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## **Governor's proposed FY 2013 budget strategically invests in state's future**

*Key priorities funded while fiscal discipline maintained*

LANSING, Mich. – Gov. Rick Snyder today presented to the Legislature his recommended fiscal year 2013 state budget, which is structurally balanced and makes strategic investments in priorities such as education, health and human services, job growth, public safety and infrastructure.

The governor also offered a 2014 projected budget to help policymakers with long-range planning.

“Successfully reinventing Michigan demands that we make thoughtful, strategic and long-term investments in our state that deliver real results for real people,” Snyder said. “This budget is the platform for creating an environment conducive to job growth, protecting our most vulnerable residents and ensuring that our children have bright futures with boundless opportunities. We look forward to a constructive dialogue with our legislative partners as we build a stronger state. This is about working – and winning – together. It’s what Michigan does best and it’s why our blueprint for success is becoming a national model.”

Lt. Gov. Brian Calley and state Budget Director John Nixon joined Snyder in outlining the plan during a joint session of the House and Senate appropriations committees.

“Michigan’s hard work and shared sacrifices are paying off,” Calley said. “The foundation of fiscal discipline and tax fairness on which we built the current-year budget now allows us to focus on better customer service and a more accountable government. We will keep Michigan’s positive momentum driving forward while maintaining our commitment to ensuring that taxpayers receive value for their money.”

Highlights of the recommended budget include:

### **General**

- A total of \$48.2 billion in state and federal revenue sources.
- More than 75 percent is devoted to education, health and human services.

## **Agriculture**

- An additional \$1 million to complete 5,000 verifications under the Michigan Agriculture Environmental Assurance program, which encourages farm practices that are environmentally friendly and economically sustainable.
- \$500,000 to develop and implement preventative food safety measures, including supporting the new U.S. Food and Drug Administration's Food Safety Modernization Act requirements.

## **Arts and Culture**

- An additional \$3.6 million for arts and culture.

## **Children and Families**

- Improving dental care and oral health outcomes for children, with \$25 million invested to expand the Healthy Kids Dental Program, broadening the effort to ensure that children in rural areas receive good dental care.
- Expanding Medicaid and MICHild coverage to include the treatment of Autism Spectrum Disorders for children under age 6, with \$34.1 million in funding for the diagnosis and treatment of autism.
- Funding to enhance child welfare services for abused and neglected children to keep children safe in their own homes and, when necessary, support alternative living arrangements including foster care and adoption.
- Increasing the rate paid to foster parents and adoptive parents by \$3 per day to pay for basic living expenses for foster and adopted children, encouraging and supporting permanent placements, and aiding the recruitment of foster and adoptive parents.

## **Economic and Talent Development**

- A total of \$195 million in funding for the Michigan Economic Development Corp. to continue economic gardening to help local businesses grow, with \$25 million in funding for film credits.
- Enhancements to Pure Michigan Talent Connect, the new online tool ensuring Michigan's economic development and talent enhancement are occurring in tandem, with \$15 million in ongoing funding to secure employment and training for the structurally unemployed.

## **Education**

- Preparing our children for success in this global economy is a priority. The total recommended budget adds \$113 million into education when compared to the 2012 budget.
- A total of \$120 million for school districts that meet five of six best practices, which include publishing a "dashboard"; serving as a policyholder for health benefits; participation in schools of choice; monitoring student growth in each subject area at least twice a year; offering dual enrollment, Advanced Placement courses, participating in a middle college, or offering other post-secondary learning opportunities; and offering online or blended learning.

- A total of \$70 million for performance funding centered on student growth. Performance criteria must be met in the areas of mathematics in grades 3-8, reading in grades 3-8, and all high school subject areas.

### **Environment**

- An additional \$10 million contamination cleanup at leaking underground storage tank sites.
- An additional \$725,000 to administer a new grant program and an expanded loan program that will encourage critical investments in large sewer system improvement projects.

### **Fiscal Responsibility**

- A strong show of fiscal responsibility by depositing \$130 million in the Budget Stabilization Fund to build up reserves for a rainy day.
- An ongoing investment of \$25 million (\$15 million in ongoing funding and \$10 million in one-time funding) to address deterioration and maintenance issues in state-owned and managed buildings, addressing the need now rather than creating future liability through bonding for maintenance.

### **Good Government**

- A new financial health dashboard available at [www.michigan.gov/openmichigan](http://www.michigan.gov/openmichigan).
- Continued best practices that achieve value for money for taxpayers, including \$210 million for the Economic Vitality Incentive Program and \$125.6 million for a new incentive-based program for counties.

### **Higher Education**

- Funding increases of 3 percent for both community colleges and universities, based on new distribution formulas. For community colleges, funding will be distributed based on their share of the total number of certificate and associate degree completions in critical skill areas. For universities, funding will be distributed based on four metrics: the growth in the number of undergraduate degree completions, the number of undergraduate completions in critical skills areas, the number of undergraduate Pell Grant recipients, and compliance with tuition restraint.
- Additional support of Michigan's universities and community colleges by advancing 18 capital outlay construction projects previously approved for planning by the Legislature, with reforms that will assist in strategically aligning capital investments with statewide economic development goals while streamlining the approval process.

### **Public Safety**

- Strong investments in public safety to include funding of \$164.7 million for the Department of Military and Veterans Affairs and \$567.6 million for the Michigan State Police, including \$55.7 million in funding for Military Preparedness for the Michigan National Guard and funding for core state police programs such as road patrol, motor carrier enforcement, and investigative services. This is a 16-percent increase in funding over the current year.
- An additional \$15 million in general fund for law enforcement enhancement, which will be further detailed in the governor's upcoming March 2012 Special Message on Public Safety.

- \$5 million to implement a summer initiative for at-risk youth with an emphasis in Pontiac, Flint, Saginaw and Detroit. The program will expose youths to positive after-school activities that allow them to experience constructive alternatives to going down the wrong path in life. Details of the program will be defined in the governor's upcoming Special Message on Public Safety.

### **Roads**

- Addressing Michigan's deteriorating transportation infrastructure with \$119 million in general fund revenues to ensure the full match of all federal highway and transit aid available in fiscal year 2013. This is the largest general fund amount ever included in the transportation budget.

### **Vulnerable Residents**

- Establishing the new Home Heating Assistance for the Vulnerable program as a permanent source of funding for heating assistance for the poor. It is funded by \$60 million in revenue generated from gas and electric utility rates.
- In support of seniors and people with disabilities, \$14.1 million is recommended to reduce the waiting list for the MIChoice Home and Community Based Waiver Program. This increased support allows individuals to receive needed services while honoring their preference to remain in their homes or communities, and supports transitions from nursing homes.

### **Technology**

- Investing \$50 million in ongoing funding for technology upgrades and automation opportunities that will address the risks associated with outdated technology applications and improve efficiency in state government.

“The good news is we are no longer in crisis management,” Nixon said. “We were able to develop this budget focused on making strategic investments in our future because we are now on solid financial footing.”

The Snyder administration will now work in partnership with the members of the Michigan House and Senate to enact the budget. The state's new fiscal year begins Oct. 1.

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*Copies of the governor's recommended budget and related material are available at [www.michigan.gov/budget](http://www.michigan.gov/budget).*