SUBSTITUTE FOR

HOUSE BILL NO. 5527

A bill to make, supplement, and adjust appropriations for various state departments and agencies, capital outlay, and the judicial branch for the fiscal year ending September 30, 2005; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2005, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION..................................	$	(358,818,600)
Total interdepartmental grants and intradepartmental transfers...		0
ADJUSTED GROSS APPROPRIATION........................	$	(358,818,600)

Total federal revenues		(105,439,400)
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(33,000,000)
State general fund/general purpose	$	(220,379,200)

Sec. 102. DEPARTMENT OF AGRICULTURE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(552,200)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(552,200)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(552,200)

(2) BUDGETARY SAVINGS

Early retirement savings	$	(226,400)
Budgetary savings		(325,800)
GROSS APPROPRIATION	$	(552,200)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(552,200)

Sec. 103. DEPARTMENT OF ATTORNEY GENERAL

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(625,300)
Total interdepartmental grants and intradepartmental		

transfers		0
ADJUSTED GROSS APPROPRIATION	$	(625,300)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(625,300)
(2) BUDGETARY SAVINGS		
Early retirement savings	$	(278,700)
Budgetary savings		(346,600)
GROSS APPROPRIATION	$	(625,300)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(625,300)

Sec. 104. CAPITAL OUTLAY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(22,000)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(22,000)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(22,000)
(2) BUDGETARY SAVINGS		
Budgetary savings	$	(22,000)

GROSS APPROPRIATION	$	(22,000)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(22,000)

Sec. 105. DEPARTMENT OF CIVIL RIGHTS

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(210,500)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(210,500)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(210,500)

(2) BUDGETARY SAVINGS

Early retirement savings	$	(80,100)
Budgetary savings		(130,400)
GROSS APPROPRIATION	$	(210,500)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(210,500)

Sec. 106. DEPARTMENT OF CIVIL SERVICE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(211,100)
Total interdepartmental grants and intradepartmental transfers		0

ADJUSTED GROSS APPROPRIATION	$	(211,100)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(211,100)

(2) BUDGETARY SAVINGS

Early retirement savings	$	(125,400)
Budgetary savings		(85,700)
GROSS APPROPRIATION	$	(211,100)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(211,100)

Sec. 107. COMMUNITY COLLEGES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(3,143,200)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(3,143,200)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(3,143,200)

(2) BUDGETARY SAVINGS

Budgetary savings	$	(3,143,200)
GROSS APPROPRIATION	$	(3,143,200)

Appropriated from:

Special revenue funds:

State general fund/general purpose..................	$	(3,143,200)

Sec. 108. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.................................	$	(159,817,600)
Total interdepartmental grants and intradepartmental transfers...		0
ADJUSTED GROSS APPROPRIATION........................	$	(159,817,600)
Total federal revenues..............................		(74,034,900)
Total local revenues................................		0
Total private revenues..............................		0
Total other state restricted revenues...............		0
State general fund/general purpose..................	$	(85,782,700)

(2) MEDICAL SERVICES

Health plan services................................	$	(119,000,000)
Medical expenses recoupment.........................		(11,550,000)
GROSS APPROPRIATION.................................	$	(130,550,000)

Appropriated from:

Federal revenues:

Total federal revenues..............................		(74,034,900)

Special revenue funds:

State general fund/general purpose..................	$	(56,515,100)

(3) BUDGETARY SAVINGS

Early retirement savings............................	$	(2,030,700)
Budgetary savings...................................		(27,236,900)
GROSS APPROPRIATION.................................	$	(29,267,600)

Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(29,267,600)

Sec. 109. DEPARTMENT OF CORRECTIONS

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(41,149,900)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(41,149,900)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(41,149,900)

(2) CORRECTIONAL FACILITIES-ADMINISTRATION

Academic/vocational programs	$	(14,800,000)
Jail utilization savings		(6,000,000)
GROSS APPROPRIATION	$	(20,800,000)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(20,800,000)

(3) BUDGETARY SAVINGS

Budgetary savings	$	(19,172,600)
Early retirement savings		(1,177,300)
GROSS APPROPRIATION	$	(20,349,900)
Appropriated from:		
Special revenue funds:		

State general fund/general purpose	$	(20,349,900)

Sec. 110. DEPARTMENT OF EDUCATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(501,100)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(501,100)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(501,100)

(2) BUDGETARY SAVINGS

Early retirement savings	$	(188,100)
Budgetary savings		(313,000)
GROSS APPROPRIATION	$	(501,100)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(501,100)

Sec. 111. DEPARTMENT OF ENVIRONMENTAL QUALITY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(1,015,300)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(1,015,300)
Total federal revenues		0
Total local revenues		0

Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(1,015,300)

(2) BUDGETARY SAVINGS

Early retirement savings	$	(595,600)
Budgetary savings		(419,700)
GROSS APPROPRIATION	$	(1,015,300)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(1,015,300)

Sec. 112. FAMILY INDEPENDENCE AGENCY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(77,529,800)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(77,529,800)
Total federal revenues		(31,404,500)
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(46,125,300)

(2) BUDGETARY SAVINGS

Early retirement savings	$	(6,161,600)
Budgetary savings		(12,521,600)
GROSS APPROPRIATION	$	(18,683,200)
Appropriated from:		
Special revenue funds:		

State general fund/general purpose.................. $	(18,683,200)
(3) PUBLIC ASSISTANCE	
Family independence program......................... $	(1,042,800)
Day care services...................................	(38,163,300)
GROSS APPROPRIATION................................. $	(39,206,100)
Appropriated from:	
Federal revenues:	
Total federal revenues..............................	(22,104,200)
Special revenue funds:	
State general fund/general purpose.................. $	(17,101,900)
(4) CENTRAL SUPPORT ACCOUNTS	
Rent.. $	(5,405,400)
GROSS APPROPRIATION................................. $	(5,405,400)
Appropriated from:	
Federal revenues:	
Total federal revenues..............................	(3,405,400)
Special revenue funds:	
State general fund/general purpose.................. $	(2,000,000)
(5) CHILD AND FAMILY SERVICES	
Adoption subsidies.................................. $	(11,273,900)
GROSS APPROPRIATION................................. $	(11,273,900)
Appropriated from:	
Federal revenues:	
Total federal revenues..............................	(5,894,900)
Special revenue funds:	
State general fund/general purpose.................. $	(5,379,000)
(6) JUVENILE JUSTICE SERVICES	

Juvenile justice operations	$	(2,961,200)
GROSS APPROPRIATION	$	(2,961,200)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(2,961,200)

Sec. 113. HIGHER EDUCATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(36,903,900)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(36,903,900)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(20,000,000)
State general fund/general purpose	$	(16,903,900)

(2) GRANTS AND FINANCIAL AID

Michigan merit award program	$	(20,000,000)
GROSS APPROPRIATION	$	(20,000,000)
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		(20,000,000)
State general fund/general purpose	$	0

(3) BUDGETARY SAVINGS

Budgetary savings	$	(16,903,900)
GROSS APPROPRIATION	$	(16,903,900)
Appropriated from:		

Special revenue funds:

State general fund/general purpose	$	(16,903,900)

Sec. 114. DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(10,623,100)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(10,623,100)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(10,623,100)

(2) BUDGETARY SAVINGS

Early retirement savings	$	(101,000)
Budgetary savings		(522,100)
GROSS APPROPRIATION	$	(623,100)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(623,100)

(3) MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Arts and cultural grants	$	(10,000,000)
GROSS APPROPRIATION	$	(10,000,000)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(10,000,000)

Sec. 115. JUDICIARY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(1,923,600)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(1,923,600)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(1,923,600)

(2) JUDICIARY REDUCTIONS

Judiciary reductions	$	(1,739,000)
Early retirement savings		(184,600)
GROSS APPROPRIATION	$	(1,923,600)
Appropriated from:		
State general fund/general purpose	$	(1,923,600)

Sec. 116. DEPARTMENT OF LABOR AND ECONOMIC GROWTH

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(3,469,000)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(3,469,000)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0

State general fund/general purpose	$	(3,469,000)

(2) BUDGETARY SAVINGS

Early retirement savings	$	(2,271,000)
Budgetary savings		(1,198,000)
GROSS APPROPRIATION	$	(3,469,000)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(3,469,000)

Sec. 117. DEPARTMENT OF MANAGEMENT AND BUDGET

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(1,139,700)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(1,139,700)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(1,139,700)

(2) MANAGEMENT AND BUDGET SERVICES

Early retirement savings	$	(731,500)
Budgetary savings		(408,200)
GROSS APPROPRIATION	$	(1,139,700)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(1,139,700)

Sec. 118. DEPARTMENT OF MILITARY AND VETERANS

AFFAIRS

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION................................	$	(754,500)
Total interdepartmental grants and intradepartmental transfers...		0
ADJUSTED GROSS APPROPRIATION........................	$	(754,500)
Total federal revenues..............................		0
Total local revenues................................		0
Total private revenues..............................		0
Total other state restricted revenues...............		0
State general fund/general purpose..................	$	(754,500)

(2) BUDGETARY SAVINGS

Early retirement savings............................	$	(341,300)
Budgetary savings...................................		(413,200)
GROSS APPROPRIATION.................................	$	(754,500)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose..................	$	(754,500)

Sec. 119. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.................................	$	(861,100)
Total interdepartmental grants and intradepartmental transfers...		0
ADJUSTED GROSS APPROPRIATION........................	$	(861,100)
Total federal revenues..............................		0
Total local revenues................................		0
Total private revenues..............................		0

Total other state restricted revenues...............		0
State general fund/general purpose..................	$	(861,100)

(2) BUDGETARY SAVINGS

Early retirement savings............................	$	(579,000)
Budgetary savings...................................		(282,100)
GROSS APPROPRIATION.................................	$	(861,100)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose..................	$	(861,100)

Sec. 120. DEPARTMENT OF STATE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.................................	$	(990,500)
Total interdepartmental grants and intradepartmental transfers..		0
ADJUSTED GROSS APPROPRIATION........................	$	(990,500)
Total federal revenues..............................		0
Total local revenues................................		0
Total private revenues..............................		0
Total other state restricted revenues...............		0
State general fund/general purpose..................	$	(990,500)

(2) BUDGETARY SAVINGS

Early retirement savings............................	$	(822,000)
Budgetary savings...................................		(168,500)
GROSS APPROPRIATION.................................	$	(990,500)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose..................	$	(990,500)

Sec. 121. DEPARTMENT OF STATE POLICE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION..................................	$	(3,006,500)
Total interdepartmental grants and intradepartmental transfers...		0
ADJUSTED GROSS APPROPRIATION........................	$	(3,006,500)
Total federal revenues..............................		0
Total local revenues................................		0
Total private revenues..............................		0
Total other state restricted revenues...............		0
State general fund/general purpose..................	$	(3,006,500)

(2) BUDGETARY SAVINGS

Early retirement savings............................	$	(306,500)
Budgetary savings...................................		(2,700,000)
GROSS APPROPRIATION..................................	$	(3,006,500)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose..................	$	(3,006,500)

Sec. 122. DEPARTMENT OF TRANSPORTATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION..................................	$	(13,000,000)
Total interdepartmental grants and intradepartmental transfers...		0
ADJUSTED GROSS APPROPRIATION........................	$	(13,000,000)
Total federal revenues..............................		0
Total local revenues................................		0
Total private revenues..............................		0

Total other state restricted revenues		(13,000,000)
State general fund/general purpose	$	0

(2) TRANSPORTATION ECONOMIC DEVELOPMENT

Target industries/economic redevelopment	$	(6,500,000)
Urban county congestion		(3,250,000)
Rural county primary		(3,250,000)
GROSS APPROPRIATION	$	(13,000,000)
Appropriated from:		
Special revenue funds:		
Economic development fund		(13,000,000)
State general fund/general purpose	$	0

Sec. 123. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	(1,368,700)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(1,368,700)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(1,368,700)

(2) BUDGETARY SAVINGS

Early retirement savings	$	(724,500)
Budgetary savings		(644,200)
GROSS APPROPRIATION	$	(1,368,700)
Appropriated from:		

Special revenue funds:

State general fund/general purpose.................. $ (1,368,700)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending under part 1 for fiscal year 2004-2005 is ($253,379,200.00). State payments to local units of government under part 1 are $0.00.

Sec. 202. The appropriations made and the expenditures authorized under this part and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. (1) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings realized from the hiring freeze imposed on the state classified civil service for the fiscal year ending September 30, 2005, efficiencies, lapses, unclassified positions, and other administrative savings that do not jeopardize essential state services identified by department directors and approved by the state budget director.

(2) Appropriation authorization adjustments required to implement negative appropriations for budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 204. (1) The negative appropriations for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2004.

(2) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

DEPARTMENT OF COMMUNITY HEALTH

Sec. 301. Effective October 1, 2004, the department shall eliminate Medicaid eligibility for parents, caretaker relatives, and persons under age 21 but older than 18 who are not required to be covered under federal Medicaid requirements.

DEPARTMENT OF CORRECTIONS

Sec. 401. (1) The negative appropriation in part 1 for jail utilization savings shall be satisfied by savings realized from increased utilization of jail beds leased to house state prisoners.

(2) Appropriation authorization adjustments required to implement the negative appropriation for jail utilization savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

HIGHER EDUCATION

Sec. 501. For the fiscal year ending September 30, 2005, there is appropriated from the Michigan merit award trust fund to the general fund the amount of $20,000,000.00.

FAMILY INDEPENDENCE AGENCY

Sec. 601. Contingent upon the receipt of funds from the sale of W. J. Maxey training school property identified by the family independence agency as parcels 1, 3, and 4, a total of $2,961,200.00 is appropriated for the W. J. Maxey training school.

Sec. 602. The department shall implement a plan resulting in a $2,000,000.00 general fund savings by restructuring local offices in counties with more than 10 offices. The department shall report to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on or before January 1, 2005 on the plan.

Sec. 603. The negative appropriation for day care services in part 1 shall be satisfied by savings realized from lowering the reimbursement rate paid to relative child day care providers to that currently paid to child day care aides.

Sec. 604. The negative appropriation for the family independence program in part 1 shall be satisfied by savings realized from lowering the annual school clothing allowance to $41.20 per eligible child.

Enacting section 1. This act does not take effect unless House Bill No. 4364 of the 92nd Legislature is enacted into law.