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HB 5527 (H-1)-As Passed the House Summary of FY 2004-05 Supplemental

	Executive		House Passed		Senate	
Dept./Budget	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross
Agriculture	\$0	\$0	(\$552,200)	(\$552,200)		
Attorney General	0	0	(625,300)	(625,300)		
Capital Outlay	0	0	(22,000)	(22,000)		
Civil Rights	0	0	(210,500)	(210,500)		
Civil Service	0	0	(211,100)	(211,100)		
Community Coll.	0	0	(3,143,200)	(3,143,200)		
DCH	0	0	(85,782,700)	(159,817,600)		
Corrections	0	0	(41,149,900)	(41,149,900)		
Education	0	0	(501,100)	(501,100)		
DEQ	0	0	(1,015,300)	(1,015,300)		
FIA	0	0	(46,125,300)	(77,529,800)		
Higher Ed.	0	0	(16,903,900)	(36,903,900)		
HAL	0	0	(10,623,100)	(10,623,100)		
Judiciary	0	0	(1,923,600)	(1,923,600)		
DLEG	0	0	(3,469,000)	(3,469,000)		
DMB	0	0	(1,139,700)	(1,139,700)		
Military/Veterans	0	0	(754,500)	(754,500)		
DNR	0	0	(861,100)	(861,100)		
State	0	0	(990,500)	(990,500)		
State Police	0	0	(3,006,500)	(3,006,500)		
MDOT	0	0	0	(13,000,000)		
Treasury	0	0	(1,368,700)	(1,368,700)		
TOTALS	\$0	\$0	(\$220,379,200)	(\$358,818,600)		

Budgetary Issues:

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
AGRICULTURE			
1. Budgetary Savings.	Gross	\$0	(\$325,800)
A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.	GF/GP	\$0	(\$325,800)
2. Early Retirement Savings.	Gross	\$0	(\$226,400)
Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.	GF/GP	\$0	(\$226,400)
ATTORNEY GENERAL			
1. Budgetary Savings.	Gross	\$0	(\$346,600)
A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.	GF/GP	\$0	(\$346,600)
2. Early Retirement Savings.	Gross	\$0	(\$278,700)
Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.	GF/GP	\$0	(\$278,700)
CAPITAL OUTLAY			
1. Budgetary Savings.	Gross	\$0	(\$22,000)
A negative line item would be created, representing 1% GF/GP discretionary budgetary savings. The savings would be distributed to the applicable line items through legislative transfers.	GF/GP	\$0	(\$22,000)
CIVIL RIGHTS			
1. Budgetary Savings.	Gross	\$0	(\$130,400)
A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.	GF/GP	\$0	(\$130,400)
2. Early Retirement Savings.	Gross	\$0	(\$80,100)
Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.	GF/GP	\$0	(\$80,100)
CIVIL SERVICE			
1. Budgetary Savings.	Gross	\$0	(\$85,700)
A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.	GF/GP	\$0	(\$85,700)

Budgetary Issues:**2. Early Retirement Savings.**

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$0	(\$125,400)	
GF/GP	\$0	(\$125,400)	

COMMUNITY COLLEGES**1. Budgetary Savings.**

A negative line item would be created, representing a 1% GF/GP budgetary savings. The savings would be distributed to the applicable line items through legislative transfers.

Gross	\$0	(\$3,143,200)
GF/GP	\$0	(\$3,143,200)

COMMUNITY HEALTH**1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.

Gross	\$0	(\$27,236,900)
GF/GP	\$0	(\$27,236,900)

2. Early Retirement Savings.

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

Gross	\$0	(\$2,030,700)
GF/GP	\$0	(\$2,030,700)

3. Medicaid Eligibility for Parents and Caretaker Relatives.

Reduces Medicaid funding in the Health Plan Services line item associated with eliminating optional coverage for parents and caretaker relatives who would no longer qualify for Medicaid.

Gross	\$0	(\$96,000,000)
Federal	0	(54,441,600)
GF/GP	\$0	(\$41,558,400)

4. Medicaid Eligibility for Persons Age 18-21.

Reduces Medicaid funding in the Health Plan Services line item associated with eliminating optional coverage for persons under age 21, but older than age 18, who would no longer qualify for Medicaid.

Gross	\$0	(\$23,000,000)
Federal	0	(13,043,300)
GF/GP	\$0	(\$9,956,700)

5. Recoupment of Medicaid Overpayment

Assumes savings from a contract with an outside entity to identify Medicaid overpayments to medical providers and to seek recovery of the funds that were overpaid.

Gross	\$0	(\$11,550,000)
Federal	0	(6,550,000)
GF/GP	\$0	(\$5,000,000)

CORRECTIONS**1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.

Gross	\$0	(\$19,172,600)
GF/GP	\$0	(\$19,172,600)

Budgetary Issues:**2. Early Retirement Savings.**

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$0	(\$1,177,300)	
GF/GP	\$0	(\$1,177,300)	

3. Academic/Vocational Programs.

Reduces funding for academic/vocational programs by \$14.8 million. Executive-recommended amount for this line item for FY 2004-05 is \$33,165,900. Senate-passed amount is \$28,165,900. Reduction would put funding for academic/vocational programs at \$13,365,900, which, when considered in combination with GF/GP funding in the line for Education Services and Federal Education Grants, would put total state funding for prisoner education at approximately \$15.0 million.

Gross	\$0	(\$14,800,000)
GF/GP	\$0	(\$14,800,000)

4. Local Jail Beds.

Incorporates \$6 million savings based on leasing of jail beds to house state prisoners. Assumes that 500 jail beds could be rented for one year at \$43.50 per day, and that the annual costs of housing those prisoners in prison would be \$28,000 per prisoner.

Gross	\$0	(\$6,000,000)
GF/GP	\$0	(\$6,000,000)

DEPARTMENT OF EDUCATION**1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.

Gross	\$0	(\$313,000)
GF/GP	\$0	(\$313,000)

2. Early Retirement Savings.

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

Gross	\$0	(\$188,100)
GF/GP	\$0	(\$188,100)

ENVIRONMENTAL QUALITY**1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.

Gross	\$0	(\$419,700)
GF/GP	\$0	(\$419,700)

2. Early Retirement Savings.

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

Gross	\$0	(\$595,600)
GF/GP	\$0	(\$595,600)

Budgetary Issues:**FAMILY INDEPENDENCE AGENCY****1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$0	(\$12,521,600)	
GF/GP	\$0	(\$12,521,600)	

2. Early Retirement Savings.

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

Gross	\$0	(\$6,161,600)	
GF/GP	\$0	(\$6,161,600)	

3. Child Day Care Relative Rate Reduction.

Savings included from lowering the reimbursement rate paid to relative child day care providers to that paid to child day care aides.

Gross	\$0	(\$38,163,300)	
Federal	0	(23,361,400)	
GF/GP	\$0	(\$14,801,900)	

4. Adoption Subsidy Adjustment.

Technical adjustment to remove extra caseload funding authority.

Gross	\$0	(\$11,273,900)	
Federal	0	(5,894,900)	
GF/GP	\$0	(\$5,379,000)	

5. Maxey Property Sale.

Reduction made with the intent to restore appropriation with funds from the sale of W.J. Maxey property.

Gross	\$0	(\$2,961,200)	
GF/GP	\$0	(\$2,961,200)	

6. Clothing Allowance.

TANF savings realized from lowering the annual school clothing allowance in the Family Independence Program line item to \$41.20 per eligible child.

Gross	\$0	(\$1,042,800)	
Federal	0	(1,042,800)	
GF/GP	\$0	\$0	

7. Day Care Services Fund Shift.

A fund shift of \$2.3 million is included that replaces GF/GP no longer needed to match federal Child Care Development Fund revenue in Day Care Services with Temporary Assistance for Needy Families (TANF).

Gross	\$0	\$0	
Federal	0	2,300,000	
GF/GP	\$0	(\$2,300,000)	

8. Projected Rent Savings.

Savings associated with the closure of Wayne County offices.

Gross	\$0	(\$5,405,400)	
Federal	0	(3,405,400)	
GF/GP	\$0	(\$2,000,000)	

HIGHER EDUCATION**1. Merit Award Program.**

Reduction assumed as result of proposed college grade point average/completion criteria for receipt of Merit Award. FY 2004-05 Executive Recommendation for Merit Awards is \$67.0 million. Boilerplate section 501 would transfer \$20.0 million from Merit Award Trust Fund to General Fund.

Gross	\$0	(\$20,000,000)	
Restr.	0	(20,000,000)	
GF/GP	\$0	\$0	

2. Budgetary Savings.

A negative line item would be created, representing a 1% GF/GP budgetary savings. The savings would be distributed to the applicable line items through legislative transfers.

Gross	\$0	(\$16,903,900)	
GF/GP	\$0	(\$16,903,900)	

Budgetary Issues:**HISTORY, ARTS, AND LIBRARIES****1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$0	(\$522,100)	
GF/GP	\$0	(\$522,100)	

2. Early Retirement Savings.

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

Gross	\$0	(\$101,000)	
GF/GP	\$0	(\$101,000)	

3. Arts Grants.

Reduces the Arts and Cultural Grants appropriation line by \$10.0 million GF/GP. The FY 2004-05 budget bill for History, Arts and Libraries, was passed by the House containing \$11,071,300 of GF/GP for arts and cultural grants. These funds are distributed through an annual competitive process, requiring matching funds from the recipient institutions, to promote and provide artistic and cultural events in Michigan.

Gross	\$0	(\$10,000,000)	
GF/GP	\$0	(\$10,000,000)	

JUDICIARY**1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.

Gross	\$0	(\$1,739,000)	
GF/GP	\$0	(\$1,739,000)	

2. Early Retirement Savings.

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

Gross	\$0	(\$184,600)	
GF/GP	\$0	(\$184,600)	

LABOR AND ECONOMIC GROWTH**1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.

Gross	\$0	(\$1,198,000)	
GF/GP	\$0	(\$1,198,000)	

2. Early Retirement Savings.

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

Gross	\$0	(\$2,271,000)	
GF/GP	\$0	(\$2,271,000)	

Budgetary Issues:

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
MANAGEMENT AND BUDGET			
1. Budgetary Savings.	Gross	\$0	(\$408,200)
A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.	GF/GP	\$0	(\$408,200)
2. Early Retirement Savings.	Gross	\$0	(\$731,500)
Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.	GF/GP	\$0	(\$731,500)
MILITARY AND VETERANS AFFAIRS			
1. Budgetary Savings.	Gross	\$0	(\$413,200)
A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.	GF/GP	\$0	(\$413,200)
2. Early Retirement Savings.	Gross	\$0	(\$341,300)
Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.	GF/GP	\$0	(\$341,300)
NATURAL RESOURCES			
1. Budgetary Savings.	Gross	\$0	(\$282,100)
A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.	GF/GP	\$0	(\$282,100)
2. Early Retirement Savings.	Gross	\$0	(\$579,000)
Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.	GF/GP	\$0	(\$579,000)
STATE			
1. Budgetary Savings.	Gross	\$0	(\$168,500)
A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.	GF/GP	\$0	(\$168,500)

Budgetary Issues:**2. Early Retirement Savings.**

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$0	(\$822,000)	
GF/GP	\$0	(\$822,000)	

STATE POLICE**1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.

Gross	\$0	(\$2,700,000)
GF/GP	\$0	(\$2,700,000)

2. Early Retirement Savings.

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

Gross	\$0	(\$306,500)
GF/GP	\$0	(\$306,500)

TRANSPORTATION**1. Shift Driver's License Fees.**

This reduction reflects a proposed amendment of Section 819 of the Michigan Vehicle Code to redirect to the state General Fund certain driver's license fees currently earmarked to the Transportation Economic Development Fund.

Gross	\$0	(\$13,000,000)
Restr.	0	(13,000,000)
GF/GP	\$0	\$0

TREASURY**1. Budgetary Savings.**

A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable

Gross	\$0	(\$644,200)
GF/GP	\$0	(\$644,200)

2. Early Retirement Savings.

Proportional amount of estimated first year GF savings based on number of employees expected to retire. The savings would be distributed to the applicable line items through legislative transfers. It is also contingent upon passage of legislation creating an early retirement window based on a combined age and service credit of 75 years.

Gross	\$0	(\$724,500)
GF/GP	\$0	(\$724,500)

Boilerplate Issues:**GENERAL PROVISIONS****1. Sec. 203. Budgetary Savings.**

Savings to be realized from the hiring freeze, efficiencies, and other administrative savings. Must be implemented by legislatively adopted transfers where applicable and are not to impact essential state services.

<u>Executive</u>	<u>House</u>	<u>Senate</u>
No	Yes	

Boilerplate Issues:**2. Sec. 204. Early Retirement Savings.**

Savings to be realized from not filling all positions lost as a result of the 2004 early retirement program. Must be implemented by legislatively adopted transfers where applicable.

Executive

No

House

Yes

Senate**COMMUNITY HEALTH****1. Sec. 301. Medicaid Eligibility.**

Eliminates Medicaid eligibility for parents, caretaker relatives, and persons under age 21, but older than age 18, who are not required to be covered under federal Medicaid requirements.

No

Yes

CORRECTIONS**1. Sec. 401. Jail Utilization Savings.**

Incorporates \$6 million savings based on leasing of jail beds to house state prisoners. Assumes that 500 jail beds could be rented for one year at \$43.50 per day, and that the annual costs of housing those prisoners in prison would be \$28,000 per prisoner. Must be implemented by legislatively adopted transfers where applicable.

No

Yes

HIGHER EDUCATION**1. Sec. 501. Transfer from Merit Award Trust Fund.**

Transfers \$20 million from the Merit Awards Trust Fund to the General Fund.

No

Yes

FAMILY INDEPENDENCE AGENCY**1. Sec. 601. Maxey Training School Property Sale.**

Appropriates \$3.0 million contingent upon the sale of W. J. Maxey Training School excess property identified by FIA as parcels one, three, and four.

No

Yes

2. Sec. 602. Develop/Implement Plan to Close Offices in Wayne County.

Requires that the Department implement a plan to save \$2.0 million GF/GP by restructuring local field offices in counties with more than ten local offices and provide a report on the plan by January 1, 2005.

No

Yes

3. Sec. 603. Day Care Services Savings.

Specifies that savings be realized by lowering the reimbursement rate to relative child day care providers to that currently paid to child day care aides.

No

Yes

4. Sec. 604. Clothing Allowance Reduction.

Specifies that savings be realized from lowering the annual school clothing allowance to \$41.20 per eligible child.

No

Yes

ENACTING SECTION**1. Tie Bar.**

This bill is tie-barred to HB 4364 which is a FY 2005 School Aid supplemental.

No

Yes