outlay                            | 243,002,100                                  | 0  |   | 0  |
| Civil Rights                              | 11,759,000                                   | (191,500)                                  |   | (191,500)                                  |
| Civil Service                             | 7,672,100                                    | (229,300)                                  |   | (229,300)                                  |
| Community Colleges                        | 294,268,200                                  | (4,919,600)                                |   | (4,919,600)                                |
| Community Health                          | 2,557,860,600                                | (63,592,800)                               |   | (63,592,800)                               |
| Corrections                               | 1,708,161,100                                | (19,003,800)                               |   | (19,003,800)                               |
| Education                                 | 26,394,700                                   | (333,000)                                  |   | (333,000)                                  |
| Environmental Quality                     | 28,671,800                                   | (2,539,900)                                |   | (2,539,900)                                |
| Executive                                 | 5,205,500                                    | 0  |   | 0  |
| Family Independence                       | 1,109,682,800                                | (33,276,200)                               |   | (33,276,200)                               |
| Higher Education                          | 1,643,508,700                                | (35,233,300)                               |   | (35,233,300)                               |
| History, Arts and Libraries               | 45,803,500                                   | (626,800)                                  |   | (626,800)                                  |
| Information Technology                    | 0  | 0  | (2,060,000)   | (2,060,000)                                |
| Judiciary                                 | 158,093,300                                  | 0  |   | 0  |
| Labor and Economic Growth                 | 94,538,000                                   | (1,051,700)                                | (932,300)   | (1,984,000)                                |
| Legislature                               | 122,173,900                                  | 0  |   | 0  |
| Management & Budget                       | 36,684,200                                   | (9,617,300)                                | 0   | (9,617,300)                                |
| Military & Veterans Affairs               | 37,370,700                                   | (714,100)                                  |   | (714,100)                                  |
| Natural Resources                         | 28,885,000                                   | (383,300)                                  |   | (383,300)                                  |
| School Aid                                | 264,700,000                                  | (99,500,000)                               |   | (99,500,000)                               |
| State                                     | 23,909,900                                   | (10,609,400)                               |   | (10,609,400)                               |
| State Police                              | 244,380,200                                  | (3,455,000)                                |   | (3,455,000)                                |
| Transportation                            | 0  | 0  |   | 0  |
| Treasury (Debt Service)                   | 42,448,600                                   | 0  |   | 0  |
| Treasury (Operations)                     | 53,262,500                                   | (5,604,200)                                | 0   | (5,604,200)                                |
| Treasury (Revenue Sharing)                | 442,300                                      | 0  |   | 0  |
| <b>Total</b>                              | <b>\$8,850,474,000</b>                       | <b>(\$292,995,700)</b>                     | <b>(\$2,992,300)</b>  | <b>(\$295,988,000)</b>                     |

**Table 6**  
**House Bill 4308 (S-1)**  
**Recommended FY 2004-05 Supplemental Appropriations**  
**(Actual Dollars)**

| Department/Program                  | Gross<br>Appropriation | GF/GP<br>Appropriation |
|-------------------------------------|------------------------|------------------------|
| Agriculture.....                    | \$1,640,500            | \$ 0                   |
| Attorney General.....               | 93,000                 | 0                      |
| Capital Outlay .....                | 333,501,800            | 100                    |
| Civil Rights.....                   | 313,700                | 0                      |
| Community Health .....              | 245,398,600            | 39,814,900             |
| Corrections .....                   | 1,729,000              | (271,000)              |
| Education.....                      | 2,781,200              | 0                      |
| Environmental Quality.....          | 52,657,000             | 0                      |
| Higher Education .....              | 0                      | 0                      |
| History, Arts and Libraries.....    | 2,664,600              | 0                      |
| Human Services.....                 | 9,000,000              | 0                      |
| Information Technology .....        | 1,304,100              | 0                      |
| Judiciary.....                      | 0                      | (546,000)              |
| Labor and Economic Growth .....     | 13,057,100             | 250,000                |
| Management and Budget.....          | 936,500                | 735,000                |
| Military and Veterans Affairs ..... | 3,115,000              | 0                      |
| Natural Resources .....             | 3,594,000              | 0                      |
| State .....                         | 11,150,000             | 0                      |
| State Police.....                   | 4,838,100              | 0                      |
| Transportation.....                 | (4,869,000)            | 0                      |
| Treasury.....                       | 1,687,500              | 0                      |
| <b>Total .....</b>                  | <b>\$684,592,700</b>   | <b>\$39,983,000</b>    |

**Table 7**  
**House Bill 4308 (S-1)**  
**Recommended FY 2004-05 Supplemental Appropriations Details**  
**(Actual Dollars)**

| <b>Department/Item</b>                                | <b>Gross<br/>Appropriation</b> | <b>GF/GP<br/>Appropriation</b> |
|---|--------------------------------|--------------------------------|
| <u>Capital Outlay</u>                                 |                                |                                |
| Farmland and Open Space Development Acquisition .     | 7,500,000                      | 0                              |
| State Agency Special Maintenance .....                | 4,800,000                      | 0                              |
| Military Affairs Construction Projects .....          | 62,758,500                     | 0                              |
| State Park Maintenance .....                          | 1,900,000                      | 0                              |
| Waterways Boating Program .....                       | 10,000,000                     | 0                              |
| Natural Resources Trust Fund Projects.....            | 32,184,000                     | 0                              |
| Transportation Maintenance Projects .....             | 11,763,000                     | 0                              |
| Airport Safety, Protection and Improvements .....     | 202,046,200                    | 0                              |
| <u>Community Health</u>                               |                                |                                |
| Community Mental Health Provider Tax Adjustments .    | 25,490,000                     | 0                              |
| Children's Special Health Care Services Base .....    | 19,750,000                     | 11,100,000                     |
| Medicaid Base Funding Adjustments .....               | 116,799,600                    | 28,715,000                     |
| <u>Corrections</u>                                    |                                |                                |
| Benton Harbor Corrections Center Lease Cancellation   | (271,000)                      | (271,000)                      |
| <u>Environmental Quality</u>                          |                                |                                |
| Clean Michigan Initiative Bond Cleanup Projects ..... | 37,618,000                     | 0                              |
| <u>Judiciary</u>                                      |                                |                                |
| Fund Shifts to Available Restricted Revenues.....     | 0                              | (546,000)                      |
| <u>Labor and Economic Growth</u>                      |                                |                                |
| Low-Income Energy Efficiency Projects .....           | 10,000,000                     | 0                              |
| Volunteer Investment Grants .....                     | 250,000                        | 250,000                        |
| <u>Management and Budget</u>                          |                                |                                |
| Lawsuit Settlement .....                              | 735,000                        | 735,000                        |
| Other Federal/State Restricted Funds .....            | 141,269,400                    | 0                              |
| <b>Total Supplemental Appropriation Bill.....</b>     | <b>\$684,592,700</b>           | <b>\$39,983,000</b>            |

# **APPENDIX A:**

**FY 2004-05**

**EXECUTIVE ORDER 2005-07**

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF AGRICULTURE**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Administrative Savings.</b> Administrative savings and efficiencies will be realized through reductions in contractual services, supplies, and materials, travel, and maintaining vacancies.  | \$20,573,000                           | \$11,891,000                           | (\$622,800)                   |
| <p>The information technology reduction is associated with a rate reduction charged by the Department of Information Technology for services provided to the Department of Agriculture.</p> <p>Animal Health and Welfare.....(\$70,000)<br/>           Management Services.....(\$47,400)<br/>           Pesticide and Plant Pest Management.....(\$190,000)<br/>           Executive Direction.....(\$88,400)<br/>           Statistical Reporting Service.....(\$6,600)<br/>           Emergency Management.....(\$146,500)<br/>           Information Technology.....(\$73,900)<br/>           Total.....\$622,800</p> |  |  |                               |
| <b>2. Local Conservation Districts Grants.</b> Base grant funding is reduced from \$20,000 per district to \$19,200 per district.   | 1,580,000                              | 1,580,000                              | (63,200)                      |
| <b>3. Funding Shifts.</b> Savings are realized through funding shifts that replace GF/GP appropriations with an equal amount of restricted revenue. The Executive Order reflects the GF/GP appropriation reductions while the restricted revenue appropriations are contained in the proposed supplemental appropriation.   | 17,223,500                             | 7,434,600                              | (977,500)                     |
| Information Technology.....(\$692,500)<br>Pesticide and Plant Pest Management.....(\$150,000)<br>Laboratory Services.....(\$135,000)  |  |  |                               |
| <b>TOTAL CHANGE:</b>  |  |  | <b>(\$1,663,500)</b>          |

EXECUTIVE ORDER 2005-07

DEPARTMENT OF ATTORNEY GENERAL

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Attorney General Operations.</b> This line item funds general operation costs of the Department of Attorney General, including 518.0 FTE positions. The Executive Order would reduce that line item by 0.7% Gross and 1.3% GF/GP.  | \$57,219,100                           | \$28,145,800                           | (\$379,500)                   |
| <b>2. Information Technology Services and Projects.</b> Reductions to this line item will be achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. The Department states that the above reductions will be achieved through efficiencies, not service reductions. Savings also will be attained through the reduction of costs related to the Master Computer Contract by reducing equipment purchases. | 845,100                                | 845,100                                | (71,500)                      |
| <b>TOTAL CHANGE:</b>   |  |  | <b>(\$451,000)</b>            |

EXECUTIVE ORDER 2005-07

DEPARTMENT OF CIVIL RIGHTS

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Civil Rights Operations.</b> The reduction would be offset by the Governor's proposed supplemental for the Department of Civil Rights. The available Federal funding is related to case production by the Department. Housing and Urban Development funding accounts for \$190,000 of the supplemental and \$123,700 is from Equal Employment Opportunity Commission antidiscrimination agency contracts.  | \$11,587,500                           | \$10,653,500                           | (\$155,800)                   |
| <b>2. Information Technology Services and Projects.</b> Reductions to this line item will be achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. The Department states that the above reductions will be achieved through efficiencies, not service reductions. Savings also will be attained through the reduction of costs related to the Master Computer Contract by reducing equipment purchases. | 821,900                                | 821,900                                | (35,700)                      |
| <b>TOTAL CHANGE:</b>   |  |  | <b>(\$191,500)</b>            |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF CIVIL SERVICE**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Agency Services.</b> Savings will be attained through vacancies and administrative efficiencies.  | \$5,976,600                            | \$2,091,800                            | (\$20,000)                    |
| <b>2. Human Resources/Administrative Support.</b> Savings will be attained through vacancies and administrative efficiencies.   | 14,347,200                             | 4,175,100                              | (110,000)                     |
| <b>3. Audit and Compliance.</b> Savings will be attained through vacancies and administrative efficiencies.   | 2,398,000                              | 650,000                                | (74,100)                      |
| <b>4. Information Technology Services and Projects.</b> Reductions to this line item will be achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. The Department states that the above reductions will be achieved through efficiencies, not service reductions. Savings also will be attained through the reduction of costs from the Master Contract by reducing equipment purchases. | 3,852,200                              | 755,200                                | (25,200)                      |
| <b>TOTAL CHANGE:</b>  |  |  | <b>(\$229,300)</b>            |

## EXECUTIVE ORDER 2005-07

### COMMUNITY COLLEGES

| <b>Program</b>   | <b>Year-To-Date<br/>Gross<br/>Appropriation</b> | <b>Year-To-Date<br/>GF/GP<br/>Appropriation</b> | <b>FY 2004-05<br/>GF/GP<br/>Change</b> |
|--|---|---|--|
| <b>College Operations.</b> A 1.76% across-the-board reduction to college operations.   | \$280,024,300                                   | \$280,024,300                                   | (\$4,919,600)                          |
| <p>The Executive Order reduction will be reflected in the August 2005 State payments to the community colleges. If the May 2005 Consensus Revenue Estimating Conference determines that an additional \$30.0 million in revenue is available (\$25.0 million for universities and \$5.0 million for community colleges), then the \$30.0 million reduction would be restored. If less than \$30.0 million in new revenue is available in May, funding for colleges and universities would be restored on a pro-rata basis, with full restoration at the FY 2004-05 bookclosing from any unreserved General Fund/General Purpose balance.</p> |   |   |  |
| <b>TOTAL CHANGE:</b>   | <b>\$280,024,300</b>                            | <b>\$280,024,300</b>                            | <b>(\$4,919,600)</b>                   |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF COMMUNITY HEALTH**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. 4% Provider Rate Reductions.</b> Medicaid providers, with the exception of health maintenance organizations, would have their rates reduced by 4% effective May 1, 2005.  | \$4,015,707,800                        | \$801,761,400                          | (\$18,636,300)                |
| <b>2. State Restricted and Local Revenue to Offset General Fund.</b> General Fund spending would be offset by funding from the following sources:<br><br>Medicaid Benefits Trust Fund ..... \$25,900,000<br>CSHCS Parent Pay Agreement ..... \$450,000<br>Adolescent Health Center Local Match..... \$3,665,000<br>Buspar Lawsuit Settlement Funds ..... \$3,000,000  | N/A                                    | N/A                                    | (33,015,000)                  |
| <b>3. Mental Health Provider Assessment.</b> The State would assess a 6% provider tax upon local Community Mental Health (CMH) agencies; \$6.0 million from this assessment would offset General Fund efforts. The remainder of collected revenue, included in the proposed supplemental, would be used to draw Federal funding for use in a rate increase.   | 1,414,985,200                          | 583,047,000                            | (6,000,000)                   |
| <b>4. Mental Health and Substance Abuse Program Administration.</b> The Executive Order would reduce contracts and eliminate two positions.   | \$11,379,700                           | \$8,452,300                            | (\$409,600)                   |
| <b>5. Protection and Advocacy Services Support.</b> The Executive Order would reduce the amount of the contract, which provides protection and advocacy services to mental health clients.  | 777,400                                | 777,400                                | (31,000)                      |
| <b>6. Office of Drug Control Policy.</b> There would be a reduction in CSS&M in this unit.  | 2,040,800                              | 365,800                                | (40,000)                      |
| <b>7. Community Mental Health Services Programs (CMHSPs), Purchase of State Services Contracts.</b> Term-limited employees in State hospitals and centers would be terminated and other unspecified actions would be taken to reduce overtime costs. The proposed supplemental would shift \$1,400,000 from the mental health risk pool set-aside to alleviate the effects of this Executive Order reduction. | 120,746,800                            | 120,746,800                            | (2,330,000)                   |
| <b>8. Medical Services Administration.</b> Funding for seven vacancies would be removed and \$40,000 in CSS&M reductions would be made.   | 47,398,100                             | 16,348,500                             | (250,000)                     |
| <b>9. Children's Special Health Care Services Program Administration.</b> Funding for one vacancy would be removed and administrative funding would be reduced by 3.7%.   | 4,319,700                              | 2,183,200                              | (80,000)                      |

|   |            |            |                       |
|---|------------|------------|-----------------------|
| <b>10. Departmental Administration and Management.</b><br>Funding for vacancies would be eliminated and CSS&M would be reduced. This reduction would be mitigated through a shift of \$137,000 in Restricted Health Professions revenue in the proposed supplemental. | 22,498,700 | 13,627,900 | (315,100)             |
| <b>11. Public Health Executive Administration.</b> A reduction in CSS&M is proposed.  | 1,667,900  | 1,386,400  | (20,000)              |
| <b>12. Health System Administration.</b> The Executive Order includes elimination of unspecified contracts in this unit.  | 18,266,900 | 4,614,300  | (150,000)             |
| <b>13. Immunization Local Agreements.</b> GF/GP funding for vaccines would be supplanted by an equal amount of Restricted revenue related to the sale of Bioport, which is part of the proposed supplemental.   | 14,010,300 | 2,832,100  | (500,000)             |
| <b>14. Sexually Transmitted Disease Control Management and Field Support.</b> Funding for one vacancy would be removed.   | 3,482,600  | 1,096,900  | (75,000)              |
| <b>15. Laboratory Services.</b> Funding for an unspecified number of vacancies would be removed.  | 14,380,400 | 6,868,700  | (134,000)             |
| <b>16. Epidemiology Administration.</b> Savings would be achieved from a position downgrade and other administrative support reductions.  | 6,233,600  | 1,831,100  | (75,000)              |
| <b>17. Family, Maternal, and Children's Health Services Administration.</b> Contracts and CSS&M would be reduced.   | 4,581,200  | 2,268,700  | (75,000)              |
| <b>18. Office of Services to the Aging Administration.</b> Contracts and CSS&M would be reduced.  | 4,952,400  | 1,905,300  | (49,800)              |
| <b>19. Local Public Health Operations.</b> A 4% reduction in operations funding is proposed effective May 1, 2005.  | 40,618,400 | 40,618,400 | (677,000)             |
| <b>20. Information Technology.</b> An unspecified set of reductions in information technology projects is proposed.   | 30,481,900 | 9,948,800  | (730,000)             |
| <b>TOTAL CHANGE:</b>  |            |            | <b>(\$63,592,800)</b> |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF CORRECTIONS**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Reduce Security Levels at Five Facilities.</b>   | \$158,316,600                          | \$157,545,500                          | (\$2,871,900)                 |
| Bellamy Creek – Ionia .....  | (\$583,700)                            |  |                               |
| Boyer Road – Carson City .....   | (\$836,500)                            |  |                               |
| Ojibway – Marenisco .....  | (\$493,300)                            |  |                               |
| Mound – Detroit .....  | (\$725,800)                            |  |                               |
| Ryan – Detroit .....   | (\$232,600)                            |  |                               |
| <b>2. Facility Closures.</b> Closing the following camps/units would close approximately 325 occupied beds as well as 160 funded, but empty, beds.   | 96,077,900                             | 95,588,400                             | (3,141,800)                   |
| Mangum Farm Barracks - Marquette .....   | (\$1,044,000)                          |  |                               |
| (Marquette Correctional Facility)  |  |  |                               |
| Camp Tuscola – Caro .....  | (\$1,377,000)                          |  |                               |
| (Thumb Correctional Facility)  |  |  |                               |
| Camp Sauble –Freesoil.....   | (\$736,200)                            |  |                               |
| (Oaks Correctional Facility)   |  |  |                               |
| <b>3. Eliminate Conditional Reintegration Program (CRP II) Funding.</b> Eliminating this under-utilized community supervision program would save \$1,949,800 in Field Operations and \$1,705,900 in Electronic Monitoring.   | 144,517,500                            | 128,923,400                            | (3,655,700)                   |
| <b>4. Workers Compensation Savings.</b> Adjust to reflect savings due to lower premiums.   | 20,277,000                             | 20,277,000                             | (1,600,000)                   |
| <b>5. Hospital and Specialty Care Services.</b> Adjust to reflect administrative efficiencies in the health care managed care contract achieved through cooperation between the DOC and Correctional Medical Services.   | 59,875,200                             | 59,875,200                             | (1,698,200)                   |
| <b>6. Central Office Staffing.</b> Eliminate vacant positions.   | 31,646,300                             | 30,878,000                             | (1,118,700)                   |
| <b>7. Training.</b> Decreasing training to reflect an anticipated surplus will save \$368,100. Closing the DeMarse Training Academy in the former School for the Blind and moving training to the Michigan State Police training facility will provide an additional savings of \$300,000. | 4,337,100                              | 3,677,000                              | (668,100)                     |
| <b>8. Jackson Area Support and Services.</b> This would eliminate the centralized Jackson Food Production Kitchen shared by Jackson facilities.  | 17,726,800                             | 15,022,700                             | (720,900)                     |
| <b>9. Community Corrections.</b> Reduce lines with any remaining grant funds not yet obligated.  | 13,083,000                             | 13,083,000                             | (111,000)                     |
| <b>10. Prison Food Services.</b> Eliminate coffee from prisoner food services.   | Various Lines                          | Various Lines                          | (250,000)                     |

|  |               |               |                       |
|--|---------------|---------------|-----------------------|
| <b>11. Centralize Field Operations Business Office.</b><br>Accounting functions currently done in three regional offices will be moved to the central office.  | 138,328,400   | 123,127,900   | (239,500)             |
| <b>12. Facility Business and Personnel Operations.</b> The DOC will consolidate the business and personnel offices of the facilities located in Muskegon, St. Louis, Detroit, and Kincheloe.   | Various Lines | Various Lines | (445,600)             |
| <b>13. DIT Savings.</b> Savings achieved through maintenance contract revisions for Academic/Vocational Program computers.   | 14,789,900    | 14,280,400    | (400,000)             |
| <b>14. Eliminate High Security Pay at Riverside.</b> The security level of the facility was previously reduced from a Level 4 to a Level 2; however the line was not adjusted to reflect the decrease in salaries related to high security pay.  | 44,411,200    | 44,179,400    | (196,400)             |
| <b>15. Parole/Probation Supervision Fees.</b> The increased collection rate of parole and probation supervision fees will provide additional state restricted revenue in the accompanying supplemental and will allow an equivalent GF/GP reduction.   | 138,328,400   | 123,127,900   | (1,000,000)           |
| <b>16. Statewide Information Technology Reductions.</b>  | 14,789,900    | 14,280,400    | (567,900)             |
| <b>17. Close Saginaw Corrections Center.</b> Due to a dwindling population of eligible offenders sentenced prior to Truth in Sentencing, the use of this community supervision program and the need for corrections center beds has dropped to an all time low. The DOC will still operate one remaining center in Grand Rapids. | 9,283,000     | 7,796,700     | (318,100)             |
| <b>TOTAL CHANGE:</b>   |               |               | <b>(\$19,003,800)</b> |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF EDUCATION**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Contractual Services, Supplies, and Maintenance (CSS&amp;M) Reductions.</b> Reductions in CSS&M funding in three units are proposed as follows:   | \$9,582,300                            | \$2,851,800                            | (\$115,000)                   |
| Central Support .....   |  |  | (\$50,000)                    |
| Early Childhood/Family Services .....   |  |  | (\$50,000)                    |
| State Board/Superintendent Operations .....   |  |  | (\$15,000)                    |
| <b>2. Fund Shifts.</b> General Fund reductions are proposed in two units, with supplemental appropriations of the same amounts proposed in the supplemental:  | 6,080,500                              | 1,695,100                              | (186,000)                     |
| School Finance/School Law .....   |  |  | (\$21,000)                    |
| Early Childhood/Family Services .....   |  |  | (\$165,000)                   |
| <b>3. Information Technology Rate Reductions.</b> The Department of Information Technology is reducing the rate it charges to departments (but not reducing services), saving \$32,000 for the Department of Education. | 2,521,800                              | 815,900                                | (32,000)                      |
| <b>TOTAL CHANGE:</b>  |  |  | <b>(\$333,000)</b>            |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Financial and Business Services.</b> A General Fund reduction is applied to the salaries and fringe benefits line for this program.  | \$1,387,800                            | \$388,700                              | \$34,500                      |
| <b>2. Information Technology.</b> A General Fund reduction is applied to this line to reflect reduced rates charged by the Department of Information Technology.   | 6,743,300                              | 911,900                                | 110,800                       |
| <b>3. Pollution Prevention and Technical Assistance.</b> A General Fund reduction is applied to the salaries and fringe benefits, travel, and other operational expenses lines for this program.   | 4,803,400                              | 209,600                                | 159,600                       |
| <b>4. Water Management – Dam Safety Elimination.</b> A General Fund reduction is applied to the salaries and fringe benefits line for this program. The savings will result from elimination of the dam safety program, which reviews dam construction plans and inspects existing dams.   | 2,276,400                              | 849,300                                | 180,900                       |
| <b>5. Radiological Protection Program.</b> A General Fund reduction is applied to salaries and fringe benefits and other operational expenses.   | 1,536,400                              | 646,400                                | 132,200                       |
| <b>6. Radon Grants.</b> The grants are used by local health departments for radon outreach and education activities, distribution of radon kits, and mapping test results. All of the General Fund support for this grant program is removed. Federal funding of \$90,000 remains. A 50% match requirement will be met with resources in other line items. | 134,300                                | 44,300                                 | 44,300                        |
| <b>7. Fund Shift for Building Occupancy Charges.</b> A General Fund reduction for BOC will be replaced with a supplemental appropriation of air emissions fees.  | 7,274,200                              | 1,472,800                              | 150,000                       |
| <b>8. Fund Shift for Rent.</b> A General Fund reduction for Rent will be replaced with a supplemental appropriation of air emissions fees.   | 1,836,900                              | 489,400                                | 50,000                        |

|   |            |           |                    |
|---|------------|-----------|--------------------|
| <p><b>9. Fund Shift for Laboratory Services.</b> All of the General Fund appropriated for salaries and fringe benefits, travel, and other operational expenses of Laboratory Services will be replaced with a supplemental appropriation of interdepartmental transfers (IDT) from other programs in the Department that use the laboratory functions. For example, soil sample testing for cleanup sites will be charged to specific site budgets instead of supporting them with General Fund dollars. Most of the IDT funding will come from work projects for cleanup sites established in previous fiscal years.</p> | 6,120,800  | 684,000   | 684,000            |
| <p><b>10. Partial Fund Shift for Air Quality Programs.</b> A General Fund reduction for salaries and fringe benefits and travel within air quality programs will be partially replaced with a supplemental appropriation of \$100,000 from the Oil and Gas Regulatory Fund.</p>   | 19,088,600 | 3,003,600 | 165,000            |
| <p><b>11. Fund Shift for Field Permitting.</b> A General Fund reduction for salaries and fringe benefits of Geological and Land Management permitting will be replaced with a supplemental appropriation of land and water permit fees.</p>   | 5,731,700  | 3,004,900 | 100,000            |
| <p><b>12. Fund Shift for Hazardous Waste Management.</b> A General Fund reduction for salaries and fringe benefits of the hazardous waste program will be replaced with supplemental appropriations of \$50,000 from the Hazardous Materials Transportation Permit Fund and \$200,000 from the Environmental Pollution Prevention Fund.</p>   | 4,085,600  | 694,500   | 250,000            |
| <p><b>13. Partial Fund Shift for Environmental Investigations.</b> A General Fund reduction for salaries and fringe benefits and other operational expenses in Environmental Investigations will be partially replaced with supplemental appropriations totaling \$388,600 from the Oil and Gas Regulatory Fund (\$186,800) and the Scrap Tire Regulatory Fund (\$201,800).</p>   | 2,099,300  | 1,477,500 | 478,600            |
| <b>TOTAL CHANGE:</b>  |            |           | <b>\$2,539,900</b> |

**EXECUTIVE ORDER 2005-07**

**HIGHER EDUCATION**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. University Operations.</b> The Executive Order includes a 1.76% across-the-board reduction for the Operations of the 15 public universities, and the reduction amounts are as follows:   | \$1,340,754,600                        | \$1,331,254,600                        | (\$25,080,400)                |
| Central .....  | \$1,403,300                            |  |                               |
| Eastern .....  | \$1,357,400                            |  |                               |
| Ferris .....   | \$859,900                              |  |                               |
| Grand Valley.....  | \$1,016,800                            |  |                               |
| Lake Superior.....   | \$222,900                              |  |                               |
| Michigan State.....  | \$5,049,100                            |  |                               |
| Michigan Tech.....   | \$855,600                              |  |                               |
| Northern.....  | \$803,700                              |  |                               |
| Oakland.....   | \$844,800                              |  |                               |
| Saginaw Valley.....  | \$459,000                              |  |                               |
| UM-Ann Arbor .....   | \$5,631,100                            |  |                               |
| UM-Dearborn.....   | \$433,600                              |  |                               |
| UM-Flint.....  | \$372,800                              |  |                               |
| Wayne State.....   | \$3,823,800                            |  |                               |
| Western .....  | <u>\$1,946,600</u>                     |  |                               |
| Total.....   | \$25,080,400                           |  |                               |
| <p>The Executive Order reduction will be reflected in the August 2005 State payments to the universities. If the May 2005 Consensus Revenue Estimating Conference determines that an additional \$30.0 million in revenue is available (\$25.0 million for universities and \$5.0 million for community colleges), then the \$30.0 million reduction would be restored. If less than \$30.0 million in new revenue is available in May, funding for colleges and universities would be restored on a pro-rata basis, with full restoration at the FY 2004-05 bookclosing from any unreserved General Fund/General Purpose balance.</p> |  |  |                               |
| <b>2. Wayne State University Psychiatric Research Program.</b> The Executive Order eliminates funding for the Joseph F. Young, Sr. Psychiatric Research and Training Program from Wayne State University's Operations appropriation line item. It is recommended that this program be funded in the Department of Community Health, using Disproportionate Share Hospital (DSH) payments instead of GF/GP.   | \$5,605,892                            | \$5,605,892                            | (\$5,605,900)                 |

|  |           |                             |             |
|--|-----------|-----------------------------|-------------|
| <p><b>3. Dental Clinics Grant.</b> This Executive Order eliminates the grant for the University of Detroit-Mercy's dental clinics that operate in southeastern Michigan. It is recommended that this program be funded in the Department of Community Health, using Disproportionate Share Hospital (DSH) payments instead of GF/GP.</p> | 4,547,000 | 4,547,000                   | (4,547,000) |
| <b>TOTAL CHANGE:</b>   |           | <hr/> <b>(\$35,233,300)</b> |             |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Administrative Savings.</b> Reductions due to deferred hiring, reduced travel, reduced library hours, and other operations changes are assigned to the following line items:<br><br>Management services .....(\$29,300)<br>Library of Michigan operations .....(\$281,500)<br>This reduction is partially offset by \$100,000 in additional Federal funding in the proposed supplemental.<br><br>Michigan Council for Arts and Cultural Affairs --<br>Administration.....(\$54,800)<br>Film Office .....(\$5,000)<br>Historical administration and services.....(\$92,400) | \$14,099,900                           | \$13,864,600                           | (\$463,000)                   |
| <b>2. Information Technology Savings.</b> Reflects reductions required in Department of Information Technology charges.  | 998,600                                | 948,600                                | (72,300)                      |
| <b>3. Grant Reduction.</b> Deletes an allocation of \$91,500 for lighthouse preservation grants within the Historical Administration and Services line.  | 91,500                                 | 91,500                                 | (91,500)                      |
| <b>TOTAL CHANGE:</b>   |  |  | <b>(\$626,800)</b>            |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF HUMAN SERVICES**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <p><b>1. Administrative Efficiencies.</b> Changes based on efficiencies in administrative appropriations:</p> <p>Worker's Compensation ..... \$495,200<br/>Administration decreased estimate regarding need</p> <p>AFC, Children Welfare and Day Care<br/>Licensure ..... \$2,000,000<br/>Estimated reduction in funding need</p> <p>Information Technology ..... \$2,655,900<br/>The Department of Information Technology identifies savings based on renegotiated contracts with reduced rates effective April 1, which would result in reduced charges to departments</p> <p>Juvenile Justice Field Staff, Administration<br/>Maintenance ..... \$304,000<br/>The currently vacant full-time equated positions would not be filled</p> <p>Child Care Fund Administration ..... \$100,000<br/>The savings would be achieved through elimination of this line and consolidation of administration activities.</p> | \$99,262,300                           | \$34,202,200                           | (\$5,555,100)                 |
| <p><b>2. Indigent Burial.</b> An approximately \$37.90 or 4.0% decrease per case in the reimbursement rate based on six month average cases of 2,707.</p>  | 6,155,500                              | 5,724,600                              | (102,600)                     |
| <p><b>3. Adoption Support Services.</b> The adoptive parents support and services program would be eliminated, affecting 211 average FTEs effective April 1, 2005.</p>   | 14,488,300                             | 6,292,600                              | (91,700)                      |
| <p><b>4. Michigan Housing and Community Development Fund.</b> The elimination of a TANF-supported program for low-income households to help with housing development and security deposits for eligible applicants. This is a fund shift for \$2.0 million in TANF for use in the proposed Supplemental.</p>   | 2,000,000                              | 0                                      | 0                             |

|  |                    |                    |                              |
|--|--------------------|--------------------|------------------------------|
| <p><b>5. Day Care Services.</b> The reimbursement of day care costs and day care services contracts:</p> <p>Cost Reimbursement..... \$10,000,000<br/>An estimated 19,500 eligible new cases would experience a two-pay period (30 day) reimbursement delay .</p> <p>Before and After School Program ..... \$0<br/>The TANF funded program is competitively bid in the current year which caused a delay in the distribution process that would result in a \$3.3 million TANF savings.</p> | <p>491,672,000</p> | <p>185,389,900</p> | <p>(10,000,000)</p>          |
| <p><b>6. Legal Support Contracts.</b> The contracts rates for child support legal services would be reduced resulting in a \$3.3 million Gross and \$2.0 million Federal Incentive Payments reduction.</p>   | <p>139,819,500</p> | <p>2,922,400</p>   | <p>(1,300,000)</p>           |
| <p><b>7. Food Stamp Reinvestment.</b> The Federal Plan update includes a reduction in the amount of the penalty repayment as well as the penalty and funds reinvestment being spread over an extended number of years.</p>   | <p>17,040,400</p>  | <p>17,040,400</p>  | <p>(6,500,000)</p>           |
| <p><b>8. Child Support Automation.</b> A shift of Child Support Incentive funds savings (see above # 6) is included in a proposed supplemental to offset this proposed reduction.</p>  | <p>55,468,900</p>  | <p>8,850,800</p>   | <p>(2,726,800)</p>           |
| <p><b>9. Homeless Shelter Contract.</b> The GF reduction would be offset with TANF funds in a proposed supplemental.</p>   | <p>11,646,700</p>  | <p>8,733,300</p>   | <p>(1,700,000)</p>           |
| <p><b>10. Child Care Fund.</b> The GF reduction would be offset with TANF funds in a proposed supplemental.</p>  | <p>171,337,900</p> | <p>90,200,000</p>  | <p>(5,300,000)</p>           |
| <p><b>TOTAL CHANGE:</b></p>  |                    |                    | <p><b>(\$33,276,200)</b></p> |

EXECUTIVE ORDER 2005-07

DEPARTMENT OF INFORMATION TECHNOLOGY

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Information technology services and projects.</b><br>Approximately \$4.34 million of the reductions to the Department of Information Technology will be achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. The Department states that the above reductions will be achieved through efficiencies, not service reductions. Another \$2.1 million in savings will be attained through the reduction of expenditures under the Master Computing Contract. State departments developed the balance of the reductions, which will result in delaying certain information technology projects/purchases. | \$340,599,300                          | \$0                                    | 0*                            |
| <b>TOTAL CHANGE:</b>   |  |  | <b>\$0</b>                    |

\* The appropriations to the Department of Information Technology are funded by interdepartmental grants from State departments to receive information technology services from the Department of Information Technology. Executive Order reductions by funding source are reflected in information technology Executive Order reductions for State departmental budgets. The reduction to the Department of Information Technology budget, including the boilerplate reduction, totals \$10,244,300.

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Administrative Savings.</b> Reductions in operating costs are assigned to the following line items:   | \$280,403,900                          | \$39,420,700                           | (\$649,700)                   |
| Policy Development.....   |  |  | (\$4,700)                     |
| Commission for the Blind .....  |  |  | (\$50,000)                    |
| Administrative Services .....   |  |  | (\$40,000)                    |
| Employment Training Services .....  |  |  | (\$135,000)                   |
| Michigan Career and Technical Institute.....  |  |  | (\$20,000)                    |
| Job Training Program Subgrantees .....  |  |  | (\$10,000)                    |
| Economic Development Job Training Grants  |  |  | (\$250,000)                   |
| Job Creation Services .....   |  |  | (\$140,000)                   |
| <b>2. Tax Tribunal Operations.</b> Administrative savings of \$306,900 are replaced by a shift of Corporation Fee revenue which is included in the proposed supplemental.   | 1,371,300                              | 306,900                                | (306,900)                     |
| <b>3. Code Enforcement and Fire Safety.</b> Administrative savings of \$95,100 are replace by a shift of Construction Code Fund revenue which is included in the proposed supplemental.   | 16,501,800                             | 95,100                                 | (95,100)                      |
| <b>4. Liquor Licensing and Enforcement—General Fund Lapse.</b> Administrative savings of \$932,300 reduce the need for monies from the Liquor Purchase Revolving Fund, generating a projected lapse to the General Fund of \$932,300. | 11,587,700                             | 0                                      | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>(\$1,051,700)</b>          |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF MANAGEMENT AND BUDGET**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Administrative Services.</b> Savings will result from administrative efficiencies.   | \$5,960,600                            | \$972,900                              | (\$45,000)                    |
| <b>2. Budget and Financial Management.</b> Savings will result from maintaining vacancies.   | 9,926,600                              | 7,982,500                              | (508,000)                     |
| <b>3. Office of the State Employer.</b> Savings will result from administrative efficiencies.  | 2,604,800                              | 783,800                                | (52,700)                      |
| <b>4. Information Technology Services and Projects.</b><br>Reductions to this line item will be achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. The Department states that the above reductions will be achieved through efficiencies, not service reductions. Savings also will be attained through the reduction of costs from the Master Contract by a reduction in equipment purchases. The Department of Management and Budget (DMB) reduction also includes savings from postponing application development.  | 25,506,100                             | 15,419,700                             | (1,072,900)                   |
| <b>5. Other Items.</b> The Executive Order includes language that will result in \$7,938,700 in statewide General Fund lapses in FY 2004-05:<br><br>Requires the DMB to reduce building occupancy General Fund expenditures by \$211,500 and reduce procurement card restricted fund expenditures by \$370,000.<br><br>Requires the DMB (pursuant to State Employer and Union agreement) to reduce the Child Care Information and Referral Services fund balance to \$0 by depositing \$1,254,400 in the State General Fund and returning \$1,265,500 of State Restricted and Federal funds to State agencies.<br><br>Requires the DMB (pursuant to State Employer and Union agreement) to reduce the UAW Severance Pay fund balance to \$0 by depositing the unexpended portion of \$1,102,800 to the State General Fund and returning the unexpended portion of \$1,404,700 of State Restricted and Federal funds to State agencies.<br><br>Requires the DMB to reduce statewide contractual General Fund expenditures by \$5,000,000. |  |  |                               |
| <b>TOTAL CHANGE:</b>   |  |  | <b>(\$1,678,600)</b>          |

EXECUTIVE ORDER 2005-07

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Headquarters and Armories.</b> Reduction in costs related to salary and wage expenditures.  | \$9,562,200                            | \$6,901,100                            | (\$185,000)                   |
| <b>2. Military Training Sites and Support Facilities.</b> Reduction in costs related to salary and wage expenditures of \$316,500 and a fund shift from GF/GP to Federal funds of \$200,000 in the National Guard Tuition Program due to a new Federal program which provides tuition support for Army guard members directly to colleges and universities. | 17,513,300                             | 2,784,600                              | (516,500)                     |
| <b>3. Information Technology Services and Projects.</b> Reduction due to a decrease in rates to agencies.   | 1,172,000                              | 413,500                                | (12,600)                      |
| <b>TOTAL CHANGE:</b>  |  |  | <b>(\$714,100)</b>            |

EXECUTIVE ORDER 2005-07

DEPARTMENT OF NATURAL RESOURCES

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. General Law Enforcement.</b> The General Fund reduction would be realized by limiting conservation officers to enforcement of State game, fish, and recreation laws and not addressing other law violations.                      | \$23,841,300                           | \$2,977,400                            | \$308,100                     |
| <b>2. Commercial Forest Reserves.</b> This payment in lieu of taxes has already been disbursed to local units of government for FY 2004-05. The General Fund reduction will remove funds that will lapse at the end of the fiscal year. | 2,691,700                              | 2,691,700                              | 29,100                        |
| <b>3. Information Technology.</b> A General Fund reduction is applied to this line to reflect reduced rates charged by the Department of Information Technology.  | 8,603,800                              | 1,285,200                              | 46,100                        |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$383,300</b>              |

EXECUTIVE ORDER 2005-07

SCHOOL AID

| <b>Program</b>   | <b>Year-To-Date<br/>Gross<br/>Appropriation</b> | <b>Year-To-Date<br/>GF/GP<br/>Appropriation</b> | <b>FY 2004-05<br/>GF/GP<br/>Change</b> |
|--|---|---|--|
| <b>1. School Aid Fund General Fund Grant.</b> The GF/GP grant to the School Aid Fund is reduced. This reduction is offset by the additional available revenues of \$74.1 million from the School Aid Stabilization Fund and \$41.1 million made available from the restructuring of the School Bond Loan Fund debt service payments. | \$12,527,440,100                                | \$264,700,000                                   | (\$99,500,000)                         |
| <b>TOTAL CHANGE:</b>   |   |   | <b>(\$99,500,000)</b>                  |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF STATE**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Operations (Regulatory).</b> This item funds the Bureau of Driver Safety, the Bureau of Legal Services, and the Bureau of Automotive Regulation.  | \$20,806,900                           | \$335,900                              | (\$10,000)                    |
| <b>2. Branch Operations.</b> This item funds the operation of branch offices. Of this amount, \$10.0 million is proposed to be offset by increasing support from the Transportation Administration Collection Fund (TACF). This would be accomplished by redirecting revenue currently deposited in the Michigan Transportation Fund to the TACF. For more detail, see the proposed supplemental for the Department of State.   | 66,719,900                             | 12,627,300                             | (10,412,000)                  |
| <b>3. Central Records.</b> This item funds the record keeping activities of the Department (driver records, vehicle records, financing statements, Uniform Commercial Code responsibilities, and the Office of the Great Seal.  | 14,704,500                             | 409,800                                | (12,200)                      |
| <b>4. Customer Services Administration.</b> This item supports various functions that are not performed by the branch offices.  | 16,555,200                             | 655,900                                | (25,400)                      |
| <b>5. Building Occupancy Charges/Rent.</b> This item is being reduced based on efficiencies to be achieved by all State departments.  | 9,513,000                              | 2,495,700                              | (74,200)                      |
| <b>6. Worker's Compensation.</b> This item is based on projected premium costs.   | 727,000                                | 207,100                                | (6,200)                       |
| <b>7. Information Technology Services and Projects.</b> Reductions to this line item will be achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. The Department states that the above reductions will be achieved through efficiencies, not service reductions. Savings will also be attained through the reduction of costs from the Master Contract by a reduction in equipment purchases. | 21,954,700                             | 1,877,400                              | (69,400)                      |
| <b>TOTAL CHANGE:</b>  |  |  | <b>(\$10,609,400)</b>         |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF STATE POLICE**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Criminal Investigations.</b> Reduction in costs related to salary and wage expenditures.  | \$32,558,100                           | \$31,330,200                           | (\$1,493,000)                 |
| <b>2. Criminal Justice Information Center Division.</b><br>Reduction in costs related to salary and wage expenditures.  | 7,533,100                              | 1,331,800                              | (63,200)                      |
| <b>3. Fire Investigation.</b> Reduction in costs related to salary and wage expenditures.   | 3,555,200                              | 3,555,200                              | (125,800)                     |
| <b>4. Human Resources.</b> Reduction in costs related to salary and wage expenditures.  | 2,170,900                              | 1,696,900                              | (64,800)                      |
| <b>5. Uniform Services.</b> Reduction in costs related to salary and wage expenditures.   | 47,701,300                             | 46,034,400                             | (555,000)                     |
| <b>6. DNA Analysis Program.</b> GF/GP fund shift. A Governor-recommended FY 2004-05 supplemental appropriation would provide a restricted revenue source of funds (Forensic Science Reimbursement Fee) in an amount equal to the E.O. reduction, resulting in a fund shift but not a net reduction for the program. | 8,529,200                              | 3,298,500                              | (225,000)                     |
| <b>7. At-Post Troopers.</b> GF/GP fund shift. A Governor-recommended FY 2004-05 supplemental appropriation would provide a restricted revenue source of funds (Highway Safety Fund) in an amount equal to the E.O. reduction, resulting in a fund shift but not a net reduction for the program.                    | 117,432,600                            | 72,532,200                             | (387,000)                     |
| <b>8. Information Technology Services and Projects.</b><br>Reduction due to a decrease in rates to agencies.  | 21,236,100                             | 17,248,700                             | (541,200)                     |
| <b>TOTAL CHANGE:</b>  |  |  | <b>(\$3,455,000)</b>          |

**EXECUTIVE ORDER 2005-07**

**DEPARTMENT OF TREASURY**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Worker's Compensation Insurance Premium.</b> This adjustment is based on projected premium costs.   | \$541,300                              | \$166,900                              | (\$166,900)                   |
| <b>2. Local Finance.</b> This reduction would be offset by \$143,200 in available Municipal Finance Fee revenue under the Governor's proposed supplemental.   | 2,099,300                              | 1,345,300                              | (143,200)                     |
| <b>3. Human Resources Optimization User Charges.</b> This reduction would be offset by \$44,300 in Delinquent Property Tax Collection Revenue under the Governor's proposed supplemental.   | 44,300                                 | 44,300                                 | (44,300)                      |
| <b>4. Student Financial Assistance Programs.</b> This line item supports administration of the Michigan Education Trust, the Tuition Incentive Program, the Michigan Education Assistance Program, the Postsecondary Access Student Scholarship Program, the Higher Education Student Loan Authority, the Higher Education Assistance Authority, and the Michigan Guaranty Agency.  | 34,232,900                             | 1,640,800                              | (200,000)                     |
| <b>5. Personal Property Tax Auditors.</b> This funding was to fund State employees or contractors under the Department of Treasury's supervision to perform personal property tax audits.   | 3,500,000                              | 3,500,000                              | (3,500,000)                   |
| <b>6. Information Technology Services and Projects.</b> Reductions to this line item will be achieved through reduced overhead charges by the Department of Information Technology, negotiated contract reductions, telecommunication rate reductions, and data center rate reductions. The Department states that the above reductions will be achieved through efficiencies, not service reductions. Savings will also be attained through the reduction of costs from the Master Contract by a reduction in equipment purchases. | 16,602,300                             | 5,072,200                              | (549,800)                     |
| <b>7. Other Items.</b> The Executive Order also includes language requiring the Department of Treasury to reduce contract collection costs by \$1.0 million and thereby increase revenue from collections that will be deposited in the State General Fund. The annual appropriation bill includes language authorizing the Department of Treasury to contract with private agencies to collect taxes and other accounts due to the State (Section 903 of 2004 PA 327).   |  |  |                               |
| <b>TOTAL CHANGE:</b>  |  |  | <b>(\$4,604,200)</b>          |

**APPENDIX B:**

**FY 2004-05  
SUPPLEMENTAL  
HOUSE BILL 4308 (S-1)**

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF AGRICULTURE**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Pesticide and Plant Pest Management.</b> This provides \$150,000 additional restricted revenue appropriations to replace an equal amount of GF/GP appropriations reduced in the Executive Order.   | \$12,184,900                           | \$4,588,800                            | \$0                           |
| <b>2. Laboratory Services.</b> This provides \$135,000 additional restricted revenue appropriations to replace an equal amount of GF/GP appropriations reduced in the Executive Order.   | 5,038,600                              | 2,845,800                              | 0                             |
| <b>3. Information Technology.</b> This appropriation provides \$692,500 in restricted revenue to replace an equal amount of GF/GP appropriation that was reduced in the Executive Order. The revenue is available from a funding shift associated with the Building and Track Improvement (see item #4 below).   | 1,589,600                              | 1,325,200                              | 0                             |
| <b>4. Building and Track Improvement – County and State Fairs.</b> This appropriation replaces \$692,500 in restricted revenue appropriations from the State Services Fee Fund with an equal amount of available, but unappropriated, restricted revenue in the Michigan Agriculture Equine Industry Development Fund (horse racing tax revenue).<br><br>The funding shift is necessary to make available the State Services Fee Fund revenue, which is used to affect GF/GP savings in the Information Technology program in the Executive Order. | 963,200                                | 963,200                                | 0                             |
| <b>5. Food Safety.</b> Provides \$55,000 in Federal resources for a pilot project in Detroit to develop emergency response materials related to food safety emergencies.   | 10,265,400                             | 6,962,600                              | 0                             |
| <b>6. Environmental Stewardship.</b> Provides restricted funding for Right to Farm program (\$48,000), Agriculture Pollution Prevention program (\$310,000), and AmeriCorps program (\$250,000).   | 11,190,400                             | 3,876,800                              | 0                             |
| <b>TOTAL CHANGE:</b>   |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF ATTORNEY GENERAL**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Prosecuting Attorneys Coordinating Council (PACC).</b> Subsequent to the passage of the FY 2004-05 initial appropriation, the PACC received a Federal Byrne Grant award of \$93,000 over the \$132,000 appropriated amount. The supplemental increases Federal appropriations for PACC by \$93,000. | 1,610,900                              | 1,152,100                              | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**CAPITAL OUTLAY**

| <b>Program</b>  | <b>Year-To-Date<br/>Gross<br/>Appropriation</b> | <b>Year-To-Date<br/>GF/GP<br/>Appropriation</b> | <b>FY 2004-05<br/>GF/GP<br/>Change</b> |
|---|---|---|--|
| To date, the only portion of the FY 2004-05 Capital Outlay budget that has been enacted are the appropriations for State Building Authority Rent (Debt Service) in PA 309 of 2004. The balance of the recommended appropriations for items such as State agency special maintenance, projects for the Dept. of Military and Veterans Affairs, Airport Safety and Security projects, Waterways projects in the Dept. of Natural Resources (DNR), and Dept. of Transportation facility improvement projects remain pending before the Legislature. Highlights of the recommendation are detailed below:   | N/A   | N/A   | \$0                                    |
| 1. Eliminating \$2.0 million GF/GP for State agency special maintenance which was replaced with \$2.8 million in SBA escrow restructuring revenue   |   |   | 0                                      |
| 2. Providing \$202.0 million of Federal, State, and local revenues for airport safety and improvement projects at more than 100 airports statewide  |   |   | 0                                      |
| 3. Providing nearly \$11.8 million of Transportation revenue for a variety of MDOT facility improvement projects  |   |   | 0                                      |
| 4. Providing \$4.8 million from the Waterways fund for local boating access sites, harbors, and docks and \$1.7 million for State-owned facilities.   |   |   | 0                                      |
| 5. Providing \$2.3 million for improvements at the Veteran's facilities, \$25.0 million for a new headquarters facility for the Department of Military and Veteran's Affairs at the Baker-Olin complex, \$20.5 million for projects at Camp Grayling, and an additional \$9.2 million to complete the helicopter support facility in Grand Ledge, all funded primarily with Federal revenues.   |   |   | 0                                      |
| 6. On Dec. 8, 2004, the Michigan Natural Resources Trust Fund Board of Trustees recommended 15 land acquisition and 26 development projects totaling \$32.2 million for approval by the Governor and Legislature. These projects are all funded from the Natural Resources Trust Fund which receives royalties from the sale and lease of State-owned mineral rights, primarily oil and gas. The Fund provides financial assistance to local governments and the DNR to purchase lands for outdoor recreation and the protection of natural resources and open space, as well as the development of land for public recreation. By law, no more than 25% of the Trust Fund revenues available for appropriation each year can be used for development, therefore the majority of funding is allocated for acquisition projects. |   |   | 0                                      |
| <b>TOTAL CHANGE:</b>  |   |   | <b>\$ 0</b>                            |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF CIVIL RIGHTS**

| <b>Program</b>   | <b>Year-To-Date<br/>Gross<br/>Appropriation</b> | <b>Year-To-Date<br/>GF/GP<br/>Appropriation</b> | <b>FY 2004-05<br/>GF/GP<br/>Change</b> |
|--|---|---|--|
| <b>1. Civil Rights Operations.</b> This supplemental would offset General Fund reductions contained in the Governor's proposed Executive Order and recognize additional available Federal funds. The \$313,700 in available Federal funding is related to case production by the Department. Housing and Urban Development funding accounts for \$190,000 of the supplemental and \$123,700 is from Equal Employment Opportunity Commission antidiscrimination agency contracts. | \$11,587,500                                    | \$10,653,500                                    | \$0                                    |
| <b>TOTAL CHANGE:</b>   |   |   | <b>\$0</b>                             |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**COMMUNITY COLLEGES**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <p><b>Contingency Appropriation Language.</b> The Executive Order reductions for community colleges and universities will be entered into the State accounting system as soon as the Executive Order is adopted, but allotments for the colleges and universities would not be reduced until their August 2005 payments. If the May 2005 Consensus Revenue Estimating Conference determines that an additional \$30.0 million in revenue is available (\$25.0 million for universities and \$5.0 million for community colleges), then this supplemental bill (in Sec. 701) provides for up to \$30.0 million in State GF/GP appropriations. If less than \$30.0 million in new revenue is available in May, funding for colleges and universities would be appropriated on a pro-rata basis. If the \$30.0 million in funding is not completely restored in May, it would be restored at the FY 2004-05 bookclosing from any unreserved General Fund/General Purpose balance.</p> | N/A                                    | N/A                                    | \$4,919,600                   |
| <b>TOTAL CHANGE:</b>   |  |  | <b>\$4,919,600</b>            |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF COMMUNITY HEALTH**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Medicaid and CSHCS Base Shortfall.</b> The supplemental would fund the FY 2004-05 shortfall for Medicaid and Children's Special Health Care Services (CSHCS).   | \$6,170,936,600                        | \$1,226,969,200                        | \$39,814,900                  |
| <b>2. Disproportionate Share Payments, Hospital DSH.</b> The University of Detroit and Wayne State University would receive payments through DSH to provide dental and mental health services. These payments would offset current General Fund support for health services through these two institutions.   | 50,000,000                             | 11,945,000                             | 0                             |
| <b>3. Mental Health Provider Assessment.</b> The State would assess a 6% provider tax upon local Community Mental Health (CMH) agencies; \$6.0 million from this assessment would offset General Fund efforts (provided in the Executive Order) and the remainder of collected revenue would be used to draw Federal funding for use in a rate increase.          | 1,414,985,200                          | 583,047,000                            | 0                             |
| <b>4. CMHSP, Purchase of State Services Contracts.</b> Mental health risk pool dollars (\$1,400,000) would be allocated to offset administrative reductions made to State psychiatric facilities in the Executive Order.  | 120,746,800                            | 120,746,800                            | 0                             |
| <b>5. Public Health Restricted Revenues.</b> General Fund support for Public Health would be replaced by restricted funding outlined below:<br><br>Health Professions Regulatory Funds.....\$137,000<br>Pharmaceutical Product Fund..... \$500,000  | 36,509,000                             | 16,460,000                             | 0                             |
| <b>6. Medicare Part D Grant.</b> Recognizes \$722,000 in Federal revenue provided to support Department efforts to transition State pharmacy assistance programs to the new Medicare prescription drug benefit.   | 47,398,100                             | 16,481,300                             | 0                             |
| <b>7. Hospital Provider Assessment.</b> Implements hospital provider tax increase established in FY 2003-04 supplemental appropriation recently approved by the Federal Center for Medicare and Medicaid Services (CMS). The increase in provider tax rate to 6% allows the state to provide an additional \$82,000,000 to hospitals in a Medicaid rate increase. | 1,186,087,500                          | 282,994,700                            | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$39,814,900</b>           |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF CORRECTIONS**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Close Benton Harbor Corrections Center.</b> Due to a dwindling population of eligible offenders sentenced prior to Truth in Sentencing, the use of this community supervision program and the need for corrections center beds has dropped to an all time low. The DOC will still operate one remaining center in Grand Rapids. | \$9,283,000                            | \$7,796,700                            | (\$271,000)                   |
| <b>2. Parole/Probation Supervision Fees.</b> The increased collection rate of parole and probation supervision fees would provide \$1.0 million in additional state restricted revenue and would allow an equivalent GF/GP reduction in the accompanying Executive Order.   | 138,328,400                            | 123,127,900                            | 0                             |
| <b>3. Federal Prison Rape Prevention Grant.</b> This would recognize the receipt of \$1.0 million from the U.S. Department of Justice to develop a program to reduce the incidence of sexual assault in prisons.  | 0                                      | 0                                      | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>(\$271,000)</b>            |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF EDUCATION**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Early Childhood Education and Family Services Operations Certification Fees Fund Shift.</b> A \$165,000 GF/GP reduction in the Executive Order is restored with restricted Certification Fees in the proposed supplemental.   | \$3,616,100                            | \$932,200                              | \$0                           |
| <b>2. School Finance and School Law Operations Federal Revenues Fund Shift.</b> A \$21,000 GF/GP reduction in the Executive Order is restored with Federal revenues in the proposed supplemental.   | 2,464,400                              | 762,900                                | 0                             |
| <b>3. Community Service State Grants.</b> The Department of Education received a Federal grant to provide funds to districts and ISDs for programs to reduce the number of suspended and expelled students. This supplemental request, for \$1,750,000, is for the second and final year of funding to grant recipients, since the Federal government has discontinued the grant.   | 0                                      | 0                                      | 0                             |
| <b>4. Grants Administration and School Support Services and Related Travel.</b> The Department received a three-year Federal Safe and Drug-Free Schools grant with administrative funds of \$717,200 available in FY 2004-05. This grant will support 1.5 FTEs, provide funding for CEPI to develop a data system to improve management of drug and violence prevention projects, fund an evaluation contract, and support training to districts. | 6,876,400                              | 396,800                                | 0                             |
| <b>5. Early Childhood Education and Family Services Operations.</b> In anticipation of private revenue donations from the Mott Foundation (\$75,000) and the Robert Wood Johnson Foundation (\$33,000), a supplemental of \$108,000 is proposed to fund a full-time coordinator and miscellaneous support costs related to overseeing the efforts to implement the Michigan After-School Partnership program.                                     | 3,616,100                              | 932,200                                | 0                             |
| <b>6. School Improvement Operations.</b> The Department received a new Federal Migrant Education Program Consortium Grant Program, the primary goal of which is coordination between eight member states to provide professional development through workshops to teachers of migrant children. The total amount of the grant is \$120,700, of which \$20,000 is being requested in the supplemental for administration of the grant.             | 13,649,200                             | 63,100                                 | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Building Occupancy Charges.</b> Air emission fees of \$150,000 would offset a General Fund reduction. (Related to the Executive Order)  | \$7,274,200                            | \$1,472,800                            | \$0                           |
| <b>2. Rent.</b> Air emission fees of \$50,000 would offset a General Fund reduction. (Related to the Executive Order)   | 1,836,900                              | 489,400                                | 0                             |
| <b>3. Laboratory Services.</b> Interdepartmental transfers would offset a General Fund reduction of \$684,000 for salaries and fringe benefits, travel, and other operational expenses. Most of this funding would come from attributing lab costs to work projects for cleanup sites established in previous fiscal years. The supplemental bill would also include language allowing unexpended revenues from this fund source to carryforward into FY 2005-06 since this authority does not exist in statute. (Related to the Executive Order) | 6,120,800                              | 684,000                                | 0                             |
| <b>4. Air Quality Programs.</b> A supplemental appropriation of \$100,000 from the Oil and Gas Regulatory Fund would partially offset a General Fund reduction of \$165,000 for salaries and fringe benefits and travel within air quality programs. (Related to the Executive Order)   | 19,088,600                             | 3,003,600                              | 0                             |
| <b>5. Field Permitting and Technical Assistance.</b> Revenue from an increase in critical dune permit fees would compensate for a General Fund reduction of \$100,000 for salaries and fringe benefits in Geological and Land Management permitting. (Related to the Executive Order)   | 5,731,700                              | 3,004,900                              | 0                             |
| <b>6. Hazardous Waste Management.</b> Supplemental appropriations of \$50,000 from the Hazardous Materials Transportation Permit Fund and \$200,000 from the Environmental Pollution Prevention Fund would offset a General Fund reduction for salaries and fringe benefits in the hazardous waste program. (Related to the Executive Order)  | 4,085,600                              | 694,500                                | 0                             |
| <b>7. Environmental Investigations.</b> Supplemental appropriations of \$186,800 from the Oil and Gas Regulatory Fund and \$201,800 from the Scrap Tire Regulatory Fund would partially replace a General Fund reduction for salaries and fringe benefits and other operational expenses in Environmental Investigations. (Related to the Executive Order)  | 2,099,300                              | 1,477,500                              | 0                             |

|   |           |           |   |
|---|-----------|-----------|---|
| <b>8. Office of the Great Lakes.</b> Federal funding of \$20,000 is available for implementation of an aquatic nuisance species State management plan.  | 245,200   | 2,100     | 0 |
| <b>9. Environmental Information Exchange Network.</b> Funding of \$85,000 from the US EPA would pay for an executive position with the National Environmental Information Exchange Network.   | 722,800   | 209,600   | 0 |
| <b>10. Pollution Prevention.</b> Additional Federal money of \$200,000 is available for pollution prevention activities.  | 1,771,600 | 77,300    | 0 |
| <b>11. Field Permitting Enforcement.</b> Federal EPA funds of \$61,500 are available for enforcement activities in the clean water program.   | 5,934,000 | 3,121,300 | 0 |
| <b>12. Environmental Cleanup Sites.</b> An appropriation of \$37,618,000 in Response Activities funds from the Clean Michigan Initiative are recommended for appropriation. A language section is included listing 47 new cleanup sites and establishing work projects for the sites. | 0         | 0         | 0 |
| <b>13. State Site Cleanup Program.</b> As recommended by the Brownfield Redevelopment Board, an appropriation of \$5,000,000 of interest from the State Sites Cleanup Fund is included to support remediation of state-owned contaminated sites.                                      | 0         | 0         | 0 |
| <b>14. NPDES Nonstormwater Program.</b> Additional Federal funds of \$400,000 are available for application and permit processing within this program. A 5% match requirement will be met with NPDES permit fees.   | 811,300   | 80,800    | 0 |
| <b>15. Recreational Resource Programs.</b> The appropriations in Environmental Health would be increased to allow expenditures from the new Campground Fund (\$220,000) and the new Public Swimming Pool Fund (\$501,000), which were created in legislation enacted in 2004.         | 3,022,700 | 1,474,200 | 0 |
| <b>16. Septage Waste Program.</b> An appropriation of \$35,000 from the Septage Waste Contingency Fund is included in Environmental Health to pay for continuing education courses in this area. This would be the first appropriation from the fund.                                 | 3,022,700 | 1,474,200 | 0 |
| <b>17. Environmental Investigations Training.</b> Federal funding of \$288,000 from the Department of Homeland Security is available for training workshops on hazardous materials and to test emergency response plans at water systems.   | 417,500   | 141,800   | 0 |
| <b>18. Coastal Management Grants.</b> Additional Federal funds of \$200,000 are available for the development of waterfront and coastal access, and water quality restoration projects.   | 1,800,000 | 0         | 0 |

|  |           |   |            |
|--|-----------|---|------------|
| <b>19. Great Lakes Research and Protection Grants.</b> The supplemental would restore funding of \$30,000 from the Great Lakes Protection Fund that was vetoed in the initial appropriation act.   | 1,970,000 | 0 | 0          |
| <b>20. Scrap Tire Grants.</b> Additional revenue of \$1,750,000 is available in the Scrap Tire Regulatory Fund. The grants are awarded for the cleanup of scrap tires and projects related to scrap tire disposal.   | 3,500,000 | 0 | 0          |
| <b>21. Voluntary Stormwater Permit Grants.</b> Clean Michigan Initiative – Clean Water funds of \$2,426,300 would be made available to local units of government to conduct construction projects or other improvement activities for managing stormwater runoff. The grants require a 50% match from the recipient. | 0         | 0 | 0          |
| <b>22. Volunteer River, Stream, and Creek Cleanup.</b> Revenue of \$175,000 from the Water Quality fund-raising license plate would be used for a grant to Michigan State University to develop water quality standards for nutrients as part of a Federally mandated program.                                       | 25,000    | 0 | 0          |
| <b>23. Waterfront Redevelopment Program.</b> Clean Michigan Initiative - Waterfront Redevelopment funds of \$1,924,600 would be reappropriated for a project in Lansing for which work has not yet begun. A 25% match is required.   | 0         | 0 | 0          |
| <b>TOTAL CHANGE:</b>   |           |   | <b>\$0</b> |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**HIGHER EDUCATION**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <p><b>Contingency Appropriation Language.</b> The Executive Order reductions for community colleges and universities will be entered into the State accounting system as soon as the Executive Order is adopted, but allotments for the colleges and universities would not be reduced until their August 2005 payments. If the May 2005 Consensus Revenue Estimating Conference determines that an additional \$30.0 million in revenue is available (\$25.0 million for universities and \$5.0 million for community colleges), then this supplemental bill (in Sec. 701) provides for up to \$30.0 million in State GF/GP appropriations. If less than \$30.0 million in new revenue is available in May, funding for colleges and universities would be appropriated on a pro-rata basis. If the \$30.0 million in funding is not completely restored in May, it would be restored at the FY 2004-05 bookclosing from any unreserved General Fund/General Purpose balance.</p> | N/A                                    | N/A                                    | \$25,080,400                  |
| <b>TOTAL CHANGE:</b>   |  |  | <b>\$25,080,400</b>           |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Library of Michigan Operations.</b> Increases Federal funding by \$100,000. This partially offsets the Executive Order reduction of \$281,500 GF/GP, for a net reduction in administrative funds of \$181,500.             | \$6,267,300                            | \$6,267,300                            | \$0                           |
| <b>2. Library Services and Technology Act.</b> Increases Federal funding by \$2,331,000. This revenue will be used to provide statewide library services such as database access and also competitive grants to local libraries. | 5,557,400                              | 0                                      | 0                             |
| <b>3. Arts and Cultural Grants.</b> Increases Federal funding by \$100,000 to provide expenditure authority for anticipated grants.  | 11,771,300                             | 11,071,300                             | 0                             |
| <b>4. Mackinac Island State Park Operations.</b> Provides expenditure authorization for a Federal grant of \$133,600 to create an exhibit on military medicine at the Fort Mackinac Post Hospital.                               | 1,344,500                              | 1,194,500                              | 0                             |
| <b>TOTAL CHANGE:</b>   |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF HUMAN SERVICES**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Child Support Automation.</b> The availability of \$2.0 million Federal Child Support Incentive Funds would offset a reduction in GF in the proposed Executive Order. | \$55,468,900                           | \$8,850,800                            | \$0                           |
| <b>2. Homeless Shelter Contracts.</b> The availability of \$1.7 million in TANF funds would offset a reduction in General Fund in the proposed Executive Order.             | 11,646,700                             | 8,733,300                              | 0                             |
| <b>3. Child Care Fund.</b> The availability of \$5.3 million in TANF funds would offset a reduction in General Fund in the proposed Executive Order.                        | 171,337,900                            | 90,200,000                             | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF INFORMATION TECHNOLOGY**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <p><b>1. Public Protection.</b> The supplemental would increase interdepartmental grant funding from the Department of State Police by \$1,304,100. Of that amount, \$741,500 will support costs of the Public Safety Communications System. The funding is available from the sale of excess property at the Michigan Public Safety Communications System Tower sites. The supplemental also includes \$562,600 from estimated revenue related to the fee schedule that was approved in April 2004 by the Criminal Justice Information System Policy Council. That funding will be used to cover increased operating costs of the Law Enforcement Information Network (LEIN) related to Federal security requirements for access to national crime information.</p> | \$35,806,400                           | \$0                                    | \$0                           |
| <b>TOTAL CHANGE:</b>   |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**JUDICIARY**

| <b>Program</b>   | <b>Year-To-Date<br/>Gross<br/>Appropriation</b> | <b>Year-To-Date<br/>GF/GP<br/>Appropriation</b> | <b>FY 2004-05<br/>GF/GP<br/>Change</b> |
|--|---|---|--|
| <b>1. Drug Treatment Courts.</b> An increase in available fee revenue from FY 2003-04 court fee increases will provide additional State restricted funds from the Drug Court Fund to support drug courts and allow an equivalent GF/GP reduction.                            | \$4,635,000                                     | \$846,700                                       | (\$46,000)                             |
| <b>2. Court Equity Fund Reimbursements.</b> An increase in available fee revenue from FY 2003-04 court fee increases will provide additional State restricted funds from the Court Equity Fund to support trial court reimbursement and allow an equivalent GF/GP reduction. | 68,906,000                                      | 22,117,200                                      | (500,000)                              |
| <b>TOTAL CHANGE:</b>   |   |   | <b>(\$546,000)</b>                     |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

| Program  | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|--|--|--|-------------------------------|
| <b>1. Low Income/Energy Efficiency Assistance.</b> Uses available restricted funds to increase grants by \$10,000,000.   | \$45,000,000                           | \$0                                    | \$0                           |
| <b>2. Public Service Commission Administration.</b> Increases expenditure authority by \$2,300,000 from motor carrier fee revenue to pay the judgment from a court case.   | 18,734,700                             | 0                                      | 0                             |
| <b>3. Tax Tribunal Operations.</b> The supplemental replaces \$306,900 of GF/GP reductions in the Executive Order with Corporation Fees.   | \$1,371,300                            | 306,900                                | 0                             |
| <b>4. Michigan Community Service Commission Subgrantees.</b> Provides \$250,000 GF/GP to fund Volunteer Investment Grants, a program which provides competitive grants to community volunteer resource centers.  | 5,900,000                              | 0                                      | 250,000                       |
| <b>5. Employment Training Services.</b> Increases expenditure authority by \$105,100 to use Federal funds for America's Career Resource Network. This program assists high school students with career planning. | 83,780,300                             | 7,503,600                              | 0                             |
| <b>6. Code Enforcement and Fire Safety.</b> The supplemental replaces \$95,100 of GF/GP reductions in the Executive Order with revenue from the Construction Code Fund.  | 16,501,800                             | 95,100                                 | 0                             |
| <b>TOTAL CHANGE:</b>   |  |  | <b>\$250,000</b>              |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF MANAGEMENT AND BUDGET**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Building Operation Services.</b> The supplemental has an increase of \$201,500 to reflect the lease of space in the One Division Building (Grand Rapids) to the Bankruptcy Court. | \$75,921,100                           | \$0                                    | \$0                           |
| <b>2. Litigation Payments.</b> The supplemental includes funding to pay settlement costs to the Kikham Hanley PC Client Trust.  | \$0                                    | \$0                                    | \$735,000                     |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$735,000</b>              |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Military Training Sites and Support Facilities.</b> The supplemental provides an additional \$2.0 million in Federal funds for maintenance of military training sites.  | \$17,478,200                           | \$2,784,600                            | \$0                           |
| <b>2. Homeland Security.</b> The supplemental provides an IDG grant from State Police for urban area security, civil support teams, and equipment.  | 400,000                                | 0                                      | 0                             |
| <b>3. Military Family Relief Fund.</b> The supplemental provides authority to spend \$500,000 from a relief fund created by PAs 363 and 364 of 2004, which direct income tax check-off contributions to help the families of guard and reserve soldiers who have been deployed. | 0                                      | 0                                      | 0                             |
| <b>4. State Active Duty.</b> The supplemental provides \$15,000 additional restricted revenue associated with guard services provided to the Mackinac Bridge Authority for the annual bridge walk.  | 70,100                                 | 30,100                                 | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF NATURAL RESOURCES**

| <b>Program</b>   | <b>Year-To-Date<br/>Gross<br/>Appropriation</b> | <b>Year-To-Date<br/>GF/GP<br/>Appropriation</b> | <b>FY 2004-05<br/>GF/GP<br/>Change</b> |
|--|---|---|--|
| <b>1. Fish Production.</b> Federal Dingell-Johnson funds of \$200,000 are available for fish rearing and planning activities at the State fish hatcheries.   | \$7,286,800                                     | \$0   | \$0                                    |
| <b>2. Oden Fish Hatchery.</b> Federal Dingell-Johnson funds of \$100,000 would be used for improvements at the Oden fish hatchery, including the interpretive center, road signs, the pump system, and a nature trail.   | 7,286,800                                       | 0   | 0                                      |
| <b>3. Forest Certification.</b> Restricted funds of \$590,000 from the Forest Development Fund would be used in Forest Management Planning for preliminary activities and auditing in preparation of implementation of forest certification, including strategic forest planning. 5.0 FTEs are included in the recommendation. | 4,530,100                                       | 0   | 0                                      |
| <b>4. Forest Certification.</b> Restricted funds of \$60,000 from the Forest Development Fund would be used in Wildlife Management for preliminary activities for implementation of forest certification, including coordination with the forest habitat program. 1.0 FTE is included in the recommendation.                   | 22,296,200                                      | 1,460,400                                       | 0                                      |
| <b>5. Federal Land Acquisition.</b> Federal funds of \$2,514,000 would be passed through the State through Wildlife Management to local land conservancies for the purchase of 4 land parcels.   | 22,296,200                                      | 1,460,400                                       | 0                                      |
| <b>6. Cedar River Harbor.</b> Funding of \$130,000 from the MI State Waterways Fund in Recreational Boating would be used for activities at the new harbor in Menominee.   | 11,984,900                                      | 0   | 0                                      |
| <b>TOTAL CHANGE:</b>   |   |   | <b>\$0</b>                             |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF STATE**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <p><b>1. Branch Operations.</b> The recommended supplemental would replace the \$10.0 million General Fund reduction included in the Executive Order by increasing support from the Transportation Administration Collection Fund (TACF) by \$10.0 million. Revenues that are currently deposited in the TACF are not sufficient to support this funding shift. Amendments to the Michigan Vehicle Code are necessary to enact the Governor's proposed redirection of certain fees from the Michigan Transportation Fund to the TACF. The fees include vehicle transfer fees and duplicate certificate of title fees.</p> | \$66,719,900                           | \$12,627,300                           | \$0                           |
| <p><b>2. Central Records.</b> The supplemental appropriates \$850,000 in Federal funding related to the Federal Motor Carrier Safety Improvement Act. The Act requires improvements to licensing standards and enforcement for commercial driver licenses.</p>  | 14,704,500                             | 409,800                                | 0                             |
| <p><b>3. Help America Vote Act.</b> The supplemental includes \$300,000 in Federal funding from Health and Human Services (HHS) to assist local units of government in making polling places more accessible, provide disabled with information regarding accessibility, and train poll workers on accessibility issues. Michigan received HHS grants totaling \$696,500 in previous fiscal years.</p>  | 0                                      | 0                                      | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF STATE POLICE**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. DNA Analysis Program.</b> The Governor-recommended FY 2004-05 supplemental appropriation of \$225,000 would provide a restricted revenue source of funds (Forensic Science Reimbursement Fee) in an amount equal to the Executive Order reduction, resulting in a fund shift but not a net reduction for the program                          | \$8,529,200                            | \$3,298,500                            | \$0                           |
| <b>2. At-Post Troopers.</b> The Governor-recommended FY 2004-05 supplemental appropriation of \$387,000 would provide a restricted revenue source of funds (Highway Safety Fund) in an amount equal to the Executive Order reduction, resulting in a fund shift but not a net reduction for the program.  | 117,432,600                            | 72,523,200                             | 0                             |
| <b>3. Auto Theft Prevention Program.</b> The supplemental adds \$1,165,000 in available auto theft restricted revenue for grant allocations.  | 7,098,600                              | 0                                      | 0                             |
| <b>4. Management Services.</b> The supplemental provides \$200,000 in Federal Department of Transportation funds for collection and distribution of highway safety information.   | 3,683,900                              | 3,558,100                              | 0                             |
| <b>5. Communications.</b> The supplemental provides \$980,000 in Federal funds from the Department of Homeland Security for establishing an interface network with State and local information systems.   | 4,661,000                              | 4,661,000                              | 0                             |
| <b>6. Criminal Justice Information Center.</b> The supplemental provides \$500,000 in new restricted funds from PA 237 of 2004, an act that requires a \$35 registration fee from registered sex offenders.   | 7,533,100                              | 1,331,800                              | 0                             |
| <b>7. Operational Support.</b> The supplemental provides \$77,000 in private donations to support the Amber Alert program.  | 2,891,100                              | 2,797,000                              | 0                             |
| <b>8. Information Technology Services and Projects.</b> The supplemental provides \$1,304,100 in local (\$567,600) and property sale revenue (\$741,500) to cover additional costs related to national crime data and to reflect sale of excess property at Michigan public safety communication system tower sites, as provided by PA 174 of 1997. | 21,236,100                             | 17,248,700                             | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF TRANSPORTATION**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Administrative Savings.</b> The Governor is proposing to redirect the revenue from two fees currently deposited in the Michigan Transportation Fund (MTF) to the Transportation Administration Collection Fund. The increase in revenue to the Transportation Administration Collection Fund is being used to offset \$10.0 million GF/GP appropriations in the Department of State budget for branch operations. This will result in \$10.0 million less MTF revenue to distribute to the State Trunkline Fund, county road commissions, cities and villages, and the Comprehensive Transportation Fund. | \$117,411,600                          | \$0                                    | \$0                           |
| Commission Audit .....  | (\$167,900)                            |  |                               |
| Finance and Support Services .....  | (\$452,900)                            |  |                               |
| Planning Services.....  | (\$202,500)                            |  |                               |
| Design and Engineering Services .....   | (\$3,995,700)                          |  |                               |
| <u>Aeronautics Services.....</u>  | <u>(\$50,000)</u>                      |  |                               |
| <u>Total .....</u>  | <u>\$4,869,000</u>                     |  |                               |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$0</b>                    |

**FY 2004-05 SUPPLEMENTAL - H.B. 4308 (S-1)**

**DEPARTMENT OF TREASURY**

| Program   | Year-To-Date<br>Gross<br>Appropriation | Year-To-Date<br>GF/GP<br>Appropriation | FY 2004-05<br>GF/GP<br>Change |
|---|--|--|-------------------------------|
| <b>1. Local Finance.</b> This supplemental offsets the proposed \$143,200 executive order reduction with available restricted revenue (Municipal Finance Fees).   | \$2,099,300                            | \$1,345,300                            | \$0                           |
| <b>2. Human Resources Optimization User Charges.</b> This supplemental offsets the proposed \$44,300 executive order reduction with available restricted revenue (Delinquent Property Tax Collection Revenue).  | 44,300                                 | 44,300                                 | 0                             |
| <b>3. Unclaimed Property.</b> The supplemental includes \$500,000 in escheats revenue to implement an unclaimed property enforcement audit program. According to the Department of Treasury, only 5,500 businesses out of over 200,000 registered businesses reported unclaimed property in 2003. The purpose of the audit program is to increase compliance.   | 2,801,600                              | 0                                      | 0                             |
| <b>4. School Bond Loan Program Reform.</b> The Department of Treasury will use \$1,000,000 in school bond fees to update methodologies used to evaluate construction costs, building utilization, financial evaluation standards, and enrollment growth projections. The Department will also develop a web-based application process. These improvements are associated with proposed reform to create a School Bond Loan Revolving Fund. The plan includes the Michigan Municipal Bond Authority capitalizing the Revolving Loan Fund from the sale of revenue bonds. | 0                                      | 0                                      | 0                             |
| <b>TOTAL CHANGE:</b>  |  |  | <b>\$0</b>                    |