

# **EXECUTIVE BUDGET**

## **Fiscal Years 2014 and 2015**

---

**State of Michigan**  
**Rick Snyder, CPA, Governor**

**John E. Nixon, CPA, State Budget Director**

This publication was produced and printed by the Department of Technology, Management and Budget. The purpose of the publication is to inform state and local officials and residents about Governor Snyder's recommended budget for fiscal year 2014 and projections for fiscal year 2015. This document is required by law MCLA 18.1363 and by the Michigan Constitution, Article V, Section 18.

# FISCAL YEARS 2014 AND 2015 EXECUTIVE BUDGET

## TABLE OF CONTENTS

|                             | <u>Page</u> |
|-----------------------------|-------------|
| Budget Overview .....       | A 1         |
| Department Detail.....      | B 1         |
| Background Information..... | C 1         |

Web site address for this document: <http://www.michigan.gov/budget>



# Budget Overview

---





STATE OF MICHIGAN  
EXECUTIVE OFFICE  
LANSING

RICK SNYDER  
GOVERNOR

BRIAN CALLEY  
LT. GOVERNOR

February 7, 2013

My Fellow Michiganders:

Building on the success and sound budgeting principles of the previous two years, I am proud to recommend for consideration the fiscal year 2014 budget. Michigan has emerged as the nation's comeback state and this proposed budget continues to move Michigan forward.

We have established an environment of fiscal responsibility in state government so that you and residents across the state can rest assured that the state's fiscal house is in order. The days of budget peril and government shutdown that plagued Michigan for much of the decade leading up to 2010 are gone.

This fiscal responsibility and smart budgeting have played a critical role in Michigan turning the corner. Unemployment is down, home sales are up, personal income growth is 9th best in the nation, the state GDP growth is 6th best in the country, the population is growing again and the Michigan economy is at a 10-year high.

Managing a state budget is a lot like managing your family budget, albeit on a larger scale. We have focused on paying off debt and saving for the future. When I took office, the balance in the state's savings account, or Rainy Day Fund, was a mere \$2.2 million. We continue that prudent foresight with this budget recommendation, bringing the total Rainy Day Fund balance to \$580 million. With the proposal of a new health savings fund to capture savings from the expansion of Medicaid and the proposed deposit of \$103 million, the overall balance in the state's savings account would total \$683 million.

This proposed 2014 budget also strategically invests in priorities such as education, roads, health, human services, job growth, and public safety. Like before, state spending is tied to measured outcomes through the use of performance metrics, continuing the strong focus on value for money.

This budget again presents the right balance of funding for the priorities and needs of our great state while ensuring that we maintain fiscal responsibility and structural balance. I look forward to working in partnership with the members of the Michigan House and Senate to enact the fiscal year 2014 budget and continue our state's comeback.

Sincerely,

A handwritten signature in cursive script that reads "Rick Snyder".

Gov. Rick Snyder





# MOVING MICHIGAN FORWARD -- CONTINUING OUR COMEBACK

## Executive Budget Recommendation for Fiscal Years 2014 and 2015

**B**uilding on the success and stability of the previous two years, Governor Rick Snyder's Executive Budget Recommendation continues to focus on reinvention and strategic investments to move Michigan forward. Through prioritized budgeting, the governor's plan is designed to improve the quality of life for Michigan residents by continuing to invest in education, health and human services, public safety, veteran services, natural resources and infrastructure.

Committed to the responsible management of taxpayer dollars, the governor's balanced two-year budget plan is the right combination of funding for the priorities and needs of our great state. In order to maintain structural balance, continue Michigan's economic comeback and further our fiscal sustainability, the state must continue along the path of financial responsibility.

### Turning the Corner

**M**ake no doubt about it, Michigan is making a comeback. The economic outlook is improving for the state and our residents. For two years in a row, the state has operated with an on-time, structurally balanced budget. Michigan's economy is at a 10-year high. Our income growth is the 9th best in the nation (including significant gains in per capita personal income in the state's metropolitan areas); the state's GDP growth is 6th best in the United States; Michigan motor vehicle production is improving (with 2012 production up above 2 million for the first time since 2007); and home sales have increased a full 10 percent.

Governor Snyder's business-minded approach to tackling the state's financial problems has positively impacted the state's economic outlook. As recognized by Bloomberg in its State of the States report, Michigan is ranked 2nd in the nation in economic health, making our state a model for implementing financial stability reforms.

---

*"We applaud Gov. Rick Snyder and legislative leaders for the most pro-growth reforms by a governor and legislature in the past 50 years."*

**Rob Fowler, President  
Small Business Association of Michigan,  
The Detroit News, Jan. 28, 2013**

---

According to Area Development magazine's 2012 *Top States for Doing Business Survey*, Michigan ranks 4th among all states in the nation in leading the economic recovery. In addition, the state recently received an unprecedented 1.16 percent interest rate, the lowest rate ever received on a State of Michigan bond issuance, signaling that investors across the country are feeling more confident about Michigan's economy.

While there is no question that Michigan's economy has turned a corner, Governor Snyder remains focused on the state's long term financial health and translating that into a positive difference for Michiganders. To help ensure Michigan's fiscal sustainability, we must be prudent stewards of the tax dollars collected from our hard-working residents; continue to maintain structural balance; address the state's long-term liabilities; continue to focus on performance-based funding; and save for the future by adding to the state's Budget Stabilization Fund.

## Unemployment Continues to Drop

Michigan's unemployment peaked at 14.2 percent in August of 2009. Since Governor Snyder took office in 2011, Michigan's unemployment rate has dropped by two full points and averaged 8.9 percent in 2012, well below the 2011 annual average rate of 10.3 percent. Due to the difficult, yet responsible, decisions made in the governor's first budget plan, the state's jobless rate has declined, job levels have risen and the workforce is growing slowly but surely. In 2012, payroll jobs in Michigan rose by about 47,000 above 2011 levels, for a growth rate of 1.2 percent. Michigan registered a second consecutive year of job expansion in 2012, after 10 straight years of job loss.

---

*"Since November 2011, the number of unemployed workers in Michigan has dropped by 32,000, or 7.2 percent."*

**MLive, Dec. 19, 2012**

---

As released at the January 2013 Consensus Revenue Estimating Conference, by fiscal year 2015 nearly 40 percent of the jobs lost during the great recession will be recovered.

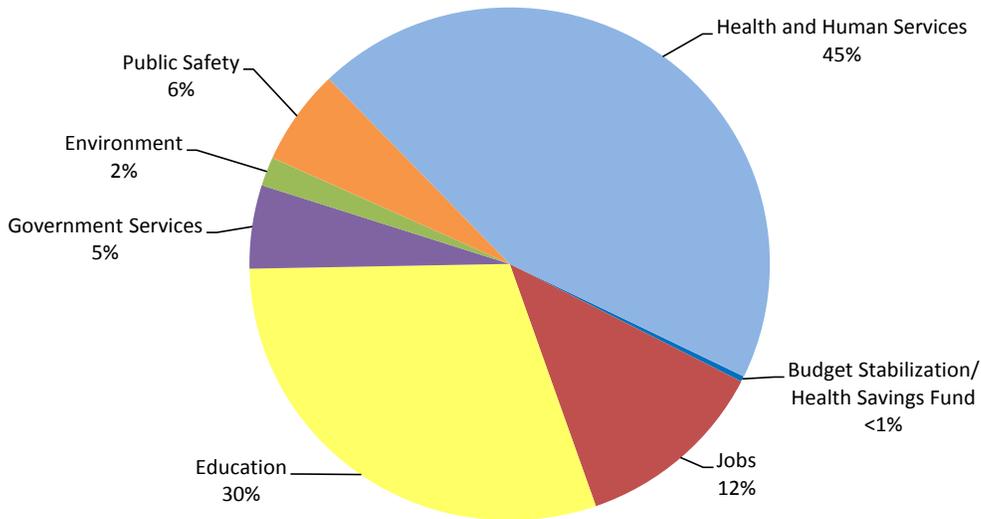
## Budget Recommendation in Totality

The total executive budget recommendation for fiscal year 2014, including all state and federal revenue sources, is \$50.9 billion. Nearly 75 percent of the total budget is dedicated to education and health and human services.

The Consensus Revenue Estimating Conference projected that revenues will be \$9.3 billion in the general fund and \$11.4 billion in the School Aid Fund for fiscal year 2014, for a combined total of \$20.7 billion.

Fiscal year 2015 projected revenues are \$9.6 billion in the general fund and \$11.8 billion in the School Aid Fund, for a combined total of \$21.4 billion.

## Nearly 75% of Total Spending is Dedicated to Education and Health and Human Services



**Total FY 2014 Adjusted Gross Spending: \$50.9 billion**

### Paying and Lowering Our Bills

Governor Snyder has often said that having a balanced budget is not sufficient and that the state's spending cannot outpace its revenue. Michigan's financial future hinges on addressing its long-term obligations, such as post-retirement benefits. So far, Michigan's unfunded liabilities have been reduced by \$20 billion thanks to pension and retiree health care reforms for both state and public school employees.

To advance the goal of getting the state back on solid financial footing, the governor's plan includes more than a billion dollars to pay down the debt burden of post-employment benefits (retiree health, dental and vision). The governor led the charge to begin paying down the actual principal. Gone is the short-sighted "pay-as-you-go" approach. Under Governor Snyder, the state is pre-funding post-employment benefits to ensure that today's employees can count on benefits when they retire.

Additionally, State of Michigan employees are doing their part to help the system remain solvent. Retirement reforms enacted last year resulted in state employees paying more for health costs to bring them more in line with employee contributions in the private sector. In addition, state employees eligible for pensions are now paying 4 percent of their salary to help pay the costs.

---

*"Now Michigan is rebuilding reserves, in keeping with strong financial management practices, as the auto industry stabilizes. Bonded debt remains modest and, with the state's adoption of defined contribution pension plans, Michigan's funding burden for retiree benefits should be manageable."*

**Moody's Investor Services, Mar. 2012**

---

Paying down this debt strengthens Michigan's economic revitalization, showing fiscal responsibility to improve our credit rating. Making these changes now will ensure a brighter future for our children.

## Driving the Economy Forward: Investing in Infrastructure

Good infrastructure paves the way to economic growth. Michigan's residents, tourists and job providers depend on the state's transportation system for leisure travel, workday commutes and the movement of goods. Realizing the important link between infrastructure and the state's economy, the governor's proposed transportation budget recommends an additional \$1.2 billion to adequately maintain and improve Michigan's roads.

The current transportation funding model is simply not able to keep pace with system needs, and the time for investment has never been more critical given future system condition forecasts. It is the choice of spending \$12 billion over the next 10 years to

repair our infrastructure, or \$25 billion later on to reconstruct a failed system. Governor Snyder's balanced approach tackles the issue of Michigan's deteriorating road system. The plan addresses the lack of appropriate road funding by creating a new funding model based on a gasoline and diesel tax of 33 cents a gallon; and increasing registration taxes for vehicles and heavy trucks. This will cost a typical Michigan family an estimated \$120 per vehicle each year.

Additionally, the governor recommends a local option that would allow Michigan's 83 counties to raise additional revenue for local transportation needs. Subject to local voters, a local vehicle registration tax of 0.18 percent of a vehicle's list price would generate \$280 million that counties could use to fix local roads or invest in public transportation. Revenues from the new registration tax would be collected by the Secretary of State and returned to each county.

## Educating Our Children

Michigan's future lies in the hands of our children. In order to truly move Michigan forward, the state must make vital investments that benefit future generations.

---

*"In the largest effort ever to collect and analyze public opinion on K-12 education, Michigan taxpayers overwhelmingly supported an expansion of early childhood opportunities."*

**Center for Michigan Report, Jan. 2013**

---

report, more Great Start Readiness Program students graduated on time from high school than non-participants. The governor's proposed budget increases funding by \$130 million over the next two years to further expand early childhood education opportunities.

---

*"It's going to be expensive to fix Michigan's roads, but doing nothing carries a heavy price. The state simply cannot afford a legislative roadblock on this issue. Further, deteriorating roads cost jobs in the form of unrealized economic development and opportunity. Our manufacturing, tourism and agricultural sectors depend on good roads to manage their costs."*

**Battle Creek Enquirer, Jan. 29, 2013**

---

The governor recommends \$11.5 billion in state funds for the School Aid budget, an increase of over 2 percent. The recommendation includes an equity payment to further close the foundation allowance funding gap between districts. The K-12 budget also supports online and blended learning, as the Michigan Virtual University works with schools to create and maintain a statewide catalog of online courses. District performance and best practices funding is continued, as well as technology infrastructure improvement grants.

While establishing a firm foundation for lifelong learning is essential to preparing our children for their future, it is also critical to sufficiently fund the state's institutions of higher learning. Home to 15 outstanding public universities and 28 outstanding community colleges, Michigan's college graduates are prepared to enter the workforce in a wide variety of fields – from high tech jobs such as engineering or computer science to highly skilled manufacturing. If we want the future generations to be prepared for the jobs of the 21st century in advanced careers, higher education funding must be a priority. To achieve this goal, the governor's plan calls for a 2 percent increase in state support for higher education using the same performance formula as adopted in fiscal year 2013. The funding formula includes metrics designed to help ensure Michigan college students are receiving a quality education at a reasonable cost by linking funding to performance.

For community colleges, the recommendation also includes a 2 percent increase (\$5.8 million) allocated through a performance formula, including a new metric that rewards community colleges that place skilled trades students in jobs and apprenticeships, with special emphasis on veterans. The recommendation also includes \$1.1 million for the Virtual Learning Collaborative to increase student access to online courses.

Since taking office, Governor Snyder has helped reduce the long-term liabilities facing the Michigan Public School Employees Retirement System. Prefunding the system allows the state to address one of its largest long-term liabilities while providing needed stability to the retirement system depended upon by hundreds of thousands of hard-working Michigan public school employees and retirees. This move puts school districts in a better fiscal position and reduces the unfunded liability from \$46 billion to \$31 billion, ensuring that the resources can instead be spent in the classroom.

## Ensuring a Healthier Michigan

Creating a healthy Michigan is paramount to improving the vitality of the state's economy. A key component to increasing the health of the state's residents is ensuring that people have access to affordable, quality health care.

Governor Snyder's budget recognizes the need for positive health outcomes and invests additional resources in Michigan's health care system.

### *Medicaid Expansion*

To protect Michigan's most vulnerable residents and ensure access to health care, the governor recommends

---

*"Expanding Medicaid will be good for the state. Ann Arbor's Center for Health Care Research and Transformation found that it could save the state \$1 billion over 10 years and improve the quality of life and mortality rates of Michigan residents -- ultimately reducing disability costs and promoting productivity on the job."*

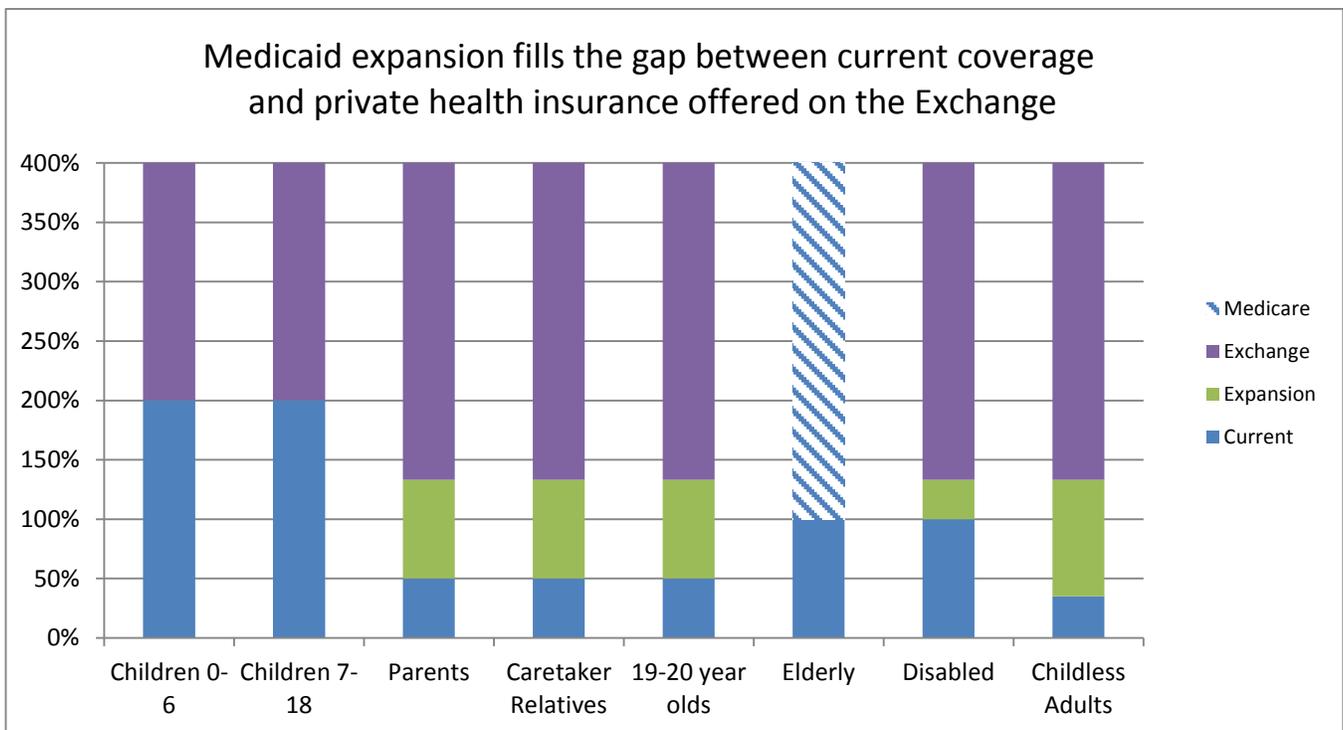
**Detroit Free Press, Jan. 28, 2013**

---

expanding Medicaid for adults to 133 percent of the federal poverty level. With this expansion, the governor’s budget calls for \$12.3 billion to provide health care to 2.2 million Michigan residents. A study published by the New England Journal of Medicine in 2011 showed that compared to individuals who are uninsured, Medicaid recipients saw doctors more often; were less likely to delay getting care; reported better health; were less likely to die from disease, accidents, injuries and drug abuse; and reported better financial stability. As the old adage goes, “an ounce of prevention is worth a pound of cure.”

Individuals eligible for the Medicaid expansion will be enrolled in a health maintenance organization (HMO) where their medical home is established. All 13 Michigan Medicaid HMOs are accredited and nationally recognized as leaders in health care delivery. Members in plans get the care they need for themselves and their children quickly and seamlessly. To keep moms and babies healthy, pre and post natal care is an integral part of HMO services. In addition, coverage includes tests for breast and cervical cancer and other infections, which can help diagnose these diseases earlier and allows for more treatment choices. These medical homes are already in place for our current Medicaid population and they are effective.

This unique opportunity to provide health care to Michigan’s low-income population will improve the quality of care and health outcomes for the most vulnerable. The governor’s executive recommendation includes 100 percent federal funds to support Medicaid expansion. For fiscal year 2014, the budget recommendation recognizes a reduction in state general fund spending of \$206 million. To cover future state health care liabilities, \$103 million is deposited in a newly created health care savings fund.



## *Mental Health*

The governor's executive recommendation also includes expanded Medicaid coverage for mental health services, funding for jail diversion, behavioral health homes, and mental health innovations. These investments will strengthen Michigan's mental health services. Jail diversion will address mental health and substance abuse problems outside of the criminal justice system. Behavioral health homes will be demonstrated across the state to coordinate physical and mental health care services for Medicaid beneficiaries with chronic conditions. The mental health needs of our youth will be addressed through a variety of mental health innovations. These include home-based mental health services for children, care management and treatment for high-risk youth, and mental health training and awareness programs to assist community stakeholders and law enforcement in identifying youth with mental health needs and guiding them to treatment resources.

## *Healthy Kids Dental*

Tooth decay is the most common chronic childhood disease in America, affecting more than one-fourth of children 2-5 years old and half of those 12-15 years old. Left untreated, tooth decay and disease can affect a child's health, well-being, growth, and achievement. Children with serious oral health problems can have difficulty eating, sleeping and concentrating in school. To improve dental health outcomes for young Michiganders, Governor Snyder's budget invests in Michigan's children by expanding the Healthy Kids Dental program, a public-private partnership between the Michigan Department of Community Health and Delta Dental of Michigan. Since it began 12 years ago, Healthy Kids Dental has garnered national attention and is recognized by the American Dental Association as one of five national models for improving access to dental care for low-income children. Under the governor's plan, Healthy Kids Dental will cover an additional 70,500 children in Ottawa, Ingham and Washtenaw counties, funded with \$11.6 million. Currently, more than 440,000 Michigan children residing in 75 of Michigan's 83 counties are enrolled in the Healthy Kids Dental program.

## *Infant Mortality*

The governor's budget invests an additional \$2.5 million to reduce Michigan's infant mortality rate. The governor called for the development of an infant mortality plan in his Special Message on Health and Wellness. The Department of Community Health will address a variety of initiatives outlined in the plan, including support for high risk mothers and families.

## *Health Innovation Grants*

The governor is also calling for \$3 million in health innovation grants in the Department of Community Health. These grants will provide funding to community organizations and coalitions to devise innovative approaches to improving Michigan's health care system. The resulting new ideas will improve the health outcomes of Michiganders.

## Supporting Job Creation

Realizing the importance of having highly-trained workers in Michigan, Governor Snyder's budget recommends \$10 million for a new skilled trades training program to better match talent with employers' needs. There are currently thousands of jobs that could be filled if workers had the necessary training to meet these employer needs. The mismatch must be addressed for the Michigan economy to continue to grow and diversify.

---

*"The business climate reforms enacted by Snyder over the past two years have been credited with making Michigan more attractive to growing industrial firms."*

Site Selection magazine, Jan. 2013

The governor's budget also calls for an additional \$27.5 million for the Michigan Economic Development Corporation to help grow Michigan's economy, including \$20 million for a new, innovative debt financing program to assist banks and other lenders invest in underserved communities.

## Bolstering Human, Veterans Services

Launched last summer, Pathways to Potential puts workers at the Department of Human Services in local communities where they can directly and easily connect with clients. This service delivery model was designed to help families and children break down barriers to success. Initially located in 22 neighborhood schools in Detroit, Pontiac, Flint and Saginaw, Pathways to Potential helps families address a wide variety of issues including education, employment, food and child care needs. By addressing truancy, hunger and lack of transportation, department

---

*"Governor Rick Snyder's business roots show through in many of his plans for Michigan. He's about delivering goods to taxpayers – he considers them his customers – in the most efficient way possible. A new program that places state social workers directly in schools follows suit, offering children and their parents access to services in a place that's convenient."*

The Detroit News, Feb. 4, 2013

workers help to improve school attendance, classroom performance and family independence. The governor's proposed budget includes \$6.2 million to expand Pathways to Potential.

The budget recommendation also includes \$2.5 million to expand three critical family preservation programs: Family Reunification; Families Together Building Solutions; and Supportive Visitation/Home-Based Parent Education.

To improve program integrity and to ensure that Michigan's resources support those who are truly needy, the recommendation calls for \$1.2 million to augment the Department of Human Services' fraud prevention, detection and recoupment efforts. These funds will augment efforts by the Department of Human Services, the Michigan State Police and the Attorney General's office to identify and prevent fraud before a case is open.

After serving their country bravely, veterans face a number of obstacles when returning home. Believing that the state should and can do more to honor the nearly 700,000 veterans who call Michigan home, Governor Snyder's proposed budget includes \$8.6 million to create a new agency to focus directly on improving services to veterans. Furthermore, the plan contains \$600,000 to increase the number of qualified service officers by an additional five full-time employees who will work to connect veterans with the services they need. Having additional officers on staff will allow for better service to Michigan's deserving veterans.

## Making Michigan Safer

A key function of state government is to ensure the safety of its residents. As outlined in the governor's Special Message on Public Safety, the state must prevent crime through "smart justice" that recognizes the connection between law enforcement, prevention and economic opportunity.

Building on the initiatives begun in 2012, phase two of the governor's public safety plan continues to invest in the well-being of Michigan residents. The budget recommendation allots \$15.2 million to train an additional 107 troopers through the Michigan State Police Training Academy to patrol Michigan roadways and communities. Increasing the number of troopers trained to protect and serve will help improve public safety all across Michigan.

The governor proposes an investment of \$18 million to train up to 790 corrections officers. The additional officers will help maintain safety and order in prisons across the state.

---

*Michigan State Police Director Col. Kriste Kibbey Etue "is shepherding perhaps Governor Rick Snyder's most ambitious and difficult initiative to reverse long-term problems with violent crime in the four cities, all of which show up on the FBI's list of the 10 most violent U.S. cities in 2010."*

**Gongwer, Feb. 1, 2013**

---

The governor also calls for \$4 million to be directed to a new Trial Court Performance Innovations Fund for the adoption and improvement of performance measures and to provide funding for grants for innovative proposals to improve the trial courts. The fund will establish incentives for Michigan's 245 trial courts to adopt best practices, encourage positive change and remove barriers to achieving high performance.

The governor recommends an additional \$2 million investment for mental health courts, bringing the total funding to \$4.1 million. This will provide for the maintenance of nine existing mental health courts while allowing for further expansion of this successful specialty court program.

To continue ensuring public safety while reducing drug and alcohol convictions, the governor recommends an additional \$3 million to expand treatment courts and pilot "regional driving while intoxicated/sobriety" courts. This investment brings the total funding for drug and alcohol courts to \$10.1 million.

The Michigan Land Bank is working cooperatively with municipalities on strategies to combine parcels of land for economic development opportunities and to improve neighborhood safety. The governor's plan includes \$9.5 million for blight elimination and \$4 million for the Good Neighbor Program. Funds for the Blight Elimination Program will be utilized to continue demolishing vacant and abandoned properties, particularly near schools, thereby promoting public safety, the stabilization of property values, and enhancing economic development opportunities. Money appropriated for the Good Neighbor Program will go toward property maintenance, such as mowing the grass or cleaning up litter, at state-owned tax-reverted properties.

## Protecting our Natural Resources

With the most fresh water coastline in the United States and being the only state that touches four of the five Great Lakes, Michigan is known far and wide as "The Great Lakes State." Whether camping, hiking, cross-country skiing, hunting, biking, fishing or snowmobiling, it is easy for residents and tourists to discover Michigan's abundant natural beauty. Michigan's pure and pristine forests, lakes and waterways significantly contribute to the high quality of life found in our great state. To protect and preserve the state's environment, the governor's plan contains \$2.5 million in funding to clean up leaking underground storage tanks.

The proposed budget also includes \$97 million for the Department of Environmental Quality to issue grants and low-interest loans to municipalities across the state to improve water quality. These funds will be made available to local units of government in the form of grants and loans to design, develop and implement sanitary sewer and storm sewer infrastructure, with the end goal of improving sewage and treatment systems.

The recommendation also includes \$5.9 million to hire and train 41 new Department of Natural Resources conservation officers to enforce natural resource, recreational safety and environmental protection laws. Michigan ranks 6th in the nation in the amount of money contributed to the state's economy by hunters and anglers, but ranks 19th in the number of conservation officers. Increasing the number of officers will increase safety, protect public health and preserve our environment by ensuring the state's population of wild animals remains healthy and abundant. This investment will help enhance the outdoor experience in Michigan.

---

*"Governor Snyder understands the important role of parks and recreation in placemaking and why it matters for Michigan's economy, Michigan's communities and our future as a state. Additionally, the governor's commitment to health and wellness is evident with his 4 x 4 health and wellness initiative," said MRPA Chief Operating Officer Ann Conklin. "These issues are all important to the park and recreation profession, and the Michigan Recreation and Park Association applauds the governor's leadership and we are proud to present him with the Elected Official Award."*

**The Oakland Press, Jan. 23, 2013**

---

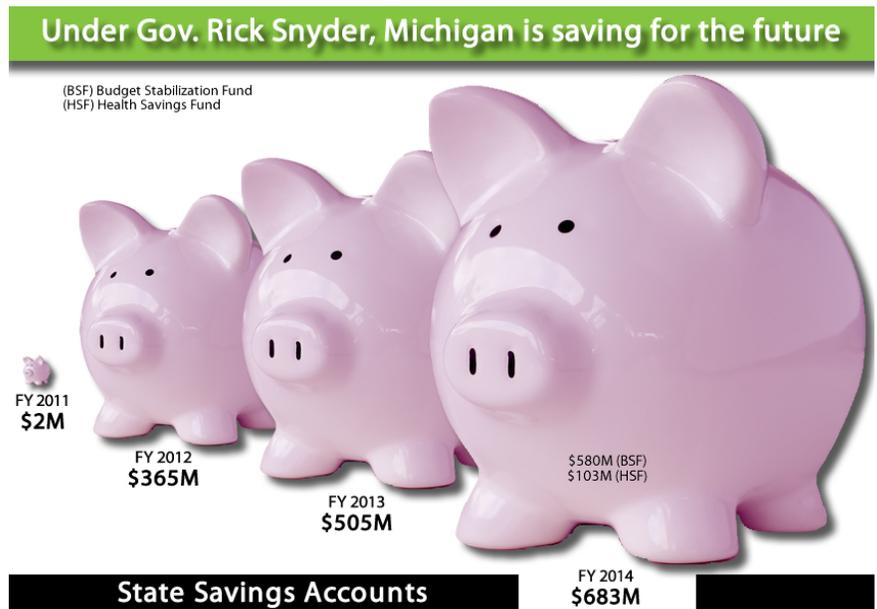
Michigan residents and tourists enjoy plentiful and picturesque opportunities for boating. To help ensure harbors remain passable for those who enjoy this pastime, the governor’s budget recommends \$9.4 million in ongoing funding for harbor dredging in 2014. To address the immediate need for dredging, a 2013 supplemental totaling \$21.5 million will also be sent to the legislature.

## Saving for the Future, Preparing for Emergencies

Responsible budgeting means preparing for unforeseen financial emergencies. Recognizing that Michigan needs to have a healthy cash reserve, Governor Snyder has consistently called for significant deposits into the state’s Budget Stabilization Fund (commonly referred to as the Rainy Day Fund). The fund, which had been depleted to a balance of only \$2.2 million when the governor took office, will have a balance of more than half a billion dollars by the end of fiscal year 2013. This represents the largest balance in more than a decade.

With the governor’s recommendation to make another deposit of \$75 million, the state’s reserves in the Rainy Day Fund will grow to \$580 million. An additional \$103 million will be deposited into the newly created Michigan Health Savings Fund to offset future health care costs, bringing the total state savings to \$683 million. Establishing this reserve for the future shows fiscal responsibility, saves for unforeseen needs, and adds even more stability to Michigan’s fiscal situation.

Just as Michigan families prepare for possible emergencies by setting funds aside, the state must also prepare for natural disasters such as forest fires, tornadoes, flooding or collapsed mines. Last spring, the Duck Lake fire, the third-largest wildfire in Michigan’s modern history, raged across 21,000 acres (33 square miles) in the Upper Peninsula’s Luce County. Started by lightning, the fire resulted in evacuations, campground closures and the loss of 136 structures, including homes, cabins and recreational vehicles.



To help ensure the state is financially prepared to respond to these sorts of emergency situations in the future, the governor’s plan calls for \$4 million in fiscal year 2014 with an additional \$4 million in 2015 for the creation of a Disaster and Emergency Contingency Fund. These funds will help the state be ready for response when an emergency or natural disaster strikes.

## Conclusion

This sound budget recommendation is a roadmap designed to move Michigan forward and help ensure the continuation of the state's comeback. The governor's budget clearly details his priorities for improving the quality of life for Michigan residents by continuing to invest in infrastructure, education, health and human services, public safety, veteran services, and natural resources. The plan set forth for fiscal years 2014 and 2015 continues and sustains critical funding needed to reinforce the firm financial footing Michigan has attained throughout the past two years. With Governor Snyder's financially responsible and balanced approach to the state's finances, and a healthy reserve in the Rainy Day Fund, Michigan is poised for financial stability well into the future.

# Department Detail

---

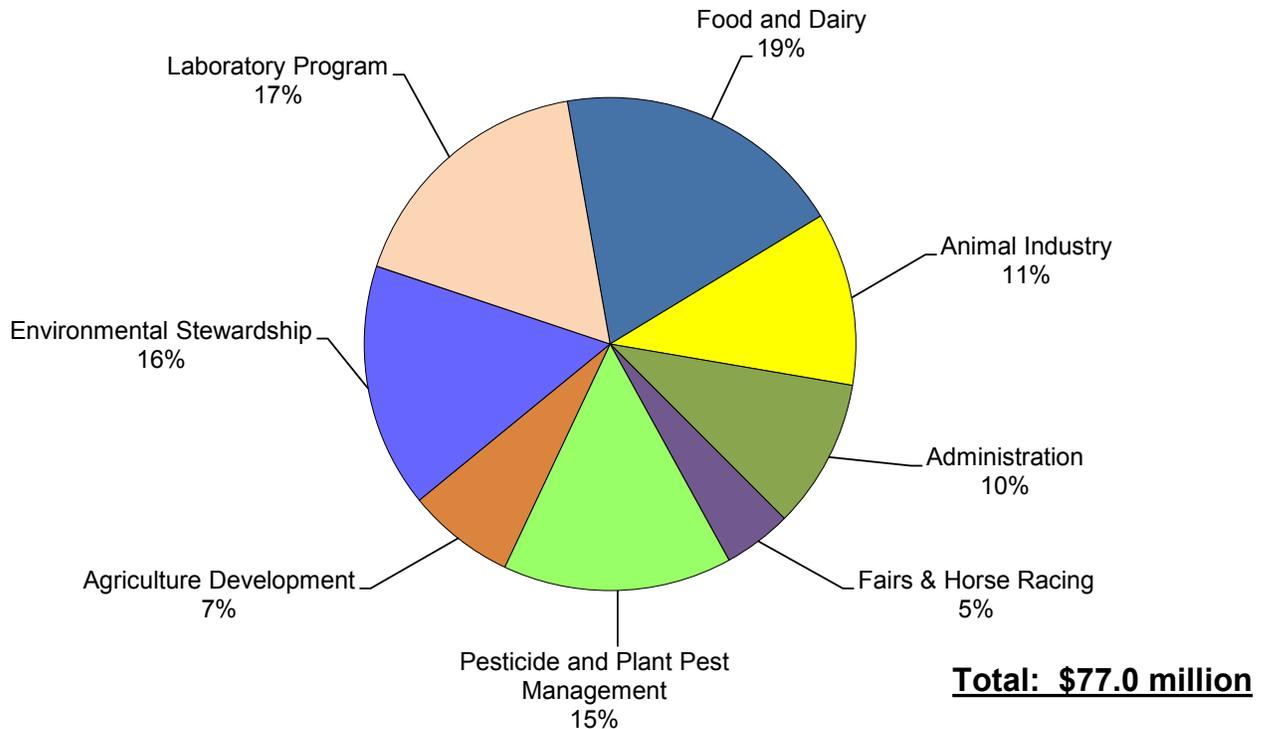
|                                   |   |    |
|-----------------------------------|---|----|
| Agriculture and Rural Development | B | 1  |
| Attorney General                  | B | 5  |
| Civil Rights                      | B | 9  |
| Community Colleges                | B | 11 |
| Community Health                  | B | 15 |
| Corrections                       | B | 21 |
| Education                         | B | 25 |
| Environmental Quality             | B | 27 |
| Executive Office                  | B | 31 |
| Higher Education                  | B | 33 |
| Human Services                    | B | 37 |
| Judiciary                         | B | 41 |
| Legislature                       | B | 45 |
| Licensing and Regulatory Affairs  | B | 49 |
| Military and Veterans Affairs     | B | 53 |
| Natural Resources                 | B | 57 |
| Revenue Sharing                   | B | 61 |
| School Aid                        | B | 63 |
| State                             | B | 67 |
| State Police                      | B | 69 |
| Technology, Management and Budget | B | 73 |
| Transportation                    | B | 77 |
| Treasury                          | B | 81 |



# Department of Agriculture and Rural Development

The Department of Agriculture and Rural Development (MDARD) provides services to Michigan residents as well as the food and agriculture community through a variety of food safety, environmental protection, and animal and plant health programs. *The governor's proposed budget for fiscal year 2014 recommends ongoing funding of \$76.4 million of which \$37 million is general fund. In addition, one-time funding of \$600,000 general fund is recommended. The fiscal year 2015 recommendation includes \$77.6 million total funding of which \$37.7 million is general fund.*

## Protect Food Safety, Public Health and the Environment



### Highlights of Governor's Budget Recommendation

- Funding for core programs of the department is maintained including food safety and consumer protection programs as well as plant and animal health, welfare, and disease response.
- The governor recommends \$1 million general fund for a new Food and Agriculture Industry Growth Initiative focused on removing barriers and leveraging opportunities identified by food processors, agri-business, and those in agricultural production as critical to business development and growth. A competitive grant process will fund research, education, and technical assistance efforts. An advisory board, consisting of food and agriculture industry representatives, will identify criteria for grant funding. Grant recipients will be required to identify program outcomes and performance metrics. In addition, up to \$2 million will be available in the Michigan Strategic Fund (MSF) budget to support eligible projects that meet the goals and mission of this initiative. MDARD will collaborate with MSF in identifying projects for funding.

- MDARD is responsible for issuing certificates to ensure Michigan’s agricultural products, such as fruits and vegetables, are exported free of exotic pests to more than 70 countries worldwide. An additional \$1 million general fund is recommended to stabilize commitments to the industry for agricultural product inspections and assist in expediting export shipments by responding to the increasing number of export certificate requests in a timely manner, as well as to promote export opportunities to potential new markets. *(MDARD metric AgD-01)*
- The governor recommends an additional \$250,000 general fund to provide stable funding for the food safety program which is designed to minimize the risk of contaminated products entering the food supply. This is accomplished through inspections and laboratory testing. Program funding will assist the department with continuing to conduct over 16,000 food establishment inspections and respond to over 100 food recalls annually. In addition, approximately 900 additional produce samples and 500 additional packaged food samples will be tested. *(MDARD metric FDD-01)*
- The governor recommends one-time funding of \$600,000 for grants to conservation districts to provide private landowners with assistance in managing their forestland in order to increase the number of acres under a sustainable forestry management plan. *(MDARD metric ESD-04)*

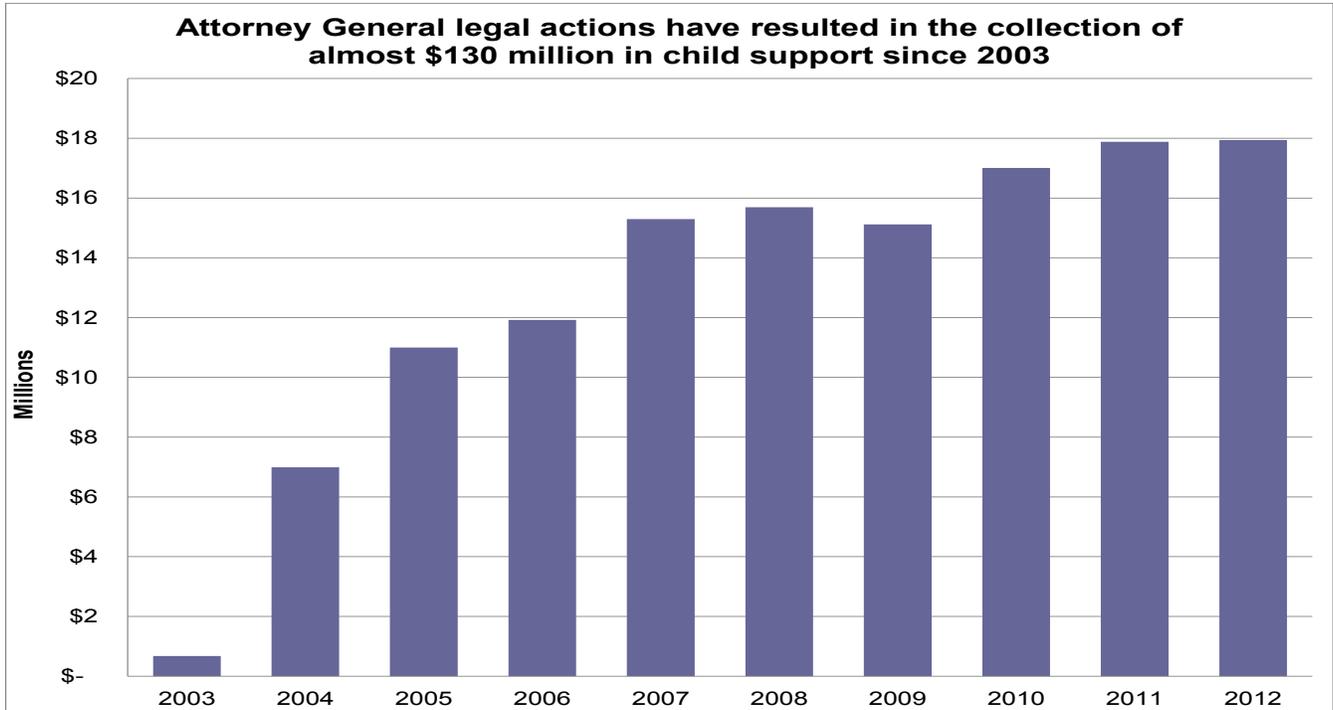
**Governor's Recommendation**  
**Department of Agriculture and Rural Development**  
(\$ in Thousands)

|                                      | FY2013<br>Current Law |            | FY2014<br>Recommendation |                   | FY2015<br>Recommendation |                   |
|--------------------------------------|-----------------------|------------|--------------------------|-------------------|--------------------------|-------------------|
|                                      | GF/GP                 | All Funds  | GF/GP                    | All Funds         | GF/GP                    | All Funds         |
| Ongoing Funding                      | \$33,863.6            | \$74,482.7 | \$37,030.3               | \$76,393.3        | \$37,701.1               | \$77,619.9        |
| One-Time Funding                     | \$2,235.3             | \$2,470.3  | \$600.0                  | \$600.0           | \$0.0                    | \$0.0             |
| Total Funding                        | \$36,098.9            | \$76,953.0 | \$37,630.3               | \$76,993.3        | \$37,701.1               | \$77,619.9        |
| <i>% Change from Previous Year</i>   |                       |            |                          |                   |                          |                   |
| <i>Ongoing Funding</i>               |                       |            | 9.4%                     | 2.6%              | 1.8%                     | 1.6%              |
| <i>One-Time Funding</i>              |                       |            | -73.2%                   | -75.7%            | -100.0%                  | -100.0%           |
| <i>Total Funding</i>                 |                       |            | 4.2%                     | 0.1%              | 0.2%                     | 0.8%              |
| <b>Programs</b>                      |                       |            |                          |                   |                          |                   |
| Food and Dairy                       |                       |            | \$9,777.9                | \$14,702.5        | \$9,777.9                | \$14,702.5        |
| Laboratory Program                   |                       |            | \$2,184.7                | \$13,173.4        | \$2,184.7                | \$13,173.4        |
| Pesticide and Plant Pest Management  |                       |            | \$4,753.7                | \$11,613.0        | \$4,753.7                | \$11,613.0        |
| Environmental Stewardship            |                       |            | \$3,301.1                | \$11,427.5        | \$3,301.1                | \$11,427.5        |
| Animal Industry                      |                       |            | \$7,970.7                | \$8,756.1         | \$7,970.7                | \$8,756.1         |
| Administration                       |                       |            | \$5,654.8                | \$7,536.8         | \$6,325.6                | \$8,763.4         |
| Agriculture and Rural Development    |                       |            | \$3,105.8                | \$5,435.2         | \$3,105.8                | \$5,435.2         |
| Fairs and Horse Racing Awards        |                       |            | \$281.6                  | \$3,448.8         | \$281.6                  | \$3,448.8         |
| Farmland Acquisition Program         |                       |            | \$0.0                    | \$300.0           | \$0.0                    | \$300.0           |
| <b>Total Ongoing Recommendation</b>  |                       |            | <b>\$37,030.3</b>        | <b>\$76,393.3</b> | <b>\$37,701.1</b>        | <b>\$77,619.9</b> |
| Private Forestry Program             |                       |            | \$600.0                  | \$600.0           | \$0.0                    | \$0.0             |
| <b>Total One-Time Recommendation</b> |                       |            | <b>\$600.0</b>           | <b>\$600.0</b>    | <b>\$0.0</b>             | <b>\$0.0</b>      |
| <b>TOTAL RECOMMENDATION</b>          |                       |            | <b>\$37,630.3</b>        | <b>\$76,993.3</b> | <b>\$37,701.1</b>        | <b>\$77,619.9</b> |



# Attorney General

The Attorney General serves as the State of Michigan's chief law enforcement officer and upholds and preserves the state's legal interests. The Attorney General provides legal advice and representation to state officials and agencies and, when warranted, initiates legal action on behalf of the residents of Michigan. The Attorney General also receives and investigates consumer complaints and enforces child support orders. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$89.3 million, of which \$34.5 million is general fund. Anticipated funding for fiscal year 2015 is recommended at \$90.9 million, of which \$35.1 million is general fund.*



## Highlights of Governor's Budget Recommendation

- The executive recommendation provides over \$82 million for Attorney General core programs and support services, including funding for 250 attorneys who provide a wide array of legal services concerning child abuse and neglect cases, health care fraud, consumer protection, and litigation on behalf of the state.
- The Child Support Enforcement Division will receive over \$3.4 million to enforce child support orders. The division focuses on prosecuting those parents who have the ability to pay their court-ordered obligation but fail to do so. ([AG Child Support Enforcement metric 1](#))
- Over \$2 million is recommended for the Prosecuting Attorneys Coordinating Council, an autonomous agency that provides training, automation support, and legal research for local prosecutors throughout the state.

- The budget continues funding, initiated in 2012, to increase prosecutions and incarceration of offenders and to reduce backlogs for outstanding warrants in high-risk urban areas. This funding is one component of the governor’s Public Safety Initiative, which is targeted at crime reduction in major urban areas in Michigan.
- The Department of Human Services will partner with multiple state agencies to improve fraud prevention, detection, and recoupment efforts. As part of this initiative, the Attorney General will investigate and prosecute applicants who use false identity or fraudulent information to qualify for assistance, and will support efforts to recoup benefits paid to ineligible clients. The Attorney General will receive \$500,000 to support 3 attorneys working on this initiative.

**Governor's Recommendation  
Department of Attorney General  
(\$ in Thousands)**

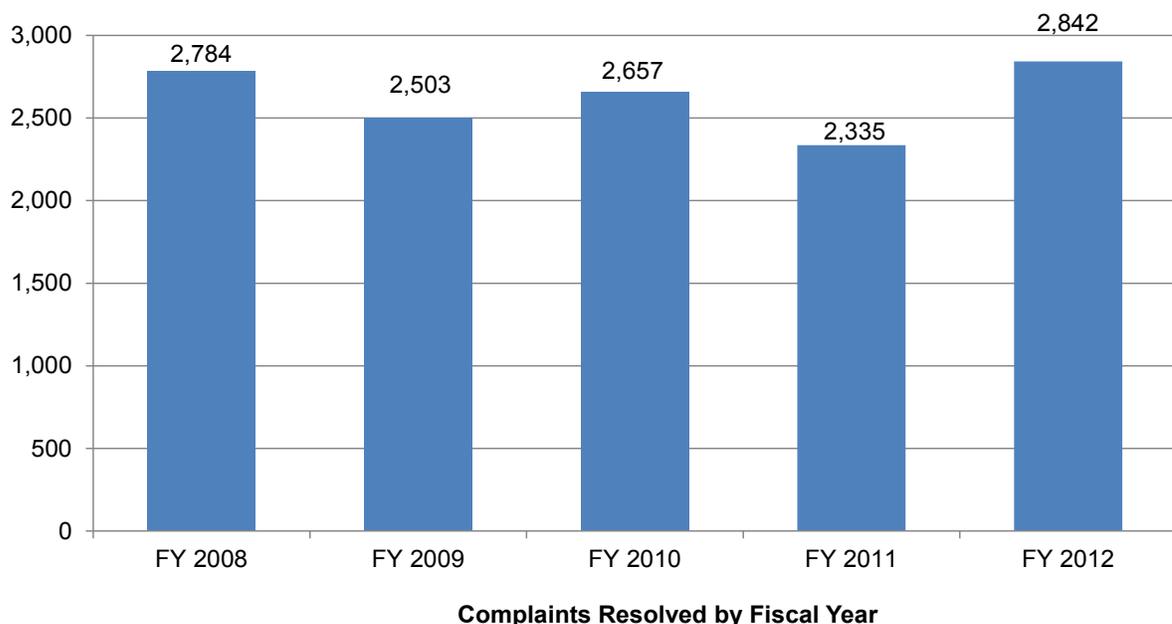
|  | FY2013<br>Current Law   |            | FY2014<br>Recommendation |                   | FY2015<br>Recommendation |                   |
|--|-------------------------|------------|--------------------------|-------------------|--------------------------|-------------------|
|  | GF/GP                   | All Funds  | GF/GP                    | All Funds         | GF/GP                    | All Funds         |
| Ongoing Funding                            | \$33,432.5              | \$84,056.6 | \$34,481.3               | \$89,306.9        | \$35,113.1               | \$90,935.7        |
| One-Time Funding                           | \$393.3                 | \$1,025.9  | \$0.0                    | \$0.0             | \$0.0                    | \$0.0             |
| Total Funding                              | \$33,825.8              | \$85,082.5 | \$34,481.3               | \$89,306.9        | \$35,113.1               | \$90,935.7        |
| <i>% Change from Previous Year</i>         |                         |            |                          |                   |                          |                   |
|  | <i>Ongoing Funding</i>  |            | 3.1%                     | 6.2%              | 1.8%                     | 1.8%              |
|  | <i>One-Time Funding</i> |            | -100.0%                  | -100.0%           | 0.0%                     | 0.0%              |
|  | <i>Total Funding</i>    |            | 1.9%                     | 5.0%              | 1.8%                     | 1.8%              |
| <b>Programs</b>                            |                         |            |                          |                   |                          |                   |
| Attorney General Operations                |                         |            | \$33,083.8               | \$87,232.6        | \$33,715.6               | \$88,861.4        |
| Prosecuting Attorneys Coordinating Council |                         |            | \$1,397.5                | \$2,074.3         | \$1,397.5                | \$2,074.3         |
| <b>Total Ongoing Recommendation</b>        |                         |            | <b>\$34,481.3</b>        | <b>\$89,306.9</b> | <b>\$35,113.1</b>        | <b>\$90,935.7</b> |
| None                                       |                         |            | \$0.0                    | \$0.0             | \$0.0                    | \$0.0             |
| <b>Total One-Time Recommendation</b>       |                         |            | <b>\$0.0</b>             | <b>\$0.0</b>      | <b>\$0.0</b>             | <b>\$0.0</b>      |
| <b>TOTAL RECOMMENDATION</b>                |                         |            | <b>\$34,481.3</b>        | <b>\$89,306.9</b> | <b>\$35,113.1</b>        | <b>\$90,935.7</b> |



# Department of Civil Rights

The Michigan Department of Civil Rights (MDCR) works to prevent discrimination through educational initiatives that promote voluntary compliance with civil rights laws; the department also investigates and resolves discrimination complaints. The department administers programs for complaint investigation, outreach and education, community relations, contract compliance, and federal contracts. The Civil Rights Commission, appointed by the governor, leads the state's efforts to protect civil rights and prevent discrimination. The Department of Civil Rights also provides support for the Women's Commission, the Hispanic/Latino Commission of Michigan, and the Asian Pacific American Affairs Commission. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$15.2 million, of which \$12.3 million is general fund. For fiscal year 2015, the governor recommends total funding for the department of \$15.5 million, of which \$12.6 million is general fund.*

## A New Intake Center, Streamlined Procedures, and Additional Investigators Helped the Agency Resolve More Complaints and Reduce Their Backlog in 2012



### Highlights of Governor's Budget Recommendation

- The governor recommends an increase of \$100,000 general fund for the Division on Deaf and Hard of Hearing. These funds will be used to expand services to those individuals taking the Sign Language Interpreters Examination and reduce time required to review and score exams, providing better service to Michigan residents. (*Department of Civil Rights metric I1*)
- The executive recommendation adds \$54,000 general fund for the Hispanic/Latino Commission of Michigan. These funds will be used to enhance services for new Hispanic/Latino residents, a growing population in Michigan. (*Department of Civil Rights metric L4*)

**Governor's Recommendation  
Department of Civil Rights  
(\$ in Thousands)**

|                                      | FY2013<br>Current Law              |            | FY2014<br>Recommendation |                   | FY2015<br>Recommendation |                   |
|--------------------------------------|------------------------------------|------------|--------------------------|-------------------|--------------------------|-------------------|
|                                      | GF/GP                              | All Funds  | GF/GP                    | All Funds         | GF/GP                    | All Funds         |
| Ongoing Funding                      | \$11,849.3                         | \$14,636.6 | \$12,337.5               | \$15,198.3        | \$12,576.1               | \$15,491.7        |
| One-Time Funding                     | \$104.3                            | \$128.9    | \$0.0                    | \$0.0             | \$0.0                    | \$0.0             |
| Total Funding                        | \$11,953.6                         | \$14,765.5 | \$12,337.5               | \$15,198.3        | \$12,576.1               | \$15,491.7        |
|                                      | <i>% Change from Previous Year</i> |            |                          |                   |                          |                   |
|                                      | <i>Ongoing Funding</i>             |            | 4.1%                     | 3.8%              | 1.9%                     | 1.9%              |
|                                      | <i>One-Time Funding</i>            |            | -100.0%                  | -100.0%           | 0.0%                     | 0.0%              |
|                                      | <i>Total Funding</i>               |            | 3.2%                     | 2.9%              | 1.9%                     | 1.9%              |
| <b>Programs</b>                      |                                    |            |                          |                   |                          |                   |
| Civil Rights Operations              |                                    |            | \$12,337.5               | \$15,198.3        | \$12,576.1               | \$15,491.7        |
| <b>Total Ongoing Recommendation</b>  |                                    |            | <b>\$12,337.5</b>        | <b>\$15,198.3</b> | <b>\$12,576.1</b>        | <b>\$15,491.7</b> |
| None                                 |                                    |            | \$0.0                    | \$0.0             | \$0.0                    | \$0.0             |
| <b>Total One-Time Recommendation</b> |                                    |            | <b>\$0.0</b>             | <b>\$0.0</b>      | <b>\$0.0</b>             | <b>\$0.0</b>      |
|                                      |                                    |            |                          |                   |                          |                   |
| <b>TOTAL RECOMMENDATION</b>          |                                    |            | <b>\$12,337.5</b>        | <b>\$15,198.3</b> | <b>\$12,576.1</b>        | <b>\$15,491.7</b> |

# Community Colleges

A key component of Michigan's education system, Michigan's 28 community colleges provide almost 472,000 residents with affordable access to postsecondary education opportunities. These institutions are integral to attaining the governor's goal of ensuring that at least 60 percent of Michigan residents have a high-quality degree or other credential by 2025. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$334.9 million, of which \$137.3 million is general fund, plus an additional \$1.1 million in one-time general fund. The recommendation for fiscal year 2015 is \$352.3 million, of which \$154.7 million is general fund.*

## Highlights of Governor's Budget Recommendation

- The governor's executive budget invests an additional \$5.8 million general fund in community college operations, a 2 percent increase. The increase for operations is distributed through a modified version of the performance funding formula adopted in the fiscal year 2013 budget, providing long-term planning stability to community colleges. In conjunction with an across the board increase, the metrics used are: weighted completions, enrollment, administrative costs as a percentage of core expenditures, and a new metric that rewards community colleges for working with employers to place skilled trades students in jobs and apprenticeships in their fields, with special emphasis on placing veterans. Local strategic value, a component of the funding formula in 2013, is retained as a prerequisite to receive any performance funding. ([Michigan Education Dashboard](#))

| Community Colleges Funding (\$ in thousands) |                    |                    |                  |
|--|--------------------|--------------------|------------------|
| Community College                            | FY13 Payments      | FY14 Payments      | Percent Increase |
| Alpena                                       | \$5,133.6          | \$5,217.9          | 1.6%             |
| Bay de Noc                                   | 5,184.0            | 5,258.6            | 1.4%             |
| Delta  | 13,772.7           | 14,016.6           | 1.8%             |
| Glen Oaks                                    | 2,393.4            | 2,432.4            | 1.6%             |
| Gogebic                                      | 4,251.7            | 4,313.3            | 1.4%             |
| Grand Rapids                                 | 17,129.2           | 17,388.5           | 1.5%             |
| Henry Ford                                   | 20,687.4           | 20,975.0           | 1.4%             |
| Jackson                                      | 11,542.0           | 11,712.9           | 1.5%             |
| Kalamazoo Valley                             | 11,880.2           | 12,080.2           | 1.7%             |
| Kellogg                                      | 9,330.0            | 9,489.2            | 1.7%             |
| Kirtland                                     | 2,981.2            | 3,048.3            | 2.2%             |
| Lake Michigan                                | 5,081.5            | 5,158.5            | 1.5%             |
| Lansing                                      | 29,463.9           | 29,909.3           | 1.5%             |
| Macomb                                       | 31,343.7           | 31,807.8           | 1.5%             |
| Mid Michigan                                 | 4,412.6            | 4,505.7            | 2.1%             |
| Monroe County                                | 4,241.9            | 4,330.9            | 2.1%             |
| Montcalm                                     | 3,051.8            | 3,111.9            | 2.0%             |
| Mott   | 14,955.8           | 15,190.8           | 1.6%             |
| Muskegon                                     | 8,493.3            | 8,620.3            | 1.5%             |
| North Central MI                             | 2,992.9            | 3,056.1            | 2.1%             |
| Northwestern MI                              | 8,662.0            | 8,791.3            | 1.5%             |
| Oakland                                      | 20,065.1           | 20,413.5           | 1.7%             |
| St. Clair County                             | 6,726.7            | 6,835.2            | 1.6%             |
| Schoolcraft                                  | 11,852.1           | 12,074.1           | 1.9%             |
| Southwestern MI                              | 6,296.6            | 6,377.2            | 1.3%             |
| Washtenaw                                    | 12,295.2           | 12,581.7           | 2.3%             |
| Wayne County                                 | 15,867.9           | 16,138.2           | 1.7%             |
| West Shore                                   | 2,308.3            | 2,339.9            | 1.4%             |
| Skilled Trades (TBD)                         | \$0.0              | \$1,068.7          |                  |
| <b>Total:</b>                                | <b>\$292,396.9</b> | <b>\$298,244.0</b> | <b>2.0%</b>      |

- As part of reforms in the Michigan Public School Employees' Retirement System enacted in 2012, the employer's contribution rate for unfunded accrued liabilities was capped at the fiscal year 2012 level. The state is required to pay the amount over the cap. The budget includes a total of \$31.4 million for payments to community colleges for the portion of their retirement liabilities that exceeds the capped amount. (*Treasury metric F-3*)
- To expand the use of technology in education, the governor proposes \$1.1 million in one-time general fund to support the Michigan Community College Association Virtual Learning Collaborative. This initiative will allow students, when their home institution courses are full, to enroll in an equivalent online course from another community college, and will also make available a course database for jointly developed, high-cost, low-enrollment online courses for all 28 colleges to share.
- Renaissance Zone tax reimbursements totaling \$3.5 million are transferred to the Community Colleges budget from the Treasury budget in order to consolidate payments to colleges in a single budget.
- State Building Authority rent payments of \$28.1 million, all general fund, support debt service for recently constructed community college building projects.

**Governor's Recommendation  
Community Colleges  
(\$ in Thousands)**

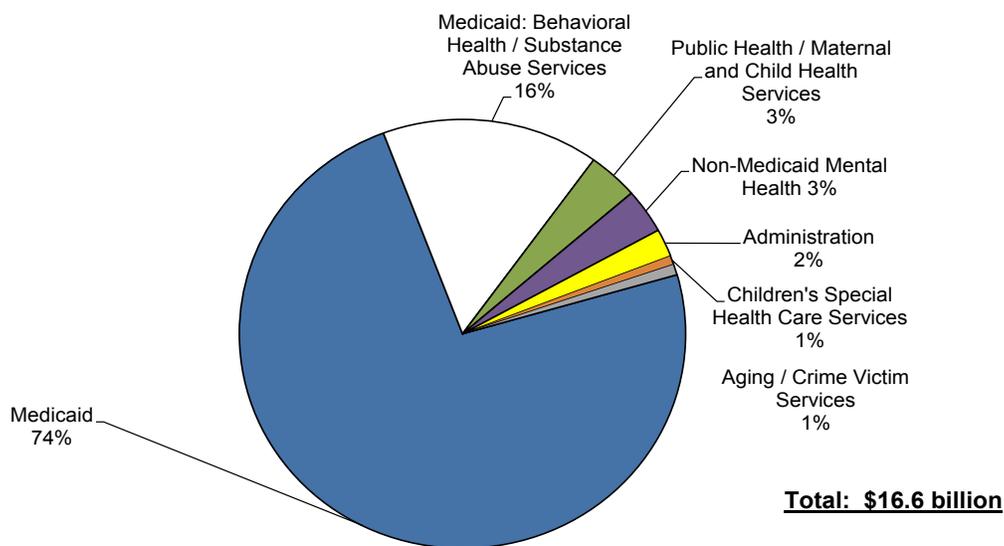
|  | FY2013<br>Current Law              |                    |                    | FY2014<br>Recommendation |                    |                    | FY2015<br>Recommendation |                    |                    |
|--|------------------------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|
|  | GF/GP                              | School Aid         | All Funds          | GF/GP                    | School Aid         | All Funds          | GF/GP                    | School Aid         | All Funds          |
| Ongoing Funding  | \$96,516.4                         | \$197,614.1        | \$294,130.5        | \$137,263.5              | \$197,614.1        | \$334,877.6        | \$154,663.5              | \$197,614.1        | \$352,277.6        |
| One-Time Funding   | \$0.0                              | \$0.0              | \$0.0              | \$1,100.0                | \$0.0              | \$1,100.0          | \$0.0                    | \$0.0              | \$0.0              |
| <b>Total Funding</b>   | <b>\$96,516.4</b>                  | <b>\$197,614.1</b> | <b>\$294,130.5</b> | <b>\$138,363.5</b>       | <b>\$197,614.1</b> | <b>\$335,977.6</b> | <b>\$154,663.5</b>       | <b>\$197,614.1</b> | <b>\$352,277.6</b> |
|  | <i>% Change from Previous Year</i> |                    |                    |                          |                    |                    |                          |                    |                    |
|  | <i>Ongoing Funding</i>             |                    |                    | <i>42.2%</i>             | <i>0.0%</i>        | <i>13.9%</i>       | <i>12.7%</i>             | <i>0.0%</i>        | <i>5.2%</i>        |
|  | <i>One-Time Funding</i>            |                    |                    | <i>N/A</i>               | <i>0.0%</i>        | <i>N/A</i>         | <i>-100.0%</i>           | <i>0.0%</i>        | <i>-100.0%</i>     |
|  | <i>Total Funding</i>               |                    |                    | <i>43.4%</i>             | <i>0.0%</i>        | <i>14.2%</i>       | <i>11.8%</i>             | <i>0.0%</i>        | <i>4.9%</i>        |
| <b>Programs</b>  |                                    |                    |                    |                          |                    |                    |                          |                    |                    |
| Community College Operations   |                                    |                    |                    | \$95,238.9               | \$195,880.5        | \$291,119.4        | \$101,294.8              | \$195,880.5        | \$297,175.3        |
| MPERS Retirement Contributions*  |                                    |                    |                    | \$31,400.0               | \$1,733.6          | \$33,133.6         | \$48,800.0               | \$1,733.6          | \$50,533.6         |
| Community College Performance Funding  |                                    |                    |                    | \$7,124.6                | \$0.0              | \$7,124.6          | \$1,068.7                | \$0.0              | \$1,068.7          |
| Renaissance Zone Tax Reimbursements  |                                    |                    |                    | \$3,500.0                | \$0.0              | \$3,500.0          | \$3,500.0                | \$0.0              | \$3,500.0          |
| *The FY2013 current law figures do not reflect a proposed FY2013 supplemental that transfers \$12.5 million in state MPERS reform cost payments from the School Aid budget to the Community Colleges budget. |                                    |                    |                    |                          |                    |                    |                          |                    |                    |
| <b>Total Ongoing Recommendation</b>  |                                    |                    |                    | <b>\$137,263.5</b>       | <b>\$197,614.1</b> | <b>\$334,877.6</b> | <b>\$154,663.5</b>       | <b>\$197,614.1</b> | <b>\$352,277.6</b> |
| Virtual Learning Collaborative   |                                    |                    |                    | \$1,100.0                | \$0.0              | \$1,100.0          | \$0.0                    | \$0.0              | \$0.0              |
| <b>Total One-Time Recommendation</b>   |                                    |                    |                    | <b>\$1,100.0</b>         | <b>\$0.0</b>       | <b>\$1,100.0</b>   | <b>\$0.0</b>             | <b>\$0.0</b>       | <b>\$0.0</b>       |
| <b>TOTAL RECOMMENDATION</b>  |                                    |                    |                    | <b>\$138,363.5</b>       | <b>\$197,614.1</b> | <b>\$335,977.6</b> | <b>\$154,663.5</b>       | <b>\$197,614.1</b> | <b>\$352,277.6</b> |



# Department of Community Health

The Department of Community Health (DCH) is responsible for health policy and management of the state's publicly funded health care systems. These programs include Medicaid health coverage for those with limited incomes; mental health services for people who have a mental illness or developmental disability; services for individuals who need substance abuse treatment; and services provided through local public health programs. The department also provides services to promote the independence and preserve the dignity of Michigan's elderly through the Office of Services to the Aging. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$16.6 billion, of which \$2.7 billion is general fund. This includes one-time funding of \$23.6 million (\$7.6 million general fund). The recommendation for fiscal year 2015 is \$17.5 billion, of which \$2.7 billion is general fund.*

## Medicaid makes up 90% of the DCH budget



## Improving Michigan's Health Care System

To improve Michigan's health care outcomes, the governor's budget addresses problems in the current health care delivery system. Too many people lack access to routine and preventive care, resulting in high hospital emergency room use. Chronic diseases and illnesses that go untreated result in poor health outcomes. The high costs and lack of insurance result in high amounts of uncompensated care for all providers. This uncoordinated system of care contributes to poor health outcomes that are unacceptable and costly.

To address these problems and achieve positive health outcomes for Michigan residents, the governor recommends expanding Medicaid for adults to 133 percent of the federal poverty level. In fiscal year 2014, this expansion will provide health care to over 320,000 individuals who are currently uninsured. These individuals will have access to routine and preventive medical care, improving health outcomes and reducing uncompensated costs for health care providers. Financial pressures on medical providers will be reduced.

This Medicaid expansion will be 100 percent financed by the federal government from fiscal year 2014 through fiscal year 2016. Beginning in fiscal year 2017 there is a gradual increase in the state's share of expansion costs capped at 10 percent in fiscal year 2020. Michigan will realize general fund savings of \$206 million in fiscal year 2014 because Medicaid expansion will cover expenses that are currently paid by the state for individuals who are not Medicaid eligible. State savings will continue through fiscal year 2020. Half of these savings will be reserved in a new Health Savings Fund to help cover state health care costs in future years.

## **Strengthening Mental Health Services**

The governor recognizes the importance of providing mental health services and the need for coordinating resources to support diagnosis and treatment. Services for children are often unavailable. Health care workers, other professionals and law enforcement officers need assistance in recognizing mental health problems. Many of those incarcerated with mental health needs can and should be treated more effectively outside the corrections system. The fiscal year 2014 budget proposes funding to address Michigan's critical mental health needs.

- Medicaid expansion will provide mental health services to over 320,000 uninsured individuals. Many of those with low incomes forgo mental health treatment because they have no health insurance. Untreated mental illnesses result in significant costs for the individuals and their families and for the state. Expanding Medicaid mental health coverage will provide the resources needed to address and control mental illnesses and mental health problems while reducing uncompensated care and improving health outcomes.
- The executive budget makes a new investment of \$5 million general fund in Mental Health Innovations. These funds will support three service initiatives.
  - Comprehensive home-based mental health services will be provided to children to strengthen families and reduce child hospitalizations.
  - The Department of Community Health will coordinate with private providers and the Department of Human Services to pilot a high intensity care management team for children with complex behavior disorders.
  - Mental health "first aid" training will be provided to a range of public and private groups to help them recognize mental health problems and obtain professional help. In addition, the Department of Community Health will pilot Youth Crisis Intervention Training for law enforcement officers to identify youth with mental health needs and guide them to treatment resources.
- A new jail diversion initiative is supported with \$1.6 million general fund. Those with mental illness or substance abuse diagnoses will be diverted from the criminal justice system so they can receive the medical attention they need. In addition, Medicaid expansion will provide health services for low-income prisoners and parolees in Michigan's criminal justice system. Parolees will be eligible to receive health services

to help them successfully transition into the community and to reduce recidivism. Incarceration is an expensive way to house those who can be treated more effectively, and at lower cost, outside the corrections system. (*DCH metric 4b*)

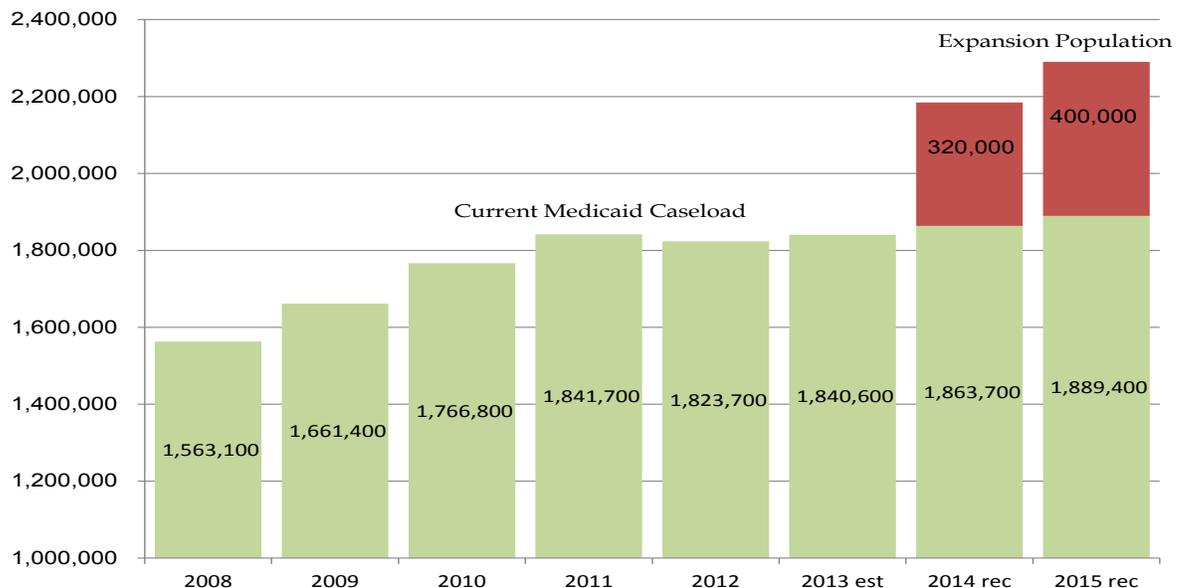
- An investment of \$900,000 (\$90,000 general fund) supports three health home demonstrations for Medicaid recipients with chronic mental health conditions. The health home model is designed to coordinate physical and mental health care through the provision of specific services. These include comprehensive case management, support for transitional care from an institution to the community, educating the family to support the health and well-being of the recipient, referral to community and social support services, and using health information technology to share data between physical and mental health providers. This person-centered model will be demonstrated in three regions: Washtenaw region (includes Washtenaw, Livingston, Lenawee and Monroe counties), Northern Michigan (includes 21 counties from Manistee to Emmett to Iosco), and either Saginaw County or the Genesee region (includes St. Clair, Lapeer, and Sanilac counties).

## Other Highlights of the Governor’s Budget

### Medical Services

- Michigan’s existing health care safety net is protected in the governor’s executive recommendation. The DCH budget recommends \$8.6 billion (\$982 million general fund) for medical services and \$2.4 billion (\$500 million general fund) for the long term care portion of the Medicaid program. This represents a 2 percent increase over fiscal year 2013 due to caseload increases, utilization and inflation, special provider payments and funding for actuarial soundness. After flattening in fiscal year 2012, the Medicaid caseload is projected to resume modest growth in fiscal years 2013 and 2014. Medicaid provides health care services for one out of every five Michigan residents, rising to almost 25 percent with Medicaid expansion.

**Medicaid caseload has leveled off - Medicaid expansion will add 320,000 individuals in 2014, financed by the federal government.**



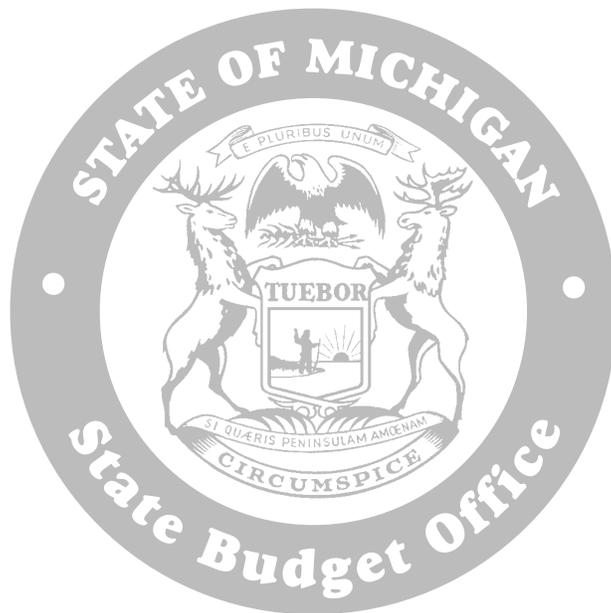
- The governor continues his commitment to improve dental care and oral health outcomes for children by investing \$11.6 million gross (\$3.9 million general fund) in the continued expansion of Healthy Kids Dental to 70,500 children in Ingham, Ottawa and Washtenaw counties. With this expansion, 50 percent of eligible children will be covered. Full statewide phase-in will be completed within the next several years. Planned expansion in fiscal year 2015 will cover an additional 100,000 children. Healthy Kids Dental increases provider reimbursement rates, encourages provider participation and ensures that children receive good dental care. (*DCH metric 1a*)
- Health Innovation Grants will be awarded to encourage and foster reforms and new approaches to improve the provision of health care. The results will encourage healthier communities, integration of mental health and primary care, better health care at reduced costs, and increased efficiencies through better service delivery models. Funded at \$3 million general fund, this initiative will solicit proposals and make grants to local units of government, private entities and public/private partnerships. Proposals will be selected for funding based on merit and their potential to bring efficiencies to the state's health care system.

## Public Health Services

- The governor's Health and Wellness initiative is funded with an additional \$1.5 million general fund for a total of \$8.7 million (\$3.5 million general fund). These funds support public health activities including obesity reduction, cancer screening, improved diabetes care and pregnancy prevention/family planning programs. (*DCH Health and Wellness Dashboard*)
- The Infant Mortality Reduction Plan is supported with funding of \$2.5 million general fund. Michigan's infant mortality rate ranks 37th among all states. This investment recognizes the importance of addressing this significant public health problem. Initiatives funded under this plan include a regional system of perinatal care, reducing medically unnecessary deliveries before 39 weeks, infant safe-sleep practices, expanding home-visiting programs and reducing unintended pregnancies. (*DCH Health and Wellness Dashboard*)

**Governor's Recommendation  
Department of Community Health  
(\$ in Thousands)**

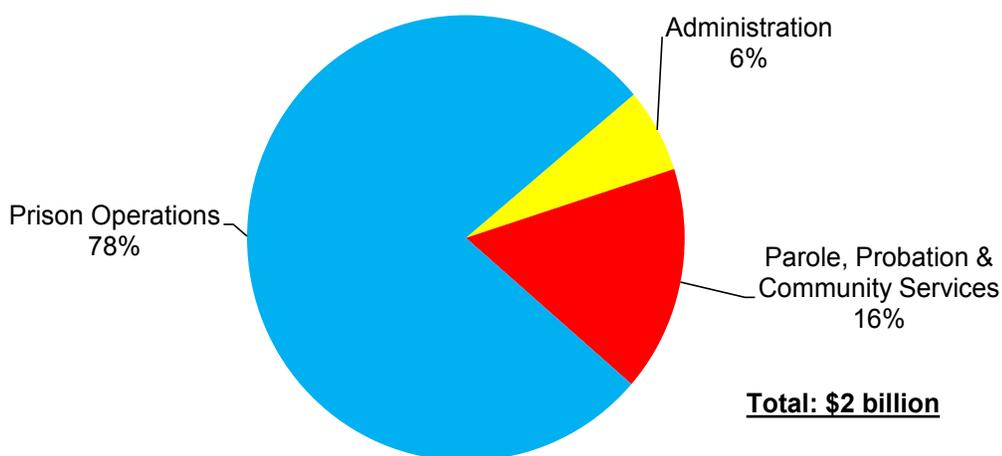
|  | FY2013<br>Current Law |                | FY2014<br>Recommendation |                       | FY2015<br>Recommendation |                       |
|--|-----------------------|----------------|--------------------------|-----------------------|--------------------------|-----------------------|
|  | GF/GP                 | All Funds      | GF/GP                    | All Funds             | GF/GP                    | All Funds             |
| Ongoing Funding                                    | \$2,802,091.3         | \$14,979,201.1 | \$2,717,907.5            | \$16,610,626.0        | \$2,735,460.6            | \$17,478,248.0        |
| One-Time Funding                                   | \$15,346.5            | \$49,856.6     | \$7,625.0                | \$23,625.0            | \$0.0                    | \$0.0                 |
| Total Funding                                      | \$2,817,437.8         | \$15,029,057.7 | \$2,725,532.5            | \$16,634,251.0        | \$2,735,460.6            | \$17,478,248.0        |
| <i>% Change from Previous Year</i>                 |                       |                |                          |                       |                          |                       |
| <i>Ongoing Funding</i>                             |                       |                | -3.0%                    | 10.9%                 | 0.6%                     | 5.2%                  |
| <i>One-Time Funding</i>                            |                       |                | -50.3%                   | -52.6%                | -100.0%                  | -100.0%               |
| <i>Total Funding</i>                               |                       |                | -3.3%                    | 10.7%                 | 0.4%                     | 5.1%                  |
| <b>Programs</b>                                    |                       |                |                          |                       |                          |                       |
| Medicaid   |                       |                | \$1,419,082.4            | \$10,896,918.4        | \$1,482,158.2            | \$10,793,370.2        |
| Behavioral Health / Substance Abuse Services       |                       |                | \$1,182,061.4            | \$2,897,582.7         | \$1,188,637.0            | \$2,917,545.0         |
| Medicaid Expansion                                 |                       |                | (\$181,720.5)            | \$1,359,044.1         | (\$243,240.4)            | \$2,292,842.6         |
| Public Health / Maternal and Child Health Services |                       |                | \$65,487.0               | \$607,859.5           | \$65,487.0               | \$607,859.5           |
| Administration / Information Technology            |                       |                | \$75,574.9               | \$331,234.5           | \$80,827.2               | \$339,831.5           |
| State Psychiatric Hospitals / Forensic Center      |                       |                | \$65,837.2               | \$275,025.7           | \$65,837.2               | \$275,025.7           |
| Children's Special Health Care Services            |                       |                | \$62,704.3               | \$111,604.3           | \$66,873.6               | \$120,416.7           |
| Office of Services to the Aging                    |                       |                | \$28,880.8               | \$93,581.6            | \$28,880.8               | \$93,581.6            |
| Crime Victim Services Commission                   |                       |                | \$0.0                    | \$37,775.2            | \$0.0                    | \$37,775.2            |
| <b>Total Ongoing Recommendation</b>                |                       |                | <b>\$2,717,907.5</b>     | <b>\$16,610,626.0</b> | <b>\$2,735,460.6</b>     | <b>\$17,478,248.0</b> |
| Michigan Medicaid Information System - ICD-10      |                       |                | \$2,300.0                | \$18,300.0            | \$0.0                    | \$0.0                 |
| Mental Health Innovation                           |                       |                | \$5,000.0                | \$5,000.0             | \$0.0                    | \$0.0                 |
| Primary Care Services - Island Health Clinics      |                       |                | \$325.0                  | \$325.0               | \$0.0                    | \$0.0                 |
| <b>Total One-Time Recommendation</b>               |                       |                | <b>\$7,625.0</b>         | <b>\$23,625.0</b>     | <b>\$0.0</b>             | <b>\$0.0</b>          |
| <b>TOTAL RECOMMENDATION</b>                        |                       |                | <b>\$2,725,532.5</b>     | <b>\$16,634,251.0</b> | <b>\$2,735,460.6</b>     | <b>\$17,478,248.0</b> |



# Department of Corrections

The Department of Corrections contributes to public safety by providing custody and care for incarcerated felons while maintaining oversight and supervision of parolees and felony probationers. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$2.03 billion of which \$1.96 billion is general fund. Anticipated funding for fiscal year 2015 is recommended at \$2.05 billion of which \$1.98 billion is general fund. For fiscal year 2014, the governor's proposed budget includes a total of \$9 million in one-time funding, all general fund.*

## Nearly 80% of Corrections Costs are in Prison Operations



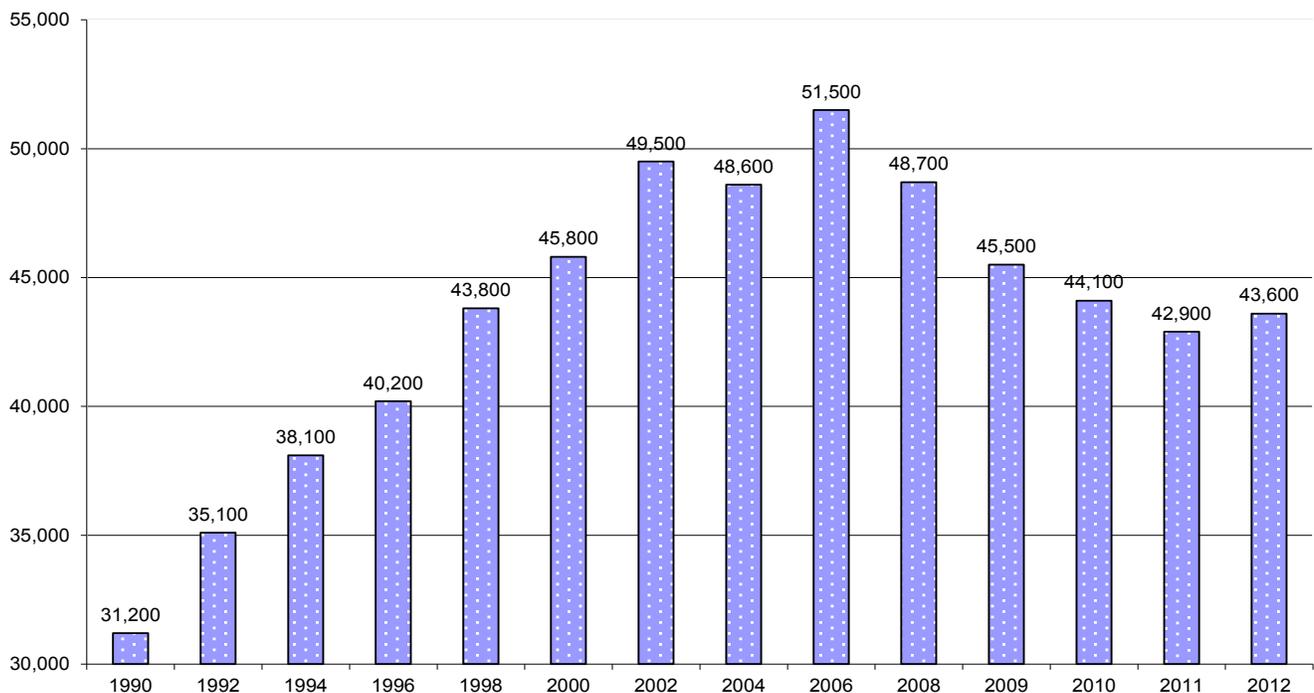
## Highlights of the Governor's Budget Recommendation

- The executive budget includes \$1.6 billion to operate a safe and secure prison system that currently houses 43,000 prisoners. Due to successful cost containment efforts, the recommended funding remains nearly unchanged from the current year, despite an increase in prison population and almost \$50 million in negotiated employee pay adjustments. The department is able to control cost pressures due to a number of efficiency measures undertaken in the last two years, including efforts to reorganize health care services, reduce positions, limit overtime costs and optimize the department's supply chain.
- The governor's budget includes \$331 million in funding for supervision of parolees and felony probationers as well as funding for community programs to provide cost-effective local alternatives to incarceration in the state's prison system.
- Access to routine and preventive health care helps parolees successfully transition into the community. Current access to quality care is limited and beyond the financial reach of most parolees. Health care costs are shared by all Michigan residents when these individuals seek treatment in emergency rooms or return to prison because of additional criminal behavior caused by lack of access to substance abuse or mental health services.

The governor’s proposed expansion of Medicaid eligibility to low income residents will improve access to primary care and health outcomes for Michigan’s parolees, helping them succeed in the community while saving the department over \$24 million general fund in fiscal year 2014. With the expansion of Medicaid, most inpatient hospitalization for prisoners will be covered along with specific re-entry, substance abuse and sex offender treatment for parolees. (*MDOC metric 13 and 14*)

- The governor’s budget includes \$6 million in state restricted funds to improve staff personal protection systems at several facilities. Investment in these projects will reduce serious assaults on staff and improve safety within the prisons. (*MDOC metric 3 and 4*)
- To ensure that there are adequately trained corrections officers, \$9 million (one-time general fund) is recommended. This investment will allow the department to replace officers who retire or leave employment, while reducing overtime. With this additional support, total funding for new employee training schools equals \$18 million to train approximately 790 replacement officers.

**Prison Population in 2012 Showed a Slight Rebound After Five Successive Years of Decline**



**Governor's Recommendation  
Department of Corrections  
(\$ in Thousands)**

|  | FY2013<br>Current Law   |                      | FY2014<br>Recommendation |                      | FY2015<br>Recommendation |                      |
|--|-------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|
|  | GF/GP                   | All Funds            | GF/GP                    | All Funds            | GF/GP                    | All Funds            |
| Ongoing Funding                        | \$1,927,482.3           | \$1,986,560.5        | \$1,954,021.1            | \$2,020,275.5        | \$1,982,080.1            | \$2,049,016.2        |
| One-Time Funding                       | \$14,003.3              | \$31,955.4           | \$9,032.5                | \$9,032.5            | \$0.0                    | \$0.0                |
| <b>Total Funding</b>                   | <b>\$1,941,485.6</b>    | <b>\$2,018,515.9</b> | <b>\$1,963,053.6</b>     | <b>\$2,029,308.0</b> | <b>\$1,982,080.1</b>     | <b>\$2,049,016.2</b> |
| <i>% Change from Previous Year</i>     |                         |                      |                          |                      |                          |                      |
|  | <i>Ongoing Funding</i>  |                      | 1.4%                     | 1.7%                 | 1.4%                     | 1.4%                 |
|  | <i>One-Time Funding</i> |                      | -35.5%                   | -71.7%               | -100.0%                  | -100.0%              |
|  | <i>Total Funding</i>    |                      | 1.1%                     | 0.5%                 | 1.0%                     | 1.0%                 |
| <b>Programs</b>                        |                         |                      |                          |                      |                          |                      |
| Prison Operations                      |                         |                      | \$1,526,927.6            | \$1,566,157.6        | \$1,522,734.4            | \$1,561,964.4        |
| Parole, Probation & Community Services |                         |                      | \$311,990.4              | \$330,920.9          | \$309,176.0              | \$328,106.5          |
| Administration                         |                         |                      | \$115,103.1              | \$123,197.0          | \$150,169.7              | \$158,945.3          |
| <b>Total Ongoing Recommendation</b>    |                         |                      | <b>\$1,954,021.1</b>     | <b>\$2,020,275.5</b> | <b>\$1,982,080.1</b>     | <b>\$2,049,016.2</b> |
| New Employee Training School           |                         |                      | \$9,032.5                | \$9,032.5            | \$0.0                    | \$0.0                |
| <b>Total One-Time Recommendation</b>   |                         |                      | <b>\$9,032.5</b>         | <b>\$9,032.5</b>     | <b>\$0.0</b>             | <b>\$0.0</b>         |
| <b>TOTAL RECOMMENDATION</b>            |                         |                      | <b>\$1,963,053.6</b>     | <b>\$2,029,308.0</b> | <b>\$1,982,080.1</b>     | <b>\$2,049,016.2</b> |

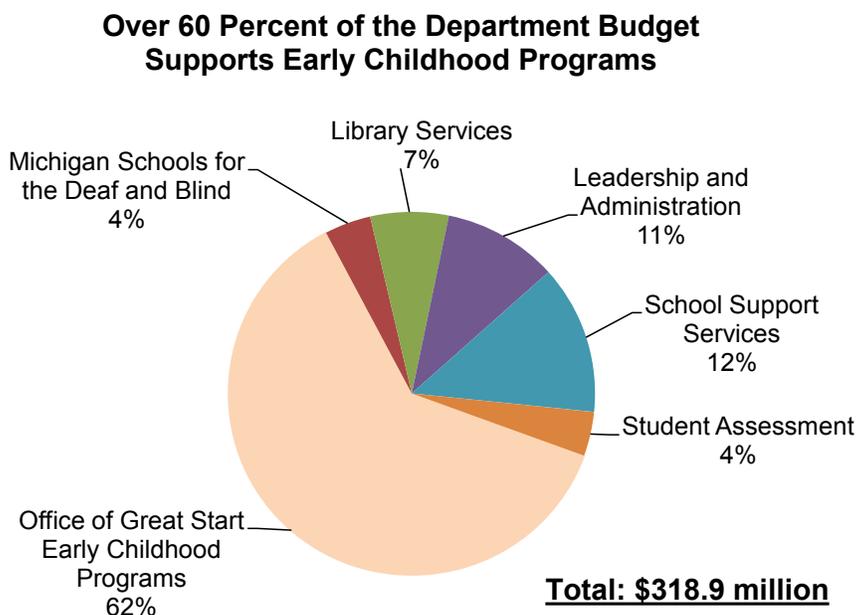


# Department of Education

Leadership for Michigan’s public education system is vested by the State Constitution in the elected members of the State Board of Education and the Superintendent of Public Instruction. The governor’s proposed budget for fiscal year 2014 recommends total funding of \$318.9 million, of which \$70.9 million is general fund. The governor’s proposed budget for fiscal year 2015 recommends total funding of \$320.9 million, of which \$71.8 million is general fund.

## Highlights of Governor’s Budget Recommendation

- In 2011, the governor established the Michigan Office of Great Start to create a single, unified office for the state’s early childhood programs. The Office of Great Start oversees preschool and childcare programs that serve approximately 95,000 children throughout the state. The executive budget includes funding for the Office of Great Start of \$196.8 million (\$40.2 million general fund). *(MDE metric C-5)*



- As part of reforms in the Michigan Public School Employees’ Retirement System enacted in 2012, the employer’s contribution rate for unfunded accrued liabilities was capped at the fiscal year 2012 level. The state is required to pay the amount over the cap. The budget includes a total of \$1.3 million general fund for payments to libraries, which represents the portion of the retirement liabilities that exceed the capped amount.
- The governor’s budget consolidates all state library funding in the Department of Education by transferring \$2.8 million from the School Aid budget to the department budget. State library funding totals \$22 million.
- The executive budget provides additional resources of \$255,000 (\$127,500 general fund) to assist new charter schools. P.A. 277 of 2011 made a number of changes to the laws governing charter schools; those changes are expected to increase both the number of charter schools and the department’s oversight responsibilities. *(MDE metric P-3)*
- The governor’s budget includes \$137,500 general fund to assist more schools as they develop school improvement plans designed to improve student academic achievement. *(MDE metric P-4)*

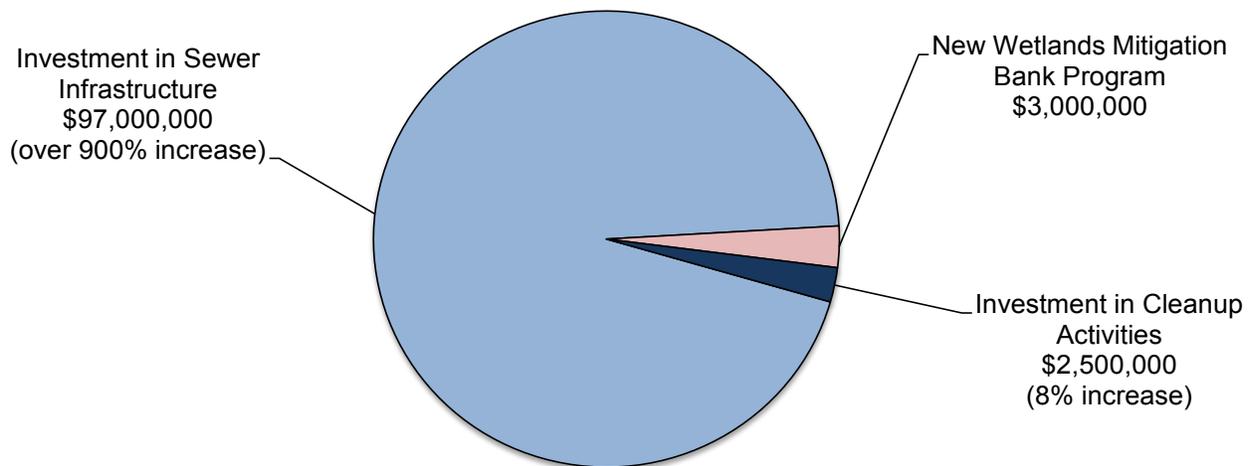
**Governor's Recommendation  
Department of Education  
(\$ in Thousands)**

|   | FY2013<br>Current Law              |                    | FY2014<br>Recommendation |                    | FY2015<br>Recommendation |                    |
|---|------------------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
|   | GF/GP                              | All Funds          | GF/GP                    | All Funds          | GF/GP                    | All Funds          |
| Ongoing Funding                         | \$67,929.1                         | \$328,235.6        | \$70,893.9               | \$318,888.4        | \$71,831.1               | \$320,929.6        |
| One-Time Funding                        | \$164.1                            | \$674.3            | \$0.0                    | \$0.0              | \$0.0                    | \$0.0              |
| <b>Total Funding</b>                    | <b>\$68,093.2</b>                  | <b>\$328,909.9</b> | <b>\$70,893.9</b>        | <b>\$318,888.4</b> | <b>\$71,831.1</b>        | <b>\$320,929.6</b> |
|   | <i>% Change from Previous Year</i> |                    |                          |                    |                          |                    |
|   | <i>Ongoing Funding</i>             |                    | 4.4%                     | -2.8%              | 1.3%                     | 0.6%               |
|   | <i>One-Time Funding</i>            |                    | -100.0%                  | -100.0%            | 0.0%                     | 0.0%               |
|   | <i>Total Funding</i>               |                    | 4.1%                     | -3.0%              | 1.3%                     | 0.6%               |
| <b>Programs</b>                         |                                    |                    |                          |                    |                          |                    |
| Early Childhood Development Programs    |                                    |                    | \$40,198.5               | \$196,791.8        | \$40,198.5               | \$196,791.8        |
| School Support Services                 |                                    |                    | \$6,732.6                | \$42,279.5         | \$6,732.6                | \$42,279.5         |
| Leadership and Administration           |                                    |                    | \$6,426.8                | \$32,317.6         | \$6,664.0                | \$33,658.8         |
| Library Services                        |                                    |                    | \$16,370.5               | \$21,974.2         | \$17,070.5               | \$22,674.2         |
| Michigan Schools for the Deaf and Blind |                                    |                    | \$0.0                    | \$13,030.7         | \$0.0                    | \$13,030.7         |
| Student Assessment                      |                                    |                    | \$1,165.5                | \$12,494.6         | \$1,165.5                | \$12,494.6         |
| <b>Total Ongoing Recommendation</b>     |                                    |                    | <b>\$70,893.9</b>        | <b>\$318,888.4</b> | <b>\$71,831.1</b>        | <b>\$320,929.6</b> |
| None                                    |                                    |                    | \$0.0                    | \$0.0              | \$0.0                    | \$0.0              |
| <b>Total One-Time Recommendation</b>    |                                    |                    | <b>\$0.0</b>             | <b>\$0.0</b>       | <b>\$0.0</b>             | <b>\$0.0</b>       |
|   |                                    |                    |                          |                    |                          |                    |
| <b>TOTAL RECOMMENDATION</b>             |                                    |                    | <b>\$70,893.9</b>        | <b>\$318,888.4</b> | <b>\$71,831.1</b>        | <b>\$320,929.6</b> |

# Department of Environmental Quality

Funding for the Department of Environmental Quality (DEQ) supports programs to restore and enhance Michigan's environment and preserve our natural resources. *The governor's proposed budget for fiscal year 2014 recommends ongoing funding of \$511.2 million, of which \$28.1 million is general fund. In addition, one-time funding of \$1 million general fund is recommended. The fiscal year 2015 recommendation includes \$514.7 million, of which \$28.5 million is general fund.*

## Over \$100 Million in New Funding for Environmental Cleanup and Protection



**Total: \$102.5 million**

### Highlights of Governor's Budget Recommendation

- The fiscal year 2014 executive recommendation focuses on the governor's commitment to ensuring good water quality, defending our wetlands, and restoring Michigan's environment. The governor recommends a 20 percent increase in funding devoted primarily to environmental cleanups.

- The governor's recommendation includes an additional \$97 million in bond authority to improve sewage collection and treatment systems. Funds will be made available to local units of government in the form of grants and loans to design,

*"In Michigan, we care about energy and the environment because we care about our kids and their future. These areas don't lend themselves to "quick fixes." It takes a long time to see the effect of the choices we make."*

### Special Message from Governor Snyder, Ensuring our Future: Energy and the Environment, November 28, 2012

develop and implement sanitary sewer and storm sewer infrastructure. Corresponding debt service funding has been added to the Department of Treasury budget to reflect the debt service associated with these new bonds. ([DEQ metrics S212 and S412](#))

- The governor recommends an additional \$3 million in bond proceeds to establish a wetland mitigation bank funding program to provide grants and loans to eligible municipalities. A wetland mitigation bank is a site where wetlands are restored, created, or preserved to compensate for unavoidable impacts to wetlands. Funding will be available for developing wetland mitigation bank proposals, including the planning, designing and establishment of mitigation banks. (*DEQ metrics B1a13 and B1b13*)

---

*"I am calling on DEQ to reinvent our wetland mitigation banking system to make sure that Michigan will end up not just with average or good replacement wetlands, but with the best wetlands and wetland systems in America - all at the same or lower cost to our business community and residents."*

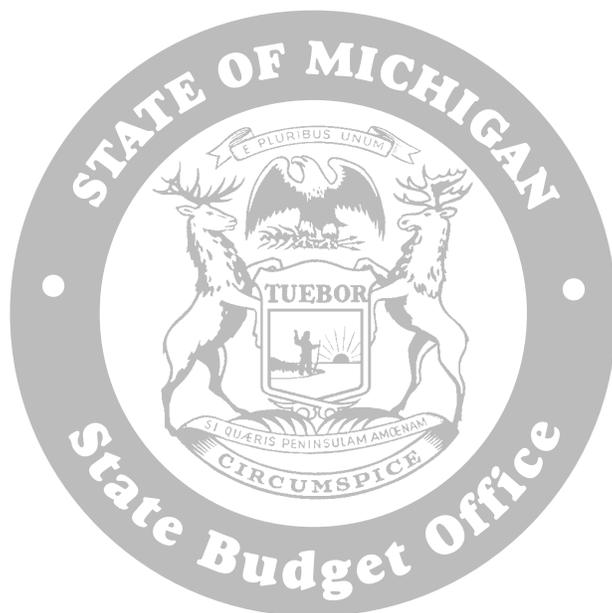
**Special Message from Governor Snyder, Ensuring our Future: Energy and the Environment, November 28, 2012**

---

- The governor's recommendation includes general fund in the amount of \$1 million ongoing and \$600,000 one-time for the wetlands program. Funding will be used to continue the wetlands program and to create a Wetland Ombudsman to address the impact of wetland regulations on agricultural expansion in Michigan. This position will assist the agricultural specialty crop industry with development of cost effective options for mitigating wetland impacts. (*DEQ metrics B1a13 and B1b13*)
- The governor recommends an additional \$2.5 million of refined petroleum funds for environmental contamination cleanup work at leaking underground storage tank sites. Funding is available by replacing \$2.5 million in refined petroleum fund currently funding debt service payments in the Department of Treasury with an equal amount of general fund. With the additional funding support, there will be an increase in the percentage of orphan sites that meet risk reductions goals. (*DEQ metric S1513*)
- The governor recommends an additional \$500,000 general fund to offset depleted Great Lakes protection funds to be used to support policy development pertaining to Great Lakes issues and to satisfy the state's obligations under the Great Lakes Compact Agreement. As Co-Chair of the Great Lakes Governors Council, Governor Snyder will spearhead efforts to protect the Great Lakes and invigorate the region's economy. The governor is planning a 2013 summit on Mackinac Island to develop ideas and multi-state strategies on how to protect and enhance the Great Lakes. (*DEQ metric S112*)
- The governor's recommendation includes a fee proposal to replace existing hazardous waste management program fees with a new system of user charges developed in consultation with the hazardous waste user charge stakeholder's workgroup. The proposed new fee structure is expected to generate an additional \$1.5 million for the program which regulates businesses that generate, transport, store, treat, recycle or dispose of hazardous waste in Michigan. The program provides for the permitting and registration of approximately 50 hazardous waste transporters annually. In addition, \$400,000 one-time general fund is recommended for the program. (*DEQ metrics S1213, S1313, and S1413*)

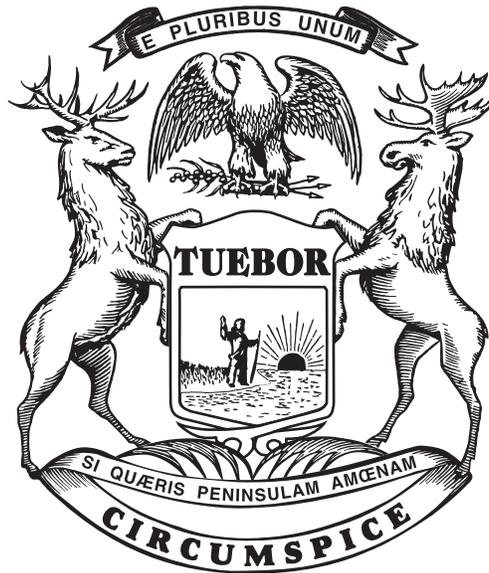
**Governor's Recommendation  
Department of Environmental Quality  
(\$ in Thousands)**

|                                      | FY2013<br>Current Law              |             | FY2014<br>Recommendation |                    | FY2015<br>Recommendation |                    |
|--------------------------------------|------------------------------------|-------------|--------------------------|--------------------|--------------------------|--------------------|
|                                      | GF/GP                              | All Funds   | GF/GP                    | All Funds          | GF/GP                    | All Funds          |
| Ongoing Funding                      | \$25,652.3                         | \$425,880.7 | \$28,104.5               | \$511,168.8        | \$28,526.7               | \$514,655.9        |
| One-Time Funding                     | \$4,160.1                          | \$6,149.2   | \$1,000.0                | \$1,000.0          | \$0.0                    | \$0.0              |
| Total Funding                        | \$29,812.4                         | \$432,029.9 | \$29,104.5               | \$512,168.8        | \$28,526.7               | \$514,655.9        |
|                                      | <i>% Change from Previous Year</i> |             |                          |                    |                          |                    |
|                                      | <i>Ongoing Funding</i>             |             | 9.6%                     | 20.0%              | 1.5%                     | 0.7%               |
|                                      | <i>One-Time Funding</i>            |             | -76.0%                   | -83.7%             | -100.0%                  | -100.0%            |
|                                      | <i>Total Funding</i>               |             | -2.4%                    | 18.5%              | -2.0%                    | 0.5%               |
| <b>Programs</b>                      |                                    |             |                          |                    |                          |                    |
| Resource Management                  |                                    |             | \$3,775.0                | \$248,170.6        | \$3,775.0                | \$248,170.6        |
| Remediation                          |                                    |             | \$0.0                    | \$115,170.5        | \$0.0                    | \$115,170.5        |
| Water Resources                      |                                    |             | \$13,783.3               | \$60,001.7         | \$13,783.3               | \$60,001.7         |
| Administration                       |                                    |             | \$4,571.3                | \$32,687.0         | \$4,993.5                | \$36,174.1         |
| Air Quality                          |                                    |             | \$4,531.6                | \$25,766.5         | \$4,531.6                | \$25,766.5         |
| Office of the Great Lakes            |                                    |             | \$884.8                  | \$19,644.9         | \$884.8                  | \$19,644.9         |
| Environmental Assistance             |                                    |             | \$0.0                    | \$6,937.2          | \$0.0                    | \$6,937.2          |
| Law Enforcement                      |                                    |             | \$558.5                  | \$2,790.4          | \$558.5                  | \$2,790.4          |
| <b>Total Ongoing Recommendation</b>  |                                    |             | <b>\$28,104.5</b>        | <b>\$511,168.8</b> | <b>\$28,526.7</b>        | <b>\$514,655.9</b> |
| Wetlands Program                     |                                    |             | \$600.0                  | \$600.0            | \$0.0                    | \$0.0              |
| Hazardous Waste Management           |                                    |             | \$400.0                  | \$400.0            | \$0.0                    | \$0.0              |
| <b>Total One-Time Recommendation</b> |                                    |             | <b>\$1,000.0</b>         | <b>\$1,000.0</b>   | <b>\$0.0</b>             | <b>\$0.0</b>       |
| <b>TOTAL RECOMMENDATION</b>          |                                    |             | <b>\$29,104.5</b>        | <b>\$512,168.8</b> | <b>\$28,526.7</b>        | <b>\$514,655.9</b> |



# Executive Office

The Executive Office is the Office of the Governor. The budget provides funding for the governor and his immediate staff, who assist him in executing his constitutional responsibilities as chief executive of the State of Michigan. The Executive Office also includes funding for the lieutenant governor's office. The lieutenant governor performs gubernatorial functions in the governor's absence, presides over the Senate, serves on the State Administrative Board and represents the governor at selected local, state and national meetings. The Executive Office also contains the Constituent Services Division, which serves as a resource for the residents of Michigan to communicate their concerns and opinions directly to the governor. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$5.0 million; the same amount is recommended of fiscal year 2015.*



**Governor's Recommendation  
Executive Office  
(\$ in Thousands)**

|                                      | FY2013<br>Current Law              |           | FY2014<br>Recommendation |                  | FY2015<br>Recommendation |                  |
|--------------------------------------|------------------------------------|-----------|--------------------------|------------------|--------------------------|------------------|
|                                      | GF/GP                              | All Funds | GF/GP                    | All Funds        | GF/GP                    | All Funds        |
| Ongoing Funding                      | \$4,829.2                          | \$4,829.2 | \$4,970.0                | \$4,970.0        | \$4,970.0                | \$4,970.0        |
| One-Time Funding                     | \$58.7                             | \$58.7    | \$0.0                    | \$0.0            | \$0.0                    | \$0.0            |
| Total Funding                        | \$4,887.9                          | \$4,887.9 | \$4,970.0                | \$4,970.0        | \$4,970.0                | \$4,970.0        |
|                                      | <i>% Change from Previous Year</i> |           |                          |                  |                          |                  |
|                                      | <i>Ongoing Funding</i>             |           | 2.9%                     | 2.9%             | 0.0%                     | 0.0%             |
|                                      | <i>One-Time Funding</i>            |           | -100.0%                  | -100.0%          | 0.0%                     | 0.0%             |
|                                      | <i>Total Funding</i>               |           | 1.7%                     | 1.7%             | 0.0%                     | 0.0%             |
| <b>Programs</b>                      |                                    |           |                          |                  |                          |                  |
| Executive Office Operations          |                                    |           | \$4,970.0                | \$4,970.0        | \$4,970.0                | \$4,970.0        |
| <b>Total Ongoing Recommendation</b>  |                                    |           | <b>\$4,970.0</b>         | <b>\$4,970.0</b> | <b>\$4,970.0</b>         | <b>\$4,970.0</b> |
| None                                 |                                    |           | \$0.0                    | \$0.0            | \$0.0                    | \$0.0            |
| <b>Total One-Time Recommendation</b> |                                    |           | <b>\$0.0</b>             | <b>\$0.0</b>     | <b>\$0.0</b>             | <b>\$0.0</b>     |
| <b>TOTAL RECOMMENDATION</b>          |                                    |           | <b>\$4,970.0</b>         | <b>\$4,970.0</b> | <b>\$4,970.0</b>         | <b>\$4,970.0</b> |

# Higher Education

The Higher Education budget provides operating support to the state’s 15 public universities and also funds student financial aid programs. State universities are essential to the governor’s goal of ensuring that at least 60 percent of Michigan residents possess a high-quality degree or other credential by 2025. *The governor’s proposed budget for fiscal years 2014 and 2015 recommends total funding of \$1.4 billion, of which \$1.1 billion is general fund.*

## Highlights of Governor’s Budget Recommendation

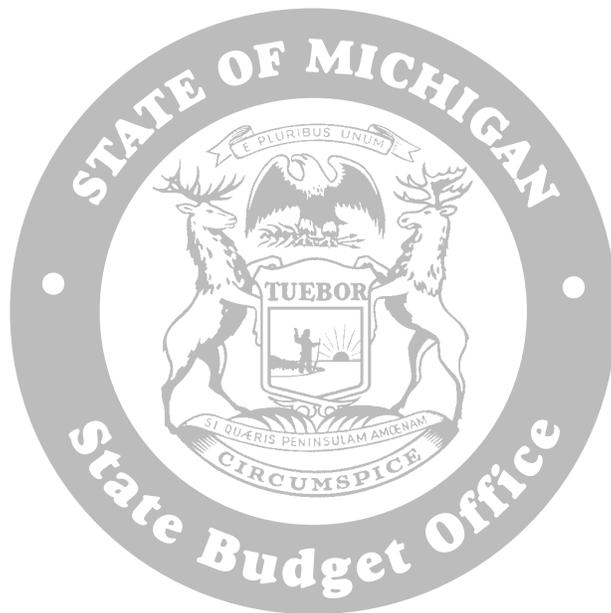
- The governor’s executive budget invests an additional 2 percent, or \$24.9 million, in state university operations, all general fund. All fiscal year 2013 performance funding and tuition restraint allocations have been built into the ongoing fiscal year 2014 base appropriations for each university. As part of the governor’s continued emphasis on financial best practices, state universities will be required to post revenue and expenditure projections and debt service obligations on their financial transparency websites.
- The increase for operations is distributed using the performance funding formula adopted in the fiscal year 2013 budget, providing long-term planning stability to state universities. The metrics used are: weighted undergraduate completions in critical skills areas, research expenditures, 6-year graduation rate, total completions, and administrative costs as a percentage of core expenditures. ([Michigan Education Dashboard](#))
- Universities that better constrain tuition and fee increases to less than 4.0 percent will receive greater funding, in the same manner as fiscal year 2013. Tuition restraint funding of \$6.2 million will be allocated to qualifying universities once all institutions have set their academic year 2013-14 tuition rates. ([Michigan Education Dashboard](#))

| <b>FY 2014 State University Funding (\$ in Thousands)</b> |                           |                            |                         |
|---|---------------------------|----------------------------|-------------------------|
| <b>University</b>   | <b>Operations Funding</b> | <b>Performance Funding</b> | <b>Percent Increase</b> |
| Central Michigan University                               | \$71,352.3                | \$1,660.1                  | 2.3%                    |
| Eastern Michigan University                               | 66,466.7                  | 600.9                      | 0.9%                    |
| Ferris State University                                   | 44,250.7                  | 2,083.4                    | 4.7%                    |
| Grand Valley State University                             | 55,436.0                  | 1,778.5                    | 3.2%                    |
| Lake Superior State University                            | 12,046.1                  | 620.2                      | 5.1%                    |
| Michigan State University                                 | 245,037.0                 | 2,386.8                    | 1.0%                    |
| Michigan Technological University                         | 42,579.1                  | 1,190.9                    | 2.8%                    |
| Northern Michigan University                              | 40,856.6                  | 852.4                      | 2.1%                    |
| Oakland University  | 44,964.1                  | 696.4                      | 1.5%                    |
| Saginaw Valley State University                           | 25,656.7                  | 533.7                      | 2.1%                    |
| University of Michigan - Ann Arbor                        | 274,156.7                 | 3,079.1                    | 1.1%                    |
| University of Michigan - Dearborn                         | 22,237.3                  | 246.3                      | 1.1%                    |
| University of Michigan - Flint                            | 19,526.6                  | 952.1                      | 4.9%                    |
| Wayne State University                                    | 183,398.3                 | 456.0                      | 0.2%                    |
| Western Michigan University                               | 95,487.5                  | 1,514.9                    | 1.6%                    |
| Unallocated Tuition Restraint Funds                       | \$0.0                     | \$6,217.3                  |                         |
| <b>Total:</b>   | <b>\$1,243,451.7</b>      | <b>\$24,869.0</b>          | <b>2.0%</b>             |

- In line with the operations increase, the governor also proposes a 2 percent increase for MSU AgBioResearch and Extension, a total of \$1.1 million, all general fund.
- For fiscal year 2014, the appropriation for the Tuition Incentive Program (TIP), a student financial aid program, increases by \$3.2 million, all general fund, bringing total funding for all student grant and financial aid programs to \$101.6 million. To limit steep growth in TIP, beginning in fiscal year 2015, the governor proposes capping Phase I tuition reimbursement to participating state universities at 300 percent of the statewide average in-district community college tuition.
- The College Access Program (\$2 million in general fund) is moved from the Department of Education to the Higher Education budget for better mission alignment. The Department of Treasury will administer this grant.
- State Building Authority rent payments of \$125.4 million, all general fund, support debt service for recently constructed university building projects.

**Governor's Recommendation  
Higher Education  
(\$ in Thousands)**

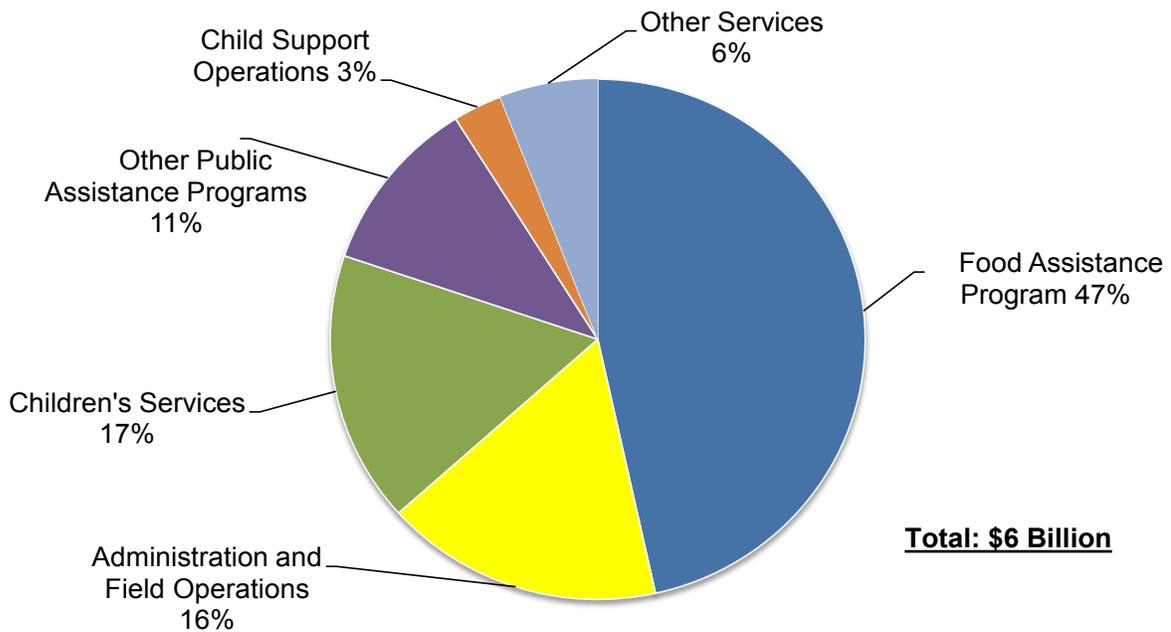
|  | FY2013                             |                    |                      | FY2014               |                    |                      | FY2015               |                    |                      |
|--|------------------------------------|--------------------|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|
|  | Current Law                        |                    |                      | Recommendation       |                    |                      | Recommendation       |                    |                      |
|  | GF/GP                              | School Aid         | All Funds            | GF/GP                | School Aid         | All Funds            | GF/GP                | School Aid         | All Funds            |
| Ongoing Funding                            | \$1,101,628.3                      | \$200,465.7        | \$1,399,220.4        | \$1,132,981.4        | \$200,465.7        | \$1,430,573.5        | \$1,132,981.4        | \$200,465.7        | \$1,430,573.5        |
| One-Time Funding                           | \$0.0                              | \$0.0              | \$0.0                | \$0.0                | \$0.0              | \$0.0                | \$0.0                | \$0.0              | \$0.0                |
| <b>Total Funding</b>                       | <b>\$1,101,628.3</b>               | <b>\$200,465.7</b> | <b>\$1,399,220.4</b> | <b>\$1,132,981.4</b> | <b>\$200,465.7</b> | <b>\$1,430,573.5</b> | <b>\$1,132,981.4</b> | <b>\$200,465.7</b> | <b>\$1,430,573.5</b> |
|  | <i>% Change from Previous Year</i> |                    |                      |                      |                    |                      |                      |                    |                      |
|  | <i>Ongoing Funding</i>             |                    |                      | <i>2.8%</i>          | <i>0.0%</i>        | <i>2.2%</i>          | <i>0.0%</i>          | <i>0.0%</i>        | <i>0.0%</i>          |
|  | <i>One-Time Funding</i>            |                    |                      | <i>0.0%</i>          | <i>0.0%</i>        | <i>0.0%</i>          | <i>0.0%</i>          | <i>0.0%</i>        | <i>0.0%</i>          |
|  | <i>Total Funding</i>               |                    |                      | <i>2.8%</i>          | <i>0.0%</i>        | <i>2.2%</i>          | <i>0.0%</i>          | <i>0.0%</i>        | <i>0.0%</i>          |
| <b>Programs</b>                            |                                    |                    |                      |                      |                    |                      |                      |                    |                      |
| University Operations                      |                                    |                    |                      | \$1,043,432.2        | \$200,019.5        | \$1,243,451.7        | \$1,062,083.9        | \$200,019.5        | \$1,262,103.4        |
| Student Financial Aid                      |                                    |                    |                      | \$4,500.0            | \$0.0              | \$101,626.4          | \$4,500.0            | \$0.0              | \$101,626.4          |
| MSU AgBioResearch and Extension Activities |                                    |                    |                      | \$55,288.7           | \$0.0              | \$55,288.7           | \$55,288.7           | \$0.0              | \$55,288.7           |
| University Performance Funding             |                                    |                    |                      | \$24,869.0           | \$0.0              | \$24,869.0           | \$6,217.3            | \$0.0              | \$6,217.3            |
| Statewide Programs                         |                                    |                    |                      | \$4,891.5            | \$0.0              | \$4,891.5            | \$4,891.5            | \$0.0              | \$4,891.5            |
| MPSERS Retiree Health Care Reimbursement   |                                    |                    |                      | \$0.0                | \$446.2            | \$446.2              | \$0.0                | \$446.2            | \$446.2              |
| <b>Total Ongoing Recommendation</b>        |                                    |                    |                      | <b>\$1,132,981.4</b> | <b>\$200,465.7</b> | <b>\$1,430,573.5</b> | <b>\$1,132,981.4</b> | <b>\$200,465.7</b> | <b>\$1,430,573.5</b> |
| None                                       |                                    |                    |                      | \$0.0                | \$0.0              | \$0.0                | \$0.0                | \$0.0              | \$0.0                |
| <b>Total One-Time Recommendation</b>       |                                    |                    |                      | <b>\$0.0</b>         | <b>\$0.0</b>       | <b>\$0.0</b>         | <b>\$0.0</b>         | <b>\$0.0</b>       | <b>\$0.0</b>         |
| <b>TOTAL RECOMMENDATION</b>                |                                    |                    |                      | <b>\$1,132,981.4</b> | <b>\$200,465.7</b> | <b>\$1,430,573.5</b> | <b>\$1,132,981.4</b> | <b>\$200,465.7</b> | <b>\$1,430,573.5</b> |



# Department of Human Services

The Department of Human Services (DHS) helps families and individuals meet financial, medical, and social service needs. Department of Human Services programs provide financial assistance and medical assistance to Michigan's low-income population; move people toward self-sufficiency through employment and training services; work to prevent abuse, neglect, and exploitation of children and vulnerable adults through direct services; and regulate and license adult and child care agencies, facilities, and homes. Services are provided through a network of county-based offices. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$6 billion, of which \$1 billion is general fund. This includes one-time funding of \$6 million (\$2 million general fund). The recommendation for fiscal year 2015 is \$6.1 billion, of which \$1 billion is general fund.*

## Nearly Half the Department Budget Provides Food Assistance to Low-Income Families



## Highlights of Governor's Budget Recommendation

- Pathways to Potential is funded with a new investment of \$6.2 million (\$2.2 million general fund) in fiscal year 2014. This innovative service delivery model locates Department of Human Services' staff in local public schools where they work directly with clients and their children to address the families' needs and barriers to success, including housing, food, education and employment. These staff are currently located in 21 sites including schools in the distressed cities of Detroit, Flint, Pontiac and Saginaw. They will soon be located in over 135 schools. Outcomes include improved school attendance for children, increased employment and improved family functioning and independence.
- To improve program integrity, the governor invests additional funding of \$1.2 million (\$850,000 general fund) in fraud prevention, detection and recoupment. The Department of Human Services will partner with the Michigan State Police and the Attorney General to augment their Front-End Eligibility program that identifies and prevents fraud before a case is opened. (*DHS metric P-2*)

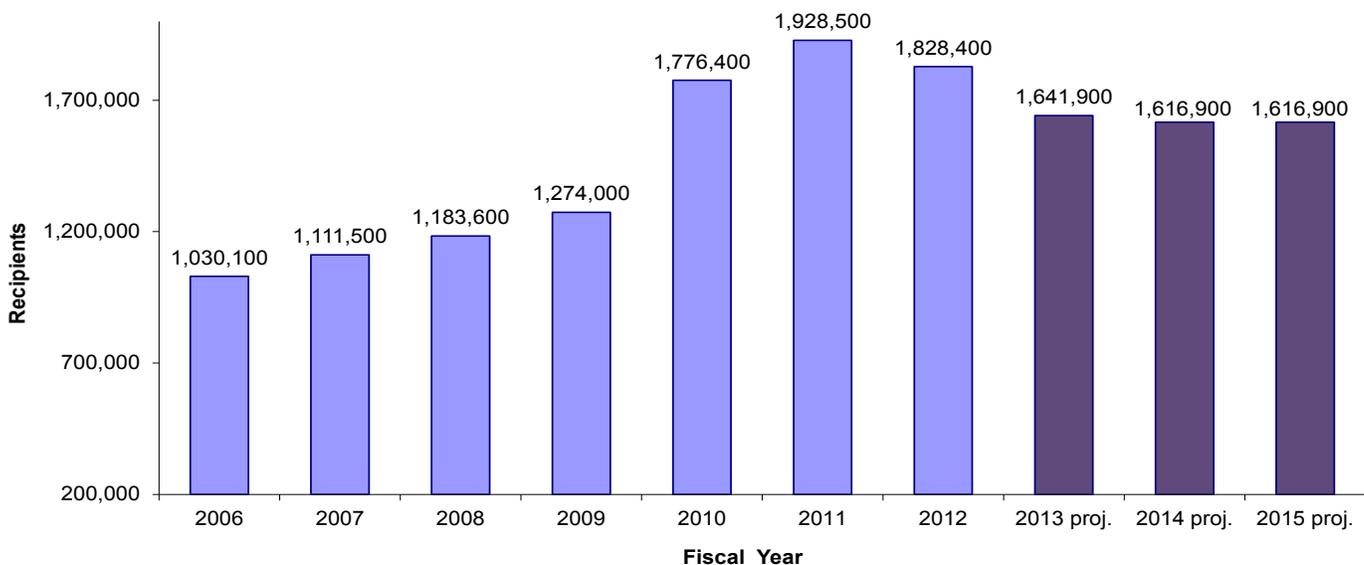
## Children’s Services

- The governor’s budget invests almost \$970 million (\$369 million general fund) in Michigan’s child welfare system. Child welfare improvements are an essential component of this system and continue to be a priority in the governor’s budget for fiscal year 2014. From fiscal year 2008 through fiscal year 2013, Michigan invested over \$306 million (\$198 million general fund) to enhance child welfare services for abused and neglected children. These funds support child protective services, foster care, and adoption. Additional funds of \$28.8 million (\$8.2 million general fund) for fiscal year 2014 support child welfare staffing costs and expanding family preservation programs. Together, these improvements to the child welfare system help keep children safe in their own homes and, when necessary, support alternative living arrangements including foster care and adoption. (*DHS metrics C-2 and C-4*)
- Foster care payments for 6,600 children in out-of-home care are supported with \$190.8 million (\$78.9 million general fund). These payments provide care and supervision until children are returned to their parents or are adopted. The foster care caseload has declined and then stabilized in recent years due to the department’s efforts to find permanent homes for children who have been abused or neglected. (*DHS metrics C-1 and C-4*)
- The Adoption Subsidy program supports abused or neglected children in permanent homes. Adoption subsidies are funded at \$217.4 million (\$85.5 million general fund) for 27,000 adopted children. The children benefiting from this program are an indication of the department’s success at finding and supporting adoptions. (*DHS metric C-5*)

## Income Assistance Programs

- One in six Michigan residents receives benefits from the Food Assistance Program. This vital safety-net program provides food to 1.6 million people and is supported in the governor’s budget with \$2.8 billion in federal funds. (*DHS metric F-3*)

**One in Six Michigan Residents Receives Food Assistance**



- The Family Independence Program provides financial support for 48,240 families at a cost of \$239.4 million (\$99.2 million general fund). Recent department policies, including the 48 month lifetime limit on receipt of Family Independence Program benefits, are intended to encourage employment and self-sufficiency.
- The governor invests \$235 million in federal and state restricted funds to support heating assistance programs. Included in the Department of Human Services budget are \$175 million in federal funds for the home heating credit, energy-related crisis payments and weatherization for low-income home owners. A new Michigan Energy Assistance Program was created in the Department of Human Services in P.A. 615 of 2012. To support this new program, the governor recommends that the legislature create a permanent Low-Income Energy Assistance Fund. This fund will be supported with \$60 million in state restricted revenues to be collected by the Public Service Commission through utility rates. This new program will provide heating assistance to low-income families and seniors, including Department of Human Services' clients.

#### Child Support

- To help Michigan children obtain financial support from absent parents, over \$180 million (\$23.6 million general fund) is provided for the child support program. In fiscal year 2012, \$1.4 billion in child support was collected and distributed for children and their families. (*DHS metric F-1*)

#### Adult Services

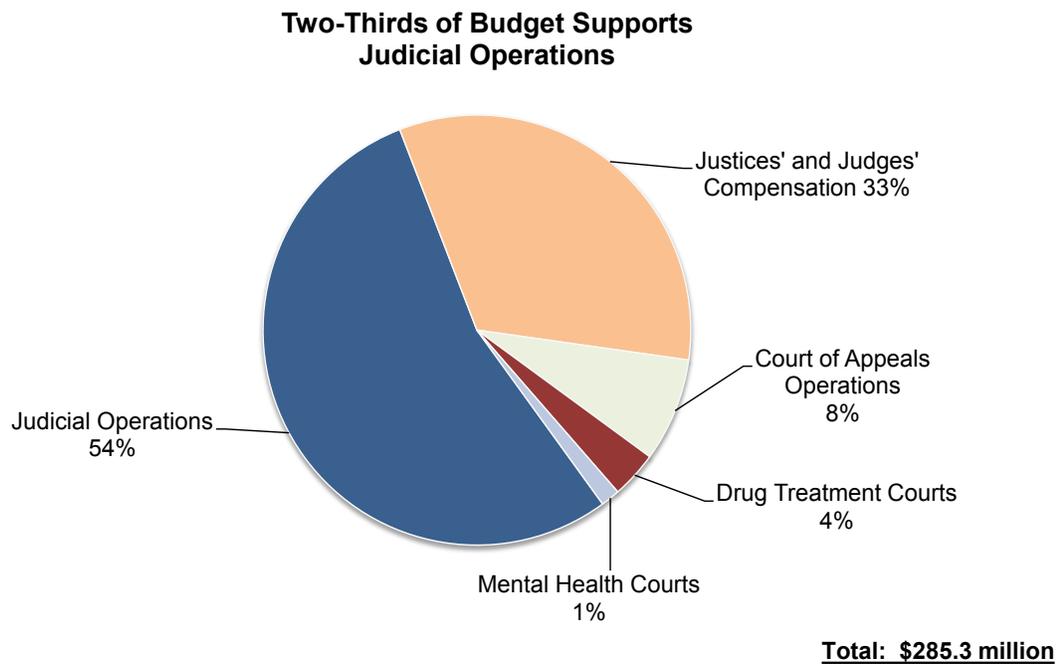
- As Michigan's population ages, service demands are increasing for the elderly and the disabled. The governor's budget invests \$185 million gross (\$20 million general fund) in Adult Services programs to assist the elderly and the disabled to live in the least restrictive setting, free from abuse and exploitation.

**Governor's Recommendation  
Department of Human Services  
(\$ in Thousands)**

|  | FY2013<br>Current Law |               | FY2014<br>Recommendation |                      | FY2015<br>Recommendation |                      |
|--|-----------------------|---------------|--------------------------|----------------------|--------------------------|----------------------|
|  | GF/GP                 | All Funds     | GF/GP                    | All Funds            | GF/GP                    | All Funds            |
| Ongoing Funding  | \$975,507.1           | \$6,478,390.3 | \$1,011,072.8            | \$6,039,776.1        | \$1,022,565.0            | \$6,058,088.4        |
| One-Time Funding   | \$53,262.5            | \$225,703.4   | \$2,039.6                | \$6,000.0            | \$0.0                    | \$0.0                |
| Total Funding  | \$1,028,769.6         | \$6,704,093.7 | \$1,013,112.4            | \$6,045,776.1        | \$1,022,565.0            | \$6,058,088.4        |
| <i>% Change from Previous Year</i>                                       |                       |               |                          |                      |                          |                      |
| Ongoing Funding  |                       |               | 3.6%                     | -6.8%                | 1.1%                     | 0.3%                 |
| One-Time Funding   |                       |               | -96.2%                   | -97.3%               | -100.0%                  | -100.0%              |
| Total Funding  |                       |               | -1.5%                    | -9.8%                | 0.9%                     | 0.2%                 |
| <b>Programs</b>  |                       |               |                          |                      |                          |                      |
| Food Assistance  |                       |               | \$0.0                    | \$2,833,927.4        | \$0.0                    | \$2,833,927.4        |
| Administration and Field Operations                                      |                       |               | \$366,637.5              | \$1,036,655.0        | \$377,442.8              | \$1,063,904.4        |
| Children's Services  |                       |               | \$386,909.0              | \$1,003,976.7        | \$386,909.0              | \$1,003,976.7        |
| Other Public Assistance  |                       |               | \$204,230.4              | \$634,656.3          | \$204,917.3              | \$625,719.2          |
| Adult and Family Services  |                       |               | \$20,554.2               | \$185,038.7          | \$20,554.2               | \$185,038.7          |
| Child Support Operations   |                       |               | \$23,603.3               | \$180,217.0          | \$23,603.3               | \$180,217.0          |
| Disability Determination Services  |                       |               | \$3,955.6                | \$91,715.6           | \$3,955.6                | \$91,715.6           |
| Community Action and Economic Opportunity                                |                       |               | \$0.0                    | \$44,224.2           | \$0.0                    | \$44,224.2           |
| Licensing (Adult Foster Care, Children's Foster Care and Child Day Care) |                       |               | \$5,182.8                | \$29,365.2           | \$5,182.8                | \$29,365.2           |
| <b>Total Ongoing Recommendation</b>                                      |                       |               | <b>\$1,011,072.8</b>     | <b>\$6,039,776.1</b> | <b>\$1,022,565.0</b>     | <b>\$6,058,088.4</b> |
| Family Preservation Program Expansion                                    |                       |               | \$0.0                    | \$2,500.0            | \$0.0                    | \$0.0                |
| Information Technology Improvements                                      |                       |               | \$1,039.6                | \$2,000.0            | \$0.0                    | \$0.0                |
| Fraud Prevention, Detection, and Recoupment                              |                       |               | \$1,000.0                | \$1,500.0            | \$0.0                    | \$0.0                |
| <b>Total One-Time Recommendation</b>                                     |                       |               | <b>\$2,039.6</b>         | <b>\$6,000.0</b>     | <b>\$0.0</b>             | <b>\$0.0</b>         |
| <b>TOTAL RECOMMENDATION</b>  |                       |               | <b>\$1,013,112.4</b>     | <b>\$6,045,776.1</b> | <b>\$1,022,565.0</b>     | <b>\$6,058,088.4</b> |

# Judiciary

The Michigan Constitution vests the judicial power of the state exclusively in a court system composed of the Supreme Court, the Court of Appeals, the Circuit Court (which is the trial court of general jurisdiction, including the Family Court division), the Probate Court, and courts of limited jurisdiction such as the Court of Claims, District Court, and municipal courts. The statewide court system is administered by the Supreme Court Justices through the State Court Administrative Office. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$285.3 million, of which \$183.4 million is general fund. This includes one-time funding of \$6.5 million, all general fund. For fiscal year 2015, the governor's proposed budget is \$280.2 million, of which \$178.2 million is general fund.*



## Highlights of Governor's Budget Recommendation

- As a continuing part of his Public Safety Initiative, the governor recommends the addition of \$3 million general fund to expand drug treatment courts and to pilot regional driving while intoxicated/sobriety courts. With this investment, the total funding for drug and alcohol courts will be \$10.1 million, of which \$5.9 million is general fund. The objective of the expansion is to improve public safety by reducing drug and alcohol convictions. (*Judiciary Metrics: Sobriety and Drug Court Recidivism Rates*)
- An additional \$2 million general fund investment in mental health courts is recommended bringing the total funding for mental health courts to \$4.1 million general fund. This funding will maintain nine existing mental health courts while allowing for further expansion of this successful specialty court program. Mental health courts serve as a valuable community alternative to more costly local and state criminal justice sanctions.

- The governor recommends a one-time investment of \$4 million general fund for a Trial Court Performance Innovation Fund to create incentives for Michigan’s 245 trial courts to adopt best practices, encourage positive change, and remove barriers to high performance. Approximately \$3 million will be utilized to incentivize trial courts and their funding units to become early adopters of performance measures and benchmarks. The remaining \$1 million will provide seed money for innovative projects designed to improve efficiency and effectiveness of trial court operations. *(Judiciary Metrics – Efficiency: Coordination and Consolidation; Adopting Court Performance Metrics and Evidence Based Practices)*
- A one-time investment of \$2.5 million general fund is included to expedite the implementation of the unified case management information system, Michigan Court System (MiCS), in trial courts and to train system users. The MiCS will use modern technology to enhance business processes and to improve interactions with the public. *(Judiciary Metrics – Efficiency: Coordination and Consolidation)*
- The executive recommendation includes an additional \$107,200 general fund for the State Appellate Defender Office (SADO) to help ensure that SADO can successfully manage 25 percent of indigent appellate defense cases, which is consistent with the statutory requirement.

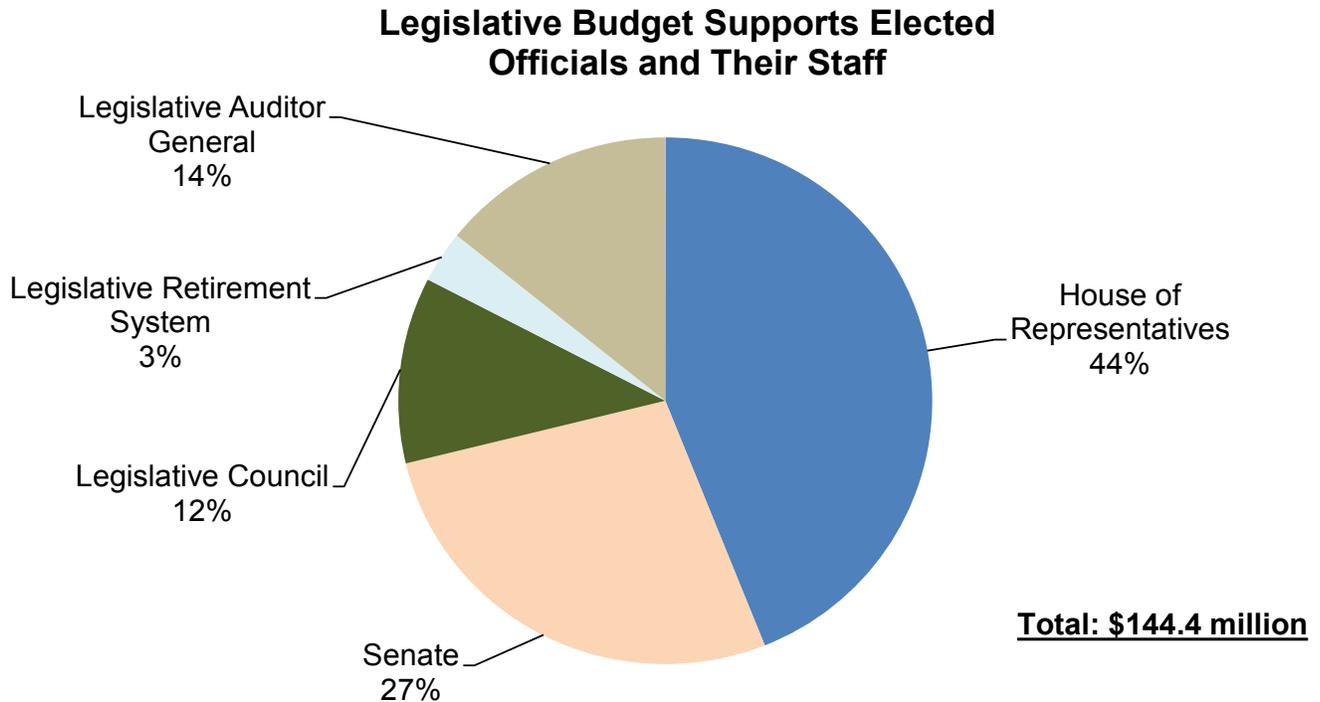
**Governor's Recommendation  
Judiciary  
(\$ in Thousands)**

|   | FY2013<br>Current Law              |             | FY2014<br>Recommendation |                    | FY2015<br>Recommendation |                    |
|---|------------------------------------|-------------|--------------------------|--------------------|--------------------------|--------------------|
|   | GF/GP                              | All Funds   | GF/GP                    | All Funds          | GF/GP                    | All Funds          |
| Ongoing Funding                         | \$170,114.6                        | \$272,932.9 | \$176,941.3              | \$278,816.2        | \$178,163.6              | \$280,202.9        |
| One-Time Funding                        | \$636.9                            | \$827.2     | \$6,500.0                | \$6,500.0          | \$0.0                    | \$0.0              |
| Total Funding                           | \$170,751.5                        | \$273,760.1 | \$183,441.3              | \$285,316.2        | \$178,163.6              | \$280,202.9        |
|   | <i>% Change from Previous Year</i> |             |                          |                    |                          |                    |
|   | <i>Ongoing Funding</i>             |             | 4.0%                     | 2.2%               | 0.7%                     | 0.5%               |
|   | <i>One-Time Funding</i>            |             | 920.6%                   | 685.8%             | -100.0%                  | -100.0%            |
|   | <i>Total Funding</i>               |             | 7.4%                     | 4.2%               | -2.9%                    | -1.8%              |
| <b>Programs</b>                         |                                    |             |                          |                    |                          |                    |
| Judicial Operations                     |                                    |             | \$55,173.5               | \$147,937.7        | \$56,395.8               | \$149,324.4        |
| Justices' and Judges' Compensation      |                                    |             | \$89,556.8               | \$94,447.0         | \$89,556.8               | \$94,447.0         |
| Court of Appeals Operations             |                                    |             | \$22,248.5               | \$22,248.5         | \$22,248.5               | \$22,248.5         |
| Drug Treatment Courts                   |                                    |             | \$5,862.5                | \$10,083.0         | \$5,862.5                | \$10,083.0         |
| Mental Health Courts                    |                                    |             | \$4,100.0                | \$4,100.0          | \$4,100.0                | \$4,100.0          |
| <b>Total Ongoing Recommendation</b>     |                                    |             | <b>\$176,941.3</b>       | <b>\$278,816.2</b> | <b>\$178,163.6</b>       | <b>\$280,202.9</b> |
| Trial Court Performance Innovation Fund |                                    |             | \$4,000.0                | \$4,000.0          | \$0.0                    | \$0.0              |
| Michigan Court System Implementation    |                                    |             | \$2,500.0                | \$2,500.0          | \$0.0                    | \$0.0              |
| <b>Total One-Time Recommendation</b>    |                                    |             | <b>\$6,500.0</b>         | <b>\$6,500.0</b>   | <b>\$0.0</b>             | <b>\$0.0</b>       |
|   |                                    |             |                          |                    |                          |                    |
| <b>TOTAL RECOMMENDATION</b>             |                                    |             | <b>\$183,441.3</b>       | <b>\$285,316.2</b> | <b>\$178,163.6</b>       | <b>\$280,202.9</b> |



# Legislature

The Michigan Constitution vests the state's lawmaking power in a two-house legislature consisting of a 38-member Senate and a 110-member House of Representatives. The legislature is an independent branch of state government with the authority to enact laws that regulate the actions of the government and protect the interests of the people. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$144.4 million, of which \$135.8 million is general fund. The governor's proposed budget for fiscal year 2015 recommends total funding of \$144.8 million, of which \$136.1 million is general fund.*



## Highlights of Governor's Budget Recommendation

- The executive recommendation provides \$123.8 million for the legislature, including the Senate, the House of Representatives, and supporting entities.
- More than \$20.5 million is recommended for the Office of Auditor General (OAG), which conducts financial and performance audits of state government operations. The governor recommends an increase in the OAG budget of \$250,000 general fund. This enhancement will support the timely completion of mandated audits, including the State of Michigan Comprehensive Annual Financial Report. The governor also recommends a technical adjustment to recognize restricted revenues that the OAG earns from its audit activities.

**Governor's Recommendation  
Legislature  
(\$ in Thousands)**

|  | FY2013<br>Current Law   |                    | FY2014<br>Recommendation |                    | FY2015<br>Recommendation |                    |
|--|-------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
|  | GF/GP                   | All Funds          | GF/GP                    | All Funds          | GF/GP                    | All Funds          |
| Ongoing Funding  | \$109,412.7             | \$110,922.5        | \$122,309.5              | \$123,819.3        | \$122,309.5              | \$123,819.3        |
| One-Time Funding   | \$0.0                   | \$0.0              | \$0.0                    | \$0.0              | \$0.0                    | \$0.0              |
| <b>Total Funding</b>   | <b>\$109,412.7</b>      | <b>\$110,922.5</b> | <b>\$122,309.5</b>       | <b>\$123,819.3</b> | <b>\$122,309.5</b>       | <b>\$123,819.3</b> |
| <i>% Change from Previous Year</i>   |                         |                    |                          |                    |                          |                    |
|  | <i>Ongoing Funding</i>  |                    | <i>11.8%</i>             | <i>11.6%*</i>      | <i>0.0%</i>              | <i>0.0%</i>        |
|  | <i>One-Time Funding</i> |                    | <i>0.0%</i>              | <i>0.0%</i>        | <i>0.0%</i>              | <i>0.0%</i>        |
|  | <i>Total Funding</i>    |                    | <i>11.8%</i>             | <i>11.6%*</i>      | <i>0.0%</i>              | <i>0.0%</i>        |
| <b>Programs</b>  |                         |                    |                          |                    |                          |                    |
| House of Representatives   |                         |                    | \$63,405.8               | \$63,405.8         | \$63,405.8               | \$63,405.8         |
| Senate   |                         |                    | \$39,361.1               | \$39,361.1         | \$39,361.1               | \$39,361.1         |
| Legislative Council  |                         |                    | \$16,090.7               | \$16,490.7         | \$16,090.7               | \$16,490.7         |
| Legislative Retirement System  |                         |                    | \$3,451.9                | \$4,561.7          | \$3,451.9                | \$4,561.7          |
| <p>*The 11.6% proposed increase for the Legislature in FY 14 includes increases for OPEB and other unfunded retirement costs of 4% for FY 13 and 2.4% for FY 14. The OPEB and retirement costs pertain to employees only, as current Members do not receive pensions nor retirement health care.</p> |                         |                    |                          |                    |                          |                    |
| <b>Total Ongoing Recommendation</b>  |                         |                    | <b>\$122,309.5</b>       | <b>\$123,819.3</b> | <b>\$122,309.5</b>       | <b>\$123,819.3</b> |
| None   |                         |                    | \$0.0                    | \$0.0              | \$0.0                    | \$0.0              |
| <b>Total One-Time Recommendation</b>   |                         |                    | <b>\$0.0</b>             | <b>\$0.0</b>       | <b>\$0.0</b>             | <b>\$0.0</b>       |
| <b>TOTAL RECOMMENDATION</b>  |                         |                    | <b>\$122,309.5</b>       | <b>\$123,819.3</b> | <b>\$122,309.5</b>       | <b>\$123,819.3</b> |

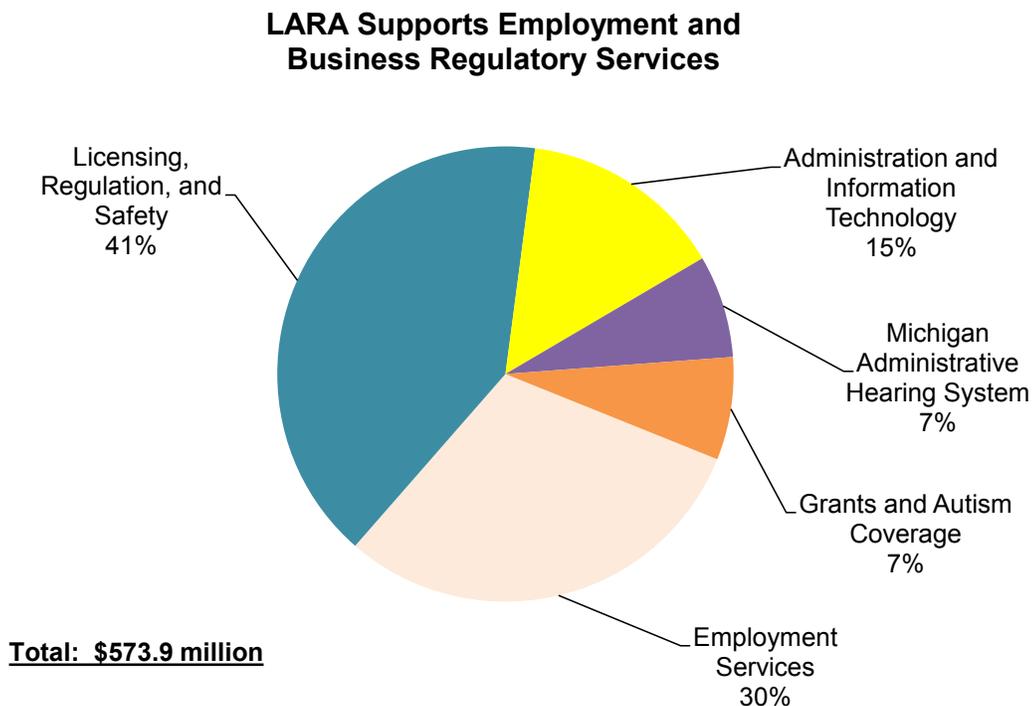
**Governor's Recommendation  
Legislative Auditor General  
(\$ in Thousands)**

|                                      | FY2013<br>Current Law              |                   | FY2014<br>Recommendation |                   | FY2015<br>Recommendation |                   |
|--------------------------------------|------------------------------------|-------------------|--------------------------|-------------------|--------------------------|-------------------|
|                                      | GF/GP                              | All Funds         | GF/GP                    | All Funds         | GF/GP                    | All Funds         |
| Ongoing Funding                      | \$12,820.1                         | \$18,416.8        | \$13,511.3               | \$20,554.4        | \$13,791.4               | \$20,957.6        |
| One-Time Funding                     | \$184.8                            | \$270.9           | \$0.0                    | \$0.0             | \$0.0                    | \$0.0             |
| <b>Total Funding</b>                 | <b>\$13,004.9</b>                  | <b>\$18,687.7</b> | <b>\$13,511.3</b>        | <b>\$20,554.4</b> | <b>\$13,791.4</b>        | <b>\$20,957.6</b> |
|                                      | <i>% Change from Previous Year</i> |                   |                          |                   |                          |                   |
|                                      | <i>Ongoing Funding</i>             |                   | 5.4%                     | 11.6%             | 2.1%                     | 2.0%              |
|                                      | <i>One-Time Funding</i>            |                   | -100.0%                  | -100.0%           | 0.0%                     | 0.0%              |
|                                      | <i>Total Funding</i>               |                   | 3.9%                     | 10.0%             | 2.1%                     | 2.0%              |
| <b>Programs</b>                      |                                    |                   |                          |                   |                          |                   |
| Auditor General Operations           |                                    |                   | \$13,511.3               | \$20,554.4        | \$13,791.4               | \$20,957.6        |
| <b>Total Ongoing Recommendation</b>  |                                    |                   | <b>\$13,511.3</b>        | <b>\$20,554.4</b> | <b>\$13,791.4</b>        | <b>\$20,957.6</b> |
| None                                 |                                    |                   | \$0.0                    | \$0.0             | \$0.0                    | \$0.0             |
| <b>Total One-Time Recommendation</b> |                                    |                   | <b>\$0.0</b>             | <b>\$0.0</b>      | <b>\$0.0</b>             | <b>\$0.0</b>      |
| <b>TOTAL RECOMMENDATION</b>          |                                    |                   | <b>\$13,511.3</b>        | <b>\$20,554.4</b> | <b>\$13,791.4</b>        | <b>\$20,957.6</b> |



# Department of Licensing and Regulatory Affairs

The Department of Licensing and Regulatory Affairs (LARA) serves as the state's primary business regulatory and employment services agency. The governor's proposed budget for fiscal year 2014 recommends total funding of \$573.9 million (\$38.8 million general fund). The proposed fiscal year 2015 budget includes \$582.2 million, of which \$39.4 million is general fund.



## Highlights of Governor's Budget Recommendation

- Consistent with the governor's efforts to properly align the functions in state government and streamline the focus of the department to licensing and regulatory activities, the budget recommendation implements a number of programmatic shifts related to recent Executive Order reorganizations, including the transfer of Michigan Rehabilitation Services to the Department of Human Services, and the transfer of the underground and aboveground storage tank programs from the Department of Environmental Quality to the Bureau of Fire Services.
- The most significant reorganization, however, relates to Executive Order 2013-1, which elevates the Office of Financial and Insurance Regulation by creating a new Department of Insurance and Financial Services charged with overseeing the regulation of financial services and insurance providers within the state. The governor's budget recommendation will be revised to reflect this new department after the Executive Order is effective on March 18, 2013. ([LARA metric 22](#))

- The governor’s budget also provides \$600,000 for additional grants to local agencies to enforce Michigan’s liquor control laws and combat underage drinking, and adds \$2 million for survey and remonumentation grants to counties to accurately survey and record public lands. ([LARA metric 11](#))
- The governor recommends that the legislature create a permanent Low-Income Energy Assistance Fund to protect vulnerable households. Supported by gas and electric utility rates collected by the Public Service Commission, a total of \$60 million is included for heating assistance programs in the Department of Human Services budget to ensure that low-income families and senior citizens have heat during the cold winter months. ([LARA metric 32](#))

**Governor's Recommendation**  
**Department of Licensing and Regulatory Affairs**  
(\$ in Thousands)

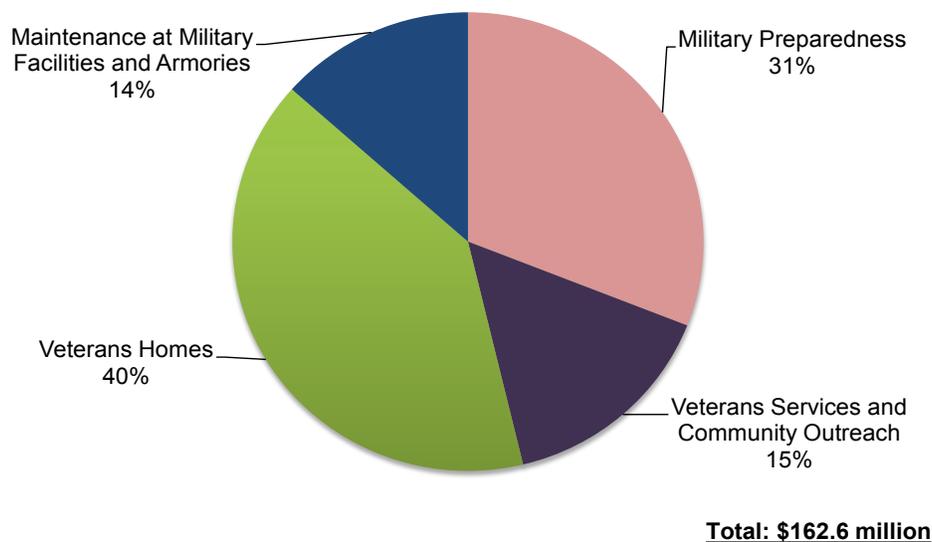
|  | FY2013<br>Current Law   |               | FY2014<br>Recommendation |                    | FY2015<br>Recommendation |                    |
|--|-------------------------|---------------|--------------------------|--------------------|--------------------------|--------------------|
|  | GF/GP                   | All Funds     | GF/GP                    | All Funds          | GF/GP                    | All Funds          |
| Ongoing Funding  | \$50,393.4              | \$786,826.5   | \$38,804.9               | \$573,906.3        | \$39,351.7               | \$582,222.9        |
| One-Time Funding                                       | (\$13,448.2)            | (\$140,924.7) | \$0.0                    | \$0.0              | \$0.0                    | \$0.0              |
| Total Funding  | \$36,945.2              | \$645,901.8   | \$38,804.9               | \$573,906.3        | \$39,351.7               | \$582,222.9        |
| <i>% Change from Previous Year</i>                     |                         |               |                          |                    |                          |                    |
|  | <i>Ongoing Funding</i>  |               | -23.0%                   | -27.1%             | 1.4%                     | 1.4%               |
|  | <i>One-Time Funding</i> |               | 100.0%                   | 100.0%             | 0.0%                     | 0.0%               |
|  | <i>Total Funding</i>    |               | 5.0%                     | -11.1%             | 1.4%                     | 1.4%               |
| <b>Programs</b>  |                         |               |                          |                    |                          |                    |
| Employment Services                                    |                         |               | \$9,324.60               | \$141,891.00       | \$9,324.60               | \$141,891.00       |
| Occupational Regulation                                |                         |               | \$9,212.50               | \$124,034.50       | \$9,212.50               | \$124,034.50       |
| Office of Financial and Insurance Regulation           |                         |               | \$0.00                   | \$59,479.70        | \$0.00                   | \$59,479.70        |
| Information Technology                                 |                         |               | \$65.20                  | \$43,644.00        | \$65.20                  | \$43,644.00        |
| Michigan Administrative Hearing System                 |                         |               | \$1,012.70               | \$41,729.50        | \$1,012.70               | \$41,729.50        |
| Departmental Administration                            |                         |               | \$424.00                 | \$39,254.20        | \$970.80                 | \$47,570.80        |
| Michigan Occupational Safety and Health Administration |                         |               | \$3,072.30               | \$31,940.40        | \$3,072.30               | \$31,940.40        |
| Public Service Commission                              |                         |               | \$0.00                   | \$30,597.10        | \$0.00                   | \$30,597.10        |
| Department Grants                                      |                         |               | \$693.60                 | \$26,917.50        | \$693.60                 | \$26,917.50        |
| Liquor Control Commission                              |                         |               | \$0.00                   | \$19,418.40        | \$0.00                   | \$19,418.40        |
| Autism Coverage  |                         |               | \$15,000.00              | \$15,000.00        | \$15,000.00              | \$15,000.00        |
| <b>Total Ongoing Recommendation</b>                    |                         |               | <b>\$38,804.9</b>        | <b>\$573,906.3</b> | <b>\$39,351.7</b>        | <b>\$582,222.9</b> |
| None   |                         |               | \$0.00                   | \$0.00             | \$0.00                   | \$0.00             |
| <b>Total One-Time Recommendation</b>                   |                         |               | <b>\$0.0</b>             | <b>\$0.0</b>       | <b>\$0.0</b>             | <b>\$0.0</b>       |
| <b>TOTAL RECOMMENDATION</b>                            |                         |               | <b>\$38,804.9</b>        | <b>\$573,906.3</b> | <b>\$39,351.7</b>        | <b>\$582,222.9</b> |



# Department of Military and Veterans Affairs

The Department of Military and Veterans Affairs' (DMVA) primary mission is military and emergency preparedness, as well as service to veterans. The department is a key partner with the federal government in defending sovereign interests of the United States globally and protects the lives and property of Michigan residents during times of natural disaster and civil unrest. There are approximately 11,310 members of the Michigan National Guard; approximately 650 are currently mobilized with an additional 700 scheduled to be deployed through November 2013. *The governor's proposed budget for fiscal year 2014 recommends ongoing funding of \$158.6 million, of which \$38.4 million is general fund. One-time funding of \$4 million general fund is also recommended. For fiscal year 2015, the governor's proposed budget recommends total funding of \$160.6 million, \$38.8 million of which is general fund.*

## 55% of Funding Supports Veterans' Services



## Highlights of Governor's Budget Recommendation

- The budget includes \$50.3 million in funding for Military Preparedness, representing the Michigan National Guard's traditional mission of state and national defense and homeland security.
- In order to improve the state's current last-place national ranking in the receipt of United States Department of Veterans Affairs (US-DVA) expenditures for compensation, pensions, health care and educational benefits for Michigan's veterans, Executive Order 2013-2 creates the Michigan Veterans Affairs Agency as an agency within the Department of Military and Veterans Affairs. The governor's budget recommendation will be revised to reflect this new agency after the Executive Order is effective on March 20, 2013. ([DMVA metric 3](#))
- Veterans, their families, and Michigan communities, through the department's outreach programs, are served with \$24.8 million in funding, including new funding of \$8.6 million in fiscal year 2014 and supplemental funding of \$2.9 million in fiscal year 2013 for a Veterans' Service Delivery Initiative. This initiative will dramatically enhance the ability

of Michigan's veterans and their dependents to access and obtain the benefits to which they are entitled from the US-DVA and other federal and state agencies. In addition, the Veterans Service Organizations will continue to receive \$2.9 million in state-funded grants to counsel veterans and assist them in receiving benefits and services for which they are eligible. (*DMVA metric 3*)

- The fiscal year 2014 executive recommendation provides \$65.6 million in funding support for the Grand Rapids and D. J. Jacobetti Veterans' Homes, which provide direct nursing care for 794 resident veterans. New capital outlay funding of \$ 500,000 is provided for special maintenance at the Veterans' Homes.
- Funding of \$20.3 million is included to address special maintenance needs at the department's forty-three armories and federal military facilities in Michigan, and \$1,000,000 for land acquisition and appraisals to meet the department's long-term facility needs. (*DMVA metric 2*)

**Governor's Recommendation**  
**Department of Military and Veterans Affairs**  
(\$ in Thousands)

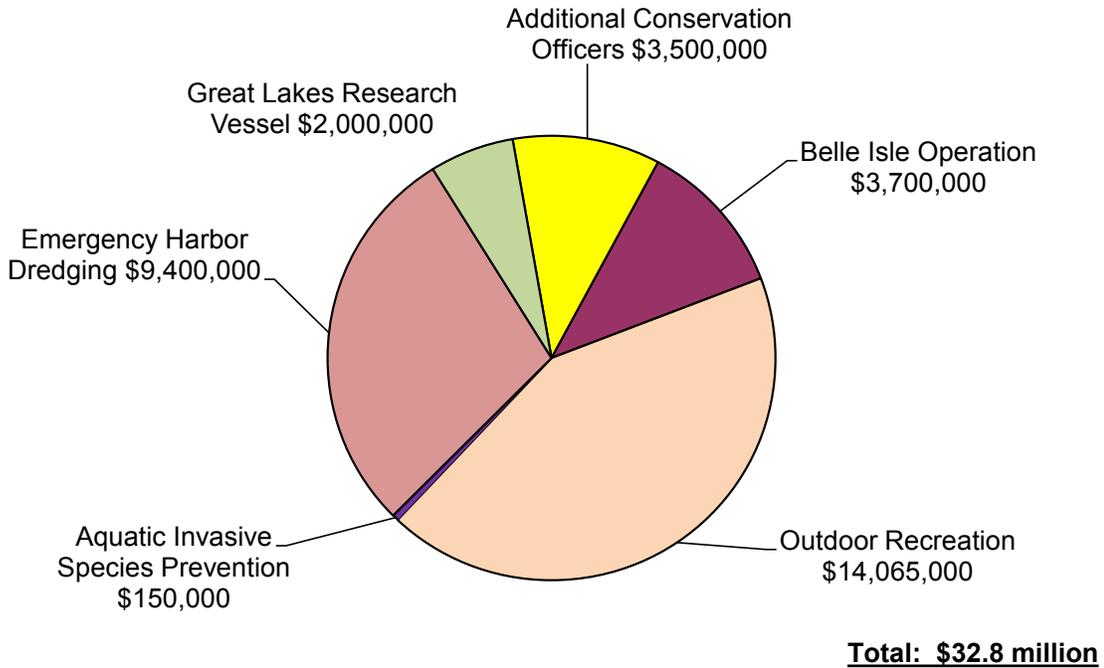
|   | FY2013<br>Current Law              |             | FY2014<br>Recommendation |                    | FY2015<br>Recommendation |                    |
|---|------------------------------------|-------------|--------------------------|--------------------|--------------------------|--------------------|
|   | GF/GP                              | All Funds   | GF/GP                    | All Funds          | GF/GP                    | All Funds          |
| Ongoing Funding                                 | \$32,177.5                         | \$165,465.7 | \$38,381.3               | \$158,608.0        | \$38,767.6               | \$160,553.5        |
| One-Time Funding                                | \$6,055.9                          | \$6,607.9   | \$4,000.0                | \$4,000.0          | \$0.0                    | \$0.0              |
| Total Funding                                   | \$38,233.4                         | \$172,073.6 | \$42,381.3               | \$162,608.0        | \$38,767.6               | \$160,553.5        |
|   | <i>% Change from Previous Year</i> |             |                          |                    |                          |                    |
|   | <i>Ongoing Funding</i>             |             | 19.3%                    | -4.1%              | 1.0%                     | 1.2%               |
|   | <i>One-Time Funding</i>            |             | -33.9%                   | -39.5%             | -100.0%                  | -100.0%            |
|   | <i>Total Funding</i>               |             | 10.8%                    | -5.5%              | -8.5%                    | -1.3%              |
| <b>Programs</b>                                 |                                    |             |                          |                    |                          |                    |
| Veterans Homes                                  |                                    |             | \$15,758.5               | \$65,572.9         | \$15,758.5               | \$65,572.9         |
| Military Preparedness                           |                                    |             | \$10,848.4               | \$50,343.4         | \$11,234.7               | \$52,288.9         |
| Maintenance at Armories and Military Facilities |                                    |             | \$3,551.2                | \$21,851.2         | \$3,551.2                | \$21,851.2         |
| Veterans Services and Community Outreach        |                                    |             | \$8,223.2                | \$20,840.5         | \$8,223.2                | \$20,840.5         |
| <b>Total Ongoing Recommendation</b>             |                                    |             | <b>\$38,381.3</b>        | <b>\$158,608.0</b> | <b>\$38,767.6</b>        | <b>\$160,553.5</b> |
| Veterans Service Delivery Initiative            |                                    |             | \$4,000.0                | \$4,000.0          | \$0.0                    | \$0.0              |
| <b>Total One-Time Recommendation</b>            |                                    |             | <b>\$4,000.0</b>         | <b>\$4,000.0</b>   | <b>\$0.0</b>             | <b>\$0.0</b>       |
|   |                                    |             |                          |                    |                          |                    |
| <b>TOTAL RECOMMENDATION</b>                     |                                    |             | <b>\$42,381.3</b>        | <b>\$162,608.0</b> | <b>\$38,767.6</b>        | <b>\$160,553.5</b> |



# Department of Natural Resources

Funding for the Department of Natural Resources (DNR) supports programs for wildlife and fisheries management, state parks and recreation areas, conservation and law enforcement, and forest management. *The governor's proposed budget for fiscal year 2014 recommends ongoing funding of \$351.8 million, of which \$24.7 million is general fund. In addition, one-time funding of \$2.6 million general fund is recommended. The fiscal year 2015 recommendation includes \$356.1 million, of which \$24.9 million is general fund.*

## Over \$30 Million in New Funding to Protect and Enhance Our Natural Resources



### Highlights of Governor's Budget Recommendation

- The fiscal year 2014 executive recommendation continues the governor's focus on the conservation, protection, management, accessible use and enjoyment of the state's natural resources.
- The governor recommends \$2.9 million ongoing and \$600,000 one-time general fund for a conservation officer school with the goal of adding 25 new officers to protect the state's natural resources, enhance law enforcement in rural communities, and improve public safety. This represents a 14 percent increase from the 173 sworn officers currently on board bringing the projected conservation officer count to 198. Each new officer will participate in a 22-week officer academy and an 18-week on-the-job field training probationary period. The last conservation officer school was held in fiscal year 2007 and graduated 14 officers. Conservation officers are fully commissioned as state peace officers, with full power and authority to enforce Michigan's criminal laws. They are a unique class of law enforcement officer, whose duties include enforcing regulations for outdoor recreational activities such as off-road vehicle use, snowmobiling, boating, hunting and fishing. ([DNR metric RES-5](#))

- The governor’s recommendation includes \$2 million one-time general fund to replace the 65-year old research vessel *Chinook* which is beyond its useful life. Replacement of the vessel will allow the department to continue critical assessments on the Great Lakes to foster containment of existing aquatic invasive species and early detection of new threats. In addition, a new research vessel will allow the department to continue annual fish assessments of lake trout, walleye, perch, and salmon as well as conduct research on topics such as the effects aquatic invasive species have on off-shore and in-shore fisheries. (*DNR metrics REC-3, REC-4, and RES-3*)
- The governor recommends \$3.7 million ongoing general fund to operate Belle Isle as a state park, assuming concurrence from the City of Detroit. The proposed lease agreement with Detroit will help generate economic development and neighborhood revitalization. In addition, any park revenue generated will be used to manage and improve the park. (*DNR metrics REC-12 and REC-8*)
- The governor’s recommendation includes \$3.0 million general fund to continue the summer youth employment initiative for at-risk youth with an emphasis on serving youth in Pontiac, Flint, Saginaw and Detroit. Over 750 youth participated during the first year of this initiative. The objective of the program is to expose youth to the outdoors while getting paid to learn job skills, develop career plans, and set a foundation for future employment. The department will continue to explore public/private partnerships to assist in the development and expansion of the program. (*DNR metric PART-1*)
- The governor recommends replacing the current hunting and fishing license fee structure with a model that is simple to utilize, fairly priced for all customers, and efficient for the department to administer. The new structure will include a base hunting license that will allow hunters to hunt small game and waterfowl. Tags can be added for deer, turkey, bear, elk, and fur bearing animals. Separate tags will be offered for wolf and moose, if needed. Three categories of fishing licenses will be offered along with discounts for senior citizens and members of the military. All other discounts will be eliminated. This proposal is expected to generate an additional \$18.1 million annually which will be used to extend service center hours, fund 16 additional conservation officers, increase management of existing public lands to improve habitat, and repair and replace aging infrastructure. (*DNR metric REC-4, REC-5, and RES-5*)
- The governor recommends an increase to the off-road vehicle license fee to generate sufficient annual revenue to add connector trails, expand the trail network, increase maintenance and restoration of trails, upgrade signage, and provide additional law enforcement. The department estimates that the proposed fee increase will generate \$2.7 million in additional revenue which will help position Michigan as *the Trail State*. (*DNR metric REC-6*)
- The governor’s recommendation includes a total of \$16.3 million for waterways boating projects and \$9.5 million for repair and maintenance at state parks.

---

*“Michigan has more total trail miles than just about any other state. We can and will seek to make Michigan the Trail State.”*

**A Special Message from  
Governor Rick Snyder:  
Ensuring our Future:  
Energy and the Environment,  
November 28, 2012**

---

**Governor's Recommendation  
Department of Natural Resources  
(\$ in Thousands)**

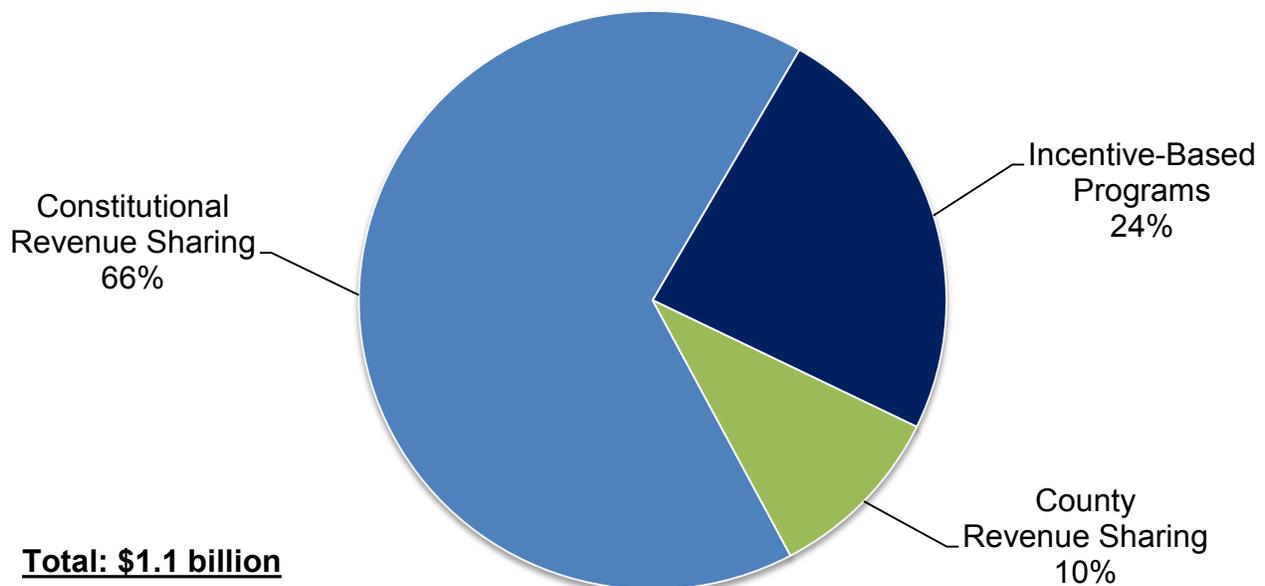
|                                       | FY2013<br>Current Law              |             | FY2014<br>Recommendation |                    | FY2015<br>Recommendation |                    |
|---------------------------------------|------------------------------------|-------------|--------------------------|--------------------|--------------------------|--------------------|
|                                       | GF/GP                              | All Funds   | GF/GP                    | All Funds          | GF/GP                    | All Funds          |
| Ongoing Funding                       | \$17,641.7                         | \$333,990.2 | \$24,686.6               | \$351,788.9        | \$24,904.0               | \$356,121.9        |
| One-Time Funding                      | \$2,096.2                          | \$3,892.6   | \$2,600.0                | \$2,600.0          | \$0.0                    | \$0.0              |
| Total Funding                         | \$19,737.9                         | \$337,882.8 | \$27,286.6               | \$354,388.9        | \$24,904.0               | \$356,121.9        |
|                                       | <i>% Change from Previous Year</i> |             |                          |                    |                          |                    |
|                                       | <i>Ongoing Funding</i>             |             | 39.9%                    | 5.3%               | 0.9%                     | 1.2%               |
|                                       | <i>One-Time Funding</i>            |             | 24.0%                    | -33.2%             | -100.0%                  | -100.0%            |
|                                       | <i>Total Funding</i>               |             | 38.2%                    | 4.9%               | -8.7%                    | 0.5%               |
| <b>Programs</b>                       |                                    |             |                          |                    |                          |                    |
| Wildlife, Fisheries and Enforcement   |                                    |             | \$7,812.4                | \$97,229.3         | \$7,812.4                | \$97,229.3         |
| Parks and Recreation                  |                                    |             | \$1,970.4                | \$83,614.8         | \$1,970.4                | \$83,614.8         |
| Administration                        |                                    |             | \$3,924.8                | \$40,142.7         | \$4,142.2                | \$44,475.7         |
| Forest Management                     |                                    |             | \$3,663.0                | \$39,805.0         | \$3,663.0                | \$39,805.0         |
| Grants                                |                                    |             | \$350.0                  | \$35,571.3         | \$350.0                  | \$35,571.3         |
| Infrastructure Improvements           |                                    |             | \$0.0                    | \$25,815.6         | \$0.0                    | \$25,815.6         |
| Communication and Customer Service    |                                    |             | \$3,966.0                | \$19,110.0         | \$3,966.0                | \$19,110.0         |
| Great Lakes Restoration               |                                    |             | \$0.0                    | \$5,500.0          | \$0.0                    | \$5,500.0          |
| Summer Youth Initiative               |                                    |             | \$3,000.0                | \$3,000.0          | \$3,000.0                | \$3,000.0          |
| Mackinac Island State Park Commission |                                    |             | \$0.0                    | \$2,000.2          | \$0.0                    | \$2,000.2          |
| <b>Total Ongoing Recommendation</b>   |                                    |             | <b>\$24,686.6</b>        | <b>\$351,788.9</b> | <b>\$24,904.0</b>        | <b>\$356,121.9</b> |
| Great Lakes Research Vessel           |                                    |             | \$2,000.0                | \$2,000.0          | \$0.0                    | \$0.0              |
| Conservation Officer Training         |                                    |             | \$600.0                  | \$600.0            | \$0.0                    | \$0.0              |
| <b>Total One-Time Recommendation</b>  |                                    |             | <b>\$2,600.0</b>         | <b>\$2,600.0</b>   | <b>\$0.0</b>             | <b>\$0.0</b>       |
| <b>TOTAL RECOMMENDATION</b>           |                                    |             | <b>\$27,286.6</b>        | <b>\$354,388.9</b> | <b>\$24,904.0</b>        | <b>\$356,121.9</b> |



# Revenue Sharing

Michigan's revenue sharing program distributes sales tax revenue collected by the State of Michigan to local units of government, allowing communities to determine how best to fund local services. A constitutionally-dedicated portion of sales tax revenue is distributed to cities, villages, and townships; the remainder is subject to annual appropriation. *Funding for fiscal year 2014 is recommended at \$1.1 billion, which includes \$742.6 million for constitutionally-required revenue sharing payments, \$225 million for the Economic Vitality Incentive Program, \$112.5 million for County Revenue Sharing, \$28.1 million for the County Incentive Program, and \$15 million for the Competitive Grant Assistance Program. Anticipated funding for fiscal year 2015 is recommended at \$1.1 billion, which includes \$768.5 million for constitutionally-required revenue sharing payments.*

## Nearly 25% of Payments to Locals is Incentive-Based



## Highlights of Governor's Budget Recommendation

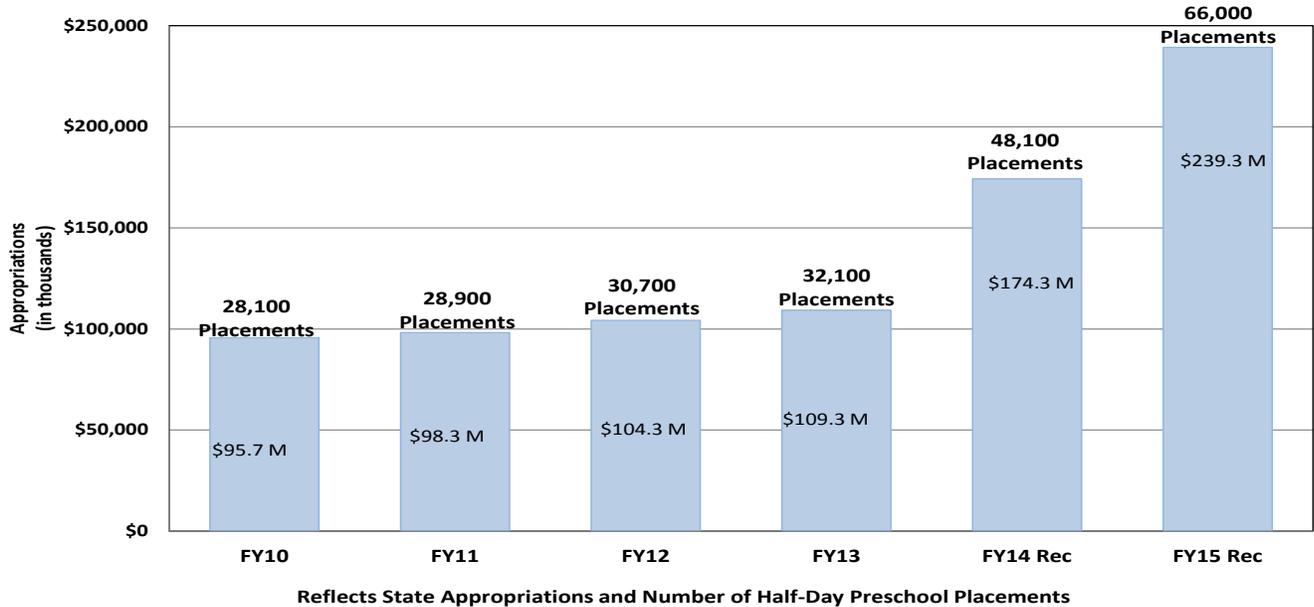
- Constitutional revenue sharing payments for cities, villages, and townships are increased by \$29.4 million (4.1 percent) to \$742.6 million, based on estimated sales tax collections.
- The Economic Vitality Incentive Program provides funding for qualified cities, villages, and townships that adopt best practices. Criteria related to accountability and transparency requirements and consolidation of services remain unchanged. For employee compensation reforms, all requirements for retirement and health provisions must be met, including compliance with the Publicly Funded Health Insurance Contribution Act (P. A. 152 of 2011). The executive budget continues funding at \$225 million in fiscal year 2014.

- Eligible counties will receive a combination of revenue sharing payments and incentive-based payments, provided they adopt best practices and meet criteria consistent with requirements under the Economic Vitality Incentive Program. The fiscal year 2014 executive budget recommends \$112.5 million for County Revenue Sharing payments. An additional \$28.1 million is recommended for the County Incentive Program.
- As an incentive to combine government operations, local units of government may apply for grant assistance to help defray expenses related to consolidation of services or programs. The fiscal year 2014 executive budget maintains funding at \$15 million for competitive grant assistance, with one-half of the funding earmarked for the consolidation of public safety operations.

# School Aid

The School Aid budget provides operational funding for the state’s public schools, which are charged with ensuring all students are college or career ready when they graduate from the K-12 system. *The governor’s proposed budget for fiscal year 2014 recommends total funding of \$13.2 billion, of which \$230 million is general fund. The estimated fiscal year 2015 budget totals \$13.5 billion, including \$233 million general fund.*

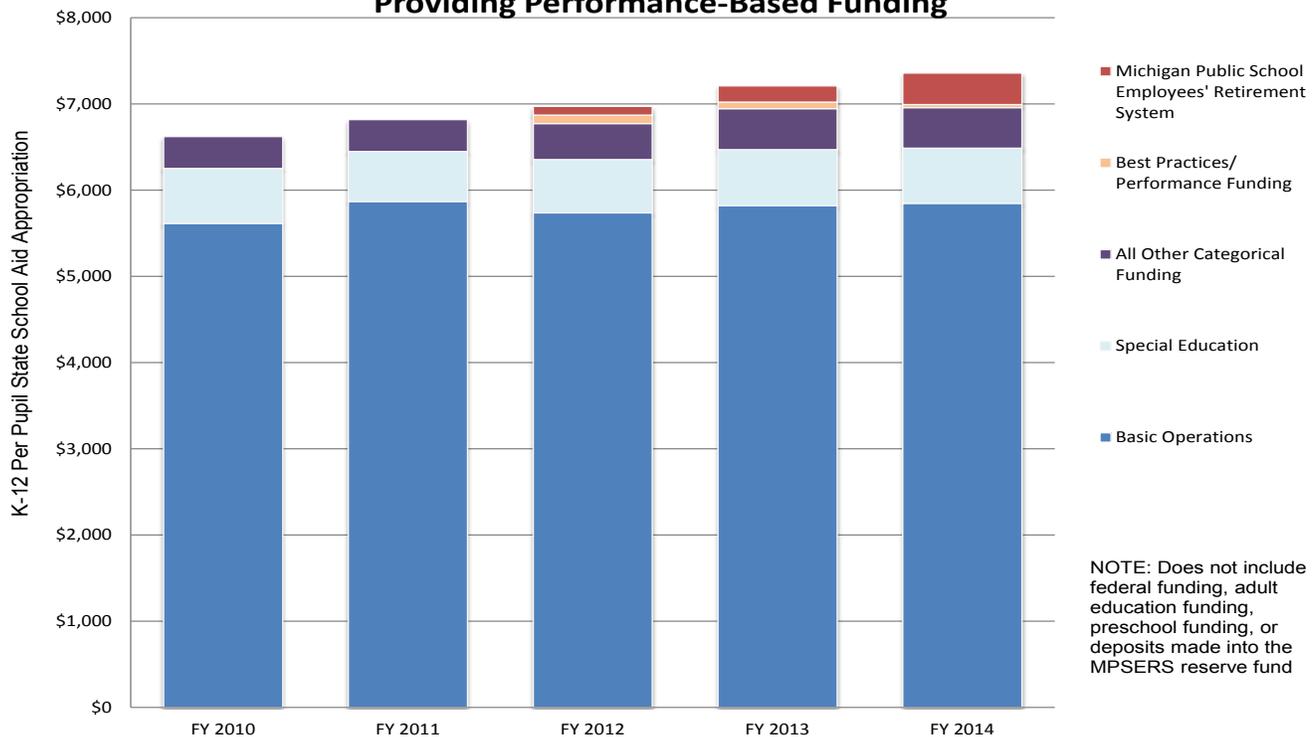
**Preschool Funding Will Double by FY 2015 With \$130 million Investment Over Two Years**



## Highlights of the Governor’s Budget Recommendation

- Because early childhood programs are an essential gateway to student success in school, the governor recommends investing an additional \$65 million, nearly a 60 percent increase, in Great Start preschool programs in fiscal year 2014. This investment will increase half-day payments to preschool providers by \$225 per child, raising the half-day rate to \$3,625 per child, and provide preschool opportunities for up to 16,000 more children. With this additional investment, funding for preschool totals \$174.3 million, for over 48,000 preschool placements. The governor also recommends an additional \$65 million for early childhood programs in fiscal year 2015, bringing the ongoing increased investment to \$130 million over two years. ([Michigan Education Dashboard](#))
- Reforms in the Michigan Public School Employees’ Retirement System enacted in 2012 helped put the school employees’ retirement system on a sustainable path. As part of these reforms, the school districts’ contribution rate for unfunded accrued liabilities was capped at the fiscal year 2012 level, with the state being required to pay the amount over the cap. The budget includes a total of \$403.3 million for payments to districts for this purpose. These funds, in addition to \$155 million already included in the budget, bring total state support for retirement system costs to \$558.3 million, which averages \$350 per pupil.

## The School Aid Budget Reflects the Governor's Priorities: Reducing Long-Term Retirement Obligations and Providing Performance-Based Funding



- Continuing with the governor's focus on rewarding performance, the fiscal year 2014 budget provides \$25 million in funding (\$16 per pupil) for districts that meet best practices and also continues \$30 million to reward districts that achieve performance standards (up to \$100 per pupil). Additionally, the technology infrastructure grant program will continue for a second year, with \$13.5 million in funding. (*Michigan Education Dashboard*)
- To further close the foundation allowance funding gap, the governor's budget includes \$24 million for an equity payment of up to \$34 per pupil for districts at or near the minimum foundation allowance, increasing the minimum per-pupil amount to \$7,000. Total funding for per-pupil foundation allowances equals \$8.9 billion.
- The governor's budget alters the small class size supplemental payments by instituting a cap on the per-pupil payment amounts to districts. Districts that receive small class size supplemental payments and have a per-pupil foundation allowance less than \$7,500 will receive no more than \$100 per pupil, and districts that receive small class size payments and have a per-pupil foundation allowance greater than \$7,500 will receive no more than \$50 per pupil. A total of \$9 million will be paid out in small class size payments.
- The governor also recommends a new Digital Learning initiative, funded with \$10 million, to encourage online learning opportunities for students. The initiative will house a statewide online course catalog for students and parents at the Michigan Virtual University, and will focus on preparing teachers to excel in a digital environment through professional development and access to an internet platform for educators to create new distance learning resources.

- Also included in the executive recommendation is \$8 million for competitive Student-Centric Learning grants. The funds will be used to reward districts that have aligned instructional delivery with individual student learning styles and pace.
- The fiscal year 2014 budget includes over \$1.4 billion in funding for programs that provide over 217,000 students in the state with special education services.
- The Governor's budget also maintains spending of \$1.3 billion for core student supplemental programs such as academically at-risk pupils (\$309 million), adult education (\$22 million), vocational education (\$35.6 million) and added costs for educating court wards (\$8 million).

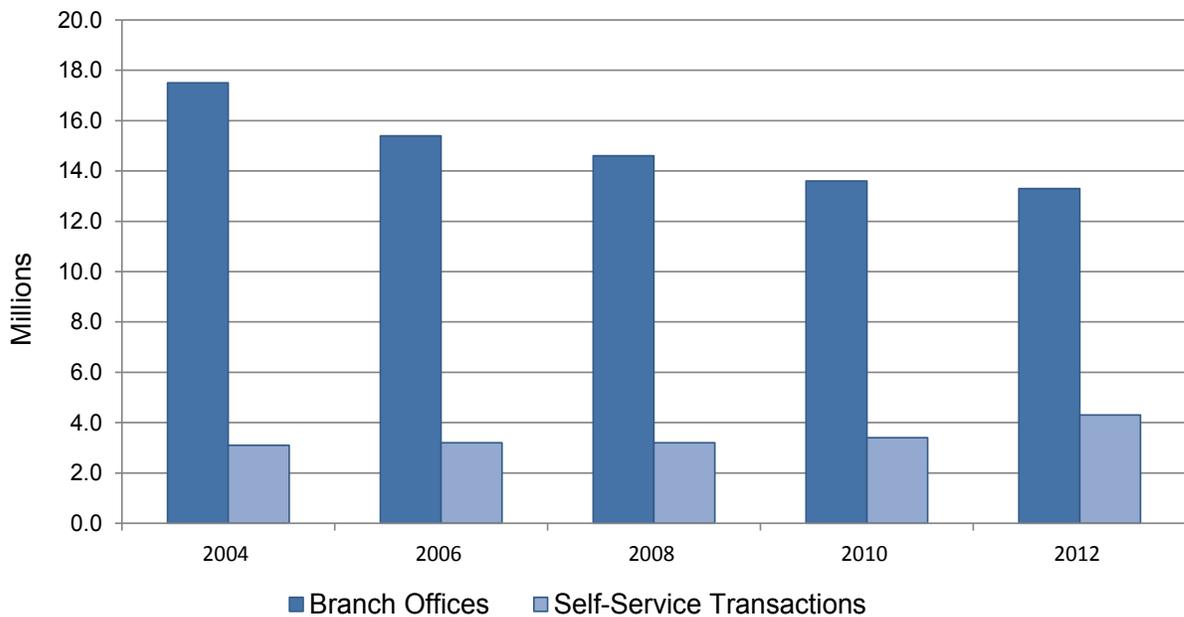
**Governor's Recommendation  
School Aid  
(\$ in Thousands)**

|  | FY2013<br>Current Law       |                |                    | FY2014<br>Recommendation |                       |                    | FY2015<br>Recommendation |                       |                |
|--|-----------------------------|----------------|--------------------|--------------------------|-----------------------|--------------------|--------------------------|-----------------------|----------------|
|  | GF/GP                       | School Aid     | All Funds          | GF/GP                    | School Aid            | All Funds          | GF/GP                    | School Aid            | All Funds      |
| Ongoing Funding  | \$101,042.4                 | \$10,948,144.7 | \$12,750,228.5     | \$180,000.0              | \$11,191,313.5        | \$13,135,734.8     | \$233,000.0              | \$11,493,154.5        | \$13,490,575.8 |
| One-Time Funding   | \$181,357.6                 | \$13,100.9     | \$194,458.5        | \$50,000.0               | \$49,500.0            | \$99,500.0         | \$0.0                    | \$0.0                 | \$0.0          |
| Total Funding  | \$282,400.0                 | \$10,961,245.6 | \$12,944,687.0     | \$230,000.0              | \$11,240,813.5        | \$13,235,234.8     | \$233,000.0              | \$11,493,154.5        | \$13,490,575.8 |
|  | % Change from Previous Year |                |                    |                          |                       |                    |                          |                       |                |
|  | Ongoing Funding             |                |                    | 78.1%                    | 2.2%                  | 3.0%               | 29.4%                    | 2.7%                  | 2.7%           |
|  | One-Time Funding            |                |                    | -72.4%                   | 277.8%                | -48.8%             | 0.0%                     | -100.0%               | -100.0%        |
|  | Total Funding               |                |                    | -18.6%                   | 2.6%                  | 2.2%               | 1.3%                     | 2.2%                  | 1.9%           |
| <b>Programs</b>  |                             |                |                    |                          |                       |                    |                          |                       |                |
| Basic Operations Support                                     |                             |                | \$160,877.4        | \$8,756,262.6            | \$8,917,140.0         | \$213,877.4        | \$8,697,262.6            | \$8,911,140.0         |                |
| Special Education  |                             |                | \$0.0              | \$980,569.1              | \$1,424,569.1         | \$0.0              | \$1,004,869.1            | \$1,448,869.1         |                |
| Supplemental and Support Services                            |                             |                | \$0.0              | \$458,193.2              | \$1,315,221.0         | \$0.0              | \$458,193.2              | \$1,315,221.0         |                |
| Michigan Public School Employees' Retirement System (MPSERS) |                             |                | \$0.0              | \$558,300.0              | \$558,300.0           | \$0.0              | \$804,200.0              | \$804,200.0           |                |
| School Meal Programs   |                             |                | \$0.0              | \$28,120.1               | \$491,320.1           | \$0.0              | \$28,120.1               | \$491,320.1           |                |
| Debt Service and Other Required Payments                     |                             |                | \$0.0              | \$207,693.5              | \$207,693.5           | \$0.0              | \$218,334.5              | \$218,334.5           |                |
| Great Start Preschool Programs                               |                             |                | \$300.0            | \$170,175.0              | \$170,475.0           | \$300.0            | \$250,175.0              | \$250,475.0           |                |
| Performance Funding  |                             |                | \$0.0              | \$32,000.0               | \$32,000.0            | \$0.0              | \$32,000.0               | \$32,000.0            |                |
| Technology and Online Learning Initiatives                   |                             |                | \$18,822.6         | \$0.0                    | \$19,016.1            | \$18,822.6         | \$0.0                    | \$19,016.1            |                |
| <b>Total Ongoing Recommendation</b>                          |                             |                | <b>\$180,000.0</b> | <b>\$11,191,313.5</b>    | <b>\$13,135,734.8</b> | <b>\$233,000.0</b> | <b>\$11,493,154.5</b>    | <b>\$13,490,575.8</b> |                |
| Best Practices Funding                                       |                             |                | \$0.0              | \$25,000.0               | \$25,000.0            | \$0.0              | \$0.0                    | \$0.0                 |                |
| Foundation Allowance Equity Payment                          |                             |                | \$24,000.0         | \$0.0                    | \$24,000.0            | \$0.0              | \$0.0                    | \$0.0                 |                |
| Great Start Preschool Programs                               |                             |                | \$0.0              | \$15,000.0               | \$15,000.0            | \$0.0              | \$0.0                    | \$0.0                 |                |
| Technology Infrastructure Grants                             |                             |                | \$4,000.0          | \$9,500.0                | \$13,500.0            | \$0.0              | \$0.0                    | \$0.0                 |                |
| Small Class Size Supplemental Payments                       |                             |                | \$9,000.0          | \$0.0                    | \$9,000.0             | \$0.0              | \$0.0                    | \$0.0                 |                |
| Competitive Student-Centered Learning                        |                             |                | \$8,000.0          | \$0.0                    | \$8,000.0             | \$0.0              | \$0.0                    | \$0.0                 |                |
| Digital Learning Initiative                                  |                             |                | \$5,000.0          | \$0.0                    | \$5,000.0             | \$0.0              | \$0.0                    | \$0.0                 |                |
| <b>Total One-Time Recommendation</b>                         |                             |                | <b>\$50,000.0</b>  | <b>\$49,500.0</b>        | <b>\$99,500.0</b>     | <b>\$0.0</b>       | <b>\$0.0</b>             | <b>\$0.0</b>          |                |
| <b>TOTAL RECOMMENDATION</b>                                  |                             |                | <b>\$230,000.0</b> | <b>\$11,240,813.5</b>    | <b>\$13,235,234.8</b> | <b>\$233,000.0</b> | <b>\$11,493,154.5</b>    | <b>\$13,490,575.8</b> |                |

# Department of State

The Department of State administers Michigan's motor vehicle programs including titling, registering vehicles, licensing drivers, and monitoring driver performance. The Department of State delivers services via branch offices, renewal by mail, and self-service terminals throughout the state. ExpressSOS provides convenient online services to customers. The Secretary of State also supervises statewide elections and administers the state election laws. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$219.5 million, of which \$15.3 million is general fund. For fiscal year 2015, the governor recommends total funding for the department of \$223 million, of which \$15.4 million is general fund.*

**Branch Office Visits Decrease With Usage of Self-Service Transactions**



## Highlights of Governor's Budget Recommendation

- In order to adequately fund its ongoing customer service responsibilities, the executive budget recommends increasing the commercial look-up fee from \$7 to \$8. This fee increase will generate \$4.7 million in restricted revenues which will be deposited into the Transportation Administration Collection Fund and used to support department operations.
- The executive recommendation reflects a reduction of \$1.1 million in restricted funds due to the transfer of the Assigned Claims Program to the private sector Michigan Automobile Insurance Placement Facility as a result of P.A. 204 of 2012.

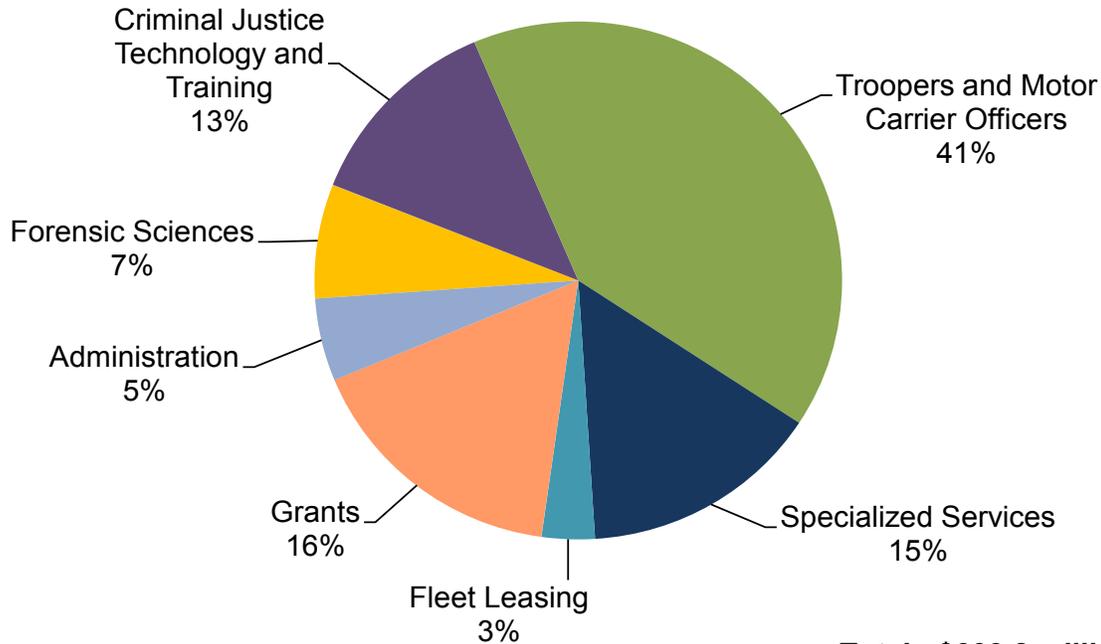
**Governor's Recommendation**  
**Department of State**  
(\$ in Thousands)

|                                      | FY2013<br>Current Law |             | FY2014<br>Recommendation |                    | FY2015<br>Recommendation |                    |
|--------------------------------------|-----------------------|-------------|--------------------------|--------------------|--------------------------|--------------------|
|                                      | GF/GP                 | All Funds   | GF/GP                    | All Funds          | GF/GP                    | All Funds          |
| Ongoing Funding                      | \$13,853.2            | \$218,374.9 | \$15,253.4               | \$219,548.9        | \$15,428.8               | \$222,972.1        |
| One-Time Funding                     | \$1,034.9             | \$2,294.4   | \$0.0                    | \$0.0              | \$0.0                    | \$0.0              |
| Total Funding                        | \$14,888.1            | \$220,669.3 | \$15,253.4               | \$219,548.9        | \$15,428.8               | \$222,972.1        |
| <i>% Change from Previous Year</i>   |                       |             |                          |                    |                          |                    |
| <i>Ongoing Funding</i>               |                       |             | 10.1%                    | 0.5%               | 1.1%                     | 1.6%               |
| <i>One-Time Funding</i>              |                       |             | -100.0%                  | -100.0%            | 0.0%                     | 0.0%               |
| <i>Total Funding</i>                 |                       |             | 2.5%                     | -0.5%              | 1.1%                     | 1.6%               |
| <b>Programs</b>                      |                       |             |                          |                    |                          |                    |
| Customer Delivery Services           |                       |             | \$2,911.1                | \$139,253.7        | \$2,911.1                | \$139,253.7        |
| Department Services                  |                       |             | \$153.9                  | \$29,710.2         | \$329.3                  | \$33,133.4         |
| Information Technology               |                       |             | \$1,570.2                | \$21,763.5         | \$1,570.2                | \$21,763.5         |
| Departmentwide Appropriations        |                       |             | \$2,708.4                | \$9,984.9          | \$2,708.4                | \$9,984.9          |
| Election Regulation                  |                       |             | \$6,289.3                | \$7,083.4          | \$6,289.3                | \$7,083.4          |
| Legal Services                       |                       |             | \$12.0                   | \$6,891.3          | \$12.0                   | \$6,891.3          |
| Executive Direction                  |                       |             | \$1,608.5                | \$4,861.9          | \$1,608.5                | \$4,861.9          |
| <b>Total Ongoing Recommendation</b>  |                       |             | <b>\$15,253.4</b>        | <b>\$219,548.9</b> | <b>\$15,428.8</b>        | <b>\$222,972.1</b> |
| None                                 |                       |             | \$0.0                    | \$0.0              | \$0.0                    | \$0.0              |
| <b>Total One-Time Recommendation</b> |                       |             | <b>\$0.0</b>             | <b>\$0.0</b>       | <b>\$0.0</b>             | <b>\$0.0</b>       |
| <b>TOTAL RECOMMENDATION</b>          |                       |             | <b>\$15,253.4</b>        | <b>\$219,548.9</b> | <b>\$15,428.8</b>        | <b>\$222,972.1</b> |

# Department of State Police

The Michigan State Police (MSP) delivers law enforcement services throughout the state. The governor's proposed budget for fiscal year 2014 recommends total funding of \$603.8 million, of which \$351 million is general fund. Of the total funding, one-time funding of \$8.6 million general fund is recommended. The governor's proposed budget for fiscal year 2015 recommends total funding of \$612 million, of which \$356 million is general fund.

## State Police Provides a Variety of Statewide Enforcement and Specialty Services



**Total: \$603.8 million**

### Highlights of Governor's Budget Recommendation

- The governor's proposed budget adds a total of \$33.5 million general fund for MSP, an increase of 10.5 percent over the current year. This funding is for core programs of the department, including road patrol and motor carrier enforcement, investigative services, emergency management and homeland security, secondary road patrol grant funding, and funding for the Michigan Commission on Law Enforcement Standards.
- In an effort to continue to improve public safety, \$15.2 million general fund is added for a trooper recruit school anticipated to graduate 107 troopers. This additional funding consists of \$11 million ongoing funding and \$4.2 million in one-time funding. These additional troopers will continue the governor's focus on improving public safety and reducing crime. A trooper recruit school graduated 78 troopers in October 2012, which increased the current overall trooper strength to 893. There is currently a second trooper recruit school for fiscal year 2013 in progress that is anticipated to graduate 92 recruits in mid-March. (*MSP metric C-1 and C-8*)

- Of the total recommendation for the trooper school, seven troopers and ongoing funding of \$1 million general fund is designated for additional staffing to provide law enforcement services to the Belle Isle State Park, assuming concurrence from the City of Detroit. The department will be working in collaboration with the Department of Natural Resources to provide a safe environment at the State Park. In addition to general law enforcement, the MSP will focus safety services at the four major events that Belle Isle annually hosts, including the Detroit Grand Prix, the American Power Boat Association (APBA) Gold Cup Hydroplane Boat Race, the Detroit Fireworks, and the Red Bull Air Show. *(MSP metric C-1)*
- The governor recommends \$4 million general fund for the creation of a disaster and emergency contingency fund to address disasters occurring on state and private properties. These funds will be used to assist response efforts at the state level, with the coordination of local units of government, assuring a timely response to emergencies. These funds will be used for natural disasters, such as forest fires, tornadoes, flooding, or collapsed mines.
- As part of the Regional Policing Plan, an additional \$1 million general fund is included for hardware and software support for mobile computing. Specifically, this funding will pay for the installation of the various public safety technology applications in the patrol vehicle, as well as maintenance and support for these applications. *(MSP metric O-1)*
- The governor's recommendation includes one-time funding of \$350,000 general fund to replace two emergency response support team tactical vehicles that are over ten years old, have high mileage, and have high incidents of mechanical failure. The department currently has seven emergency response vehicles located in the different regions of the state. Approximately half of the services provided by the emergency response teams are assisting local police departments, as most local agencies cannot afford to maintain their own tactical teams. *(MSP metric C-1)*

**Governor's Recommendation  
Department of State Police  
(\$ in Thousands)**

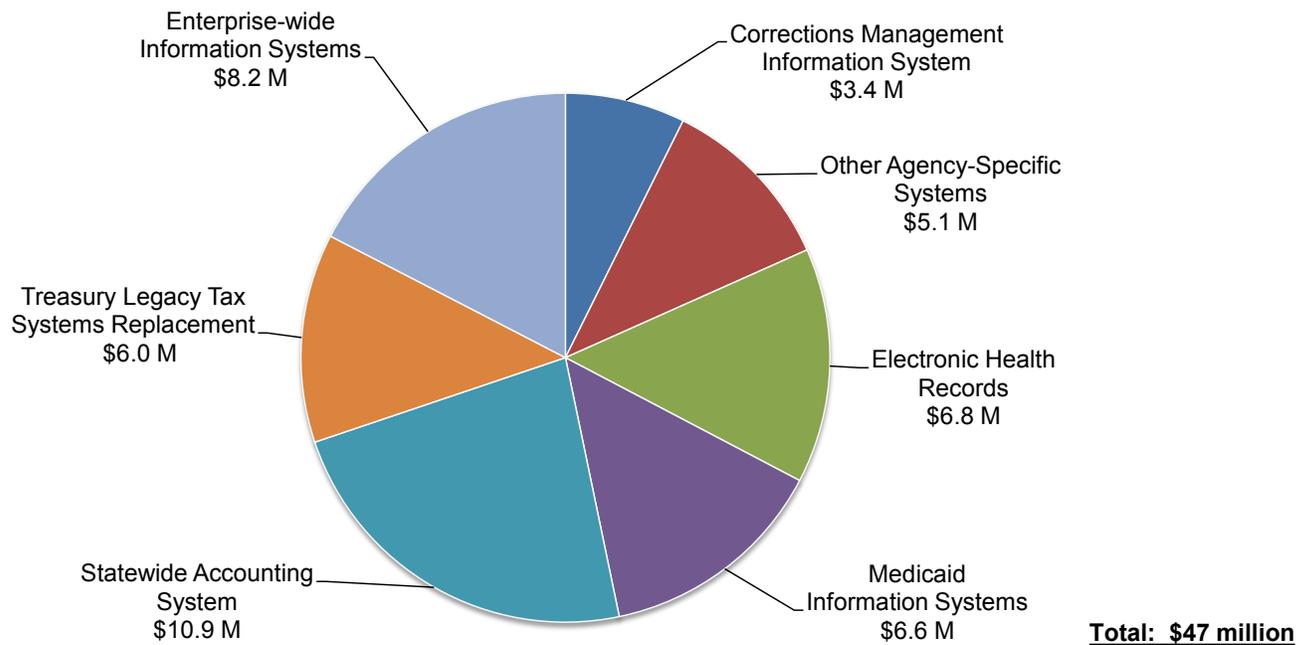
|   | FY2013<br>Current Law              |             | FY2014<br>Recommendation |                    | FY2015<br>Recommendation |                    |
|---|------------------------------------|-------------|--------------------------|--------------------|--------------------------|--------------------|
|   | GF/GP                              | All Funds   | GF/GP                    | All Funds          | GF/GP                    | All Funds          |
| Ongoing Funding                             | \$312,654.9                        | \$571,989.0 | \$342,412.4              | \$595,239.8        | \$351,963.9              | \$607,984.7        |
| One-Time Funding                            | \$4,858.9                          | \$5,993.7   | \$8,561.9                | \$8,561.9          | \$4,000.0                | \$4,000.0          |
| Total Funding                               | \$317,513.8                        | \$577,982.7 | \$350,974.3              | \$603,801.7        | \$355,963.9              | \$611,984.7        |
|   | <i>% Change from Previous Year</i> |             |                          |                    |                          |                    |
|   | <i>Ongoing Funding</i>             |             | 9.5%                     | 4.1%               | 2.8%                     | 2.1%               |
|   | <i>One-Time Funding</i>            |             | 76.2%                    | 42.8%              | -53.3%                   | -53.3%             |
|   | <i>Total Funding</i>               |             | 10.5%                    | 4.5%               | 1.4%                     | 1.4%               |
| <b>Programs</b>                             |                                    |             |                          |                    |                          |                    |
| Troopers and Motor Carrier Officers         |                                    |             | \$178,198.5              | \$241,473.1        | \$180,892.9              | \$244,167.5        |
| Grants                                      |                                    |             | \$3,704.5                | \$99,542.8         | \$10,561.6               | \$109,593.3        |
| Specialized Services                        |                                    |             | \$61,493.5               | \$88,561.2         | \$61,493.5               | \$88,561.2         |
| Criminal Justice Technology and Training    |                                    |             | \$33,618.8               | \$75,769.0         | \$33,618.8               | \$75,769.0         |
| Forensic Sciences                           |                                    |             | \$23,270.7               | \$43,027.0         | \$23,270.7               | \$43,027.0         |
| Administration                              |                                    |             | \$22,454.8               | \$27,195.1         | \$22,454.8               | \$27,195.1         |
| Fleet Leasing                               |                                    |             | \$19,671.6               | \$19,671.6         | \$19,671.6               | \$19,671.6         |
| <b>Total Ongoing Recommendation</b>         |                                    |             | <b>\$342,412.4</b>       | <b>\$595,239.8</b> | <b>\$351,963.9</b>       | <b>\$607,984.7</b> |
| Trooper School One-Time Costs               |                                    |             | \$4,211.9                | \$4,211.9          | \$0.0                    | \$0.0              |
| Disaster and Emergency Contingency Fund     |                                    |             | \$4,000.0                | \$4,000.0          | \$4,000.0                | \$4,000.0          |
| Emergency Response Team Vehicle Replacement |                                    |             | \$350.0                  | \$350.0            | \$0.0                    | \$0.0              |
| <b>Total One-Time Recommendation</b>        |                                    |             | <b>\$8,561.9</b>         | <b>\$8,561.9</b>   | <b>\$4,000.0</b>         | <b>\$4,000.0</b>   |
| <b>TOTAL RECOMMENDATION</b>                 |                                    |             | <b>\$350,974.3</b>       | <b>\$603,801.7</b> | <b>\$355,963.9</b>       | <b>\$611,984.7</b> |



# Department of Technology, Management and Budget

The Department of Technology, Management and Budget (DTMB) supports the business operations of state agencies through a variety of services. These services include building management and maintenance, technology services, centralized contracting, purchasing, space planning and leasing, construction management, motor vehicle fleet management, and the state retirement system. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$1.2 billion, of which \$405.9 million is general fund. This includes one-time funding of \$37.8 million, of which \$16.5 million is general fund. For fiscal year 2015, the governor's proposed budget is \$1.2 billion, of which \$415.1 million is general fund.*

## Budget Funds Improvements to Outdated Technology Systems



## Highlights of Governor's Budget Recommendation

- The executive recommendation includes \$526.7 million for information technology support for all state departments, primarily funded with user fees from client agencies. In order to address the risks associated with obsolete, outdated and vulnerable information systems, the governor maintains funding of \$47 million general fund for enterprisewide information technology improvements and another \$2.5 million general fund for the information technology innovation fund. The department has conducted an inventory of risks in the current statewide technology infrastructure and the most significant risk areas are being addressed in order to protect the state's information systems, safeguard residents' information and help state agencies achieve their business goals. ([DTMB metrics 6A-2 and 6B-1](#))
- The executive budget includes funding of \$68 million for the Civil Service Commission to provide professional, non-partisan oversight of the state's workforce.

- The governor's recommendation includes authorization for the construction of a new State Emergency Operations Center at the Secondary Complex in Dimondale, Michigan. This new 24/7 facility will enhance the capabilities of state government to respond to emergencies, disasters and threats to homeland security. The total estimated cost of the project is \$20.2 million, financed with a combination of federal grants and state building authority resources.
- The state's debt service obligation on construction bonds issued for state, university, and community college projects is increased by \$1.7 million general fund for the State Emergency Operations Center project. For fiscal year 2015, this obligation increases by an additional \$22.9 million to support rent payments for anticipated bond obligations.
- The governor continues to address the preservation and maintenance of state facilities by investing \$28 million general fund for this purpose. (*DTMB metric 2A-1*)
- The governor recommends a one-time \$5 million general fund investment for a new Regional Prosperity Program to encourage local partners to work together, develop a regional economic development model, and create vibrant regional economies.

**Governor's Recommendation**  
**Department of Technology, Management and Budget**  
(\$ in Thousands)

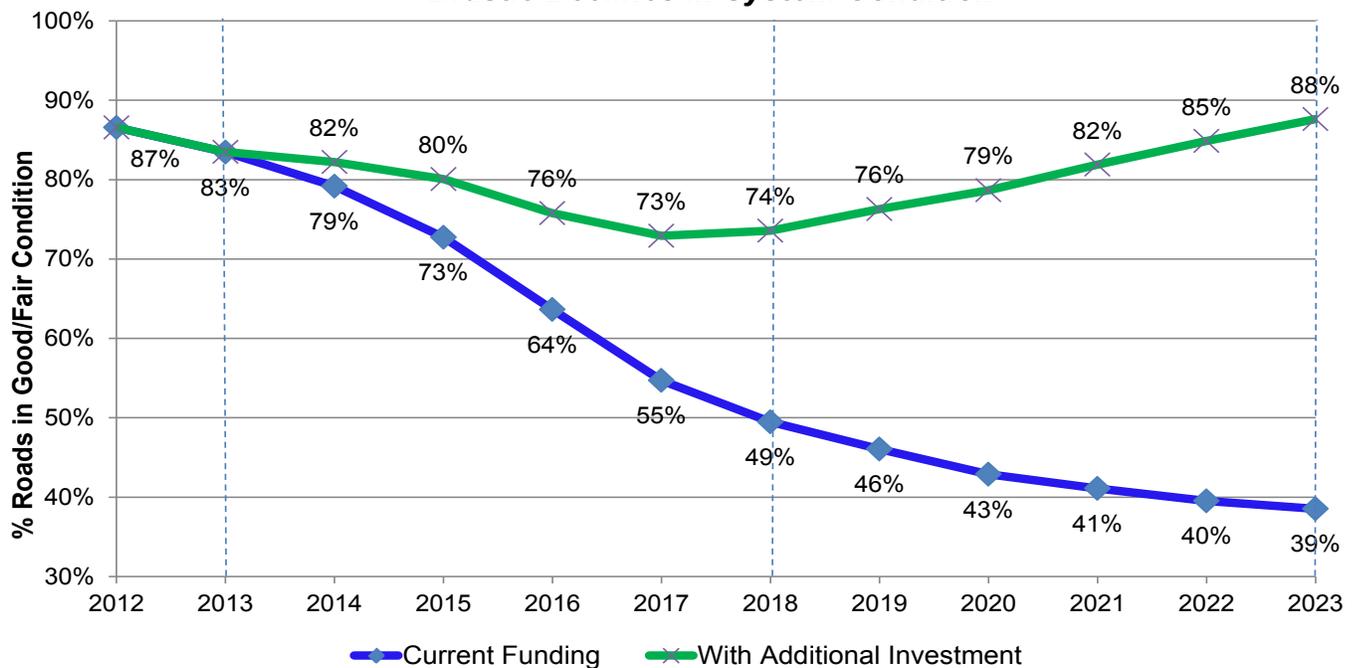
|   | FY2013<br>Current Law |               | FY2014<br>Recommendation |                      | FY2015<br>Recommendation |                      |
|---|-----------------------|---------------|--------------------------|----------------------|--------------------------|----------------------|
|   | GF/GP                 | All Funds     | GF/GP                    | All Funds            | GF/GP                    | All Funds            |
| Ongoing Funding   | \$384,124.0           | \$1,117,293.4 | \$389,387.3              | \$1,148,175.1        | \$415,140.8              | \$1,179,063.1        |
| One-Time Funding  | \$21,792.2            | \$25,680.2    | \$16,500.1               | \$37,800.1           | \$0.0                    | \$0.0                |
| Total Funding   | \$405,916.2           | \$1,142,973.6 | \$405,887.4              | \$1,185,975.2        | \$415,140.8              | \$1,179,063.1        |
| <i>% Change from Previous Year</i>                      |                       |               |                          |                      |                          |                      |
| <i>Ongoing Funding</i>                                  |                       |               | 1.4%                     | 2.8%                 | 6.6%                     | 2.7%                 |
| <i>One-Time Funding</i>                                 |                       |               | -24.3%                   | 47.2%                | -100.0%                  | -100.0%              |
| <i>Total Funding</i>                                    |                       |               | 0.0%                     | 3.8%                 | 2.3%                     | -0.6%                |
| <b>Programs</b>   |                       |               |                          |                      |                          |                      |
| Technology Services                                     |                       |               | \$49,500.0               | \$526,653.8          | \$49,500.0               | \$526,653.8          |
| Management and Budget Operations                        |                       |               | \$59,397.9               | \$294,941.1          | \$62,251.4               | \$302,929.1          |
| State Building Authority Rent                           |                       |               | \$258,570.6              | \$258,570.6          | \$281,470.6              | \$281,470.6          |
| Civil Service Commission                                |                       |               | \$21,918.8               | \$68,009.6           | \$21,918.8               | \$68,009.6           |
| <b>Total Ongoing Recommendation</b>                     |                       |               | <b>\$389,387.3</b>       | <b>\$1,148,175.1</b> | <b>\$415,140.8</b>       | <b>\$1,179,063.1</b> |
| Technology Services Investments                         |                       |               | \$0.0                    | \$21,300.0           | \$0.0                    | \$0.0                |
| Special Maintenance for State Facilities                |                       |               | \$10,000.0               | \$10,000.0           | \$0.0                    | \$0.0                |
| Regional Prosperity Grant Program                       |                       |               | \$5,000.0                | \$5,000.0            | \$0.0                    | \$0.0                |
| Delta County Bridge                                     |                       |               | \$1,500.0                | \$1,500.0            | \$0.0                    | \$0.0                |
| State Building Authority Financed Construction Projects |                       |               | \$0.1                    | \$0.1                | \$0.0                    | \$0.0                |
| <b>Total One-Time Recommendation</b>                    |                       |               | <b>\$16,500.1</b>        | <b>\$37,800.1</b>    | <b>\$0.0</b>             | <b>\$0.0</b>         |
| <b>TOTAL RECOMMENDATION</b>                             |                       |               | <b>\$405,887.4</b>       | <b>\$1,185,975.2</b> | <b>\$415,140.8</b>       | <b>\$1,179,063.1</b> |



# Department of Transportation

The Department of Transportation is responsible for ensuring the state's network of roads and bridges, public transportation systems, passenger and freight rail and aviation programs provide for the efficient and effective movement of people and goods. The state's economy and the quality of life of Michigan residents depend upon a safe, reliable transportation infrastructure. *The governor's proposed budget for fiscal year 2014 and 2015 recommends total funding of \$4.6 billion in each year, reflecting the additional annual investment of \$1.2 billion needed to maintain our current transportation system.*

**State Trunkline Pavement Condition Forecast:  
Additional Investment Needed to Avoid  
Drastic Declines in System Condition**



## Highlights of Governor's Budget Recommendation

The time for investment in our transportation network has never been more critical. If no action is taken to increase investment levels, condition forecasts indicate state trunklines in good/fair condition will fall from 83 percent in 2013, dropping to a potentially debilitating 49 percent in five years and to 39 percent in ten years. Due to declines in revenue and inflationary pressures that erode purchasing power, the current funding model is simply not able to keep pace with system needs.

The costs of continued inaction are significant. It is projected a staggering \$25 billion would be needed to reconstruct the network, if system condition is allowed to deteriorate to such unprecedented levels. From a fiscal perspective, it is far more cost effective to repair a road or bridge now than to pay for a much more costly reconstruction in the future. Acting now will deliver real cost savings for Michigan taxpayers - it is the choice of spending \$12 billion over the next 10 years to invest in needed repairs or \$25 billion later to reconstruct a failed system.

The governor's budget recommendation includes a transportation investment proposal to address the resource demands of our transportation system. Highlights include:

- The package provides \$1.2 billion in additional annual revenues to invest now in critical state and local transportation needs that will create jobs, improve safety, and provide long-term savings to the taxpayer. The package also provides counties with an option for raising local revenues for transportation needs, which if fully adopted by voters, would raise an additional \$280 million annually for locally-directed investment.  
*(MDOT metrics 5, 7-10, 13, 14)*
- The additional revenue is generated by increasing motor fuel taxes to 33 cents per gallon, while eliminating the disparity between gasoline and diesel fuels. This new per gallon rate will raise \$728 million in fiscal year 2014, and remain effective for two years. Beginning in fiscal year 2016, the per gallon rate will be adjusted according to a new dynamic formula that will modernize the collection of motor fuel taxes and better respond to market conditions. The package also increases the heavy vehicle truck and trailer registration taxes by 25 percent, and light-vehicle registration taxes by 60 percent, raising an additional \$508 million. It is estimated that the annual impact of this package on the typical Michigan motorist will equate to \$120 dollars per vehicle per year.  

---

*“So, this is just like looking at the question of, do you get oil changes on a regular basis... or wait for an engine rebuild?”*

**Governor Rick Snyder, State of the State Address, January 16, 2013**

---
- Governor's Snyder's transportation package strategically targets the new investments in Michigan's infrastructure. Under a more simplified Michigan Transportation Fund (MTF) distribution formula, the department and local road agencies will each receive a "baseline" allocation from the MTF comparable to the amount each received in fiscal year 2012. After allocations for the fiscal year 2012 baseline, program support, Recreation Improvement Fund, Comprehensive Transportation Fund, and a new Basic Industry Logistics Transportation (BILT) Fund, the balance of the revenues, over \$1.1 billion, are directed to a new Commercial Corridor Fund.
- The new Commercial Corridor Fund is a pass-through mechanism by which funds will be distributed to state and local road agencies. Every county in Michigan contains commercial corridors that are key arteries of economic development. The governor will be working closely with the legislature in the coming months on the statutory distribution of the Commercial Corridor Fund.
- The new BILT Fund replaces the previous Transportation Economic Development Fund and is a \$58.3 million competitive grant program to assist in financing critical transportation projects supporting economic growth and job creation in Michigan. The focus of the BILT Fund will be to provide transportation improvements that support private investment in the areas of manufacturing, tourism and agriculture.

- The investment package also provides for much needed investment in other modes of transportation, including an additional \$113.9 million for the Comprehensive Transportation Fund. The governor’s budget includes total funding of \$211.7 million for transit operating assistance programs, \$89.9 million for transit services development, and \$63.6 million for rail passenger and freight programs.
- An increase in registration fees from 1 cent to 3 cents per pound for licensed aircraft, anticipated to raise an additional \$540,000, will also provide needed support to the aeronautics programs. (*MDOT metrics 6, 15, 16, 17*)

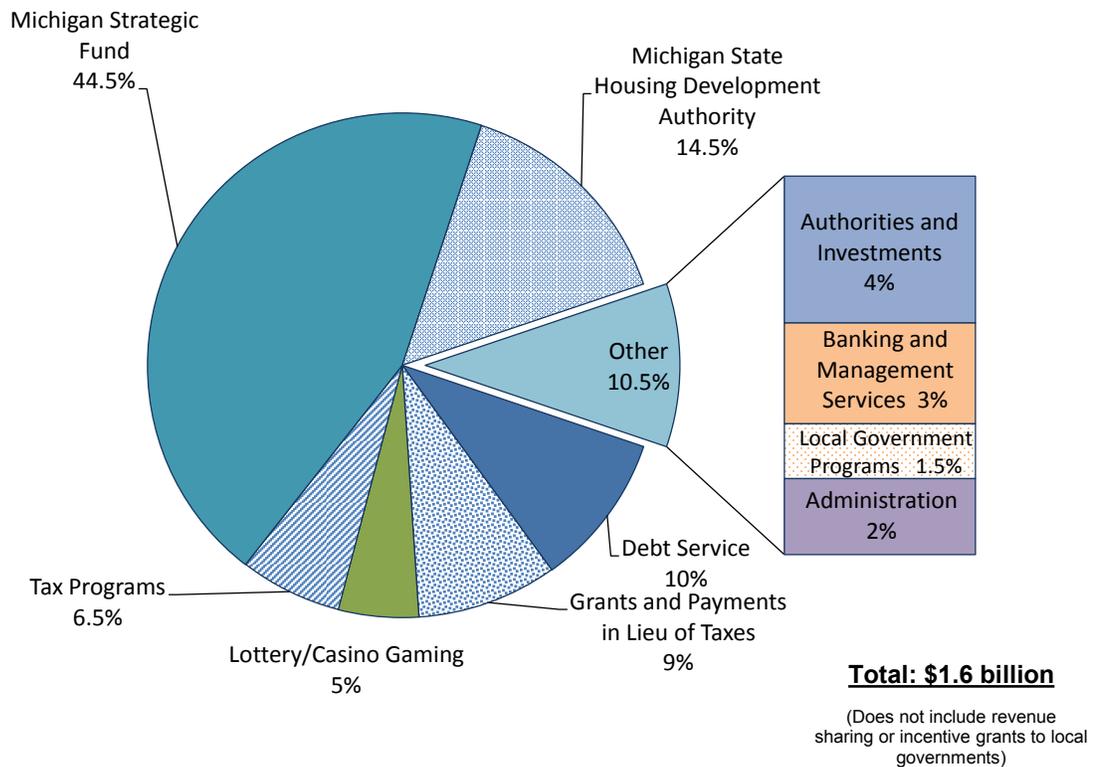
**Governor's Recommendation  
Department of Transportation  
(\$ in Thousands)**

|  | FY2013<br>Current Law              |               | FY2014<br>Recommendation |                      | FY2015<br>Recommendation |                      |
|--|------------------------------------|---------------|--------------------------|----------------------|--------------------------|----------------------|
|  | GF/GP                              | All Funds     | GF/GP                    | All Funds            | GF/GP                    | All Funds            |
| Ongoing Funding                              | \$0.0                              | \$3,439,926.7 | \$0.0                    | \$4,574,787.6        | \$0.0                    | \$4,598,045.1        |
| One-Time Funding                             | \$23,000.0                         | \$26,260.8    | \$0.0                    | \$0.0                | \$0.0                    | \$0.0                |
| Total Funding                                | \$23,000.0                         | \$3,466,187.5 | \$0.0                    | \$4,574,787.6        | \$0.0                    | \$4,598,045.1        |
|  | <i>% Change from Previous Year</i> |               |                          |                      |                          |                      |
|  | <i>Ongoing Funding</i>             |               | <i>0.0%</i>              | <i>33.0%</i>         | <i>0.0%</i>              | <i>0.5%</i>          |
|  | <i>One-Time Funding</i>            |               | <i>-100.0%</i>           | <i>-100.0%</i>       | <i>0.0%</i>              | <i>0.0%</i>          |
|  | <i>Total Funding</i>               |               | <i>0.0%</i>              | <i>32.0%</i>         | <i>0.0%</i>              | <i>0.5%</i>          |
| <b>Programs</b>                              |                                    |               |                          |                      |                          |                      |
| Road and Bridge Construction and Maintenance |                                    |               | \$0.0                    | \$3,684,876.3        | \$0.0                    | \$3,695,477.2        |
| Transit, Rail, and Aeronautics Services      |                                    |               | \$0.0                    | \$426,168.6          | \$0.0                    | \$432,497.2          |
| Debt Service                                 |                                    |               | \$0.0                    | \$242,321.1          | \$0.0                    | \$242,323.4          |
| Support Services                             |                                    |               | \$0.0                    | \$125,108.7          | \$0.0                    | \$132,771.3          |
| Capital Outlay                               |                                    |               | \$0.0                    | \$96,312.9           | \$0.0                    | \$94,976.0           |
| <b>Total Ongoing Recommendation</b>          |                                    |               | <b>\$0.0</b>             | <b>\$4,574,787.6</b> | <b>\$0.0</b>             | <b>\$4,598,045.1</b> |
| None   |                                    |               | \$0.0                    | \$0.0                | \$0.0                    | \$0.0                |
| <b>Total One-Time Recommendation</b>         |                                    |               | <b>\$0.0</b>             | <b>\$0.0</b>         | <b>\$0.0</b>             | <b>\$0.0</b>         |
|  |                                    |               |                          |                      |                          |                      |
| <b>TOTAL RECOMMENDATION</b>                  |                                    |               | <b>\$0.0</b>             | <b>\$4,574,787.6</b> | <b>\$0.0</b>             | <b>\$4,598,045.1</b> |

# Department of Treasury

The Department of Treasury's major responsibilities include the fair and efficient administration of the state's tax system, investing state funds, safeguarding the credit rating of the state and local governments, forecasting state economic activity and revenue, administering property tax laws, auditing county and municipal financial records, maximizing lottery revenue to the School Aid Fund and providing oversight of casino gaming operations. The department's budget also includes funding for the economic development and low-income housing programs administered by the Michigan Strategic Fund and the Michigan State Housing Development Authority. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$2.8 billion, of which \$444.2 million is general fund. In fiscal year 2014, the budget includes one-time funding of \$101.3 million, of which \$76.3 is general fund. For fiscal year 2015, the governor recommends total funding of \$2.7 billion, of which \$383.4 million is general fund.*

## Economic Growth and Strong Fiscal Policy Lead Michigan to Reinvention



### Treasury Operations

- The proposed budget includes \$3 million in restricted funds to support the purchase of new digital stamps to enhance the tobacco enforcement program. As required by P.A. 188 of 2012, digital stamping will be placed on every package of cigarettes and will become an important component of the state's enforcement program. *(Treasury metric C7)*
- The governor recommends \$154.2 million for debt service payments. This includes replacing \$2.5 million in refined petroleum funds with an equal amount of general fund, which will increase the funding available for environmental clean-up efforts within the Department of Environmental Quality, and adding \$8 million to fund debt service related

to an investment of \$100 million in Strategic Water Quality bonds for grants and loans to local units of government. These grants will be used for design, development and implementation plans for sanitary sewer and storm sewer infrastructure. *(DEQ metric S9)*

- The proposed budget also includes \$3.3 million in restricted funds for the Bureau of State Lottery to launch iLottery where current existing lottery games will be offered through modern digital channels of web, mobile application or tablets creating the opportunity to substantially increase revenues to the School Aid Fund. This strategy is currently utilized and has been proven successful in Europe, Canada and other countries. iLottery is the next step in Lottery's continuous effort to meet the statutory mandate to maximize profits to the School Aid Fund. Small profit increases are expected in the first year until iLottery develops its game portfolio and channel mix. *(Lottery metric F1)*
- Recent passage of P.A. 603 and 604 of 2012 increases the statutory formula for payments in lieu of taxes to local units of government. The governor recommends \$17.3 million to fully fund the new formula, representing an increase of \$3.1 million.
- The governor also proposes \$5 million general fund to provide support services to financially distressed communities.
- The proposed recommendation includes \$3 million in restricted funds to replace and consolidate the information technology systems used for the licensing, regulation, auditing, investigative and administrative functions of the Michigan Gaming Control Board. The majority of this funding (\$2.3 million) comes from fees and fines received from the industry and will be used to eliminate outdated equipment impacting the three Detroit Casinos, the horse racing industry, and the charitable gaming system.

### **Michigan Strategic Fund (MSF)**

- The governor's budget invests an additional \$27.5 million general fund to grow Michigan's economy through business development and community revitalization efforts, including \$20 million for a new debt financing program providing creative financing solutions to assist banks and other lenders to extend capital in underserved communities. *(MSF metric 7)*
- The recommendation includes \$10 million general fund for a new Skilled Trades Training Program to address job-to-talent mismatches created by technology advances, globalization, and an aging population. By leveraging employer contributions and other funding sources, this new program will help employers design training models that align with their specific talent needs enabling them to grow their businesses better and faster, while simultaneously providing employment opportunities for qualified individuals. Representatives from the Michigan Strategic Fund, Michigan Works! Agencies, local economic developers, and community colleges and other training institutions will work together to identify and prioritize eligible employers and participants. *(MSF metric 12)*

- The executive budget invests \$16 million general fund in the Land Bank Fast Track Authority to spur the redevelopment of tax-reverted properties, including \$9.5 million for blight elimination, \$4 million for “Good Neighbor” property maintenance, and \$2.5 million to support the operations of the Authority.

---

*“This is much more than about simply tearing down structures... This is about working together in an unprecedented way with partners across all sectors and backgrounds – from neighborhood organizations and Detroit Public Schools and agencies throughout city, county, state and federal government to the foundation and nonprofit community to businesses – to address multiple factors that help ensure safe, stable neighborhoods and make a real, sustained difference for kids, families and communities.”*

**Bill Pulte of Pulte Homes as quoted in  
the Detroit Free Press, July 22, 2012**

---

- Governor Snyder recommends continuing the film incentive program via \$25 million in one-time general fund revenues, while also adding an additional \$1 million general fund for arts and cultural programs, for a total of \$6.7 million to support quality of place efforts in local communities. (*MSF metric 11*)
- The Michigan Strategic Fund will collaborate with Michigan Department of Agriculture and Rural Development on the Food and Agriculture Industry Growth Initiative, which will use a competitive grant process to fund research, education, and technical assistance efforts focused on removing barriers and leveraging opportunities identified by food processors, agri-business, and those in agricultural production critical to business development and growth. Outcomes will help increase sector profitability, aid in business expansion, and increase the overall economic impact on Michigan’s economy. As opportunities are identified, up to \$2 million will be available to support eligible projects that meet the goals and mission of the initiative.

**Governor's Recommendation  
Department of Treasury  
(\$ in Thousands)**

|   | FY2013<br>Current Law              |               | FY2014<br>Recommendation |                      | FY2015<br>Recommendation |                      |
|---|------------------------------------|---------------|--------------------------|----------------------|--------------------------|----------------------|
|   | GF/GP                              | All Funds     | GF/GP                    | All Funds            | GF/GP                    | All Funds            |
| Ongoing Funding                                 | \$343,436.7                        | \$2,634,296.3 | \$367,931.9              | \$2,672,500.5        | \$383,392.7              | \$2,720,042.4        |
| One-Time Funding                                | \$76,399.8                         | \$99,014.1    | \$76,263.3               | \$101,263.3          | \$0.0                    | \$0.0                |
| Total Funding                                   | \$419,836.5                        | \$2,733,310.4 | \$444,195.2              | \$2,773,763.8        | \$383,392.7              | \$2,720,042.4        |
|   | <i>% Change from Previous Year</i> |               |                          |                      |                          |                      |
|   | <i>Ongoing Funding</i>             |               | 7.1%                     | 1.5%                 | 4.2%                     | 1.8%                 |
|   | <i>One-Time Funding</i>            |               | -0.2%                    | 2.3%                 | -100.0%                  | -100.0%              |
|   | <i>Total Funding</i>               |               | 5.8%                     | 1.5%                 | -13.7%                   | -1.9%                |
| <b>Programs</b>                                 |                                    |               |                          |                      |                          |                      |
| Constitutional Revenue Sharing                  |                                    |               | \$0.0                    | \$742,550.2          | \$0.0                    | \$768,450.4          |
| Michigan Strategic Fund                         |                                    |               | \$141,003.9              | \$699,376.2          | \$141,277.4              | \$700,431.6          |
| Local Government Incentive Program              |                                    |               | \$0.0                    | \$358,600.0          | \$0.0                    | \$358,600.0          |
| Michigan State Housing Development Authority    |                                    |               | \$0.0                    | \$231,737.7          | \$0.0                    | \$232,630.6          |
| Debt Service Payments                           |                                    |               | \$151,188.0              | \$154,202.5          | \$161,227.3              | \$164,241.8          |
| Grants and Payments in Lieu of Taxes            |                                    |               | \$25,382.9               | \$140,217.1          | \$29,831.2               | \$145,063.7          |
| Administration of Tax Programs                  |                                    |               | \$17,605.5               | \$101,942.2          | \$17,605.5               | \$101,942.2          |
| Authorities and Investments                     |                                    |               | \$2,898.8                | \$63,674.6           | \$2,898.8                | \$63,674.6           |
| Bureau of State Lottery                         |                                    |               | \$0.0                    | \$51,025.2           | \$0.0                    | \$51,025.2           |
| Banking and Management Services                 |                                    |               | \$5,079.5                | \$43,635.8           | \$5,779.2                | \$48,443.3           |
| Administration                                  |                                    |               | \$11,793.5               | \$32,922.9           | \$11,793.5               | \$32,922.9           |
| Casino Regulation                               |                                    |               | \$0.0                    | \$28,904.8           | \$0.0                    | \$28,904.8           |
| Local Government Programs                       |                                    |               | \$12,979.8               | \$23,711.3           | \$12,979.8               | \$23,711.3           |
| <b>Total Ongoing Recommendation</b>             |                                    |               | <b>\$367,931.9</b>       | <b>\$2,672,500.5</b> | <b>\$383,392.7</b>       | <b>\$2,720,042.4</b> |
| Business Development & Community Revitalization |                                    |               | \$27,500.0               | \$27,500.0           | \$0.0                    | \$0.0                |
| Film Incentive Program                          |                                    |               | \$25,000.0               | \$25,000.0           | \$0.0                    | \$0.0                |
| Skilled Trades Training Program                 |                                    |               | \$10,000.0               | \$10,000.0           | \$0.0                    | \$0.0                |
| Competitive Grant Assistance Program            |                                    |               | \$0.0                    | \$10,000.0           | \$0.0                    | \$0.0                |
| Economic Vitality Incentive Program             |                                    |               | \$0.0                    | \$7,500.0            | \$0.0                    | \$0.0                |
| Land Bank Fast Track Authority                  |                                    |               | \$7,000.0                | \$7,000.0            | \$0.0                    | \$0.0                |
| Distressed Communities Program                  |                                    |               | \$5,000.0                | \$5,000.0            | \$0.0                    | \$0.0                |
| County Incentive Program                        |                                    |               | \$0.0                    | \$4,500.0            | \$0.0                    | \$0.0                |
| Casino Gaming Information Technology System     |                                    |               | \$0.0                    | \$3,000.0            | \$0.0                    | \$0.0                |
| Information Technology Systems Upgrade          |                                    |               | \$1,763.3                | \$1,763.3            | \$0.0                    | \$0.0                |
| <b>Total One-Time Recommendation</b>            |                                    |               | <b>\$76,263.3</b>        | <b>\$101,263.3</b>   | <b>\$0.0</b>             | <b>\$0.0</b>         |
|   |                                    |               |                          |                      |                          |                      |
| <b>TOTAL RECOMMENDATION</b>                     |                                    |               | <b>\$444,195.2</b>       | <b>\$2,773,763.8</b> | <b>\$383,392.7</b>       | <b>\$2,720,042.4</b> |

# Background Information

---

|  | <u>Page</u> |
|--|-------------|
| Revenues and Expenditures                                | C 1         |
| Consensus Economic Outlook                               | C 3         |
| Revenue Estimates  | C 7         |
| Revenue Review   | C 8         |
| Capped Federal Funds Shared Between Departments          | C 19        |
| Special Revenue Funds Shared Between Departments         | C 21        |
| State Restricted Revenue and Expenditure Projections     | C 23        |
| Summary of Expenditure Recommendation                    | C 35        |
| Budget Schedule by Agency                                | C 37        |
| Historical Expenditures/Appropriations                   | C 39        |
| Civil Service Pay Recommendations                        | C 41        |
| Legislation Needed to Implement FY 2014 Executive Budget | C 45        |

Web site address for this document: <http://www.michigan.gov/budget>



**Fiscal Years 2014 and 2015**  
**Sources and Uses of General Fund/General Purpose**  
*(in millions)*

|   | Fiscal Year<br>2014 | Fiscal Year<br>2015 |
|---|---------------------|---------------------|
| Ongoing Revenues:                               |                     |                     |
| January Consensus Revenues                      | \$9,264.4           | \$9,639.9           |
| <u>Proposed Adjustments:</u>                    |                     |                     |
| Payments to Local Government                    | (\$358.6)           | (\$358.6)           |
| Charge School Aid Fund for Short-term Borrowing | \$6.0               | \$8.0               |
| Blue Cross/Blue Shield Insurance Revenue        | \$62.0              | \$75.0              |
| <b>Total Sources of Ongoing Revenues</b>        | <b>\$8,973.8</b>    | <b>\$9,364.3</b>    |
| Fiscal Year 2014 Executive Recommendation       | \$8,850.7           |                     |
| Fiscal Year 2015 Executive Recommendation       | \$9,034.7           |                     |
| <b>Total Uses of Ongoing Revenues</b>           | <b>\$8,850.7</b>    | <b>\$9,034.7</b>    |
| <b>Ongoing Revenue Balance</b>                  | <b>\$123.1</b>      | <b>\$329.6</b>      |
| <br>  |                     |                     |
| One-Time Revenues:                              |                     |                     |
| Estimated Beginning Fund Balance, October 1     | \$278.4             | \$15.7              |
| <u>Proposed Adjustments:</u>                    |                     |                     |
| Payments to Local Government                    | (\$22.0)            | \$0.0               |
| <b>Total Sources of One-Time Revenues</b>       | <b>\$256.4</b>      | <b>\$15.7</b>       |
| Fiscal Year 2014 Executive Recommendation       | \$363.8             |                     |
| Fiscal Year 2015 Executive Recommendation       | \$291.8             |                     |
| <b>Total Uses of One-Time Revenues</b>          | <b>\$363.8</b>      | <b>\$291.8</b>      |
| <b>One-Time Revenue Balance</b>                 | <b>(\$107.4)</b>    | <b>(\$276.1)</b>    |
| <br>  |                     |                     |
| <b>Ending Fund Balance, September 30</b>        | <b>\$15.7</b>       | <b>\$53.5</b>       |

# Fiscal Years 2014 and 2015 Sources and Uses of All Funds

*(in millions)*

|   | Fiscal Year<br>2014 | Fiscal Year<br>2015 |
|---|---------------------|---------------------|
| Estimated Beginning Unassigned Fund Balances, October 1 | \$1,968.8           | \$2,194.3           |
| <b>REVENUES:</b>  |                     |                     |
| FY 2014 and Fiscal Year 2015 Revenue Estimates          | \$49,834.6          | \$51,485.4          |
| <b>Total Sources of Funds</b>                           | <b>\$51,803.4</b>   | <b>\$53,679.7</b>   |
| <b>EXPENDITURES:</b>                                    |                     |                     |
| Fiscal Year 2014 Executive Recommendation               | \$51,785.1          |                     |
| Less: Interdepartmental Grants and Transfers            | (837.9)             |                     |
| Fiscal Year 2015 Executive Recommendation               | \$53,027.2          |                     |
| Less: Interdepartmental Grants and Transfers            | (822.4)             |                     |
| <b>Total Uses of Funds</b>                              | <b>\$50,947.2</b>   | <b>\$52,204.8</b>   |
| <b>Excess of Sources Over Uses</b>                      | <b>\$856.2</b>      | <b>\$1,474.9</b>    |

## Consensus Economic Outlook

The consensus economic outlook for 2013, 2014, and 2015 was adopted at the January 11, 2013, Consensus Revenue Estimating Conference by the Administration, House Fiscal Agency, and Senate Fiscal Agency.

### **2012 U.S. Economic Review**

U.S. real gross domestic product (GDP) increased an estimated 2.2 percent in calendar year 2012, which was higher than the 1.8 percent rate of growth recorded in 2011. Real GDP increased during the first three quarters of 2012, but then declined slightly in the fourth quarter.

The labor market continued to make positive gains in 2012, with wage and salary employment increasing 1.4 percent in 2012. This was the second consecutive year wage and salary employment increased. On a monthly basis, wage and salary employment has increased every month since September 2010.

The national unemployment rate declined in 2012 to 8.1 percent from 8.9 percent in 2011. In 2010, the U.S. unemployment rate was 9.6 percent (the highest annual rate since 1982). In December 2012, the unemployment rate was 7.8 percent which is its lowest level since 2008.

The U.S. housing market began to rebound in 2012. Housing starts increased nearly 27 percent 2012 to 771,000 starts from the 2011 figure of 608,000 starts. By December 2012, housing starts jumped to an annualized rate of 954,000 units, which marked the highest monthly level since 2008. New home sales also continued to improve in 2012, totaling 367,000 units in 2012, up nearly 20 percent from 2011.

Light vehicle sales increased to 14.4 million units in 2012 from 12.7 million units in 2011, an increase of 13.6 percent. Light vehicle sales improved steadily throughout 2012, selling at a 13.9 million annual average sales rate in January and finishing at a 15.3 million annual average sales rate in December. The November sales rate of 15.5 million was the highest since February 2008.

Financial markets continued to recover in 2012. The Federal Reserve maintained an expansionary monetary policy as it announced a third round of quantitative easing in September 2012 under which it will purchase additional mortgage-backed securities. At the end of 2012, the Federal Reserve announced it will also purchase longer-term Treasury securities and keep the federal funds rate at low levels as long as the unemployment rate remains above 6.5 percent. The stock market continued to record gains as the S&P 500 was up 13.4 percent on the last day of trading in 2012 compared to the last day in 2011.

In 2012, much attention and debate was centered on the Federal “fiscal cliff”. As part of the Budget Control Act of 2011, a fiscal cliff consisting of significant tax increases and spending cuts was enacted to automatically go into effect on January 1, 2013. This fiscal cliff was designed to help reign in the growing Federal budget deficit and overall debt level. By delaying the effective date to January 1, 2013, it was hoped Congress would be able to develop a less severe alternative to the fiscal cliff. The tax increases included the repeal of the Bush tax cuts and the repeal of the

payroll tax cut which was initially enacted in 2011. It was projected that going over the fiscal cliff would send the U.S. economy into a recession. The uncertainty over which tax changes and spending cuts, and their magnitudes, would actually occur in 2013 had negative repercussions on both consumer and business activity at the end of 2012.

A partial alternative solution was adopted on January 1, 2013, and the fiscal cliff was at least temporarily averted. The alternative solution included increasing taxes on upper-income taxpayers, maintaining the Bush tax cuts for all other taxpayers, and eliminating the payroll tax cut for everyone. The spending cuts were delayed until March to allow additional time to craft an alternative plan for cutting spending. In addition to spending cuts, the debt ceiling must also be addressed in 2013. As a result, there continues to be much uncertainty over Federal fiscal policy.

Many European countries were in a deep recession in 2012 which threatened global growth in the short term. While European debt problems also remain a threat to world financial markets, looser monetary policy and financial bailouts to certain countries helped stabilize the financial system.

Oil prices initially rose in 2012, but were down at the end of the year. In January 2012, oil prices averaged \$100 barrel and by March were up to \$106 a barrel. Oil prices then edged down and by December they averaged \$88 per barrel.

### **2012 Michigan Economic Review**

In 2012, Michigan wage and salary employment increased an estimated 1.3 percent, which marked the second consecutive year of growth after declining for 10 consecutive years. Michigan employment gained 51,000 jobs in 2012 after gaining 72,300 in 2011. While Michigan's employment level improved significantly during the past two years, it remains well below the previous peak level recorded in 2000. The increase in jobs helped reduce Michigan's unemployment rate to an estimated 8.9 percent in 2012 from 10.3 percent in 2011.

Michigan motor vehicle production increased by 17 percent in 2012 compared to 2011. Approximately 2,259,000 vehicles were produced in 2012 compared to the 1,924,000 vehicles produced in 2011. Michigan's 2012 vehicle production marked the first time since 2007 that vehicle production topped two million units. Production in 2012 was almost double the historically low 1,146,000 units produced in 2009.

As a result of strong growth in the motor vehicle sector, Michigan manufacturing employment rose 3.3 percent from December 2011 to December 2012 – marking the third straight year of year-over-year manufacturing employment growth.

In 2012, wage and salary payments to Michigan workers rose an estimated 3.4 percent after increasing 5.5 percent in 2011. Overall personal income grew an estimated 3.4 percent in 2012, down from the 5.6 percent rate of growth in 2011. With 1.9 percent inflation, real (inflation adjusted) personal income rose an estimated 1.5 percent in 2012.

## **U.S. Consensus Economic Outlook: 2013 - 2015**

Real GDP is forecast to rise 1.9 percent in 2013, 2.6 percent in 2014, and 2.9 percent in 2015 (see Table 1). U.S. light vehicle sales are expected to increase to 15.0 million units in 2013 and to 15.4 million units in 2014. In 2015, light vehicle sales are forecast to increase to 15.8 million units.

The U.S. unemployment rate will edge down to an estimated 7.8 percent in 2013 from 8.1 percent in 2012. In 2014, the unemployment rate is forecast to fall to 7.5 percent. By 2015, the jobless rate is projected to decline to 7.1 percent.

Consumer prices, as measured by the U.S. Consumer Price Index (CPI), are expected to rise 1.9 percent in 2013 and 2014, and 2.1 percent in 2015.

## **Michigan Consensus Economic Outlook: 2013 - 2015**

Michigan wage and salary employment is expected to increase 0.9 percent in 2013, 1.2 percent in 2014, and 1.3 percent in 2015. Michigan's unemployment rate is expected to fall from 8.9 percent in 2012 to 8.8 percent in 2013. The projected continued improvement in employment will pull down the jobless rate to an estimated 8.2 percent in 2014 and to 7.6 percent in 2015.

Michigan personal income is expected to rise 2.6 percent in 2013, 4.3 percent in 2014, and 4.4 percent in 2015. Inflation is forecast to increase 1.7 percent in 2013, 1.8 percent in 2014 and 2.0 percent in 2015. As a result, real Michigan personal income is expected to rise 0.8 percent in 2013, 2.5 percent in 2014 and 2.4 percent in 2015.

## **Forecast Risks**

U.S. federal fiscal policy remains a risk to the overall economy. As U.S. borrowing approaches the debt ceiling in 2013, a more permanent solution would help ease financial markets and lessen the chance of a downgrade in U.S. debt. Federal government budget cuts will also weigh on the outlook for the U.S. economy.

Europe's financial crisis is far from being solved and much of Europe will remain in a recession in 2013. The European situation poses a drag on world economic growth.

The housing market is beginning to be a positive risk as it gains momentum after years of sharp decline. Housing prices are beginning to rise in some areas of the U.S. and housing starts are increasing to more economically healthy levels.

Job growth needs to continue and even accelerate to help lower the unemployment rate and provide a support to consumer spending.

Light vehicle sales growth is key to generating continued gains in manufacturing employment in Michigan.

**Table 1**  
**Consensus Economic Forecast**

January 2013

|   | Calendar<br>2011<br>Actual | Calendar<br>2012<br>Forecast | Percent<br>Change<br>from Prior<br>Year | Calendar<br>2013<br>Forecast | Percent<br>Change<br>from Prior<br>Year | Calendar<br>2014<br>Forecast | Percent<br>Change<br>from Prior<br>Year | Calendar<br>2015<br>Forecast | Percent<br>Change<br>from Prior<br>Year |
|---|----------------------------|------------------------------|---|------------------------------|---|------------------------------|---|------------------------------|---|
| <b>United States</b>  |                            |                              |   |                              |   |                              |   |                              |   |
| Real Gross Domestic Product<br>(Billions of Chained 2005 Dollars) | \$13,299                   | \$13,592                     | 2.2%                                    | \$13,850                     | 1.9%                                    | \$14,210                     | 2.6%                                    | \$14,622                     | 2.9%                                    |
| Implicit Price Deflator GDP<br>(2005 = 100)                       | 113.4                      | 115.5                        | 1.9%                                    | 117.6                        | 1.8%                                    | 119.6                        | 1.7%                                    | 121.8                        | 1.8%                                    |
| Consumer Price Index<br>(1982-84 = 100)                           | 224.939                    | 229.558                      | 2.1%                                    | 233.843                      | 1.9%                                    | 238.306                      | 1.9%                                    | 243.282                      | 2.1%                                    |
| Consumer Price Index - Fiscal Year<br>(1982-84 = 100)             | 223.137                    | 228.526                      | 2.4%                                    | 232.718                      | 1.8%                                    | 237.146                      | 1.9%                                    | 241.942                      | 2.0%                                    |
| Personal Consumption Deflator<br>(2005 = 100)                     | 113.8                      | 115.7                        | 1.7%                                    | 117.4                        | 1.5%                                    | 119.3                        | 1.6%                                    | 121.3                        | 1.7%                                    |
| 3-month Treasury Bills<br>Interest Rate (percent)                 | 0.1                        | 0.1                          |   | 0.1                          |   | 0.1                          |   | 0.2                          |   |
| Aaa Corporate Bonds<br>Interest Rate (percent)                    | 4.6                        | 3.7                          |   | 3.6                          |   | 3.8                          |   | 4.0                          |   |
| Unemployment Rate - Civilian<br>(percent)                         | 8.9                        | 8.1                          |   | 7.8                          |   | 7.5                          |   | 7.1                          |   |
| Wage and Salary Employment<br>(millions)                          | 131.359                    | 133.200                      | 1.4%                                    | 134.930                      | 1.3%                                    | 137.090                      | 1.6%                                    | 139.420                      | 1.7%                                    |
| Housing Starts<br>(millions of starts)                            | 0.608                      | 0.771                        | 26.8%                                   | 1.044                        | 35.4%                                   | 1.293                        | 23.9%                                   | 1.400                        | 8.3%                                    |
| Light Vehicle Sales<br>(millions of units)                        | 12.7                       | 14.4                         | 13.6%                                   | 15.0                         | 4.0%                                    | 15.4                         | 2.7%                                    | 15.8                         | 2.6%                                    |
| Passenger Car Sales<br>(millions of units)                        | 6.2                        | 7.4                          | 19.4%                                   | 7.6                          | 2.7%                                    | 7.7                          | 1.3%                                    | 7.9                          | 2.6%                                    |
| Light Truck Sales<br>(millions of units)                          | 6.5                        | 7.0                          | 8.2%                                    | 7.4                          | 5.3%                                    | 7.7                          | 4.1%                                    | 7.9                          | 2.6%                                    |
| Big 3 Share of Light Vehicles<br>(percent)                        | 46.2                       | 44.4                         |   | 44.9                         |   | 44.9                         |   | 45.0                         |   |
| <b>Michigan</b>   |                            |                              |   |                              |   |                              |   |                              |   |
| Wage and Salary Employment<br>(thousands)                         | 3,936                      | 3,987                        | 1.3%                                    | 4,023                        | 0.9%                                    | 4,071                        | 1.2%                                    | 4,124                        | 1.3%                                    |
| Unemployment Rate<br>(percent)                                    | 10.3                       | 8.9                          |   | 8.8                          |   | 8.2                          |   | 7.6                          |   |
| Personal Income<br>(millions of dollars)                          | \$358,152                  | \$370,329                    | 3.4%                                    | \$379,958                    | 2.6%                                    | \$396,296                    | 4.3%                                    | \$413,733                    | 4.4%                                    |
| Real Personal Income<br>(millions of 1982-84 dollars)             | \$169,131                  | \$171,600                    | 1.5%                                    | \$173,034                    | 0.8%                                    | \$177,354                    | 2.5%                                    | \$181,580                    | 2.4%                                    |
| Wages and Salaries<br>(millions of dollars)                       | \$183,000                  | \$189,222                    | 3.4%                                    | \$194,520                    | 2.8%                                    | \$201,328                    | 3.5%                                    | \$208,375                    | 3.5%                                    |
| Detroit Consumer Price Index<br>(1982-84 = 100)                   | 211.760                    | 215.809                      | 1.9%                                    | 219.585                      | 1.7%                                    | 223.449                      | 1.8%                                    | 227.852                      | 2.0%                                    |

## Revenue Estimates

### Fiscal Year 2012 Revenue

Michigan's economic activity continued to rebound in 2012 with increases in employment, income, motor vehicle production, and housing activity. This improvement in economic activity had a positive impact on tax collections and other revenue; however, these gains were largely offset by the net impact of the individual income/business tax reform which went into effect on January 1, 2012. As a result, General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue on a consensus basis totaled \$20,143.9 million in FY 2012, which was up only 0.4 percent from FY 2011. Including transfers, SAF federal aid, budget adjustments, and other one-time revenue not included in the consensus base, GF/GP and SAF revenue totaled \$21,841.5 million.

### Revenue Estimates: Fiscal Year 2013, Fiscal Year 2014, and Fiscal Year 2015

On January 11, 2013, the Administration and the House and Senate Fiscal Agencies reached a consensus on projected revenues for FY 2013, FY 2014, and FY 2015, and these estimates are used for the Governor's FY 2014-FY 2015 *Executive Budget*. While Michigan's economy is projected to continue to grow through 2015, revenue is expected to decline in FY 2013 due to the net impact of the individual income/business tax reform, which will be fully phased-in in FY 2013. Revenues are expected to grow once again in both FY 2014 and FY 2015.

In FY 2013, GF/GP revenue on a consensus basis will decline an estimated 5.1 percent to \$8,792.2 million and after factoring in transfers and other budget adjustments, GF/GP revenue will total an estimated \$8,422.8 million. On a consensus basis, SAF revenue will increase an estimated 2.3 percent to \$11,127.7 million. Including federal aid and other budget adjustments, SAF revenue will total an estimated \$12,828.7 million.

In FY 2014, consensus based GF/GP revenue will total an estimated \$9,264.4 million, which is up 5.4 percent from FY 2013. Including transfers and other budget items, GF/GP revenue will total an estimated \$8,951.8 million. School Aid Fund revenue, on a consensus basis, will increase an estimated 2.7 percent to \$11,432.5 million in FY 2014; however, after factoring in federal aid and other budget measures, SAF revenue is expected to total \$13,434.7 million.

In FY 2015, GF/GP revenue is projected to increase 4.1 percent to \$9,639.9 million on a consensus basis and will total an estimated \$9,364.3 million including transfers and other budget items. School Aid Fund will increase an estimated 2.9 percent to \$11,768.8 million on a consensus basis and will total \$13,789.6 million including federal aid and other budget items.

### Overall Revenue: FY 2013, FY 2014, and FY 2015

Total net revenue for all funds is estimated to be \$49,310.6 million in FY 2013, \$51,803.4 million in FY 2014, and \$53,679.7 million in FY 2015. A summary of revenues by fund is presented on pages C-9 through C-17. The Detailed Statement of General and Special Revenue Funds presents information for FY 2011 through FY 2015.

**Projected Revenues**  
**FY 2014 & FY 2015**  
(millions)

|  | <u><b>FY 2013 - 2014</b></u> | <u><b>FY 2014 - 2015</b></u> |
|--|------------------------------|------------------------------|
| <b>General Fund - General Purpose</b>            |                              |                              |
| Consensus Estimate                               | 9,264.4                      | 9,639.9                      |
| Total Adjustments                                | (312.6)                      | (275.6)                      |
| <b>Total General Fund - General Purpose</b>      | <u>8,951.8</u>               | <u>9,364.3</u>               |
| <br><b>School Aid Fund</b>                       |                              |                              |
| Consensus Estimate                               | 11,432.5                     | 11,768.8                     |
| Proposed Changes                                 | 7.8                          | 23.4                         |
| Transfers and Federal Aid                        | 1,994.4                      | 1,997.4                      |
| <b>Total SAF Revenue</b>                         | <u>13,434.7</u>              | <u>13,789.6</u>              |
| <br><b>Transportation Funds</b>                  | 6,661.3                      | 6,701.9                      |
| <br><b>Special Revenue &amp; Permanent Funds</b> | 5,357.2                      | 5,380.0                      |
| <br><b>Federal Aid (Not Elsewhere Itemized)</b>  | <u>17,853.6</u>              | <u>18,695.2</u>              |
| <br><b>Sub-Total All Funds</b>                   | 52,258.6                     | 53,931.0                     |
| <br><b>Fund Balances Available</b>               | <u>1,968.8</u>               | <u>2,194.3</u>               |
| <br><b>Gross Total All Resources</b>             | 54,227.4                     | 56,125.3                     |
| Less Interfund Transfers (excluding GF-GP)       | (2,424.0)                    | (2,445.6)                    |
| <br><b>Net Total All Resources</b>               | <u><u>\$ 51,803.4</u></u>    | <u><u>\$ 53,679.7</u></u>    |

Amounts may not tie to totals due to rounding.

## DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

|  | ACTUAL<br>FY 2010 - 2011 | ACTUAL<br>FY 2011 - 2012 | ESTIMATES<br>FY 2012 - 2013 | ESTIMATES<br>FY 2013 - 2014 | ESTIMATES<br>FY 2014 - 2015 |
|--|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>GENERAL FUND - GENERAL PURPOSE REVENUE</b>        |                          |                          |                             |                             |                             |
| <b>TAXES</b>   |                          |                          |                             |                             |                             |
| Individual Income <sup>(1)</sup>                     | 6,566,553,463            | 6,950,785,867            | 7,105,500,000               | 7,366,200,000               | 7,629,400,000               |
| Less: Refunds  | (2,127,144,393)          | (2,134,648,368)          | (1,585,300,000)             | (1,590,100,000)             | (1,625,000,000)             |
| Net Individual Income                                | 4,439,409,070            | 4,816,137,499            | 5,520,200,000               | 5,776,100,000               | 6,004,400,000               |
| Single Business and Michigan Business <sup>(1)</sup> | 1,479,409,184            | 732,088,620              | (623,400,000)               | (605,400,000)               | (592,200,000)               |
| Corporate Income Tax                                 | 0                        | 547,146,093              | 945,000,000                 | 980,000,000                 | 1,020,000,000               |
| Sales <sup>(2)</sup>                                 | 1,068,470,538            | 741,173,453              | 1,014,600,000               | 1,156,800,000               | 1,202,100,000               |
| Use <sup>(3)</sup>                                   | 989,853,772              | 921,435,932              | 847,600,000                 | 901,300,000                 | 932,000,000                 |
| Insurance Company Premium Retailatory                | 271,248,931              | 290,185,047              | 307,000,000                 | 319,000,000                 | 335,000,000                 |
| Tobacco <sup>(3)</sup>                               | 195,747,779              | 192,620,386              | 190,200,000                 | 187,400,000                 | 183,900,000                 |
| Utility Property                                     | 57,548,606               | 60,877,790               | 60,000,000                  | 60,000,000                  | 60,000,000                  |
| Penalties and Interest                               | 138,610,340              | 167,161,686              | 133,000,000                 | 138,000,000                 | 141,000,000                 |
| Intangibles  | 5,227                    | (69)                     | 0                           | 0                           | 0                           |
| Estate / Inheritance                                 | 139,394                  | 241,075                  | 0                           | 0                           | 0                           |
| Beer and Wine Excise                                 | 47,093,510               | 50,827,684               | 52,500,000                  | 53,000,000                  | 54,000,000                  |
| Oil and Gas Severance                                | 59,765,217               | 53,555,957               | 53,000,000                  | 55,000,000                  | 57,000,000                  |
| Liquor Specific <sup>(3)</sup>                       | 39,514,972               | 41,782,029               | 42,400,000                  | 42,900,000                  | 43,600,000                  |
| Other  | 0                        | 0                        | 0                           | 0                           | 0                           |
| Enhanced Enforcement and ACS <sup>(4)</sup>          | (123,753,157)            | (129,143,000)            | (128,000,000)               | (129,000,000)               | (130,000,000)               |
| <b>TOTAL GF - GP TAXES</b>                           | <b>8,663,063,381</b>     | <b>8,486,090,180</b>     | <b>8,414,100,000</b>        | <b>8,935,100,000</b>        | <b>9,310,800,000</b>        |

<sup>(1)</sup> See also School Aid Fund. Starting in FY 2012, Michigan Business Tax is 100% General Fund

<sup>(2)</sup> See General Fund Special Purpose Revenue, School Aid Fund, and Comprehensive Transportation Fund.

<sup>(3)</sup> See also School Aid Fund.

<sup>(4)</sup> Restricted revenues supporting Treasury collection activities are shown here as negatives.

## DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

|  | ACTUAL<br>FY 2010 - 2011 | ACTUAL<br>FY 2011 - 2012 | ESTIMATES<br>FY 2012 - 2013 | ESTIMATES<br>FY 2013 - 2014 | ESTIMATES<br>FY 2014 - 2015 |
|--|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>GENERAL FUND - GENERAL PURPOSE REVENUE</b>                        |                          |                          |                             |                             |                             |
| NON-TAX REVENUE  |                          |                          |                             |                             |                             |
| Federal Aid  | 17,325,267               | 54,839,327               | 20,000,000                  | 20,000,000                  | 20,000,000                  |
| Local Agencies   | 2,412,906                | 3,173,686                | 1,000,000                   | 1,000,000                   | 1,000,000                   |
| Services   | 11,877,524               | 10,527,447               | 11,000,000                  | 11,000,000                  | 11,000,000                  |
| Licenses & Permits   | 15,421,582               | 16,312,357               | 20,000,000                  | 20,000,000                  | 20,000,000                  |
| Miscellaneous  | 326,267,356              | 299,819,706              | 157,200,000                 | 110,200,000                 | 111,200,000                 |
| Interest and Investment Profits                                      | 466,137                  | 195,301                  | (3,200,000)                 | (6,000,000)                 | (8,000,000)                 |
| TOTAL GF - GP NON-TAX REVENUE  | 373,770,772              | 384,867,823              | 206,000,000                 | 156,200,000                 | 155,200,000                 |
| <b>TRANSFERS FROM OUTSIDE GENERAL &amp; SPECIAL REVENUE FUNDS</b>    |                          |                          |                             |                             |                             |
| Other Interfund Transfers Received                                   | 112,468                  | 117,309                  | 0                           | 0                           | 0                           |
| Liquor Purchase Revolving Fund                                       | 164,250,530              | 174,886,345              | 163,200,000                 | 164,000,000                 | 165,000,000                 |
| Transfers From Lottery Charitable Gaming and Other Funds             | 9,353,695                | 7,500,358                | 9,000,000                   | 9,000,000                   | 9,000,000                   |
| TOTAL GF - GP TRANSFERS  | 173,716,693              | 182,504,013              | 172,200,000                 | 173,000,000                 | 174,000,000                 |
| <b>General Fund - General Purpose Summary</b>                        |                          |                          |                             |                             |                             |
| GF - GP Tax Revenue  | 8,663,063,381            | 8,486,090,180            | 8,414,100,000               | 8,935,100,000               | 9,310,800,000               |
| GF - GP Non-Tax Revenue  | 373,770,772              | 384,867,823              | 206,000,000                 | 156,200,000                 | 155,200,000                 |
| GF - GP Transfers  | 173,716,693              | 182,504,013              | 172,200,000                 | 173,000,000                 | 174,000,000                 |
| <b>TOTAL GENERAL FUND-GENERAL PURPOSE before Interfund Transfers</b> | 9,210,550,846            | 9,053,462,016            | 8,792,200,000               | 9,264,400,000               | 9,639,900,000               |
| LESS: Interfund Transfers  | (112,468)                | (117,309)                | 0                           | 0                           | 0                           |
| <b>CONSENSUS TOTAL GENERAL FUND-GENERAL PURPOSE</b>                  | 9,210,438,378            | 9,053,344,706            | 8,792,200,000               | 9,264,400,000               | 9,639,900,000               |
| Excluding interfund transfers to GF-GP                               |                          |                          |                             |                             |                             |
| <b>BUDGET ADJUSTMENTS</b>  |                          |                          |                             |                             |                             |
| Payments to Local Government   | NA                       | NA                       | (370,600,000)               | (370,600,000)               | (358,600,000)               |
| Charge School Aid Fund for Short-Term Borrowing                      | NA                       | NA                       | 3,200,000                   | 6,000,000                   | 8,000,000                   |
| Liquor Purchase Licensing Upgrades                                   | NA                       | NA                       | (2,000,000)                 | 0                           | 0                           |
| TOTAL ADJUSTMENTS  | NA                       | NA                       | (369,400,000)               | (364,600,000)               | (350,600,000)               |
| <b>ADJUSTMENTS RECOMMENDED IN EXECUTIVE BUDGET</b>                   |                          |                          |                             |                             |                             |
| Payments to Local Government   | NA                       | NA                       | 0                           | (10,000,000)                | 0                           |
| Blue Cross/Blue Shield Insurance Revenue                             | 0                        | 0                        | 0                           | 62,000,000                  | 75,000,000                  |
| TOTAL PROPOSED ADJUSTMENTS   | NA                       | NA                       | 0                           | 52,000,000                  | 75,000,000                  |
| <b>TOTAL GENERAL FUND-GENERAL PURPOSE WITH ADJUSTMENTS</b>           | 9,210,438,378            | 9,053,344,706            | 8,422,800,000               | 8,951,800,000               | 9,364,300,000               |
| Excluding interfund transfers to GF-GP                               |                          |                          |                             |                             |                             |

## DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

|   | ACTUAL<br>FY 2010 - 2011 | ACTUAL<br>FY 2011 - 2012 | ESTIMATES<br>FY 2012 - 2013 | ESTIMATES<br>FY 2013 - 2014 | ESTIMATES<br>FY 2014 - 2015 |
|---|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>GENERAL FUND-SPECIAL PURPOSE/SPECIAL REVENUE AND PERMANENT FUNDS (EXCLUDING FEDERAL AID)</b> |                          |                          |                             |                             |                             |
| Air Emission Fees   | 8,647,610                | 9,585,889                | 9,643,200                   | 9,787,900                   | 9,934,700                   |
| Airport Parking Revenue   | 20,274,625               | 20,628,356               | 21,020,877                  | 21,466,226                  | 21,466,226                  |
| Auto Repair Facilities Fees   | 2,730,596                | 2,859,833                | 3,375,000                   | 3,375,000                   | 3,375,000                   |
| Auto Theft Prevention Fund  | 6,315,172                | 6,259,081                | 6,772,000                   | 7,272,000                   | 7,272,000                   |
| Bank Fees   | 5,574,078                | 5,195,566                | 6,933,000                   | 6,797,500                   | 7,333,125                   |
| Bottle Deposits Fund  | 19,076,155               | 26,660,510               | 14,649,100                  | 14,076,800                  | 14,079,200                  |
| Budget Stabilization Fund   | 4,056                    | 213,082                  | 0                           | 727,300                     | 836,400                     |
| Child Support Collections   | 27,445,800               | 25,125,268               | 29,145,800                  | 29,145,800                  | 29,145,800                  |
| Children's Trust Fund   | 1,298,377                | 3,458,482                | 2,038,500                   | 2,070,100                   | 2,070,100                   |
| Civil Infraction (Jail Reimbursement) Fee   | 5,593,034                | 5,283,798                | 5,900,000                   | 5,900,000                   | 5,900,000                   |
| Conservation and Recreation Bond Proceeds   | 4,859                    | 154                      | 200                         | 200                         | 200                         |
| Construction Code Fund  | 7,509,864                | 7,563,980                | 15,835,790                  | 10,322,490                  | 10,453,390                  |
| Contributions to Children of Veterans Tuition Grant Program                                     | 300,000                  | 95,683                   | 100,000                     | 100,000                     | 100,000                     |
| Convention Facility Development Fund  | 72,349,836               | 75,755,056               | 79,154,783                  | 83,131,337                  | 83,131,337                  |
| Corporation Fees  | 21,273,543               | 22,061,611               | 22,900,000                  | 22,550,000                  | 22,975,000                  |
| Court Equity Fund   | 43,562,857               | 39,892,659               | 39,700,000                  | 39,700,000                  | 39,700,000                  |
| Court Fee Fund  | 6,396,467                | 5,321,621                | 4,890,200                   | 4,890,200                   | 4,890,200                   |
| Credit Union Fees   | 5,867,172                | 6,277,180                | 6,300,200                   | 7,400,000                   | 7,600,000                   |
| Crime Victims Rights Fund   | 10,632,558               | 14,374,080               | 16,100,000                  | 18,000,000                  | 18,000,000                  |
| Criminal Justice Info Cntr Service Fees   | 14,982,691               | 16,354,515               | 17,200,000                  | 17,200,000                  | 17,200,000                  |
| Dairy and Food Safety Fund  | 2,662,387                | 2,680,514                | 2,700,000                   | 2,700,000                   | 2,700,000                   |
| Delinquent Tax Collection Revenue & MARCS Revenue   | 123,150,983              | 128,579,515              | 128,000,000                 | 129,000,000                 | 130,000,000                 |
| Driver Fees   | 25,522,789               | 23,540,896               | 29,382,000                  | 25,045,000                  | 28,140,000                  |
| Elevator Fees   | 3,949,988                | 4,013,584                | 4,013,400                   | 4,013,400                   | 4,013,400                   |
| Emergency 911 Fund  | 28,125,425               | 27,941,626               | 28,252,044                  | 28,252,044                  | 28,252,044                  |
| Equine Development Fund   | 5,334,590                | 5,053,183                | 4,800,000                   | 4,600,000                   | 4,400,000                   |
| Fees and Collections (DCH)  | 5,574,329                | 5,961,561                | 6,105,000                   | 6,105,000                   | 6,105,000                   |
| Forest Development Fund   | 31,965,027               | 29,834,225               | 29,157,700                  | 29,150,000                  | 29,150,000                  |
| Freshwater Protection Fund  | 4,320,966                | 4,991,177                | 4,300,000                   | 4,300,000                   | 4,300,000                   |
| Game and Fish Protection Account  | 65,301,677               | 71,591,467               | 66,188,000                  | 65,457,600                  | 64,562,800                  |

## DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

|   | ACTUAL<br>FY 2010 - 2011 | ACTUAL<br>FY 2011 - 2012 | ESTIMATES<br>FY 2012 - 2013 | ESTIMATES<br>FY 2013 - 2014 | ESTIMATES<br>FY 2014 - 2015 |
|---|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| Game and Fish Protection Trust Fund                               | 13,841,665               | 32,092,643               | 8,736,800                   | 8,620,300                   | 8,473,800                   |
| Group Insurance Fund, Flexible Spending and COBRA                 | 8,787,800                | 1,019,559                | 8,477,600                   | 8,532,000                   | 8,532,000                   |
| Health and Safety Fund - Counties                                 | 540,055                  | 420,580                  | 400,000                     | 400,000                     | 400,000                     |
| Health Insurance Claims Assessment                                | 0                        | 176,057,933              | 256,000,000                 | 400,000,000                 | 400,000,000                 |
| Health Professions Regulatory Fees                                | 30,177,065               | 30,110,823               | 30,300,000                  | 30,300,000                  | 30,300,000                  |
| Healthy Michigan Fund   | 33,972,945               | 33,739,050               | 32,700,000                  | 32,320,000                  | 31,520,000                  |
| Highway Safety Fund   | 10,798,363               | 10,297,428               | 9,782,500                   | 9,293,500                   | 8,828,800                   |
| Income and Assessments  | 18,648,333               | 17,680,003               | 18,961,100                  | 19,850,000                  | 19,850,000                  |
| Individual Income Tax - Refunds                                   | 1,271,900,000            | 1,227,300,000            | 0                           | 0                           | 0                           |
| Insurance Bureau Fund   | 14,670,516               | 21,210,399               | 19,194,000                  | 22,900,000                  | 23,400,000                  |
| Insurance Licensing Regulatory Fees                               | 6,668,610                | 6,459,074                | 6,420,150                   | 6,600,000                   | 6,600,000                   |
| Judicial Technology Improvement Fund                              | 4,151,364                | 4,043,909                | 4,040,000                   | 4,040,000                   | 4,040,000                   |
| Juror Compensation Fund   | 1,476,649                | 4,138,151                | 4,000,000                   | 4,000,000                   | 4,000,000                   |
| Land Reutilization Fund   | 1,378,216                | 1,381,308                | 750,000                     | 750,000                     | 750,000                     |
| Licensing & Inspection Fees (MDA)                                 | 3,446,107                | 3,237,166                | 3,275,000                   | 3,275,000                   | 3,275,000                   |
| Licensing & Regulation Fees (DLARA)                               | 13,902,734               | 9,799,120                | 9,993,508                   | 14,925,000                  | 11,425,000                  |
| Liquor License Revenue  | 12,394,280               | 12,936,147               | 12,740,000                  | 13,740,000                  | 13,740,000                  |
| Liquor Purchase Revolving Fund - Operations                       | 20,645,700               | 22,495,500               | 0                           | 0                           | 0                           |
| Local Funds - County Payback                                      | 27,739,427               | 26,432,800               | 27,195,600                  | 25,857,900                  | 25,857,900                  |
| Local Revenues (DCH)  | 215,839,906              | 235,241,852              | 257,148,600                 | 227,062,900                 | 227,062,900                 |
| Local Vocational Rehabilitation Match                             | 5,360,525                | 5,416,310                | 0                           | 0                           | 0                           |
| Lottery Operations  | 43,905,900               | 44,186,600               | 47,300,100                  | 51,295,200                  | 51,295,200                  |
| Low Income and Energy Assistance Fund                             | 73,509,637               | (11,981,377)             | (1,509,748)                 | 60,000,000                  | 60,000,000                  |
| Mackinac Island State Park Fund                                   | 1,670,200                | 1,746,800                | 1,525,000                   | 1,525,000                   | 1,525,000                   |
| Manufacturer Rebates (DCH)  | 0                        | 0                        | 86,021,800                  | 99,052,000                  | 99,052,000                  |
| Medicaid Benefits Trust Fund                                      | 348,718,977              | 365,055,633              | 340,400,000                 | 342,000,000                 | 336,800,000                 |
| Michigan Employment Security Contingent Fund                      | 7,743,607                | 44,911,215               | 5,014,700                   | 5,500,000                   | 5,700,000                   |
| Michigan Health Initiative Fund                                   | 9,097,371                | 9,024,654                | 9,160,000                   | 9,160,000                   | 9,160,000                   |
| Michigan Higher Education Assistance and Student Loan Authorities | 34,600,000               | 35,112,800               | 31,019,300                  | 36,155,300                  | 36,155,300                  |
| Michigan Higher Education Assistance Authority Operating Fund     | 8,907                    | 13,190                   | 0                           | 0                           | 0                           |
| Michigan Justice Training Fund                                    | 5,638,616                | 5,301,711                | 5,600,000                   | 5,768,000                   | 5,950,000                   |
| Michigan Merit Award Trust Fund                                   | 116,101,069              | 119,717,916              | 209,932,600                 | 118,694,700                 | 116,794,600                 |

## DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

|  | ACTUAL<br>FY 2010 - 2011 | ACTUAL<br>FY 2011 - 2012 | ESTIMATES<br>FY 2012 - 2013 | ESTIMATES<br>FY 2013 - 2014 | ESTIMATES<br>FY 2014 - 2015 |
|--|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| Michigan Natural Resources Trust Fund        | 51,381,237               | 63,419,013               | 25,570,800                  | 25,570,800                  | 25,570,800                  |
| Michigan Nongame Fish and Wildlife Fund      | 481,789                  | 712,578                  | 506,600                     | 508,600                     | 510,600                     |
| Michigan State Housing Development Authority | 55,311,900               | 58,805,600               | 63,214,700                  | 64,570,200                  | 64,570,200                  |
| Michigan State Parks Endowment Fund          | 33,086,479               | 53,122,404               | 46,694,400                  | 48,164,300                  | 47,094,000                  |
| Michigan State Waterways Account             | 26,512,584               | 26,645,488               | 26,610,800                  | 26,515,600                  | 26,538,900                  |
| Michigan Veterans' Trust Fund                | 1,532,552                | 5,875,923                | 5,885,000                   | 5,885,000                   | 5,885,000                   |
| Motor Carrier Fees                           | 5,873,552                | 5,456,628                | 11,449,900                  | 11,264,600                  | 11,264,600                  |
| Newborn Screening Fees                       | 10,467,499               | 10,757,677               | 11,622,300                  | 12,227,300                  | 12,555,000                  |
| Nonpoint Discharge Elimination System Fees   | 2,659,903                | 3,351,636                | 2,800,000                   | 2,800,000                   | 2,800,000                   |
| Off Road Vehicle Account                     | 3,299,151                | 3,474,693                | 3,316,600                   | 3,316,600                   | 3,315,900                   |
| Oil and Gas Regulatory Fund                  | 9,107,393                | 9,192,301                | 9,560,100                   | 9,800,000                   | 10,000,000                  |
| Outdoor Recreation Legacy Account            | 2,572,116                | 2,591,250                | 2,936,900                   | 3,037,800                   | 3,102,700                   |
| Parole and Probation Oversight Fees          | 5,446,255                | 4,992,701                | 5,995,600                   | 6,192,100                   | 6,192,100                   |
| Public Utility Assessments                   | 23,428,647               | 21,847,908               | 31,134,576                  | 26,489,592                  | 28,000,000                  |
| Quality Assurance Assessment Tax             | 882,599,699              | 956,702,313              | 934,559,100                 | 966,143,000                 | 966,143,000                 |
| Refined Petroleum Fund                       | 51,110,946               | 50,989,999               | 50,357,200                  | 50,365,900                  | 50,374,700                  |
| Restructuring Mechanism (DLARA)              | 18,013,070               | 20,100,994               | 18,000,000                  | 18,000,000                  | 18,000,000                  |
| Retirement Operations                        | 38,237,500               | 38,802,400               | 44,229,500                  | 46,117,500                  | 46,117,500                  |
| Safety Education and Training                | 9,553,872                | 10,305,644               | 9,413,000                   | 9,413,000                   | 9,413,000                   |
| Sales Tax - Revenue Sharing                  | 664,701,207              | 707,504,898              | 713,149,926                 | 742,550,153                 | 768,450,344                 |
| Scrap Tire Regulatory Fund                   | 4,003,499                | 4,192,611                | 4,100,000                   | 4,000,000                   | 4,000,000                   |
| Secondary Injury Fund                        | 15,021,427               | 12,306,674               | 12,522,000                  | 11,622,000                  | 12,525,000                  |
| Securities Fees                              | 10,244,928               | 9,513,272                | 12,236,100                  | 12,236,100                  | 12,236,100                  |
| Self Insurer's Security Fund                 | 13,958,278               | 14,996,539               | 16,919,126                  | 17,400,000                  | 17,600,000                  |
| Snowmobile Account                           | 8,638,507                | 8,101,181                | 7,711,000                   | 7,000,000                   | 6,600,000                   |
| Solid Waste Program Fees                     | 9,979,782                | 9,331,497                | 10,777,600                  | 10,766,400                  | 10,752,600                  |
| Special Equipment Fund (DOC)                 | 5,093,625                | 5,129,207                | 4,752,000                   | 4,514,000                   | 4,288,000                   |
| State Campaign Funds                         | 0                        | 13,585,459               | 11,400,000                  | 11,400,000                  | 11,400,000                  |
| State Casino Gaming Fund                     | 1,351,459                | 897,995                  | 1,000,000                   | 1,000,000                   | 1,000,000                   |
|  | 35,597,727               | 36,668,216               | 37,585,903                  | 38,286,898                  | 38,287,708                  |

## DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

|   | ACTUAL<br>FY 2010 - 2011 | ACTUAL<br>FY 2011 - 2012 | ESTIMATES<br>FY 2012 - 2013 | ESTIMATES<br>FY 2013 - 2014 | ESTIMATES<br>FY 2014 - 2015 |
|---|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| State Court Sub - Fund  | 7,180,579                | 7,042,237                | 7,000,000                   | 7,000,000                   | 7,000,000                   |
| State Park Improvement Account  | 47,815,723               | 49,511,034               | 51,935,600                  | 53,553,700                  | 54,655,500                  |
| Supplemental Security Income Recoveries                                   | 13,549,078               | 9,227,411                | 15,561,800                  | 15,664,800                  | 15,664,800                  |
| Survey and Reimbursement Fees   | 5,576,039                | 6,827,657                | 7,493,100                   | 7,493,100                   | 7,493,100                   |
| Tax Tribunal Fund   | 4,895,868                | 4,479,764                | 4,465,400                   | 4,215,400                   | 3,965,400                   |
| Traffic Law Enforcement and Safety  | 22,982,010               | 24,656,273               | 25,150,000                  | 25,150,000                  | 25,150,000                  |
| Transportation Admin Collection Fund                                      | 99,757,304               | 101,216,838              | 102,960,667                 | 105,800,000                 | 105,800,000                 |
| Twenty-First Century Jobs Fund  | 75,000,000               | 150,000,000              | 75,000,000                  | 75,000,000                  | 75,000,000                  |
| Unemployment Obligation Trust Fund  | 0                        | 255,540,566              | 0                           | 0                           | 0                           |
| Other Restricted Revenues   | 647,697,365              | 1,019,156,603            | 667,301,873                 | 702,007,859                 | 703,134,204                 |
| <b>Total GF-Special Purpose/Special Revenue &amp; Permanent Funds</b>     | <b>5,856,802,605</b>     | <b>6,888,786,134</b>     | <b>5,142,014,574</b>        | <b>5,357,194,999</b>        | <b>5,380,024,177</b>        |
| <b>Less: Interfund Transfers</b>  | <b>(110,146,577)</b>     | <b>(216,063,274)</b>     | <b>(90,593,682)</b>         | <b>(90,355,932)</b>         | <b>(90,181,081)</b>         |
| <b>Net Total GF-Special Purpose/Special Revenue &amp; Permanent Funds</b> | <b>5,746,656,028</b>     | <b>6,672,722,860</b>     | <b>5,051,420,892</b>        | <b>5,266,839,067</b>        | <b>5,289,843,096</b>        |
| FEDERAL AID NOT ELSEWHERE ITEMIZED:                                       |                          |                          |                             |                             |                             |
| Federal Aid: Agriculture  | 9,315,213                | 9,179,951                | 11,199,600                  | 9,720,900                   | 10,035,500                  |
| Federal Aid: Attorney General   | 2,765,029                | 3,085,803                | 9,932,600                   | 9,838,200                   | 10,024,600                  |
| Federal Aid: Capital Outlay (excluding transportation)                    | 3,692,999                | (15,198)                 | 0                           | 0                           | 0                           |
| Federal Aid: Civil Rights   | 1,750,585                | 2,091,531                | 2,641,300                   | 2,690,200                   | 2,745,000                   |
| Federal Aid: Community Health   | 9,841,899,717            | 8,920,436,162            | 9,693,023,500               | 11,392,469,900              | 12,225,389,200              |
| Federal Aid: Corrections  | 5,079,339                | 4,293,369                | 8,784,400                   | 8,852,500                   | 8,950,700                   |
| Federal Aid: Education  | 59,898,695               | 205,495,523              | 244,551,300                 | 232,395,400                 | 233,319,700                 |
| Federal Aid: Environmental Quality  | 54,596,043               | 58,147,131               | 161,687,500                 | 150,929,700                 | 150,929,700                 |
| Federal Aid: Human Services   | 5,291,776,576            | 4,805,775,880            | 5,507,467,200               | 4,802,702,800               | 4,805,562,500               |
| Federal Aid: Higher Education   | 85,891,312               | 87,611,594               | 97,026,400                  | 97,026,400                  | 97,026,400                  |
| Federal Aid: Judiciary  | 4,268,878                | 4,607,932                | 6,017,100                   | 5,343,900                   | 5,384,800                   |
| Federal Aid: Licensing & Regulatory Affairs                               | 767,542,244              | 302,221,377              | 268,708,300                 | 197,470,000                 | 198,557,800                 |
| Federal Aid: Military Affairs   | 79,007,303               | 87,447,276               | 99,239,400                  | 89,782,700                  | 91,341,900                  |
| Federal Aid: Natural Resources  | 45,388,824               | 52,111,524               | 66,524,800                  | 67,127,300                  | 67,127,300                  |
| Federal Aid: State  | 2,778,216                | 3,657,527                | 1,810,000                   | 1,810,000                   | 1,810,000                   |
| Federal Aid: State Police   | 90,646,252               | 92,679,134               | 104,911,000                 | 98,846,100                  | 99,422,200                  |
| Federal Aid: Technology, Management & Budget                              | 4,831,192                | 6,169,415                | 9,464,300                   | 8,790,900                   | 8,790,900                   |
| Federal Aid: Treasury   | 167,291,764              | 493,379                  | 698,385,900                 | 677,780,700                 | 678,737,500                 |
| <b>TOTAL FEDERAL AID excluding Transportation and School Aid</b>          | <b>16,518,420,182</b>    | <b>14,645,489,308</b>    | <b>16,991,374,600</b>       | <b>17,853,577,600</b>       | <b>18,695,155,700</b>       |

## DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

|  | ACTUAL<br>FY 2010 - 2011 | ACTUAL<br>FY 2011 - 2012 | ESTIMATES<br>FY 2012 - 2013 | ESTIMATES<br>FY 2013 - 2014 | ESTIMATES<br>FY 2014 - 2015 |
|--|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>SCHOOL AID FUND REVENUE</b>   |                          |                          |                             |                             |                             |
| TAXES and LOTTERY  |                          |                          |                             |                             |                             |
| Sales Tax  | 4,878,663,736            | 5,056,972,276            | 5,189,700,000               | 5,358,000,000               | 5,552,200,000               |
| Use Tax  | 516,316,473              | 476,345,268              | 423,900,000                 | 450,700,000                 | 466,000,000                 |
| Income Tax Earmarking  | 1,972,926,042            | 2,100,167,333            | 2,216,300,000               | 2,302,800,000               | 2,384,700,000               |
| State Education Tax  | 1,845,085,872            | 1,789,671,527            | 1,801,600,000               | 1,818,600,000               | 1,858,800,000               |
| Real Estate Transfer Tax   | 123,254,157              | 150,106,311              | 169,600,000                 | 183,500,000                 | 192,700,000                 |
| Michigan Business Tax  | 611,432,515              | 0                        | 0                           | 0                           | 0                           |
| Tobacco  | 376,360,098              | 373,977,316              | 364,900,000                 | 358,000,000                 | 349,600,000                 |
| Industrial & Commercial Facilities Tax                                       | 43,594,856               | 35,677,818               | 37,900,000                  | 39,000,000                  | 40,000,000                  |
| Casino Wagering Tax  | 114,017,133              | 115,752,860              | 108,300,000                 | 111,000,000                 | 116,000,000                 |
| Liquor Excise Tax  | 39,089,239               | 41,266,229               | 42,400,000                  | 42,900,000                  | 43,600,000                  |
| Other Specific Taxes   | 22,529,064               | 24,356,360               | 23,100,000                  | 23,100,000                  | 23,100,000                  |
| Sub-Total SAF Taxes  | 10,543,269,183           | 10,164,293,299           | 10,377,700,000              | 10,687,600,000              | 11,026,700,000              |
| Transfer from Lottery Ticket Sales   | 727,324,851              | 778,431,937              | 750,000,000                 | 745,000,000                 | 742,000,000                 |
| <b>CONSENSUS TOTAL SCHOOL AID FUND</b>                                       | <b>11,270,594,034</b>    | <b>10,942,725,237</b>    | <b>11,127,700,000</b>       | <b>11,432,500,000</b>       | <b>11,768,800,000</b>       |
| <b>NON-TAX REVENUE</b>   |                          |                          |                             |                             |                             |
| Federal Aid  | 2,468,558,286            | 1,818,997,207            | 1,701,041,400               | 1,764,421,300               | 1,764,421,300               |
| Transfer from General Fund   | 18,642,400               | 78,642,400               | 282,400,000                 | 230,000,000                 | 233,000,000                 |
| Recovery of Prior Year State Aid and Receivables                             | 26,323,258               | 26,500,535               | 0                           | 0                           | 0                           |
| Sub-Total SAF Other Source Revenues  | 2,513,523,944            | 1,924,140,142            | 1,983,441,400               | 1,994,421,300               | 1,997,421,300               |
| <b>TOTAL SCHOOL AID FUND before Interfund Transfers</b>                      | <b>13,784,117,978</b>    | <b>12,866,865,379</b>    | <b>13,111,141,400</b>       | <b>13,426,921,300</b>       | <b>13,766,221,300</b>       |
| Less Interfund Transfers   | (18,642,400)             | (78,642,400)             | (282,400,000)               | (230,000,000)               | (233,000,000)               |
| <b>TOTAL SCHOOL AID FUND after adjustments excluding interfund transfers</b> | <b>13,765,475,578</b>    | <b>12,788,222,979</b>    | <b>12,828,741,400</b>       | <b>13,196,921,300</b>       | <b>13,533,221,300</b>       |
| <b>ADJUSTMENTS RECOMMENDED IN EXECUTIVE BUDGET</b>                           |                          |                          |                             |                             |                             |
| I-Lottery  | 0                        | 0                        | 0                           | 7,800,000                   | 23,400,000                  |
| <b>TOTAL PROPOSED ADJUSTMENTS</b>  | <b>0</b>                 | <b>0</b>                 | <b>0</b>                    | <b>7,800,000</b>            | <b>23,400,000</b>           |
| <b>TOTAL SCHOOL AID FUND WITH ADJUSTMENTS</b>                                | <b>13,765,475,578</b>    | <b>12,788,222,979</b>    | <b>12,828,741,400</b>       | <b>13,204,721,300</b>       | <b>13,556,621,300</b>       |
| Excluding interfund transfers  |                          |                          |                             |                             |                             |

**DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS**

|  | ACTUAL<br>FY 2010 - 2011 | ACTUAL<br>FY 2011 - 2012 | ESTIMATES<br>FY 2012 - 2013 | ESTIMATES<br>FY 2013 - 2014 | ESTIMATES<br>FY 2014 - 2015 |
|--|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>TRANSPORTATION: AERONAUTICS FUND 114</b>                  |                          |                          |                             |                             |                             |
| Aviation Fuel Tax  | 5,621,413                | 5,026,508                | 5,200,000                   | 5,300,000                   | 5,400,000                   |
| Federal Aid  | 81,856,803               | 100,077,764              | 82,183,100                  | 78,578,000                  | 78,578,000                  |
| Local Agencies   | 12,545                   | 9,789                    | 11,145,000                  | 11,414,000                  | 11,414,000                  |
| Transfers and Other  | 10,628,488               | 12,580,331               | 7,158,000                   | 7,166,000                   | 7,172,000                   |
| <b>TOTAL AERONAUTICS FUND</b>                                | <b>98,119,249</b>        | <b>117,694,392</b>       | <b>105,686,100</b>          | <b>102,458,000</b>          | <b>102,564,000</b>          |
| <b>TRANSPORTATION: TRUNKLINE FUND 116</b>                    |                          |                          |                             |                             |                             |
| Federal Aid  | 1,001,677,724            | 801,264,399              | 1,074,452,000               | 1,072,497,500               | 1,072,311,700               |
| Local Agencies   | 16,954,788               | 15,082,347               | 30,000,000                  | 30,000,000                  | 30,000,000                  |
| Licenses and Permits   | 16,368,377               | 17,553,181               | 18,910,000                  | 18,910,000                  | 18,910,000                  |
| Transfer from Michigan Transportation & Other Funds          | 801,177,080              | 816,559,730              | 682,773,200                 | 697,828,800                 | 698,171,300                 |
| Interest from Common Cash Investment                         | 890,032                  | 616,295                  | 747,000                     | 820,000                     | 1,016,000                   |
| Other  | 27,778,750               | 27,345,849               | 34,955,000                  | 34,956,000                  | 34,956,000                  |
| <b>TOTAL TRUNKLINE FUND</b>                                  | <b>1,864,846,751</b>     | <b>1,678,421,801</b>     | <b>1,841,837,200</b>        | <b>1,855,012,300</b>        | <b>1,855,365,000</b>        |
| <b>TRANSPORTATION: BLUE WATER BRIDGE FUND 118</b>            |                          |                          |                             |                             |                             |
| Tolls and Rentals  | 21,865,860               | 22,515,063               | 23,400,000                  | 24,300,000                  | 25,300,000                  |
| Interest From Common Cash Investment and Other               | 67,948                   | 57,563                   | 66,000                      | 82,000                      | 108,000                     |
| <b>TOTAL BLUE WATER BRIDGE TRANSPORTATION FUND</b>           | <b>21,933,808</b>        | <b>22,572,627</b>        | <b>23,466,000</b>           | <b>24,382,000</b>           | <b>25,408,000</b>           |
| <b>TRANSPORTATION: MICHIGAN TRANSPORTATION FUND 119</b>      |                          |                          |                             |                             |                             |
| Diesel and Motor Carrier Fuel Tax                            | 125,598,100              | 126,781,882              | 128,500,000                 | 130,000,000                 | 131,500,000                 |
| Gasoline and Liquefied Petroleum Gas Tax                     | 832,063,689              | 819,148,161              | 815,350,000                 | 812,850,000                 | 809,350,000                 |
| Motor Vehicle Registration Tax                               | 859,674,914              | 876,064,203              | 890,000,000                 | 905,000,000                 | 920,000,000                 |
| Licenses, Permits, Other and Transfers                       | 34,489,412               | 36,005,195               | 34,500,000                  | 34,500,000                  | 34,500,000                  |
| Interest From Common Cash Investment                         | 283,084                  | 161,041                  | 133,000                     | 164,000                     | 217,000                     |
| <b>TOTAL MICHIGAN TRANSPORTATION FUND</b>                    | <b>1,852,109,199</b>     | <b>1,858,160,483</b>     | <b>1,868,483,000</b>        | <b>1,882,514,000</b>        | <b>1,895,567,000</b>        |
| <b>TRANSPORTATION: COMMERCIAL CORRIDOR FUND</b>              |                          |                          |                             |                             |                             |
| Transfer from Michigan Transportation & Other                | NA                       | NA                       | NA                          | 1,131,779,300               | 1,148,560,800               |
| <b>TOTAL COMMERCIAL CORRIDOR FUND</b>                        | <b>NA</b>                | <b>NA</b>                | <b>NA</b>                   | <b>1,131,779,300</b>        | <b>1,148,560,800</b>        |
| <b>TRANSPORTATION: COMPREHENSIVE TRANSPORTATION FUND 120</b> |                          |                          |                             |                             |                             |
| Sales Tax  | 90,025,103               | 98,100,559               | 98,000,000                  | 98,500,000                  | 99,000,000                  |
| Federal Aid  | 42,312,018               | 55,780,070               | 65,195,000                  | 47,810,000                  | 47,810,000                  |
| Local Agencies   | 0                        | 0                        | 10,935,000                  | 7,785,000                   | 7,785,000                   |
| Transfer from Michigan Transportation & Other Funds          | 158,368,044              | 158,955,517              | 158,664,600                 | 274,025,200                 | 275,718,800                 |
| Interest From Common Cash Investment and Other               | 2,854,757                | 1,438,899                | 528,000                     | 508,000                     | 526,000                     |
| <b>TOTAL COMPREHENSIVE TRANSPORTATION FUND</b>               | <b>293,559,922</b>       | <b>314,275,046</b>       | <b>333,322,600</b>          | <b>428,628,200</b>          | <b>430,639,800</b>          |
| <b>TRANSPORTATION BOND FUNDS</b>                             | <b>108,099,495</b>       | <b>0</b>                 | <b>0</b>                    | <b>0</b>                    | <b>0</b>                    |
| <b>NEW TRANSPORTATION PROPOSAL</b>                           | <b>NA</b>                | <b>NA</b>                | <b>NA</b>                   | <b>1,236,540,000</b>        | <b>1,243,640,000</b>        |
| <b>TOTAL TRANSPORTATION REVENUE</b>                          | <b>4,238,668,425</b>     | <b>3,991,124,349</b>     | <b>4,172,794,900</b>        | <b>6,661,313,800</b>        | <b>6,701,944,600</b>        |
| LESS: Interfund Transfers                                    | (959,545,125)            | (975,515,247)            | (841,437,800)               | (2,103,633,300)             | (2,122,450,900)             |
| <b>NET TOTAL TRANSPORTATION REVENUE After Transfers</b>      | <b>3,279,123,301</b>     | <b>3,015,609,101</b>     | <b>3,331,357,100</b>        | <b>4,557,680,500</b>        | <b>4,579,493,700</b>        |

## DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

|  | ACTUAL<br>FY 2010 - 2011 | ACTUAL<br>FY 2011 - 2012 | ESTIMATES<br>FY 2012 - 2013 | ESTIMATES<br>FY 2013 - 2014 | ESTIMATES<br>FY 2014 - 2015 |
|--|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>All Funds Summary</b>   |                          |                          |                             |                             |                             |
| General Fund - General Purpose                                   | 9,210,550,846            | 9,053,462,016            | 8,792,200,000               | 9,264,400,000               | 9,639,900,000               |
| General Fund - General Purpose Budget Adjustments                | NA                       | NA                       | (369,400,000)               | (312,600,000)               | (275,600,000)               |
| General Fund - Special Purpose/Special Revenue & Permanent Funds | 5,856,802,605            | 6,888,786,134            | 5,142,014,574               | 5,357,194,999               | 5,380,024,177               |
| Federal Aid Not Elsewhere Categorized                            | 16,518,420,182           | 14,645,489,308           | 16,991,374,600              | 17,853,577,600              | 18,695,155,700              |
| School Aid Fund  | 13,784,117,978           | 12,866,865,379           | 13,111,141,400              | 13,434,721,300              | 13,789,621,300              |
| Transportation Revenues  | 4,238,668,425            | 3,991,124,349            | 4,172,794,900               | 6,661,313,800               | 6,701,944,600               |
| TOTAL ALL FUNDS  | 49,608,560,036           | 47,445,727,185           | 47,840,125,474              | 52,258,607,700              | 53,931,045,777              |
| LESS: Interfund Transfers  | (1,088,446,569)          | (1,270,338,231)          | (1,214,431,482)             | (2,423,989,232)             | (2,445,631,981)             |
| <b>NET TOTAL REVENUE after transfers</b>                         | <b>48,520,113,466</b>    | <b>46,175,388,954</b>    | <b>46,625,693,992</b>       | <b>49,834,618,468</b>       | <b>51,485,413,796</b>       |

### OTHER REVENUE OR NON-CURRENT YEAR SOURCES OF FINANCING

|  |                       |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund (Unassigned)                                  | 187,200,000           | 187,200,000           | 972,472,000           | 278,400,000           | 15,700,000            |
| Restricted Fund Subfunds of the General Fund (Unobligated) | 366,222,980           | 366,222,980           | 530,529,000           | 530,529,000           | 530,529,000           |
| Budget Stabilization Fund (Unobligated)                    | 2,155,807             | 2,155,807             | 365,102,000           | 505,829,500           | 581,665,900           |
| Michigan Health Savings Fund (Unobligated)                 | 0                     | 0                     | 0                     | 0                     | 103,000,000           |
| School Aid Stabilization Fund (Unobligated)                | 255,900,000           | 724,688,359           | 254,111,560           | 50,000,000            | 1,400,000             |
| Special Revenue and Permanent Funds Balances (Available)   | 172,653,282           | 172,653,282           | 429,701,000           | 430,000,000           | 430,000,000           |
| MPERS Reserve Fund   | NA                    | NA                    | 133,000,000           | 174,000,000           | 532,000,000           |
| Sub-Total Fund Balances                                    | 984,132,069           | 1,452,920,428         | 2,684,915,560         | 1,968,758,500         | 2,194,294,900         |
| <b>NET TOTAL RESOURCES</b>                                 | <b>49,504,245,535</b> | <b>47,628,309,382</b> | <b>49,310,609,554</b> | <b>51,803,376,965</b> | <b>53,679,708,695</b> |

Note: Individual amounts may not add to totals due to rounding.



**CAPPED SOURCES OF FEDERAL FUNDS SHARED BETWEEN STATE DEPARTMENTS**

| <b>CFDA<br/>Number</b> | <b>Title</b>  | <b>FY 2014 Budget<br/>Recommendation</b>                   | <b>FY 2015 Budget<br/>Recommendation</b>                   |
|------------------------|---|--|--|
| <b>16.588</b>          | <b>Violence Against Women Formula Grants</b><br>Grantee: Human Services<br>Subrecipient State Agency: State Police  | 3,726,300<br>175,000                                       | 3,726,300<br>175,000                                       |
| <b>17.503</b>          | <b>Occupational Safety and Health-State Program</b><br>Grantee: Licensing & Regulatory Affairs<br>Subrecipient State Agency: Attorney General   | 12,797,900<br>106,000                                      | 12,797,900<br>106,000                                      |
| <b>20.600</b>          | <b>State and Community Highway Safety</b><br>Grantee: State Police<br>Subrecipient State Agency: Judiciary  | 8,586,000<br>818,700                                       | 8,586,000<br>824,000                                       |
| <b>84.002</b>          | <b>Adult Education-State Program</b><br>Grantee: Michigan Strategic Fund<br>Subrecipient State Agency: Corrections<br>Subrecipient State Agency: Human Services   | 20,000,000<br>943,800<br>34,700                            | 20,000,000<br>943,800<br>34,700                            |
| <b>84.010</b>          | <b>Title I Grants Disadvantaged</b><br>Grantee: Education<br>Subrecipient State Agency: Education via School Aid Budget   | 7,285,100<br>591,500,000                                   | 7,000,000<br>591,500,000                                   |
| <b>84.013</b>          | <b>Title I Program for Neglected and Delinquent Children</b><br>Grantee: Education<br>Subrecipient State Agency: Corrections<br>Subrecipient State Agency: Human Services   | 10,500<br>552,500<br>100,000                               | 10,500<br>552,500<br>100,000                               |
| <b>84.027</b>          | <b>Special Education-Grants to States</b><br>Grantee: Education<br>Subrecipient State Agency: Education via School Aid Budget<br>Subrecipient State Agency: Human Services<br>Subrecipient State Agency: Corrections  | 13,275,000<br>370,000,000<br>149,400<br>114,100            | 13,000,000<br>370,000,000<br>149,400<br>114,100            |
| <b>84.048</b>          | <b>Vocational Education-Basic Grants to States</b><br>Grantee: Education<br>Subrecipient State Agency: Education via School Aid Budget<br>Subrecipient State Agency: Michigan Strategic Fund<br>Subrecipient State Agency: Corrections<br>Subrecipient State Agency: Human Services | 3,800,000<br>28,500,000<br>19,000,000<br>294,500<br>93,800 | 3,800,000<br>28,500,000<br>19,000,000<br>294,500<br>93,800 |
| <b>84.181</b>          | <b>Special Ed-Grants for Infants and Families with Disabilities</b><br>Grantee: Education<br>Subrecipient State Agency: Education via School Aid Budget<br>Subrecipient State Agency: Human Services  | 980,600<br>15,000,000<br>71,500                            | 980,600<br>15,000,000<br>71,500                            |
| <b>84.184Y</b>         | <b>Safe and Supportive Schools-State Grants</b><br>Grantee: Education<br>Subrecipient State Agency: Education via School Aid Budget   | 1,902,600<br>10,808,600                                    | 1,902,600<br>10,808,600                                    |
| <b>84.196</b>          | <b>Homeless Children and Youth Grants</b><br>Grantee: Education<br>Subrecipient State Agency: Education via School Aid Budget   | 800,000<br>2,600,000                                       | 700,000<br>2,600,000                                       |

## CAPPED SOURCES OF FEDERAL FUNDS SHARED BETWEEN STATE DEPARTMENTS

| CFDA<br>Number | Title  | FY 2014 Budget<br>Recommendation | FY 2015 Budget<br>Recommendation |
|----------------|--|----------------------------------|----------------------------------|
| <b>84.336</b>  | <b>Improving Teacher Quality</b>                           |                                  |                                  |
|                | Grantee: Education   | 3,031,000                        | 3,031,000                        |
|                | Subrecipient State Agency: Education via School Aid Budget | 111,111,900                      | 111,111,900                      |
| <b>84.365</b>  | <b>English Language Acquisition Grants</b>                 |                                  |                                  |
|                | Grantee: Education   | 803,300                          | 803,300                          |
|                | Subrecipient State Agency: Education via School Aid Budget | 12,200,000                       | 12,200,000                       |
| <b>84.369</b>  | <b>State Assessments</b>                                   |                                  |                                  |
|                | Grantee: Education   | 11,829,200                       | 11,829,200                       |
|                | Subrecipient State Agency: Education via School Aid Budget | 5,000,000                        | 5,000,000                        |
| <b>93.558</b>  | <b>Temporary Assistance For Needy Families</b>             |                                  |                                  |
|                | Grantee: Human Services                                    | 615,449,800                      | 603,325,800                      |
|                | Subrecipient State Agency: Higher Education                | 93,826,400                       | 93,826,400                       |
|                | Subrecipient State Agency: Michigan Strategic Fund         | 64,898,800                       | 64,898,800                       |
|                | Subrecipient State Agency: Community Health                | 19,545,400                       | 19,984,000                       |
| <b>93.568</b>  | <b>Low-Income Home Energy Assistance</b>                   |                                  |                                  |
|                | Grantee: Human Services                                    | 189,534,700                      | 189,534,700                      |
|                | Subrecipient State Agency: Treasury                        | 2,967,800                        | 2,967,800                        |

**SPECIAL REVENUE FUNDS SHARED BETWEEN STATE DEPARTMENTS**

| <b>Fund/Department</b>                         | <b>FY 2014 Budget Recommendation</b> | <b>FY 2015 Budget Recommendation</b> |
|--|--------------------------------------|--------------------------------------|
| <b>Bottle Deposits Fund</b>                    |                                      |                                      |
| Environmental Quality                          | 24,324,400                           | 24,324,400                           |
| Treasury                                       | 250,000                              | 250,000                              |
| <b>Comprehensive Transportation Fund</b>       |                                      |                                      |
| Transportation                                 | 379,960,600                          | 387,339,900                          |
| Attorney General                               | 200,900                              | 200,900                              |
| Civil Service Commission                       | 200,000                              | 200,000                              |
| Technology, Management, and Budget             | 46,000                               | 46,000                               |
| Legislative Auditor General                    | 36,400                               | 36,400                               |
| Treasury                                       | 12,200                               | 12,200                               |
| <b>Forest Development Fund</b>                 |                                      |                                      |
| Natural Resources                              | 31,020,000                           | 31,020,000                           |
| Treasury                                       | 2,100                                | 2,100                                |
| <b>Game and Fish Protection Account</b>        |                                      |                                      |
| Natural Resources                              | 76,835,900                           | 80,951,500                           |
| Treasury                                       | 2,337,400                            | 2,570,700                            |
| Attorney General                               | 838,000                              | 838,000                              |
| Legislative Auditor General                    | 29,300                               | 29,300                               |
| <b>Game and Fish Protection Trust Fund</b>     |                                      |                                      |
| Natural Resources                              | 6,000,000                            | 6,000,000                            |
| Treasury                                       | 116,600                              | 116,600                              |
| <b>Health Insurance Claims Assessment</b>      |                                      |                                      |
| Community Health                               | 398,051,600                          | 398,051,600                          |
| Treasury                                       | 1,948,400                            | 1,948,400                            |
| <b>Michigan Merit Award Trust Fund</b>         |                                      |                                      |
| Community Health                               | 85,834,700                           | 85,834,700                           |
| Human Services                                 | 30,100,000                           | 30,100,000                           |
| Treasury                                       | 1,123,700                            | 1,123,700                            |
| State Police                                   | 750,000                              | 750,000                              |
| Attorney General                               | 487,300                              | 487,300                              |
| <b>Michigan Natural Resources Trust Fund</b>   |                                      |                                      |
| Natural Resources                              | 1,233,600                            | 1,233,600                            |
| Treasury                                       | 1,828,600                            | 1,972,000                            |
| <b>Michigan Nongame Fish and Wildlife Fund</b> |                                      |                                      |
| Natural Resources                              | 520,100                              | 520,100                              |
| Treasury                                       | 3,800                                | 3,800                                |
| <b>Michigan State Parks Endowment Fund</b>     |                                      |                                      |
| Natural Resources                              | 26,880,400                           | 26,880,400                           |
| Treasury                                       | 106,600                              | 106,600                              |

## SPECIAL REVENUE FUNDS SHARED BETWEEN STATE DEPARTMENTS

| Fund/Department                         | FY 2014 Budget<br>Recommendation | FY 2015 Budget<br>Recommendation |
|---|----------------------------------|----------------------------------|
| <b>Michigan State Waterways Account</b> |                                  |                                  |
| Natural Resources                       | 33,686,200                       | 33,686,200                       |
| State                                   | 1,478,000                        | 1,478,000                        |
| Treasury                                | 304,400                          | 323,800                          |
| Attorney General                        | 133,200                          | 133,200                          |
| Legislative Auditor General             | 10,500                           | 10,500                           |
| <b>Motor Carrier Fees</b>               |                                  |                                  |
| Licensing and Regulatory Affairs        | 2,972,300                        | 2,972,300                        |
| State Police                            | 4,616,900                        | 4,616,900                        |
| <b>Michigan Transportation Fund</b>     |                                  |                                  |
| Transportation                          | 986,706,700                      | 987,326,100                      |
| State                                   | 20,000,000                       | 20,000,000                       |
| Treasury                                | 2,500,000                        | 2,500,000                        |
| Environmental Quality                   | 1,285,700                        | 1,285,700                        |
| Legislative Auditor General             | 296,000                          | 296,000                          |
| <b>Off-Road Vehicle Account</b>         |                                  |                                  |
| Natural Resources                       | 6,142,000                        | 6,142,000                        |
| State                                   | 164,800                          | 164,800                          |
| <b>Snowmobile Account</b>               |                                  |                                  |
| Natural Resources                       | 11,200,100                       | 11,200,100                       |
| State                                   | 390,600                          | 390,600                          |
| Treasury                                | 1,600                            | 1,600                            |
| <b>State Aeronautics Fund</b>           |                                  |                                  |
| Transportation                          | 15,162,400                       | 13,112,000                       |
| Attorney General                        | 174,400                          | 174,400                          |
| Civil Service Commission                | 150,000                          | 150,000                          |
| Treasury                                | 71,600                           | 71,600                           |
| Technology, Management, and Budget      | 40,000                           | 40,000                           |
| Legislative Auditor General             | 28,300                           | 28,300                           |
| <b>State Park Improvement Account</b>   |                                  |                                  |
| Natural Resources                       | 43,738,100                       | 43,738,100                       |
| Treasury                                | 3,300                            | 3,300                            |
| <b>State Trunkline Fund</b>             |                                  |                                  |
| Transportation                          | 683,835,800                      | 684,031,800                      |
| State Police                            | 11,258,700                       | 11,258,700                       |
| Civil Service Commission                | 5,697,000                        | 5,697,000                        |
| Attorney General                        | 2,387,000                        | 2,387,000                        |
| Technology, Management, and Budget      | 1,324,200                        | 1,324,200                        |
| Legislative Auditor General             | 687,600                          | 687,600                          |
| Treasury                                | 129,700                          | 129,700                          |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency           | State Restricted Fund   | Fiscal Year Ending September 30, 2012 |           |              | Fiscal Year Ending September 30, 2013 |           |              |                        |
|------------------|---|---------------------------------------|-----------|--------------|---------------------------------------|-----------|--------------|------------------------|
|                  |   | Available Fund Balance                | Revenue   | Expenditures | Available Fund Balance                | Revenue   | Expenditures | Available Fund Balance |
| MDARD            | Agricultural Preservation Fund                                      | 1,343,129                             | 933,379   | (1,392,030)  | 884,478                               | 900,000   | (1,300,000)  | 484,478                |
| MDARD            | Agriculture Equine Industry Development Fund                        | 1,689,748                             | 5,053,183 | (5,084,492)  | 1,658,439                             | 4,800,000 | (5,300,000)  | 1,158,439              |
| MDARD            | Animal Welfare Fund   | 185,547                               | 161,029   | (144,730)    | 201,846                               | 150,000   | (170,000)    | 181,846                |
| MDARD            | Commodity Inspection Fees   | 545                                   | 378,586   | (378,932)    | 199                                   | 400,000   | (400,199)    | 0                      |
| MDARD            | Consumer & Industry Food Safety Education Fund                      | 379,885                               | 265,597   | (246,620)    | 398,862                               | 250,000   | (265,800)    | 383,062                |
| MDARD            | Dairy And Food Safety Fund  | 506,725                               | 2,678,677 | (2,332,830)  | 852,572                               | 2,700,000 | (2,815,000)  | 737,572                |
| MDARD            | Freshwater Protection Fund  | 921,185                               | 4,991,177 | (4,983,543)  | 928,819                               | 4,300,000 | (4,550,000)  | 678,819                |
| MDARD            | Gasoline Inspection And Testing Fund                                | 2,252,549                             | 1,571,498 | (2,533,688)  | 1,290,359                             | 2,023,500 | (2,200,000)  | 1,113,859              |
| MDARD            | Grain Dealer Fee Fund   | 35,285                                | 197,512   | (173,657)    | 59,140                                | 472,800   | (472,800)    | 59,140                 |
| MDARD            | Horticulture Fund   | 0                                     | 31,008    | (30,993)     | 15                                    | 35,000    | (35,015)     | 0                      |
| MDARD            | Industry Support Funds  | 73,021                                | 326,902   | (312,087)    | 87,836                                | 210,700   | (296,700)    | 1,836                  |
| MDARD            | Licensing And Inspection Fees                                       | 807,461                               | 3,237,166 | (3,851,384)  | 193,243                               | 3,275,000 | (3,400,000)  | 68,243                 |
| MDARD            | Migrant Housing Inspection Fees <sup>1</sup>                        | 20,211                                | 110,881   | (102,202)    | 0                                     | 0         | 0            | 0                      |
| MDARD            | Migrant Labor Housing Fund <sup>1</sup>                             | 37,717                                | 5,871     | 0            | 72,478                                | 115,000   | (157,000)    | 30,478                 |
| MDARD            | Renewable Fuels Fund  | 41,968                                | 590       | 0            | 42,558                                | 500       | (43,000)     | 58                     |
| MDARD            | Testing Fees  | 0                                     | 233,058   | (233,058)    | 0                                     | 220,000   | (220,000)    | 0                      |
| MDARD            | Weights And Measures Regulation Fees                                | 642,992                               | 735,657   | (307,780)    | 1,070,869                             | 460,000   | (735,600)    | 795,269                |
| Attorney General | Antitrust Enforcement Collections                                   | 250,000                               | 650,962   | (650,962)    | 250,000                               | 690,300   | (690,300)    | 250,000                |
| Attorney General | Antitrust, Securities Fraud, CP or Class Action Enforcement Revenue | 0                                     | 190,000   | (190,000)    | 0                                     | 250,000   | (250,000)    | 0                      |
| Attorney General | Attorney General's Operations Fund                                  | 1,876,832                             | 821,496   | (1,036,100)  | 1,662,228                             | 825,000   | (1,117,200)  | 1,370,028              |
| Attorney General | Dag, State Administrative Match Grant/Food Stamps                   | 0                                     | 117,094   | (117,094)    | 0                                     | 120,000   | (120,000)    | 0                      |
| Attorney General | Franchise Fees  | 0                                     | 325,564   | (325,564)    | 0                                     | 340,000   | (340,000)    | 0                      |
| Attorney General | Hhs-Os State Medicaid Fraud Control Units                           | 0                                     | 1,043,905 | (1,043,905)  | 0                                     | 1,402,404 | (1,402,404)  | 0                      |
| Attorney General | Litigation Exp Reimbursement Fund                                   | 494,690                               | 65,180    | (59,870)     | 500,000                               | 500,000   | (500,000)    | 500,000                |
| Attorney General | Prisoner Reimb Excess Collections                                   | 0                                     | 990,566   | (990,566)    | 0                                     | 1,000,000 | (1,000,000)  | 0                      |
| Attorney General | Prisoner Reimbursement  | 0                                     | 352,078   | (352,078)    | 0                                     | 584,000   | (584,000)    | 0                      |
| Attorney General | Prosecuting Attorney's Training Fees                                | 0                                     | 0         | 0            | 0                                     | 405,300   | (405,300)    | 0                      |
| Casino Gaming    | Casino Gambling Agreements  | 399,124                               | 726,539   | (510,433)    | 615,230                               | 602,700   | (719,300)    | 498,630                |
| Casino Gaming    | Equine Development Fund (ORC)                                       | 0                                     | 1,522,438 | (1,522,438)  | 0                                     | 1,600,000 | (1,600,000)  | 0                      |
| Casino Gaming    | Laboratory Fees   | 0                                     | 567,229   | (567,229)    | 0                                     | 700,000   | (700,000)    | 0                      |
| Casino Gaming    | State Casino Gaming Fund  | 2,043,085                             | 320,166   | 0            | 2,363,251                             | 60,000    | 0            | 2,423,251              |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency        | State Restricted Fund                         | Fiscal Year Ending September 30, 2012 |             |               | Fiscal Year Ending September 30, 2013 |             |               | Available Fund Balance |
|---------------|---|---------------------------------------|-------------|---------------|---------------------------------------|-------------|---------------|------------------------|
|               |   | Available Fund Balance                | Revenue     | Expenditures  | Available Fund Balance                | Revenue     | Expenditures  |                        |
| Casino Gaming | State Lottery Fund                            | 0                                     | 186,628     | (186,628)     | 0                                     | 3,000,000   | (3,000,000)   | 0                      |
| Casino Gaming | State Services Fee Fund                       | 7,332,890                             | 33,325,806  | (32,088,398)  | 8,570,298                             | 34,322,600  | (37,735,100)  | 5,157,798              |
| DCH           | Certificate Of Need                           | 1,538,366                             | 1,334,364   | (1,661,867)   | 1,210,863                             | 1,303,600   | (1,959,300)   | 555,163                |
| DCH           | Compulsive Gambling Prevention Fund           | 4,171,211                             | 81,305      | (351,769)     | 3,900,747                             | 60,000      | (1,000,000)   | 2,960,747              |
| DCH           | Crime Victims                                 | 1,497,383                             | 14,374,080  | (13,223,035)  | 2,648,428                             | 16,100,000  | (15,000,000)  | 3,748,428              |
| DCH           | EMS Fees                                      | 11,446                                | 403,270     | (350,513)     | 64,203                                | 405,000     | (410,000)     | 59,203                 |
| DCH           | Health Insurance Claims Assessment            | 0                                     | 176,057,933 | (176,057,933) | 0                                     | 256,000,000 | (256,000,000) | 0                      |
| DCH           | Health Professions Regulatory Fund            | 15,138,646                            | 0           | 0             | 0                                     | 0           | 0             | 0                      |
| DCH           | Health Systems Fees And Collections           | 769,626                               | 0           | 0             | 0                                     | 0           | 0             | 0                      |
| DCH           | Healthy Michigan Fund                         | 1,035,647                             | 33,739,050  | (34,259,083)  | 515,614                               | 32,700,000  | (33,215,614)  | 0                      |
| DCH           | Mbpi-Pharmaceutical Products Fund             | 1,061,349                             | 0           | 0             | 1,061,349                             | 0           | (100,000)     | 961,349                |
| DCH           | Medicaid Benefits Trust Fund                  | 12,500,000                            | 578,800,000 | (454,600,000) | 136,700,000                           | 345,500,000 | (461,900,000) | 20,300,000             |
| DCH           | Michigan Health Initiative Fund               | 422,792                               | 9,024,654   | (8,792,230)   | 655,216                               | 9,160,000   | (9,278,800)   | 536,416                |
| DCH           | Newborn Screening Fees                        | 1,756,220                             | 10,757,677  | (10,790,126)  | 1,723,771                             | 11,622,300  | (12,187,900)  | 1,158,171              |
| DCH           | Pain Mgt Educ & Contr Sub Elec Mon Antidiv    | 5,103,179                             | 0           | 0             | 0                                     | 0           | 0             | 0                      |
| DCH           | Radiological Fees                             | 2,363,442                             | 0           | 0             | 0                                     | 0           | 0             | 0                      |
| DCH           | Vital Records Fees                            | 600,805                               | 3,980,871   | (3,143,551)   | 1,438,125                             | 3,873,100   | (5,121,300)   | 189,925                |
| DOC           | Correctional Industries Revolving Fund (0302) | 0                                     | 575,912     | (575,912)     | 0                                     | 740,700     | (740,700)     | 0                      |
| DOC           | Correctional Industries Revolving Fund (1203) | 0                                     | 0           | 0             | 0                                     | 17,647,900  | (17,647,900)  | 0                      |
| DOC           | Jail Reimbursement Program Fund               | 0                                     | 5,283,798   | (5,283,798)   | 0                                     | 5,900,000   | (5,900,000)   | 0                      |
| DOC           | Local Corrections Officer Training Fund       | 0                                     | 0           | 0             | 0                                     | 500,000     | (500,000)     | 0                      |
| DOC           | Parole / Probation Oversight Fee Set-Aside    | 2,843,146                             | 897,944     | (830,445)     | 2,910,645                             | 860,000     | (3,318,600)   | 452,045                |
| DOC           | Parole / Probation Oversight Fees             | 0                                     | 4,992,701   | (4,992,701)   | 0                                     | 5,995,600   | (5,995,600)   | 0                      |
| DOC           | Prisoner Health Care Copayments               | 0                                     | 189,012     | (189,012)     | 0                                     | 278,700     | (278,700)     | 0                      |
| DOC           | Public Works User Fees (CFA)                  | 0                                     | 0           | 0             | 0                                     | 1,000,000   | (1,000,000)   | 0                      |
| DOC           | Public Works User Fees (SAI)                  | 0                                     | 77,922      | (77,922)      | 0                                     | 283,900     | (283,900)     | 0                      |
| DOC           | Re-Entry Center Offender Reimbursements       | 0                                     | 12,696      | (12,696)      | 0                                     | 23,400      | (23,400)      | 0                      |
| DOC           | Resident Stores                               | 0                                     | 4,058,970   | (4,058,665)   | 0                                     | 5,436,500   | (5,436,500)   | 0                      |
| DOC           | Special Equipment Fund                        | 0                                     | 13,585,459  | (500,000)     | 13,085,459                            | 11,400,000  | (23,400,000)  | 1,085,459              |
| DOC           | Tether Program Participant Contributions      | 0                                     | 2,119,580   | (2,119,580)   | 0                                     | 2,200,700   | (2,200,700)   | 0                      |
| Education     | Certification Fees                            | 2,114,891                             | 5,884,100   | (5,578,485)   | 2,420,507                             | 5,884,100   | (6,000,000)   | 2,304,607              |
| Education     | Commodity Distribution Fees                   | 4,298                                 | 0           | 0             | 4,298                                 | 0           | 0             | 4,298                  |
| Education     | Gifts Bequests & Donations                    | 296,235                               | 200,404     | (278,541)     | 218,098                               | 200,404     | (278,541)     | 139,961                |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency    | State Restricted Fund                           | Fiscal Year Ending September 30, 2012 |            |              | Fiscal Year Ending September 30, 2013 |            |              |                        |
|-----------|---|---------------------------------------|------------|--------------|---------------------------------------|------------|--------------|------------------------|
|           |   | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance |
| Education | Library Fees                                    | 463,940                               | 80,792     | (59,912)     | 484,820                               | 80,792     | (59,912)     | 505,700                |
| Education | Local Cost Sharing (MSDB)                       | 2,342                                 | 3,424,252  | (3,423,652)  | 2,942                                 | 3,424,252  | (3,423,652)  | 3,542                  |
| Education | Local School District Service Fees <sup>2</sup> | 0                                     | 187,546    | (122,511)    | 65,035                                | 187,546    | (122,511)    | 130,070                |
| Education | Private Foundations                             | 10,343                                | 214,526    | (173,498)    | 51,371                                | 45,840     | (56,000)     | 41,211                 |
| Education | Student Insurance Revenue                       | 0                                     | 183,933    | (183,933)    | 0                                     | 183,933    | (183,933)    | 0                      |
| Education | Teacher College Review Fees                     | 56,111                                | 4,335      | (3,061)      | 57,385                                | 4,335      | (4,000)      | 57,720                 |
| Education | Teacher Testing Fees                            | 90,595                                | 149,036    | (122,565)    | 117,066                               | 149,036    | (122,565)    | 143,537                |
| Education | Tenant Rent <sup>3</sup>                        | 49,839                                | 8,892      | (58,731)     | 0                                     | 0          | 0            | 0                      |
| DEQ       | Above Ground Storage Tank Fund <sup>4</sup>     | 516,800                               | 467,300    | (651,900)    | 332,200                               | 0          | 0            | 0                      |
| DEQ       | Air Emissions Fees                              | 1,829,800                             | 9,717,600  | (8,793,500)  | 2,753,900                             | 9,643,200  | (10,396,400) | 2,000,700              |
| DEQ       | Campground Fund                                 | 122,900                               | 267,700    | (302,500)    | 88,100                                | 200,000    | (240,000)    | 48,100                 |
| DEQ       | Cleanup And Redevelopment Fund                  | 10,983,400                            | 13,951,600 | (6,006,000)  | 18,929,000                            | 10,680,000 | (16,551,400) | 13,057,600             |
| DEQ       | Cleanup And Redevelopment Trust Fund            | 832,300                               | 1,319,400  | (1,000,300)  | 1,151,400                             | 1,100,000  | (1,000,000)  | 1,251,400              |
| DEQ       | Community Pollution Prevention Fund             | 2,213,300                             | 1,320,300  | (1,241,000)  | 2,292,600                             | 1,100,000  | (1,850,000)  | 1,542,600              |
| DEQ       | Electronic Waste Recycling Fund                 | 143,100                               | 278,200    | (109,900)    | 311,400                               | 275,000    | (225,000)    | 361,400                |
| DEQ       | Environmental Education Fund                    | 149,700                               | 236,400    | (249,300)    | 136,800                               | 146,000    | (172,700)    | 110,100                |
| DEQ       | Environmental Pollution Prevention Subfund      | 1,410,800                             | 3,210,800  | (2,062,100)  | 2,559,500                             | 1,100,000  | (2,624,000)  | 1,035,500              |
| DEQ       | Environmental Protection Fund                   | 5,168,100                             | 3,140,000  | (5,069,600)  | 3,238,500                             | 1,826,600  | (2,850,100)  | 2,215,000              |
| DEQ       | Environmental Response Fund                     | 14,193,900                            | 2,333,800  | (5,659,900)  | 10,867,800                            | 1,589,800  | (5,606,400)  | 6,851,200              |
| DEQ       | Fees & Collections                              | 0                                     | 276,700    | (276,700)    | 0                                     | 270,900    | (270,900)    | 0                      |
| DEQ       | Financial Instruments                           | 0                                     | 1,030,500  | (1,030,500)  | 0                                     | 1,300,000  | (1,300,000)  | 0                      |
| DEQ       | Great Lakes Protection Fund                     | 410,100                               | 145,100    | (385,000)    | 170,200                               | 0          | (170,200)    | 0                      |
| DEQ       | Groundwater Discharge Permit Fees               | 1,433,200                             | 1,116,800  | (1,093,800)  | 1,456,200                             | 1,100,000  | (1,462,600)  | 1,093,600              |
| DEQ       | Haz Materials Transport Permit Fund             | 1,184,700                             | 222,400    | (288,600)    | 1,118,500                             | 230,000    | (297,300)    | 1,051,200              |
| DEQ       | Infrastructure Construction Fund                | 2,000                                 | 3,500      | 0            | 5,500                                 | 5,000      | (10,000)     | 500                    |
| DEQ       | Land And Water Permit Fee                       | 4,730,000                             | 2,732,700  | (5,044,700)  | 2,418,000                             | 2,700,000  | (2,408,600)  | 2,709,400              |
| DEQ       | Landfill Maintenance Trust Fund                 | 41,500                                | 600        | 0            | 42,100                                | 700        | (15,000)     | 27,800                 |
| DEQ       | Medical Waste Emergency Response Fund           | 652,300                               | 194,600    | (233,600)    | 613,300                               | 400,000    | (240,600)    | 772,700                |
| DEQ       | Metallic Mineral Surveillance Fee               | 92,200                                | 84,600     | (81,700)     | 95,100                                | 86,000     | (84,200)     | 96,900                 |
| DEQ       | Mineral Well Regulatory Fund                    | 122,100                               | 132,300    | (132,400)    | 122,000                               | 135,000    | (136,400)    | 120,600                |
| DEQ       | National Pollutant Discharge Elimination System | 2,489,300                             | 3,440,200  | (2,282,800)  | 3,646,700                             | 2,800,000  | (3,745,800)  | 2,700,900              |
| DEQ       | Natural Resource Damage Fund                    | 3,210,500                             | 1,519,400  | (896,700)    | 3,833,200                             | 125,000    | (469,400)    | 3,488,800              |
| DEQ       | Nonferrous Metallic Mineral Surveillance        | 5,000                                 | 5,000      | (1,200)      | 8,800                                 | 7,000      | (15,800)     | 0                      |
| DEQ       | Oil And Gas Regulatory Fund                     | 6,110,900                             | 9,320,500  | (8,549,100)  | 6,882,300                             | 9,560,100  | (9,451,700)  | 6,990,700              |
| DEQ       | Orphan Well Sub-Fund                            | 1,501,400                             | 1,185,200  | (920,400)    | 1,766,200                             | 1,100,000  | (900,000)    | 1,966,200              |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency    | State Restricted Fund  | Fiscal Year Ending September 30, 2012 |            |              | Fiscal Year Ending September 30, 2013 |            |              |                        |
|-----------|--|---------------------------------------|------------|--------------|---------------------------------------|------------|--------------|------------------------|
|           |  | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance |
| DEQ       | Public Swimming Pool Fund  | 102,500                               | 516,500    | (504,400)    | 114,600                               | 500,000    | (520,000)    | 94,600                 |
| DEQ       | Public Water Supply Fees   | 655,600                               | 3,399,200  | (4,041,800)  | 13,000                                | 4,400,000  | (4,357,000)  | 56,000                 |
| DEQ       | Publication Revenue  | 72,500                                | 0          | 0            | 72,500                                | 0          | 0            | 72,500                 |
| DEQ       | Refined Petroleum Fund   | 0                                     | 51,471,100 | (49,218,800) | 2,252,300                             | 50,357,200 | (51,799,100) | 810,400                |
| DEQ       | Retired Engineers Technical Assistance Program                     | 2,863,900                             | 2,900      | (470,800)    | 2,396,000                             | 2,900      | (737,800)    | 1,661,100              |
| DEQ       | Revitalization Revolving Loan Fund                                 | 6,113,200                             | 38,200     | (10,300)     | 6,141,100                             | 49,300     | (5,000)      | 6,185,400              |
| DEQ       | Sand Extraction Fee Revenue  | 146,300                               | 64,400     | (69,400)     | 141,300                               | 70,000     | (71,500)     | 139,800                |
| DEQ       | Scrap Tire Regulatory Fund   | 2,704,400                             | 4,220,000  | (2,801,800)  | 4,122,600                             | 4,100,000  | (4,385,900)  | 3,836,700              |
| DEQ       | Septage Waste Contingency Sub-Fund                                 | 30,100                                | 0          | (5,700)      | 24,400                                | 0          | (6,000)      | 18,400                 |
| DEQ       | Septage Waste License Fees   | 191,300                               | 438,200    | (562,300)    | 67,200                                | 440,000    | (442,400)    | 64,800                 |
| DEQ       | Settlements Fund   | 92,600                                | 1,155,200  | (831,200)    | 416,600                               | 500,000    | (600,000)    | 316,600                |
| DEQ       | Sewage Sludge Land Application Fee                                 | 25,300                                | 989,300    | (923,700)    | 90,900                                | 825,000    | (915,900)    | 0                      |
| DEQ       | Small Business Pollution Prevention Assistance Revolving Loan Fund | 5,834,300                             | 5,400      | (3,452,500)  | 2,387,200                             | 7,000      | (150,000)    | 2,244,200              |
| DEQ       | Soil Erosion And Sedimentation Control Fund                        | 87,200                                | 96,900     | (77,900)     | 106,200                               | 97,300     | (100,000)    | 103,500                |
| DEQ       | Solid Waste Prgm Fees  | 2,071,300                             | 5,210,600  | (4,406,300)  | 2,875,600                             | 4,752,000  | (4,771,800)  | 2,855,800              |
| DEQ       | State Sites Cleanup Fund   | 4,461,000                             | 6,900      | (4,358,000)  | 109,900                               | 5,000      | (2,000)      | 112,900                |
| DEQ       | Stormwater Permit Fees   | 2,005,900                             | 1,533,000  | (874,500)    | 2,664,400                             | 1,533,000  | (2,594,500)  | 1,602,900              |
| DEQ       | Underground Storage Tank Fund <sup>4</sup>                         | 1,247,000                             | 1,760,100  | (1,429,800)  | 1,577,300                             | 0          | 0            | 0                      |
| DEQ       | Waste Reduction Fund   | 3,690,900                             | 5,196,500  | (4,659,000)  | 4,228,400                             | 3,687,000  | (5,839,100)  | 2,076,300              |
| DEQ       | Wastewater Operator Training Fees                                  | 14,700                                | 440,300    | (420,700)    | 34,300                                | 440,000    | (436,800)    | 37,500                 |
| DEQ       | Water Analysis Fund  | 403,400                               | 1,778,100  | (2,001,900)  | 179,600                               | 1,500,000  | (1,587,000)  | 92,600                 |
| DEQ       | Water Pollution Control Revolving Fund                             | 0                                     | 2,125,800  | (2,125,800)  | 0                                     | 2,189,600  | (2,189,600)  | 0                      |
| DEQ       | Water Quality Protection Fund                                      | 282,400                               | 75,500     | (96,800)     | 261,100                               | 61,700     | (100,000)    | 222,800                |
| DEQ       | Water Use Reporting Fee  | 346,900                               | 155,900    | (190,000)    | 312,800                               | 200,000    | (223,900)    | 288,900                |
| DHS       | Child Support Collections  | 0                                     | 25,125,268 | (25,125,268) | 0                                     | 29,145,800 | (29,145,800) | 0                      |
| DHS       | Children's Advocacy Center Fund                                    | 2,158,691                             | 828,088    | (964,694)    | 2,022,085                             | 1,000,000  | (1,000,000)  | 2,022,085              |
| DHS       | Children's Trust Fund  | 1,148,994                             | 1,687,544  | (1,770,564)  | 1,065,974                             | 1,700,000  | (1,700,000)  | 1,065,974              |
| DHS       | Licensing Fees   | 0                                     | 0          | 0            | 0                                     | 0          | 0            | 0                      |
| DHS       | Public Assistance Recoupment Revenue                               | 810,023                               | 5,918,700  | (5,888,523)  | 840,200                               | 7,800,000  | (7,800,000)  | 840,200                |
| DHS       | Sexual Assault Victims' Medical Forensic Intervention              | 2,834,413                             | 1,186,156  | (1,545,248)  | 2,475,321                             | 1,000,000  | (1,000,000)  | 2,475,321              |
| DHS       | Supplemental Security Income Recoveries                            | 602,772                               | 9,227,411  | (9,830,183)  | 0                                     | 15,817,300 | (15,817,300) | 0                      |
| Judiciary | Community Dispute Resolution Fund <sup>5</sup>                     | 1,669,468                             | 1,894,001  | (1,962,542)  | 1,600,927                             | 1,900,000  | (1,900,000)  | 1,600,927              |
| Judiciary | Court Equity Fund  | 0                                     | 39,892,659 | (39,892,659) | 0                                     | 39,700,000 | (39,700,000) | 0                      |
| Judiciary | Court Fee Fund <sup>6</sup>  | 532,783                               | 5,321,621  | (5,290,200)  | 564,204                               | 4,890,200  | (4,890,200)  | 564,204                |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency    | State Restricted Fund                                     | Fiscal Year Ending September 30, 2012 |            |              | Fiscal Year Ending September 30, 2013 |            |              |                        |
|-----------|---|---------------------------------------|------------|--------------|---------------------------------------|------------|--------------|------------------------|
|           |   | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance |
| Judiciary | Court Filing/Motion Fees                                  | 0                                     | 1,501,399  | (1,501,399)  | 0                                     | 1,500,000  | (1,500,000)  | 0                      |
| Judiciary | Drug Court Fund   | 755,844                               | 1,214,272  | (829,055)    | 1,141,062                             | 1,200,000  | (1,200,000)  | 1,141,062              |
| Judiciary | Drug Fund   | 0                                     | 195,178    | (195,178)    | 0                                     | 200,000    | (200,000)    | 0                      |
| Judiciary | Drunk Driving Fund  | 0                                     | 2,705,723  | (2,705,723)  | 0                                     | 2,700,000  | (2,700,000)  | 0                      |
| Judiciary | Judicial Technology Improvement Fund                      | 323,369                               | 4,043,909  | (4,297,637)  | 69,640                                | 4,040,000  | (4,040,000)  | 69,640                 |
| Judiciary | Juror Compensation Fund <sup>7</sup>                      | 2,263,572                             | 4,138,151  | (2,879,477)  | 3,522,247                             | 4,000,000  | (3,000,000)  | 4,522,247              |
| Judiciary | Justice System Fund                                       | 135,189                               | 435,512    | (395,624)    | 175,077                               | 432,000    | (432,000)    | 175,077                |
| Judiciary | Law Exam Fees   | 0                                     | 565,800    | (565,800)    | 0                                     | 608,900    | (608,900)    | 0                      |
| Judiciary | Miscellaneous Revenue                                     | 0                                     | 184,363    | (184,363)    | 0                                     | 200,000    | (200,000)    | 0                      |
| Judiciary | State Court Fund  | 0                                     | 7,042,237  | (7,042,237)  | 0                                     | 7,000,000  | (7,000,000)  | 0                      |
| DLARA     | Above Ground Storage Tank Fund <sup>8</sup>               | 0                                     | 0          | 0            | 332,200                               | 0          | 0            | 332,200                |
| DLARA     | Accountancy Enforcement Fund                              | 1,810,796                             | 919,571    | (182,494)    | 2,547,873                             | 95,000     | (157,889)    | 2,484,984              |
| DLARA     | Bank Fees   | 2,661,029                             | 5,198,066  | (5,340,319)  | 2,518,776                             | 5,623,000  | (6,039,680)  | 2,102,096              |
| DLARA     | Boiler Fee Revenue  | 1,571,441                             | 3,156,083  | (2,788,520)  | 1,939,004                             | 3,151,900  | (3,171,688)  | 1,919,216              |
| DLARA     | Builder Enforcement Fund                                  | 2,438,188                             | 91,067     | (403,124)    | 2,126,131                             | 56,900     | (387,195)    | 1,795,836              |
| DLARA     | Captive Insurance Regulatory & Supervision Fund           | 0                                     | 141,874    | (4,289)      | 137,585                               | 46,100     | (45,100)     | 138,585                |
| DLARA     | Children's Protection Registry Fund                       | 216,374                               | 17,620     | (12,590)     | 221,404                               | 0          | 0            | 221,404                |
| DLARA     | Commission For The Blind Business Enterprise Program Fund | 0                                     | 272,635    | (272,635)    | 0                                     | 277,500    | (277,500)    | 0                      |
| DLARA     | Construction Code Fund                                    | 3,504,323                             | 7,555,509  | (9,811,656)  | 1,248,176                             | 13,035,790 | (10,429,592) | 3,854,374              |
| DLARA     | Consumer Finance Fees                                     | 247,171                               | 1,124,898  | (1,190,038)  | 182,031                               | 1,275,000  | (1,224,812)  | 232,219                |
| DLARA     | Contingent Fund, P&I - 110 Fund <sup>9</sup>              | 0                                     | 1,000,000  | (1,000,000)  | 0                                     | 0          | 0            | 0                      |
| DLARA     | Corporation Fees  | 10,506,240                            | 22,072,932 | (28,689,415) | 3,889,758                             | 22,900,000 | (23,553,369) | 3,236,389              |
| DLARA     | Credit Union Fees   | 770,394                               | 6,279,680  | (6,226,448)  | 823,625                               | 6,300,200  | (6,870,887)  | 252,938                |
| DLARA     | Deferred Presentment Service Transaction Fees             | 949,551                               | 2,926,046  | (2,716,133)  | 1,159,464                             | 2,652,000  | (2,853,517)  | 957,947                |
| DLARA     | Direct Shipper Enhancement Revolving Fund                 | 352,783                               | 85,673     | (100)        | 438,356                               | 85,000     | (100)        | 523,256                |
| DLARA     | Elevator Fees   | 4,014,639                             | 4,014,406  | (3,653,483)  | 4,375,562                             | 4,013,400  | (3,987,744)  | 4,401,218              |
| DLARA     | Fees & Collections/Asbestos                               | 255,852                               | 636,389    | (574,361)    | 317,880                               | 636,000    | (575,000)    | 378,880                |
| DLARA     | Fire Alarm Fees   | 0                                     | 81,304     | (81,304)     | 0                                     | 133,900    | (125,400)    | 0                      |
| DLARA     | Fire Protection Fund                                      | 4,034,781                             | 7,500,000  | (7,500,000)  | 4,034,781                             | 7,000,000  | (7,000,000)  | 4,034,781              |
| DLARA     | Fire Safety Standard & Enforcement Fund                   | 103,298                               | 5,824      | (38,734)     | 70,388                                | 130,000    | (40,000)     | 160,388                |
| DLARA     | Fire Service Fees   | 190,164                               | 2,165,090  | (2,355,254)  | 0                                     | 2,014,000  | (2,014,000)  | 0                      |
| DLARA     | Fireworks Safety Fund                                     | 0                                     | 1,836,936  | (470,000)    | 1,366,936                             | 1,596,000  | (652,700)    | 2,310,236              |
| DLARA     | Health Professions Regulatory Fees                        | 15,138,646                            | 30,110,823 | (23,697,899) | 21,551,571                            | 30,300,000 | (26,000,000) | 25,851,571             |
| DLARA     | Health Systems Fees                                       | 769,626                               | 2,896,427  | (2,265,200)  | 1,400,852                             | 2,914,500  | (3,564,806)  | 750,546                |
| DLARA     | Insurance Bureau Fund                                     | 3,949,691                             | 21,517,441 | (19,787,750) | 5,679,382                             | 14,794,000 | (19,256,529) | 1,216,853              |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency | State Restricted Fund                                      | Fiscal Year Ending September 30, 2012 |             |               | Fiscal Year Ending September 30, 2013 |             |               |                        |
|--------|--|---------------------------------------|-------------|---------------|---------------------------------------|-------------|---------------|------------------------|
|        |  | Available Fund Balance                | Revenue     | Expenditures  | Available Fund Balance                | Revenue     | Expenditures  | Available Fund Balance |
| DLARA  | Insurance Continuing Education Fees                        | 132,005                               | 658,292     | (448,772)     | 341,526                               | 580,945     | (475,595)     | 446,876                |
| DLARA  | Insurance Licensing & Regulation Fees                      | 3,951,990                             | 6,464,824   | (6,142,754)   | 4,274,060                             | 6,420,150   | (6,377,207)   | 4,317,003              |
| DLARA  | Licensing & Regulation Fees                                | 6,958,728                             | 9,838,827   | (13,029,689)  | 3,767,867                             | 9,069,508   | (14,438,417)  | (1,601,042)            |
| DLARA  | Liquor License Revenue                                     | 2,122,162                             | 12,939,959  | (13,011,452)  | 2,050,668                             | 12,740,000  | (13,100,000)  | 1,690,668              |
| DLARA  | Liquor Purchase Revolving Fund                             | 875,739                               | 821,142,329 | (821,142,329) | 875,739                               | 822,000,000 | (822,000,000) | 875,739                |
| DLARA  | Liquor Purchase Revolving Fund                             | 0                                     | 773,900     | (773,900)     | 0                                     | 773,900     | (773,900)     | 0                      |
| DLARA  | Low-Income & Energy Efficiency Fund                        | 9,005,002                             | (7,495,524) | 0             | 1,509,478                             | (1,509,478) | 0             | 0                      |
| DLARA  | MBLSLA Fund  | 664,534                               | 4,017,795   | (2,649,907)   | 2,032,422                             | 2,715,000   | (2,800,600)   | 1,946,822              |
| DLARA  | Michigan Employment Security Contingent Fund               | 0                                     | 8,328,502   | (8,328,502)   | 0                                     | 5,014,700   | (5,014,700)   | 0                      |
| DLARA  | Mobile Home Code Fund                                      | 2,203,967                             | 2,641,947   | (2,402,681)   | 2,443,233                             | 2,101,500   | (2,564,055)   | 1,980,678              |
| DLARA  | Motor Carrier Fees   | 0                                     | 6,999,707   | (6,999,707)   | 0                                     | 6,789,600   | (6,789,600)   | 0                      |
| DLARA  | Multiple Employer Welfare Arrangement                      | 336,222                               | 73,423      | (50,032)      | 359,613                               | 74,100      | (55,178)      | 378,535                |
| DLARA  | Nurse Professional Fees                                    | 714,936                               | (45,103)    | (256,290)     | 413,544                               | 292,400     | (381,000)     | 324,944                |
| DLARA  | Pain Management Fees                                       | 5,103,179                             | 1,170,933   | (1,173,681)   | 5,100,431                             | 1,171,000   | (1,173,400)   | 5,098,031              |
| DLARA  | Private Occupational School License Fees                   | 550,941                               | 507,033     | (555,918)     | 502,056                               | 500,000     | (713,200)     | 288,856                |
| DLARA  | Property Development Fees                                  | 34,303                                | 20,068      | (861)         | 53,511                                | 20,000      | (73,511)      | (0)                    |
| DLARA  | Public Utility Assessments                                 | 5,663,730                             | 21,886,373  | (26,612,830)  | 937,274                               | 31,134,576  | (26,489,592)  | 5,582,258              |
| DLARA  | Radiological Health Fees                                   | 2,363,442                             | 2,253,071   | (2,379,470)   | 2,237,042                             | 2,168,700   | (2,600,900)   | 1,804,842              |
| DLARA  | Real Estate Appraiser Continuing Ed. Fund                  | 494,189                               | 31,291      | (47,000)      | 478,480                               | 44,300      | (52,724)      | 470,056                |
| DLARA  | Real Estate Education Fund                                 | 2,706,762                             | 292,136     | (169,444)     | 2,829,454                             | 546,600     | (182,820)     | 3,193,234              |
| DLARA  | Real Estate Enforcement Fund                               | 1,980,372                             | (161,493)   | (187,579)     | 1,631,300                             | 299,600     | (630,200)     | 1,300,700              |
| DLARA  | Restructuring Mechanism Assessments                        | 2,183,509                             | 17,917,485  | (16,131,618)  | 3,969,376                             | 18,000,000  | (16,500,000)  | 5,469,376              |
| DLARA  | Safety Education & Training Fund                           | 7,020,356                             | 10,305,644  | (10,038,635)  | 7,287,365                             | 9,413,000   | (10,522,482)  | 6,177,883              |
| DLARA  | Second Injury Fund   | 15,052,000                            | 10,931,000  | (12,786,000)  | 13,197,000                            | 12,522,000  | (12,500,000)  | 13,219,000             |
| DLARA  | Securities Fees  | 0                                     | 15,167,556  | (15,167,556)  | 0                                     | 16,919,126  | (16,919,126)  | 0                      |
| DLARA  | Securities Investor Education & Training Fund              | 10,203                                | 619,396     | 0             | 629,599                               | 75,000      | 0             | 704,599                |
| DLARA  | Security Business Fund                                     | 14,692                                | 96,149      | (49,749)      | 61,092                                | 103,707     | (34,704)      | 130,095                |
| DLARA  | Self-Insurers Security Fund                                | 12,035,000                            | 8,782,000   | (5,660,000)   | 15,157,000                            | 7,711,000   | (6,000,000)   | 16,868,000             |
| DLARA  | Silicosis & Dust Disease Fund                              | 2,156,000                             | 1,114,000   | (1,518,000)   | 1,752,000                             | 1,314,000   | (1,425,000)   | 1,641,000              |
| DLARA  | Special Fraud Control Fund                                 | 500,000                               | 1,040,405   | 0             | 1,540,405                             | 0           | (1,540,405)   | 0                      |
| DLARA  | State Restricted Revenue - Administrative Hearings & Rules | 0                                     | 3,849,440   | (3,849,440)   | 0                                     | 12,036,021  | (12,036,021)  | 0                      |
| DLARA  | Survey & Remonumentation Fund                              | 1,969,075                             | 6,993,714   | (5,984,798)   | 2,977,992                             | 7,493,100   | (5,747,907)   | 4,723,185              |
| DLARA  | Tax Tribunal Fund  | 4,814,441                             | 4,700,484   | (5,168,311)   | 4,346,614                             | 4,465,400   | (5,395,780)   | 3,416,234              |
| DLARA  | Unarmed Combat Fund  | 73,312                                | 55,780      | (80,075)      | 49,016                                | 62,100      | (111,116)     | 0                      |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency  | State Restricted Fund   | Fiscal Year Ending September 30, 2012 |            |              | Fiscal Year Ending September 30, 2013 |            |              |                        |
|---------|---|---------------------------------------|------------|--------------|---------------------------------------|------------|--------------|------------------------|
|         |   | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance |
| DLARA   | Underground Storage Tank Fund <sup>8</sup>  | 0                                     | 0          | 0            | 1,577,300                             | 0          | 0            | 1,577,300              |
| DLARA   | Utility Consumer Representation Fund  | 2,900,847                             | 531,426    | (906,149)    | 2,526,124                             | 531,500    | (936,000)    | 2,121,624              |
| DLARA   | Video Franchise Assessments   | 158,413                               | 238,318    | (217,040)    | 179,691                               | 211,833    | (233,707)    | 157,817                |
| DLARA   | Worker's Compensation Admin. Rev. Fund  | 2,740,716                             | 1,631,246  | (2,181,473)  | 2,190,489                             | 1,559,084  | (2,300,000)  | 1,449,573              |
| Lottery | Lottery Operations <sup>10</sup>  | 0                                     | 45,209,100 | 39,185,371   | 0                                     | 47,000,100 | 47,000,100   | 0                      |
| DMVA    | Income & Assessments  | 0                                     | 17,682,426 | (17,682,426) | 0                                     | 19,617,700 | (19,617,700) | 0                      |
| DMVA    | Lease Revenue   | 0                                     | 24,000     | (24,000)     | 0                                     | 24,000     | (24,000)     | 0                      |
| DMVA    | Mackinac Bridge Authority - Restricted  | 0                                     | 70,000     | (70,000)     | 0                                     | 70,000     | (70,000)     | 0                      |
| DMVA    | Mich Natl Guard Const Fund  | 1,033,870                             | 526,251    | 905,667      | 654,454                               | 0          | 0            | 654,454                |
| DMVA    | Michigan Veterans Trust Fund - Restricted   | 1,354,699                             | 4,521,224  | (2,591,317)  | 3,284,606                             | 2,600,000  | (2,600,000)  | 3,284,606              |
| DMVA    | Military Family Relief Fund   | 2,131,007                             | 181,713    | (106,360)    | 2,206,360                             | 100,000    | (100,000)    | 2,206,360              |
| DMVA    | Rental Fees   | 0                                     | 119,300    | (119,300)    | 0                                     | 346,400    | (346,400)    | 0                      |
| DNR     | Aircraft Fees   | 1,097,600                             | 374,700    | (283,500)    | 1,188,800                             | 335,000    | (301,400)    | 1,222,400              |
| DNR     | Cervidae Licensing and Inspection Fees  | 0                                     | 104,900    | (104,900)    | 0                                     | 71,500     | (71,500)     | 0                      |
| DNR     | Commercial Forest Fund  | 57,800                                | 26,700     | (57,900)     | 26,600                                | 28,000     | (28,000)     | 26,600                 |
| DNR     | Forest Development Fund   | 7,448,100                             | 29,246,200 | (32,684,300) | 4,010,000                             | 29,157,700 | (33,167,700) | 0                      |
| DNR     | Forest Land User Charges  | 453,300                               | 978,400    | (666,500)    | 765,200                               | 351,400    | (586,500)    | 530,100                |
| DNR     | Forest Recreation Account   | 530,900                               | 1,604,700  | (1,763,800)  | 371,800                               | 1,949,100  | (1,949,100)  | 371,800                |
| DNR     | Game and Fish Protection Fund   | 4,617,600                             | 64,486,000 | (60,577,400) | 8,526,200                             | 60,694,000 | (67,316,900) | 1,903,300              |
| DNR     | Game and Fish Protection Fund - Deer Habitat Reserve                                  | 349,000                               | 2,236,300  | (2,165,800)  | 419,500                               | 2,239,800  | (2,239,800)  | 419,500                |
| DNR     | Game and Fish Protection Fund - Fisheries Settlement                                  | 1,466,800                             | 637,700    | (676,300)    | 1,428,200                             | 663,500    | (937,400)    | 1,154,300              |
| DNR     | Game and Fish Protection Fund - Turkey Permit Fees                                    | 477,200                               | 1,190,400  | (1,551,600)  | 116,000                               | 1,162,000  | (1,162,000)  | 116,000                |
| DNR     | Game and Fish Protection Fund - Waterfowl Fees  | 7,500                                 | 27,000     | (32,800)     | 1,700                                 | 87,800     | (87,800)     | 1,700                  |
| DNR     | Game and Fish Protection Fund - Waterfowl Hunt Stamp                                  | 1,550,000                             | 268,000    | 90,000       | 1,908,000                             | 199,000    | 0            | 2,107,000              |
| DNR     | Game and Fish Protection Fund - Wildlife Resource Protection Fund                     | 37,700                                | 1,105,700  | (1,115,600)  | 27,800                                | 1,107,200  | (1,107,200)  | 27,800                 |
| DNR     | Game and Fish Protection Fund - Youth Hunting and Fishing Education and Outreach Fund | 227,700                               | 36,500     | (54,500)     | 209,700                               | 34,700     | (57,200)     | 187,200                |
| DNR     | History Fees Fund   | 1,900                                 | 119,900    | (62,500)     | 59,300                                | 225,000    | (284,300)    | 0                      |
| DNR     | Land Exchange Facilitation Fund   | 1,622,300                             | 2,584,500  | (1,708,600)  | 2,498,200                             | 1,407,500  | (3,905,700)  | 0                      |
| DNR     | Local Public Recreation Facilities Fund   | 632,700                               | 772,300    | (556,500)    | 848,500                               | 1,106,200  | (858,400)    | 1,096,300              |
| DNR     | Mackinac Island State Park Fund   | 0                                     | 1,697,400  | (1,697,400)  | 0                                     | 1,525,000  | (1,525,000)  | 0                      |
| DNR     | Mackinac Island State Park Operation Fund   | 0                                     | 109,100    | (109,100)    | 0                                     | 140,000    | (140,000)    | 0                      |
| DNR     | Marine Safety Fund  | 486,100                               | 4,814,400  | (5,215,400)  | 85,100                                | 4,790,400  | (4,790,400)  | 85,100                 |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency | State Restricted Fund                             | Fiscal Year Ending September 30, 2012 |            |              | Fiscal Year Ending September 30, 2013 |            |              |                        |
|--------|---|---------------------------------------|------------|--------------|---------------------------------------|------------|--------------|------------------------|
|        |   | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance                | Revenue    | Expenditures | Available Fund Balance |
| DNR    | Michigan Heritage Publications Fund               | 146,300                               | 1,800      | (44,500)     | 103,600                               | 1,800      | (52,200)     | 53,200                 |
| DNR    | Michigan Natural Resources Trust Fund             | 45,351,600                            | 63,298,600 | (72,410,900) | 36,239,300                            | 25,570,800 | (37,595,400) | 24,214,700             |
| DNR    | Michigan State Parks Endowment Fund <sup>11</sup> | 9,971,400                             | 53,089,200 | (53,686,900) | 9,373,700                             | 46,694,400 | (48,345,100) | 7,723,000              |
| DNR    | Michigan State Waterways Fund                     | 1,388,500                             | 21,748,000 | (19,639,400) | 3,497,100                             | 21,880,400 | (21,167,800) | 4,209,700              |
| DNR    | Michigan Trailways Fund                           | 41,700                                | 6,400      | (32,100)     | 16,000                                | 6,700      | (22,700)     | 0                      |
| DNR    | Museum Operations Fund                            | 146,000                               | 519,100    | (515,600)    | 149,500                               | 520,000    | (575,100)    | 94,400                 |
| DNR    | Nongame Wildlife Fund                             | 347,300                               | 712,500    | (778,100)    | 281,700                               | 506,600    | (700,500)    | 87,800                 |
| DNR    | Off-Road Vehicle Safety Education Fund            | 268,100                               | 197,200    | (236,800)    | 228,500                               | 196,400    | (320,100)    | 104,800                |
| DNR    | Off-Road Vehicle Trail Improvement Fund           | 326,100                               | 3,277,400  | (2,517,500)  | 1,086,000                             | 3,120,200  | (3,120,200)  | 1,086,000              |
| DNR    | Park Improvement Fund                             | 2,894,500                             | 44,453,400 | (46,094,900) | 1,253,000                             | 44,801,900 | (44,026,900) | 2,028,000              |
| DNR    | Permanent Snowmobile Trail Easement Fund          | 1,237,200                             | 388,900    | (200)        | 1,625,900                             | 603,500    | (700,000)    | 1,529,400              |
| DNR    | Public Use and Replacement Deed Fees              | 0                                     | 24,700     | (24,700)     | 0                                     | 25,000     | (25,000)     | 0                      |
| DNR    | Recreation Improvement Account                    | 556,700                               | 986,600    | (1,278,600)  | 264,700                               | 987,800    | (987,800)    | 264,700                |
| DNR    | Recreation Passport Fees                          | 3,353,500                             | 4,093,200  | (5,065,400)  | 2,381,300                             | 5,857,300  | (7,853,900)  | 384,700                |
| DNR    | Snowmobile Registration Fee Fund                  | 114,200                               | 1,184,100  | (1,247,200)  | 51,100                                | 1,426,500  | (1,426,500)  | 51,100                 |
| DNR    | Snowmobile Trail Improvement Fund                 | 1,188,300                             | 7,758,600  | (5,574,400)  | 3,372,500                             | 8,747,600  | (9,786,800)  | 2,333,300              |
| DNR    | Sportsmen Against Hunger Fund                     | 31,000                                | 23,400     | (25,000)     | 29,400                                | 22,000     | (30,300)     | 21,100                 |
| State  | Abandoned Vehicle Fund                            | 0                                     | 268,209    | (268,209)    | 0                                     | 276,000    | (276,000)    | 0                      |
| State  | Administrative Order Processing Fee               | 0                                     | 850        | (850)        | 0                                     | 1,000      | (1,000)      | 0                      |
| State  | Auto Repair Facilities Fees                       | 0                                     | 2,859,833  | (2,859,833)  | 0                                     | 3,375,000  | (3,375,000)  | 0                      |
| State  | Basic Driver Improvement Course Fund              | 0                                     | 1,324,333  | (1,324,333)  | 0                                     | 1,319,000  | (1,319,000)  | 0                      |
| State  | Child Support Clearance Fees                      | 0                                     | 177,611    | (177,611)    | 0                                     | 181,000    | (181,000)    | 0                      |
| State  | Credit & Debit Card Service Assessment            | 169,638                               | 2,426,043  | (1,000,000)  | 1,595,681                             | 4,000,000  | (5,000,000)  | 595,681                |
| State  | Driver Education Provider & Instructor Fund       | 261,223                               | 45,808     | (76,000)     | 231,031                               | 111,000    | (111,000)    | 231,031                |
| State  | Driver Fees                                       | 0                                     | 23,740,294 | (23,740,294) | 0                                     | 29,382,000 | (29,382,000) | 0                      |
| State  | Enhanced Driver License & Personal ID Fund        | 1,803,279                             | 5,441,494  | (4,857,200)  | 2,387,573                             | 5,088,000  | (5,300,000)  | 2,175,573              |
| State  | Expedient Service Fees                            | 0                                     | 2,702,112  | (2,702,112)  | 0                                     | 3,504,000  | (3,504,000)  | 0                      |
| State  | Mobile Home Commission Fees                       | 0                                     | 264,925    | (264,925)    | 0                                     | 257,000    | (257,000)    | 0                      |
| State  | Motor Vehicle Accident Claims Fund                | 144,525                               | 7,924      | 0            | 152,449                               | 5,000      | (5,000)      | 152,449                |
| State  | Motor Vehicle Code Books                          | 91,218                                | 0          | 0            | 91,218                                | 5,000      | (5,000)      | 91,218                 |
| State  | Motorcycle Safety Fund                            | 567,936                               | 1,568,780  | (1,680,388)  | 456,328                               | 1,577,000  | (1,680,000)  | 353,328                |
| State  | Notary Education & Training Fund                  | 17,124                                | 64,199     | (55,000)     | 26,323                                | 62,000     | (62,000)     | 26,323                 |
| State  | Notary Fees Fund                                  | 0                                     | 195,484    | (195,484)    | 0                                     | 199,000    | (199,000)    | 0                      |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency | State Restricted Fund                            | Fiscal Year Ending September 30, 2012 |             |               | Fiscal Year Ending September 30, 2013 |             |               |                        |
|--------|--|---------------------------------------|-------------|---------------|---------------------------------------|-------------|---------------|------------------------|
|        |  | Available Fund Balance                | Revenue     | Expenditures  | Available Fund Balance                | Revenue     | Expenditures  | Available Fund Balance |
| State  | Off-Road Vehicle Title Fees                      | 0                                     | 156,300     | (156,300)     | 0                                     | 160,000     | (160,000)     | 0                      |
| State  | Parking Ticket Court Fines                       | 0                                     | 1,328,403   | (1,328,403)   | 0                                     | 1,469,000   | (1,469,000)   | 0                      |
| State  | Personal ID Cards                                | 0                                     | 2,467,000   | (2,467,000)   | 0                                     | 2,899,000   | (2,899,000)   | 0                      |
| State  | Reinstatement Fees                               | 0                                     | 4,936,561   | (4,936,561)   | 0                                     | 4,933,000   | (4,933,000)   | 0                      |
| State  | Scrap Tire Fund                                  | 0                                     | 74,900      | (74,900)      | 0                                     | 75,100      | (75,100)      | 0                      |
| State  | Snowmobile Registration Fee Revenue              | 0                                     | 187,438     | (187,438)     | 0                                     | 198,000     | (198,000)     | 0                      |
| State  | Transportation Administration Collection Fund    | 1,652,098                             | 101,216,838 | (101,153,130) | 1,715,806                             | 102,730,000 | (104,000,000) | 445,806                |
| MSP    | Auto Theft Prevention Fund                       | 1,669,046                             | 6,259,081   | (6,113,865)   | 1,814,262                             | 6,772,000   | (6,772,000)   | 1,814,262              |
| MSP    | Commercial Mobile Radio Service Fees             | 0                                     | 7,000,000   | (7,000,000)   | 0                                     | 0           | 0             | 0                      |
| MSP    | Concealed Weapons Enforcement Fee                | 154,110                               | 174         | (9,045)       | 145,240                               | 10,000      | (60,000)      | 95,240                 |
| MSP    | Criminal Justice Information Center Service Fees | 1,090,194                             | 16,370,400  | (17,460,594)  | 0                                     | 17,200,000  | (17,200,000)  | 0                      |
| MSP    | Drunk Driving Prevention & Training Fund         | 423,524                               | 897,282     | (1,068,911)   | 251,894                               | 950,800     | (1,000,000)   | 202,694                |
| MSP    | Forensic Science Reimbursement Fees              | 0                                     | 1,056,674   | (1,056,674)   | 0                                     | 1,240,800   | (1,240,800)   | 0                      |
| MSP    | Forfeiture Funds                                 | 0                                     | 99,785      | (99,785)      | (0)                                   | 5,000       | (5,000)       | (0)                    |
| MSP    | Hazardous Materials Training Center Fees         | 0                                     | 952,769     | (952,769)     | 0                                     | 1,100,000   | (1,100,000)   | 0                      |
| MSP    | Highway Safety Fund                              | 1,325,365                             | 10,297,428  | (11,622,587)  | 206                                   | 9,782,500   | (9,782,706)   | 0                      |
| MSP    | Licensing Fees                                   | 0                                     | 3,000       | (3,000)       | 0                                     | 3,000       | (3,000)       | 0                      |
| MSP    | Michigan Justice Training Fund                   | 4,467,566                             | 5,301,614   | (5,914,610)   | 3,854,569                             | 5,600,000   | (5,900,000)   | 3,554,569              |
| MSP    | Narcotics Investigation Revenue                  | 820,955                               | 463,890     | (699,287)     | 585,559                               | 790,000     | (900,000)     | 475,559                |
| MSP    | Nuclear Plant Emergency Planning Reimbursement   | 0                                     | 2,037,585   | (2,037,585)   | 0                                     | 2,076,800   | (2,076,800)   | 0                      |
| MSP    | Precision Driving Track Fees                     | (0)                                   | 171,883     | (171,883)     | (0)                                   | 300,500     | (300,500)     | (0)                    |
| MSP    | Reimbursed Services                              | 0                                     | 539,429     | (539,429)     | 0                                     | 620,000     | (620,000)     | 0                      |
| MSP    | Rental Of Department Aircraft                    | 0                                     | 18,049      | (18,049)      | 0                                     | 24,000      | (24,000)      | 0                      |
| MSP    | Secondary Road Patrol and Training Fund          | 598,375                               | 9,459,588   | (9,079,015)   | 978,948                               | 12,236,100  | (12,500,000)  | 715,048                |
| MSP    | Sex Offenders Registration Fund                  | 331,036                               | 55,510      | (67,700)      | 318,846                               | 75,000      | (75,000)      | 318,846                |
| MSP    | State Forensic Laboratory Fund                   | 789,319                               | 1,052,311   | (1,350,275)   | 491,354                               | 1,600,000   | (2,091,354)   | 0                      |
| MSP    | State Police Service Fees                        | 0                                     | 1,183,503   | (1,183,503)   | 0                                     | 1,150,000   | (1,150,000)   | 0                      |
| MSP    | Traffic Crash Revenue                            | 0                                     | 206,017     | (206,017)     | 0                                     | 225,000     | (225,000)     | 0                      |
| MSP    | Traffic Law Enforcement And Safety Fund          | 2,572,432                             | 25,138,154  | (24,404,727)  | 3,305,859                             | 25,150,000  | (28,455,859)  | 0                      |
| MSP    | Trooper School Recruitment Fund                  | 1,914,097                             | 9,676       | 0             | 1,923,773                             | 0           | (1,923,773)   | 0                      |
| MSP    | Truck Driver Safety Fund                         | 1,438,123                             | 1,905,093   | (1,212,856)   | 2,130,360                             | 2,995,700   | (3,000,000)   | 2,126,060              |
| MSF    | 21st Century Jobs Trust Fund <sup>12</sup>       | 22,422,100                            | 92,184,300  | (83,994,300)  | 30,612,100                            | 100,000,000 | (130,612,100) | 0                      |
| MSF    | Contingent Fund, P & I <sup>13</sup>             | 0                                     | 2,002,300   | (2,002,300)   | 0                                     | 0           | 0             | 0                      |
| MSF    | Defaulted Loan Collection Fees                   | 0                                     | 100,000     | (100,000)     | 0                                     | 100,000     | (100,000)     | 0                      |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency      | State Restricted Fund                                     | Fiscal Year Ending September 30, 2012 |               |                 | Fiscal Year Ending September 30, 2013 |               |                 |                        |
|-------------|---|---------------------------------------|---------------|-----------------|---------------------------------------|---------------|-----------------|------------------------|
|             |   | Available Fund Balance                | Revenue       | Expenditures    | Available Fund Balance                | Revenue       | Expenditures    | Available Fund Balance |
| MSF         | Industry Support Fees                                     | 0                                     | 5,500         | (5,500)         | 0                                     | 5,500         | (5,500)         | 0                      |
| MSF         | Land Bank Fast Track Fund                                 | 0                                     | 941,600       | (1,110,900)     | (169,300)                             | 300,000       | (300,000)       | (169,300)              |
| MSF         | Michigan Film Promotion Fund <sup>14</sup>                | 525,600                               | 25,563,100    | (16,538,700)    | 9,550,000                             | 50,631,000    | (58,986,800)    | 1,194,200              |
| MSF         | Public Utility Assessments                                | 0                                     | 328,400       | (317,700)       | 10,700                                | 864,700       | (831,100)       | 44,300                 |
| MSF - MSHDA | Michigan Lighthouse Preservation Fund                     | 150,400                               | 146,600       | (200)           | 296,800                               | 307,500       | (300)           | 604,000                |
| MSF - MSHDA | MSHDA Fees & Charges                                      | 0                                     | 50,852,900    | (50,852,900)    | 0                                     | 68,214,700    | (68,214,700)    | 0                      |
| DTMB        | State Building Authority Revenue                          | 0                                     | 483,251       | (483,251)       | 0                                     | 510,000       | (510,000)       | 0                      |
| MDOT        | Commercial Corridor Fund                                  | 0                                     | 0             | 0               | 0                                     | 0             | 0               | 0                      |
| MDOT        | Comprehensive Transportation Fund <sup>15</sup>           | 14,793,500                            | 255,774,600   | (236,115,300)   | 34,452,800                            | 257,192,600   | (270,723,900)   | 20,921,500             |
| MDOT        | Michigan Transportation Fund                              | 0                                     | 1,858,160,500 | (1,858,160,500) | 0                                     | 1,868,483,000 | (1,868,483,000) | 0                      |
| MDOT        | State Aeronautics Fund                                    | 6,678,800                             | 12,176,000    | (11,160,600)    | 7,694,200                             | 22,358,000    | (27,895,800)    | 2,156,400              |
| MDOT        | State Trunkline Fund <sup>16</sup>                        | 0                                     | 750,606,400   | (750,606,400)   | 0                                     | 858,867,800   | (858,867,800)   | 0                      |
| Treasury    | Airport Parking Revenue                                   | 0                                     | 20,628,356    | (20,628,356)    | 0                                     | 20,361,775    | (20,361,775)    | 0                      |
| Treasury    | Beverage Container Redemption                             | 233,714                               | 0             | 0               | 233,714                               | 0             | (233,714)       | 0                      |
| Treasury    | Boy Scout Troops Fund <sup>17</sup>                       | 0                                     | 17,020        | (17,020)        | 0                                     | 0             | 0               | 0                      |
| Treasury    | Convention Facility Development Fund                      | 22,367,757                            | 75,751,553    | (74,698,670)    | 23,420,641                            | 74,850,000    | (74,850,000)    | 23,420,641             |
| Treasury    | Delinquent Tax Collection Revenue And Marcs <sup>17</sup> | 0                                     | 97,510,616    | (96,907,941)    | 0                                     | 113,425,300   | (113,425,300)   | 0                      |
| Treasury    | Emerg 911 Admin & Coord (State Police)                    | 0                                     | 479,417       | (479,417)       | 0                                     | 520,332       | (520,332)       | 0                      |
| Treasury    | Emerg 911 Dispatch Operations (State Police)              | 0                                     | 481,981       | (481,981)       | 0                                     | 523,196       | (523,196)       | 0                      |
| Treasury    | Emergency 911 - Counties                                  | 0                                     | 8,460,526     | (8,460,526)     | 0                                     | 9,450,000     | (9,450,000)     | 0                      |
| Treasury    | Emergency 911 - Counties Per Capita                       | 0                                     | 12,690,837    | (12,690,837)    | 0                                     | 14,175,000    | (14,175,000)    | 0                      |
| Treasury    | Emergency 911 - Local Exchange Providers Emergency 911    | 9,365,237                             | 2,200,000     | (8,531,066)     | 3,034,171                             | 2,200,000     | (1,200,000)     | 4,034,171              |
| Treasury    | Emergency 911 - PSAP Training <sup>18</sup>               | 1,705,818                             | 1,597,852     | (1,704,563)     | 1,599,108                             | 1,700,000     | (1,700,000)     | 1,599,108              |
| Treasury    | Emergency 911 Administration                              | 0                                     | 60,406        | (60,406)        | 0                                     | 75,000        | (75,000)        | 0                      |
| Treasury    | Escheats Revenue <sup>17</sup>                            | 0                                     | 7,599,160     | (5,345,234)     | 0                                     | 3,583,000     | (3,583,000)     | 0                      |
| Treasury    | Financial Institutions Services                           | 0                                     | 5,876,933     | (5,876,933)     | 0                                     | 0             | 0               | 0                      |
| Treasury    | Fiscal Agent Service Fees                                 | 0                                     | 49,047        | (49,047)        | 0                                     | 50,000        | (50,000)        | 0                      |
| Treasury    | Garnishment Fees <sup>17</sup>                            | 0                                     | 4,197,387     | (4,218,645)     | 0                                     | 2,321,300     | (2,321,300)     | 0                      |
| Treasury    | Girl Scout Troops Fund <sup>17</sup>                      | 0                                     | 57,923        | (57,923)        | 0                                     | 0             | 0               | 0                      |
| Treasury    | Health And Safety Fund                                    | (0)                                   | 520,067       | (520,067)       | 0                                     | 9,000,000     | (9,000,000)     | 0                      |
| Treasury    | Homeowner Protection Fund                                 | 0                                     | 97,209,500    | (35,000,000)    | 62,209,500                            | 0             | (30,700,000)    | 31,509,500             |
| Treasury    | Justice System Fund                                       | 299,369                               | 430,306       | (534,431)       | 195,244                               | 430,000       | (624,418)       | 826                    |
| Treasury    | Land Reutilization Fund                                   | 5,701,592                             | 3,714,088     | (1,209,026)     | 8,206,654                             | 1,100,000     | (3,000,000)     | 6,306,654              |
| Treasury    | Levy/Warrant Charges <sup>17</sup>                        | 0                                     | 1,561,445     | (1,561,445)     | 0                                     | 2,000,000     | (2,000,000)     | 0                      |

## STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

*Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.*

| Agency   | State Restricted Fund                             | Fiscal Year Ending September 30, 2012 |             |               | Fiscal Year Ending September 30, 2013 |             |               |                        |
|----------|---|---------------------------------------|-------------|---------------|---------------------------------------|-------------|---------------|------------------------|
|          |   | Available Fund Balance                | Revenue     | Expenditures  | Available Fund Balance                | Revenue     | Expenditures  | Available Fund Balance |
| Treasury | Michigan Finance Authority Revenue                | 0                                     | 2,655,163   | (2,655,163)   | 0                                     | 2,918,000   | (2,918,000)   | 0                      |
| Treasury | Michigan Merit Award Trust Fund                   | 56,100                                | 119,717,900 | (119,126,100) | 647,900                               | 209,932,600 | (143,374,000) | 67,206,500             |
| Treasury | Municipal Finance Fees                            | 0                                     | 431,833     | (431,833)     | 0                                     | 507,600     | (450,000)     | 57,600                 |
| Treasury | Nursing Scholarship Program                       | 321,806                               | 0           | 0             | 321,806                               | 0           | 0             | 321,806                |
| Treasury | Principal Residence Prop Tax Exemption Audit Fund | 4,497,692                             | 1,799,344   | (618,067)     | 5,678,970                             | 1,100,000   | (630,000)     | 6,148,970              |
| Treasury | Public-Private Partnership                        | 0                                     | 0           | 0             | 0                                     | 0           | 0             | 0                      |
| Treasury | Refined Petroleum Fund                            | 48,469                                | 0           | 0             | 48,469                                | 0           | 0             | 48,469                 |
| Treasury | School Bond Fees                                  | 100,237                               | 758,977     | (325,629)     | 533,585                               | 550,000     | (590,000)     | 493,585                |
| Treasury | School Bond Loan Repayments <sup>17</sup>         | 0                                     | 26,383,578  | (26,383,578)  | 0                                     | 5,000,000   | (5,000,000)   | 0                      |
| Treasury | Special Assessment Deferment                      | 0                                     | 0           | 0             | 0                                     | 0           | 0             | 0                      |
| Treasury | State Campaign Funds                              | 3,106,828                             | 897,995     | 0             | 4,004,823                             | 1,000,000   | 0             | 5,004,823              |
| Treasury | Tax Amnesty Revenue                               | 0                                     | 0           | 0             | 0                                     | 0           | 0             | 0                      |
| Treasury | Tobacco Tax Revenue                               | (0)                                   | 1,086,329   | (1,086,329)   | 0                                     | 1,101,200   | (1,101,200)   | 0                      |
| Treasury | Treasury Fees <sup>17</sup>                       | 0                                     | 1,246,827   | (1,246,827)   | 0                                     | 1,383,400   | (1,383,400)   | 0                      |
| Treasury | United Way Fund                                   | 385,089                               | 385,089     | 0             | 770,177                               | 0           | 0             | 770,177                |
| Treasury | United Way Fund <sup>17</sup>                     | 0                                     | 235,745     | (235,745)     | 0                                     | 0           | 0             | 0                      |

<sup>1</sup> MDARD - Restricted revenue carry forward for Migrant Labor Housing Fees will be carried forward in the Migrant Labor Housing Fund.

<sup>2</sup> Education - Carryforward for Local School District Service Fees effective in FY2013.

<sup>3</sup> Education - Tenant Rent fund eliminated in FY2012.

<sup>4</sup> DEQ - Above Ground Storage Tank Fund and the Underground Storage Tank Fund transferred to DLARA in FY2013.

<sup>5</sup> Judiciary - The Community Dispute Resolution Fund was originally set up in 1988 to collect revenues in one year and disburse them in the next.

<sup>6</sup> Judiciary - The amount available from the Court Fee Fund will depend on how much revenue the actuaries determine needs to be retained by the Judges Retirement System from amounts collected in the Civil Filing Fee Fund.

<sup>7</sup> Judiciary - If passed, HBs 5551 and 5552 would increase the mileage rate paid to jurors by \$0.10 per mile and reimburse court funding units for this cost from this fund, increasing the estimated expense by about \$780,000 per year.

<sup>8</sup> DLARA - Above Ground Storage Tank Fund and the Underground Storage Tank Fund transferred from DEQ in FY2013.

<sup>9</sup> DLARA - Beginning in FY2013, Contingent Fund, P&I fund will no longer be used.

<sup>10</sup> Lottery - Any balances remaining at year end laps to the School Aid Fund.

<sup>11</sup> DNR - Expenditures in the Michigan State Parks Endowment Fund include transfers to permanent investment corpus.

<sup>12</sup> MSF - For FYs 2012 and 2013, general fund appropriated for the Business Attraction & Community Revitalization Program has been included in the figures. MCL 125.2090b(3) requires all funds appropriated for the Business Attraction & Community Revitalization Program to be transferred to the 21<sup>st</sup> Century Jobs Trust Fund.

<sup>13</sup> MSF - Contingency Fund, P&I transferred to DLARA in FY2013.

<sup>14</sup> MSF - For FYs 2012 and 2013, general fund appropriated for the Film Incentive Program has been included in the figures. MCL 125.2029d(6) requires all funds appropriated for the Film Incentive Program to be transferred to the Michigan Film Promotion Fund.

<sup>15</sup> MDOT - For FY2013, the Comprehensive Transportation Fund expenditure figure includes a proposed fiscal year 2013 supplemental of \$5,396,600.

<sup>16</sup> MDOT - For FYs 2012 and 2013, the State Trunkline Fund includes revenues and expenditures of the Blue Water Bridge Fund, and the Transportation Economic Development Fund.

<sup>17</sup> Treasury - All fund balances lapse to the General Fund at year end.

<sup>18</sup> Treasury - Revenue in the Emergency 911 - PSAP Training fund is invested pursuant to MCL 12.259.



**FISCAL YEAR 2014 GOVERNOR'S RECOMMENDATION**

| DEPARTMENT/AGENCY                    | GROSS                   | IDG/IDT              | ADJUSTED GROSS          | FEDERAL                 | LOCAL                | PRIVATE              | STATE RESTRICTED        | GF/GP                  | STATE SPENDING FROM STATE SOURCES | PAYMENTS TO LOCALS      |
|--------------------------------------|-------------------------|----------------------|-------------------------|-------------------------|----------------------|----------------------|-------------------------|------------------------|-----------------------------------|-------------------------|
| Agriculture & Rural Development      | 76,993,300              | 524,300              | 76,469,000              | 9,720,900               | 0                    | 96,900               | 29,020,900              | 37,630,300             | 66,651,200                        | 3,500,000               |
| Attorney General                     | 89,306,900              | 27,355,500           | 61,951,400              | 9,838,200               | 0                    | 0                    | 17,631,900              | 34,481,300             | 52,113,200                        | 0                       |
| Civil Rights                         | 15,198,300              | 0                    | 15,198,300              | 2,690,200               | 0                    | 18,700               | 151,900                 | 12,337,500             | 12,489,400                        | 0                       |
| Community Health                     | 16,634,251,000          | 10,056,100           | 16,624,194,900          | 11,392,469,900          | 227,545,600          | 106,333,300          | 2,172,313,600           | 2,725,532,500          | 4,897,846,100                     | 1,227,734,500           |
| Corrections                          | 2,029,308,000           | 1,109,600            | 2,028,198,400           | 8,852,500               | 266,200              | 0                    | 56,026,100              | 1,963,053,600          | 2,019,079,700                     | 90,859,700              |
| Education                            | 318,888,400             | 0                    | 318,888,400             | 232,395,400             | 5,633,700            | 1,933,300            | 8,032,100               | 70,893,900             | 78,926,000                        | 10,312,300              |
| Environmental Quality                | 512,168,800             | 9,401,900            | 502,766,900             | 150,929,700             | 0                    | 541,800              | 322,190,900             | 29,104,500             | 351,295,400                       | 2,275,000               |
| Executive Office                     | 4,970,000               | 0                    | 4,970,000               | 0                       | 0                    | 0                    | 0                       | 4,970,000              | 4,970,000                         | 0                       |
| Human Services                       | 6,045,776,100           | 30,594,600           | 6,015,181,500           | 4,802,702,800           | 37,891,500           | 9,856,000            | 151,618,800             | 1,013,112,400          | 1,164,731,200                     | 95,422,200              |
| Judiciary                            | 285,316,200             | 2,350,500            | 282,965,700             | 5,343,900               | 7,133,100            | 931,500              | 86,115,900              | 183,441,300            | 269,557,200                       | 138,999,600             |
| Legislative Auditor General          | 20,554,400              | 5,092,100            | 15,462,300              | 0                       | 0                    | 0                    | 1,951,000               | 13,511,300             | 15,462,300                        | 0                       |
| Legislature                          | 123,819,300             | 0                    | 123,819,300             | 0                       | 0                    | 400,000              | 1,109,800               | 122,309,500            | 123,419,300                       | 0                       |
| Licensing and Regulatory Affairs     | 573,906,300             | 14,228,200           | 559,678,100             | 197,470,000             | 656,500              | 2,011,800            | 320,734,900             | 38,804,900             | 359,539,800                       | 26,917,500              |
| Military and Veterans Affairs        | 162,608,000             | 650,000              | 161,958,000             | 89,782,700              | 1,500,000            | 740,000              | 27,554,000              | 42,381,300             | 69,935,300                        | 120,000                 |
| Natural Resources                    | 354,388,900             | 1,412,300            | 352,976,600             | 67,127,300              | 0                    | 7,237,200            | 251,325,500             | 27,286,600             | 278,612,100                       | 11,689,400              |
| State                                | 219,548,900             | 20,000,000           | 199,548,900             | 1,810,000               | 0                    | 100                  | 182,485,400             | 15,253,400             | 197,738,800                       | 1,360,800               |
| State Police                         | 603,801,700             | 25,219,700           | 578,582,000             | 98,846,100              | 6,967,500            | 239,700              | 121,554,400             | 350,974,300            | 472,528,700                       | 15,537,600              |
| Technology, Management & Budget      | 927,404,600             | 677,159,800          | 250,244,800             | 8,790,900               | 1,320,800            | 190,400              | 92,625,900              | 147,316,800            | 239,942,700                       | 0                       |
| State Building Authority             | 258,570,600             | 0                    | 258,570,600             | 0                       | 0                    | 0                    | 0                       | 258,570,600            | 258,570,600                       | 0                       |
| Transportation                       | 4,574,787,600           | 3,625,100            | 4,571,162,500           | 1,198,885,500           | 50,177,100           | 100,000              | 3,321,999,900           | 0                      | 3,321,999,900                     | 1,228,928,100           |
| Treasury                             |                         |                      |                         |                         |                      |                      |                         |                        |                                   |                         |
| Operations                           | 495,797,200             | 9,130,000            | 486,667,200             | 39,410,400              | 1,959,500            | 22,000               | 362,772,000             | 82,503,300             | 445,275,300                       | 131,383,300             |
| Debt Service                         | 154,202,500             | 0                    | 154,202,500             | 0                       | 0                    | 0                    | 3,014,500               | 151,188,000            | 154,202,500                       | 0                       |
| Michigan Strategic Fund              | 1,000,613,900           | 0                    | 1,000,613,900           | 638,370,300             | 4,433,500            | 5,454,900            | 141,851,300             | 210,503,900            | 352,355,200                       | 15,224,800              |
| Revenue Sharing / Incentive Grants   | 1,123,150,200           | 0                    | 1,123,150,200           | 0                       | 0                    | 0                    | 1,123,150,200           | 0                      | 1,123,150,200                     | 1,123,150,200           |
| <b>Total - Non-Education Omnibus</b> | <b>\$36,605,331,100</b> | <b>\$637,909,700</b> | <b>\$35,767,421,400</b> | <b>\$18,955,436,700</b> | <b>\$345,485,000</b> | <b>\$136,107,600</b> | <b>\$8,795,230,900</b>  | <b>\$7,535,161,200</b> | <b>\$16,330,392,100</b>           | <b>\$4,123,415,000</b>  |
| Higher Education                     |                         |                      |                         |                         |                      |                      |                         |                        |                                   |                         |
| Community Colleges                   | 335,977,600             | 0                    | 335,977,600             | 0                       | 0                    | 0                    | 197,614,100             | 138,363,500            | 335,977,600                       | 335,977,600             |
| Universities & Financial Aid         | 1,430,573,500           | 0                    | 1,430,573,500           | 97,026,400              | 0                    | 0                    | 200,565,700             | 1,132,981,400          | 1,333,547,100                     | 0                       |
| School Aid                           | 13,235,234,800          | 0                    | 13,235,234,800          | 1,764,421,300           | 0                    | 0                    | 11,240,813,500          | 230,000,000            | 11,470,813,500                    | 11,309,030,900          |
| <b>Total - Education Omnibus</b>     | <b>\$15,001,785,900</b> | <b>\$0</b>           | <b>\$15,001,785,900</b> | <b>\$1,861,447,700</b>  | <b>\$0</b>           | <b>\$0</b>           | <b>\$11,638,993,300</b> | <b>\$1,501,344,900</b> | <b>\$13,140,338,200</b>           | <b>\$11,645,008,500</b> |
| <b>TOTAL SPENDING</b>                | <b>\$51,607,117,000</b> | <b>\$637,909,700</b> | <b>\$50,769,207,300</b> | <b>\$20,816,884,400</b> | <b>\$345,485,000</b> | <b>\$136,107,600</b> | <b>\$20,434,224,200</b> | <b>\$9,036,506,100</b> | <b>\$29,470,730,300</b>           | <b>\$15,768,423,500</b> |
| Budget Stabilization Fund            | 75,000,000              | 0                    | 75,000,000              | 0                       | 0                    | 0                    | 0                       | 75,000,000             | 75,000,000                        | 0                       |
| Michigan Health Savings Fund         | 103,000,000             | 0                    | 103,000,000             | 0                       | 0                    | 0                    | 0                       | 103,000,000            | 103,000,000                       | 0                       |
| <b>GRAND TOTAL</b>                   | <b>\$51,785,117,000</b> | <b>\$637,909,700</b> | <b>\$50,947,207,300</b> | <b>\$20,816,884,400</b> | <b>\$345,485,000</b> | <b>\$136,107,600</b> | <b>\$20,434,224,200</b> | <b>\$9,214,506,100</b> | <b>\$29,648,730,300</b>           | <b>\$15,768,423,500</b> |

Percentage of State Spending from State Sources as Payments to Local Units of Government 53.51%

FISCAL YEAR 2015 GOVERNOR'S RECOMMENDATION

| DEPARTMENT/AGENCY                    | GROSS                   | IDG/IDT              | ADJUSTED GROSS          | FEDERAL                 | LOCAL                | PRIVATE              | STATE RESTRICTED        | GF/GP                  | STATE SPENDING FROM STATE SOURCES | PAYMENTS TO LOCALS      |
|--------------------------------------|-------------------------|----------------------|-------------------------|-------------------------|----------------------|----------------------|-------------------------|------------------------|-----------------------------------|-------------------------|
| Agriculture & Rural Development      | 77,619,900              | 524,300              | 77,095,600              | 10,035,500              | 0                    | 117,600              | 29,241,400              | 37,701,100             | 66,942,500                        | 3,500,000               |
| Attorney General                     | 90,935,700              | 27,852,700           | 63,083,000              | 10,024,600              | 0                    | 0                    | 17,945,300              | 35,113,100             | 53,058,400                        | 0                       |
| Civil Rights                         | 15,491,700              | 0                    | 15,491,700              | 2,745,000               | 0                    | 18,700               | 151,900                 | 12,576,100             | 12,728,000                        | 0                       |
| Community Health                     | 17,478,248,000          | 10,056,100           | 17,468,191,900          | 12,225,389,200          | 227,545,600          | 106,333,300          | 2,173,463,200           | 2,735,460,600          | 4,908,923,800                     | 1,245,684,200           |
| Corrections                          | 2,049,016,200           | 1,123,900            | 2,047,892,300           | 8,950,700               | 268,200              | 0                    | 56,593,300              | 1,982,080,100          | 2,038,673,400                     | 90,859,700              |
| Education                            | 320,929,600             | 0                    | 320,929,600             | 233,319,700             | 5,690,000            | 1,933,300            | 8,155,500               | 71,831,100             | 79,986,600                        | 11,012,300              |
| Environmental Quality                | 514,655,900             | 9,401,900            | 505,254,000             | 150,929,700             | 0                    | 541,800              | 325,255,800             | 28,526,700             | 353,782,500                       | 2,275,000               |
| Executive Office                     | 4,970,000               | 0                    | 4,970,000               | 0                       | 0                    | 0                    | 0                       | 4,970,000              | 4,970,000                         | 0                       |
| Human Services                       | 6,058,088,400           | 30,594,600           | 6,027,493,800           | 4,805,562,500           | 37,891,500           | 9,856,000            | 151,618,800             | 1,022,565,000          | 1,174,183,800                     | 95,422,200              |
| Judiciary                            | 280,202,900             | 2,354,800            | 277,848,100             | 5,384,800               | 7,218,200            | 939,700              | 86,141,800              | 178,163,600            | 284,305,400                       | 132,599,600             |
| Legislative Auditor General          | 20,957,600              | 5,181,100            | 15,776,500              | 0                       | 0                    | 0                    | 1,985,100               | 13,791,400             | 15,776,500                        | 0                       |
| Legislature                          | 123,819,300             | 0                    | 123,819,300             | 0                       | 0                    | 400,000              | 1,109,800               | 122,309,500            | 123,419,300                       | 0                       |
| Licensing and Regulatory Affairs     | 562,222,900             | 14,228,200           | 567,994,700             | 198,557,800             | 656,500              | 2,011,800            | 327,416,900             | 39,351,700             | 366,768,600                       | 26,917,500              |
| Military and Veterans Affairs        | 160,553,500             | 650,000              | 159,903,500             | 91,341,900              | 1,500,000            | 740,000              | 27,554,000              | 38,767,600             | 66,321,600                        | 120,000                 |
| Natural Resources                    | 356,121,900             | 1,412,300            | 354,709,600             | 67,127,300              | 0                    | 7,237,200            | 255,441,100             | 24,904,000             | 280,345,100                       | 11,689,400              |
| State                                | 222,972,100             | 20,000,000           | 202,972,100             | 1,810,000               | 0                    | 100                  | 185,733,200             | 15,428,800             | 201,162,000                       | 1,360,800               |
| State Police                         | 611,984,700             | 25,692,200           | 586,292,500             | 99,422,200              | 7,004,200            | 245,600              | 123,656,600             | 355,963,900            | 479,620,500                       | 15,537,600              |
| Technology, Management & Budget      | 897,592,500             | 660,402,100          | 237,190,400             | 8,790,900               | 1,320,800            | 190,400              | 93,218,100              | 133,670,200            | 226,888,300                       | 0                       |
| State Building Authority             | 281,470,600             | 0                    | 281,470,600             | 0                       | 0                    | 0                    | 0                       | 281,470,600            | 281,470,600                       | 0                       |
| Transportation                       | 4,598,045,100           | 3,702,700            | 4,594,342,400           | 1,198,699,700           | 50,177,100           | 100,000              | 3,345,365,600           | 0                      | 3,345,365,600                     | 1,234,571,000           |
| Treasury                             |                         |                      |                         |                         |                      |                      |                         |                        |                                   |                         |
| Operations                           | 495,688,000             | 9,212,500            | 486,475,500             | 39,667,400              | 1,959,500            | 24,200               | 363,936,400             | 80,888,000             | 444,824,400                       | 157,329,900             |
| Debt Service                         | 164,241,800             | 0                    | 164,241,800             | 0                       | 0                    | 0                    | 3,014,500               | 161,227,300            | 164,241,800                       | 0                       |
| Michigan Strategic Fund              | 933,062,200             | 0                    | 933,062,200             | 639,070,100             | 4,433,500            | 5,501,800            | 142,779,400             | 141,277,400            | 284,056,800                       | 15,224,800              |
| Revenue Sharing / Incentive Grants   | 1,127,050,400           | 0                    | 1,127,050,400           | 0                       | 0                    | 0                    | 1,127,050,400           | 0                      | 1,127,050,400                     | 1,127,050,400           |
| <b>Total - Non-Education Omnibus</b> | <b>\$37,465,940,900</b> | <b>\$822,389,400</b> | <b>\$36,643,551,500</b> | <b>\$19,796,829,000</b> | <b>\$345,665,100</b> | <b>\$136,191,500</b> | <b>\$8,846,828,100</b>  | <b>\$7,518,037,800</b> | <b>\$16,364,865,900</b>           | <b>\$4,171,154,400</b>  |
| Higher Education                     |                         |                      |                         |                         |                      |                      |                         |                        |                                   |                         |
| Community Colleges                   | 352,277,600             | 0                    | 352,277,600             | 0                       | 0                    | 0                    | 197,614,100             | 154,663,500            | 352,277,600                       | 352,277,600             |
| Universities & Financial Aid         | 1,430,573,500           | 0                    | 1,430,573,500           | 97,026,400              | 0                    | 0                    | 200,565,700             | 1,132,981,400          | 1,333,547,100                     | 0                       |
| School Aid                           | 13,490,575,800          | 0                    | 13,490,575,800          | 1,764,421,300           | 0                    | 0                    | 11,493,154,500          | 233,000,000            | 11,726,154,500                    | 11,559,131,900          |
| <b>Total - Education Omnibus</b>     | <b>\$15,273,426,900</b> | <b>\$0</b>           | <b>\$15,273,426,900</b> | <b>\$1,861,447,700</b>  | <b>\$0</b>           | <b>\$0</b>           | <b>\$11,891,334,300</b> | <b>\$1,520,644,900</b> | <b>\$13,411,979,200</b>           | <b>\$11,911,409,500</b> |
| <b>TOTAL SPENDING</b>                | <b>\$52,739,367,800</b> | <b>\$822,389,400</b> | <b>\$51,916,978,400</b> | <b>\$21,658,276,700</b> | <b>\$345,665,100</b> | <b>\$136,191,500</b> | <b>\$20,738,162,400</b> | <b>\$9,038,682,700</b> | <b>\$29,776,845,100</b>           | <b>\$16,082,563,900</b> |
| Budget Stabilization Fund            | 150,000,000             | 0                    | 150,000,000             | 0                       | 0                    | 0                    | 0                       | 150,000,000            | 150,000,000                       | 0                       |
| Michigan Health Savings Fund         | 137,795,300             | 0                    | 137,795,300             | 0                       | 0                    | 0                    | 0                       | 137,795,300            | 137,795,300                       | 0                       |
| <b>GRAND TOTAL</b>                   | <b>\$53,027,163,100</b> | <b>\$822,389,400</b> | <b>\$52,204,773,700</b> | <b>\$21,658,276,700</b> | <b>\$345,665,100</b> | <b>\$136,191,500</b> | <b>\$20,738,162,400</b> | <b>\$9,326,478,000</b> | <b>\$30,064,640,400</b>           | <b>\$16,082,563,900</b> |

Percentage of State Spending from State Sources as Payments to Local Units of Government 54.01%

**GENERAL FUND/GENERAL PURPOSE**  
(\$ in Thousands)

| DEPARTMENT/AGENCY                    | FY13 Ongoing Current Law | FY13 One-Time Current Law | FY13 Total Current Law | FY14 Ongoing Governor's Recommendation | FY14 One-Time Governor's Recommendation | FY14 Total Governor's Recommendation | Difference FY14 Ongoing Governor's Rec. from FY13 Ongoing Current Law | % Change FY14 Ongoing Governor's Rec. from FY13 Ongoing Current Law | Difference FY14 Total Governor's Rec. from FY13 Total Current Law | % Change FY14 Total Governor's Rec. from FY13 Total Current Law |
|--------------------------------------|--------------------------|---------------------------|------------------------|--|---|--------------------------------------|---|---|---|---|
| Agriculture & Rural Development      | 33,863.6                 | 2,235.3                   | 36,098.9               | 37,030.3                               | 600.0                                   | 37,630.3                             | 3,166.7   | 9.4%  | 1,531.4   | 4.2%  |
| Attorney General                     | 33,432.5                 | 393.3                     | 33,825.8               | 34,481.3                               | 0.0                                     | 34,481.3                             | 1,048.8   | 3.1%  | 655.5   | 1.9%  |
| Civil Rights                         | 11,849.3                 | 104.3                     | 11,953.6               | 12,337.5                               | 0.0                                     | 12,337.5                             | 488.2   | 4.1%  | 383.9   | 3.2%  |
| Community Health                     | 2,802,091.3              | 15,346.5                  | 2,817,437.8            | 2,717,907.5                            | 7,625.0                                 | 2,725,532.5                          | (84,183.8)  | -3.0%   | (91,905.3)  | -3.3%   |
| Corrections                          | 1,927,482.3              | 14,003.3                  | 1,941,485.6            | 1,954,021.1                            | 9,032.5                                 | 1,963,053.6                          | 26,538.8  | 1.4%  | 21,568.0  | 1.1%  |
| Education                            | 67,929.1                 | 164.1                     | 68,093.2               | 70,893.9                               | 0.0                                     | 70,893.9                             | 2,964.8   | 4.4%  | 2,800.7   | 4.1%  |
| Environmental Quality                | 25,652.3                 | 4,160.1                   | 29,812.4               | 28,104.5                               | 1,000.0                                 | 29,104.5                             | 2,452.2   | 9.6%  | (707.9)   | -2.4%   |
| Executive Office                     | 4,829.2                  | 58.7                      | 4,887.9                | 4,970.0                                | 0.0                                     | 4,970.0                              | 140.8   | 2.9%  | 82.1  | 1.7%  |
| Human Services                       | 975,507.1                | 53,262.5                  | 1,028,769.6            | 1,011,072.8                            | 2,039.6                                 | 1,013,112.4                          | 35,565.7  | 3.6%  | (15,657.2)  | -1.5%   |
| Judiciary                            | 170,114.6                | 636.9                     | 170,751.5              | 176,941.3                              | 6,500.0                                 | 183,441.3                            | 6,826.7   | 4.0%  | 12,689.8  | 7.4%  |
| Legislative Auditor General          | 12,820.1                 | 184.8                     | 13,004.9               | 13,511.3                               | 0.0                                     | 13,511.3                             | 691.2   | 5.4%  | 506.4   | 3.9%  |
| Legislature                          | 109,412.7                | 0.0                       | 109,412.7              | 122,309.5                              | 0.0                                     | 122,309.5                            | 12,896.8  | 11.8%   | 12,896.8  | 11.8%   |
| Licensing and Regulatory Affairs     | 50,393.4                 | (13,448.2)                | 36,945.2               | 38,804.9                               | 0.0                                     | 38,804.9                             | (11,588.5)  | -23.0%  | 1,859.7   | 5.0%  |
| Military and Veterans Affairs        | 32,177.5                 | 6,055.9                   | 38,233.4               | 38,381.3                               | 4,000.0                                 | 42,381.3                             | 6,203.8   | 19.3%   | 4,147.9   | 10.8%   |
| Natural Resources                    | 17,641.7                 | 2,096.2                   | 19,737.9               | 24,686.6                               | 2,600.0                                 | 27,286.6                             | 7,044.9   | 39.9%   | 7,548.7   | 38.2%   |
| State                                | 13,853.2                 | 1,034.9                   | 14,888.1               | 15,253.4                               | 0.0                                     | 15,253.4                             | 1,400.2   | 10.1%   | 365.3   | 2.5%  |
| State Police                         | 312,654.9                | 4,858.9                   | 317,513.8              | 342,412.4                              | 8,561.9                                 | 350,974.3                            | 29,757.5  | 9.5%  | 33,460.5  | 10.5%   |
| Technology, Management & Budget      | 80,253.4                 | 21,792.2                  | 102,045.6              | 83,816.7                               | 16,500.1                                | 100,316.8                            | 3,563.3   | 4.4%  | (1,728.8)   | -1.7%   |
| Information Technology Investments   | 47,000.0                 | 0.0                       | 47,000.0               | 47,000.0                               | 0.0                                     | 47,000.0                             | 0.0   | 0.0%  | 0.0   | 0.0%  |
| State Building Authority             | 256,870.6                | 0.0                       | 256,870.6              | 258,570.6                              | 0.0                                     | 258,570.6                            | 1,700.0   | 0.7%  | 1,700.0   | 0.7%  |
| Transportation                       | 0.0                      | 23,000.0                  | 23,000.0               | 0.0                                    | 0.0                                     | 0.0                                  | 0.0   | 0.0%  | (23,000.0)  | -100.0%   |
| Treasury                             | 85,035.6                 | 26,258.9                  | 111,294.5              | 75,740.0                               | 6,763.3                                 | 82,503.3                             | (9,295.6)   | -10.9%  | (28,791.2)  | -25.9%  |
| Operations                           | 135,040.4                | 0.0                       | 135,040.4              | 151,188.0                              | 0.0                                     | 151,188.0                            | 16,147.6  | 12.0%   | 16,147.6  | 12.0%   |
| Debt Service                         | 123,360.7                | 50,140.9                  | 173,501.6              | 141,003.9                              | 69,500.0                                | 210,503.9                            | 17,643.2  | 14.3%   | 37,002.3  | 21.3%   |
| Michigan Strategic Fund              | 0.0                      | 0.0                       | 0.0                    | 0.0                                    | 0.0                                     | 0.0                                  | 0.0   | 0.0%  | 0.0   | 0.0%  |
| Revenue Sharing / Incentive Grants   | 0.0                      | 0.0                       | 0.0                    | 0.0                                    | 0.0                                     | 0.0                                  | 0.0   | 0.0%  | 0.0   | 0.0%  |
| <b>Total - Non-Education Omnibus</b> | <b>\$7,329,265.5</b>     | <b>\$212,339.5</b>        | <b>\$7,541,605.0</b>   | <b>\$7,400,438.8</b>                   | <b>\$134,722.4</b>                      | <b>\$7,535,161.2</b>                 | <b>\$71,173.3</b>   | <b>1.0%</b>   | <b>(\$6,443.8)</b>  | <b>-0.1%</b>  |
| Higher Education                     | 96,516.4                 | 0.0                       | 96,516.4               | 137,263.5                              | 1,100.0                                 | 138,363.5                            | 40,747.1  | 42.2%   | 41,847.1  | 43.4%   |
| Community Colleges                   | 1,101,628.3              | 0.0                       | 1,101,628.3            | 1,132,981.4                            | 0.0                                     | 1,132,981.4                          | 31,353.1  | 2.8%  | 31,353.1  | 2.8%  |
| Universities & Financial Aid         | 101,042.4                | 181,357.6                 | 282,400.0              | 180,000.0                              | 50,000.0                                | 230,000.0                            | 78,957.6  | 78.1%   | (52,400.0)  | -18.6%  |
| School Aid                           | \$1,299,187.1            | \$181,357.6               | \$1,480,544.7          | \$1,450,244.9                          | \$51,100.0                              | \$1,501,344.9                        | \$151,057.8   | 11.6%   | \$20,800.2  | 1.4%  |
| <b>TOTAL SPENDING</b>                | <b>\$8,628,452.6</b>     | <b>\$393,697.1</b>        | <b>\$9,022,149.7</b>   | <b>\$8,850,683.7</b>                   | <b>\$185,822.4</b>                      | <b>\$9,036,506.1</b>                 | <b>\$222,231.1</b>  | <b>2.6%</b>   | <b>\$14,356.4</b>   | <b>0.2%</b>   |
| Budget Stabilization Fund            | 0.0                      | 140,000.0                 | 140,000.0              | 0.0                                    | 75,000.0                                | 75,000.0                             | N/A   | N/A   | N/A   | N/A   |
| Michigan Health Savings Fund         | 0.0                      | 0.0                       | 0.0                    | 0.0                                    | 103,000.0                               | 103,000.0                            | N/A   | N/A   | N/A   | N/A   |
| <b>GRAND TOTAL</b>                   | <b>\$8,628,452.6</b>     | <b>\$533,697.1</b>        | <b>\$9,162,149.7</b>   | <b>\$8,850,683.7</b>                   | <b>\$363,822.4</b>                      | <b>\$9,214,506.1</b>                 |   |   |   |   |

**ALL FUNDS**  
(\$ in Thousands)

| DEPARTMENT/AGENCY                    | FY13 Ongoing Current Law | FY13 One-Time Current Law | FY13 Total Current Law | FY14 Ongoing Governor's Recommend | FY14 One-Time Governor's Recommend | FY14 Total Governor's Recommend | Difference FY14 Ongoing Governor's Rec. from FY13 Ongoing Current Law | % Change FY14 Ongoing Governor's Rec. from FY13 Ongoing Current Law | Difference FY14 Total Governor's Rec. from FY13 Total Current Law | % Change FY14 Total Governor's Rec. from FY13 Total Current Law |
|--------------------------------------|--------------------------|---------------------------|------------------------|-----------------------------------|------------------------------------|---------------------------------|---|---|---|---|
| Agriculture & Rural Development      | 74,482.7                 | 2,470.3                   | 76,953.0               | 76,393.3                          | 600.0                              | 76,993.3                        | 1,910.6   | 2.6%  | 40.3  | 0.1%  |
| Attorney General                     | 84,056.6                 | 1,025.9                   | 85,082.5               | 89,306.9                          | 0.0                                | 89,306.9                        | 5,250.3   | 6.2%  | 4,224.4   | 5.0%  |
| Civil Rights                         | 14,636.6                 | 128.9                     | 14,765.5               | 15,198.3                          | 0.0                                | 15,198.3                        | 561.7   | 3.8%  | 432.8   | 2.9%  |
| Community Health                     | 14,979,201.1             | 49,856.6                  | 15,029,057.7           | 16,610,626.0                      | 23,625.0                           | 16,634,251.0                    | 1,631,424.9   | 10.9%   | 1,605,193.3   | 10.7%   |
| Corrections                          | 1,986,560.5              | 31,955.4                  | 2,018,515.9            | 2,020,275.5                       | 9,032.5                            | 2,029,308.0                     | 33,715.0  | 1.7%  | 10,792.1  | 0.5%  |
| Education                            | 328,235.6                | 674.3                     | 328,909.9              | 318,888.4                         | 0.0                                | 318,888.4                       | (9,347.2)   | -2.8%   | (10,021.5)  | -3.0%   |
| Environmental Quality                | 425,880.7                | 6,149.2                   | 432,029.9              | 511,168.8                         | 1,000.0                            | 512,168.8                       | 85,288.1  | 20.0%   | 80,138.9  | 18.5%   |
| Executive Office                     | 4,829.2                  | 58.7                      | 4,887.9                | 4,970.0                           | 0.0                                | 4,970.0                         | 140.8   | 2.9%  | 82.1  | 1.7%  |
| Human Services                       | 6,478,390.3              | 225,703.4                 | 6,704,093.7            | 6,039,776.1                       | 6,000.0                            | 6,045,776.1                     | (438,614.2)   | -6.8%   | (658,317.6)   | -9.8%   |
| Judiciary                            | 272,932.9                | 827.2                     | 273,760.1              | 278,816.2                         | 6,500.0                            | 285,316.2                       | 5,883.3   | 2.2%  | 11,556.1  | 4.2%  |
| Legislative Auditor General          | 18,416.8                 | 270.9                     | 18,687.7               | 20,554.4                          | 0.0                                | 20,554.4                        | 2,137.6   | 11.6%   | 1,866.7   | 10.0%   |
| Legislature                          | 110,922.5                | 0.0                       | 110,922.5              | 123,819.3                         | 0.0                                | 123,819.3                       | 12,896.8  | 11.6%   | 12,896.8  | 11.6%   |
| Licensing and Regulatory Affairs     | 788,826.5                | (140,924.7)               | 647,901.8              | 573,906.3                         | 0.0                                | 573,906.3                       | (212,920.2)   | -27.1%  | (71,985.5)  | -11.1%  |
| Military and Veterans Affairs        | 165,465.7                | 6,607.9                   | 172,073.6              | 158,608.0                         | 4,000.0                            | 162,608.0                       | (6,857.7)   | -4.1%   | (9,465.6)   | -5.5%   |
| Natural Resources                    | 333,990.2                | 3,892.6                   | 337,882.8              | 351,788.9                         | 2,600.0                            | 354,388.9                       | 17,798.7  | 5.3%  | 16,506.1  | 4.9%  |
| State                                | 218,374.9                | 2,294.4                   | 220,669.3              | 219,548.9                         | 0.0                                | 219,548.9                       | (1,174.0)   | 0.5%  | (1,120.4)   | -0.5%   |
| State Police                         | 571,989.0                | 5,993.7                   | 577,982.7              | 595,239.8                         | 8,561.9                            | 603,801.7                       | 23,250.8  | 4.1%  | 25,819.0  | 4.5%  |
| Technology, Management & Budget      | 813,422.8                | 25,680.2                  | 839,103.0              | 842,604.5                         | 37,800.1                           | 880,404.6                       | 29,181.7  | 3.6%  | 41,301.6  | 4.9%  |
| Information Technology Investments   | 47,000.0                 | 0.0                       | 47,000.0               | 47,000.0                          | 0.0                                | 47,000.0                        | 0.0   | 0.0%  | 0.0   | 0.0%  |
| State Building Authority             | 256,870.6                | 0.0                       | 256,870.6              | 258,570.6                         | 0.0                                | 258,570.6                       | 1,700.0   | 0.7%  | 1,700.0   | 0.7%  |
| Transportation                       | 3,439,926.7              | 26,260.8                  | 3,466,187.5            | 4,574,787.6                       | 0.0                                | 4,574,787.6                     | 1,134,860.9   | 33.0%   | 1,108,600.1   | 32.0%   |
| Treasury                             |                          |                           |                        |                                   |                                    |                                 |   |   |   |   |
| Operations                           | 484,546.4                | 27,878.4                  | 512,424.8              | 486,033.9                         | 9,763.3                            | 495,797.2                       | 1,487.5   | 0.3%  | (16,627.6)  | -3.2%   |
| Debt Service                         | 140,554.9                | 0.0                       | 140,554.9              | 154,202.5                         | 0.0                                | 154,202.5                       | 13,647.6  | 9.7%  | 13,647.6  | 9.7%  |
| Michigan Strategic Fund              | 933,098.7                | 51,135.7                  | 984,234.4              | 931,113.9                         | 69,500.0                           | 1,000,613.9                     | (1,984.8)   | -0.2%   | 16,379.5  | 1.7%  |
| Revenue Sharing / Incentive Grants   | 1,076,096.3              | 20,000.0                  | 1,096,096.3            | 1,101,150.2                       | 22,000.0                           | 1,123,150.2                     | 25,053.9  | 2.3%  | 27,053.9  | 2.5%  |
| <b>Total - Non-Education Omnibus</b> | <b>\$34,046,708.2</b>    | <b>\$347,939.8</b>        | <b>\$34,394,648.0</b>  | <b>\$36,404,348.3</b>             | <b>\$200,982.8</b>                 | <b>\$36,605,331.1</b>           | <b>\$2,357,640.1</b>  | <b>6.9%</b>   | <b>\$2,210,683.1</b>  | <b>6.4%</b>   |
| Higher Education                     |                          |                           |                        |                                   |                                    |                                 |   |   |   |   |
| Community Colleges                   | 294,130.5                | 0.0                       | 294,130.5              | 334,877.6                         | 1,100.0                            | 335,977.6                       | 40,747.1  | 13.9%   | 41,847.1  | 14.2%   |
| Universities & Financial Aid         | 1,399,220.4              | 0.0                       | 1,399,220.4            | 1,430,573.5                       | 0.0                                | 1,430,573.5                     | 31,353.1  | 2.2%  | 31,353.1  | 2.2%  |
| School Aid                           | 12,750,228.5             | 194,458.5                 | 12,944,687.0           | 13,135,734.8                      | 99,500.0                           | 13,235,234.8                    | 385,506.3   | 3.0%  | 290,547.8   | 2.2%  |
| <b>Total - Education Omnibus</b>     | <b>\$14,443,579.4</b>    | <b>\$194,458.5</b>        | <b>\$14,638,037.9</b>  | <b>\$14,901,185.9</b>             | <b>\$100,600.0</b>                 | <b>\$15,001,785.9</b>           | <b>\$457,606.5</b>  | <b>3.2%</b>   | <b>\$363,748.0</b>  | <b>2.5%</b>   |
| <b>TOTAL SPENDING</b>                | <b>\$48,490,287.6</b>    | <b>\$542,398.3</b>        | <b>\$49,032,685.9</b>  | <b>\$51,305,534.2</b>             | <b>\$301,582.8</b>                 | <b>\$51,607,117.0</b>           | <b>\$2,815,246.6</b>  | <b>5.8%</b>   | <b>\$2,574,431.1</b>  | <b>5.3%</b>   |
| Budget Stabilization Fund            | 0.0                      | 140,000.0                 | 140,000.0              | 0.0                               | 75,000.0                           | 75,000.0                        | N/A   | N/A   | N/A   | N/A   |
| Michigan Health Savings Fund         | 0.0                      | 0.0                       | 0.0                    | 0.0                               | 103,000.0                          | 103,000.0                       | N/A   | N/A   | N/A   | N/A   |
| <b>GRAND TOTAL</b>                   | <b>\$48,490,287.6</b>    | <b>\$682,398.3</b>        | <b>\$49,172,685.9</b>  | <b>\$51,305,534.2</b>             | <b>\$479,582.8</b>                 | <b>\$51,785,117.0</b>           |   |   |   |   |

**HISTORICAL EXPENDITURES/APPROPRIATIONS  
GENERAL FUND/GENERAL PURPOSE**

| DEPARTMENT/AGENCY               | FY 2006 Expenditures   | FY 2007 Expenditures   | FY 2008 Expenditures   | FY 2009 Expenditures   | FY 2010 Expenditures   | FY 2011 Expenditures <sup>1</sup> | FY 2012 Expenditures   | FY 2013 Current Law    | FY 2014 Executive Recommendation | FY 2015 Executive Recommendation |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------------------|------------------------|------------------------|----------------------------------|----------------------------------|
| Agriculture & Rural Development | 28,642,137             | 28,830,541             | 31,343,641             | 28,789,293             | 29,491,886             | 28,743,091                        | 29,334,024             | 36,098,900             | 37,630,300                       | 37,701,100                       |
| Attorney General                | 32,301,451             | 30,339,022             | 31,479,029             | 30,402,847             | 28,431,484             | 26,606,307                        | 29,626,037             | 33,825,800             | 34,481,300                       | 35,113,100                       |
| Capital Outlay <sup>2</sup>     | 7,497,908              | 235,358,492            | 220,421,286            | 231,622,691            | 230,885,862            | 233,767,220                       | 242,888,624            | 0                      | 0                                | 0                                |
| Civil Rights                    | 12,073,552             | 11,445,430             | 11,771,161             | 11,573,335             | 9,788,744              | 9,975,018                         | 10,488,821             | 11,953,600             | 12,337,500                       | 12,576,100                       |
| Civil Service Commission        | 6,516,518              | 5,847,290              | 5,590,433              |                        |                        |                                   |                        |                        |                                  |                                  |
| Community Health                | 2,916,259,695          | 3,078,095,654          | 3,142,139,136          | 2,443,109,120          | 2,154,822,760          | 2,604,209,003                     | 2,743,204,694          | 2,817,437,800          | 2,725,532,500                    | 2,735,460,600                    |
| Corrections                     | 1,814,658,921          | 1,866,390,546          | 1,981,953,410          | 1,779,441,272          | 1,916,783,071          | 1,888,741,862                     | 1,907,802,511          | 1,941,485,600          | 1,963,053,600                    | 1,982,080,100                    |
| Education                       | 14,918,731             | 5,779,402              | 6,823,871              | 7,160,078              | 19,762,307             | 20,638,645                        | 64,105,162             | 68,093,200             | 70,893,900                       | 71,831,100                       |
| Environmental Quality           | 31,277,560             | 30,530,551             | 42,452,208             | 38,467,057             |                        | 24,315,317                        | 21,999,596             | 29,812,400             | 29,104,500                       | 28,526,700                       |
| Executive Office                | 5,311,867              | 5,134,346              | 5,170,371              | 4,977,867              | 4,676,391              | 4,512,135                         | 4,450,312              | 4,887,900              | 4,970,000                        | 4,970,000                        |
| Higher Education                |                        |                        |                        |                        |                        |                                   |                        |                        |                                  |                                  |
| Community Colleges              | 281,230,375            | 247,665,181            | 318,938,465            | 298,966,989            | 90,625,435             | 295,880,500                       | 24,251,100             | 96,516,400             | 138,363,500                      | 154,663,500                      |
| Colleges & Universities         | 1,576,725,602          | 1,364,791,330          | 1,670,704,215          | 1,543,724,474          | 1,456,640,500          | 1,482,260,600                     | 1,059,841,000          | 1,101,628,300          | 1,132,981,400                    | 1,132,981,400                    |
| Financial Aid                   |                        |                        |                        |                        | 3,540,273              | 3,728,248                         | 5,668,200              |                        |                                  |                                  |
| History, Arts and Libraries     | 41,846,792             | 38,330,469             | 38,773,711             | 38,426,890             | 48,074                 |                                   |                        |                        |                                  |                                  |
| Human Services                  | 1,166,359,327          | 1,220,343,336          | 1,314,675,746          | 1,188,617,890          | 861,872,475            | 915,603,770                       | 912,134,888            | 1,028,769,600          | 1,013,112,400                    | 1,022,565,000                    |
| Information Technology          | 0                      | 0                      | 0                      | 0                      |                        |                                   |                        |                        |                                  |                                  |
| Judiciary                       | 156,842,146            | 157,564,000            | 157,690,137            | 156,304,254            | 152,252,504            | 147,936,655                       | 155,575,743            | 170,751,500            | 183,441,300                      | 178,163,600                      |
| Legislative Auditor General     | 12,563,428             | 11,541,867             | 12,216,535             | 12,025,831             | 11,565,912             | 10,971,052                        | 11,596,857             | 13,004,900             | 13,511,300                       | 13,791,400                       |
| Legislature                     | 110,950,635            | 114,006,059            | 111,899,054            | 108,538,191            | 104,284,938            | 104,475,083                       | 108,466,494            | 109,412,700            | 122,309,500                      | 122,309,500                      |
| Licensing & Regulatory Affairs  | 42,921,148             | 39,992,165             | 44,318,727             | 59,316,473             | 45,288,641             | 55,545,202                        | 42,154,129             | 36,945,200             | 38,804,900                       | 39,351,700                       |
| Management and Budget           | 33,763,107             | 32,854,157             | 37,016,989             | 57,902,890             | 26,989,328             | 32,104,465                        | 134,963,992            | 173,501,600            | 210,503,900                      | 141,277,400                      |
| Michigan Strategic Fund         | 32,971,544             | 29,249,923             | 32,962,448             | 27,704,072             | 35,224,024             | 35,413,187                        | 37,768,897             | 38,233,400             | 42,381,300                       | 38,767,600                       |
| Military & Veterans Affairs     | 39,418,528             | 37,771,209             | 39,538,471             | 36,869,791             |                        | 15,417,740                        | 19,532,386             | 19,737,900             | 27,286,600                       | 24,904,000                       |
| Natural Resources               | 26,010,564             | 31,843,394             | 23,679,609             | 9,865,538              | 44,020,360             |                                   |                        |                        |                                  |                                  |
| Natural Resources & Environment |                        |                        |                        |                        |                        |                                   |                        |                        |                                  |                                  |
| School Aid                      | 62,713,844             | 34,109,532             | 29,126,951             | 76,510,604             | 28,262,286             | 18,642,400                        | 78,642,400             | 282,400,000            | 230,000,000                      | 233,000,000                      |
| State                           | 21,544,110             | 15,531,133             | 23,885,427             | 20,300,788             | 14,124,171             | 10,787,970                        | 11,256,158             | 14,888,100             | 15,253,400                       | 15,428,800                       |
| State Police                    | 243,487,021            | 241,551,378            | 271,105,385            | 172,035,648            | 264,327,716            | 256,730,273                       | 282,525,708            | 317,513,800            | 350,974,300                      | 355,963,900                      |
| Technology, Management & Budget |                        |                        |                        |                        | 56,583,746             | 48,153,388                        | 93,505,987             | 405,916,200            | 405,887,400                      | 415,140,800                      |
| Transportation                  | 0                      | 0                      | 0                      | 0                      | 0                      | 0                                 | 500,000                | 23,000,000             | 0                                | 0                                |
| Treasury                        | 482,693,722            | 266,451,630            | 163,095,232            | 73,223,720             | 53,230,719             | 48,524,329                        | 101,280,446            | 111,294,500            | 82,503,300                       | 80,888,000                       |
| Debt Service                    | 46,571,578             | 4,933,816              | 59,293,503             | 50,734,853             | 52,053,461             | 38,942,415                        | 122,504,551            | 135,040,400            | 151,188,000                      | 161,227,300                      |
| <b>Subtotal - Spending</b>      | <b>\$9,248,071,811</b> | <b>\$9,186,181,853</b> | <b>\$9,822,064,148</b> | <b>\$8,506,612,456</b> | <b>\$7,695,576,869</b> | <b>\$8,362,625,875</b>            | <b>\$8,256,068,717</b> | <b>\$9,022,149,700</b> | <b>\$9,036,506,100</b>           | <b>\$9,038,682,700</b>           |
| Budget Stabilization Fund       |                        |                        |                        |                        |                        |                                   | 362,700,000            | 140,000,000            | 75,000,000                       | 150,000,000                      |
| Michigan Health Savings Fund    |                        |                        |                        |                        |                        |                                   |                        |                        | 103,000,000                      | 137,795,300                      |
| <b>GRAND TOTAL</b>              | <b>\$9,248,071,811</b> | <b>\$9,186,181,853</b> | <b>\$9,822,064,148</b> | <b>\$8,506,612,456</b> | <b>\$7,695,576,869</b> | <b>\$8,362,625,875</b>            | <b>\$8,618,768,717</b> | <b>\$9,162,149,700</b> | <b>\$9,214,506,100</b>           | <b>\$9,326,478,000</b>           |

<sup>1</sup> The methodology was changed in FY 2011 to include the expenditures in the same location as the appropriation, with the exception of Capital Outlay.

<sup>2</sup> Capital Outlay includes all expenditures, regardless of agency.

<sup>3</sup> Amounts include ongoing and one-time spending.

**HISTORICAL EXPENDITURES/APPROPRIATIONS  
ALL FUNDS**

| DEPARTMENT/AGENCY               | FY 2006 Expenditures    | FY 2007 Expenditures    | FY 2008 Expenditures    | FY 2009 Expenditures    | FY 2010 Expenditures    | FY 2011 Expenditures <sup>1</sup> | FY 2012 Expenditures    | FY 2013 Current Law     | FY 2014 Executive Recommendation | FY 2015 Executive Recommendation |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------------------|-------------------------|-------------------------|----------------------------------|----------------------------------|
| Agriculture & Rural Development | 87,521,988              | 82,980,488              | 82,475,560              | 72,573,188              | 63,866,074              | 60,357,898                        | 63,635,690              | 76,953,000              | 76,993,300                       | 77,619,900                       |
| Attorney General                | 61,592,188              | 61,730,208              | 69,457,429              | 68,911,093              | 66,093,561              | 63,779,854                        | 71,392,106              | 85,082,500              | 89,306,900                       | 90,935,700                       |
| Capital Outlay <sup>2</sup>     | 214,551,440             | 445,175,806             | 383,270,768             | 405,112,519             | 376,350,577             | 1,257,740,111                     | 1,294,763,169           | 0                       | 0                                | 0                                |
| Civil Rights                    | 13,701,321              | 13,284,938              | 13,849,312              | 13,482,101              | 11,928,435              | 11,725,603                        | 12,776,536              | 14,765,500              | 15,198,300                       | 15,491,700                       |
| Civil Service Commission        | 28,593,540              | 27,761,202              | 27,082,507              |                         |                         |                                   |                         |                         |                                  |                                  |
| Community Health                | 10,310,266,349          | 11,089,797,821          | 11,954,835,930          | 12,829,679,832          | 13,548,360,093          | 14,381,932,451                    | 13,989,052,545          | 15,029,057,700          | 16,634,251,000                   | 17,478,248,000                   |
| Corrections                     | 1,896,846,849           | 1,953,418,931           | 2,063,635,854           | 2,038,941,638           | 2,000,642,848           | 1,933,028,040                     | 1,944,161,589           | 2,018,515,900           | 2,029,308,000                    | 2,049,016,200                    |
| Education                       | 88,110,788              | 59,925,870              | 61,927,616              | 64,566,200              | 82,724,729              | 126,415,700                       | 336,656,000             | 328,909,900             | 318,888,400                      | 320,929,600                      |
| Environmental Quality           | 282,013,558             | 205,009,588             | 219,067,682             | 204,037,900             | 4,676,391               | 196,626,820                       | 229,984,007             | 432,029,900             | 512,168,800                      | 514,655,900                      |
| Executive Office                | 5,311,867               | 5,134,346               | 5,170,371               | 4,977,867               |                         | 4,512,135                         | 4,450,312               | 4,887,900               | 4,970,000                        | 4,970,000                        |
| Higher Education                |                         |                         |                         |                         |                         |                                   |                         |                         |                                  |                                  |
| Community Colleges              | 281,230,375             | 247,865,181             | 318,938,465             | 298,966,989             | 299,025,435             | 295,880,500                       | 283,880,500             | 294,130,500             | 335,977,600                      | 352,277,600                      |
| Colleges & Universities         | 1,716,103,763           | 1,597,528,256           | 1,874,252,990           | 1,741,657,796           | 1,524,878,500           | 1,482,260,600                     | 1,259,860,500           | 1,399,220,400           | 1,430,573,500                    | 1,430,573,500                    |
| Financial Aid                   |                         |                         |                         |                         | 86,113,153              | 89,702,394                        | 90,732,411              |                         |                                  |                                  |
| History, Arts and Libraries     | 51,380,500              | 48,835,420              | 47,831,005              | 50,440,406              | 1,001,280               |                                   |                         |                         |                                  |                                  |
| Human Services                  | 4,360,299,152           | 4,464,518,972           | 4,621,555,720           | 5,325,801,517           | 6,047,030,889           | 6,316,482,364                     | 5,888,728,106           | 6,704,093,700           | 6,045,776,100                    | 6,058,088,400                    |
| Information Technology          | 347,635,573             | 341,692,415             | 366,097,470             | 372,435,920             | 236,616,084             | 234,695,153                       | 235,263,103             | 273,760,100             | 285,316,200                      | 280,202,900                      |
| Judiciary                       | 242,790,732             | 244,620,557             | 247,401,193             | 241,415,358             | 17,088,823              | 16,871,695                        | 17,848,101              | 18,687,700              | 20,554,400                       | 20,957,600                       |
| Legislative Auditor General     | 16,644,377              | 16,105,142              | 16,969,689              | 17,063,712              | 105,732,309             | 95,206,409                        | 107,747,770             | 110,922,500             | 123,819,300                      | 123,819,300                      |
| Legislature                     | 112,311,185             | 115,154,002             | 113,312,121             | 109,705,797             | 1,431,058,170           | 1,175,632,746                     | 636,709,235             | 645,901,800             | 573,906,300                      | 582,222,900                      |
| Licensing & Regulatory Affairs  | 1,109,855,068           | 1,140,472,553           | 1,181,354,299           | 1,367,643,100           | 175,288,360             | 189,777,421                       | 261,972,232             | 984,234,400             | 1,000,613,900                    | 933,062,200                      |
| Management and Budget           | 236,730,773             | 222,822,219             | 242,514,875             | 300,420,008             | 166,389,660             | 127,040,441                       | 133,404,046             | 172,073,600             | 162,608,000                      | 160,563,500                      |
| Michigan Strategic Fund         | 176,594,595             | 139,342,844             | 158,448,175             | 168,184,761             | 483,548,507             |                                   |                         |                         |                                  |                                  |
| Military & Veterans Affairs     | 114,935,779             | 116,166,538             | 147,170,057             | 156,993,535             | 166,389,660             | 267,370,342                       | 281,690,687             | 337,882,800             | 354,388,900                      | 356,121,900                      |
| Natural Resources               | 267,054,421             | 306,730,929             | 274,073,772             | 258,679,524             |                         |                                   |                         |                         |                                  |                                  |
| Natural Resources & Environment |                         |                         |                         |                         | 483,548,507             |                                   |                         |                         |                                  |                                  |
| School Aid                      | 12,680,980,599          | 12,721,059,000          | 12,790,183,678          | 13,135,762,870          | 13,053,072,521          | 13,290,024,000                    | 12,720,665,000          | 12,944,687,000          | 13,235,234,800                   | 13,490,575,800                   |
| State                           | 233,886,011             | 196,183,845             | 190,588,425             | 187,562,850             | 188,863,841             | 177,250,135                       | 185,618,877             | 220,669,300             | 219,548,900                      | 222,972,100                      |
| State Police                    | 493,560,238             | 457,997,146             | 489,853,718             | 483,784,727             | 497,788,945             | 478,070,870                       | 509,206,726             | 577,982,700             | 603,801,700                      | 611,984,700                      |
| Technology, Management & Budget |                         |                         |                         |                         | 682,314,465             | 636,250,100                       | 706,358,442             | 1,142,973,600           | 1,185,975,200                    | 1,179,063,100                    |
| Transportation                  | 2,940,680,294           | 2,779,953,122           | 2,844,829,778           | 2,893,590,954           | 3,219,334,134           | 2,993,748,007                     | 2,928,085,528           | 3,466,187,500           | 4,574,787,600                    | 4,598,045,100                    |
| Treasury                        | 2,872,469,250           | 2,745,568,191           | 2,679,180,140           | 2,639,763,225           | 2,938,885,967           | 2,993,283,028                     | 2,714,216,958           | 1,608,521,100           | 1,618,947,400                    | 1,622,738,400                    |
| Debt Service                    | 82,686,078              | 98,748,316              | 77,208,003              | 66,249,353              | 67,567,961              | 54,456,915                        | 138,019,051             | 140,554,900             | 154,202,500                      | 164,241,800                      |
| <b>Subtotal - Spending</b>      | <b>\$41,326,338,653</b> | <b>\$41,945,183,846</b> | <b>\$43,562,546,601</b> | <b>\$45,518,414,742</b> | <b>\$47,376,241,713</b> | <b>\$48,950,121,732</b>           | <b>\$47,046,859,227</b> | <b>\$49,032,685,900</b> | <b>\$51,607,117,000</b>          | <b>\$52,739,367,800</b>          |
| Budget Stabilization Fund       |                         |                         |                         |                         |                         |                                   | 362,700,000             | 140,000,000             | 75,000,000                       | 150,000,000                      |
| Michigan Health Savings Fund    |                         |                         |                         |                         |                         |                                   |                         |                         | 103,000,000                      | 137,795,300                      |
| <b>GRAND TOTAL</b>              | <b>\$41,326,338,653</b> | <b>\$41,945,183,846</b> | <b>\$43,562,546,601</b> | <b>\$45,518,414,742</b> | <b>\$47,376,241,713</b> | <b>\$48,950,121,732</b>           | <b>\$47,409,559,227</b> | <b>\$49,172,685,900</b> | <b>\$51,785,117,000</b>          | <b>\$53,027,163,100</b>          |

<sup>1</sup> The methodology was changed in FY 2011 to include the expenditures in the same location as the appropriation, with the exception of Capital Outlay.

<sup>2</sup> Capital Outlay includes all expenditures, regardless of agency.

<sup>3</sup> Amounts include ongoing and one-time spending.



**Summary**  
**Michigan State Classified Service**  
**Fiscal Year 2014**  
**(10/1/2013 - 9/30/2014)**

|  | A-02<br>MSEA<br>Saf. & Reg. <sup>1</sup> | A-31<br>MSEA<br>Labor &<br>Trades <sup>1</sup> | C-12<br>MCO<br>Security <sup>1</sup> | E-42<br>SEIU 517M<br>Human Sv.<br>Support <sup>1</sup> | H-21<br>SEIU 517M<br>Scientific &<br>Engineering <sup>1</sup> | L-32<br>SEIU 517M<br>Technical <sup>1</sup> | T-01<br>MSPTA<br>State Police<br>Enlisted <sup>1</sup> | U-11<br>AFSCME<br>Institutional <sup>1</sup> | W-22<br>UAW<br>Human Sv. <sup>1</sup> | W-41<br>UAW<br>Admin. Supt. <sup>1</sup> | MSC's<br>&<br>NEREs <sup>2</sup> | TOTAL<br>ALL<br>UNITS |
|--|--|--|--------------------------------------|--|---|---|--|--|---------------------------------------|--|----------------------------------|-----------------------|
| <sup>3</sup> Number of FTEs                              | 1,168                                    | 1,913  | 6,929                                | 685  | 2,090   | 831   | 1,507  | 1,857  | 10,733                                | 5,834                                    | 14,005                           | 47,552                |
| <sup>3</sup> Avg. Hourly Salary - 12/22/12               | \$ 25.41                                 | \$ 22.94                                       | \$ 23.95                             | \$ 23.57   | \$ 32.81  | \$ 24.77                                    | \$ 30.16   | \$ 20.28                                     | \$ 25.54                              | \$ 20.88                                 | \$ 33.72                         | \$ 27.26              |
| Base Pay Adjustments for FY 2014                         |  |  |                                      |  |   |   |  |  |                                       |  |                                  |                       |
| Base Pay Increase 10/01/13                               | \$ -                                     | \$ -   | \$ -                                 | \$ -   | \$ -  | \$ -  | \$ -   | \$ -   | \$ -                                  | \$ -                                     | \$ -                             | \$ -                  |
| Additional Roll-up Cost Resulting from Base Pay Increase |  |  |                                      |  |   |   |  |  |                                       |  |                                  |                       |
| <sup>4</sup> FICA/Ret./OERC Blended Rates                | 56.66%                                   | 56.88%   | 57.11%                               | 56.66%   | 56.53%  | 56.44%                                      | 75.26%   | 56.92%                                       | 56.77%                                | 56.62%                                   | 56.51%                           |                       |
| FICA/Ret./OERC on Base Wage Increase                     | \$ -                                     | \$ -   | \$ -                                 | \$ -   | \$ -  | \$ -  | \$ -   | \$ -   | \$ -                                  | \$ -                                     | \$ 5,572,197                     |                       |
| <sup>5</sup> Life Insurance Increase                     | \$ -                                     | \$ -   | \$ -                                 | \$ -   | \$ -  | \$ -  | \$ -   | \$ -   | \$ -                                  | \$ -                                     | \$ 107,677                       |                       |
| <sup>6</sup> Long Term Disability Increase               | \$ -                                     | \$ -   | \$ -                                 | \$ -   | \$ -  | \$ -  | \$ -   | \$ -   | \$ -                                  | \$ -                                     | \$ 90,717                        |                       |
| <sup>7</sup> Overtime Increase                           | \$ -                                     | \$ -   | \$ -                                 | \$ -   | \$ -  | \$ -  | \$ -   | \$ -   | \$ -                                  | \$ -                                     | \$ 103,484                       |                       |
| <sup>8</sup> Shift Differential Increase                 | \$ -                                     | \$ -   | \$ -                                 | \$ -   | \$ -  | \$ -  | \$ -   | \$ -   | \$ -                                  | \$ -                                     | \$ 17,810                        |                       |
| FICA/Ret./OERC on OT and Shift Diff. Inc.                | \$ -                                     | \$ -   | \$ -                                 | \$ -   | \$ -  | \$ -  | \$ -   | \$ -   | \$ -                                  | \$ -                                     | \$ 68,543                        |                       |
| <b>FY 2014 ATB Cost Increase</b>                         | <b>\$ -</b>                              | <b>\$ -</b>                                    | <b>\$ -</b>                          | <b>\$ -</b>  | <b>\$ -</b>   | <b>\$ -</b>                                 | <b>\$ -</b>  | <b>\$ -</b>                                  | <b>\$ -</b>                           | <b>\$ -</b>                              | <b>\$ 15,820,979</b>             | <b>\$ 15,820,979</b>  |
| Lump Sum Adjustments for FY 2014                         |  |  |                                      |  |   |   |  |  |                                       |  |                                  |                       |
| <sup>9</sup> Lump Sum payment 10/2/2013                  | \$ 619,695                               | \$ 916,303                                     | \$ 3,465,027                         | \$ 337,117   | \$ 1,431,802  | \$ 429,791                                  | \$ 949,019   | \$ 786,340                                   | \$ 5,723,643                          | \$ 2,543,475                             | \$ -                             | \$ 17,202,211         |
| FICA/Ret./OERC on Lump Sums                              | \$ 351,119                               | \$ 521,193                                     | \$ 1,978,877                         | \$ 191,010   | \$ 809,398  | \$ 242,574                                  | \$ 714,232   | \$ 447,585                                   | \$ 3,249,312                          | \$ 1,440,115                             | \$ -                             | \$ 9,945,415          |
| <b>FY2014 Compensation Increases</b>                     | <b>\$ 970,814</b>                        | <b>\$ 1,437,495</b>                            | <b>\$ 5,443,903</b>                  | <b>\$ 528,127</b>                                      | <b>\$ 2,241,200</b>   | <b>\$ 672,365</b>                           | <b>\$ 1,663,251</b>                                    | <b>\$ 1,233,925</b>                          | <b>\$ 8,972,955</b>                   | <b>\$ 3,983,590</b>                      | <b>\$ 15,820,979</b>             | <b>\$ 42,968,605</b>  |

<sup>1</sup> No base wage changes are scheduled.

<sup>2</sup> A 1% base wage increase is scheduled to be received in FY14 on 10/1/13.

<sup>3</sup> Business Objects HR Human Resource System count and wage average of classified employees under status code of AA, AB, AC, AD, AE & AP as of 12/22/2012.

<sup>4</sup> FICA/RET/OERC rates for FY 2013 provided by SBO. Unit rates are weighted by enrollment in each retirement code via Business Objects HR Human Resource System count of classified employees under status code of AA, AB, AC, AD, AE & AP as of 12/22/2012.

<sup>5</sup> Life insurance increase on incremental cost increase. Annual \$5.46 per \$1000 of extra coverage (FY 2013 rate).

<sup>6</sup> FY 2013 rate - (Increase/100)\*.92.

<sup>7</sup> Based on FY 2012 overtime amount with FY13 (+1%) - Comptroller Object Codes 3050, 3055, 3060, 3070, 3075, 3080, 3110, 3115, 3120.

<sup>8</sup> Business Objects HR Human Resource System FY 2012 shift differential hours of classified employees under status code of AA, AB, AC, AD, AE & AP.

<sup>9</sup> A 1% lump sum payment is scheduled to be received in FY14 on 10/2/13 except for NEREs, they are not scheduled to receive a lump sum payment.



**LEGISLATION NEEDED TO IMPLEMENT FISCAL YEAR 2014  
BUDGET RECOMMENDATION**

| <b>DEPARTMENT</b>                        | <b>PURPOSE</b>                                  | <b>MICHIGAN COMPILED LAW (MCL) BEING AMENDED</b>  |
|--|---|---|
| <b>Agriculture and Rural Development</b> | Amend Farmland Preservation Fund                | MCL 324.36202   |
| <b>Community Health</b>                  | Amend Health Insurance Claims Assessment Tax    | MCL 550.1731 –<br>MCL 550.1741  |
|  | Amend Social Welfare Act for Medicaid Expansion | MCL 400.106   |
|  | Emergency Medical Services Program Fee Proposal | MCL 333.20910;<br>MCL 333.20912;<br>MCL 333.20918;<br>MCL 333.20920;<br>MCL 333.20923;<br>MCL 333.20926;<br>MCL 333.20929;<br>MCL 333.20931;<br>MCL 333.20934;<br>MCL 333.20936;<br>MCL 333.20941;<br>MCL 333.20945;<br>MCL 333.20950;<br>MCL 333.20954;<br>MCL 333.20958 |
|  | Certificate of Need Fee Proposal                | MCL 333.20161   |
|  | State Vital Records Fee Proposal                | MCL 333.2891  |
|  | Amend Tobacco Products Tax Act                  | MCL 205.432   |
|  | <b>Corrections</b>                              | Eliminate Sunset Related to Retired Corrections Officers  |

**LEGISLATION NEEDED TO IMPLEMENT FISCAL YEAR 2014  
BUDGET RECOMMENDATION**

| <b>DEPARTMENT</b>                        | <b>PURPOSE</b>   | <b>MICHIGAN COMPILED LAW (MCL) BEING AMENDED</b>   |
|--|--|--|
| <b>Environmental Quality</b>             | Solid Waste Program Sunset Extension   | MCL 324.11525a   |
|  | Hazardous Waste Fee Proposal   | MCL 324.11130;<br>MCL 324.11132a;<br>MCL 324.11135;<br>MCL 324.11143;<br>MCL 324.11145;<br>MCL 324.11151;<br>MCL 324.11153 |
| <b>Higher Education</b>                  | Codify Tuition Incentive Program   | New MCLs<br>MCL 390.XXX  |
| <b>Licensing and Regulatory Affairs</b>  | Amend Low Income Energy Assistance Program   | MCL 460.9  |
| <b>Michigan Strategic Fund</b>           | Amend Michigan Strategic Fund Act  | MCL 125.2088b  |
| <b>Natural Resources</b>                 | Amend Natural Resources and Environmental Protection Act for Hunting and Fishing Licenses Fee Proposal | MCL 324.43501 –<br>MCL 324.43561   |
|  | Amend Natural Resources and Environmental Protection Act for Off-Road Vehicle Fee Proposal             | MCL 324.81116  |
| <b>State Police</b>                      | Amend Emergency Management Act to Create the Disaster and Emergency Contingency Fund                   | MCL 30.418;<br>MCL 30.419  |
| <b>Technology, Management and Budget</b> | Amend Management and Budget Act to Create the Michigan Health Savings Fund                             | New MCLs<br>MCL 18.XXX   |

**LEGISLATION NEEDED TO IMPLEMENT FISCAL YEAR 2014  
BUDGET RECOMMENDATION**

| <b>DEPARTMENT</b>     | <b>PURPOSE</b>  | <b>MICHIGAN COMPILED LAW (MCL) BEING AMENDED</b> |
|-----------------------|---|--|
| <b>Transportation</b> | Amend State Trunkline Highway System                      | MCL 247.651 –<br>MCL 247.675                     |
|                       | Repeal Transportation Economic Development Fund Act       | MCL 247.902;<br>MCL 247.914                      |
|                       | Amend Michigan Vehicle Code                               | MCL 257.801 –<br>MCL 257.819                     |
|                       | Amend Motor Fuel Tax Act                                  | MCL 207.1002 –<br>MCL 207.1163                   |
|                       | Amend Motor Carrier Fuel Tax Act                          | MCL 207.212 –<br>MCL 207.216a                    |
|                       | Amend the Aeronautics Code                                | MCL 259.77                                       |
| <b>Treasury</b>       | Eliminate Sunset for Emergency 9-1-1 Service Enabling Act | MCL 484.1408(6)                                  |

