

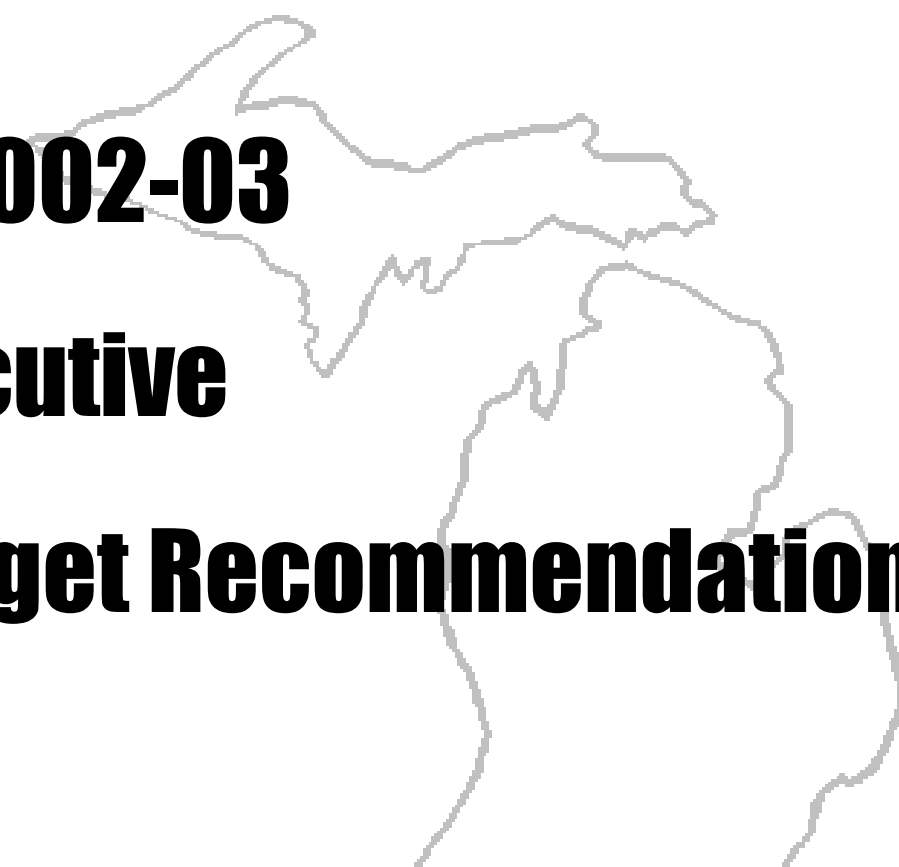
Preliminary Review

of the

FY 2002-03

Executive

Budget Recommendation



Mitchell E. Bean, Director
February 11, 2002

This preliminary review of the Executive Budget Recommendation for FY 2002-03 includes:

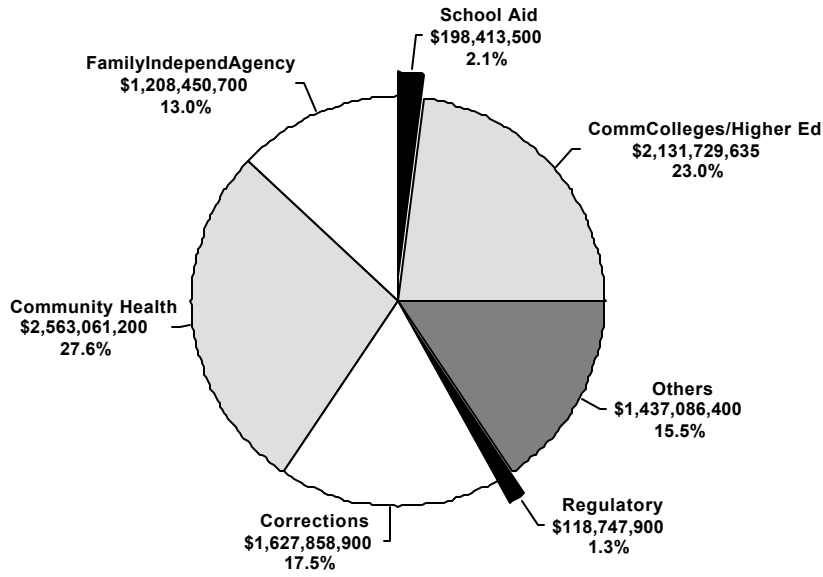
- Bullet-point outline of major features and changes proposed in the FY 2002-03 Executive Recommendation
- Charts:
 - T Comparison of sources of Adjusted Gross funds for FY 2001-02 Year-to-Date and Executive Recommendation for FY 2002-03
 - T Distribution of Adjusted Gross and GF/GP funds for FY 2002-03 Executive Recommendation
- Overview of resources used in Executive Recommendation
- Tables summarizing the FY 2002-03 Executive Recommendation by department and major budget area:
 - T Table 1 Source of Funds
 - T Table 2 Comparison of Adjusted Gross Appropriations
 - T Table 3 Comparison of GF/GP Appropriations
 - T Table 4 Comparison of Full-Time Equated Positions
 - T Table 5 State Spending from State Sources Paid to Local Governments
- A list of House Fiscal Agency staff, noting Fiscal Analysts' specific budget assignments

The House Fiscal Agency's Review and Analysis of the Governor's FY 2002-03 Budget Proposal will be available in approximately two weeks. The Review and Analysis will contain a detailed analysis and discussion, by budget area, of major budget and boilerplate changes proposed in the Governor's FY 2002-03 budget.

We hope this preliminary information will be useful to Members of the House of Representatives. Please do not hesitate to call me, or the Fiscal Analyst responsible for a specific budget area, if you have questions regarding this information.

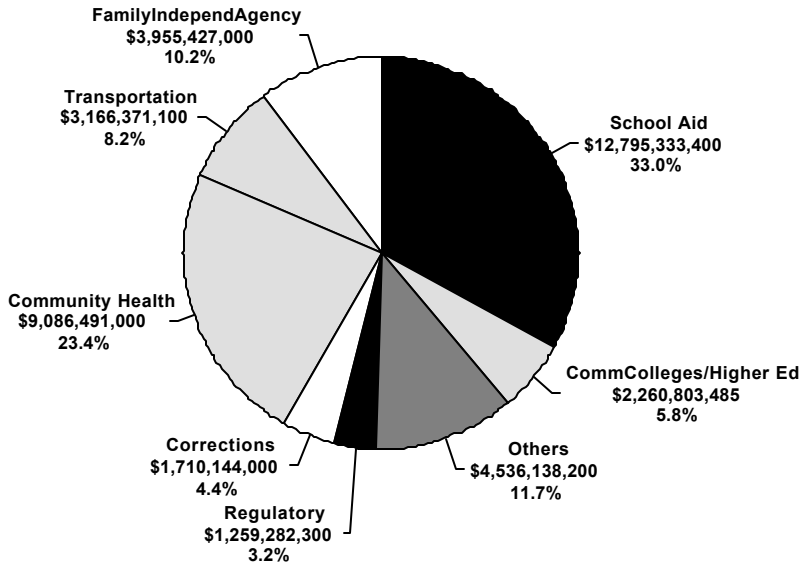
Mitchell E. Bean
Director

**Executive Recommendation
FY 2002-03 GF/GP**



Total GF/GP: \$9,285,348,235

**Executive Recommendation
FY 2002-03 Adjusted Gross**



Total Adjusted Gross: \$38,769,990,485

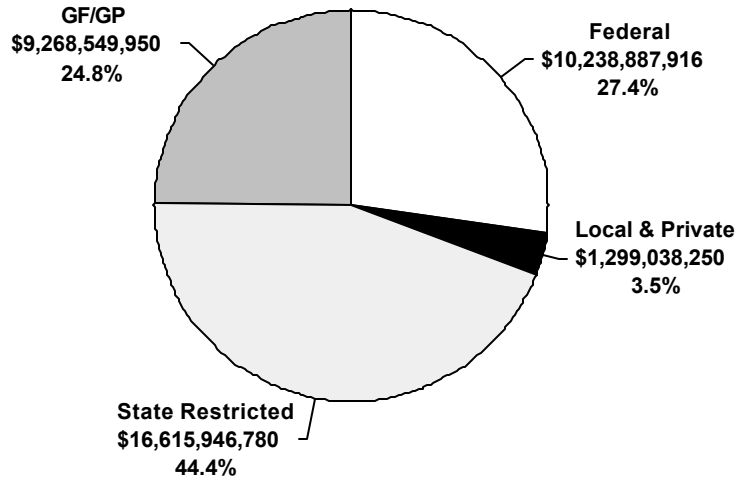
"Others" includes:

Capital Outlay
Judiciary

Education
Safety & Defense

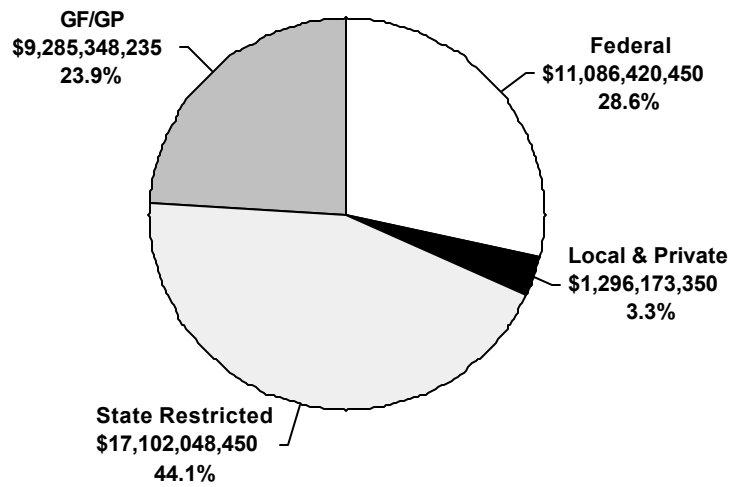
Resource Protection
General Government

**Sources of Funding
FY 2001-02 Year-To-Date**



Total Adjusted Gross = \$37,422,422,896

**Sources of Funding
FY 2002-03 Executive Recommendation**



Total Adjusted Gross = \$38,769,990,485

**OVERVIEW:
RESOURCES USED IN THE EXECUTIVE BUDGET RECOMMENDATION**

Resources used to fund General Fund/General Purpose, Medicaid, and School Aid Fund expenditures in the executive budget recommendation are reported below. An explanation of each source is included.

**GENERAL FUND/GENERAL PURPOSE AND MEDICAID BENEFITS TRUST FUND
(MILLIONS OF DOLLARS)**

FY 2002-03 Consensus Revenue Estimate	\$8,724.2
Budget Stabilization Fund Withdrawal	\$207.0
Transfer Merit Award Surplus to General Fund/General Purpose	\$100.0
Michigan Employment Security Contingent Fund Withdrawal	\$79.5
No Increase in Local Revenue Sharing Payments	\$122.4
Proposed Changes to State Diesel Fuel Tax	\$3.0
Use Portion of Medicaid Benefits Trust Fund Balance	\$271.6
Total	\$9,507.7

FY 2002-03 Consensus Revenue Estimate:

Revenue estimates agreed to by the Consensus Conference in January 2002.

Budget Stabilization Fund Withdrawal:

Transfer of \$207 million from the Budget Stabilization Fund (BSF) to support GF/GP expenditures. If all recommended BSF transfers are approved, the FY 2002-03 ending balance would be approximately \$255 million.

Transfer Merit Award Surplus to GF/GP:

Trust fund that receives 75% of tobacco settlement revenue and funds State Merit Awards. Executive recommends transferring \$100 million surplus to GF/GP.

Michigan Employment Security Contingent (MESC) Fund Withdrawal:

Primarily penalty and interest charges imposed on employers delinquent in making unemployment contributions. FY 2001 closing balance is \$87.6 million. Executive recommends transferring \$79.5 million to GF/GP.

No Increase in Local Revenue Sharing Payments:

Statutory payments to local units based on sales tax collections would not increase in FY 2002-03. GF/GP resources would increase \$122.4 million.

Proposed Changes to State Diesel Fuel Tax:

Adds a 6% consumption tax to diesel fuel to be distributed in the same manner as state sales tax. GF/GP would receive approximately \$3 million in FY 2002-03.

Use Portion of Medicaid Benefits Trust Fund Balance:

Fund was created to ease a five-year transition to lower federal Medicaid funding levels. Executive

recommends using \$271.6 million in Fund balance for various FY 2002-03 Medicaid needs. FY 2001-02 balance is projected to be \$534.4 million. Balance would decrease to \$275.4. No new money is expected.

**SCHOOL AID BUDGET
(MILLIONS OF DOLLARS)**

Beginning Fund Balance	\$271.8
FY 2002-03 Consensus Revenue Estimate	\$10,596.6
General Fund/General Purpose Grant to School Aid Fund	\$198.4
Budget Stabilization Fund Transfer for Durant Settlement	\$32.0
Proposal to Advance State Education Tax Collections	\$493.7
Federal Aid	\$1,348.0
Total	\$12,940.5

School Aid Fund Beginning Fund Balance:

Executive recommends transferring \$350 million from BSF to SAF in FY 2001-02 to balance FY 2001-02 budget and provide additional revenue to support FY 2002-03 spending plan.

General Fund/General Purpose Grant to School Aid Fund:

Transfer \$198.4 from GF/GP to SAF to support FY 2002-03 spending plan contingent upon \$79.5 million MESC Fund transfer.

Budget Stabilization Fund Transfer for Durant Settlement:

Annual transfer as part of Durant settlement regarding state funding for special education.

Proposal to Advance State Education Tax Collections:

The 6-mill state education tax would be reduced to 5 mills in 2003 only and collected early beginning with summer 2003 collections. Results in a one-time \$493.7 million increase in SAF resources.

Federal Aid:

Transfers federal grants currently appropriated in Department of Education budget to School Aid Budget, and new federal money appropriated by the (federal) Elementary and Secondary Education Act.

HIGHLIGHTS
Major Features and Changes Proposed
in the Governor's FY 2002-03 Executive Budget

EDUCATION

Community Colleges

- \$3.6 million GF/GP earmarked for remedial educational services
- \$2.0 million (Merit Award Trust Fund) for scholarships under the PASS program
- \$136,000 GF/GP increase to reimburse colleges for personal property tax losses
- Zero increase for operations, \$315.5 million GF/GP

Education

- \$6.2 million gross for the School Breakfast program
- Change in Method of Funding: \$3.3 million GF/GP funding shift to federal revenues; Schools for the Deaf and Blind
- Funding Shift: \$1.1 billion federal transferred to the School Aid budget
- \$2.2 million GF/GP reduction to address budget deficits
- FY 2001-02 Supplemental Budget Item: \$365,100 GF/GP for the School Breakfast program

Higher Education

- \$2.0 million (Tobacco Settlement Trust Fund) proposed for design studies for rare isotope accelerator at MSU
- Tuition restraint language limits resident undergraduate tuition/fee increases to the greater of 8.5% or \$425
- No increase in operational funding for state universities

School Aid

- Additional federal grants of \$1.1 billion, including all federal grants previously allocated in the Department of Education Budget and new monies appropriated under the Elementary and Secondary Education Act
- FY 2002-03 foundation allowance of \$6,700; an increase of \$200 per pupil
- Increase of \$493.7 million in School Aid Fund resulting from change in collection schedule for 6-mill state education tax; one-time net revenue
- Restoration of some categorical programs vetoed from PA 121, including the At-Risk Program, the Michigan School Readiness Program, Intermediate School District Funding, and Adult Education
- School-based teen health centers funded through the At-Risk program

GENERAL GOVERNMENT

Attorney General

- \$384,900 gross and \$103,800 GF/GP for standard economic adjustments
- Transfer 7.0 FTE positions and \$878,200 GF/GP to the new Department of Information Technology
- Reduction needed to pay employee-related economic increases; savings of \$286,600 GF/GP
- Adjustments to reflect end of 1997 early retirement payouts; savings of \$159,900 gross and \$91,800 GF/GP

Civil Rights

- \$301,100 GF/GP for standard economic adjustments
- Transfer 5.0 FTE positions and \$1.1 million GF/GP to the new Department of Information Technology
- Reduction needed to pay employee-related economic increases; savings of \$181,200 GF/GP
- Adjustments to reflect end of 1997 early retirement payouts; savings of \$38,000 GF/GP

Civil Service

- \$2.0 million IDG for training charges for increased leadership development and executive training
- \$15,000 GF/GP for costs of the biennial meetings of the State Officers Compensation Commission

Executive

- \$54,800 GF/GP for standard economic adjustments
- \$5,500 GF/GP to cover costs associated with salary increases provided by SOCC for the Governor and Lieutenant Governor
- Reduction needed to pay employee-related economic increases; savings of \$54,800 GF/GP

Information Technology

- \$333.5 million IDG from state departments and agencies for state government information technology functions

Legislature

- \$567,400 GF/GP for standard economic adjustments
- \$313,100 GF/GP to cover costs associated with salary increases provided by SOCC for members of the Legislature (\$234,800 House; \$78,300 Senate)
- \$147,400 GF/GP for House of Representatives Office Building lease adjustment
- Reduction needed to pay employee-related economic increases; savings of \$1.6 million GF/GP
- Adjustments to reflect end of 1997 early retirement payouts; savings of \$31,200 GF/GP (\$11,700 Auditor General; \$19,500 Legislative Council)

Management and Budget

- \$14.7 million IDG from various state departments for rent and operational costs associated with continued implementation of the state space plan
- \$4.8 million IDG from various state departments for costs associated with providing tightened security at state office buildings
- \$3.2 million IDG from various state departments for costs associated with providing new employee parking areas
- \$260,900 gross for standard economic adjustments
- Transfer 84.0 FTE positions and \$19.0 million GF/GP to the new Department of Information Technology
- Reduction based on completion of retirement services technology plan; savings of \$8.0 million gross
- Reduction needed to pay employee-related economic increases; savings of \$264,600 GF/GP
- Adjustments to reflect end of 1997 early retirement payouts; savings of \$126,100 gross and \$27,500 GF/GP

State

- \$40.0 million IDG from MDOT, recognizing increased Michigan Transportation Fund support authorized in Executive Order 2001-9
- \$100,000 restricted for expansion of the auto theft prevention program
- Use facsimile, touch-tone telephone, and internet registration to achieve administrative savings; reduction of \$1.0 million GF/GP
- Completion of Historical program transfer to Department of History, Arts, and Libraries; reduction of \$261,800 GF/GP

Treasury

- \$10.7 million federal for assessment testing requirements associated with the federal "No Child Left Behind Act of 2001"
- \$10.0 million GF/GP for assistance to counties and qualifying cities, villages and townships to offset the negative impact from revenue sharing distributions in FY 2002-03
- Debt servicing obligations are reduced utilizing current low interest rates and debt restructuring; reduction of \$41.1 million GF/GP
- Revenue sharing payment authorization is reduced; reduction of \$11.8 million restricted funds

HUMAN SERVICES

Community Health

- \$301.4 million base increase for Medicaid, Mental Health/Substance Abuse, Adult Home Help, and Children's Special Health Care Services; financed with \$135.7 million from the Medicaid Benefits Trust Fund and additional federal Medicaid matching funds
- \$115.0 million in new federal funds to expand the EPIC program based on the proposed Medicare Low Income Drug Assistance Initiative and the Medicaid Pharmacy Plus Waiver; state tobacco settlement revenue and other restricted funds for EPIC are reduced by \$20.0 million

- \$112.9 million in federal funds for the MIFamily Plan to provide health care coverage for up to 222,000 low income persons including parents of Medicaid eligible children, pregnant women, and other uninsured adults; 3.9% increase in Medicaid mental health services payment rates also included in the MIFamily financing plan
- \$110.9 million from the Medicaid Benefits Trust Fund to cover loss of revenue due to federal Medicaid match rate reduction from 56.36% to 55.42% and other special financing adjustments
- \$11.4 million increase for Medicaid Mental Health Services to recognize FY 1998-99 through FY 2000-01 contractual changes in days of care provided at centers for persons with developmental disabilities
- \$10.6 million increase in federal funds for public health bioterrorism response planning and preparedness programs
- \$6.0 million increase for the MOMS prenatal outpatient medical services program to recognize increased utilization; financed with Healthy Michigan state restricted funds
- \$3.4 million (roughly 15%) for pharmacy cost increase for state psychiatric hospitals, centers for persons with developmental disabilities, Forensic Center, and Forensic mental health services provided to the Department of Corrections
- New long-term care assessment and screening procedures to assure placement of patients in the most appropriate, cost effective setting; \$22.4 million savings
- Transferring administrative responsibility for Community Substance Abuse Prevention, Education, and Treatment programs from coordinating agencies to CMHSPs; \$1.0 million savings

Corrections

- \$19.1 million GF/GP for an additional 2,000-plus prison beds expected to be opened by the end of FY 2002-03
- \$7.4 million GF/GP increase for prisoner health care
- \$2.0 million GF/GP for third-year step funding for Pugsley Correctional Facility
- \$1.7 million GF/GP to replace anticipated loss of federal funds received under the State Criminal Alien Assistance Program
- Further decreases necessary to annualize the partial-year savings effected for FY 2001-02 by Executive Order 2001-9; \$16.6 million GF/GP decrease

Family Independence Agency

- \$88.5 million federal increase in Food Assistance Program Benefits (Food Stamp Program) to cover projected caseload spending growth
- \$80.2 million gross increase in Family Independence Program caseload funding: \$20.0 million GF/GP included in FY 2002-03 base to reflect the FY 2001-02 projected 79,000 average annual caseload; \$60.2 million (TANF) included to cover a FY 2002-03 projected 92,100 average annual caseload
- \$62.9 million gross, \$19.3 million GF/GP reduction in foster care services lines due to projected caseload movement and decrease; also reflects removal of federal and local authority to meet anticipated fund source needs

- \$28.6 million gross, \$26.3 million GF/GP increase in the Child Care Fund due to funding more delinquency cases in this account instead of through foster care accounts
- \$27.0 million TANF reduction to eliminate TANF funding for the Homestead Property Tax Credit due to current federal restrictions applicable to FY 2002-03
- \$26.6 million gross, \$9.8 million GF/GP increase in Adoption Subsidies to cover projected caseload spending growth
- \$23.0 million GF/GP increase to maximize usage of available federal Child Care Development Fund (CCDF) revenue and reduce TANF spending
- \$11.6 million gross, \$5.4 million GF/GP decrease due to juvenile justice facility savings
- \$11.5 million TANF reduction in funding for programs to reduce TANF spending
- \$7.9 million gross, \$2.7 million GF/GP decrease in Child Support Enforcement System costs based on workload reductions due to progress achieved and lower contract costs
- \$5.7 million GF/GP increase for Food Stamp Reinvestment to cover federal penalties and invest in the program to avoid future error rate penalties
- Decrease in Family Independence Program costs to reduce the annual clothing allowance from \$75 per child to \$25 per child; \$8.6 million TANF

REGULATORY

Career Development

- \$3.0 million federal to initiate Gear Up Program to help prepare at-risk students for college
- \$2.9 million federal to support vocational rehabilitation programs and services
- \$1.5 million federal to increase grants for career and technical training programs in schools and postsecondary institutions and provide for program administration
- \$334,300 federal increase for the Michigan Career and Technical Institute
- \$327,400 federal in Supplemental Security Income (SSI) to support vocational services rendered to SSI eligible recipients

Consumer and Industry Services

- \$6.0 million federal to provide 1,500 additional Section 8 housing rental vouchers
- \$2.5 million restricted to expand oversight and assistance for troubled insurers and to increase regulatory oversight over licensed mortgage brokers and consumer lenders
- \$1.0 million restricted to add nine new boiler and elevator inspector positions and purchase new equipment to increase inspection productivity
- \$287,700 restricted and federal to open a new Fire Safety Office in Southeast Michigan
- \$248,000 restricted to finance new scholarships for individuals studying in the field of nursing

- Funding shift: Replace \$9.8 million in corporations and securities fee revenue with Michigan Employment Security Contingent Fund revenue in financing newly created Bureau of Worker's and Unemployment Compensation

Michigan Strategic Fund

- Reduction of \$13.0 million GF/GP in Economic Development Job Training (EDJT) grants for last half of FY 2002-03
- Elimination of \$1.0 million GF/GP in funding for Capital Access Program
- Boilerplate change: New language allows up to \$1.0 million of EDJT appropriation to be used to provide match for university federal research grants

RESOURCE PROTECTION

Agriculture

- \$734,500 GF/GP increase for economic adjustments
- \$630,000 federal for microbiological data program for USDA Monitoring
- Reduction in Michigan state fair revenue to reflect privatization efforts; \$900,000
- Reduction needed to pay for employee economic adjustments; reduced staff and \$522,200 GF/GP
- Reduction in support for the U.P. State Fair; \$167,00 GF/GP
- Reduction to reflect final payments of 1997 early retirement payouts; \$109,400 GF/GP

Environmental Quality

- \$2.9 million GF/GP (\$7.3 million gross) to be transferred to new Department of Information Technology
- \$2.0 million restricted increase for national priority list land fill matching grants
- \$700,000 for orphan oil and gas well plugging and cleanup
- Funding shift: \$8.5 million from General Fund to the Environmental Response Fund (revenue from responsible party penalties and payments)

Natural Resources

- \$2.7 million GF/GP (\$15.5 million gross) to be transferred to new Department of Information Technology
- \$2.0 million GF/GP for bovine tuberculosis surveys of the deer herd
- \$1.7 million GF/GP deleted from Michigan Civilian Conservation Corps; Camp Vanderbilt to cease operations; day services from Proud Lake Camp will continue
- \$1.2 million restricted to be spent for debt service on State Park Improvement Bonds
- Payments in lieu of taxes to be changed to a grant program; payments would no longer be based on valuation

SAFETY AND DEFENSE

Military Affairs

- \$8.6 million federal in projected Medicaid reimbursements at Grand Rapids Veterans Home; partially offsetting reduction of \$5.0 million GF/GP
- \$2.0 million federal to reflect increased funding for maintenance at National Guard facilities
- \$891,625 GF/GP to restore veterans service organization grants to pre-executive order levels
- \$175,100 GF/GP for increased military retirement costs
- FY 2001-02 Supplemental Budget Item: \$300,000 GF/GP for start-up costs associated with Medicaid certification at Grand Rapids Veterans Home

State Police

- \$6.1 million restricted to reflect full-year phase-in of secondary road patrol assessment increase; partially offsetting reduction of \$1.6 million GF/GP
- \$2.8 million federal for increased anti-terrorism equipment grant revenue
- \$1.6 million restricted in projected revenue from new DNA processing assessment for criminal convicts
- Eliminate 40 vacant positions to offset economic adjustments for salaries and wages; reduction of \$3.4 million GF/GP
- Remove appropriation for concealed weapon licensure implementation; reduction of \$1.0 million GF/GP
- Eliminate grant to City of Detroit; reduction of \$721,100 GF/GP

ALL OTHER

Capital Outlay

- \$78.3 million federal and local for airport improvement, security, and safety projects; seeks to issue \$60.0 million in CTF bonds to generate additional federal dollars and divert \$6.0 million from Airport Parking Tax to the Aeronautics Fund
- \$16.0 million GF/GP, or 6%, for increase in State Building Authority (SBA) Rent
- \$9.0 million restricted for Mackinac Island Marina Expansion project
- \$3.0 million restricted for a new MDOT welcome center at Monroe
- Reduction for Detroit Metro Midfield Terminal project; continued at \$12.0 million GF/GP; reduction of \$8.0 million from current year

- FY 2001-02 Supplemental Requests:
 - \$55.0 million federal and local to initiate the Airport Safety and Protection (ASAP) plan
 - \$15.5 million from issuance of state park improvement revenue bonds for re-constructing Sterling State Park
 - \$15.5 million federal and state to replace armories at Jackson and Calumet; but only if the Oak Park armory is sold
 - \$10.8 million (\$2.5 million from an existing SBA prison authorization and \$8.3 million federal) for constructing a 336-bed housing unit at Camp Brighton
 - \$1.0 million restricted to replace the DNR's great lakes research vessels
 - Reductions to various SBA Rent line items; \$9.2 million GF/GP

History, Arts, and Libraries

- \$461,800 GF/GP transferred in from the departments of Natural Resources, Consumer and Industry Services, and State; finalizing technical transfers creating the new department
- \$250,000 GF/GP for the Thunder Bay National Marine Sanctuary and Underwater Preserve
- \$243,200 GF/GP for Renaissance Zone Reimbursement payments to locals and libraries
- Removal of one-time funding for supplemental arts grants and cultural museum grant; reduction of \$3.0 million GF/GP

Judiciary

- \$4.8 million GF/GP increase for economic adjustments
- \$563,700 GF/GP increase from the addition of five new judgeships due to passage of 2001 PAs 251-258
- Reduction resulting from increased court fee fund revenue projections; \$1.0 million GF/GP
- Reduction to pay for employee economics; \$685,400 GF/GP
- Reduction from final calendar year 1997 early retirement payments; \$76,600 GF/GP

Transportation

- \$48.0 million from Michigan Transportation Fund; continuation of Executive Order increase in MTF grants to departments of State and Treasury
- Changes in Method of Funding:
 - \$35.0 million due to elimination of BSF transfer for Build Michigan III debt service; replaced with State Trunkline Funds
 - \$5.0 million for debt service on new Aeronautics bonds, \$1.0 million for Capital Outlay; redirection (partial) of Airport Parking Tax for State Aeronautics Fund
- New Fees/Programs: \$32.6 million for new Commercial Highway Fund for improvements to National Highway System from diesel tax increase and simplification
- FY 2001-02 Supplemental:
 - \$18.0 million federal; restoration of vetoed local bridge funds

- \$3.2 million CTF; restoration of local bus operating funds taken in Executive Order reduction

TABLE 1

FY 2002-03 EXECUTIVE RECOMMENDATION BY SOURCE OF FUNDS

Department/Major Budget Area	Gross	IDGs and IDTs	Adjusted Gross	Federal Funds	Local Revenue	Private Revenue	State Restricted	General Fund/General Purpose
Community Colleges	321,732,319	0	321,732,319	0	0	0	2,000,000	319,732,319
Education	89,896,000	518,000	89,378,000	39,863,400	4,744,200	701,400	13,959,300	30,109,700
Higher Education	1,939,071,166	0	1,939,071,166	5,500,000	0	0	121,573,850	1,811,997,316
School Aid*	12,795,333,400	0	12,795,333,400	1,348,305,800	700,000	0	11,247,914,100	198,413,500
EDUCATION	\$15,146,032,885	\$518,000	\$15,145,514,885	\$1,393,669,200	\$5,444,200	\$701,400	\$11,385,447,250	\$2,360,252,835
Attorney General	62,838,900	9,917,900	52,921,000	7,672,700	0	1,183,000	8,864,600	35,200,700
Civil Rights	15,348,900	0	15,348,900	934,000	0	0	0	14,414,900
Civil Service	32,217,300	5,300,000	26,917,300	4,779,100	1,700,000	150,000	9,639,200	10,649,000
Executive Office	5,486,400	0	5,486,400	0	0	0	0	5,486,400
Information Technology	333,453,600	333,453,600	0	0	0	0	0	0
Legislature	126,345,700	1,627,600	124,718,100	0	0	400,000	1,475,300	122,842,800
Management and Budget	188,634,700	109,606,600	79,028,100	300,100	0	0	35,355,300	43,372,700
State	179,828,100	96,493,000	83,335,100	1,319,500	0	100	64,274,200	17,741,300
Treasury: Operations	369,679,900	19,445,300	350,234,600	44,296,100	907,800	0	250,736,900	54,293,800
Treasury: Debt/Revenue Sharing	1,598,386,400	0	1,598,386,400	0	0	0	1,528,800,000	69,586,400
GENERAL GOVERNMENT	\$2,912,219,900	\$575,844,000	\$2,336,375,900	\$59,301,500	\$2,607,800	\$1,733,100	\$1,899,145,500	\$373,588,000
Community Health	9,155,663,900	69,172,900	9,086,491,000	4,801,713,100	1,065,265,900	63,122,600	593,328,200	2,563,061,200
Corrections	1,713,462,500	3,318,500	1,710,144,000	26,403,400	391,100	0	55,490,600	1,627,858,900
Family Independence Agency	3,956,405,800	978,800	3,955,427,000	2,604,621,650	67,129,700	9,836,150	65,388,800	1,208,450,700
HUMAN SERVICES	\$14,825,532,200	\$73,470,200	\$14,752,062,000	\$7,432,738,150	\$1,132,786,700	\$72,958,750	\$714,207,600	\$5,399,370,800
Consumer and Industry Services	570,138,100	111,100	570,027,000	242,311,500	0	740,000	288,987,600	37,987,900
Career Development	534,318,700	0	534,318,700	472,569,200	15,011,900	2,396,300	9,661,500	34,679,800
Michigan Strategic Fund Agency	155,037,500	100,900	154,936,600	62,953,300	0	853,100	45,050,000	46,080,200
REGULATORY	\$1,259,494,300	\$212,000	\$1,259,282,300	\$777,834,000	\$15,011,900	\$3,989,400	\$343,699,100	\$118,747,900
Agriculture	97,454,300	10,953,800	86,500,500	6,639,500	0	1,127,600	37,932,400	40,801,000
Environmental Quality	404,825,600	14,042,900	390,782,700	131,531,600	0	435,700	184,155,300	74,660,100
Natural Resources	254,418,400	3,437,900	250,980,500	28,727,600	0	1,771,400	174,932,400	45,549,100
RESOURCE PROTECTION	\$756,698,300	\$28,434,600	\$728,263,700	\$166,898,700	\$0	\$3,334,700	\$397,020,100	\$161,010,200
Military and Veterans Affairs	107,837,500	200,000	107,637,500	47,214,500	0	530,000	23,437,600	36,455,400
State Police	416,444,600	16,750,700	399,693,900	45,570,500	3,913,700	0	60,262,900	289,946,800
SAFETY AND DEFENSE	\$524,282,100	\$16,950,700	\$507,331,400	\$92,785,000	\$3,913,700	\$530,000	\$83,700,500	\$326,402,200
Capital Outlay	562,769,900	4,000,000	558,769,900	165,042,000	43,000,000	0	46,245,000	304,482,900
History, Arts, and Libraries	72,264,900	0	72,264,900	7,111,300	0	577,400	1,900,900	62,675,300
Judiciary	246,587,900	2,833,500	243,754,400	3,864,500	2,941,800	842,500	57,287,500	178,818,100
Transportation	3,166,371,100	0	3,166,371,100	987,176,100	5,800,000	0	2,173,395,000	0
ALL OTHERS	\$4,047,993,800	\$6,833,500	\$4,041,160,300	\$1,163,193,900	\$51,741,800	\$1,419,900	\$2,278,828,400	\$545,976,300
TOTAL APPROPRIATIONS	\$39,472,253,485	\$702,263,000	\$38,769,990,485	\$11,086,420,450	\$1,211,506,100	\$84,667,250	\$17,102,048,450	\$9,285,348,235

*School Aid figures include Executive recommended supplemental of \$4.7 billion.

TABLE 2

FY 2002-03 APPROPRIATIONS

FY 2002-03 Executive Recommendation Compared with FY 2001-02 Year-to-Date

ADJUSTED GROSS

DEPARTMENT/ MAJOR BUDGET AREA	FY 2001-02	FY 2002-03	FY 2002-03 vs 2001-02	
	YEAR-TO-DATE	EXECUTIVE RECOMMEND	AMOUNT DIFFERENT	PERCENT DIFFERENT
Community Colleges	321,596,319	321,732,319	136,000	0.0%
Education	994,606,900	89,378,000	(905,228,900)	-91.0%
Higher Education	1,925,842,366	1,939,071,166	13,228,800	0.7%
School Aid*	11,451,113,400	12,795,333,400	1,344,220,000	11.7%
EDUCATION	\$14,693,158,985	\$15,145,514,885	\$452,355,900	3.1%
Attorney General	53,143,600	52,921,000	(222,600)	-0.4%
Civil Rights	15,267,000	15,348,900	81,900	0.5%
Civil Service	26,788,340	26,917,300	128,960	0.5%
Executive Office	5,480,900	5,486,400	5,500	0.1%
Information Technology	0	0	0	0.0%
Legislature	124,237,800	124,718,100	480,300	0.4%
Management and Budget	87,715,400	79,028,100	(8,687,300)	-9.9%
State	83,474,300	83,335,100	(139,200)	-0.2%
Treasury: Operations	334,645,200	350,234,600	15,589,400	4.7%
Treasury: Debt/RevenueShare	1,646,595,000	1,598,386,400	(48,208,600)	-2.9%
GENERAL GOVERNMENT	\$2,377,347,540	\$2,336,375,900	(\$40,971,640)	-1.7%
Community Health	8,451,212,566	9,086,491,000	635,278,434	7.5%
Corrections	1,676,801,200	1,710,144,000	33,342,800	2.0%
Family Independence Agency	3,804,714,100	3,955,427,000	150,712,900	4.0%
HUMAN SERVICES	\$13,932,727,866	\$14,752,062,000	\$819,334,134	5.9%
Consumer and Industry Services	557,368,600	570,027,000	12,658,400	2.3%
Career Development	525,121,600	534,318,700	9,197,100	1.8%
Michigan Strategic Fund Agency	168,990,600	154,936,600	(14,054,000)	-8.3%
REGULATORY	\$1,251,480,800	\$1,259,282,300	\$7,801,500	0.6%
Agriculture	91,580,600	86,500,500	(5,080,100)	-5.5%
Environmental Quality	441,937,130	390,782,700	(51,154,430)	-11.6%
Natural Resources	286,861,900	250,980,500	(35,881,400)	-12.5%
RESOURCE PROTECTION	\$820,379,630	\$728,263,700	(\$92,115,930)	-11.2%
Military and Veterans Affairs	100,157,975	107,637,500	7,479,525	7.5%
State Police	390,406,300	399,693,900	9,287,600	2.4%
SAFETY AND DEFENSE	\$490,564,275	\$507,331,400	\$16,767,125	3.4%
Capital Outlay	479,161,200	558,769,900	79,608,700	16.6%
History, Arts, and Libraries	74,545,700	72,264,900	(2,280,800)	-3.1%
Judiciary	238,444,000	243,754,400	5,310,400	2.2%
Transportation	3,064,612,900	3,166,371,100	101,758,200	3.3%
ALL OTHERS	\$3,856,763,800	\$4,041,160,300	\$184,396,500	4.8%
TOTAL APPROPRIATIONS	\$37,422,422,896	\$38,769,990,485	\$1,347,567,589	3.6%

*School Aid figures include Executive recommended supplemental of \$4.7 billion.

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TABLE 3

FY 2002-03 APPROPRIATIONS

FY 2002-03 Executive Recommendation Compared with FY 2001-02 Year-to-Date

GENERAL FUND / GENERAL PURPOSE

DEPARTMENT/ MAJOR BUDGET AREA	FY 2001-02	FY 2002-03	FY 2002-03 vs 2001-02	
	YEAR-TO-DATE	EXECUTIVE RECOMMEND	AMOUNT DIFFERENT	PERCENT DIFFERENT
Community Colleges	319,596,319	319,732,319	136,000	0.0%
Education	32,400,800	30,109,700	(2,291,100)	-7.1%
Higher Education	1,812,668,516	1,811,997,316	(671,200)	-0.0%
School Aid*	198,413,500	198,413,500	0	0.0%
EDUCATION	\$2,363,079,135	\$2,360,252,835	(\$2,826,300)	-0.1%
Attorney General	35,475,300	35,200,700	(274,600)	-0.8%
Civil Rights	14,333,000	14,414,900	81,900	0.6%
Civil Service	10,656,340	10,649,000	(7,340)	-0.1%
Executive Office	5,480,900	5,486,400	5,500	0.1%
Information Technology	0	0	0	ERR
Legislature	122,359,200	122,842,800	483,600	0.4%
Management and Budget	43,868,200	43,372,700	(495,500)	-1.1%
State	17,718,700	17,741,300	22,600	0.1%
Treasury: Operations	51,991,000	54,293,800	2,302,800	4.4%
Treasury: Debt/Revenue	105,295,000	69,586,400	(35,708,600)	-33.9%
GENERAL GOVERNMENT	\$407,177,640	\$373,588,000	(\$33,589,640)	-8.2%
Community Health	2,560,657,800	2,563,061,200	2,403,400	0.1%
Corrections	1,599,453,900	1,627,858,900	28,405,000	1.8%
Family Independence Agency	1,155,780,800	1,208,450,700	52,669,900	4.6%
HUMAN SERVICES	\$5,315,892,500	\$5,399,370,800	\$83,478,300	1.6%
Consumer and Industry Services	37,896,700	37,987,900	91,200	0.2%
Career Development	34,602,700	34,679,800	77,100	0.2%
Michigan Strategic Fund Agency	60,156,200	46,080,200	(14,076,000)	-23.4%
REGULATORY	\$132,655,600	\$118,747,900	(\$13,907,700)	-10.5%
Agriculture	46,043,000	40,801,000	(5,242,000)	-11.4%
Environmental Quality	83,613,700	74,660,100	(8,953,600)	-10.7%
Natural Resources	45,313,100	45,549,100	236,000	0.5%
RESOURCE PROTECTION	\$174,969,800	\$161,010,200	(\$13,959,600)	-8.0%
Military and Veterans Affairs	40,039,475	36,455,400	(3,584,075)	-9.0%
State Police	292,620,000	289,946,800	(2,673,200)	-0.9%
SAFETY AND DEFENSE	\$332,659,475	\$326,402,200	(\$6,257,275)	-1.9%
Capital Outlay	302,470,200	304,482,900	2,012,700	0.7%
History, Arts, and Libraries	64,609,100	62,675,300	(1,933,800)	-3.0%
Judiciary	175,036,500	178,818,100	3,781,600	2.2%
Transportation	0	0	0	0.0%
ALL OTHERS	\$542,115,800	\$545,976,300	\$3,860,500	0.7%
TOTAL APPROPRIATIONS	\$9,268,549,950	\$9,285,348,235	\$16,798,285	0.2%

*School Aid figures include Executive recommended supplemental of \$4.7 billion.

TABLE 4

FULL-TIME EQUATED POSITIONS*
FY 2002-03 Executive Recommendation Compared with FY 2001-02 Year-to-Date

DEPARTMENT/ MAJOR BUDGET AREA	YEAR-TO-DATE FY 2001-02	FY 2002-03 EXECUTIVE RECOMMEND	FY 2002-03 vs. FY 2001-02	
			AMOUNT DIFFERENT	PERCENT DIFFERENT
Community Colleges	0.0	0.0	0.0	0.0%
Education	461.0	413.4	(47.6)	-10.3%
Higher Education	1.0	0.0	(1.0)	0.0%
School Aid	0.0	0.0	0.0	0.0%
EDUCATION	462.0	413.4	(48.6)	-10.3%
Attorney General	601.0	589.5	(11.5)	-1.9%
Civil Rights	171.5	163.5	(8.0)	-4.7%
Civil Service	230.5	201.5	(29.0)	-12.6%
Executive Office	85.0	84.2	(0.8)	-0.9%
Information Technology	0.0	1,706.2	1,706.2	0.0%
Legislature	0.0	0.0	0.0	0.0%
Management and Budget	925.5	854.5	(71.0)	-7.7%
State	1,979.3	1,853.8	(125.5)	-6.3%
Treasury: Operations	2,004.5	1,861.5	(143.0)	-7.1%
Treasury: Debt/Revenue Sharing	0.0	0.0	0.0	0.0%
GENERAL GOVERNMENT	5,997.3	7,314.7	1,317.4	22.0%
Community Health	6,207.1	5,672.3	(534.8)	-8.6%
Corrections	19,406.5	18,843.9	(562.6)	-2.9%
Family Independence Agency	13,505.6	12,560.3	(945.3)	-7.0%
HUMAN SERVICES	39,119.2	37,076.5	(2,042.7)	-5.2%
Consumer and Industry Services	4,242.9	4,008.4	(234.5)	-5.5%
Career Development	1,147.0	1,095.0	(52.0)	-4.5%
Michigan Strategic Fund	234.0	231.5	(2.5)	-1.1%
REGULATORY	5,623.9	5,334.9	(289.0)	-5.1%
Agriculture	653.5	635.5	(18.0)	-2.8%
Environmental Quality	1,678.7	1,596.7	(82.0)	-4.9%
Natural Resources	2,183.5	2,081.5	(102.0)	-4.7%
RESOURCE PROTECTION	4,515.7	4,313.7	(202.0)	-4.5%
Military and Veterans Affairs	1,090.5	1,135.0	44.5	4.1%
State Police	3,651.5	3,443.5	(208.0)	-5.7%
SAFETY AND DEFENSE	4,742.0	4,578.5	(163.5)	-3.4%
Capital Outlay	0.0	0.0	0.0	0.0%
History, Arts, and Libraries	145.7	246.5	100.8	69.2%
Judiciary	591.5	582.5	(9.0)	-1.5%
Transportation	3,182.3	3,075.3	(107.0)	-3.4%
ALL OTHERS	3,919.5	3,904.3	(15.2)	-0.4%
TOTAL FULL-TIME EQUATED POSITIONS	64,379.6	62,936.0	(1,443.6)	-2.2%

*Includes classified, unclassified, and nonlegislative exempt positions.

Table 5

STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2002-03 Executive Recommendation

DEPARTMENT/ MAJOR BUDGET AREA	Spending from State Sources	State Spending to Local Government Units	% of State Spending from State Sources as Payment to Locals
Community Colleges	321,732,319	319,732,319	99.4%
Education	44,069,000	16,436,800	37.3%
Higher Education	1,933,571,166	4,029,061	0.2%
School Aid	11,446,327,600	11,389,641,800	99.5%
EDUCATION	\$13,745,700,085	\$11,729,839,980	85.3%
Attorney General	44,065,300	0	0.0%
Civil Rights	14,414,900	0	0.0%
Civil Service	20,288,200	0	0.0%
Executive Office	5,486,400	0	0.0%
Information Technology	0	0	0.0%
Legislature	124,318,100	0	0.0%
Management and Budget	78,728,000	0	0.0%
State	82,015,500	69,800	0.1%
Treasury: Operations	305,030,700	97,980,100	32.1%
Treasury: Debt/Revenue Sharing	1,598,386,400	1,538,800,000	96.3%
GENERAL GOVERNMENT	\$2,272,733,500	\$1,636,849,900	72.0%
Community Health	3,156,389,400	1,001,418,200	31.7%
Corrections	1,683,349,500	78,221,300	4.6%
Family Independence Agency	1,273,839,500	207,056,200	16.3%
HUMAN SERVICES	\$6,113,578,400	\$1,286,695,700	21.0%
Consumer & Industry Services	326,975,500	19,921,000	6.1%
Career Development	44,341,300	0	0.0%
Michigan Strategic Fund Agency	91,130,200	9,009,400	9.9%
REGULATORY	\$462,447,000	\$28,930,400	6.3%
Agriculture	78,733,400	0	0.0%
Environmental Quality	258,815,400	5,085,000	2.0%
Natural Resources	220,481,500	22,786,500	10.3%
RESOURCE PROTECTION	\$558,030,300	\$27,871,500	5.0%
Military and Veterans Affairs	59,893,000	120,000	0.2%
State Police	350,209,700	19,968,100	5.7%
SAFETY AND DEFENSE	\$410,102,700	\$20,088,100	4.9%
Capital Outlay	350,727,900	17,425,000	5.0%
History, Arts, and Libraries	64,576,200	32,668,200	50.6%
Judiciary	236,105,600	113,195,500	47.9%
Transportation	2,173,395,000	1,185,991,600	54.6%
ALL OTHER	\$2,824,804,700	\$1,349,280,300	47.8%
TOTALS	\$26,387,396,685	\$16,079,555,880	60.9%

*School Aid figures include Executive recommended supplemental of \$4.7 billion

House Fiscal Agency

Fourth Floor, North Tower, Anderson Building
124 North Capitol Avenue, Lansing, Michigan 48933

Mail to: P. O. Box 30014
Lansing, Michigan 48909-7514

Phone: 517-373-8080 FAX: 517-373-5874
www.house.state.mi.us/hfa



Mitchell E. Bean, Director
Bill Fairgrieve, Deputy Director

COMMUNITY HEALTH Bill Fairgrieve, Deputy Director
Medicaid Bill Fairgrieve, Senior Analyst
Mental Health–Substance Abuse Margaret Alston, Senior Analyst
Public Health–Aging Susan Frey, Senior Analyst

EDUCATION AND HUMAN SERVICES Hank Prince, Associate Director
Higher Education Hank Prince, Senior Analyst
Career Development–Consumer and Industry Services–
Michigan Strategic Fund Robert Schneider, Senior Analyst
Community Colleges–Department of Education Caven West, Fiscal Analyst
Family Independence Agency
Administration–Grants–Staffing Myron Freeman, Senior Analyst
Child and Family Services–Juvenile Justice Erin Black, Fiscal Analyst
School Aid Mary Ann Cleary, Senior Analyst; Laurie Cummings, Fiscal Analyst
Transportation William E. Hamilton, Senior Analyst

GENERAL GOVERNMENT Al Valenzio, Associate Director
Capital Outlay–Retirement–Supplementals Al Valenzio, Senior Analyst
Agriculture–Judiciary–Legislative Transfers Tim Aben, Senior Analyst
Attorney General–Auditor General–Civil Rights–Executive Office–
Information Technology–Legislature–Management and Budget Robin Risko, Senior Analyst
Civil Service–History, Arts, and Libraries–Lottery–State–Treasury Steve Stauff, Senior Analyst
Corrections–Bill Analysis System Marilyn Peterson, Senior Analyst
Clean Michigan Initiative–Environmental Quality–Federal Funds Monitoring–
Natural Resources–Natural Resources Trust Fund Kirk Lindquist, Senior Analyst
Public Safety: Military and Veterans Affairs–State Police Kyle I. Jen, Fiscal Analyst

ECONOMIC AND REVENUE FORECAST–TAX ANALYSIS Rebecca Ross, Senior Economist
Jim Stansell, Economist

FISCAL OVERSIGHT, AUDIT AND LITIGATION Myron Freeman, Senior Analyst

MANAGEMENT SUPPORT STAFF

Office Manager Sharon Risko, Administrative Assistant
Publications and Data Jeanne Dee, Administrative Assistant
Community Health–Corrections–Family Independence Agency–HFA Library Tumai Burris, Budget Assistant
Career Development–Community Colleges–Consumer and Industry Services–
Education–Higher Education–Michigan Strategic Fund–School Aid–
Transportation–HFA Internet Barb Endres, Budget Assistant
Agriculture–Capital Outlay–Environmental Quality–General Government–
History, Arts, and Libraries–Judiciary–Military and Veterans Affairs– Natural Resources–
Retirement–Revenue and Tax Analysis–State Police–Supplementals–Transfers–
Bill Analysis–Daily Calendar Julie Stapelman, Budget Assistant
Facilities Coordinator Tina Gee, Receptionist

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