

**GOVERNOR'S PROPOSAL TO
BALANCE FY 2014-15 BUDGET:**

**EXECUTIVE ORDER 2015-5
AND
FY 2014-15 SUPPLEMENTAL
HOUSE BILLS 4110 AND 4112**

**SUMMARY AND
DEPARTMENT/BUDGET AREA
DETAIL**



**February 25, 2015
REVISED**

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Table 1

FY 2014-15 GENERAL FUND/GENERAL PURPOSE (GF/GP) REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES (Millions of Dollars)	
	FY 2014-15
Revenue:	
Beginning Balance	\$306.4
<u>Ongoing Revenue:</u>	
May 2014 Consensus Revenue Estimate	\$9,826.0
January 2015 Consensus Revenue Change	(324.6)
January 2015 Consensus Revenue Estimate	\$9,501.4
<u>Other Revenue Adjustments:</u>	
Revenue Sharing Payments	(459.2)
Shift of Short-Term Borrowing Costs to School Aid Fund	3.0
Managed Care Use Tax (PA 161 of 2014)	373.7
Subtotal Ongoing Revenue	\$9,418.9
<u>Non-Ongoing Revenue:</u>	
One-Time Appropriation for Revenue Sharing	(8.8)
Venture Michigan Fund Adjustment	(38.1)
Total Estimated GF/GP Revenue	\$9,678.4
Expenditures:	
Initial Ongoing Appropriations	\$9,594.0
Initial One-Time Appropriations	207.0
Initial One-Time Appropriations for Transportation	284.6
One-Time Appropriation to Budget Stabilization Fund	94.0
Enacted Supplementals	31.2
Total Estimated GF/GP Expenditures	\$10,210.8
Projected Current Law Year-End GF/GP Balance	(\$532.4)

Table 2

GOVERNOR'S PROPOSAL TO BALANCE FY 2014-15 GENERAL FUND/GENERAL PURPOSE BUDGET (Millions of Dollars)	
	February 2015 Proposal
Projected Current Law Year-End GF/GP Balance	(\$532.4)
<u>Appropriation Reductions:</u>	
Executive Order 2015-5.....	(\$106.4)
Negative Education Supplemental Appropriation Items (HB 4110)	(250.3)
Negative General Supplemental Appropriation Items (HB 4112)	(93.1)
DCH Caseload and Cost Adjustments (HB 4112).....	(100.0)
Prior Year Work Project Lapses	(6.6)
Subtotal.....	(\$556.4)
<u>Appropriation Increases (HB 4112):</u>	
DHS Caseload and Cost Adjustments	\$9.2
Restricted Revenue Shortfall at Veterans Homes.....	3.3
May Ballot Proposal IT Costs for Department of State.....	0.2
May Ballot Proposal Election/IT Costs for Department of Treasury	11.0
Subtotal.....	\$23.7
Total Recommended Adjustments.....	(\$532.7)
Adjusted Year-End GF/GP Balance.....	\$0.3

Table 3

FY 2014-15 SCHOOL AID FUND (SAF) REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES (Millions of Dollars)	
	FY 2014-15
Revenue:	
Beginning Balance	\$455.1
<u>Ongoing Revenue:</u>	
May 2014 Consensus Revenue Estimate	\$11,853.3
January 2015 Consensus Revenue Change	35.8
January 2015 Consensus Revenue Estimate	\$11,889.1
<u>Other Revenue Adjustments:</u>	
General Fund/General Purpose Grant	114.9
HB 4110-Reduce GF for "Extra" K-12 MPSERS Payment	(80.0)
HB 4110-Eliminate GF for Online Nutrition/Health Program	(1.2)
Federal Ongoing Aid	1,808.2
MPSERS/Education Reserve Fund	18.0
Managed Care Use Tax (PA 161 of 2014)	186.8
Subtotal Ongoing Revenue	\$13,935.8
<u>Non-Ongoing Revenue:</u>	
Venture Michigan Fund Adjustment	(11.9)
Total Estimated School Aid Fund Revenue	\$14,379.0
Expenditures:	
Initial Ongoing Appropriations	\$13,494.1
January 2015 Consensus Cost Adjustments	(96.0)
Partially Fund Community Colleges with School Aid Fund	197.6
Partially Fund Higher Education with School Aid Fund	200.5
Subtotal Ongoing Appropriations	\$13,796.2
Initial One-Time Appropriations	376.2
University MPSERS Funding	4.0
HB 4110-All SAF for Community Colleges	167.1
HB 4110-Libraries/Charters MPSERS Adjustments	2.2
HB 4110-University MPSERS Fund Shift from GF to SAF	2.0
HB 4110-Education Resource Study (Transportation Package)	1.0
HB 4110-Reduce Extra K-12 MPSERS Payment	(88.4)
HB 4110-Eliminate Online Nutrition/Health Program	(1.2)
Subtotal One-Time Appropriations	\$462.9
Total Estimated School Aid Fund Expenditures	\$14,259.1
Projected Year-End School Aid Fund Balance	\$119.9

Table 4

SUMMARY OF PROPOSAL TO BALANCE FY 2014-15 GENERAL FUND/GENERAL PURPOSE (GF/GP) BUDGET								
Department/Budget Area	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	FY 2014-15 GF/GP Year-to-Date	Executive Order GF and Restricted Reductions	Education Supplemental HB 4110 GF/GP Reductions	General Supplemental HB 4112 GF/GP Reductions	General Supplemental HB 4112 Caseload/Increases	Prior Year Work Project Reductions	Total Budget Adjustments	FY 2014-15 Adjusted GF/GP Year-to-Date
Agriculture and Rural Development	\$45,916,200	(\$600,000)	\$0	\$0	\$0	\$0	(\$600,000)	\$45,316,200
Attorney General	38,267,100	0	0	0	0	0	0	38,267,100
Civil Rights	13,448,200	0	0	0	0	0	0	13,448,200
Community Colleges	167,110,800	0	(167,110,800)	0	0	0	(167,110,800)	0
Community Health	3,239,701,400	(16,550,000)	0	(34,444,600)	(100,000,000)	0	(150,994,600)	3,088,706,800
Corrections	1,980,798,400	(17,800,000)	0	(2,900,000)	0	(3,000,000)	(23,700,000)	1,960,098,400
Education	82,083,000	(5,814,000)	0	(2,589,100)	0	0	(8,403,100)	73,679,900
Environmental Quality	40,875,900	(3,400,000)	0	0	0	0	(3,400,000)	37,475,900
Executive	5,916,100	0	0	0	0	0	0	5,916,100
Higher Education	1,214,902,000	0	(2,000,000)	0	0	0	(2,000,000)	1,212,902,000
Human Services	995,452,600	(15,492,800)	0	(8,007,300)	9,203,000	0	(14,297,100)	981,155,500
Insurance and Financial Services	55,000	0	0	0	0	0	0	55,000
Judiciary	186,527,400	0	0	0	0	0	0	186,527,400
Legislative Auditor General	14,937,300	0	0	0	0	0	0	14,937,300
Legislature	127,420,700	0	0	0	0	0	0	127,420,700
Licensing and Regulatory Affairs	40,133,800	(200,000)	0	(112,500)	0	0	(312,500)	39,821,300
Military and Veterans Affairs	49,154,500	0	0	0	3,300,000	0	3,300,000	52,454,500
Natural Resources	48,591,500	(1,500,000)	0	(500,000)	0	0	(2,000,000)	46,591,500
School Aid	114,900,000	0	(81,200,000)	0	0	0	(81,200,000)	33,700,000
State	17,539,000	0	0	0	200,000	0	200,000	17,739,000
State Police	414,171,000	(23,331,100)	0	0	0	0	(23,331,100)	390,839,900
Technology, Management, and Budget	479,098,500	(19,000,000)	0	(17,800,000)	0	0	(36,800,000)	445,798,500
Transportation	284,647,900	0	0	0	0	0	0	284,647,900
Treasury-Debt Service	152,395,000	0	0	0	0	0	0	152,395,000
Treasury-Operations	118,118,300	(2,700,000)	0	(4,750,000)	11,000,000	0	3,550,000	121,668,300
Treasury-Revenue Sharing	0	0	0	0	0	(3,600,000)	(3,600,000)	0
Treasury-Strategic Fund	244,642,500	0	0	(22,000,000)	0	0	(22,000,000)	222,642,500
Total	\$10,116,804,100	(\$106,387,900)	(\$250,310,800)	(\$93,103,500)	(\$76,297,000)	(\$6,600,000)	(\$532,699,200)	\$9,594,204,900

GF/GP Budget Balance Prior to Reductions = (\$532.4) million
GF/GP Budget Balance after Reductions = \$0.3 million

Table 5

SUMMARY OF EXECUTIVE ORDER 2015-5				
Department/Budget Area	FY 2014-15 GF/GP Year-to-Date	GF/GP Reductions	Restricted Revenue Reductions	Total Executive Order Reductions
Agriculture and Rural Development	\$45,916,200	(\$600,000)		(\$600,000)
Attorney General	38,267,100	0		0
Civil Rights	13,448,200	0		0
Community Colleges	167,110,800	0		0
Community Health	3,239,701,400	(16,550,000)		(16,550,000)
Corrections	1,980,798,400	(17,800,000)		(17,800,000)
Education	82,083,000	(5,814,000)		(5,814,000)
Environmental Quality	40,875,900	(3,400,000)		(3,400,000)
Executive	5,916,100	0		0
Higher Education	1,214,902,000	0		0
Human Services	995,452,600	(15,492,800)		(15,492,800)
Insurance and Financial Services	55,000	0		0
Judiciary	186,527,400	0		0
Legislative Auditor General	14,937,300	0		0
Legislature	127,420,700	0		0
Licensing and Regulatory Affairs	40,133,800	(200,000)		(200,000)
Military and Veterans Affairs	49,154,500	0		0
Natural Resources	48,591,500	(1,500,000)		(1,500,000)
School Aid	114,900,000	0		0
State	17,539,000	0		0
State Police	414,171,000	(23,331,100)		(23,331,100)
Technology, Management, & Budget	479,098,500	(15,500,000)	(3,500,000)	(19,000,000)
Transportation	284,647,900	0		0
Treasury-Debt Service	152,395,000	0		0
Treasury-Operations	118,118,300	(2,700,000)		(2,700,000)
Treasury-Revenue Sharing	0	0		0
Treasury-Strategic Fund	244,642,500	0		0
Total	\$10,116,804,100	(\$102,887,900)	(\$3,500,000)	(\$106,387,900)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Strategic Growth Initiative. Reduce funding. The FY 2014-15 budget included \$1.0 million GF/GP in ongoing appropriations for the Department's Food and Agriculture Industry Growth Initiative and \$2.0 million in one-time GF/GP. The program's purpose is to provide grant support to the agriculture industry to assist in the removal of barriers and provide leveraging opportunities to spur economic impact. Reducing the appropriation by \$600,000 would reduce by one-fifth the number/amount of overall grants which would otherwise be available for FY 2014-15.	\$3,000,000	\$3,000,000	(\$600,000)
TOTAL REDUCTION:			(\$600,000)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF COMMUNITY HEALTH

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Essential Local Public Health Services. 3.7% reduction, which would remove the increase provided in FY 2014-15.	\$40,886,100	\$35,736,100	(\$1,500,000)
2. Hospital Services and Therapy (GME). Reduce funding for hospital graduate medical education by 8.9%.	162,888,300	56,131,300	(5,000,000)
3. Hospital Services and Therapy (rural hospital pool). Reduce DSH payments to rural hospitals by 16.7%	34,823,000	12,000,000	(2,000,000)
4. Lab Reimbursement Rates. Reduce HMO lab reimbursement rates to fee for services levels, effective August 2015.	26,117,200	9,000,000	(1,500,000)
5. Health and Wellness Initiatives. Unspecified reduction in funding.	8,950,000	3,739,300	(1,000,000)
6. Health and Wellness Initiatives (Breast Cancer Screening). Recognize anticipated funding lapse.	8,950,000	3,739,300	(500,000)
7. Traumatic Brain Injury Pilot. Reduce funding.	1,350,000	1,350,000	(350,000)
8. Pay for Success Contracts. Eliminate funding.	1,500,000	1,500,000	(1,500,000)
9. Jail Diversion. Reduce funding.	3,350,000	3,350,000	(300,000)
10. Mental Health Commission. Reduce funding by \$1.0 million and recognize an anticipated lapse of \$1.9 million.	36,525,000	14,320,000	(2,900,000)
TOTAL REDUCTION:			(\$16,550,000)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF CORRECTIONS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Workers Compensation. Remove \$1.5 million unused fund balance.	\$18,000,000	\$18,000,000	(\$1,500,000)
2. Electronic Monitoring Center. 5% reduction from unspent balances in FY 2013-14. This program is a computerized center in Lansing from which offenders on electronic tether are monitored. This line funds the staffing and equipment needed to provide electronic monitoring, often referred to as "tether", of prisoners, parolees, and probationers who need a high level of supervision.	13,365,400	13,164,100	(3,000,000)
3. Prisoner Education Program. Reduce funding. A portion of these funds would be used to purchase materials and supplies for the employment counselors to determine specific employment training desired for employees. This funding would also institute specific curricula and training for requirements of the local job market.	4,295,300	4,295,300	(500,000)
4. Transportation.	25,073,500	25,073,500	(1,000,000)
5. County Jail Reimbursement Lapse. Reduction in funding for the County Jail Reimbursement Program (CJRP) through which counties are reimbursed for housing certain felons who otherwise would have been sentenced to prison. The program originally existed only through budget act boilerplate but was established in statute by Public Act 317 of 1998. The use of county jail beds has been lower than expected through the beginning of FY 2014-15.	14,847,100	8,947,100	(1,250,000)
6. Food Service.	52,558,900	52,333,900	(1,000,000)
7. Alger Correctional Facility - Munising.	30,934,700	30,934,700	(568,000)
8. Baraga Correctional Facility - Baraga.	34,936,000	34,936,000	(228,000)
9. Bellamy Creek Correctional Facility - Ionia.	43,429,700	43,429,700	(454,000)
10. Earnest C. Brooks Correctional Facility - Muskegon.	50,309,500	50,309,500	(304,000)
11. Carson City Correctional Facility - Carson City.	47,780,500	47,780,500	(304,000)
12. Central Michigan Correctional Facility - St. Louis.	45,888,900	45,888,900	(228,000)
13. Chippewa Correctional Facility - Kincheloe.	49,076,400	49,076,400	(1,500,000)
14. Cooper Street Correctional Facility - Jackson.	29,056,200	29,056,200	(228,000)
15. Charles E. Egeler Correctional Facility - Jackson.	44,501,900	43,487,400	(606,000)
16. Gus Harrison Correctional Facility - Adrian.	48,846,500	48,846,500	(304,000)

17. Macomb Correctional Facility - New Haven.	34,500,300	34,500,300	(228,000)
18. Marquette Branch Prison - Marquette.	38,752,600	38,752,600	(304,000)
19. Michigan Reformatory - Ionia.	34,800,400	34,800,400	(151,000)
20. Oaks Correctional Facility - Eastlake.	34,097,200	34,097,200	(379,000)
21. Parnall Correctional Facility - Jackson.	28,221,900	28,221,900	(304,000)
22. Saginaw Correctional Facility - Freeland.	32,623,300	32,623,300	(228,000)
23. Special Alternative Incarceration Program (Camp Cassidy Lake).	13,893,700	13,793,700	(228,000)
24. St. Louis Correctional Facility - St. Louis.	36,662,700	36,662,700	(531,000)
25. Thumb Correctional Facility - Lapeer.	33,115,400	33,115,400	(304,000)
26. Women's Huron Valley Correctional Complex - Ypsilanti.	58,686,800	58,686,800	(607,000)
27. Woodland Center Correctional Facility - Whitmore Lake.	33,110,200	33,110,200	(417,000)
28. Southern Region Administration and Support.	17,568,200	17,568,200	(645,000)
29. Prisoner Re-entry Local Service Providers.	33,231,600	32,981,600	(500,000)
TOTAL REDUCTION:			(\$17,800,000)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF EDUCATION

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Educator Evaluation and Assessment Phase-In. Eliminates this reserve fund. The fund was first created in the FY 2014-15 budget and could only be used if House Bills 5223 and 5224 of the 2013-14 legislative session were passed. Those bills would have made changes to the teacher evaluation system and require additional resources to the Department. Since those bills were not passed before the end of legislative session, this fund has no ability to be used during FY 2014-15.	\$3,414,000	\$3,414,000	(\$3,414,000)
2. Reduction in Child Development and Care State Match. Reduce funding. Due to less-than-estimated caseloads in the Child Development and Care program in FY 2013-14, there were fewer funds spent than originally appropriated. This reduction removes the extra General Fund dollars from the baseline of the FY 2014-15 budget.	110,292,000	30,988,800	(2,400,000)
TOTAL REDUCTION:			(\$5,814,000)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF ENVIRONMENTAL QUALITY

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Electronic Document One-Time Funding. Reduce funding. This program was part of the FY 2014-15 Governor's Recommendation and provides funding for the DEQ to use the State's contract for the digitalization of numerous paper files the DEQ is statutorily required to keep on hand, rather than file in the State Archives. Many of these documents are permits and permit applications that are requested via the FOIA process. Part of this initiative would be to post many of the commonly requested items on the DEQ website, which would save DEQ staff time in responding to the FOIA requests, as well as saving the interested parties from having to pay FOIA fees.	\$2,500,000	\$2,500,000	(\$650,000)
2. Drinking Water Revolving Fund State Match. Reduce program. The DEQ receives a 5:1 match on State monies dedicated to this program which provides low-interest loans to municipalities for improvements to drinking water infrastructure. In addition to GF/GP, the DEQ also uses repayments from previous loans as matching funds. Between repayments and the \$2.25 million GF/GP that would be left in the program if this reduction were enacted, the DEQ should be able to leverage all available Federal funds for FY 2014-15.	87,943,000	5,000,000	(2,750,000)
TOTAL REDUCTION:			(\$3,400,000)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF HUMAN SERVICES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Michigan Rehabilitation Services (MRS). The FY 2014-15 budget provided MRS with additional funding of \$3.4 million Gross and GF/GP, \$2.6 million of which was slated as a one-time funding increase. MRS programs include job training and other workforce support for individuals with disabilities.	\$153,189,700	\$16,844,300	(\$1,300,000)
2. Juvenile Justice Vision 20/20 Database. The new program implementation funding is expected to lapse until the results from a pilot program for the database are available.	1,000,000	1,000,000	(1,000,000)
3. In-Home Community Care Grants for Juvenile Justice. Funding was new in FY 2013-14 and an increase of \$250,000 was added in FY 2014-15, for a total of \$1,250,000 Gross and GF/GP. This program provides funding for rural counties to expand or create new in-home or community-based programs for adjudicated juveniles.	1,250,000	1,250,000	(600,000)
4. Emergency Services Local Office Allocations. This reduction is due to GF/GP funding lapses in the line item in recent years.	11,508,500	5,593,500	(559,300)
5. W.J. Maxey Training School. This reduction is due to GF/GP funding that has lapsed or transferred from this line to other line items in recent years. The school is one of three State-run juvenile justice facilities.	10,324,500	4,414,400	(400,000)
6. Asset Test Automation. This reduction would eliminate a new FY 2014-15 program that would automate the verification of assets and financial information as part of the eligibility determination process for public assistance programs, including food and cash assistance.	5,000,000	2,750,000	(2,750,000)
7. Redetermined Adoption Assistance. The reduction would retain \$1.0 million GF/GP for a program that allows adoptive parents to claim supplemental payments for children with special needs which were present but had not yet been identified at the time of adoption.	7,900,000	7,547,400	(6,547,400)
8. Recoupment Positions. The proposal would cut 1.0 FTE.	N/A	N/A	(21,700)
9. Reclassify Non-Family Independence Specialist Positions. The proposal would change position classifications.	N/A	N/A	(82,500)
10. Healthy Michigan Call Center. This reduction is based on a projected lapse in funding. Implementation of the Call Center was delayed due to several factors, including compliance with Federal personnel requirements.	19,536,300	5,647,500	(2,181,900)
11. Child Welfare Training Institute (CWTI). The reduction is due to a projected lapse in funding. The CWTI provides training for and evaluation of child welfare staff.	8,142,900	2,907,000	(50,000)
TOTAL REDUCTION:			(\$15,492,800)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Health Professions Regulation. Reduce GF/GP appropriations. This item would reduce GF/GP appropriations within the Bureau of Healthcare Services for use in the regulation of health professions. There are other fund sources that can be used in lieu of the GF/GP that would be removed via this reduction, so the item would have little impact on the Bureau's operations.	\$27,902,800	\$200,000	(\$100,000)
2. Health Systems Regulation. Reduce GF/GP appropriations. This item would reduce GF/GP appropriations within the Bureau of Healthcare Services for use in the regulation of health systems. There are other fund sources that can be used in lieu of the GF/GP that would be removed via this reduction, so the item would have little impact on the Bureau's operations.	28,945,400	5,852,600	(100,000)
TOTAL REDUCTION:			(\$200,000)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF NATURAL RESOURCES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Nonmotorized Trail Development and Maintenance Grants. Reduce funding. The FY 2014-15 DNR budget included funding for grants for the creation and maintenance of nonmotorized trails, focusing primarily on Michigan's section of the North Country Trail, which connects Belle Isle to Ironwood.	\$1,250,000	\$1,250,000	(\$1,000,000)
2. Forest Recreation and Trails. Reduce funding. This item would reduce GF/GP appropriations for this program by eliminating 1.0 unfilled FTE position that was added to the budget as part of a \$550,000 GF/GP increase that was included for this program in FY 2014-15. This position was never filled so the reduction would result in no changes to the current program.	6,265,700	825,100	(150,000)
3. Mackinac Island State Park Operations. Reduce funding. This item would reduce GF/GP appropriations for this program by eliminating 1.0 unfilled FTE position that was added to the budget as part of a \$250,000 GF/GP increase that was included for this program in FY 2014-15. This position was never filled so the reduction would result in no changes to the current program.	442,200	250,000	(50,000)
4. Michigan Historical Center. Reduce funding. This item would reduce GF/GP appropriations for this program by eliminating 0.5 unfilled FTE position that was added to the budget as part of a \$450,000 GF/GP increase that was included for this program in FY 2014-15. This position was never filled so the reduction would result in no changes to the current program.	4,172,100	3,201,800	(50,000)
5. State Parks Repair and Maintenance. Delay projects. The FY 2014-15 DNR budget includes an additional \$3.5 million in GF/GP for capital outlay at State parks. The 2016 DNR five-year Capital Outlay plan indicates that approximately \$330.0 million in capital outlay needs exist in the State parks system in total.	12,250,000	3,500,000	(250,000)
TOTAL REDUCTION:			(\$1,500,000)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF STATE POLICE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. New Trooper School. Reduce size of number of targeted graduates from 100 to 60 for school which is to begin in February 2015. Reduction would result in projected statewide trooper strength of 1,229 in September 2015, 40 less than otherwise would have been anticipated.	\$12,700,000	\$11,800,000	(\$2,827,100)
2. Local Public Safety Initiative. Reduce the amount of funding for the one-time grant program for K-12 schools/local county sheriffs for school safety initiatives from \$4,550,000 to \$4,050,000.	4,550,000	4,550,000	(500,000)
3. Capitol Security. Eliminate four vacant positions.	2,577,700	2,577,700	(294,000)
4. Disaster Assistance Fund. Use of \$30.0 million GF/GP appropriated in FY 2013-14 under P.A. 356 of 2014 for individual disaster assistance related to Detroit-area flooding was only \$14.0 million, \$16.0 million less than appropriated.	0	0	(16,000,000)
5. Motor Carrier School. Eliminate planned FY 2014-15 Motor Carrier School, which was to begin in the Spring of 2015 and designed to graduate 31 motor carrier officers.	3,210,000	3,210,000	(3,210,000)
6. Urban Search and Rescue Task Force. Eliminate funding for the Michigan Mutual Aid Box Alarm System in support of an Urban Search and Rescue Task Force.	500,000	500,000	(500,000)
TOTAL REDUCTION:			(\$23,331,100)

EXECUTIVE ORDER 2015-5

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Michigan Public Safety Communication System Lifecycle and Radio Replacement. Delay implementation. Additional funding was provided for lifecycle replacement of the system and equipment as the current system and equipment is outdated.	\$25,300,000	\$25,300,000	(\$3,500,000)
2. Enterprisewide Special Maintenance. Reduce expansion. The budget included an increase of \$5.0 million for ongoing costs to support special maintenance needs across all State departments and agencies.	23,000,000	23,000,000	(5,000,000)
3. Regional Prosperity Grants. Reduce funding. The budget converted former one-time funding of \$2.5 million in grants into ongoing funding for FY 2014-15. The budget also included one-time funding in FY 2014-15 of \$1.0 million. These grants are used to form regional prosperity councils with representation from regional adult education, workforce development, economic development, transportation, and higher education organizations to develop Regional Prosperity Plans, including status reports of approved five-year plans and 10-year economic development blueprints, performance dashboards, measurable annual goals, and a prioritized list of regional projects.	3,500,000	3,500,000	(500,000)
4. Information Technology (IT) Investment Fund. Reduce expansion. Funding for FY 2014-15 was increased by \$16.0 million to provide funding for various IT-related projects which include upgrading or replacing legacy systems.	63,000,000	63,000,000	(2,500,000)
5. Homeland Security/Cyber Security Initiative. Reduce expansion. The budget included new funding of \$6,785,000 and 3.0 FTEs to enhance Michigan's cyber security posture to better secure the State's data and information.	9,068,200	9,068,200	(1,000,000)
6. Office of Urban Initiatives. Reduce funding. The budget included one-time funding of \$5.0 million to distribute funds to support urban and metropolitan initiatives respective to transportation, public services, land use, housing, and workforce development.	5,000,000	5,000,000	(1,000,000)
7. Litigation Costs. Reduce funding. The budget provided \$4.0 million in one-time funding for litigation costs anticipated by the Department to be incurred in FY 2014-15. This was an increase of \$2.0 million from the one-time funding provided in FY 2013-14.	4,000,000	4,000,000	(2,000,000)

8. Information, Communications, and Technology (ICT) Innovation Fund. The ICT Innovation Fund is administered by the Department for the purpose of providing a revolving, self-sustaining resource for financing ICT innovation projects for State agencies, local units of government, educational institutions, and nonprofit organizations, in addition to permitting outside contributions to the Fund and carry forward of money within the Fund. Funding of \$2.5 million each year was appropriated in FY 2011-12, FY 2012-13, and FY 2013-14 for a total of \$7.5 million appropriated over that time period. There was no appropriation for this program contained in the FY 2014-15 budget. There is an estimated \$7.3 million of unspent funds remaining in the Fund as only one loan to date totaling \$250,000 has been approved and distributed to the Eastern Upper Peninsula Intermediate School District (ISD) for the ISD to integrate IT systems across all school districts in that ISD. Repayment of the loan began in FY 2013-14.	0	0	(3,500,000)
TOTAL REDUCTION:			
	(\$19,000,000)		

EXECUTIVE ORDER 2015-5

DEPARTMENT OF TREASURY - OPERATIONS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Tax and Economic Policy. Reduce funding. The FY 2014-15 enacted budget appropriated \$13,100,000 to this line item to support the Office of Revenue and Tax Analysis. Through administrative efficiencies, there are \$600,000 in GF/GP savings with no impact on essential services.	\$13,100,000	\$5,895,800	(\$600,000)
2. Tax Compliance Reviews. Tobacco Tax Enforcement. Reduce funding. The FY 2014-15 enacted budget appropriated \$1,579,500 to this line item to oversee enforcement of the tobacco tax. Through administrative efficiencies, there are \$100,000 in GF/GP savings with no impact on essential services.	1,579,500	1,579,500	(100,000)
3. Senior Citizen Cooperative Housing Tax Exemption. Reduce funding. This program makes payments to locals in lieu of lost property tax revenue. Costs of this program have been shrinking, due in part to reassessments of property values. The reduction reflects an anticipated lapse amount.	12,020,000	12,020,000	(2,000,000)
TOTAL REDUCTION:			(\$2,700,000)

Table 6

SUMMARY OF FY 2014-15 EDUCATION SUPPLEMENTAL: HOUSE BILL 4110 GENERAL FUND/GENERAL PURPOSE (GF/GP)					
Budget Area	FY 2014-15 GF/GP Year-to-Date	MPERS/Nutrition Education Reductions	Community Colleges Fund Shift	Universities' MPERS Fund Shift	Total GF/GP Supp. Changes
Community Colleges	\$167,110,800	\$0	(\$167,110,800)	\$0	(\$167,110,800)
Higher Education	1,214,902,000	0	0	(2,000,000)	(2,000,000)
School Aid (K-12)	114,900,000	(81,200,000)	0	0	(81,200,000)
Total Education Supplemental	\$1,496,912,800	(\$81,200,000)	(\$167,110,800)	(\$2,000,000)	(\$250,310,800)

Table 7

SUMMARY OF FY 2014-15 GENERAL SUPPLEMENTAL: HOUSE BILL 4112 GENERAL FUND/GENERAL PURPOSE (GF/GP)					
Department/Budget Area	FY 2014-15 GF/GP Year-to-Date	GF/GP Reductions	GF/GP Caseload Adjustments	GF/GP Increases	Total GF/GP Supp. Changes
Agriculture and Rural Development	\$45,916,200	\$0			\$0
Attorney General	38,267,100	0			0
Civil Rights	13,448,200	0			0
Community Colleges	167,110,800	0			0
Community Health	3,239,701,400	(34,444,600)	(100,000,000)		(134,444,600)
Corrections	1,980,798,400	(2,900,000)			(2,900,000)
Education	82,083,000	(2,589,100)			(2,589,100)
Environmental Quality	40,875,900	0			0
Executive	5,916,100	0			0
Higher Education	1,214,902,000	0			0
Human Services	995,452,600	(8,007,300)	9,203,000		1,195,700
Insurance and Financial Services	55,000	0			0
Judiciary	186,527,400	0			0
Legislative Auditor General	14,937,300	0			0
Legislature	127,420,700	0			0
Licensing and Regulatory Affairs	40,133,800	(112,500)			(112,500)
Military and Veterans Affairs	49,154,500	0		3,300,000	3,300,000
Natural Resources	48,591,500	(500,000)			(500,000)
School Aid	114,900,000	0			0
State	17,539,000	0		200,000	200,000
State Police	414,171,000	0			0
Technology, Management, and Budget	479,098,500	(17,800,000)			(17,800,000)
Transportation	284,647,900	0			0
Treasury-Debt Service	152,395,000	0			0
Treasury-Operations	118,118,300	(4,750,000)		11,000,000	6,250,000
Treasury-Revenue Sharing	0	0			0
Treasury-Strategic Fund	244,642,500	(22,000,000)			(22,000,000)
Total General Supplemental Bill	\$10,116,804,100	(\$93,103,500)	(\$90,797,000)	\$14,500,000	(\$169,400,500)

FY 2014-15 SUPPLEMENTAL - H.B. 4110

COMMUNITY COLLEGES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change								
1. School Aid Fund Shift. The FY 2014-15 appropriation for the Community College Budget totaled \$364,724,900, funded by \$167,110,800 from the State General Fund and \$197,614,100 from the School Aid Fund. The supplemental shifts funding for the entire Community College Budget to the School Aid Fund. Funding shifts include:	\$364,724,900	\$167,110,800	(\$167,110,800)								
<table><tr><td>Operations</td><td>\$111,310,800</td></tr><tr><td>MPSERS Reform</td><td>52,300,000</td></tr><tr><td>Renaissance Zone Reimbursements</td><td>3,500,000</td></tr><tr><td>Total:</td><td>\$167,110,800</td></tr></table>	Operations	\$111,310,800	MPSERS Reform	52,300,000	Renaissance Zone Reimbursements	3,500,000	Total:	\$167,110,800			
Operations	\$111,310,800										
MPSERS Reform	52,300,000										
Renaissance Zone Reimbursements	3,500,000										
Total:	\$167,110,800										
TOTAL CHANGE:			(\$167,110,800)								

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF COMMUNITY HEALTH

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Community Mental Health (CMH) Non-Medicaid Services. The proposed supplemental includes \$20.0 million in Roads and Risks Reserve Fund revenue to increase appropriations to CMHs for non-Medicaid services.	\$97,050,400	\$97,050,400	\$0
2. State Innovation Model Grant. This \$20.0 million Federal grant in the Health Policy Administration line would be used to implement Michigan's State Health Care Innovation Plan, with goals including increased use of patient-centered medical homes, community capacity building, a focus on paying for value, and infrastructure support.	0	0	0
3. Integrated Care for Dual Eligible Administrative Grant. The proposed supplemental includes a \$7,412,000 Federal grant to support the dual eligible waiver. The dual eligible waiver allows (but does not mandate) individuals who are eligible for both Medicare and Medicaid to enroll in an integrated care organization for their services.	0	0	0
4. Specialty Network Access Fee (SNAF) Adjustment. The State is allowed by the Federal government to match funds provided by publicly affiliated clinics to increase Medicaid physician reimbursement to such clinics to near commercial reimbursement rates. The Federal government does not allow the use of match from clinics that are not publicly affiliated. Publicly affiliated clinics include those affiliated with the University of Michigan, Michigan State University, Wayne State University, and Hurley Hospital. The supplemental would recognize an additional \$70.3 million in Federal match earned through the SNAF program.	N/A	N/A	0
5. Increase in State Psychiatric Disproportionate Share Hospital (DSH) Payment. The State makes DSH payments up to the Medicare Upper Payment Limit (UPL) to State facilities that are used to leverage Federal dollars that offset GF/GP. There is greater room under the UPL in FY 2014-15 than was assumed in the enacted budget.	N/A	N/A	(15,770,600)
6. Medicaid Base and Caseload Adjustment. The Medicaid caseload dropped by about 90,000 cases in late 2014, leading to a reduction in costs for the Medicaid program.	12,981,795,300	2,511,318,600	(100,000,000)

7. Medicaid Expansion (Healthy Michigan Plan) Base and Caseload Adjustment. The proposed supplemental reflects a slight decline (\$10,575,200) in the cost of the behavioral health portion of Medicaid expansion, due to a revised estimate of the average cost per case for behavioral health services. The supplemental includes an increase of \$371,693,600 on the physical health side due to the caseload, which now exceeds 500,000. The net adjustment is an increase of \$360,118,400 Gross and Federal. There is no GF/GP impact as the Medicaid expansion is funded, until the end of 2016, with 100% Federal match.	2,651,022,800	0	0
8. Use Remaining Roads and Risks Reserve Fund Revenue to Offset GF/GP. The supplemental would use the \$2.0 in remaining Roads and Risks Reserve revenue to offset GF/GP. The other \$20.0 million would be used to increase CMH non-Medicaid funding, as noted above.	N/A	N/A	(2,000,000)
9. Increase in Health Insurance Claims Assessment (HICA) Revenue. Due to increased purchase of health insurance, HICA revenue is projected to exceed the appropriated amount.	N/A	N/A	(6,474,000)
10. Adjustment to Reflect Actual Medicaid Certified Public Expenditures (CPE). The State uses the CPE process to leverage Federal funds that offset GF/GP for public entities that have uncompensated care. The total available amount of such Federal revenue is greater than anticipated and would offset an equal amount of GF/GP.	N/A	N/A	(5,900,000)
11. Use Autism Coverage Fund Revenue to Offset GF/GP. The enacted budget included \$3.0 million in GF/GP to provide \$1.0 million apiece to autism centers at Eastern Michigan, Western Michigan, and Michigan State Universities. The proposed supplemental would use excess Autism Coverage Fund revenue to replace the GF/GP used for these programs. The use of Autism Coverage Fund revenue would require a statutory change.	3,000,000	3,000,000	(3,000,000)
12. Use Crime Victim Rights Fund Revenue to Offset GF/GP for Statewide Trauma System. The enacted budget included \$1.3 million GF/GP to support a statewide trauma system. The proposed supplemental would use excess Crime Victim Rights Fund revenue to replace the GF/GP used for the system. The use of Crime Victim Rights Fund revenue would require a statutory change.	1,300,000	1,300,000	(1,300,000)
TOTAL CHANGE:	(\$134,444,600)		

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF CORRECTIONS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Parole and Probation Oversight Fee Set-Aside Fund Shift. Currently, there is a \$3.5 million unspent balance in fees collected from individuals on parole and probation. The oversight fee set-aside is 20.0% of the collected fees dedicated for administration and enhanced services. This reduction will spend down \$2.9 million in the Fund as a GF/GP fund shift.	\$278,901,300	\$270,355,800	(\$2,900,000)
TOTAL CHANGE:			(\$2,900,000)

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF EDUCATION

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Financial Independence Team. Reduce funding. This line item was created in the FY 2014-15 enacted budget in addition to an increase in the Office of Educational Improvement and Innovation Services in order to work with the Department of Treasury to create an early warning system to identify and provide assistance to financially distressed districts and intermediate school districts (ISDs). The combined appropriation was \$778,100 GF/GP and 4.0 FTEs. The reduction is 50% of the total amount: \$350,000 is being reduced in the Financial Independence Team line item and \$39,100 is being reduced from the Educational Improvement and Innovation Services line item.	\$778,100	\$778,100	(\$389,100)
2. MPSERS Payments to Libraries. Line item transfer. This line item makes MPSERS payments to libraries that are participating in MPSERS. The transfer would move this line item from the Department of Education to the School Aid budget resulting in a GF/GP reduction of \$2.2 million.	2,200,000	2,200,000	(2,200,000)
3. Child Development and Care Program. Increased Federal funds. There are \$11,805,700 in additional Federal funds for the Child Development and Care program. No additional GF/GP is required to meet matching or maintenance of effort (MOE) requirements. Of the total, \$764,000 is authorized to raise the eligibility threshold to 250% of the poverty line; \$7,973,700 is authorized to create a 12-month continuous eligibility model for assistance; and \$3,068,000 is authorized to increase provider reimbursement rates for high quality licensed and registered programs as defined by the Great Start to Quality rating system. These figures assume a mid-year implementation.	\$110,292,000	\$38,988,800	0
TOTAL CHANGE:			(\$2,589,100)

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF ENVIRONMENTAL QUALITY

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
2. Underground Storage Tank (UST) Cleanup Program. This item would provide funds to address privately-owned leaking underground storage tanks. The fund and program were created by Public Act 416 of 2014. The UST Cleanup Fund receives the first \$20.0 million of the 7/8 th cent environmental regulatory fee paid on each gallon of refined petroleum products in Michigan. The remainder of that revenue is credited to the Refined Petroleum Fund, as all of this revenue had been before the enactment of this program.	\$0	\$0	\$0
3. Aquatic Nuisance Control Program Transfer. This item would remove \$900,000 from the Surface Water line-item (\$782,000 restricted, \$118,000 Federal) and transfer that appropriation authority to a new Aquatic Nuisance Control Program line item which would be funded by \$900,000 from the newly-created Aquatic Nuisance Control Fund, which was created under Public Act 253 of 2014.	0	0	0
TOTAL CHANGE:	\$ 0		

FY 2014-15 SUPPLEMENTAL - H.B. 4110

HIGHER EDUCATION

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Michigan Public School Employees Retirement System (MPERS) Reimbursement. The FY 2014-15 budget includes funding to partially offset increases in unfunded accrued liability costs for universities that have employees in the Michigan Public School Employees Retirement System (Central, Eastern, Ferris, Lake Superior, Michigan Tech, Northern, and Western). The supplemental shifts \$2.0 million from State General Fund to the School Aid Fund, effectively financing the entire cost to State School Aid Fund.	\$6,448,400	\$2,000,000	(\$2,000,000)
TOTAL CHANGE:			(\$2,000,000)

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF HUMAN SERVICES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. TANF and GF/GP Fund Shift. Increases Federal Temporary Assistance for Needy Families (TANF) in the Adoption Subsidies line item by \$7.0 million to offset GF/GP spending by the same amount.	\$247,723,200	\$94,504,500	(\$7,000,000)
2. Travel Expenditures. Reduces reimbursements for employee training-related travel costs. A TANF and GF/GP fund shift of \$107,000 is included.	N/A	N/A	(153,000)
3. Executive Laptops. Eliminates laptops for executives who have both a tablet and a laptop.	N/A	N/A	(15,900)
4. Disability Determination Services Fund Shift. Recognizes increased Federal revenue due to the consolidation of the State Medical Review Team and Disability Determination Services.	N/A	N/A	(206,400)
5. PATH Coordinator Positions. Reduces total staff positions of 46.0 FTEs by 9.0 FTEs. Partnership. Accountability. Training. Hope. (PATH) is the State's welfare-to-work program. A TANF and GF/GP fund shift of \$175,400 is included.	N/A	N/A	(275,600)
6. Peer Coaches Positions. Reduces total staff positions of 56.0 FTEs by 10.0 FTEs. Peer Coaches oversee planning and implementation for permanent placements for children in foster care. A TANF and GF/GP fund shift of \$98,400 is included.	3,427,200	1,286,200	(315,900)
7. Office of Inspector General Fund Shift. Recognizes increased Federal revenue available for disability investigations in the Office of Inspector General.	7,540,200	1,765,600	(40,500)
8. Family Independence Program (FIP). Reduces caseload from 32,800 to 31,800 and monthly cost-per-case from \$363 to \$361.13. Offsets a reduction in available restricted revenue from child support collections with \$3.2 million GF/GP.	146,603,000	54,028,500	(1,850,500)
9. State Disability Assistance (SDA). Reduces caseload from 6,500 to 6,100 cases and increases cost-per-case by \$1 to \$214. Offsets a decrease in available restricted revenue from SSI Recoveries with \$5.4 million GF/GP.	14,373,000	3,745,400	6,685,800
10. Foster Care Payments. Reduces caseload from 6,500 to 6,400 and includes a fund source adjustment to align GF/GP revenue needed in the line item.	192,240,200	70,238,600	4,338,100
11. Supplemental Security Income (SSI). Reduces caseload from 277,500 to 276,600 and increases cost-per-case from \$18.77 to \$18.84.	62,504,100	62,504,100	29,600
12. Food Assistance Program (FAP). Reduces caseload from 860,000 to 854,700 and increases cost-per-case from \$246.83 to \$248.36.	2,547,185,600	0	0
TOTAL CHANGE:			\$1,195,700

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Workers Compensation Administration Fund Shift. Replace GF/GP with Corporations Fees. This item would replace \$112,500 GF/GP in the Workers' Compensation Administration with available Corporations Fees. This would have no programmatic impact.	\$7,758,000	\$3,451,800	(\$112,500)
TOTAL CHANGE:			(\$112,500)

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Training Sites Billeting Fund. The appropriation of \$1.5 million in restricted revenue for Departmental and National Guard Operations would be to reflect department costs of maintaining visitor housing at Fort Custer and Camp Grayling (janitorial, laundry, etc.) to be reimbursed through charges to military and civilian personnel who utilize those training facilities.	\$63,046,400	\$14,233,800	\$0
2. Restricted Revenue Funding Shortfall - State Veterans Homes. The appropriation for the Michigan Veterans' Homes would undergo a funding shift from lower-than-expected receipt of Income and Assessment revenue (\$2.8 million for the Grand Rapids Veterans' Home and \$500,000 for the D.J. Jacobetti Veterans' Home) to General Fund support.	66,567,900	18,793,000	3,300,000
TOTAL CHANGE:			\$3,300,000

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF NATURAL RESOURCES

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Wildfire Protection. Fund shift. This item would reduce the amount of GF/GP appropriated for this program by \$500,000 and replace it with available Forest Development Fund revenue. As part of the FY 2014-15 DNR budget, \$4.0 million in Forest Development Fund appropriation authority was moved from the Forest Management and Timber Market Development line to this line, and GF/GP was shifted to compensate. This fund shift would have no programmatic impact.	\$13,307,400	\$8,212,300	(\$500,000)
2. Forest Management and Timber Market Development. This item would provide \$4.0 million in Forest Development Fund authority to purchase technology and cultivation equipment. Revenue is available to support this appropriation and is derived from timber sales on State land.	27,253,900	0	0
3. Wildlife Management. This item would provide \$2.2 million in Federal authority which would allow the DNR to spend Pittman-Robertson grants it has already received. These grants came in at a higher level than was anticipated due to increased sales of firearms and ammunition.	33,945,800	1,788,400	0
4. Marketing & Outreach-Shooting Range Improvement. This item would provide \$1.0 million in authority to spend Federal Pittman-Robertson funds on improvements to shooting ranges.	15,173,500	415,400	0
5. State Parks - Belle Isle Park Subaccount. The lease agreement for Belle Isle with the City of Detroit requires a separate accounting of revenue derived from operations at Belle Isle Park. This item would provide that separate accounting and allow for the DNR to spend those \$1.0 million of those funds.	62,347,200	1,741,000	0
6. Deer Habitat Improvement Grants. This item would provide \$150,000 in additional Game and Fish Protection Fund - Deer Habitat Reserve funds available for grants to groups engaged in deer habitat improvement activities.	50,000	0	0
TOTAL CHANGE:			
			\$ (500,000)

FY 2014-15 SUPPLEMENTAL - H.B. 4110

SCHOOL AID

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. MPSERS Additional Liability Payment. The supplemental would eliminate remaining payments of a new categorical that made an additional payment toward the unfunded accrued liability in the Michigan Public School Employees' Retirement System (MPSERS). The total appropriation was \$108.0 million; roughly \$88.5 million remains unspent. This was funded with School Aid Fund (SAF) revenue, but unearmarked GF/GP in the School Aid budget is proposed to be reduced by \$80.0 million of the \$88.5 million reduction. This then will be used to partially fill the projected shortfall in the General Fund. The overall GF/GP grant to the School Aid budget was \$114.9 million; the supplemental reduces it to \$33.7 million, of which \$80.0 million of the reduction is from this item, and \$1.2 million is from item #2 below.	\$108,000,000	\$0	(\$80,000,000)
2. Health and Nutrition Software Program. The supplemental proposes to eliminate this new program, which was to provide online software for health and nutrition education. The program was funded \$1.2 million out of the General Fund. The GF appropriation to the School Aid budget is proposed to be reduced by this \$1.2 million elimination (see #1 above).	1,200,000	1,200,000	(1,200,000)
3. MPSERS Rate Cap for Libraries. Currently, the Department of Education pays the MPSERS rate cap for participating libraries, at \$2.2 million out of the General Fund. The K-12 supplemental instead will fund the MPSERS rate cap for libraries, and the General Fund supplemental will eliminate the payment from the Department of Education's budget.	0	0	0
4. Statewide Public Resource Allocation Study. The Governor's proposal includes \$1.0 million GF/GP for a study required under Section 1281a of the Revised School Code that would review funding for education. The House did not include this funding.	0	0	0
5. Technical Cost Adjustments/Savings. The supplemental includes savings of \$96.0 million agreed to at the CREC, including \$1.0 million for cash flow borrowing, \$71.0 million for foundation allowances, and \$24.0 million for special education costs.	9,774,800,000	0	0
TOTAL CHANGE:			(\$81,200,000)

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF STATE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Special Election Costs. This supplemental funding would provide \$200,000 for IT costs related to the system upgrades that would need to be in place if the ballot proposal is approved and to run the special election. If voters approve the amendments to the State Constitution as authorized in House Joint Resolution UU, an additional \$1.0 million will be appropriated from the Michigan Transportation Fund to implement the changes.	\$0	\$0	\$200,000
2. Driver Responsibility Fee (DRF) Reforms. This \$1.0 million (all restricted funds, \$0 GF/GP) in supplemental funding would pay for the Department's increased administrative costs associated with implementation of Public Act 250 of 2014. This Act will phase in the elimination of all DRFs beginning on October 1, 2015. The administrative costs that would be incurred are associated with the Department's costs to administer the ignition interlock program for violations involving driving while intoxicated/impaired.	0	0	0
TOTAL CHANGE:			\$200,000

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF STATE POLICE

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Disaster Assistance/Disaster and Emergency Contingency Fund. The bill would transfer \$3.0 million GF/GP from the amount of unexpended funds from the \$30.0 million GF/GP appropriated under 2014 PA 356 for Disaster Assistance, which provided matching funds for Federal assistance for individuals and State agencies in Macomb, Oakland, and Wayne counties affected by the flash flooding that occurred in August 2014, to the Disaster and Emergency Contingency Fund. This would provide the fund with \$3.0 million to be used in accordance with 1976 PA 390, and allow, in the event of the declaration of a state of disaster or a state of emergency by the Governor, to provide State assistance and also to provide funding assistance to counties and municipalities when Federal assistance is not available. The total of unexpended disaster-dedicated funds from 2014 PA 356 was \$19.0 million GF/GP, with the remaining \$16.0 million being lapsed to the General Fund under EO 2015-5.	\$32,500,000	\$30,000,000	\$0
TOTAL CHANGE:			\$ 0

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. State Building Authority (SBA) Rent. This supplemental includes a reduction of \$17.8 million GF/GP in the appropriation for SBA rent in order to recognize a net savings of anticipated lapsed funds due to differences between appropriated amounts and actual expenditures. The SBA is authorized to issue and sell bonds and notes for the acquisition and construction of facilities and state equipment. The debt service on the bonds is payable from lease revenue paid by the State pursuant to provisions of the leases. Appropriations for this lease revenue are contained in this line item and would be reduced as follows: State Agencies (\$9,963,000); Department of Corrections (\$8,181,000); and Community Colleges (\$291,000). The line item for Universities would be increased by \$635,000.	\$254,570,600	\$254,570,600	(\$17,800,000)
TOTAL CHANGE:			(\$17,800,000)

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF TRANSPORTATION

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. M-1 Rail Funding. Provides private funds and Federal grant funds totaling \$25,544,000 for the M-1 Rail street railway project in Detroit. M-1 rail would provide \$7,766,000 in private matching funds for Federal grants. Of the Federal grant funds, a Transportation Investment Generating Economic Recovery (TIGER) grant would provide \$12.2 million, a Congestion Mitigation and Air Quality grant would provide \$5.0 million, and a State Safety Oversight grant would provide \$578,000, for a total of \$17,778,000 in Federal grants. The Federal grant funds generally are restricted to funding the M-1 Rail project.	\$0	\$0	\$0
TOTAL CHANGE:			\$ 0

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF TREASURY - OPERATIONS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Financial Independence Team. Reduce funding. This line item was created in the FY 2014-15 enacted budget to work with the Michigan Department of Education to create an early warning system that identifies and provides support to financially distressed districts and ISDs. The appropriation was \$4.5 million GF/GP and 9.0 FTEs. The reduction is 50% and could result in the elimination of 3.0 FTEs.	\$4,500,000	\$4,500,000	(\$2,250,000)
2. Supervision of the General Property Tax Law. Reduce funding. The FY 2014-15 enacted budget appropriated \$18,817,500 to this line item to oversee the various property tax divisions. The reduction is 16.8% of GF/GP and impacts nonessential services.	18,817,500	11,878,700	(2,000,000)
3. Tax Compliance Reviews. Reduce funding. The FY 2014-15 enacted budget provided \$600,000 in additional appropriations and 6.0 FTE positions to expand the compliance review process due to changes in tax statutes. The reduction could result in the elimination of up to 3.0 FTEs.	45,452,100	2,887,000	(500,000)
4. Special Elections Grant. This funding would cover the costs of the May 2015 special election for Proposal 1 to increase the sales tax by one cent for the proposed transportation funding package. The average cost to run an election is an estimated \$2,000 per precinct and there are 5,200 precincts across the State of Michigan.	0	0	10,000,000
5. IT Services and Projects. This funding would cover IT costs that would need to be in place if the Road Funding package is approved. If voters approve the amendments to the State Constitution as authorized in House Joint Resolution UU, an additional \$1.0 million will be appropriated from the Michigan Transportation Fund to implement the changes.	25,151,100	7,573,400	1,000,000
6. Fraud Prevention Services. Restricted fund increase. Due to higher-than-expected revenue, \$1.6 million in delinquent tax collection revenue is being used to create a new line item to prevent and detect fraudulent income tax returns. No GF/GP is used in this increase.	0	0	0
7. Office of Collections. Restricted fund increase. This would appropriate \$550,000 in driver responsibility fees to this line item in order to implement the changes made by section 732b(2) in PA 250 of 2014. This section includes the community service requirements. No GF/GP is used in this increase.	26,303,200	1,911,400	0

8. Casino Gaming. Restricted fund increase. This uses \$3.0 million in extra restricted revenue from the Casino Gaming Fund and State Service Fees toward casino gaming upgrades for information technology replacement. No GF/GP is used in this increase.	25,269,400	0	0
TOTAL CHANGE:		\$6,250,000	

FY 2014-15 SUPPLEMENTAL - H.B. 4112

DEPARTMENT OF TREASURY - MICHIGAN STRATEGIC FUND

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 GF/GP Change
1. Michigan Film Incentive Program. Reduce funding. This line item is appropriated for the Michigan Film and Digital Media Incentive Program. The reduction total for FY 2014-15 is \$12.0 million in Gross and GF/GP, however, there are \$12.5 million in unspent appropriations from previous years that have been carried forward as a work project; if any of this amount has not been awarded, then it could be used to mitigate this reduction.	\$50,000,000	\$50,000,000	(\$12,000,000)
2. Entrepreneurship Eco-system. Reduce funding and shift to Business Attraction. This line item uses 21 st Century Jobs Trust Fund money, which is allowed under the Michigan Strategic Fund Act. This line item has no GF/GP. The reduction total for FY 2014-15 is \$7.8 million, however, there are \$1.5 million in unspent appropriations from previous years that have been carried forward as a work project; if any of this amount has not been awarded, then it could be used to mitigate this reduction.	25,000,000	0	0
3. Business Attraction and Community Revitalization. Transfer and reduce funding. The \$7.8 million reduction in the Entrepreneurship Eco-system line item is used as a fund shift to replace \$7.8 million in GF/GP with 21 st Century Jobs Trust Fund revenue in the Business Attraction and Community Revitalization line item. There is an actual reduction total for FY 2014-15 that is \$2.2 million in Gross appropriations. There are \$63.0 million in unspent appropriations from previous years that have been carried forward as a work project; if any of this amount has not been awarded, then it could be used to mitigate this reduction.	130,000,000	21,000,000	(10,000,000)
TOTAL CHANGE:			(\$22,000,000)

WORK PROJECT LAPSES

WORK PROJECT LETTER

DEPARTMENT OF CORRECTIONS

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Public Safety Initiative (PSI). In a letter dated February 11, 2015, the State Budget Director notified the House and Senate Committees on Appropriations that he ordered a lapse of \$3.0 million from the FY 2013-14 work project for the PSI. The funds are available for lapse because the Department spent less than the amount originally approved. FY 2013-14 was the third year of appropriations for the Public Safety Initiative, which provided a grant to the City of Flint to assist with operating the Flint lockup facility. Appropriations for this program were \$3.0 for FY 2011-12, and \$4.5 million for FYs 2012-13 through 2014-15. Of the \$7.1 million in unspent work project balances, \$3.0 million will lapse to the General Fund. An appropriation of \$4.5 million continues for FY 2014-15. The Management and Budget Act (MCL 18.1451a(2)) authorizes the director of DTMB to issue a directive to lapse an existing work project at any time. The director is required to notify members of the Senate and House Appropriations Committees and the fiscal agencies of the work projects that have been ordered to lapse. The Senate or House Appropriations Committee can disapprove the lapse within 30 days after the date of notification. If the directive is disapproved by either the Senate or House Appropriation Committee, it is not effective.	\$4,500,000	\$4,500,000	(\$3,000,000)
TOTAL REDUCTION:			(\$3,000,000)

WORK PROJECT LETTER

DEPARTMENT OF TREASURY - REVENUE SHARING

Program	Year-To-Date Gross Appropriation	Year-To-Date GF/GP Appropriation	FY 2014-15 Reduction Amount
1. Competitive Grant Assistance Program (CGAP). In a letter dated February 11, 2015, the State Budget Director notified the House and Senate Committees on Appropriations that he ordered a lapse of \$3.6 million from the FY 2013-14 work project for CGAP. This would result in a lapse of \$3.6 million from restricted sales tax revenue to the General Fund. The funds are available for lapse because they have not been awarded or awardees spent less than the amount originally approved. The proposed lapse will not impact any of the pending grants that have been awarded to local governments. FY 2013-14 was the third year of appropriations for CGAP, which provided grants for local government mergers and cooperative efforts to provide municipal services. Appropriations for this program were \$15.0 million each year in FY 2011-12, FY 2012-13, and FY 2013-14. In addition, \$602,000 over three years was transferred into the program from unclaimed funds under the Economic Vitality Incentive Program.	\$0	\$0	(\$3,600,000)
TOTAL REDUCTION:			(\$3,600,000)

The Management and Budget Act (MCL 18.1451a(2)) authorizes the director of DTMB to issue a directive to lapse an existing work project at any time. The director is required to notify members of the Senate and House Appropriations Committees and the fiscal agencies of the work projects that have been ordered to lapse. The Senate or House Appropriations Committee can disapprove the lapse within 30 days after the date of notification which would be prior to March 13, 2015. If the directive is disapproved by either the Senate or House Appropriation Committee, it is not effective.