

Senate District 35 Budget Brief

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- Michigan Senate Fiscal Agency
- www.senate.michigan.gov/sfa





Budget Time Frame

At any time during the fiscal year, SFA fiscal analysts may be engaged in program analysis, information gathering, and budget tracking. The annual creation of the State budget, however, provides the most common framework by which fiscal analysts serve the Senate.

Legislative action to develop the annual budget for the State fiscal year begins in January and typically ends by early July. Budgetary adjustments, including supplemental appropriations and transfers between line items, are necessary throughout the fiscal year.

The table below describes the activities surrounding the creation and maintenance of the annual State budget, including legislative activity and the SFA's role in the process, based on the customary time frame.

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT.	OCT.	NOV.	DEC.
Legislative Action											Legislative Action
Governor's State of the State is delivered and budget recommendation is prepared for submission to the Legislature.	Governor's budget is delivered, legislative action begins.	Subcommittees make decisions, Appropriations Committee meets, floor votes take place.			Budget targets are negotiated between the Executive and Legislature. Conference Committees meet.	Governor signs appropriation bills and issues vetoes. Veto overrides are considered. Current-year budget adjustments are considered. Fiscal year ends September 30.		New fiscal year begins October 1. Appropriations Committee considers book-closing transfers.			
Senate Fiscal Agency Action											Senate Fiscal Agency Action
First Consensus Revenue Estimating Conference (CREC) is scheduled. SFA prepares applicable documents, schedules future hearings, and provides background briefings.	SFA presents analysis of Governor's budget. Subcommittee hearings begin.	Decision documents are prepared, SFA works with Subcommittee chairs and members to develop proposals, substitute bills are prepared and analyzed, amendments are drafted. SFA revenue forecast is released. Second CREC is held in May.			SFA provides staff support to Conference negotiations, and prepares and analyzes Conference Reports.	Analysis of initial appropriations legislation is completed. Initial Appropriations Report is distributed. Year-end budgetary adjustments and lapse estimates are completed.		SFA Year-End Appropriations Report is generated. SFA Economic and Revenue Forecast is released. Mid-year budget adjustments (transfers, supplementals, Executive Orders) are analyzed as needed.			



FY 2022-23

Supplemental

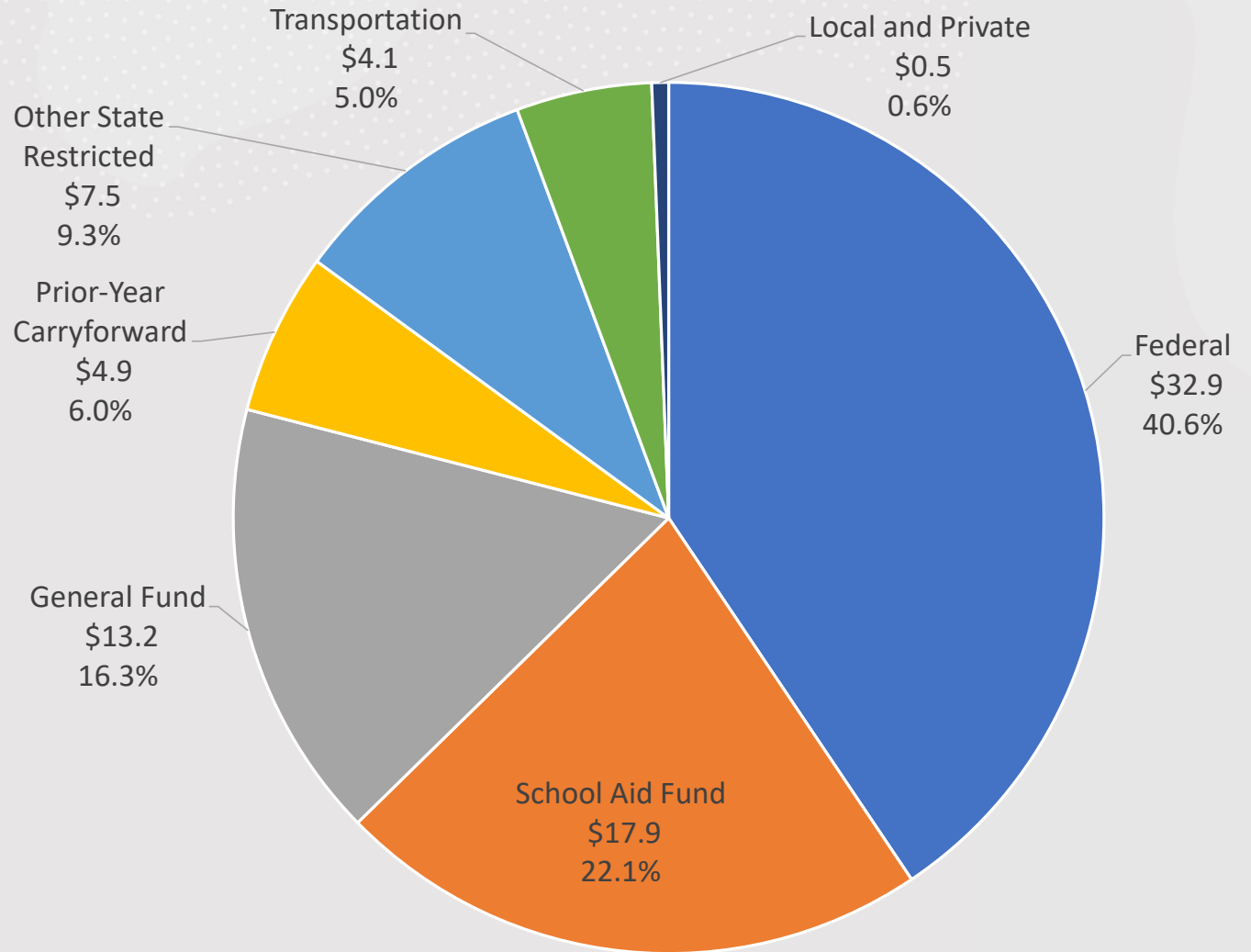
June 2023



**Article 16: FY 2022-23 Supplemental Appropriations
House Bill 4437 (CR-1)**

Department/Budget Area	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23	FY 2022-23
	Gross Appropriation	Federal Non-SFRF Appropriations	Federal SFRF Appropriation	Other Appropriation	GF/GP Appropriation
Agriculture and Rural Dev.	\$10,260,000	\$260,000	\$0	\$0	\$10,000,000
Attorney General	11,285,000	0	0	11,285,000	0
Civil Rights	750,000	0	0	0	750,000
Corrections	250,000	250,000	347,800,000	0	(347,800,000)
Education	21,869,800	16,621,500	0	630,200	4,618,100
Env., Great Lakes, and Energy	450,613,100	90,384,100	241,200,000	11,000,000	108,029,000
Health and Human Services	2,449,015,800	2,737,356,300	88,000,000	34,686,400	(411,026,900)
Judiciary	11,700,000	10,000,000	0	0	1,700,000
Labor and Economic Opportunity	2,017,634,600	1,616,944,600	95,000,000	100,250,000	205,440,000
Legislature	5,100,000	0	0	0	5,100,000
Licensing and Regulatory Affairs	1,001,000	366,000	0	635,000	0
Military and Veterans Affairs	3,200,000	0	0	0	3,200,000
Natural Resources	123,182,500	4,812,700	23,000,000	7,169,800	88,200,000
State	11,575,000	0	0	11,575,000	0
State Police	21,890,000	0	0	11,890,000	10,000,000
Tech., Management, and Budget	84,065,200	23,877,100	0	0	60,188,100
Transportation	125,648,700	125,648,700	0	0	0
Treasury	18,099,000	0	0	3,400,000	14,699,000
Total Supplemental	\$5,367,139,700	\$4,626,521,000	\$795,000,000	\$192,521,400	(\$246,902,700)

FY 2023-24 Revenue Sources: \$81.0 Billion

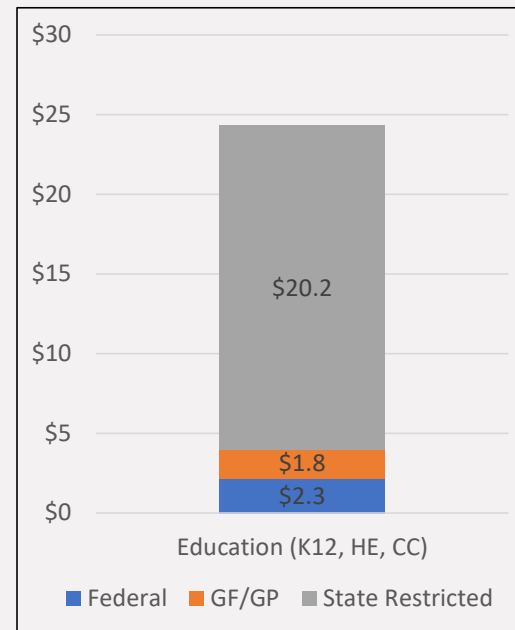
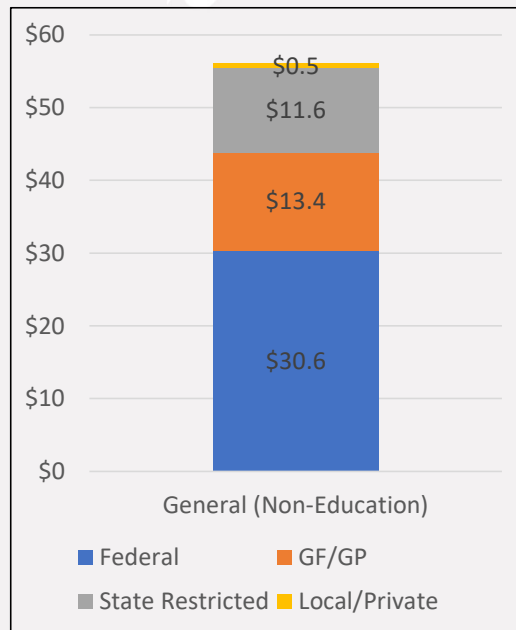


• Dollars in Billions

General and Education Spending 2023-24: \$80.4B

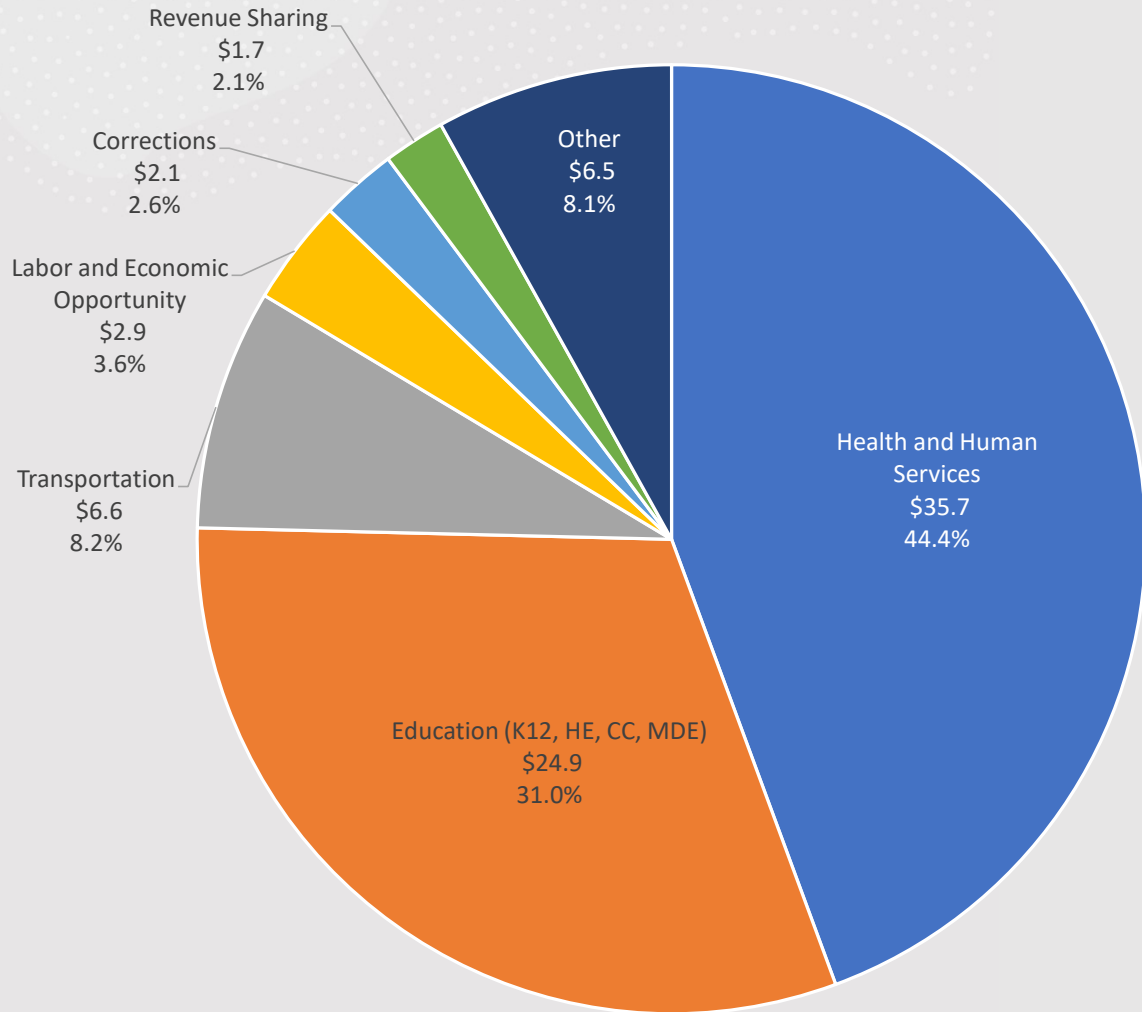
- Fiscal Year 2023-24 General - \$56.1 Billion

- Fiscal Year 2023-24 Education - \$24.3 Billion K12, Universities, CCs





FY 2023-24 Adjusted Gross Appropriations by Major Category



• Dollars in Billions

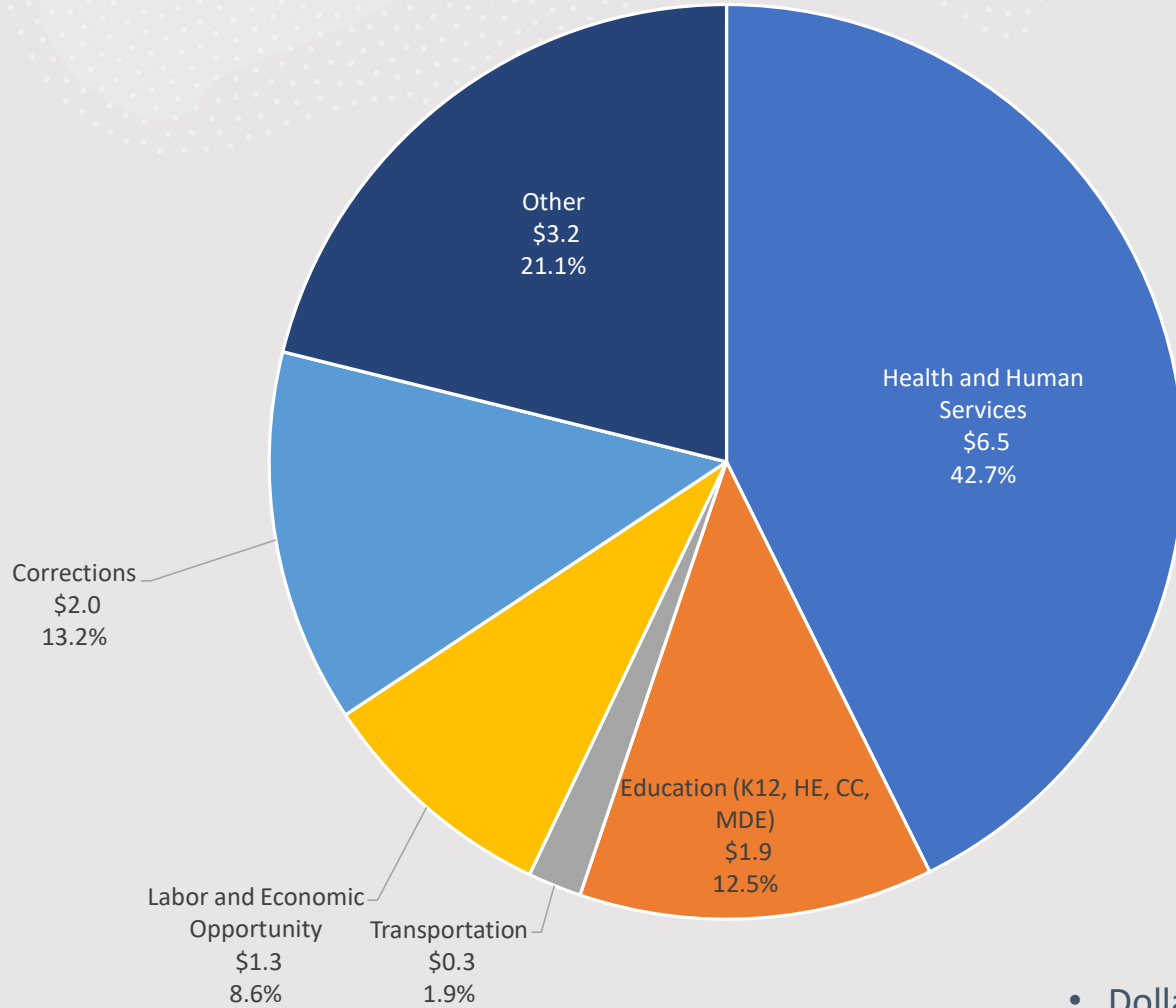
FY 2023-24 Adjusted Gross Appropriations by Major Category



<u>Department/Budget Area</u>	<u>FY 2022-23 Year-to-Date</u>	<u>FY 2023-24 Enrolled</u>	<u>Dollar Difference</u>	<u>Percent Change</u>
Agriculture and Rural Development	187,388,400	168,285,700	(19,102,700)	-10.2%
Attorney General	82,318,400	106,562,900	24,244,500	29.5%
Capital Outlay	487,400,000	0	(487,400,000)	-100.0%
Civil Rights	21,601,600	31,710,000	10,108,400	46.8%
Community Colleges	529,758,000	544,517,500	14,759,500	2.8%
Corrections	2,124,968,000	2,086,250,000	(38,718,000)	-1.8%
Education	420,581,000	647,380,900	226,799,900	53.9%
Environment, Great Lakes, and Energy	937,747,900	1,047,576,800	109,828,900	11.7%
Executive	8,533,600	8,905,400	371,800	4.4%
Health and Human Services	33,664,906,100	35,719,906,100	2,055,000,000	6.1%
Higher Education	2,016,635,700	2,291,048,800	274,413,100	13.6%
Insurance and Financial Services	73,599,000	73,415,800	(183,200)	-0.2%
Judiciary	481,603,400	354,025,900	(127,577,500)	-26.5%
Labor and Economic Opportunity	5,258,115,300	2,869,264,800	(2,388,850,500)	-45.4%
Legislature	211,798,100	215,172,100	3,374,000	1.6%
Licensing and Regulatory Affairs	492,807,500	581,043,700	88,236,200	17.9%
Military and Veterans Affairs	363,014,200	248,238,600	(114,775,600)	-31.6%
Natural Resources	545,279,700	572,045,500	26,765,800	4.9%
School Aid	19,642,816,400	21,459,651,300	1,816,834,900	9.2%
State	235,196,700	284,209,500	49,012,800	20.8%
State Police	818,203,400	867,096,700	48,893,300	6.0%
Technology, Management, and Budget	788,014,100	974,051,000	186,036,900	23.6%
Transportation	6,455,325,100	6,622,196,900	166,871,800	2.6%
Treasury (Debt Service)	100,084,100	100,084,100	0	0.0%
Treasury (Operations)	1,568,205,400	866,528,000	(701,677,400)	-44.7%
Treasury (Revenue Sharing)	1,629,053,500	1,663,359,200	34,305,700	2.1%
TOTAL APPROPRIATIONS	79,144,954,600	80,402,527,200	1,257,572,600	1.6%



FY 2023-24 General Fund/General Purpose Appropriations by Major Category



• Dollars in Billions



FY 2023-24 General Fund/General Purpose Appropriations by Major Category

Department/Budget Area	FY 2022-23 Year-to-Date	FY 2023-24 Enrolled	Dollar Difference	Percent Change
Agriculture and Rural Development	122,989,800	92,781,800	(30,208,000)	-24.6%
Attorney General	51,429,800	75,726,000	24,296,200	47.2%
Capital Outlay	109,000,000	0	(109,000,000)	-100.0%
Civil Rights	18,633,500	28,741,900	10,108,400	54.2%
Community Colleges	0	0	0	
Corrections	2,080,108,300	2,029,495,900	(50,612,400)	-2.4%
Education	99,591,500	130,652,500	31,061,000	31.2%
Environment, Great Lakes, and Energy	99,335,800	245,952,100	146,616,300	147.6%
Executive	8,533,600	8,905,400	371,800	4.4%
Health and Human Services	6,281,888,100	6,464,135,400	182,247,300	2.9%
Higher Education	1,540,221,000	1,677,754,100	137,533,100	8.9%
Insurance and Financial Services	0	0	0	
Judiciary	370,774,900	250,218,100	(120,556,800)	-32.5%
Labor and Economic Opportunity	3,174,462,200	1,303,508,000	(1,870,954,200)	-58.9%
Legislature	204,074,800	207,140,800	3,066,000	1.5%
Licensing and Regulatory Affairs	213,822,400	271,331,100	57,508,700	26.9%
Military and Veterans Affairs	142,465,000	98,889,300	(43,575,700)	-30.6%
Natural Resources	94,404,000	88,054,500	(6,349,500)	-6.7%
School Aid	124,200,000	87,900,000	(36,300,000)	-29.2%
State	12,679,300	13,324,700	645,400	5.1%
State Police	572,709,200	607,564,000	34,854,800	6.1%
Technology, Management, and Budget	657,109,000	832,699,500	175,590,500	26.7%
Transportation	421,250,000	288,100,000	(133,150,000)	-31.6%
Treasury (Debt Service)	100,084,100	100,084,100	0	0.0%
Treasury (Operations)	1,036,440,500	292,586,100	(743,854,400)	-71.8%
Treasury (Revenue Sharing)	0	0	0	
TOTAL APPROPRIATIONS	17,536,206,800	15,195,545,300	(2,340,661,500)	-13.3%




FY 2023-24 Appropriations:
Ongoing and One-Time
Increases compared to
current year

	General Fund	School Aid Fund
Ongoing baseline increases (e.g., the cost of today's budget adjusted for caseload and other costs projected for next year)	\$225 million	\$468 million
Ongoing programmatic increases or ongoing new programming	\$514 million	\$1,073 million
One-time funding/programs	\$2,468 million	\$4,262 million
Total Spending Above 2022-23	\$3,207 million	\$5,803 million



Budget Area Appropriations



Examples of Appropriations Grouped
by Broad Category

Public Health and Safety

- Revenue Sharing - includes funding for safety – 7% increase (1% for safety)
- Direct Care Workers - continuation of the direct care wage increase funded at \$2.35/hour plus an additional \$0.85/hour ~ \$120 million
- Non-clinical nursing home staff wage increase \$0.85/hour ~\$7 million
- Fire stations/ Equipment (approximately \$75M)
- Prosecutors - \$10 million for NextGen data integration
- Certified Behavioral Health Clinics ~\$280 million
- Local Health Departments - \$25 million
- Soil health and agriculture climate resiliency - \$12 million
- Community Violence Intervention ~ \$7 million
- Federally Qualified Health Centers alternative payment transition (\$6 million)
- Increased Medicaid reimbursement rates for hospitals statewide (approximately \$81 million)
- Provision of State GF/GP funding for crime victims' services to replace declining court revenues (approximately \$26 million)
- Corrections bonuses - \$12 million
- Double Up Food Bucks - \$2 million additional in 2023 and 2024
- Gun Case Backlog – 5 FTEs and \$2.8 million
- In-service training for MSP troopers - \$18 million ongoing

Education

- K-12
 - Foundation allowance increase – 5% (\$458 per pupil, \$611.0 million increase, \$10.5 billion total)
 - Student loans (\$225.0 million)
 - Universal Meals (\$160.0 million + \$245.0 million in reserve fund)
 - Fully fund Special Ed (\$140.3 million increase, \$1.8 billion total)
 - At-Risk and Opportunity Index (\$204.5 million increase, \$952.0 million total)
 - Student teacher stipends (\$50.0 million total)
 - Great Start Readiness Program Expansion (increased to 300% FPL, 5 day) (\$72.6 million increase (\$524.7 million total) + \$200.0 million in reserve fund)
 - Detroit Literacy Settlement (\$94.4 million)
- Diverse Histories (\$6.0 million)
- School Consolidation grants (\$245.0 million)
- School Music (\$11.0 million)
- School transportation (\$125.0 million + \$225.0 million in reserve fund)
- Higher Ed and Community Colleges
 - 5% operational increase
 - MPSERS (School Retirement System) payment - \$200 million
 - ITEM funding - \$110 million
 - Post-secondary office
 - Charter/authorizer language

Infrastructure

- Roads – one-time \$75.8 million
- Bridges – one-time \$110 million
- Ongoing roads and bridges total \$4.4 billion
- Lead Service Lines - \$9.6 million
- High speed rail - \$20 million
- Intermodal – ongoing total of \$698.5 million; one-time total of \$139.9 million
- Dam safety - \$3.4 million
- Orphan wells - \$10.4 million
- Making it in Michigan Fund - \$287 million (provides matching funds for Federal infrastructure grants) and \$50 million in FY 2023 supplemental
- EV infrastructure - \$5 million
- Airports – ongoing total of \$289 million; one-time total of \$23.4 million
- Municipal needs – a few examples - Macomb jail (\$40 million) Lansing Center (\$5 million), Saginaw Medical Center (\$30.3 million)
- Housing – Lansing \$40 million; ongoing \$50 million statewide for Housing and Community Development
- Midland - \$25 million in Environment, Great Lakes, and Energy budget for flooding

Environmental

- Water / drinking water
 - The DHHS budget includes \$22.5 million and 45.0 FTEs to increase the number of public health staff to perform lead investigation and abatement, threat investigations and assessments, community water testing, and water distribution.
 - The DHHs budget includes \$61.4 million in one-time funding for drinking water quality initiatives such as public health data collection, data sharing infrastructure improvements, filter distribution and inspection, and faucet and full plumbing replacement activities in significantly overburdened communities.
- EGLE budget includes \$120.8 million for water initiatives
- MDARD budget includes \$4.1 million and 6 FTEs for emerging contaminants
- Brandon Road Dam - \$64.0 million
- Invasive species strike team - \$9.0 million
- Wetland restoration - \$2.6 million
- Environmental Justice - \$20.0 million
- Water state revolving fund - \$400.5 million

Cultural and Recreation

- Parks, trails, pools - ~ \$143.2 million
- Museums - \$22.2 million
- Fairs - \$2.5 million
- Conventions - \$10 million
- Sports and YMCA Grants - \$15 million
- Nature Awaits - \$8.0 million

Diversity, Equity, and Inclusion

SMPO and SFA

- Racial Disparities Task Force
 - The DHHS budget includes \$1.0 million and 8.0 FTEs to conduct DEI training for DHHS Staff.
 - The DHHS budget includes \$10.0 million to operate community-based health clinics and establish Local Healthy Community Zones.
 - The DHHS budget includes \$36.0 million on a one-time basis to implement recommendations of the RDTF of which no less than \$7.0 million must be used to operate mobile health units, and \$5.0 million must be allocated to Authority Health to increase access to quality food and nutrition among disadvantaged populations.
- Department of Civil Rights Funding - \$10.1 million (47%) increase from previous year
- Juvenile Justice Reform Taskforce
 - The DHHS budget includes \$31.5 million to increase the Child Care Fund Reimbursement rate from 50% to 75%.
 - The DHHS budget includes \$1.3 million to add 6.0 FTEs at both Shawano and Bay Pines.
 - The Judiciary budget includes \$2 million to create a new Juvenile Justice Services Division in the State Court Administrators Office.
- LGBTQ
 - The DHHS budget includes \$2.0 million to the Corktown health Center to expand to Hazel Park to provide the LGBTQ+ community with safe, high quality, and affirming healthcare.
- Minority-owned business grants and Council - \$12.5 million

Workforce / Talent

- College Success - \$26.3 million
- Student Wraparound Services - \$11.5 million
- Reconnect - \$93.2 million – expanding to age 21 for three years
- Adult Literacy - \$2 million
- Building Trades - \$30.5 million
- Michigan Achievement Scholarship - \$50 million ongoing increase in the deposit for this scholarship

Rainy Day Fund Deposits and Transparency

SMPO and SFA

- MPSERS Reserve Fund - \$400 million deposit
- School Aid BSF - \$450 million deposit
- BSF Deposit - \$100 million deposit in 2023 and in 2024 (\$200 million total) – total BSF balance ~ \$2 billion
- Debt Service MDOT – total of \$343.7 million
- MPSERS Payments (K12 and Higher Ed) - \$2.5 billion in total

- Transparency
- Website and legislative sponsor

Resources for Budget Information



- Senate Fiscal Agency website
 - www.senate.Michigan.gov/sfa
- Highlight Sheets
- Detailed Decision Documents
- Budget Bills
- Economics and Revenue Data
- Budget Area Data
- Budget Area Articles

An Example of a Budget Document: Highlight Sheet

FY 2023-24 COMMUNITY COLLEGES BUDGET

S.B. 173 (S-3) (CR-1): CONFERENCE REPORT

Article II



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2022-23 YEAR-TO-DATE*	FY 2023-24 CONFERENCE REPORT	CHANGES FROM FY 2022-23 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	529,758,000	544,517,500	14,759,500	2.8
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	529,758,000	544,517,500	14,759,500	2.8
Less:				
Federal Funds	81,200,000	0	(81,200,000)	(100.0)
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING	448,558,000	544,517,500	95,959,500	21.4
Less:				
Other State Restricted Funds.....	448,558,000	544,517,500	95,959,500	21.4
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	448,558,000	544,517,500	95,959,500	21.4

*As of February 7, 2023.

Major Boilerplate Changes from FY 2022-23 Year-to-Date:

- 1. Repealed Sections (sections in *italics* are rolled into consolidated reporting sections):** 209 (*transparency reporting*), 209a (*campus safety information and resources*), 210h (COVID-19 mandatory vaccination exemptions), 215 (*Title IX report*), 216 (Michigan Reconnect short-term training one-time grants), 216a (community college academic catch-up one-time appropriation), 216b (ADN to BSN completion one-time grants), 224 (student academic status), 225 (*tuition and mandatory fees report*), 226 (associate degree report), 226a (financial aid resources), 226b (COVID-19 report), 226d (campus free speech report), 226g (campus advocacy policy), 227 (college course equivalency exams), 227a (accelerated degree pathways), 230(5) (*tuition restraint*), 230(6) (prohibit receipt of capital outlay project if noncompliance with tuition restraint).
- 2. New Sections:** 216c (ITEM; expand to include housing and safety), 217a (new consolidated reporting section that combines most elements {minus budget information and additional credit opportunity posting from Sec. 209} from Sec. 206, 209, 209a, and 215), 217b (new consolidated reporting section combining Sec. 225 and a portion of 230)
- 3. Other Issues:** Tuition restraint set at the greater of 4.5% or \$205.



Contact Information



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