

## Summary of FY 2006-07 Supplemental Items SENATE BILL 220 (H-1) SUBSTITUTE

Budget Area	*Executive (Letters of 12/6/06, 2/8/07, 3/26/07, & 4/11/2007)		Senate- Passed		House Substitute	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Agriculture	\$0	\$0	\$0	\$0	(\$286,200)	(\$286,200)
Attorney General	0	0	(308,900)	(308,900)	(616,700)	(616,700)
Civil Rights	0	0	(472,500)	(472,500)	(120,900)	(120,900)
Civil Service	0	0	(103,600)	(103,600)	(65,100)	(65,100)
Community Colleges	0	0	0	0	(12,879,900)	(12,879,900)
Community Health	(35,953,500)	105,359,500	(131,537,200)	43,833,700	(109,277,200)	(64,068,900)
Corrections	26,600,000	26,600,000	20,752,000	20,752,000	(23,184,300)	(23,184,300)
Education	0	0	(85,400)	(85,400)	(62,800)	(62,800)
Environmental Quality	0	0	0	0	(311,000)	(311,000)
Executive Office	0	0	(204,300)	(204,300)	0	0
Higher Education	0	0	0	0	(113,026,200)	(113,026,200)
History, Arts, and Libraries	0	0	(3,600,000)	(3,600,000)	(422,900)	(422,900)
Human Services	67,755,200	66,041,000	22,137,700	32,133,100	(11,788,700)	(11,680,700)
Judiciary	(1,618,400)	(1,531,500)	(4,190,500)	(4,103,600)	(4,190,500)	(4,103,600)
Labor and Econ. Growth	11,000,000	0	11,000,000	0	(459,800)	(459,800)
Legislature (incl. Aud. Gen.)	(2,963,800)	(2,760,000)	(6,760,000)	(6,760,000)	(7,468,600)	(7,264,800)
Management and Budget	61,700	0	(1,277,500)	(1,339,200)	(2,766,200)	(2,766,200)
Michigan Strategic Fund	0	0	0	0	(297,600)	(297,600)
Military and Veterans Affairs	134,500	0	134,500	0	(392,000)	(392,000)
Natural Resources	0	0	(839,400)	(839,400)	(248,000)	(248,000)
State	0	0	(757,900)	(757,900)	(943,200)	(943,200)
State Police	400,000	0	(1,500,000)	2,500,000	(2,019,900)	(2,419,900)
Transportation	0	0	(14,700,000)	0	0	0
Treasury	10,000,000	10,000,000	(81,765,000)	8,195,000	(19,856,200)	(1,456,100)
<b>TOTAL</b>	<b>\$75,415,700</b>	<b>\$203,709,000</b>	<b>(\$194,078,000)</b>	<b>\$88,839,000</b>	<b>(\$310,683,900)</b>	<b>(\$247,076,800)</b>

\*The Executive column reflects only items included in the Senate-passed version of Senate Bill 220 or the House Substitute.  
A number of other Executive supplemental requests are pending.

Note: For items appearing in both the Senate-passed version of Senate Bill 220 and the House Substitute, \$100 items of difference have been included in the substitute bill. Those differences are not reflected in the appropriation figures under "FY 2006-07 Appropriation Items" below.

## BUDGETARY SAVINGS

Under the House substitute, negative GF/GP appropriations are included in various budget areas for budgetary savings. The negative amounts would subsequently be transferred to line items in each budget area to realize the savings. The negative GF/GP appropriation amounts are summarized below, and are not reflected under "FY 2006-07 Appropriation Items" below.

<u>Budget Area</u>	<u>Budgetary Savings</u>
Agriculture	(\$286,200)
Attorney General	(307,800)
Civil Rights	(120,900)
Civil Service	(65,100)
Community Health	(29,069,200)
Corrections	(18,036,000)
Education	(62,800)
Environmental Quality	(311,000)
History, Arts, and Libraries	(422,900)
Human Services	(11,680,700)
Labor and Economic Growth	(459,800)
Management and Budget	(2,516,200)
Michigan Strategic Fund	(297,600)
Military and Veterans Affairs	(392,000)
Natural Resources	(248,000)
State	(185,200)
State Police	(2,419,900)
Treasury (Operations Only)	(553,500)
<b>TOTAL</b>	<b>(\$67,434,800)</b>

### FY 2006-07 Appropriation Items:

		<u>Executive</u>	<u>Senate</u>	<u>House</u>
<b>ATTORNEY GENERAL</b>				
<b>1. Attorney General Operations</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$301,800)</b>	<b>(\$301,800)</b>
Savings are anticipated to be generated through administrative efficiencies.	GF/GP	\$0	(\$301,800)	(\$301,800)
<b>2. Information Technology</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$7,100)</b>	<b>(\$7,100)</b>
Savings are anticipated to be generated through administrative efficiencies.	GF/GP	\$0	(\$7,100)	(\$7,100)
<b>CIVIL RIGHTS</b>				
<b>3. Civil Rights Operations</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$442,200)</b>	<b>\$0</b>
Savings are anticipated to be generated through administrative efficiencies.	GF/GP	\$0	(\$442,200)	\$0
<b>4. Information Technology Services and Projects</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$30,300)</b>	<b>\$0</b>
Savings are anticipated to be generated through administrative efficiencies.	GF/GP	\$0	(\$30,300)	\$0
<b>CIVIL SERVICE</b>				
<b>5. Agency Services</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$39,400)</b>	<b>\$0</b>
Savings are anticipated to be generated through administrative efficiencies.	GF/GP	\$0	(\$39,400)	\$0
<b>6. Executive Direction</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$38,700)</b>	<b>\$0</b>
Savings are anticipated to be generated through administrative efficiencies.	GF/GP	\$0	(\$38,700)	\$0
<b>7. Audit and Compliance</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$16,400)</b>	<b>\$0</b>
Savings are anticipated to be generated through administrative efficiencies.	GF/GP	\$0	(\$16,400)	\$0

**FY 2006-07 Appropriation Items:****8. Information Technology Services and Projects**

Savings are anticipated to be generated through administrative efficiencies.

	<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>Gross</b>	<b>\$0</b>	<b>(\$9,100)</b>	<b>\$0</b>
GF/GP	\$0	(\$9,100)	\$0

**COMMUNITY COLLEGES****9. Payment Delay**

Reflects delay of remaining 1/2 payment to 28 community colleges for August 2007. Associated boilerplate language states intent to appropriate funds in FY 2007-08 budget, to be paid in October 2007. (See attachment for individual college amounts.)

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,879,900)</b>
GF/GP	\$0	\$0	(\$12,879,900)

**COMMUNITY HEALTH****10. Eliminate Provider Payment Increases**

A savings of \$10,901,800 GF/GP is estimated by eliminating certain payment increases enacted in fiscal years 2006 and 2007. These payments include increases for: adult home help, physician services, ambulance services and community mental health direct care workers. The reduction includes GF/GP and the associated federal Medicaid matching funds.

<b>Gross</b>	<b>\$0</b>	<b>(\$23,565,700)</b>	<b>\$0</b>
Federal	0	(12,327,900)	0
GF/GP	\$0	(\$10,901,800)	\$0

**11. Mental Health and Substance Abuse Caseload, Utilization, and Inflation Adjustment**

Increases funding for Medicaid Mental Health and Substance Abuse Services by \$5.5 million gross (\$2.1 million GF/GP) projecting a 2.4% average growth in the caseload for Medicaid eligibles.

<b>Gross</b>	<b>\$5,521,400</b>	<b>\$5,521,400</b>	<b>\$0</b>
Federal	3,113,000	3,113,000	0
Restricted	331,300	331,300	0
GF/GP	\$2,077,100	\$2,077,100	\$0

**12. Carve-In of Anti-Psychotic Pharmaceutical Costs**

The savings attributable to the carve-in of anti-psychotic prescription drugs costs into capitation payments for prepaid inpatient health plans (PIHPs) are reduced by \$4.7 million gross and increased by \$2.7 million GF/GP as the state has not received federal approval for implementing this policy change. The current budget anticipates that the state would capture an additional \$9.5 million QAAP revenue and \$5.3 million federal Medicaid revenue, and save \$5.3 million GF/GP.

<b>Gross</b>	<b>(\$4,742,600)</b>	<b>(\$4,742,600)</b>	<b>\$0</b>
Federal	(2,673,900)	(2,673,900)	0
Restricted	(4,742,600)	(4,742,600)	0
GF/GP	\$2,673,900	\$2,673,900	\$0

**13. Pandemic Influenza Antiviral Drugs**

Adds \$15.7 million GF/GP for the purchase of antiviral drugs stockpiled pursuant to federal goals as part of national preparedness for a pandemic flu outbreak. The federal government subsidizes 25% of the state's cost. Together state and federal purchases allow for the treatment of 25% of the state's population with 2 antiviral drugs known to be currently effective against the H5N1 virus.

<b>Gross</b>	<b>\$15,670,000</b>	<b>\$15,670,000</b>	<b>\$0</b>
GF/GP	\$15,670,000	\$15,670,000	\$0

**14. Crime Victim Program Funding for Human Services**

Appropriates \$1.3 million of state restricted Crime Victim's Rights Fund available balance to be provided as an interdepartmental grant to Department of Human Services for rape prevention and services, replacing federal TANF funds. This use of the Crime Victim's Rights Fund will require statutory changes.

<b>Gross</b>	<b>\$1,300,000</b>	<b>\$1,300,000</b>	<b>\$0</b>
Restricted	1,300,000	1,300,000	0
GF/GP	\$0	\$0	\$0

**15. Health Information Technology Initiative - Fund Source Shift**

Increases state restricted Health Professional Regulatory Fund (HPRF) funding within the Health Information Technology Initiatives appropriation line by \$7.2 million. The Executive Order 2007-3 reduces this line by a like amount of GF/GP. The use of the HPRF revenues for this purpose would require a statutory change.

<b>Gross</b>	<b>\$7,250,000</b>	<b>\$7,250,000</b>	<b>\$0</b>
Restricted	7,250,000	7,250,000	0
GF/GP	\$0	\$0	\$0

**16. Unrealized Health Information Technology Savings**

Both the Hospital Services and Therapy and the Health Plan Services line items are increased by \$2.3 million gross, recognizing that 1/4 of the health IT savings built in to the FY 2006-07 budget will be realized.

<b>Gross</b>	<b>\$4,650,000</b>	<b>\$4,650,000</b>	<b>\$0</b>
Federal	2,621,700	2,621,700	0
GF/GP	\$2,028,300	\$2,028,300	\$0

**17. Medicaid Caseload Adjustment, Long-Term Care Services**

Reduces the Long-Term Care Services line by \$46.0 million gross (\$20.1 million GF/GP) due to lower caseload, utilization and inflation projections. An \$86.0 million lapse in this line occurred in FY 2005-06 book closing, of which \$40.0 million was attributable to one-time costs.

<b>Gross</b>	<b>(\$46,000,000)</b>	<b>(\$46,000,000)</b>	<b>\$0</b>
Federal	(25,934,800)	(25,934,800)	0
GF/GP	(\$20,065,200)	(\$20,065,200)	\$0

**FY 2006-07 Appropriation Items:****18. Health Plan Services-Fund Source Shift**

Increases state restricted Medicaid Benefits Trust Fund authorization within the Health Plan Services appropriation line by \$12.5 million. The Executive Order 2007-3 reduces this line by a like amount of GF/GP.

	<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>Gross</b>	<b>\$12,500,000</b>	<b>\$12,500,000</b>	<b>\$0</b>
Restricted	12,500,000	12,500,000	0
GF/GP	\$0	\$0	\$0

**19. Unrealized HMO Pharmacy Rebate Savings**

Restores \$50.0 million gross (\$21.5 million GF/GP) in the Health Plan Services line related to changes in federal law allowing fee-for-service-level rebates for drugs paid through HMOs that have not yet occurred.

<b>Gross</b>	<b>\$50,000,000</b>	<b>\$50,000,000</b>	<b>\$0</b>
Federal	28,500,000	28,500,000	0
GF/GP	\$21,500,000	\$21,500,000	\$0

**20. Unrealized HMO Anti-Depressant Drug Carve-In QAAP Savings**

An increase of \$1.6 million GF/GP is proposed, as well as reduced federal and state restricted QAAP authorization, recognizing the loss of savings in the HMO QAAP due to the delayed implementation of the carve-in of anti-depressants into HMOs.

<b>Gross</b>	<b>(\$2,756,300)</b>	<b>(\$2,756,300)</b>	<b>\$0</b>
Federal	(1,554,000)	(1,554,000)	0
Restricted	(2,756,300)	(2,756,300)	0
GF/GP	\$1,554,000	\$1,554,000	\$0

**21. Unrealized Plan First! Family Planning Savings**

The Department of Community Health projects neither full implementation nor full enrollment for the Plan First! family planning program in FY 2006-07. The increase of \$6.6 million GF/GP and corresponding reduction in federal authorization adjusts for anticipated program activity.

<b>Gross</b>	<b>\$243,400</b>	<b>\$243,400</b>	<b>\$0</b>
Federal	(6,409,600)	(6,409,600)	0
GF/GP	\$6,653,000	\$6,653,000	\$0

**22. Unrealized Hospital/HMO QAAP Savings**

Increases GF/GP by \$2.5 million recognizing unrealized QAAP savings that would be generated by distributing additional hospital QAAP payments through HMOs. Implementation of this distribution was not begun until January 2007.

<b>Gross</b>	<b>(\$79,024,400)</b>	<b>(\$79,024,400)</b>	<b>\$0</b>
Federal	(44,554,000)	(44,554,000)	0
Restricted	(36,970,400)	(36,970,400)	0
GF/GP	\$2,500,000	\$2,500,000	\$0

**23. Unrealized Emergency Room Co-Pay Savings**

Included in the FY 2006-07 budget was an increase in the emergency room co-payment for a non-emergent visit from \$3 to \$6. Half-year savings are anticipated, therefore an increase of \$150,000 gross (\$65,400 GF/GP) is proposed. State plan amendment approval by CMS is anticipated.

<b>Gross</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$0</b>
Federal	84,600	84,600	0
GF/GP	\$65,400	\$65,400	\$0

**24. Unrealized Guardianship Fee Savings**

Restores \$135,000 gross (\$58,900 GF/GP) recognizing ¾ year implementation of the policy change to lower the long-term care monthly guardianship fee from \$60 to \$45. State plan amendment approval by CMS is anticipated.

<b>Gross</b>	<b>\$135,000</b>	<b>\$135,000</b>	<b>\$0</b>
Federal	76,100	76,100	0
GF/GP	\$58,900	\$58,900	\$0

**25. Unrealized Graduate Medical Education (GME) Carve-In Savings**

Increases GF/GP by \$845,700 recognizing unrealized health plan QAAP savings that would be generated by distributing certain GME hospital payments through HMOs.

<b>Gross</b>	<b>(\$1,500,000)</b>	<b>(\$1,500,000)</b>	<b>\$0</b>
Federal	(845,700)	(845,700)	0
Restricted	(1,500,000)	(1,500,000)	0
GF/GP	\$845,700	\$845,700	\$0

**26. Unrealized MICHild Premium Savings**

Restores \$650,000 gross (\$198,400 GF/GP) recognizing ½ year implementation of the policy change to increase the monthly MICHild premium from \$5 per family to \$10 per family. State plan amendment approval by CMS is anticipated.

<b>Gross</b>	<b>\$650,000</b>	<b>\$650,000</b>	<b>\$0</b>
Federal	451,600	451,600	0
GF/GP	\$198,400	\$198,400	\$0

**27. Merit Award Trust Fund Revenue Reduction**

Increases GF/GP by \$69.6 million within the Health Plan Services line item to offset a reduction in available Merit Award Trust Fund revenue.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Restricted	(69,600,000)	(69,600,000)	0
GF/GP	\$69,600,000	\$69,600,000	\$0

**28. Medicaid Special Financing Savings Reduction-QAAP Retainer Offset**

A \$4.0 million reduction in Medicaid special financing savings within the Special Medicaid Reimbursement appropriation line is offset with a like amount of hospital Quality Assurance Assessment Program (QAAP) revenue.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Federal	(4,000,000)	(4,000,000)	0
Restricted	4,000,000	4,000,000	0
GF/GP	\$0	\$0	\$0

**FY 2006-07 Appropriation Items:****29. Healthy Michigan Fund Reductions**

Eliminates remaining funding to 26 public health programs/projects and utilizes the unspent restricted HMF revenue to offset Medicaid GF/GP costs. Among the programs affected are minority health, immunizations, Alzheimer's disease, cancer, smoking prevention, Parkinson's disease, diabetes/kidney, family planning, maternal and child health, childhood lead, and senior nutrition services.

	<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>Gross</b>	<b>\$0</b>	<b>(\$14,171,300)</b>	<b>\$0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>(\$14,171,300)</b>	<b>\$0</b>

**30. Non-Medicaid Detroit - Wayne County CMHSP**

Reduces Detroit- Wayne County CMHSP non-Medicaid funding by \$21.0 million since this agency has not become a CMH authority as required by section 459 of PA 331 of 2006. This language was ruled unconstitutional by the Attorney General. Also, a Wayne County Circuit Court judge issued an injunction that prevented the language from being enforced which reduced funding for Detroit-Wayne County CMHSP by \$3.5 million monthly until it became an authority. The estimated FY 2006-07 non-Medicaid allocation for Detroit-Wayne County CMHSP is \$112.5 million.

<b>Gross</b>	<b>\$0</b>	<b>(\$21,000,000)</b>	<b>\$0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>(\$21,000,000)</b>	<b>\$0</b>

**31. State Retained Hospital and Nursing Home QAAP**

Savings of \$6,459,400 GF/GP could be generated if the state retained an additional \$3,229,700 of both hospital and nursing home quality assurance assessment program (QAAP) revenue. The reduction includes GF/GP and the associated federal Medicaid matching funds.

<b>Gross</b>	<b>\$0</b>	<b>(\$14,808,300)</b>	<b>\$0</b>
<b>Federal</b>	<b>0</b>	<b>(8,348,900)</b>	<b>0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>(\$6,459,400)</b>	<b>\$0</b>

**32. Medicaid Cost Sharing**

Increased use of Medicaid cost sharing measures such as copayments, deductibles and premiums may generate savings of \$1.5 million. The reduction includes GF/GP and the associated federal Medicaid matching funds.

<b>Gross</b>	<b>\$0</b>	<b>(\$3,438,900)</b>	<b>\$0</b>
<b>Federal</b>	<b>0</b>	<b>(1,938,800)</b>	<b>0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>(\$1,500,000)</b>	<b>\$0</b>

**33. Set Uniform Adult Home Help Wage**

Presently, pay for adult home help workers vary by county. It is estimated that if a single wage was paid across the state equal to the lowest county wage, \$300,000 GF/GP savings would be generated if started by April 1, 2007. The reduction includes GF/GP and the associated federal Medicaid matching funds.

<b>Gross</b>	<b>\$0</b>	<b>(\$687,800)</b>	<b>\$0</b>
<b>Federal</b>	<b>0</b>	<b>(387,800)</b>	<b>0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>(\$300,000)</b>	<b>\$0</b>

**34. Reducing Adult Home Help Hours**

Reducing by 10% the amount of hours that the state supports for the adult home help program, effective May 1, 2007, is estimated to save \$4.0 million GF/GP. The reduction includes GF/GP and the associated federal Medicaid matching funds.

<b>Gross</b>	<b>\$0</b>	<b>(\$9,170,100)</b>	<b>\$0</b>
<b>Federal</b>	<b>0</b>	<b>(5,170,100)</b>	<b>0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>(\$4,000,000)</b>	<b>\$0</b>

**35. 1% Medicaid Provider Rate Cut**

A 1% reduction in Medicaid provider rates both through health plans and fee-for-service effective May 1, 2007, is estimated to save \$7.0 million GF/GP. The reduction includes GF/GP and the associated federal Medicaid matching funds.

<b>Gross</b>	<b>\$0</b>	<b>(\$16,041,600)</b>	<b>\$0</b>
<b>Federal</b>	<b>0</b>	<b>(9,041,600)</b>	<b>0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>(\$7,000,000)</b>	<b>\$0</b>

**36. 6.25% Medicaid Provider Rate Cut**

A 6.25% reduction in Medicaid provider rates both through health plans and fee-for-service effective June 1, 2007, is estimated to save \$35.0 million GF/GP. The reduction includes GF/GP and the associated federal Medicaid matching funds.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$80,208,000)</b>
<b>Federal</b>	<b>0</b>	<b>0</b>	<b>(45,208,300)</b>
<b>GF/GP</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$34,999,700)</b>

**CORRECTIONS****37. Worker's Compensation**

Assumes additional savings to be gained from worker's compensation changes. Executive Order 2007-3 has reduced current-year appropriation for worker's compensation by \$963,100.

<b>Gross</b>	<b>\$0</b>	<b>(\$1,036,900)</b>	<b>(\$1,036,800)</b>
<b>GF/GP</b>	<b>0</b>	<b>(1,036,900)</b>	<b>(1,036,800)</b>

**38. Project Joshua**

Reduces authorization for the Parole and Probation Special Operations Program (Project Joshua), which funds efforts to reduce violent crime in Detroit through criminal prosecutions and law enforcement escorts for parole and probation agents making after-hours checks of supervised offenders.

<b>Gross</b>	<b>\$0</b>	<b>(\$441,700)</b>	<b>(\$441,800)</b>
<b>GF/GP</b>	<b>0</b>	<b>(441,700)</b>	<b>(\$441,800)</b>

**39. Compensatory Buyout and Union Leave Bank**

Eliminates funding for the compensatory buyout and union leave bank line item, which funds certain union contract provisions.

<b>Gross</b>	<b>\$0</b>	<b>(\$275,000)</b>	<b>(\$275,100)</b>
<b>GF/GP</b>	<b>\$0</b>	<b>(\$275,000)</b>	<b>(\$275,100)</b>

**FY 2006-07 Appropriation Items:**

		<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>40. Loans to Parolees</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$294,400)</b>	<b>(\$294,300)</b>
De-funds the \$294,400 line item for the parolee loan program.	GF/GP	\$0	(\$294,400)	(\$294,300)
<b>41. Community Corrections Programs – Funding Shift and Reduction for Residential Services</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$3,100,000)</b>	<b>(\$3,100,300)</b>
Shifts \$2.1 million in restricted revenue from line items for jail reimbursement and felony drunk driver programs into the line item for residential services, and reduces residential services GF/GP funding by \$3.1 million.	GF/GP	\$0	(\$3,100,000)	(\$3,100,300)
<b>42. Community Corrections Comprehensive Plans and Services</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$700,000)</b>	<b>\$0</b>
Does not reduce funding for Community Corrections Comprehensive Plans and Services, a \$12.5 million line that funds grants to counties for development and implementation of local comprehensive corrections plans under the Community Corrections Act.	GF/GP	\$0	(\$700,000)	\$0
<b>43. Additional Prison and Camp Beds</b>	<b>Gross</b>	<b>\$23,600,000</b>	<b>\$23,600,000</b>	<b>\$0</b>
Does not include increase to provide full or partial-year funding for over 1,400 beds added or expected to be added to accommodate unanticipated growth in the prisoner population, and to fund six-month costs of Camp Brighton, which was de-funded in the FY 2006-07 budget, but did not close until late March.	GF/GP	\$23,600,000	\$23,600,000	\$0
<b>44. Prison Clinics</b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$0</b>
Does not include increase for prison clinics to support cost increases stemming from higher prices and increased prisoner population.	GF/GP	\$3,000,000	\$3,000,000	\$0
<b>EDUCATION</b>				
<b>45. State Board of Education/Office of the Superintendent</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$42,700)</b>	<b>\$0</b>
Requires a reduction of \$42,700 to the line.	GF/GP	\$0	(\$42,700)	\$0
<b>46. Central Support</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$42,700)</b>	<b>\$0</b>
Requires a reduction of \$42,700 to the line.	GF/GP	\$0	(\$42,700)	\$0
<b>EXECUTIVE OFFICE</b>				
<b>47. Executive Office Operations</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$204,300)</b>	<b>\$0</b>
Savings are anticipated to be generated through administrative efficiencies.	GF/GP	\$0	(\$204,300)	\$0
<b>HIGHER EDUCATION</b>				
<b>48. Operations Reductions</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$43,262,000)</b>
Reduces appropriations for 15 state universities by amounts equal to enacted FY 2006-07 funding increases compared to FY 2005-06 appropriations. (See attachment for individual university amounts.)	GF/GP	\$0	\$0	(\$43,262,000)
<b>49. Payment Delay</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$66,504,200)</b>
Reflects delay of remaining 1/2 payment to 15 state universities for August 2007. Associated boilerplate language states intent to appropriate funds in FY 2007-08 budget, to be paid in October 2007. (See attachment for individual university amounts.)	GF/GP	\$0	\$0	(\$66,504,200)
<b>50. Agricultural Experiment Station</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$676,500)</b>
Reduction of 2.0% for Agricultural Experiment Station.	GF/GP	\$0	\$0	(\$676,500)
<b>51. Cooperative Extension Service</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$583,500)</b>
Reduction of 2.0% for Cooperative Extension Service.	GF/GP	\$0	\$0	(\$583,500)
<b>52. Tuition Grants</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,000,000)</b>
Reflects reduction equal to projected excess appropriation for Tuition Grant Program.	GF/GP	\$0	\$0	(\$2,000,000)
<b>HISTORY, ARTS, AND LIBRARIES</b>				
<b>53. Arts and Cultural Grants</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$3,600,000)</b>	<b>\$0</b>
This imposes a 38% reduction on the General Fund appropriation for this grant program.	GF/GP	\$0	(\$3,600,000)	\$0
<b>HUMAN SERVICES</b>				
<b>54. Demonstration Projects</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$100,000)</b>	<b>\$0</b>
Unspecified GF/GP reduction to Demonstration Projects line item, which supports an assortment of programs and initiatives.	GF/GP	\$0	(\$100,000)	\$0

**FY 2006-07 Appropriation Items:**

		<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>55. Michigan Community Service Commission</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$1,000,000)</b>	<b>\$0</b>
Reduction to GF/GP support which finances staffing costs within the MCSC. Reduction eliminates funding for some MCSC positions.	GF/GP	\$0	(\$1,000,000)	\$0
<b>56. Child Support Enforcement Operations</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$1,000,000)</b>	<b>\$0</b>
Reduces GF/GP support for state-administered child support enforcement activities. State receives \$2 in federal funding for each \$1 in state funding used for this purpose.	GF/GP	\$0	(\$1,000,000)	\$0
<b>57. Community Services Block Grant</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$1,175,000)</b>	<b>\$0</b>
Reduces federal appropriation for the line item. Although no specific boilerplate appears in the supplemental, it appears the Senate intended to reduce the TANF boilerplate allocation of \$2.3 million to Community Action Agencies by 50%. This funding supports general human services programs administered through these agencies. This reduction was included in the original Executive Order 2007-1, but did not appear in Executive Order 2007-3, which was eventually approved.	Federal	0	(1,175,000)	0
<b>58. Child Care Fund</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$5,000,000)</b>	<b>\$0</b>
Reduces appropriation which finances reimbursement to counties for the costs of services provided to abused/neglected and delinquent youth. Reduction would require a statutory change to reduce the state's 50% of cost reimbursement rate to counties.	GF/GP	\$0	(\$5,000,000)	\$0
<b>59. Juvenile Justice Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$7,098,100)</b>	<b>\$0</b>
Reduces funding for state medium security juvenile justice facilities by \$6.1 million and community juvenile justice centers by \$1.0 million. Savings would be achieved by privatizing juvenile justice services as of May 1, 2007. There are currently 292 FTE staff positions that serve within these facilities.	Federal	0	(888,600)	0
	Local	0	(3,155,000)	0
	GF/GP	\$0	(\$3,054,500)	\$0
<b>60. Local Office Staff – Foster Care Workers</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$9,044,400)</b>	<b>\$0</b>
Reduces funding for DHS foster care workers that provide direct care services for youth in out-of-home placements. Boilerplate requires DHS to provide foster care services through private contracts beginning May 1, 2007 except for youth placed with unlicensed relatives. DHS currently employs around 700 foster care workers along with additional supervisory and support staff for these workers.	Federal	0	(6,277,500)	0
	GF/GP	\$0	(\$2,533,400)	\$0
<b>61. Food Stamp Reinvestment</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$1,000,000)</b>	<b>\$0</b>
Reduces appropriation which funds mandated federal spending on initiatives that will reduce the state's food stamp error rate. The reduction appears to be consistent with the State's current reinvestment plan, so the reduction should not impact the State's ability to meet required spending levels. However, DHS indicates that this line item was going to be used to achieve mandated budgetary savings in FY 2007 bill.	GF/GP	\$0	(\$1,000,000)	\$0
<b>62. Family Independence Program: Reduced Caseload</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$5,400,000)</b>	<b>\$0</b>
Assumes a reduction in FIP caseload based on the recent leveling of the upward trend in the caseload and anticipated savings related to the Jobs Education and Training program which was expanded in January 2007 to cover 50% of current cases.	GF/GP	\$0	(\$5,400,000)	\$0
<b>63. Day Care Services – Reduce Allowable Hours</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$11,800,000)</b>	<b>\$0</b>
Reduces appropriations for day care subsidy payments to reflect a change in eligibility policy which would limit the number of hours a client can receive support from 100 hours to 90 hours per 2-week pay period. This policy proposal was included in Executive Order 2007-1, which was eventually rejected by the Senate. It was not a part of the approved Executive Order 2007-3.	GF/GP	\$0	(\$11,800,000)	\$0
<b>64. Family Independence Program: Caseload Increase</b>	<b>Gross</b>	<b>\$65,679,500</b>	<b>\$65,679,500</b>	<b>\$0</b>
Increases appropriation for FIP cash assistance program by \$65.7 million to cover additional caseload needs. FIP caseload increased significantly during the last half of calendar year 2006, partially due to a change in eligibility policy.	GF/GP	\$65,679,500	\$65,679,500	\$0

**FY 2006-07 Appropriation Items:****65. Foster Care Payments**

Appropriates \$646,200 in federal Child Abuse grant funding and another \$580,000 in federal child welfare funding to replace GF/GP for foster care payments; GF/GP reduction taken in approved Executive Order.

	<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>Gross</b>	<b>\$1,226,200</b>	<b>\$1,226,200</b>	<b>\$0</b>
Federal	1,226,200	1,226,200	0
GF/GP	\$0	\$0	\$0

**66. Day Care Services – Case Review**

Adds funding to support 12-county pilot program aimed at reducing the incidence of day care fraud and other improper payments. Funds will support temporary employees involved in the initiative and related overhead costs.

<b>Gross</b>	<b>\$450,900</b>	<b>\$450,900</b>	<b>\$0</b>
Federal	133,300	133,300	0
GF/GP	\$317,600	\$317,600	\$0

**67. AFC, Children's Welfare and Daycare Licensure**

Includes additional revenue from proposed fee increases on licensees to fund licensing activities. Offsetting GF/GP reduction was included in Executive Order.

<b>Gross</b>	<b>\$123,400</b>	<b>\$123,400</b>	<b>\$0</b>
Restricted	123,400	123,400	0
GF/GP	\$0	\$0	\$0

**68. Rape Prevention and Services**

Replaces federal TANF funding with interdepartmental grant revenue from the Department of Community Health. DHS will utilize Crime Victims' Rights Fund revenue to support a portion of its rape prevention services.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
IDG	1,300,000	1,300,000	0
Federal	(1,300,000)	(1,300,000)	0
GF/GP	\$0	\$0	\$0

**69. State Disability Assistance**

Increases appropriation of SSI recovery revenue by \$213,500. Offsetting GF/GP reduction is included in the Executive Order recommendation. SSI recoveries are redirected to this program based on usage of Medicaid funds to finance SSI advocacy efforts.

<b>Gross</b>	<b>\$213,500</b>	<b>\$213,500</b>	<b>\$0</b>
Restricted	213,500	213,500	0
GF/GP	\$0	\$0	\$0

**70. SSI Advocates**

Shifts funding of SSI advocacy activities from SSI recovery revenue to federal Medicaid funding. Shift allows for the redirection of SSI recovery revenue to the State Disability Assistance Program to save GF/GP.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Federal	213,500	213,500	0
Restricted	(213,500)	(213,500)	0
GF/GP	\$0	\$0	\$0

**71. Funding for State Budget Office Staff**

Adds funding of \$61,700 to cover salary and benefit costs related to the State Budget Office staff that work on DHS budget development.

<b>Gross</b>	<b>\$61,700</b>	<b>\$61,700</b>	<b>\$0</b>
Federal	17,800	17,800	0
GF/GP	\$43,900	\$43,900	\$0

**72. Rent**

Reduces appropriations to reflect the closure of two DHS district offices in Wayne County. The leases for the two office sites include legislative lease cancellation language. Related boilerplate provides that no funds be expended on these leases 60 days after legislative approval. The gross appropriation reduction of \$171,000 assumes three months of savings. GF/GP savings of \$63,000 is transferred to the Family Independence Program (FIP) line item. This adjustment was requested recently by the State Budget Office, but was not part of the formal DMB request letters.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$108,000)</b>
Federal	0	0	(108,000)
GF/GP	0	0	0

**JUDICIARY****73. Administrative GF/GP Reductions**

Across the board GF/GP reductions with the exception of Justices' and Judges' salaries, branch-wide operations, and indigent civil legal assistance. Reductions range from 4.0 to 4.8% GF/GP for line items. This provides a 4% reduction (\$207,700) in funding for indigent criminal defense resources such as representation for indigent defendants' appeals and statewide attorney roster.

<b>Gross</b>	<b>(\$375,000)</b>	<b>(\$2,947,100)</b>	<b>(\$2,947,100)</b>
GF/GP	(\$375,000)	(\$2,947,100)	(\$2,947,100)

**74. Retirement Savings**

Savings expected to be realized through reductions in the retirement rates for state employees. Savings of \$954,300 Gross, \$887,600 GF/GP estimated from the revaluation of State Employees' Retirement System (SERS) assets and the payment of the minimum required payments for FY 2006-07.

<b>Gross</b>	<b>(\$1,243,400)</b>	<b>(\$1,243,400)</b>	<b>(\$1,243,400)</b>
Restricted	(86,900)	(86,900)	(86,900)
GF/GP	(\$1,156,500)	(\$1,156,500)	(\$1,156,500)

Savings of \$289,100 Gross, \$268,900 GF/GP expected to result from reduced contribution rates for the health advance funding subaccount, which is used to prefund, on an actuarial basis, health benefits for employees of the Judiciary who participate in the Defined Benefit pension plan.



**FY 2006-07 Appropriation Items:****LABOR AND ECONOMIC GROWTH****75. *Replaces Federal Temporary Assistance to Needy Families***

Replace federal Temporary Assistance to Needy Families (TANF) with federal Workforce Investment Act (WIA) funds due to over-appropriation of TANF.

	<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>Gross</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$0</b>
Federal	10,000,000	10,000,000	\$0

**76. *Fire Protection Grants Fund Shift***

Replace General Fund with Fire Protection Fund due to increase bad driver fees.

<b>Gross</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>
Restricted	1,000,000	1,000,000	\$0

**LEGISLATURE****77. *Administrative Reductions***

Various reductions to line items within Legislature budget. House substitute redistributes reductions and includes reduction for Auditor General.

<b>Gross</b>	<b>\$0</b>	<b>(\$4,000,000)</b>	<b>(\$4,505,000)</b>
GF/GP	\$0	(\$4,000,000)	(\$4,505,000)

**78. *Retirement Savings***

Reflects savings expected to result from reduced contribution rates for employees of the Legislature and Office of the Auditor General.

<b>Gross</b>	<b>(\$2,963,000)</b>	<b>(\$2,760,000)</b>	<b>(\$2,963,000)</b>
Restricted	(203,800)	0	(203,800)
GF/GP	(\$2,760,000)	(\$2,760,000)	(\$2,760,000)

**MANAGEMENT AND BUDGET****79. *Executive Operations***

Savings are anticipated to be generated through not filling vacant positions and through other administrative efficiencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$39,900)</b>	<b>\$0</b>
GF/GP	\$0	(\$39,900)	\$0

**80. *Administrative Services***

Savings are anticipated to be generated through administrative efficiencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$46,800)</b>	<b>\$0</b>
GF/GP	\$0	(\$46,800)	\$0

**81. *Budget and Financial Management***

Savings are anticipated to be generated through administrative efficiencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$323,300)</b>	<b>\$0</b>
GF/GP	\$0	(\$323,300)	\$0

**82. *Office of the State Employer***

Savings are anticipated to be generated through administrative efficiencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$34,000)</b>	<b>\$0</b>
GF/GP	\$0	(\$34,000)	\$0

**83. *Business Support Services***

Savings are anticipated to be generated through not filling vacant positions, through further reductions to the ID Mail Program, and through other administrative efficiencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$174,500)</b>	<b>\$0</b>
GF/GP	\$0	(\$174,500)	\$0

**84. *Office of Children's Ombudsman***

Savings are anticipated to be generated through administrative efficiencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$57,500)</b>	<b>\$0</b>
GF/GP	\$0	(\$57,500)	\$0

**85. *Information Technology Services and Projects***

Savings are anticipated to be generated through not filling vacant positions and through other administrative efficiencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$601,500)</b>	<b>(\$250,000)</b>
GF/GP	\$0	(\$601,500)	(\$250,000)

**86. *Fund Source Shift***

Reflects a fund source shift due to charging the Department of Human Services for State Budget Office staff work related to federally funded programs in the DHS budget. General Fund in the DMB budget was reduced by \$61,700 pursuant to Executive Order 2007-3. This replaces the funding with an IDG from DHS, which they will be able to finance with federal funding.

<b>Gross</b>	<b>\$61,700</b>	<b>\$61,700</b>	<b>\$0</b>
IDG	61,700	61,700	0
GF/GP	\$0	\$0	\$0

**MILITARY AND VETERANS AFFAIRS****87. *D. J. Jacobetti Veterans' Home***

Replaces GF/GP funding with restricted revenue from income and assessments.

<b>Gross</b>	<b>\$134,500</b>	<b>\$134,500</b>	<b>\$0</b>
Restricted	134,500	134,500	0
GF/GP	\$0	\$0	\$0

**NATURAL RESOURCES****88. *Communications***

Reduces support for public information efforts that cannot be supported by restricted funds including interpretive center equipment.

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

**89. *Executive Direction***

Reduces department administrative support.

<b>Gross</b>	<b>\$0</b>	<b>(\$50,000)</b>	<b>\$0</b>
GF/GP	\$0	(50,000)	\$0

**90. *Financial Services***

Reduces support for accounting services.

<b>Gross</b>	<b>\$0</b>	<b>(\$20,000)</b>	<b>\$0</b>
GF/GP	\$0	(\$20,000)	\$0

**FY 2006-07 Appropriation Items:**

		<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>91. Human Resources</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$20,000)</b>	<b>\$0</b>
Reduces support for personnel services.	GF/GP	\$0	(\$20,000)	\$0
<b>92. Wildlife Management</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$150,000)</b>	<b>\$0</b>
Reduces support for Bovine TB containment efforts. Michigan would lose its split state status, and the ability to transport of cattle to other states.	GF/GP	\$0	(\$150,000)	\$0
<b>93. Natural Resource Heritage</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$10,000)</b>	<b>\$0</b>
Reduces endangered species protection programs by 12% during the remaining months of FY 2006-07.	GF/GP	\$0	(\$10,000)	\$0
<b>94. Cormorant Control</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$150,000)</b>	<b>\$0</b>
Eliminates funding for new cooperative effort with the Federal Fish and Wildlife Service to control the Great Lakes Cormorant population.	GF/GP	\$0	(\$150,000)	\$0
<b>95. Cooperative Resource Programs</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$75,000)</b>	<b>\$0</b>
Reduces grant support to local conservation districts for landowner assistance to improve private forest management practices.	GF/GP	\$0	(\$75,000)	\$0
<b>96. Forest Fire Protection</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$29,400)</b>	<b>\$0</b>
Reduces ability to respond to wildfires originating on non-state lands. Training on prescribed fire practices would be deferred to 2007-08.	GF/GP	\$0	(\$29,400)	\$0
<b>97. Forest Recreation and Trails</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$75,000)</b>	<b>\$0</b>
Nine (9) forest campgrounds would be closed, and 9 short term worker positions would be eliminated. Reduces development and maintenance support for non-motorized trails (for example: hiking, motocross and horse riding trails).	GF/GP	\$0	(\$75,000)	\$0
<b>98. Law Enforcement</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$150,000)</b>	<b>\$0</b>
Reduced apprehension rates for violators of forest fire laws, state park rules and campground patrol and enforcement. This cut would also reduce local law enforcement support efforts. DNR is routinely called on to assist local law enforcement agencies in suspect tracking and control of unlawful activities on state lands.	GF/GP	\$0	(\$150,000)	\$0
<b>99. Information Technology</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$100,000)</b>	<b>\$0</b>
Reduces support of Department internet-based campground reservation and game and fish licensing systems, the Center for Geographic Information, and the Michigan Public Safety Communications System.	GF/GP	\$0	(\$100,000)	\$0
<b>DEPARTMENT OF STATE</b>				
<b>100. Proportional General Fund Reductions</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$757,900)</b>	<b>(\$757,900)</b>
Reduces all GF/GP line items throughout the budget proportionately to achieve a departmental funding reduction of 4%.	GF/GP	\$0	(\$757,900)	(\$757,900)
<b>STATE POLICE</b>				
<b>101. Auto Theft Prevention Program</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$4,000,000)</b>	<b>\$0</b>
Decreases restricted funds in the Auto Theft Prevention Program. Funds would lapse to the General Fund.	Restricted	0	(4,000,000)	0
Law enforcement agencies and auto theft prevention teams would see a decrease in support for auto theft prevention efforts statewide.				
Executive Order 2007-3 decreases the Auto Theft Prevention Program by \$4.0 million, which would result in a 52.0 FTE total loss for various police agencies and non-profit organizations that receive these funds. SB 220 takes an additional \$4.0 million off of the \$4.0 million in EO 2007-3, resulting in a total \$8.0 million reduction and 104.0 FTE losses for police agencies receiving these funds.				
<b>102. Fleet Leasing</b>	<b>Gross</b>	<b>\$0</b>	<b>\$900,000</b>	<b>\$0</b>
Increases GF/GP support for Fleet Leasing expenses. Would allow the State Police to have less severe driving and patrol restrictions due to fuel costs.	GF/GP	\$0	\$900,000	\$0

**FY 2006-07 Appropriation Items:****103. Uniform Services**

Senate increases GF/GP support to avoid trooper layoffs for FY07. Would allow the State Police to avoid laying off 29 troopers for FY07. Would avoid the layoff of 29 troopers for FY07, however, no current funding plan for keeping those troopers employed for FY08.

	<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>Gross</b>	<b>\$400,000</b>	<b>\$1,600,000</b>	<b>\$400,000</b>
Private	400,000	0	400,000
GF/GP	\$0	\$1,600,000	\$0

Executive and House Substitute include \$400,000 in private donations from the Michigan State Police Trooper Association to cover the payroll of the 29 troopers identified for layoffs for four pay periods.

**TRANSPORTATION**

The Senate would redirect \$15.0 million from the auto-related sales tax component of the Comprehensive Transportation Fund (CTF) to the state General Fund and make the following reductions in CTF-funded appropriations:

**104. Local Bus Operating**

This mid-year reduction in state operating assistance to the state's 79 transit agencies could result in service reductions at some agencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$3,347,900)</b>	<b>\$0</b>
Restricted	0	(3,347,900)	0

**105. Intercity Bus Equipment**

Could delay replacement of intercity buses used on regularly scheduled service.

<b>Gross</b>	<b>\$0</b>	<b>(\$1,000,000)</b>	<b>\$0</b>
Restricted	0	(1,000,000)	0

**106. Freight Preservation and Development**

Will delay or eliminate rail track projects on state-owned railroad used by private short-line railroads.

<b>Gross</b>	<b>\$0</b>	<b>(\$1,200,000)</b>	<b>\$0</b>
Restricted	0	(1,200,000)	0

**107. Rail Infrastructure Loan Program**

Reduces contribution to this revolving loan program to \$100,000; down from the \$1.1 million originally appropriated. May delay or eliminate rail economic development projects on privately owned rail property.

<b>Gross</b>	<b>\$0</b>	<b>(\$500,000)</b>	<b>\$0</b>
Restricted	0	(500,000)	0

**108. Specialized Services**

This negative appropriation reduces state assistance to transit programs geared to the elderly and disabled population to the statutory minimum: \$3.9 million.

<b>Gross</b>	<b>\$0</b>	<b>(\$170,200)</b>	<b>\$0</b>
Restricted	0	(170,200)	0

**109. Bus Capital**

Reduces state capital assistance to the state's 79 transit agencies to \$3,237,900. Will delay replacement of buses at some agencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$7,237,900)</b>	<b>\$0</b>
Restricted	0	(7,237,900)	0

**110. Transportation to Work**

This program works to eliminate transportation as a barrier to work among transit-dependant workers entering the job market. This mid-year reduction, down to \$3.3 million from the \$4.7 million originally appropriated, will result in service reductions at some agencies.

<b>Gross</b>	<b>\$0</b>	<b>(\$1,244,000)</b>	<b>\$0</b>
Restricted	0	(1,244,000)	0

**TREASURY****111. Revenue Enhancement Program**

Reduces funding for the Revenue Enhancement Program by \$902,500 (GF/GP). Reductions would likely be incurred in the areas of customer contact, tax policy, and information technology. The department has indicated that the core functions of the program (enhancing revenue collections through personal property audits and principal residence exemptions) and related auditing and enforcement would receive priority. However, this program was cut \$350,000 by EO 2007-3. The FY 2008 funding proposal for the revenue enhancement program eliminates funding and 3.0 FTE positions for customer contact and information technology.

<b>Gross</b>	<b>\$0</b>	<b>(\$902,500)</b>	<b>\$0</b>
GF/GP	\$0	(\$902,500)	\$0

**FY 2006-07 Appropriation Items:****112. Convention Facility Development Distribution**

The bill reduces funding from the Convention Facility Development Fund, which makes debt service payments for bonds issued for expansion and renovation of Cobo Hall, and redistributes a portion of liquor tax collections to the counties. Each year, payments from the fund are first made for Cobo Hall debt service (approximately \$16 million) with any amount remaining at the end of the year distributed in the next fiscal year to the counties based on their liquor tax collections. For FY 2007, all Cobo Hall debt service payments have been made and the amount distributed to counties (which is collected in FY 2006) was disbursed in February. Any taxes collected through the end of FY 2007 will be distributed February 2008. Since payments have already been made for FY 2007, it's not clear how this reduction would be made. For FY 2007, payments total \$53.2 million.

	<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
<b>Gross</b>	<b>\$0</b>	<b>(\$18,400,000)</b>	<b>(\$18,400,000)</b>
Restricted	0	(18,400,000)	(18,400,000)
GF/GP	\$0	\$0	\$0

**113. Senior Citizen Cooperative Housing Tax Exemption**

Boilerplate permits the department to contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units which are exempt from property taxes under the General Property Tax Act and for which the department reimburses local units for lost tax revenue. There are about 180 of these facilities. In recent years the department has had some success in appealing the assessments, resulting in lower payments to local units. This reduction is not affected by federal funds.

<b>Gross</b>	<b>\$0</b>	<b>(\$902,500)</b>	<b>(\$902,500)</b>
GF/GP	\$0	(\$902,500)	(\$902,500)

**114. Constitutional Revenue Sharing**

Reduces funding for constitutional revenue sharing to reflect the revised amount from the January 2007 Consensus Revenue Estimating Conference.

<b>Gross</b>	<b>\$0</b>	<b>(\$20,075,000)</b>	<b>\$0</b>
Restricted	0	(20,075,000)	0
GF/GP	\$0	\$0	\$0

**115. Statutory Revenue Sharing**

Reduces funding for statutory revenue sharing by \$39.9 million from the revised FY 2007 amount from the January 2007 Consensus Revenue Estimating Conference. This represents an 9.8% reduction in statutory revenue sharing, or a 3.7% reduction in total revenue sharing. This reduction would eliminate statutory revenue sharing payments for an additional 159 local units of government.

<b>Gross</b>	<b>\$0</b>	<b>(\$41,485,000)</b>	<b>\$0</b>
Restricted	0	(41,485,000)	0
GF/GP	\$0	\$0	\$0

**116. Lottery Promotion and Advertising**

The Lottery has committed more than \$14 million in advertising through a private agency. This includes projects under development, where vendors have invested materials and services. The bureau is contractually committed to paying its advertising vendors.

<b>Gross</b>	<b>\$0</b>	<b>(\$10,000,000)</b>	<b>\$0</b>
Restricted	0	(10,000,000)	0
GF/GP	\$0	\$0	\$0

**117. Tax Restructuring Initiative**

Provides funding for implementation of the new business tax. Funding will be used for staffing, hardware and software, and training of staff, tax preparers, and taxpayers.

<b>Gross</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$0</b>
GF/GP	\$10,000,000	\$10,000,000	\$0

**FY 2006-07 Boilerplate Items:****GENERAL****1. Sec. 205. Budgetary Savings**

Specifies that negative appropriations for budgetary savings be transferred to other line items in each budget area to achieve those savings.

<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
Not Included	Not Included	Included

**ATTORNEY GENERAL****2. Sec. 350. Antitrust Enforcement Revenue**

Authorizes carry forward of up to \$250,000 in unobligated antitrust enforcement revenue, securities fraud revenue, consumer protection or class action enforcement revenue, or attorney fees recovered by the Department.

Not Included	Included	Not Included
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**3. Sec. 351. False Medicaid Claims**

Appropriates funds collected by the Department pursuant to the Medicaid False Claims Act and authorizes carry forward of unexpended funds.

Not Included	Included	Not Included
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**FY 2006-07 Boilerplate Items:****COLLEGES AND UNIVERSITIES****4. Sec. 363. Payment Delay**

Specifies that reductions to community college and state university line items for delayed payments be applied to August 2007 payments; states intent to appropriate same amounts to colleges and universities in FY 2007-08, to be paid in October 2007.

<b><u>Executive</u></b>	<b><u>Senate</u></b>	<b><u>House</u></b>
Not Included	Not Included	Included

**CORRECTIONS****5. Sec. 501. Restricted Revenues Fund Shift**

Reduces appropriations of telephone fee revenue in jail reimbursement and felony drunk driver programs by a total of \$2.1 million, increases telephone fee appropriation in residential services by \$2.1 million, and reduces GF/GP appropriation for residential services by \$3.1 million. (Senate specifies that \$2.0 million in telephone fees appropriated to the county jail reimbursement program be shifted to the residential services line item to replace GF/GP funds.)

Not Included	Included	Included
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**HUMAN SERVICES****6. Sec. 621. Privatization of Foster Care Services**

Requires DHS to provide foster care services under private contracts with licensed, nationally accredited child placing agencies beginning May 1, 2007. DHS remains responsible for oversight and licensure of private agencies and may also provide direct service and monitoring for children placed with unlicensed relatives. Requires that private agency contracts contain performance and incentive measures.

Not Included	Included	Not Included
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**7. Sec. 622. Privatization of Juvenile Justice Services**

Requires DHS to provide delinquency services for youth who require community, low or medium security services under private contracts with licensed, nationally accredited child caring institutions or child placing agencies beginning May 1, 2007. DHS remains responsible for oversight and licensure of private agencies and may also provide direct service and monitoring for children who require high security services. Requires that private agency/institution contracts contain performance and incentive measures.

Not Included	Included	Not Included
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**8. Sec. 623. Lease Cancellation for Vacated DHS Offices**

Prohibits DHS from spending funds on leased space at the DHS Wayne County Lincoln Park district office and DHS Wayne County Fullerton/Jeffries district office 60 days after approval by the Legislature. Both offices have been vacated since October 2006. Legislative action would allow for the cancellation of future lease payments due to a legislative lease cancellation clause in both leases.

Included	Not Included	Included
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**MICHIGAN STRATEGIC FUND****9. Sec. 651. Lapse 21<sup>st</sup> Century Jobs Fund Work Projects to General Fund**

a. Lapses \$34.1 million from Work Project Account 20610, Appropriation Year 2006, 21<sup>st</sup> Century Jobs Fund Investments and Loans to the General Fund.  
b. Lapses \$6.0 million from Work Project 20501, Appropriation Year 2006, Michigan Forest Finance Authority to the General Fund.

Not Included	Included	Not Included
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**STATE POLICE****10. Sec. 701. Reduction in Auto Theft Prevention Program**

Specifies that the \$4.0 million reduction in the Auto Theft Prevention Program represents \$2.0 million in current year appropriations and \$2.0 million in unappropriated fund balances, which will lapse to the general fund.

Not Included	Included	Not Included
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**TREASURY****11. Sec. 801. Transfer of State Campaign Fund**

Current boilerplate directs that the amount designated in tax year 2006 be transferred from the General Fund to the State Campaign Fund. Current boilerplate specifies that the amount appropriated shall not revert to the General Fund and shall remain in the State Campaign Fund, and that the amount remaining in the fund in excess of \$10 million on 12/31/2006 shall revert to the General Fund. The supplemental eliminates the restriction on funds reverting to the General Fund and specifies that the all of the amount in the fund as of 12/31/2006 shall be transferred to the General Fund. The balance in the fund is \$7.2 million.

Not Included	Included	Not Included
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**REPEALER****12. Sec. 1001. State Police Trooper School**

Removes Sec. 218, Article 17 of PA 345 of 2006 concerning funding of trooper salaries, benefits, retirement, and other expenses for general law enforcement duties by troopers; removes the requirement for conducting a trooper recruit school no later than August 15, 2007; removes the requirement for the department to submit quarterly reports to the subcommittees concerning trooper strength and plans to maintain a trooper strength of 1,075.

Included	Not Included	Included
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<u>FY 2006-07 Boilerplate Items:</u>	<u>Executive</u>	<u>Senate</u>	<u>House</u>
ENACTING SECTION			
13. <i>Enacting Section 1</i>	Not Included	Not Included	Included
Tie-bars bill to House Bill 4367, which would create the Michigan Business Tax Act.			

**ATTACHMENT**

**SB 220 Reductions: State Universities and Community Colleges**

**(H-1) Substitute**

<b>University</b>	<b>FY 2006-07 Enacted</b>	<b>Remove FY07 Increases</b>	<b>% Change</b>	<b>Payment Delay</b>	<b>% Change</b>
Central	82,383,700	(2,321,800)	(2.8)	(3,744,700)	(4.5)
Eastern	78,168,700	(2,028,100)	(2.6)	(3,553,100)	(4.5)
Ferris	50,045,100	(1,410,400)	(2.8)	(2,274,800)	(4.5)
Grand Valley	64,797,700	(3,667,800)	(5.7)	(2,945,400)	(4.5)
Lake Superior	12,928,400	(422,100)	(3.3)	(587,700)	(4.5)
Michigan State	292,185,500	(8,455,200)	(2.9)	(13,281,200)	(4.5)
Michigan Tech	49,219,300	(1,200,500)	(2.4)	(2,237,200)	(4.5)
Northern	46,399,400	(1,347,800)	(2.9)	(2,109,100)	(4.5)
Oakland	52,409,000	(1,723,300)	(3.3)	(2,382,200)	(4.5)
Saginaw Valley	28,874,500	(1,374,700)	(4.8)	(1,312,400)	(4.5)
UM-Ann Arbor	325,796,300	(9,427,800)	(2.9)	(14,808,900)	(4.5)
UM-Dearborn	25,456,600	(717,400)	(2.8)	(1,157,100)	(4.5)
UM-Flint	21,520,300	(617,200)	(2.9)	(978,200)	(4.5)
Wayne State	220,033,000	(5,366,700)	(2.4)	(10,001,500)	(4.5)
Western	112,876,400	(3,181,200)	(2.8)	(5,130,700)	(4.5)
<b>Subtotal</b>	<b>1,463,093,900</b>	<b>(43,262,000)</b>	<b>(3.0)</b>	<b>(66,504,200)</b>	<b>(4.5)</b>

<b>College</b>	<b>FY 2006-07 Enacted</b>	<b>Payment Delay</b>	<b>% Change</b>
Alpena	4,904,800	(222,900)	(4.5)
Bay de Noc	4,949,900	(225,000)	(4.5)
Delta	13,309,200	(605,000)	(4.5)
Glen Oaks	2,235,500	(101,600)	(4.5)
Gogebic	4,044,400	(183,800)	(4.5)
Grand Rapids	16,707,300	(759,400)	(4.5)
Henry Ford	20,330,000	(924,100)	(4.5)
Jackson	11,235,100	(510,700)	(4.5)
Kalamazoo Valley	11,518,600	(523,600)	(4.5)
Kellogg	9,037,500	(410,800)	(4.5)
Kirtland	2,749,100	(125,000)	(4.5)
Lake Michigan	4,872,600	(221,500)	(4.5)
Lansing	28,890,800	(1,313,200)	(4.5)
Macomb	30,847,300	(1,402,200)	(4.5)
Mid Michigan	4,110,400	(186,800)	(4.5)
Monroe County	4,009,800	(182,300)	(4.5)
Montcalm	2,890,000	(131,400)	(4.5)
C.S. Mott	14,587,500	(663,100)	(4.5)
Muskegon	8,292,400	(376,900)	(4.5)
North Central Michigan	2,810,400	(127,700)	(4.5)
Northwestern Michigan	8,455,700	(384,400)	(4.5)
Oakland	19,485,000	(885,700)	(4.5)
St. Clair County	6,534,700	(297,000)	(4.5)
Schoolcraft	11,393,400	(517,900)	(4.5)
Southwestern Michigan	6,121,100	(278,200)	(4.5)
Washtenaw	11,689,400	(531,300)	(4.5)
Wayne County	15,209,100	(691,300)	(4.5)
West Shore	2,135,700	(97,100)	(4.5)
<b>Subtotal</b>	<b>283,356,700</b>	<b>(12,879,900)</b>	<b>(4.5)</b>
<b>GRAND TOTAL</b>	<b>1,746,450,600</b>	<b>(79,384,100)</b>	<b>(4.5)</b>