JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

ROBERT L. EMERSON
DIRECTOR

February 8, 2007

The Honorable Ron Jelinek, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48901

The Honorable George Cushingberry, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48901

Dear Legislators:

Attached please find a recommendation for supplemental appropriations in Community Colleges, Higher Education, Judiciary, Legislature, and the departments of Community Health, Corrections, Human Services, Labor and Economic Growth, Management and Budget, Military and Veterans Affairs, and Treasury for fiscal year 2007. These supplemental appropriations are part of an overall strategy to resolve the current year budget problems.

If you have any questions about this supplemental, please contact Nancy Duncan at 373-0870.

Sincerely,

Robert L. Emerson
State Budget Director

Attachment

cc: Michael Bishop, Senate Majority Leader
Andy Dillon, Speaker of the House
Mark Schauer, Senate Minority Leader
Craig DeRoche, House Minority Leader
Senate Appropriations Clerk
House Appropriations Clerk
Senate Fiscal Agency
House Fiscal Agency

Departments
Mary Lannoye, Executive Office
Tim Hughes, Executive Office
Nancy W. Duncan, Deputy State Budget Director
Michael J. Moody, Financial Management
Internal State Budget Office

1 **COMMUNITY COLLEGES**

2 **BOILERPLATE LANGUAGE:**

3 Sec. XXX. Upon enactment of legislation reassigning the
4 assets held by the Michigan public school employees retirement
5 system to their fair market value as of September 30, 2006, the
6 director of the department of management and budget shall direct
7 the retirement system to issue credits to community colleges for
8 the year ending September 30, 2007, not to exceed an aggregate of
9 $10,900,000.00. The credits shall be used to meet the required
10 pension obligations of each community college and shall reduce the
11 amount of pension contributions otherwise due from that community
12 college based on the original contribution rate, to reflect the
13 change to the fair market value. The credit provided under this
14 subsection for a particular community college shall be determined
15 based on that community college's percentage of the total statewide
16 payroll for all community colleges for the year ending September
17 30, 2006. A credit issued on behalf of a community college shall
18 be considered to be a payment on behalf of the community college
19 for general operations.

20 **EXPLANATION:**

21 Executive Order 2007-1 reduces fiscal year 2007 payments to
22 community colleges by $10,900,000.00. This section clarifies that
23 each college will receive a credit that will reduce the college's
24 required pension payment to the retirement system by an amount
25 equal to that college's Executive Order reduction.

1 **COMMUNITY HEALTH**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION	$	(28,653,500)
4 Interdepartmental grant revenues:		
5 Total interdepartmental grants and intradepartmental		
6 transfers		0
7 ADJUSTED GROSS APPROPRIATION	$	(28,653,500)
8 Federal revenues:		
9 Total federal revenues		(47,967,700)
10 Special revenue funds:		
11 Total local revenues		0
12 Total private revenues		0
13 Merit award trust fund		(69,600,000)
14 Total other state restricted revenues		(20,252,000)
15 State general fund/general purpose	$	109,166,200

16 **(2) COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

17 Medicaid mental health services	$	7,481,900
18 Community mental health non-Medicaid services		1,700,000
19 Medicaid substance abuse services		(1,103,100)
20 GROSS APPROPRIATION	$	8,078,800
21 Appropriated from:		
22 Federal revenues:		
23 Total federal revenues		3,596,400
24 Special revenue funds:		
25 Total other state restricted revenues		(4,075,300)

1 State general fund/general purpose..... $ 8,557,700

2 **EXPLANATION:**

3 This request recognizes an additional $5.5 million gross, $2.1
4 million general fund needed to support projected mental health and
5 substance abuse caseload spending.

6 The supplemental also recognizes a delay in implementing
7 federal level pharmacy rebates for prescription drugs paid through
8 health plans, reducing savings attributable to carving anti-
9 psychotic prescription drugs into health plan rates by $2.7 million
10 general fund.

11 Also included in this supplemental is an additional $7.3
12 million gross, $3.8 million general fund to fully fund the 2%
13 mental health direct care worker increase mandated in Section 405
14 of P.A. 330 of 2006.

15 **(3) EPIDEMIOLOGY**

16 Pandemic influenza drugs ..... $ 15,670,000

17 GROSS APPROPRIATION ..... $ 15,670,000

18 Appropriated from:

19 Special revenue funds:

20 State general fund/general purpose..... $ 15,670,000

21 **EXPLANATION:**

22 This supplemental appropriates $15,670,000 in general fund/
23 general purpose revenue for the purchase of antiviral drugs which
24 will be used in the event of a global or pandemic flu outbreak.
25 The State of Michigan has ordered and is currently receiving

1 shipments of these drugs. They will be used to help prevent
2 infection for people at risk and lessen the severity of symptoms of
3 those infected with influenza.

4 **(4) CRIME VICTIM SERVICES COMMISSION**

5 Crime victim's rights fund revenue to department
6 of human services ..... $ 1,300,000
7 GROSS APPROPRIATION ..... $ 1,300,000
8 Appropriated from:
9 Special revenue funds:
10 Total other state restricted revenues..... 1,300,000
11 State general fund/general purpose..... $ 0

12 **EXPLANATION:**

13 This supplemental requests $1.3 million in state restricted
14 revenue be appropriated to provide an IDG to the Department of
15 Human Services (DHS). Crime victim's rights fund revenues will
16 support rape prevention and treatment activities and offset general
17 fund within DHS. A state law change is required prior to use of
18 the revenue within DHS.

19 **(5) MEDICAL SERVICES ADMINISTRATION**

20 Health information technology initiatives..... $ 7,250,000
21 GROSS APPROPRIATION ..... $ 7,250,000
22 Appropriated from:
23 Special revenue funds:
24 Total other state restricted revenues..... 7,250,000
25 State general fund/general purpose..... $ 0

1 **EXPLANATION:**

2 This supplemental requests $7.3 million in state restricted
3 funds to finance the health information technology initiatives line
4 item, offsetting $7.3 million in appropriated general fund which
5 was removed from the budget in Executive Order 2007-1. There is a
6 sufficient anticipated fund balance in the Health Professions
7 Regulatory Fund to finance these projects.

8 **(6) MEDICAL SERVICES**

9	Hospital services and therapy	$ 2,475,000
10	Long-term care services	(45,865,000)
11	Health plan services	(18,212,300)
12	MIChild program	650,000
13	Subtotal basic medical service program.....	(60,952,300)
14	Special Medicaid reimbursement	0
15	Subtotal special medical services payments.....	0
16	GROSS APPROPRIATION	$ (60,952,300)
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues	(51,564,100)
20	Special revenue funds:	
21	Merit award trust fund	(69,600,000)
22	Total other state restricted revenues.....	(24,726,700)
23	State general fund/general purpose.....	$ 84,938,500

24 **EXPLANATION:**

1 This request recognizes a savings of $46 million gross, $20.1
2 million general fund in the long-term care services line. In fiscal
3 year 2006, this line item lapsed $46 million that is expected to
4 carry forward into fiscal year 2007.
5 The supplemental also recognizes a delay in implementing
6 federal level pharmacy rebates for prescription drugs paid through
7 health plans, reducing expected savings for the year by $50 million
8 gross, $21.5 million general fund. This delay will also reduce
9 savings attributable to carving anti-depressant prescription drugs
10 into health plan rates by $1.6 million general fund.
11 Also included in this supplemental is a reduction of expected
12 savings from the Plan First Family Planning Waiver. While that
13 program continues to expand its enrollment each month, its
14 anticipated savings in fiscal year 2007 is $6.7 million less than
15 appropriated. The savings were overestimated as part of the 2007
16 appropriation process, anticipating a higher enrollment than can be
17 achieved in the current year.
18 There are a number of appropriated savings facing delay
19 because of pending federal approval and contracting needs. These
20 include health information technology initiatives; additional
21 health plan quality assurance assessment revenue from an increase
22 in the hospital and graduate medical education payments paid
23 through health plan rates; increased co-payment for emergency room
24 services; reduced guardianship fee limit for long-term care
25 eligibles; and increased premiums for MIChild program

1 beneficiaries. Total savings from these initiatives will be $5.7
2 million general fund less than appropriated in the current year, as
3 recognized in the health plan services, hospital services, long-
4 term care services, and MIChild program line items above.
5 The supplemental also recognizes a loss of $4.0 million in
6 general fund savings related to special Medicaid payments
7 (certified public expenditures) with an accompanying adjustment to
8 replace these lost savings with hospital quality assurance
9 assessment program revenues.
10 Finally, this supplemental appropriates general fund revenues
11 to offset a reduction in available Merit Award Trust Fund revenues
12 of $69.6 million and appropriates an increase in available revenues
13 in the Medicaid Benefits Trust Fund of $12.5 million.
14

1 **CORRECTIONS**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION	$	39,200,000
4 Interdepartmental grant revenues:		
5 Total interdepartmental grants and intradepartmental		
6 transfers		0
7 ADJUSTED GROSS APPROPRIATION	$	39,200,000
8 Federal revenues:		
9 Total federal revenues		0
10 Special revenue funds:		
11 Total local revenues		0
12 Total private revenues		0
13 Total other state restricted revenues.....		0
14 State general fund/general purpose.....	$	39,200,000

15 **(2) HEALTH CARE**

16 Hospital and specialty care services.....	$	12,600,000
17 Northern region clinical complexes.....		690,000
18 Southeastern region clinical complexes.....		1,440,000
19 Southwestern region clinical complexes.....		870,000
20 GROSS APPROPRIATION	$	15,600,000
21 Appropriated from:		
22 Special revenue funds:		
23 State general fund/general purpose.....	$	15,600,000

24 **(3) CORRECTIONAL FACILITIES ADMINISTRATION**

25 Inmate housing fund	$	23,600,000

1 GROSS APPROPRIATION ..... $ 23,600,000

2 Appropriated from:

3 Special revenue funds:

4 State general fund/general purpose..... $ 23,600,000

5 **EXPLANATION:**

6 This supplemental request increases funding for prisoner
7 health care due to higher than anticipated costs. It also includes
8 funding for higher than projected prisoner population. Through the
9 end of December 2006, actual population exceeded projections by
10 1,540 inmates. Should the legislature fail to enact proposed boot
11 camp placement changes that were agreed to as part of the original
12 FY 2007 budget, the projected unfunded bed liability will increase
13 by $4 million.

14

1 **HIGHER EDUCATION**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION ..... $ (69,368,000)

4 Interdepartmental grant revenues:

5 Total interdepartmental grants and intradepartmental

6 transfers 0

7 ADJUSTED GROSS APPROPRIATION ..... $ (69,368,000)

8 Federal revenues:

9 Total federal revenues 0

10 Special revenue funds:

11 Total local revenues 0

12 Total private revenues 0

13 Total other state restricted revenues..... 0

14 State general fund/general purpose..... $ (69,368,000)

15 **(2) CENTRAL MICHIGAN UNIVERSITY**

16 Operations ..... (3,744,700)

17 GROSS APPROPRIATION ..... $ (3,744,700)

18 Appropriated from:

19 Special revenue funds:

20 State general fund/general purpose..... $ (3,744,700)

21 **(3) EASTERN MICHIGAN UNIVERSITY**

22 Operations ..... (3,553,100)

23 GROSS APPROPRIATION ..... $ (3,553,100)

24 Appropriated from:

25 Special revenue funds:

1 State general fund/general purpose..... $ (3,553,100)

2 **(4) FERRIS STATE UNIVERSITY**

3 Operations ..... (2,274,800)

4 GROSS APPROPRIATION ..... $ (2,274,800)

5 Appropriated from:

6 Special revenue funds:

7 State general fund/general purpose..... $ (2,274,800

8 **(5) GRAND VALLEY STATE UNIVERSITY**

9 Operations ..... (2,945,400)

10 GROSS APPROPRIATION ..... $ (2,945,400)

11 Appropriated from:

12 Special revenue funds:

13 State general fund/general purpose..... $ (2,945,400)

14 **(6) LAKE SUPERIOR STATE UNIVERSITY**

15 Operations ..... (587,700)

16 GROSS APPROPRIATION ..... $ (587,700)

17 Appropriated from:

18 Special revenue funds:

19 State general fund/general purpose..... $ (587,700)

20 **(7) MICHIGAN STATE UNIVERSITY**

21 Operations ..... (13,281,200)

22 Agricultural experiment station..... (1,537,600)

23 Cooperative extension services ..... (1,326,200)

24 GROSS APPROPRIATION ..... $ (16,145,000)

25 Appropriated from:

1 Special revenue funds:

2 State general fund/general purpose..... $ (16,145,000)

3 **(8) MICHIGAN TECHNOLOGICAL UNIVERSITY**

4 Operations ..... (2,237,200)

5 GROSS APPROPRIATION ..... $ (2,237,200)

6 Appropriated from:

7 Special revenue funds:

8 State general fund/general purpose..... $ (2,237,200)

9 **(9) NORTHERN MICHIGAN UNIVERSITY**

10 Operations ..... (2,109,100)

11 GROSS APPROPRIATION ..... $ (2,109,100)

12 Appropriated from:

13 Special revenue funds:

14 State general fund/general purpose..... $ (2,109,100)

15 **(10) OAKLAND UNIVERSITY**

16 Operations ..... (2,382,200)

17 GROSS APPROPRIATION ..... $ (2,382,200)

18 Appropriated from:

19 Special revenue funds:

20 State general fund/general purpose..... $ (2,382,200)

21 **(11) SAGINAW VALLEY STATE UNIVERSITY**

22 Operations ..... (1,312,400)

23 GROSS APPROPRIATION ..... $ (1,312,400)

24 Appropriated from:

25 Special revenue funds:

1 State general fund/general purpose..... $ (1,312,400)

2 **(12) UNIVERSITY OF MICHIGAN - ANN ARBOR**

3 Operations ..... (14,808,900)

4 GROSS APPROPRIATION ..... $ (14,808,900)

5 Appropriated from:

6 Special revenue funds:

7 State general fund/general purpose..... $ (14,808,900)

8 **(13) UNIVERSITY OF MICHIGAN - DEARBORN**

9 Operations ..... (1,157,100)

10 GROSS APPROPRIATION ..... $ (1,157,100)

11 Appropriated from:

12 Special revenue funds:

13 State general fund/general purpose..... $ (1,157,100)

14 **(14) UNIVERSITY OF MICHIGAN - FLINT**

15 Operations ..... (978,200)

16 GROSS APPROPRIATION ..... $ (978,200)

17 Appropriated from:

18 Special revenue funds:

19 State general fund/general purpose..... $ (978,200)

20 **(15) WAYNE STATE UNIVERSITY**

21 Operations ..... (10,001,500)

22 GROSS APPROPRIATION ..... $ (10,001,500)

23 Appropriated from:

24 Special revenue funds:

25 State general fund/general purpose..... $ (10,001,500)

1 **(16) WESTERN MICHIGAN UNIVERSITY**

2 Operations ..... (5,130,700)

3 GROSS APPROPRIATION ..... $ (5,130,700)

4 Appropriated from:

5 Special revenue funds:

6 State general fund/general purpose..... $ (5,130,700)

7 **BOILERPLATE LANGUAGE:**

8 Sec. XXX. The negative appropriations in part 1 reduces

9 payments otherwise due to state institutions of higher education on

10 August 16, 2007.

11 **EXPLANATION:**

12 This one-time reduction in payments to universities will

13 reduce state general fund obligations in fiscal year 2007.

14 However, the Executive proposes to appropriate sufficient funding

15 in fiscal year 2008 to repay universities for this missed payment.

16 Since universities are on a full accrual accounting system, they

17 will be allowed to record the fiscal year 2008 repayment in their

18 fiscal year 2007 books.

19

1 **HUMAN SERVICES**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION	$	67,755,200
4 Interdepartmental grant revenues:		
5 Total interdepartmental grants and intradepartmental		
6 transfers		1,300,000
7 ADJUSTED GROSS APPROPRIATION	$	66,455,200
8 Federal revenues:		
9 Total federal revenues		290,800
10 Special revenue funds:		
11 Total local revenues		0
12 Total private revenues		0
13 Total other state restricted revenues.....		123,400
14 State general fund/general purpose.....	$	66,041,000
15 **(2) EXECUTIVE OPERATIONS**		
16 Salaries and wages	$	346,700
17 Contractual services, supplies and materials.....		9,000
18 GROSS APPROPRIATION	$	355,700
19 Appropriated from:		
20 Federal revenues:		
21 Total federal revenues		108,800
22 Special revenue funds:		
23 State general fund/general purpose.....	$	246,900

24

1 **EXPLANATION:**

2 This supplemental adds funding for implementing a day care

3 case review pilot.

4 **(3) ADULT AND FAMILY SERVICES**

5 Rape prevention and services ..... $ 0

6 GROSS APPROPRIATION ..... $ 0

7 Appropriated from:

8 Interdepartmental grant revenues:

9 IDG from DCH 1,300,000

10 Federal revenues:

11 Total federal revenues ..... (1,300,000)

12 Special revenue funds:

13 State general fund/general purpose..... $ 0

14 **EXPLANATION:**

15 This supplemental replaces federal temporary assistance for

16 needy families (TANF) revenue with an IDG from DCH funded by Crime

17 Victims Right's funds to help the department live within their

18 budgeted TANF appropriation.

19 **(4) CHILD AND FAMILY SERVICES**

20 Foster care payments ..... $ 1,226,200

21 GROSS APPROPRIATION ..... $ 1,226,200

22 Appropriated from:

23 Federal revenues:

24 Total federal revenues 1,226,200

25 Special revenue funds:

1 State general fund/general purpose..... $ 0

2 **EXPLANATION:**

3 This supplemental provides authorization for spending one-time

4 Child Abuse and Neglect (CAN) grant funding and Title IV-B subpart

5 II funds to replace a general fund reduction contained in 2007-1.

6 **(5) LOCAL OFFICE STAFF AND OPERATIONS**

7 SSI advocates 0

8 GROSS APPROPRIATION ..... $ 0

9 Appropriated from:

10 Federal revenues:

11 Total federal revenues 213,500

12 Special revenue funds:

13 Supplemental security income recoveries..... (213,500)

14 State general fund/general purpose..... $ 0

15 **EXPLANATION:**

16 This supplemental replaces unavailable state restricted

17 revenues with federal Title XIX funding based on anticipated Title

18 XIX claims.

19 **(6) CENTRAL SUPPORT ACCOUNTS**

20 Payroll taxes and fringe benefits..... $ 145,700

21 Travel 11,200

22 GROSS APPROPRIATION ..... $ 156,900

23 Appropriated from:

24 Federal revenues:

25 Total federal revenues 42,300

1 Special revenue funds:

2 State general fund/general purpose..... $ 114,600

3 **EXPLANATION:**

4 This supplemental adds central support funding for

5 implementing a day care case review pilot.

6 **(7) OFFICE OF CHILDREN AND ADULT LICENSING**

7 AFC, children's welfare and day care licensure..... $ 123,400

8 GROSS APPROPRIATION ..... $ 123,400

9 Appropriated from:

10 Special revenue funds:

11 Licensing fees 90,400

12 Health systems fees and collections..... 33,000

13 State general fund/general purpose..... $ 0

14 **EXPLANATION:**

15 This supplemental adds authorization for proposed increase in

16 licensing fees for the Office of Children and Adult Licensing.

17 **(8) PUBLIC ASSISTANCE**

18 Family independence program ..... $ 65,679,500

19 State disability assistance payments..... 213,500

20 GROSS APPROPRIATION ..... $ 65,893,000

21 Appropriated from:

22 Special revenue funds:

23 Supplemental security income recoveries..... 213,500

24 State general fund/general purpose..... $ 65,679,500

25 **EXPLANATION:**

1 This supplemental appropriates $24.3 million in general fund
2 for the Family independence program line. These funds are
3 available due to reductions taken in Executive Order 2007-1. In
4 addition, $41.4 million general fund is added to support the
5 unanticipated increases in the Family independence program
6 caseload.
7 This supplemental also includes state restricted revenues
8 within the State disability assistance payments line to replace
9 general fund reduction contained in Executive Order 2007-1.
10
11

1 **JUDICIARY**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION	$	(1,329,300)
4 Interdepartmental grant revenues:		
5 Total interdepartmental grants and intradepartmental		
6 transfers		0
7 ADJUSTED GROSS APPROPRIATION	$	(1,329,300)
8 Federal revenues:		
9 Total federal revenues		0
10 Special revenue funds:		
11 Total local revenues		0
12 Total private revenues		0
13 Total other state restricted revenues		(66,700)
14 State general fund/general purpose	$	(1,262,600)

15 **(2) SUPREME COURT**

16 Supreme court administration	$	(66,400)
17 Judicial institute		(13,300)
18 State court administrative office		(36,500)
19 Judicial information systems		(15,900)
20 Foster care review board		(4,600)
21 Drug treatment courts		(4,300)
22 GROSS APPROPRIATION	$	(141,000)
23 Appropriated from:		
24 Special revenue funds:		
25 State general fund/general purpose	$	(141,000)

1 **(3) COURT OF APPEALS**

2 Court of appeals operations ..... $ (107,400)

3 GROSS APPROPRIATION ..... $ (107,400)

4 Appropriated from:

5 Special revenue funds:

6 State general fund/general purpose..... $ (107,400)

7 **(4) JUDICIAL AGENCIES**

8 Judicial tenure commission ..... $ (5,200)

9 GROSS APPROPRIATION ..... $ (5,200)

10 Appropriated from:

11 Special revenue funds:

12 State general fund/general purpose..... $ (5,200)

13 **(5) INDIGENT DEFENSE**

14 Appellate public defender program..... $ (22,500)

15 Appellate assigned counsel administration..... (4,000)

16 GROSS APPROPRIATION ..... $ (26,500)

17 Appropriated from:

18 Special revenue funds:

19 State general fund/general purpose..... $ (26,500)

20 **(6) TRIAL COURT OPERATIONS**

21 Court equity fund reimbursements..... $ (94,900)

22 GROSS APPROPRIATION ..... $ (94,900)

23 Appropriated from:

24 Special revenue funds:

25 State general fund/general purpose..... $ (94,900)

1 **(7) RETIREMENT SAVINGS**

2 Retirement savings ..... $ (954,300)

3 GROSS APPROPRIATION ..... $ (954,300)

4 Appropriated from:

5 Special revenue funds:

6 State restricted revenues and reimbursements..... (66,700)

7 State general fund/general purpose..... $ (887,600)

8 **EXPLANATION:**

9 This supplemental reduces Judiciary appropriations in

10 recognition of administrative and retirement savings. The negative

11 appropriation for retirement savings will be satisfied by

12 reductions in retirement rates for state employees.

13

1 **LABOR AND ECONOMIC GROWTH**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION ..... $ 11,000,000

4 Interdepartmental grant revenues:

5 Total interdepartmental grants and intradepartmental

6 transfers 0

7 ADJUSTED GROSS APPROPRIATION ..... $ 11,000,000

8 Federal revenues:

9 Total federal revenues 10,000,000

10 Special revenue funds:

11 Total local revenues 0

12 Total private revenues 0

13 Total other state restricted revenues..... 1,000,000

14 State general fund/general purpose..... $ 0

15 **(2) DEPARTMENT GRANTS**

16 Welfare-to-work programs ..... $ 10,000,000

17 Fire protection grants 1,000,000

18 GROSS APPROPRIATION ..... $ 11,000,000

19 Appropriated from:

20 Federal revenues:

21 DOL-ETA, workforce investment act..... 10,000,000

22 Special revenue funds:

23 Fire protection fund 1,000,000

24 State general fund/general purpose..... $ 0

25

1 **EXPLANATION:**

2 This supplemental offsets reductions contained in Executive
3 Order 2007-1 for the welfare-to-work and fire protection grant
4 programs. Specifically, $10 million of temporary assistance for
5 needy families (TANF) is replaced with a like amount of federal
6 workforce investment A=act (WIA) funds. A total of $1 million
7 general fund in fire protection grants is also replaced with
8 available fire protection fund revenue from driver responsibility
9 fees.
10
11

1 **LEGISLATURE**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION ..... $ (2,303,000)

4 Interdepartmental grant revenues:

5 Total interdepartmental grants and intradepartmental

6 transfers 0

7 ADJUSTED GROSS APPROPRIATION ..... $ (2,303,000)

8 Federal revenues:

9 Total federal revenues 0

10 Special revenue funds:

11 Total local revenues 0

12 Total private revenues 0

13 Total other state restricted revenues..... (158,200)

14 State general fund/general purpose..... $ (2,144,800)

15 **(2) LEGISLATURE**

16 Retirement savings ..... $ (2,303,000)

17 GROSS APPROPRIATION ..... $ (2,303,000)

18 Appropriated from:

19 Special revenue funds:

20 State restricted revenues and reimbursements..... (158,200)

21 State general fund/general purpose..... $ (2,144,800)

22 **BOILERPLATE LANGUAGE:**

23 This supplemental reduces Legislative appropriations in

24 recognition of the retirement savings, which will be achieved by

1 reductions in retirement rates for employees of the Legislature and

2 the Auditor General.

3

4

1 **MANAGEMENT AND BUDGET**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION ..... $ 61,700

4 Interdepartmental grant revenues:

5 Total interdepartmental grants and intradepartmental

6 transfers 61,700

7 ADJUSTED GROSS APPROPRIATION ..... $ 0

8 Federal revenues:

9 Total federal revenues 0

10 Special revenue funds:

11 Total local revenues 0

12 Total private revenues 0

13 Total other state restricted revenues..... 0

14 State general fund/general purpose..... $

15 **(2) MANAGEMENT AND BUDGET SERVICES**

16 Budget and financial management..... $ 61,700

17 GROSS APPROPRIATION ..... $ 61,700

18 Appropriated from:

19 Interdepartmental grant revenues:

20 IDG from MDHS 61,700

21 Special revenue funds:

22 State general fund/general purpose..... $ 0

23 **EXPLANATION:**

24 This supplemental replaces a general fund reduction contained

25 in Executive Order 2007-1 and captures available federal funds to

1 support budget activities.

2

1 **MILITARY AND VETERANS AFFIARS**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION ..... $ 134,500

4 Interdepartmental grant revenues:

5 Total interdepartmental grants and intradepartmental

6 transfers 0

7 ADJUSTED GROSS APPROPRIATION ..... $ 134,500

8 Federal revenues:

9 Total federal revenues 0

10 Special revenue funds:

11 Total local revenues 0

12 Total private revenues 0

13 Total other state restricted revenues..... 134,500

14 State general fund/general purpose..... $ 0

15 **(2) D.J. JACOBETTI VETERANS' HOME**

16 D.J. Jacobetti veterans' home ..... $ 134,500

17 GROSS APPROPRIATION ..... $ 134,500

18 Appropriated from:

19 Special revenue funds:

20 Income and assessments 134,500

21 State general fund/general purpose..... $ 0

22 **EXPLANATION:**

23 This supplemental appropriates available income and assessments

24 revenue for the D.J. Jacobetti Veterans' Home to replace a general

25 fund reduction contained in Executive Order 2007-1.

1 **TREASURY**

2 **(1) APPROPRIATION SUMMARY**

3 GROSS APPROPRIATION ..... $ 10,000,000

4 Interdepartmental grant revenues:

5 Total interdepartmental grants and intradepartmental

6 transfers 0

7 ADJUSTED GROSS APPROPRIATION ..... $ 10,000,000

8 Federal revenues:

9 Total federal revenues 0

10 Special revenue funds:

11 Total local revenues 0

12 Total private revenues 0

13 Total other state restricted revenues..... 0

14 State general fund/general purpose..... $ 10,000,000

15 **(2) TAX PROGRAMS**

16 Tax restructuring initiative ..... $ 10,000,000

17 GROSS APPROPRIATION ..... $ 10,000,000

18 Appropriated from:

19 Special revenue funds:

20 State general fund/general purpose..... $ 10,000,000

21 **BOILERPLATE LANGUAGE:**

22 Sec. XXX. Unexpended appropriations of the tax restructuring

23 initiative are designated as work project appropriations and shall

24 not lapse at the end of the fiscal year and shall continue to be

25 available for expenditure until the project has been completed. The

1 following is in compliance with section 451a of the management and
2 budget act, 1984 PA 431, MCL 18.1451a:
3 (a) The purpose of the project is to implement and collect
4 revenue from a new tax system.
5 (b) The project will be accomplished by state employees and/or
6 contract.
7 (c) The total estimated cost of the project is $10,000,000.00.
8 (d) The tentative completion date is September 30, 2008.
9 **EXPLANATION:**
10 This supplemental provides funding support for operational
11 costs associated with implementing the Governor's proposed tax
12 restructuring initiative. This would involve one-time operations
13 requirements due to the immediacy of the Single Business Tax repeal
14 deadline, development of new tax system information technology
15 requirements, and phasing-in operational implementation
16 requirements while assuring the collection of prospective
17 replacement tax revenue.