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## Snyder's budget proposal focused on Michigan growing stronger

*Third grade reading and skilled trades highlight recommendations*

LANSING, Mich. — Gov. Rick Snyder's proposed fiscal year 2016 budget is centered on continuing Michigan's growth. With a strong economy and unemployment at its lowest rate in 12 years, the state's comeback is well documented. By investing in core priorities such as third grade reading and skilled trades, this budget plan continues to foster student success and drive job creation.

The governor today also offered a 2017 projected budget, continuing his practice of ensuring that Michigan maintains a long-range planning focus with an emphasis on fiscal responsibility.

"I am proud of this budget and all the ways we are focused on creating an even stronger Michigan. It reflects an emphasis on areas I know we can not only improve upon, but lead the nation. Michigan is poised to be a national leader in skilled trades and this budget has added resources to help us achieve that goal. Likewise, this work reaffirms our priority on education and preparing our young children to read at the earliest stages, helping us ensure a vibrant Michigan for generations to come," Snyder said. "The job-creating policies that are helping our economy grow and the investments we have made in the state are working. In partnership with the Legislature, I look forward to again getting the budget done early so that schools, local government, and others depending on state funding can have the information they need to plan their budgets."

Lt. Gov. Brian Calley and State Budget Director John Roberts joined Snyder in outlining the budget recommendation to a joint session of House and Senate appropriations committees.

"This budget strikes the right balance and makes smart, strategic investments while being fiscally responsible," Calley said. "Our job growth and lower unemployment are signs that our overall plan is working. There's one remaining key piece and that's making needed investment in our transportation network and fixing our roads and bridges. We have that opportunity this May."

Snyder also unveiled his Executive Order for reducing the fiscal year 2015 budget to account for the revenue shortfall that has resulted from previous business tax credits. In solving the shortfall, the governor focused on working within state government agencies to find the reductions in order to protect other key priorities such as education and funding for local communities.

“We have established a great reputation for fiscal responsibility here in Michigan and this budget keeps with that tradition,” Roberts said. “We are again paying our debt and saving for the future in our Rainy Day Fund, while making strategic investments in key priorities. It’s the right approach, one that keeps Michigan growing stronger and on the continued path to a brighter future.”

Highlights of the recommended budget include:

### **Investing in a Strong Education for Bright Futures**

- A total of \$11.9 billion in K-12 state appropriations, a \$1.2 billion funding increase from fiscal year 2011. This includes \$108 million to increase the foundation allowance, which equates to a \$75 per-pupil increase.
- A new investment of \$25 million for a third grade reading initiative to continue and advance the state’s focus on early education so that Michigan children can read proficiently by third grade.
- An additional \$28 million or 2 percent for the operations of Michigan’s 15 public universities and an additional \$4.3 million or 1.4 percent for community college operations. The recommendation calls for universities to limit tuition increases to 2.8 percent or less in order to receive the funding increase.
- An increase of \$100 million is recommended for at-risk funding for students across the state, from \$310 million to \$410 million.
- An additional \$25 million in technology infrastructure funding to help schools meet online learning needs.
- A total of \$6 million for the restoration of the financial aid program for part-time adult students to help provide grant assistance to part-time students pursuing further education at a community college.
- A total of \$75 million for the rehabilitation of distressed districts.
- A total of \$30 million for districts that perform financial best practices.

### **Ensuring a Healthier Michigan**

- An investment of \$3.5 billion in federal funds for the Healthy Michigan Plan to continue expanded Medicaid coverage.
- Another \$21.8 million in funding to expand the Healthy Kids Dental program into the three remaining counties of Wayne, Oakland and Kent for children ages 0 to 8, expanding the number of children who will receive good dental care by 210,000.

- A \$23 million investment to increase access to dental care for 613,000 adult Medicaid recipients.
- Funding of \$1.9 million to implement the findings of the Mental Health and Wellness Commission for the residential treatment of youth.
- An investment of \$2.5 million for university autism programs focused on supporting programs at Eastern Michigan University, Western Michigan University, Oakland University, Central Michigan University, and Michigan State University. Funds will be used to increase the number of trained service providers and available autism services.

### **Job Creation**

- A total of \$83 million in total investments for skilled trades to develop a skilled workforce that will lead the nation. This funding will help bridge the talent gap and better match the workforce needs of Michigan industry and business.
- A total of \$17.8 million is included as part of the recommendation for career and technical education and early/middle college programs.
- A \$10 million increase is included for skilled trades training programs, bringing total funding to \$20 million to encourage more residents to master a skilled trade, which helps to address the skills gap for in-demand jobs to provide the talent that Michigan industry needs.
- A total of \$129 million in funding for community revitalization and business attraction efforts.

### **Infrastructure/Technology**

- A total of \$113 million to ensure the maximum in federal match money for our roads, but more must be done. A solution to the road problem now requires voter support in May to generate an additional \$1.2 billion a year in new funds for Michigan's rapidly deteriorating roads and bridges.
- A total of \$31 million for building maintenance for state facilities, representing a significant investment in the state's infrastructure that will prevent higher costs in the future.
- An investment of \$70 million in technology to replace and modernize legacy computer systems to improve government efficiency and service to citizens. It includes \$7 million to strengthen cybersecurity efforts to protect the state's computer systems, networks, and critical data from growing threats.

### **Bolstering Public Safety**

- An additional \$7.7 million to train 75 new state police troopers and an additional \$1 million to train 10 new motor carrier officers, bringing trooper strength to its highest level since 2002.

- A total of \$3.4 million for accelerating the resolution of sexual assault cases, including \$1.7 million for the collection, submission, and timely testing of all sexual assault kits.
- A new investment of \$1.5 million for a new statewide drug policy initiative to assist those with substance abuse problems.
- A total of \$500,000 for the prevention of sexual assaults on college campuses.

### **Stronger Communities**

- A total of \$194.8 million has now been transferred from the state's rainy day fund to support the Detroit bankruptcy settlement and provide added resources for the recovery of Michigan's largest city. The rainy day fund will be reimbursed in the amount of \$17.5 million annually over the next 20 years from tobacco settlement funds.
- County revenue sharing and incentive programs will receive \$214.7 million, an increase of \$3.5 million, providing for maximum funding allowed under statutory provisions for the eligible counties. Two additional counties are added this year, bringing the total eligible number of counties receiving funding to 76.
- Constitutional revenue sharing payments for cities, villages, and townships are increased by \$23.8 million to \$788 million, based on estimated sales tax collections.
- Funding is maintained at \$243 million for eligible cities, villages and townships that meet accountability and transparency requirements.

### **Maintaining and Ensuring Fiscal Responsibility**

- A deposit of \$95 million to the Budget Stabilization ("Rainy Day") Fund, bringing the projected total balance to \$611 million by the end of fiscal year 2016. When the governor first took office, the fund was at a mere \$2.2 million. The governor's vision of saving for the future is fiscally responsible, the right thing to do, and a recognized best practice.
- Funding for the school employee retirement system set at \$815 million for K-12 schools, which equates to \$600 per K-12 student. This investment provides fiscal relief to schools for retirement obligations and helps ensure retirement promises made to employees can be kept. The governor's commitment to solving the state's pension and retiree health care obligations is strong. Reforms made to the school employee retirement system and the state employee retirement system have reduced the state's long-term debt by more than \$20 billion.
- A \$2.7 million increase, for a total of \$5.2 million, is recommended within higher education to provide for costs above a proposed rate cap for 7 participating universities in the Michigan Public School Employees Retirement System (MPSERS). Community colleges receive a recommended \$17.2 million increase, for a total of \$71.2 million, to provide for costs above the rate cap for MPSERS.

The state's new fiscal year begins Oct. 1.

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*Copies and more details of the governor's recommended budget are available at [www.michigan.gov/mibudget](http://www.michigan.gov/mibudget). Join the conversation on Twitter at #mibudget.*