

PRELIMINARY REVIEW

of the

FY 2013-14 and

FY 2014-15

Executive Budget

Recommendation



Mary Ann Cleary, Director
February 12, 2013

INDEX

OVERVIEW OF FY 2013-14 AND FY 2014-15 EXECUTIVE BUDGET RECOMMENDATION	1
GRAPHS: Executive Recommendation GF/GP and Adjusted Gross by Budget Area	2
CHANGE IN ADJUSTED GROSS APPROPRIATIONS	3
FY 2013-14 AND FY 2014-15 EXECUTIVE BUDGET APPROPRIATION CHANGES	4
RESOURCES USED IN THE EXECUTIVE BUDGET RECOMMENDATION	5–7
BUDGET SUMMARY TABLES:	8
Table 1: FY 2013-14 Executive Budget Recommendation by Source of Funds	9
Table 2: FY 2013-14 and FY 2014-15 GF/GP Appropriations Compared to FY 2012-13 YTD	10
Table 3: FY 2013-14 and FY 2014-15 Adjusted Gross Appropriations Compared to FY 2012-13 YTD...	11
Table 4: FY 2012-13 and FY 2013-14 Appropriations Designated as One-Time Only	12
Table 5: FY 2013-14 and FY 2014-15 FTEs Compared to FY 2012-13 YTD	13
Table 6: FY 2013-14 State Spending from State Sources Paid to Local Governments	14
Table 7: FY 2013-14 Proposed Fees	15–17
FY 2013-14 AND FY 2014-15 EXECUTIVE BUDGET HIGHLIGHTS	
Education	
Community Colleges ▪ Education (Department) ▪ Higher Education ▪ School Aid	19–22
General Government	
Overall Totals ▪ Attorney General ▪ Civil Rights ▪ Executive Office ▪	
Legislative Auditor General ▪ Legislature ▪ State ▪ Technology, Management, & Budget ▪	
Treasury	23–30
Health and Human Services	
Community Health ▪ Human Services (Department).....	31–33
Resource Protection	
Agriculture & Rural Development ▪ Environmental Quality ▪ Natural Resources.....	35–37
Public Safety and Defense	
Corrections ▪ Military & Veterans Affairs ▪ State Police	39–41
All Other	
Judiciary ▪ Licensing & Regulatory Affairs ▪ Transportation.....	43–45
HFA STAFF LIST	

OVERVIEW OF FY 2013-14 AND FY 2014-15 EXECUTIVE BUDGET RECOMMENDATION

The FY 2013-14 Executive Budget Recommendation calls for \$50,769.2 million in adjusted gross appropriations. This includes \$9,036.5 million in General Fund/General Purpose (GF/GP) funds, \$20,434.2 million in restricted funds, \$481.6 million in local/private funds, and \$20,816.9 million in federal funds.

Of the \$29,470.7 million in state resources recommended for appropriation in FY 2013-14, \$15,790.9 million (53.6% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's *Constitution* requires that at least 48.97% of spending from state resources must be paid to local government.

The Executive Recommendation incorporates the January 2013 Consensus Revenue Estimating Conference revenue estimates and includes additional revenue from the proposed Legislative changes to the nonprofit status of BlueCross/Blue Shield of \$62.0 million (FY 2013-14) and \$75.0 million (FY 2014-15). In addition to the revenues, the budget recommendation incorporates \$205.9 million in direct savings from the expansion of Medicaid services to 133% of Federal poverty level and a fee structure change to the Health Insurance Claims Assessment (HICA) to achieve appropriated levels of revenue.

The proposal also continues the policy to designate a portion of the appropriation items as one-time. Below is a summary highlighting the major GF/GP and School Aid Fund (SAF) adjustments for FY 2013-14:

- Proposal for ongoing resources:
 - Program increases of \$127.8 million GF/GP and \$55.0 million SAF.
- Proposal for one-time resources:
 - One-time appropriations of \$257.3 million (combined GF/GP and SAF).
 - Budget Stabilization Fund (BSF) deposit of \$75.0 million GF/GP.
 - Medical Health Savings Fund deposit of 103.0 million GF/GP (equal to half of the GF/GP savings from the Medicaid expansion).

The Executive recommendation also includes policy changes to raise additional annual transportation revenue of \$1.2 billion from increases in the gasoline tax (from 19 cents to 33 cents), diesel tax (from 15 cents to 33 cents), and vehicle registration tax.

The Executive recommendation includes a new \$60.0 million fee for Low Income Energy Assistance, with the surcharge amount set by the Public Service Commission, to replace one-time funding included in the FY 2012-13 budget. See pages 15-17 for a more detailed list of fee proposals.

A more detailed summary of proposed changes by department begins on page 19.

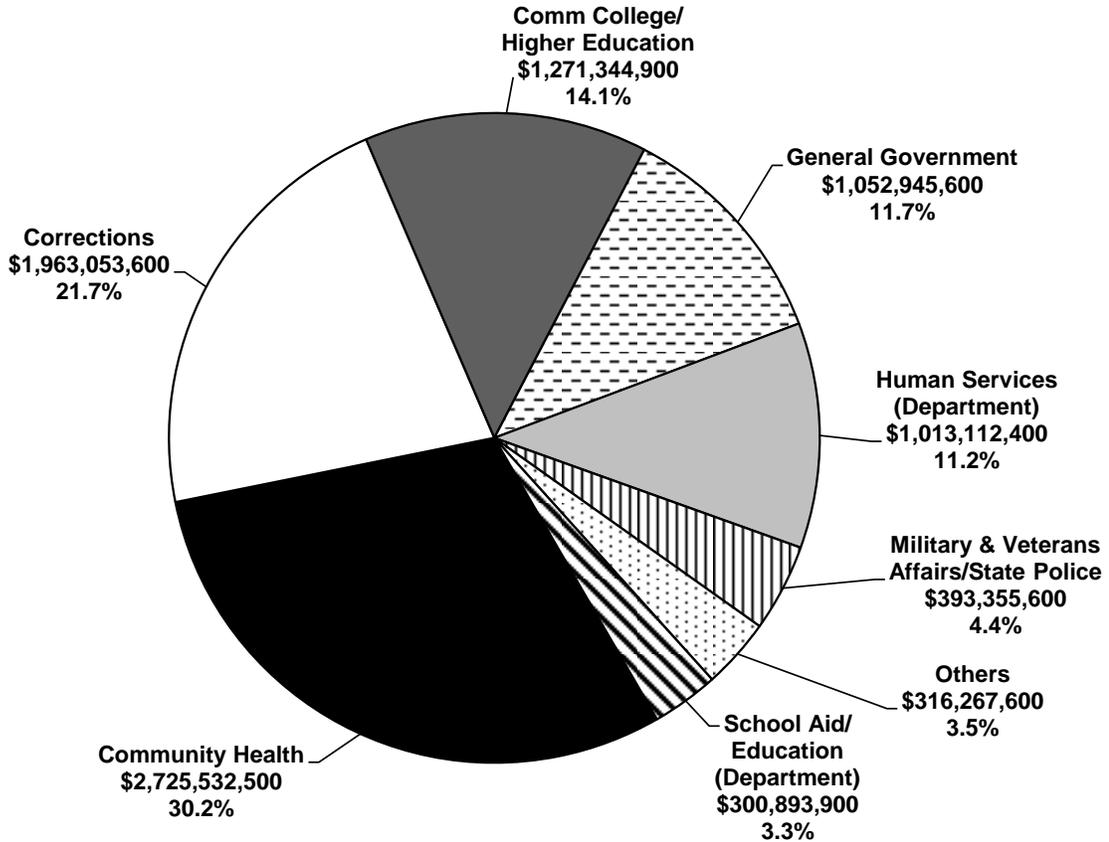
This preliminary review provides a quick look at the Executive Recommendation for FY 2013-14 and FY 2014-15. The House Fiscal Agency's full ***Review and Analysis of the FY 2013-14 and FY 2014-15 Executive Budget Recommendation*** will be available in approximately two weeks, and will contain a detailed analysis and discussion, by budget area, of major budget and boilerplate changes, fee proposals and a summary of the proposed FY 2012-13 supplementals recommended in the Executive Budget Recommendation for FY 2013-14 and FY 2014-15.

A list of House Fiscal Agency staff by area of responsibility is included at the end of this document. Please do not hesitate to call me, or the Fiscal Analyst responsible for a specific budget area, if you have questions regarding this information.

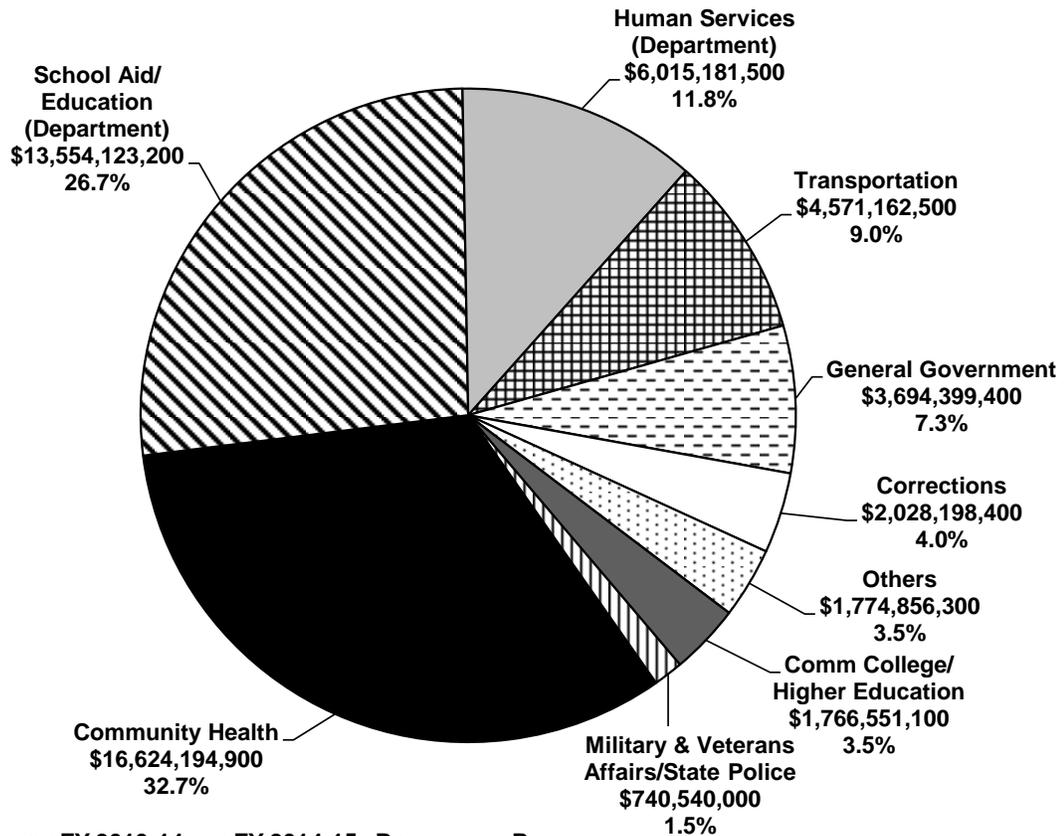


Mary Ann Cleary, Director

**FY 2013-14 Executive Recommendation
General Fund/General Purpose (GF/GP) = \$9,036,506,100**



**FY 2013-14 Executive Recommendation
Adjusted Gross = \$50,769,207,300**



CHANGE IN ADJUSTED GROSS APPROPRIATIONS FY 2013-14 and FY 2014-15 Executive Recommendation

The Executive Budget Recommendation for FY 2013-14 increases adjusted gross appropriations by \$2,523.3 million (5.2%) from FY 2012-13 year-to-date amounts:

- GF/GP appropriations are increased by \$10.1 million (0.1%).
- State restricted appropriations are increased by \$1,632.1 million (8.7%).
- Federal appropriations are increased by \$902.6 million (4.5%).
- Local and private appropriations are decreased by \$21.5 million (-4.3%).

Total state spending from state sources (GF/GP plus state restricted) in the FY 2013-14 Executive Budget Recommendation is increased by \$1,642.1 million (5.9%) from FY 2012-13 year-to-date amounts.

Projected appropriation amounts for FY 2014-15 under the Executive Budget (which will not be legally binding) reflect a 0.0% increase in GF/GP appropriations, a 1.0% increase in total state spending from state sources, and a 2.3% increase in adjusted gross appropriations.

**FY 2013-14 and FY 2014-15
Executive Budget Appropriation Changes
Millions of Dollars**

	Year-to-Date FY 2012-13	Executive Recommendation FY 2013-14	Change Amounts		Executive Recommendation FY 2014-15	Change Amounts	
General Fund/General Purpose	\$9,026.4	\$9,036.5	\$10.1	0.1%	\$9,038.7	\$2.2	0.0%
State Restricted	<u>18,802.2</u>	<u>20,434.2</u>	<u>1,632.1</u>	8.7%	<u>20,738.2</u>	<u>303.9</u>	1.5%
Total State Spending from State Sources	\$27,828.6	\$29,470.7	\$1,642.1	5.9%	\$29,776.8	\$306.1	1.0%
Federal	\$19,914.2	\$20,816.9	\$902.6	4.5%	\$21,658.3	\$841.4	4.0%
Local	378.2	345.5	(32.7)	-8.6%	345.7	0.2	0.1%
Private	124.9	136.1	11.2	8.9%	136.2	0.1	0.1%
Total Adjusted Gross	\$48,246.0	\$50,769.2	\$2,523.3	5.2%	\$51,917.0	\$1,147.8	2.3%

Note: Numbers may not add due to rounding.

General Fund/General Purpose: The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

State Restricted: State revenue dedicated to a specific fund; revenue which results from state mandates or initiatives; includes state School Aid Fund.

Adjusted Gross: Total of appropriations from all sources; gross appropriations minus interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Notes:

(1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013, as well as FY 2012-13 OPEB costs for legislative employees.

(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

RESOURCES USED IN THE EXECUTIVE BUDGET RECOMMENDATION

Resources used to fund General Fund/General Purpose, School Aid Fund, Merit Award Trust Fund, and Medicaid Benefits Trust Fund expenditures in the Executive Budget Recommendation are reported below.

FY 2013-14 and FY 2014-15 Executive Recommendation		
General Fund/General Purpose (GF/GP)		
Millions of Dollars		
	FY 2013-14	FY 2014-15
<u>Resources</u>		
Beginning balance	\$278.5	\$15.8
Initial revenue estimate	9,264.4	9,639.9
Blue Cross/Blue Shield Revenue	62.0	75.0
Revenue sharing	(380.6)	(358.6)
Charge SAF for short-term borrowing cost	<u>6.0</u>	<u>8.0</u>
Total Resources	\$9,230.3	\$9,380.1
<u>Expenditures</u>		
Ongoing recommendations	\$8,850.7	\$9,034.7
One-time recommendations	135.8	4.0
One-time GF/GP fund shift to SAF	50.0	0.0
BSF deposit	75.0	150.0
Health saving fund deposit	<u>103.0</u>	<u>137.8</u>
Total Expenditures	\$9,214.5	\$9,326.5
Estimated Ending Balance	\$15.8	\$53.6

Beginning balance: Estimated ending CAFR balance from FY 2012-13.

Initial revenue estimate: FY 2013-14 and FY 2014-15 revenue estimates agreed to at the January 2013 consensus revenue estimating conference.

Blue Cross/Blue Shield Revenue: Increased insurance tax revenue due to change in legal status.

Revenue sharing: Expenditure of sales tax revenue resulting from revenue sharing proposal.

Charge SAF for short-term borrowing cost: Savings that accrue to GF/GP by shifting short-term borrowing costs to the SAF.

Ongoing recommendations: Executive recommendation for the ongoing GF/GP budget.

One-time recommendations: Executive recommendations for one-time appropriations for the GF/GP budget.

One-time GF/GP fund shift to SAF: Executive recommendation for additional GF/GP funds to the SAF.

BSF deposit: Executive recommendation for GF/GP transfer to the Budget Stabilization Fund (BSF).

Health savings fund deposit: Executive recommendation for GF/GP transfer to Health Savings Fund: 50% of GF/GP savings from implementation of Medicaid expansion.

FY 2013-14 and FY 2014-15 Executive Recommendation School Aid Fund (SAF) Millions of Dollars		
	FY 2013-14	FY 2014-15
<u>Resources</u>		
Beginning balance	\$49.9	\$1.3
Initial revenue estimate	11,432.5	11,768.8
iLottery	7.8	23.4
GF/GP contribution	230.0	233.0
MPSERS Reform Reserve Fund	150.0	100.0
Federal funds	<u>1,764.4</u>	<u>1,764.4</u>
Total Resources	\$13,634.6	\$13,890.9
<u>Expenditures</u>		
School Aid ongoing recommendations	\$13,135.7	\$13,490.6
School Aid one-time recommendations	99.5	0.0
Community College recommendations	197.6	197.6
Higher Education recommendations	<u>200.5</u>	<u>200.5</u>
Total Expenditures	\$13,633.3	\$13,888.7
Estimated Ending Balance	\$1.3	\$2.2

Beginning balance: Estimated ending CAFR balance from FY 2012-13.

Initial revenue estimate: FY 2013-14 and FY 2014-15 revenue estimates agreed to at the January 2013 consensus revenue estimating conference.

iLottery: New revenue from proposed online lottery games.

GF/GP contribution: Proposed GF/GP revenue appropriated to School Aid Fund.

MPSERS Reform Reserve Fund: Use of funds set aside to help offset state-level retirement costs.

Federal funds: Federal revenue available for School Aid programs.

School Aid ongoing recommendations: Executive recommendation for ongoing School Aid budget.

School Aid one-time recommendations: Executive proposal for one-time appropriation.

Community College recommendations: Use of SAF revenue in place of GF/GP funding for Community Colleges budget.

Higher Education recommendations: Use of SAF revenue in place of GF/GP funding for Higher Education budget.

FY 2013-14 and FY 2014-15 Executive Recommendation		
Merit Award Trust Fund		
Millions of Dollars		
	FY 2013-14	FY 2014-15
<u>Resources</u>		
Beginning balance	\$67.2	\$67.6
Master Settlement Agreement payment	283.3	280.8
Assume withheld/disputed payments	(28.2)	(28.2)
Payment on 2006 securitization bonds (13.34%)	(34.0)	(33.7)
Payment on 2007 securitization bonds (10.77%)	(27.5)	(27.2)
Deposit to 21st Century Jobs Trust Fund	<u>(75.0)</u>	<u>(75.0)</u>
Available Resources	\$185.9	\$184.4
<u>Expenditures</u>		
DHS: Family Independence Program	\$30.1	\$30.1
Treasury: Tuition Incentive Program admin	1.1	1.1
State Police: Tobacco tax enforcement	0.7	0.7
DCH: Medicaid base funding	81.8	81.8
DCH: Aging-respite care	4.1	4.1
Attorney General: Administration	<u>0.5</u>	<u>0.5</u>
Total Expenditures	\$118.3	\$118.3
Estimated Ending Balance	\$67.6	\$66.1

Note: Numbers may not add due to rounding.

The projected Merit Award Trust Fund beginning balance of \$67.2 million for FY 2013-14 is the difference between an assumed net FY 2012-13 revenue increase of \$97.0 million from a potential legal settlement with tobacco manufacturers regarding enforcement of the original legal agreement and the expenditure of \$29.8 million to help resolve the FY 2012-13 shortfall in Health Insurance Claims Assessment revenue.

BUDGET SUMMARY TABLES

The following pages include seven tables summarizing the Executive Budget Recommendation by budget area.

The following should be noted regarding the appropriation amounts in the following tables and throughout the report:

- Some appropriation items in the FY 2012-13 budget are designated as one-time, indicating intent that those items would not be funded in the subsequent budget year in order to maintain a structurally-balanced budget. The FY 2013-14 Executive Budget continues this practice.
- The tables in this document show total appropriation amounts by budget area, including both standard line items and the items designated as one-time, in order to provide an accurate representation of resources available for expenditure in each budget year by state departments, local units of government, and other entities receiving funds through the state budget.

Also, consistent with the two previous Executive Budget proposals, this year's proposal greatly reduces the number of line item appropriations in each departmental budget, instead including a non-binding "Schedule of Programs" for each major budget area within a department. In most department budgets, the Legislature has not adopted the revised format, retaining legally binding line item appropriation amounts. The analysis in this document is based on the assumption that Executive-proposed changes would be implemented on a line item basis.

TABLE 1
FY 2013-14 EXECUTIVE BUDGET RECOMMENDATION BY SOURCE OF FUNDS

<u>Department/Budget Area</u>	<u>Gross</u>	<u>IDG/IDT</u>	<u>Adjusted Gross</u>	<u>Federal</u>	<u>Local</u>	<u>Private</u>	<u>State Restricted</u>	<u>GF/GP</u>
Community Colleges	335,977,600	0	335,977,600	0	0	0	197,614,100	138,363,500
Education	318,888,400	0	318,888,400	232,395,400	5,633,700	1,933,300	8,032,100	70,893,900
Higher Education	1,430,573,500	0	1,430,573,500	97,026,400	0	0	200,565,700	1,132,981,400
School Aid	13,235,234,800	0	13,235,234,800	1,764,421,300	0	0	11,240,813,500	230,000,000
EDUCATION	\$15,320,674,300	\$0	\$15,320,674,300	\$2,093,843,100	\$5,633,700	\$1,933,300	\$11,647,025,400	\$1,572,238,800
Attorney General	89,306,900	27,355,500	61,951,400	9,838,200	0	0	17,631,900	34,481,300
Civil Rights	15,198,300	0	15,198,300	2,690,200	0	18,700	151,900	12,337,500
Executive Office	4,970,000	0	4,970,000	0	0	0	0	4,970,000
Legislative Auditor General	20,554,400	5,092,100	15,462,300	0	0	0	1,951,000	13,511,300
Legislature	123,819,300	0	123,819,300	0	0	400,000	1,109,800	122,309,500
State	219,548,900	20,000,000	199,548,900	1,810,000	0	100	182,485,400	15,253,400
Tech., Mgmt. & Budget: Operations	927,404,600	677,159,800	250,244,800	8,790,900	1,320,800	190,400	92,625,900	147,316,800
Tech., Mgmt. & Budget: SBA Rent	258,570,600	0	258,570,600	0	0	0	0	258,570,600
Treasury: MI Strategic Fund	1,005,613,900	0	1,005,613,900	638,370,300	4,433,500	5,454,900	141,851,300	215,503,900
Treasury: Operations	490,797,200	9,130,000	481,667,200	39,410,400	1,959,500	22,000	362,772,000	77,503,300
Treasury: Debt Service	154,202,500	0	154,202,500	0	0	0	3,014,500	151,188,000
Treasury: Revenue Sharing	1,123,150,200	0	1,123,150,200	0	0	0	1,123,150,200	0
GENERAL GOVERNMENT	\$4,433,136,800	\$738,737,400	\$3,694,399,400	\$700,910,000	\$7,713,800	\$6,086,100	\$1,926,743,900	\$1,052,945,600
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
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
HEALTH AND HUMAN SERVICES	\$22,680,027,100	\$40,650,700	\$22,639,376,400	\$16,195,172,700	\$265,437,100	\$116,189,300	\$2,323,932,400	\$3,738,644,900
Agriculture & Rural Development	76,993,300	524,300	76,469,000	9,720,900	0	96,900	29,020,900	37,630,300
Environmental Quality	512,168,800	9,401,900	502,766,900	150,929,700	0	541,800	322,190,900	29,104,500
Natural Resources	354,388,900	1,412,300	352,976,600	67,127,300	0	7,237,200	251,325,500	27,286,600
RESOURCE PROTECTION	\$943,551,000	\$11,338,500	\$932,212,500	\$227,777,900	\$0	\$7,875,900	\$602,537,300	\$94,021,400
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
Military & Veterans Affairs	162,608,000	650,000	161,958,000	89,782,700	1,500,000	740,000	27,554,000	42,381,300
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
PUBLIC SAFETY AND DEFENSE	\$2,795,717,700	\$26,979,300	\$2,768,738,400	\$197,481,300	\$8,733,700	\$979,700	\$205,134,500	\$2,356,409,200
Capital Outlay	0	0	0	0	0	0	0	0
Judiciary	285,316,200	2,350,500	282,965,700	5,343,900	7,133,100	931,500	86,115,900	183,441,300
Licensing & 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
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
ALL OTHERS	\$5,434,010,100	\$20,203,800	\$5,413,806,300	\$1,401,699,400	\$57,966,700	\$3,043,300	\$3,728,850,700	\$222,246,200
TOTAL APPROPRIATIONS	\$51,607,117,000	\$837,909,700	\$50,769,207,300	\$20,816,884,400	\$345,485,000	\$136,107,600	\$20,434,224,200	\$9,036,506,100

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

TABLE 2
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2013-14 and FY 2014-15 Executive Recommendation Compared with FY 2012-13 Year-to-Date

Department/Budget Area	Year-To-Date FY 2012-13	Executive Recommendation FY 2013-14	Difference FY 2013-14 vs. FY 2012-13		Executive Recommendation FY 2014-15	Difference FY 2014-15 vs. FY 2013-14	
Community Colleges	96,516,400	138,363,500	41,847,100	43.4%	154,663,500	16,300,000	11.8%
Education	68,093,200	70,893,900	2,800,700	4.1%	71,831,100	937,200	1.3%
Higher Education	1,101,628,300	1,132,981,400	31,353,100	2.8%	1,132,981,400	0	0.0%
School Aid	282,400,000	230,000,000	(52,400,000)	-18.6%	233,000,000	3,000,000	1.3%
EDUCATION	\$1,548,637,900	\$1,572,238,800	\$23,600,900	1.5%	\$1,592,476,000	\$20,237,200	1.3%
Attorney General	33,825,800	34,481,300	655,500	1.9%	35,113,100	631,800	1.8%
Civil Rights	11,953,600	12,337,500	383,900	3.2%	12,576,100	238,600	1.9%
Executive Office	4,887,900	4,970,000	82,100	1.7%	4,970,000	0	0.0%
Legislative Auditor General	13,004,900	13,511,300	506,400	3.9%	13,791,400	280,100	2.1%
Legislature	113,705,000	122,309,500	8,604,500	7.6%	122,309,500	0	0.0%
State	14,888,100	15,253,400	365,300	2.5%	15,428,800	175,400	1.1%
Tech., Mgmt. & Budget: Operations	149,045,600	147,316,800	(1,728,800)	-1.2%	133,670,200	(13,646,600)	-9.3%
Tech., Mgmt. & Budget: SBA Rent	256,870,600	258,570,600	1,700,000	0.7%	281,470,600	22,900,000	8.9%
Treasury: MI Strategic Fund	173,501,600	215,503,900	42,002,300	24.2%	141,277,400	(74,226,500)	-34.4%
Treasury: Operations	111,294,500	77,503,300	(33,791,200)	-30.4%	80,888,000	3,384,700	4.4%
Treasury: Debt Service	135,040,400	151,188,000	16,147,600	12.0%	161,227,300	10,039,300	6.6%
Treasury: Revenue Sharing	0	0	0	--	0	0	--
GENERAL GOVERNMENT	\$1,018,018,000	\$1,052,945,600	\$34,927,600	3.4%	\$1,002,722,400	(\$50,223,200)	-4.8%
Community Health	2,817,437,800	2,725,532,500	(91,905,300)	-3.3%	2,735,460,600	9,928,100	0.4%
Human Services	1,028,769,600	1,013,112,400	(15,657,200)	-1.5%	1,022,565,000	9,452,600	0.9%
HEALTH AND HUMAN SERVICES	\$3,846,207,400	\$3,738,644,900	(\$107,562,500)	-2.8%	\$3,758,025,600	\$19,380,700	0.5%
Agriculture & Rural Development	36,098,900	37,630,300	1,531,400	4.2%	37,701,100	70,800	0.2%
Environmental Quality	29,812,400	29,104,500	(707,900)	-2.4%	28,526,700	(577,800)	-2.0%
Natural Resources	19,737,900	27,286,600	7,548,700	38.2%	24,904,000	(2,382,600)	-8.7%
RESOURCE PROTECTION	\$85,649,200	\$94,021,400	\$8,372,200	9.8%	\$91,131,800	(\$2,889,600)	-3.1%
Corrections	1,941,485,600	1,963,053,600	21,568,000	1.1%	1,982,080,100	19,026,500	1.0%
Military & Veterans Affairs	38,233,400	42,381,300	4,147,900	10.8%	38,767,600	(3,613,700)	-8.5%
State Police	317,513,800	350,974,300	33,460,500	10.5%	355,963,900	4,989,600	1.4%
PUBLIC SAFETY AND DEFENSE	\$2,297,232,800	\$2,356,409,200	\$59,176,400	2.6%	\$2,376,811,600	\$20,402,400	0.9%
Capital Outlay	0	0	0	--	0	0	--
Judiciary	170,751,500	183,441,300	12,689,800	7.4%	178,163,600	(5,277,700)	-2.9%
Licensing & Regulatory Affairs	36,945,200	38,804,900	1,859,700	5.0%	39,351,700	546,800	1.4%
Transportation	23,000,000	0	(23,000,000)	-100.0%	0	0	--
ALL OTHERS	\$230,696,700	\$222,246,200	(\$8,450,500)	-3.7%	\$217,515,300	(\$4,730,900)	-2.1%
TOTAL APPROPRIATIONS	\$9,026,442,000	\$9,036,506,100	\$10,064,100	0.1%	\$9,038,682,700	\$2,176,600	0.0%

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013, as well as FY 2012-13 OPEB costs for legislative employees.

(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

TABLE 3
ADJUSTED GROSS APPROPRIATIONS
FY 2013-14 and FY 2014-15 Executive Recommendation Compared with FY 2012-13 Year-to-Date

<u>Department/Budget Area</u>	<u>Year-To-Date FY 2012-13</u>	<u>Executive Recommendation FY 2013-14</u>	<u>Difference FY 2013-14 vs. FY 2012-13</u>		<u>Executive Recommendation FY 2014-15</u>	<u>Difference FY 2014-15 vs. FY 2013-14</u>	
Community Colleges	294,130,500	335,977,600	41,847,100	14.2%	352,277,600	16,300,000	4.9%
Education	328,909,900	318,888,400	(10,021,500)	-3.0%	320,929,600	2,041,200	0.6%
Higher Education	1,399,220,400	1,430,573,500	31,353,100	2.2%	1,430,573,500	0	0.0%
School Aid	12,944,687,000	13,235,234,800	290,547,800	2.2%	13,490,575,800	255,341,000	1.9%
EDUCATION	\$14,966,947,800	\$15,320,674,300	\$353,726,500	2.4%	\$15,594,356,500	\$273,682,200	1.8%
Attorney General	61,000,400	61,951,400	951,000	1.6%	63,083,000	1,131,600	1.8%
Civil Rights	14,765,500	15,198,300	432,800	2.9%	15,491,700	293,400	1.9%
Executive Office	4,887,900	4,970,000	82,100	1.7%	4,970,000	0	0.0%
Legislative Auditor General	14,895,600	15,462,300	566,700	3.8%	15,776,500	314,200	2.0%
Legislature	115,214,800	123,819,300	8,604,500	7.5%	123,819,300	0	0.0%
State	200,669,300	199,548,900	(1,120,400)	-0.6%	202,972,100	3,423,200	1.7%
Tech., Mgmt. & Budget: Operations	250,538,100	250,244,800	(293,300)	-0.1%	237,190,400	(13,054,400)	-5.2%
Tech., Mgmt. & Budget: SBA Rent	256,870,600	258,570,600	1,700,000	0.7%	281,470,600	22,900,000	8.9%
Treasury: MI Strategic Fund	984,196,800	1,005,613,900	21,417,100	2.2%	933,062,200	(72,551,700)	-7.2%
Treasury: Operations	503,563,000	481,667,200	(21,895,800)	-4.3%	486,475,500	4,808,300	1.0%
Treasury: Debt Service	140,554,900	154,202,500	13,647,600	9.7%	164,241,800	10,039,300	6.5%
Treasury: Revenue Sharing	1,096,096,300	1,123,150,200	27,053,900	2.5%	1,127,050,400	3,900,200	0.3%
GENERAL GOVERNMENT	\$3,643,253,200	\$3,694,399,400	\$51,146,200	1.4%	\$3,655,603,500	(\$38,795,900)	-1.1%
Community Health	15,019,033,900	16,624,194,900	1,605,161,000	10.7%	17,468,191,900	843,997,000	5.1%
Human Services	6,673,512,400	6,015,181,500	(658,330,900)	-9.9%	6,027,493,800	12,312,300	0.2%
HEALTH AND HUMAN SERVICES	\$21,692,546,300	\$22,639,376,400	\$946,830,100	4.4%	\$23,495,685,700	\$856,309,300	3.8%
Agriculture & Rural Development	76,433,700	76,469,000	35,300	0.0%	77,095,600	626,600	0.8%
Environmental Quality	423,308,700	502,766,900	79,458,200	18.8%	505,254,000	2,487,100	0.5%
Natural Resources	335,855,600	352,976,600	17,121,000	5.1%	354,709,600	1,733,000	0.5%
RESOURCE PROTECTION	\$835,598,000	\$932,212,500	\$96,614,500	11.6%	\$937,059,200	\$4,846,700	0.5%
Corrections	2,017,523,800	2,028,198,400	10,674,600	0.5%	2,047,892,300	19,693,900	1.0%
Military & Veterans Affairs	170,907,100	161,958,000	(8,949,100)	-5.2%	159,903,500	(2,054,500)	-1.3%
State Police	552,744,200	578,582,000	25,837,800	4.7%	586,292,500	7,710,500	1.3%
PUBLIC SAFETY AND DEFENSE	\$2,741,175,100	\$2,768,738,400	\$27,563,300	1.0%	\$2,794,088,300	\$25,349,900	0.9%
Capital Outlay	0	0	0	--	0	0	--
Judiciary	271,121,900	282,965,700	11,843,800	4.4%	277,848,100	(5,117,600)	-1.8%
Licensing & Regulatory Affairs	632,404,900	559,678,100	(72,726,800)	-11.5%	567,994,700	8,316,600	1.5%
Transportation	3,462,905,600	4,571,162,500	1,108,256,900	32.0%	4,594,342,400	23,179,900	0.5%
ALL OTHERS	\$4,366,432,400	\$5,413,806,300	\$1,047,373,900	24.0%	\$5,440,185,200	\$26,378,900	0.5%
TOTAL APPROPRIATIONS	\$48,245,952,800	\$50,769,207,300	\$2,523,254,500	5.2%	\$51,916,978,400	\$1,147,771,100	2.3%

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013, as well as FY 2012-13 OPEB costs for legislative employees.

(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

**TABLE 4
 APPROPRIATIONS DESIGNATED AS ONE-TIME ONLY**

Department/Budget Area	FY 2012-13	FY 2013-14
	GF/GP	GF/GP
Agriculture and Rural Development	\$2,000,000	\$600,000
Community Colleges	0	1,100,000
Community Health	12,775,000	7,625,000
Corrections	1,129,500	9,032,500
Education	50,000	0
Environmental Quality	4,000,000	1,000,000
Human Services	30,700,000	2,039,600
Judiciary	0	6,500,000
Military and Veterans Affairs	5,900,000	4,000,000
Natural Resources	2,000,000	2,600,000
School Aid	181,357,600	50,000,000
State	750,000	0
State Police	2,773,700	8,561,900
Technology, Management, and Budget	21,000,000	16,500,000
Transportation	23,000,000	0
Treasury: Michigan Strategic Fund	50,000,000	69,500,000
Treasury: Operations	3,000,000	6,763,300
All Departments (Negotiated Salary Adjustments)	25,313,900	0
TOTAL: ONE-TIME APPROPRIATIONS	\$365,749,700	\$185,822,300
Transportation (Sales Tax Reduction)	110,000,000	0
Treasury: Revenue Sharing (Sales Tax Reduction)	20,000,000	22,000,000
TOTAL: WITH RESTRICTED IMPACTS	\$495,749,700	\$207,822,300
Budget Stabilization Fund	140,000,000	75,000,000
Health Savings Fund		103,000,000
TOTAL: ONE-TIME AND RESTRICTED TRANSFERS	\$635,749,700	\$385,822,300

Note: Does not reflect supplemental items.

TABLE 5
FULL-TIME EQUATED (FTE) POSITIONS*
FY 2013-14 Executive Recommendation Compared with FY 2012-13 Year-to-Date

<u>Department/Budget Area</u>	<u>Year-To-Date FY 2012-13</u>	<u>Executive Recommendation FY 2013-14</u>	<u>Difference FY 2013-14 vs. FY 2012-13</u>	
Community Colleges	0.0	0.0	0.0	--
Education	590.5	594.5	4.0	0.7%
Higher Education	0.0	0.0	0.0	--
School Aid	0.0	0.0	0.0	--
EDUCATION	590.5	594.5	4.0	0.7%
Attorney General	514.0	517.0	3.0	0.6%
Civil Rights	127.0	128.0	1.0	0.8%
Executive Office	84.2	84.2	0.0	0.0%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
State	1,695.0	1,568.0	(127.0)	-7.5%
Tech., Mgmt. & Budget: Operations	2,814.0	2,812.0	(2.0)	-0.1%
Tech., Mgmt. & Budget: SBA Rent	0.0	0.0	0.0	--
Treasury: MI Strategic Fund	748.0	772.0	24.0	3.2%
Treasury: Operations	1,784.5	1,794.5	10.0	0.6%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
GENERAL GOVERNMENT	7,766.7	7,675.7	(91.0)	-1.2%
Community Health	3,552.6	3,589.6	37.0	1.0%
Human Services	12,314.0	12,282.5	(31.5)	-0.3%
HEALTH AND HUMAN SERVICES	15,866.6	15,872.1	5.5	0.0%
Agriculture & Rural Development	431.0	434.0	3.0	0.7%
Environmental Quality	1,327.5	1,291.5	(36.0)	-2.7%
Natural Resources	2,099.8	2,141.3	41.5	2.0%
RESOURCE PROTECTION	3,858.3	3,866.8	8.5	0.2%
Corrections	14,695.2	14,496.5	(198.7)	-1.4%
Military & Veterans Affairs	842.0	880.0	38.0	4.5%
State Police	2,884.0	2,917.0	33.0	1.1%
PUBLIC SAFETY AND DEFENSE	18,421.2	18,293.5	(127.7)	-0.7%
Capital Outlay	0.0	0.0	0.0	--
Judiciary	472.0	482.0	10.0	2.1%
Licensing & Regulatory Affairs	3,767.3	3,324.5	(442.8)	-11.8%
Transportation	2,918.3	2,918.3	0.0	0.0%
ALL OTHERS	7,157.6	6,724.8	(432.8)	-6.0%
TOTAL FTE APPROPRIATIONS	53,660.9	53,027.4	(633.5)	-1.2%

**Includes classified, unclassified, and nonlegislative exempt positions.*

TABLE 6
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2013-14 Executive Recommendation

<u>Department/Budget Area</u>	<u>Spending from State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending from State Sources as Payment to Locals</u>
Community Colleges	335,977,600	335,977,600	100.0%
Education	78,926,000	10,312,300	13.1%
Higher Education	1,333,547,100	0	0.0%
School Aid	11,470,813,500	11,309,030,900	98.6%
EDUCATION	\$13,219,264,200	\$11,655,320,800	88.2%
Attorney General	52,113,200	0	0.0%
Civil Rights	12,489,400	0	0.0%
Executive Office	4,970,000	0	0.0%
Legislative Auditor General	15,462,300	0	0.0%
Legislature	123,419,300	0	0.0%
State	197,738,800	1,360,800	0.7%
Tech., Mgmt. & Budget: Operations	239,942,700	0	0.0%
Tech., Mgmt. & Budget: SBA Rent	258,570,600	0	0.0%
Treasury: MI Strategic Fund	357,355,200	15,224,800	4.3%
Treasury: Operations	440,275,300	153,383,300	34.8%
Treasury: Debt Service	154,202,500	0	0.0%
Treasury: Revenue Sharing	1,123,150,200	1,123,150,200	100.0%
GENERAL GOVERNMENT	\$2,979,689,500	\$1,293,119,100	43.4%
Community Health	4,897,846,100	1,227,734,500	25.1%
Human Services	1,164,731,200	95,422,200	8.2%
HEALTH AND HUMAN SERVICES	\$6,062,577,300	\$1,323,156,700	21.8%
Agriculture & Rural Development	66,651,200	3,500,000	5.3%
Environmental Quality	351,295,400	2,775,000	0.8%
Natural Resources	278,612,100	11,689,400	4.2%
RESOURCE PROTECTION	\$696,558,700	\$17,964,400	2.6%
Corrections	2,019,079,700	90,859,700	4.5%
Military & Veterans Affairs	69,935,300	120,000	0.2%
State Police	472,528,700	15,537,600	3.3%
PUBLIC SAFETY AND DEFENSE	\$2,561,543,700	\$106,517,300	4.2%
Capital Outlay	0	0	--
Judiciary	269,557,200	138,999,600	51.6%
Licensing & Regulatory Affairs	359,539,800	26,917,500	7.5%
Transportation	3,321,999,900	1,228,928,100	37.0%
ALL OTHER	\$3,951,096,900	\$1,394,845,200	35.3%
TOTALS APPROPRIATED	\$29,470,730,300	\$15,790,923,500	53.6%

**TABLE 7
FY 2014 PROPOSED FEES**

<u>Department</u>	<u>Fee Title</u>	<u>Current Law FY 2014 Fee Amount</u>	<u>Proposed FY 2014 Fee Amount</u>	<u>Estimated Revenue</u>
Community Health	<u>HICA – Health Insurance Claims Assessment (Sunset Extension and Increase)</u>	1%	Adjustable Rate	\$400.0 million annually
	<u>Emergency Medical Service Fees (New and Increases)</u>			
	• Initial education program sponsor triennial fee	\$0	\$500	
	• Satellite education location fee, per location	\$0	\$250	
	• Ongoing education program sponsor triennial fee	\$0	\$250	
	• Ongoing education program sponsor fee per topic (1-100+ topics)	\$0	\$20-150	
	• Ongoing education applications from instructor coordinators (1-100+ topics)	\$0	\$20-150	
	• Ambulance operation license	\$100	\$150	
	• Ambulance license	\$25	\$50	
	• Nontransport prehospital life support operation license	\$100	\$150	
	• Nontransport prehospital life support vehicle license	\$25	\$50	
	• Aircraft transport operation license	\$100	\$150	
	• Aircraft transport vehicle license	\$100	\$150	
	• Late fee for above vehicle or ambulance renewal	\$100	\$150	
	• Medical first response service license	\$0	\$150	
	• Medical first responder vehicle license	\$0	\$50	
	• Nonrenewable conditional life support agency license	\$0	\$150	\$1.0 million
	• Medical first responder license	\$0	\$100	
	• Medical first responder license - triennial renewal	\$0	\$75	
	• Emergency medical technician license	\$40	\$100	
	• Emergency medical technician license - triennial renewal	\$25	\$75	
	• Emergency medical technician specialist license	\$60	\$100	
	• Emergency medical technician specialist license - triennial renewal	\$25	\$75	
	• Paramedic license	\$80	\$100	
	• Paramedic license - triennial renewal	\$25	\$75	
	• Emergency medical services instructor- coordinator license	\$100	\$150	
	• Emergency medical services instructor- coordinator license - triennial renewal	\$25	\$75	
	• Reciprocity/national registry licensure applicant initial fee	\$0	\$225	
	• Criminal background check for individuals as required	\$0	\$100	
	• Late fee for above individual license renewal	\$50	\$100	
	<u>Certificate of Need Fees (New and Increases)</u> with provision for annual automatic CPI adjustment			
	• Base Fee	\$1,500	\$3,000	
	• Additional fee, projects \$500,000- \$4,000,000	\$4,000	\$5,000	
	• Additional fee, projects \$4,000,000- \$10,000,000	\$7,000	\$8,000	
	• Additional fee, projects over \$10,000,000	\$7,000	\$12,000	
	• Additional fee, designated complex project	\$0	\$3,000	\$700,000
	• Expedited processing	\$0	\$1,000	
	• Waiver request or receipt	\$0	\$500	
	• Amendment request to an approved certificate of need	\$0	\$500	
	• Annual fee for approved covered clinical service	\$0	\$100	

<u>Department</u>	<u>Fee Title</u>	<u>Current Law FY 2014 Fee Amount</u>	<u>Proposed FY 2014 Fee Amount</u>	<u>Estimated Revenue</u>	
Community Health (cont.)	<u>Vital Record Fees (Increase)</u>				
	• Search for vital record and one copy	\$26	\$34	\$1.5 million	
	• Additional vital record copies at time of initial search, each	\$12	\$16		
	• Authenticated vital record copy	\$29	\$42		
	• Additional vital record authenticated copies at time of initial search, each	\$15	\$26		
	• Verification of facts in Sec. 2881 (2)	\$10	\$18		
	• Expedited search for vital record	\$10	\$12		
	• Application for delayed certificate of birth or death and one copy	\$40	\$50		
	• Registration of delayed certificate of birth for foreign born adopted child, 1 copy	\$40	\$50		
	• Search for vital record and one copy, senior aged 65 or older for self	\$7	\$14		
	• Creation of new certificate of birth following adoption or other event	\$40	\$50		
	• Creation of new certificate of birth or death within 1 year, for correction	\$40	\$50		
	• Amend birth or death record more than 1 year after event, for correction	\$40	\$50		
	• Amend birth record for documented legal change of name for an adult	\$40	\$50		
Environmental Quality	<u>Hazardous Waste Fee (Increase)</u>				
	• Manifest processing user charge	\$8.00	\$11.00		\$1.5 million
	• Site ID issuance user charge	\$50	\$250		
	• Treatment, storage or disposal facility user charge	\$2,000	\$6,000		
	• Used oil handler user charge	\$100	\$500		
	• Administrative fine	5% (not to exceed 25% of total amount owed)	50% (not to exceed 100% of amount owed)		
	<u>Hazardous Waste Fee – Generator User Charge (Eliminate)</u>				
	• Small quantity	\$100	\$0		
	• Large quantity	\$400	\$0		
	• Very large quantity	\$1,000	\$0		
	<u>Hazardous Waste Fee (New)</u>				
	• Annual site ID maintenance user charge	N/A	\$100		
	• Land disposal facility user charge	N/A	\$9,000		
	• Post closure user charge	N/A	\$4,000		
	• Corrective action with engineered controls user charge	N/A	\$4,000		
	• Corrective action with institutional controls user charge	N/A	\$500		
	• Reclamation without storage user charge	N/A	\$1,000		
	• Used oil burners and marketers user charge	N/A	\$200		
	• Universal waste processor user charge	N/A	\$250		
	• Transfer facility user charge	N/A	\$250		
	<u>Generator User Charge (New)</u>				
	• (0.25 tons to less than 0.3 tons)	N/A	\$100		
	• (0.3 tons to less than 0.5 tons)	N/A	\$200		
	• (0.5 tons to less than 1 ton)	N/A	\$250		
	• (1 ton to less than 2 tons)	N/A	\$300		
	• (2 tons to less than 3 tons)	N/A	\$400		
	• (3 tons to less than 5 tons)	N/A	\$500		
	• (5 tons to less than 10 tons)	N/A	\$600		
	• (10 tons to less than 20 tons)	N/A	\$700		
	• (20 tons to less than 1,000 tons)	N/A	\$1,500		
	• (1,000 tons to less than 5,000 tons)	N/A	\$2,000		
	• (5,000 or more tons)	N/A	\$2,500		

<u>Department</u>	<u>Fee Title</u>	<u>Current Law FY 2014 Fee Amount</u>	<u>Proposed FY 2014 Fee Amount</u>	<u>Estimated Revenue</u>
Environmental Quality (cont.)	<u>Solid Waste Surcharge (Sunset Extension)</u>	12 cents per cubic yard; \$500 - 3,000 per facility	12 cents per cubic yard; \$500 - 3,000 per facility	\$4.3 million
	<u>Hazardous Waste Fees - Environmental Pollution Prevention Fund (Sunset Extension)</u>			
	<ul style="list-style-type: none"> • Manifest fee • Site ID user charge • Annual handler user charge 	\$8 \$50 \$100 - \$2,000	\$8 \$50 \$100 - \$2,000	\$1.0 million
Human Services	<u>Low Income Energy Assistance Fund (New)</u>			
	<ul style="list-style-type: none"> • Public Service Commission (PSC) established a surcharge to be included on an electric customer's bill 	Various	Various	\$60.0 million
Natural Resources	<u>Hunting License (New)</u>			
	Note: Must purchase base license to buy any additional hunting licenses			
	<ul style="list-style-type: none"> • Base License; Resident (small game and waterfowl) • Base License; Non-Resident (small game and waterfowl) • Base License; Junior (small game and waterfowl) • Base Senior License (small game and waterfowl) 	N/A N/A N/A N/A	\$10.00 \$150.00 \$5.00 \$4.00	
	<u>Hunting License (Increase)</u>			
	<ul style="list-style-type: none"> • Antlerless Deer • Hunting License Application • Bear • Bear, Senior • Deer • Military (active duty and disabled veteran) 	\$15.00 \$4.00 \$15.00 \$6.00 \$15.00 \$1.00	\$20.00 \$5.00 \$25.00 N/A \$20.00 \$0.00	\$18.1 million annually (\$11.8 million in FY 2013-14)
	<u>Fishing License (Increase)</u>			
	<ul style="list-style-type: none"> • 24 hour Fishing License • 24 hour Fishing License; Senior • Resident All Species Fishing License • Resident All Species Fishing License, Senior • Non-Resident All Species Fishing License 	\$7.00 \$3.00 \$28.00 \$11.20 \$42.00	\$15.00 N/A \$25.00 \$10.00 \$75.00	
	<u>Off-Road Vehicle Base License (Increase)</u>	\$16.25	\$26.25	
	<u>Additional Off-Road Vehicle License Fee for State Trails (New)</u>	\$0.00	\$10.00	\$2.7 million
State	<u>Record Look-up Fees (Increase)</u>	\$7.00	\$8.00	\$4.7 million
Treasury	<u>911 Emergency Fund (Sunset Extension)</u> (Department of Treasury Earmark)	N/A	N/A	\$150,000
TOTAL	New and Increased			\$213.9 million
	Sunset Extension			\$275.5 million
	TOTAL ASSUMED REVENUE			\$489.4 million

FY 2013-14 and FY 2014-15 EXECUTIVE BUDGET HIGHLIGHTS
Major Changes Proposed

BUDGET CATEGORY EDUCATION

Community Colleges

Analyst: Erik Jonasson

	FY 2012-13	FY 2013-14	Difference: FY 2013-14		FY 2014-15	Difference: FY 2014-15	
	Year-to-Date as of 2/7/13		Executive	Vs. FY 2012-13		%	Executive
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	197,614,100	197,614,100	0	0.0	197,614,100	0	0.0
GF/GP	96,516,400	138,363,500	41,847,100	43.4	154,663,500	16,300,000	11.8
Gross	\$294,130,500	\$335,977,600	\$41,847,100	14.2	\$352,277,600	\$16,300,000	4.9
FTEs	0.0	0.0	0.0	--	0.0	0.0	--

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Performance Funding for Community College Operations

Increases community college operations funding by 2 percent, or \$5.8 million, to be distributed according to performance funding measures similar to those in the FY 2012-13 enacted budget. However, \$1.3 million that is currently distributed according to local strategic value requirements would instead be distributed according to performance funding measures. Local strategic value requirements would be prerequisites for all performance funding. Performance funding components would be as follows:

- 50.0% Across-the-board distribution
- 17.5% Weighted degree completions
- 15.0% Skilled trades program students placed in relevant jobs
- 10.0% Contact-hour equated students (CHES)
- 7.5% Administrative spending

MPSERS Retirement Reform Payments

Includes a \$12.5 million GF/GP supplemental for FY 2012-13 and \$31.4 million GF/GP for FY 2013-14 for payments to community colleges to pay for the state's share of MPSERS retirement liabilities which exceed the capped employer contribution rate, as required under PA 300 of 2012. Payments would increase to \$48.8 million in FY 2014-15. Retains \$1.4 million appropriated for MPSERS retiree health care in FY 2012-13, but appropriates these funds in proportion to each college's total MPSERS-covered payroll.

Virtual Learning Collaborative

Adds one-time appropriation of \$1.1 million GF/GP to support the Michigan Community College Association Virtual Learning Collaborative. This program allows students to enroll in online courses from other community colleges when home institution courses are full or unavailable.

Renaissance Zone Reimbursement Transfer

Transfers \$3.5 million GF/GP from the Treasury budget for community college renaissance zone reimbursements. These funds replace property tax revenue lost to community colleges as a result of renaissance zones. Previously, such reimbursements were included in the community colleges budget, but were eliminated in FY 2009-10, then later included in the FY 2012-13 Treasury budget.

Education (Department)

Analyst: Erik Jonasson

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	244,551,300	232,395,400	(12,155,900)	(5.0)	233,319,700	924,300	0.4
Local	5,560,400	5,633,700	73,300	1.3	5,690,000	56,300	1.0
Private	3,078,700	1,933,300	(1,145,400)	(37.2)	1,933,300	0	0.0
Restricted	7,626,300	8,032,100	405,800	5.3	8,155,500	123,400	1.5
GF/GP	68,093,200	70,893,900	2,800,700	4.1	71,831,100	937,200	1.3
Gross	\$328,909,900	\$318,888,400	(\$10,021,500)	(3.0)	\$320,929,600	\$2,041,200	0.6
FTEs	590.5	594.5	4.0	0.7	594.5	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time. (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

State Share of MPSERS Reforms for Libraries

Provides \$1.3 million GF/GP for libraries for the state's share of MPSERS costs which exceed the capped employer contribution rate, as required under PA 300 of 2012. Adds an additional \$700,000 GF/GP in FY 2014-15.

Transfer of Library Funding from School Aid Budget

Transfers \$1.5 million GF/GP from the School Aid budget to the Department of Education budget for renaissance zone reimbursements to libraries, as well as \$1.3 million from the School Aid budget designated for state aid to libraries.

Reduction of Child Development and Care (CDC) IDG to Department of Human Services (DHS)

Reduces federal funds transferred to DHS for use in CDC-related activities performed by DHS by \$12.4 million. Reduction is considered an adjustment to match current DHS spending levels. From these reductions, \$646,900 in federal funds are added to the child development care public assistance line item. Removes federal temporary assistance for needy families (TANF) funds from Department of Education Budget to reflect previous year expenditures.

Transfer of Michigan College Access Network Funding to Higher Education Budget

Transfers the Michigan College Access Network (MCAN), \$2.0 million GF/GP, to the Higher Education budget.

Additional Support Staff

Funds an additional \$506,500 (\$278,700 GF/GP) for 4.0 FTEs. Includes two new employees to provide support for new charter schools, one new employee for additional accounting support tied to the transfer of the CDC program from DHS in FY 2011-12, and one new employee to review school improvement plans for priority schools.

Economic Adjustments

Reflects increased costs of \$2.4 million Gross (\$510,100 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$1.3 million Gross (\$237,200 GF/GP) projected for FY 2014-15.

One-time Appropriations

Discontinues FY 2012-13 appropriation of \$674,300 Gross (\$164,100 GF/GP) for State employee lump-sum payments.

Higher Education

Analyst: Kyle I. Jen

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	97,026,400	97,026,400	0	0.0	97,026,400	0	0.0
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	200,565,700	200,565,700	0	0.0	200,565,700	0	0.0
GF/GP	1,101,628,300	1,132,981,400	31,353,100	2.8	1,132,981,400	0	0.0
Gross	\$1,399,220,400	\$1,430,573,500	\$31,353,100	2.2	\$1,430,573,500	\$0	0.0
FTEs	0.0	0.0	0.0	--	0.0	0.0	--

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

University Funding

Includes a \$24.9 million GF/GP increase (2.0%) in total funding for university operations. University base appropriations for FY 2012-13 include performance funding and tuition restraint increases received for that fiscal year. The increase for FY 2013-14 is based on a model that is basically identical to that used in the final FY 2012-13 budget:

- \$4.1 million based on the number of undergraduate degree awards in critical skills areas.
- \$2.1 million in proportion to research and development expenditures (only for universities classified as a "research university" under the Carnegie Classifications).
- \$4.1 million each for three components (\$12.4 million total) based on national-level comparisons to Carnegie peers: six-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures.
- \$6.2 million for a tuition restraint component, to be allocated after the universities have adopted FY 2013-14 tuition rates. Universities holding resident undergraduate tuition/fee rate increases below 4.0% would receive an allocation in proportion to how far below 4.0% the increase is.

Prior to the tuition restraint allocation, the range of percentage increases from FY 2012-13 for individual universities is 0.2% to 5.1% (1.5% overall). The increases would be carried forward into the universities' FY 2014-15 appropriation amounts, but no further funding increase is included for that year. The three requirements to be eligible for performance funding are maintained from FY 2012-13: participation in at least 3 reverse transfer agreements, a dual enrollment policy that does not consider whether the credits were used toward high school graduation, and participation in the Michigan Transfer Network.

MSU AgBioResearch and Extension

Includes a \$1.1 million GF/GP increase (2.0%) in the appropriation for the programs.

Tuition Incentive Program (TIP)

Includes a \$3.2 million GF/GP increase (7.3%) for projected cost growth due to continued increases in participation by Medicaid-eligible students. Proposes statutory provisions for program (currently provisions are only in boilerplate) and reimbursement limit at public universities at 300% of the average community college in-district tuition rate beginning in FY 2014-15 to help limit cost growth.

Tuition Grant Program

Maintains appropriation amount at FY 2012-13 level of \$31.7 million. Proposes that independent colleges participating in Tuition Grant program be required to submit certain student performance data items to the state.

Children of Veterans Tuition Grant Program

Includes an increase of \$200,000 GF/GP due to an increased number of program applicants.

College Access Program

Transfers \$2.0 million GF/GP for program from Department of Education budget. No net increase in state appropriations. Funding is provided as grant to Michigan College Access Network (MCAN), which seeks to increase college readiness, participation, and completion in Michigan.

School Aid

Analyst: *Bethany Wicksall*

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	1,701,041,400	1,764,421,300	63,379,900	3.7	1,764,421,300	\$0	0.0
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	10,961,245,600	11,240,813,500	279,567,900	2.6	11,493,154,500	252,341,000	2.2
GF/GP	282,400,000	230,000,000	(52,400,000)	(18.6)	233,000,000	3,000,000	1.3
Gross	\$12,944,687,000	\$13,235,234,800	\$290,547,800	2.2	\$13,490,575,800	\$255,341,000	1.9

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Foundation Allowance - One-time Equity Payment

Provides no ongoing increases to current foundation allowance levels; however, does include \$24.0 million for a one-time equity payment of up to \$34 per pupil for districts with a foundation allowance of less than \$7,000. (The current minimum foundation allowance is \$6,966, and the state maximum guaranteed foundation allowance is \$8,019.)

Great Start Readiness Program (GSRP) - Preschool Programs

Increases the appropriation by \$65.0 million to a total of \$174.6 million in FY 2013-14. Increases by an additional \$65.0 million for FY 2014-15, bringing the total appropriation to \$239.6 million. The additional funding would increase the current per diem for a half-day slot from \$3,400 to \$3,625 and provide nearly 16,000 more half-day slots in FY 2013-14 and another 18,000 half-day slots in FY 2014-15, more than doubling the current number of funded slots over the next two years. (Two half-day slots may be used to serve one child for a full-day.)

Michigan Public School Employees' Retirement System (MPERS) Costs

Maintains current year funding (Sec. 147a) totaling \$155.0 million in MPERS cost offsets for districts for both FYs 2013-14 and 2014-15. Increases funding for districts and intermediate districts (Sec. 147c) for the state's share of MPERS costs that exceed the capped employer contribution rate, as required under PA 300 of 2012. Increases from a FY 2012-13 revised cost of \$160.5 million to \$403.3 million in FY 2013-14 and to \$649.2 million in FY 2014-15.

Best Practices Incentive Grants

Reduces the total appropriation from \$80.0 million to \$25.0 million and reduces awards from \$52 per pupil to \$16 per pupil for FY 2013-14. Districts would have to continue to meet 7 out of 8 best practices similar to those in place for FY 2012-13. Eliminates funding for FY 2014-15.

District Performance Grants

Maintains \$30.0 million in funding and current year eligibility requirements, awarding districts up to \$100 per pupil.

Technology Infrastructure Grants

Reduces funding from \$50.0 million to \$13.5 million in FY 2013-14 and eliminates the funding entirely in FY 2014-15.

Michigan Virtual University (MVU) - Michigan Virtual Learning Research Institute

Increases funding by \$10.0 million to \$14.4 million in FY 2013-14 to provide professional development for integrating digital learning into instruction and curricula, to provide competitive grants to intermediate districts to expand online and blended learning, to assist in creation of a new digital learning teaching endorsement, and to create and maintain a public statewide catalog with reviews of all online learning courses being offered by all public schools in Michigan. Reduces the appropriation by \$5.0 million in FY 2014-15.

Competitive Student-Centric Grants

Provides \$8.0 million for FY 2013-14 in new, one-time, competitive grants to districts that provide rigorous curriculum aligned to state, national, and international standards; organize instruction such that a student advances based on individual mastery of each subject area; allow school site-based autonomy in decision making; and provide teachers with student achievement data, best instructional practices, time to collaborate with others, mentors, and professional development tied to student needs as demonstrated by data.

BUDGET CATEGORY GENERAL GOVERNMENT

All General Government

Analysts: Ben Gielczyk and Paul Holland

	FY 2012-13	FY 2013-14	Difference: FY 2013-14		FY 2014-15	Difference: FY 2014-15	
	Year-to-Date as of 2/7/13		Executive	Vs. FY 2012-13		Executive	Vs. FY 2013-14
			Amount	%		Amount	%
IDG/IDT	\$692,338,500	\$738,737,400	\$46,398,900	6.7	\$722,648,400	(\$16,089,000)	(2.2)
Federal	722,234,100	700,910,000	(21,324,100)	(3.0)	702,108,000	1,198,000	0.2
Local	8,007,000	7,713,800	(293,200)	(3.7)	7,713,800	0	0.0
Private	5,989,000	6,086,100	97,100	1.6	6,135,200	49,100	0.8
Restricted	1,889,005,100	1,926,743,900	37,738,800	2.0	1,936,924,100	10,180,200	0.5
GF/GP	1,018,018,000	1,052,945,600	34,927,600	3.4	1,002,722,400	(50,223,200)	(4.8)
Gross	\$4,335,591,700	\$4,433,136,800	\$97,545,100	2.2	\$4,378,251,900	(\$54,884,900)	(1.2)
FTEs	7,766.7	7,675.7	(91.0)	(1.2)	7,675.7	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Summary pages for individual department/agency budgets contained within the current FY 2012-13 General Government appropriations bill follow this page.

Attorney General

Analyst: Ben Gielczyk

	FY 2012-13	FY 2013-14	Difference: FY 2013-14		FY 2014-15	Difference: FY 2014-15	
	Year-to-Date as of 2/7/13		Executive	Vs. FY 2012-13		Executive	Vs. FY 2013-14
			Amount	%		Amount	%
IDG/IDT	\$24,082,100	\$27,355,500	\$3,273,400	13.6	\$27,852,700	\$497,200	1.8
Federal	9,932,600	9,838,200	(94,400)	(1.0)	10,024,600	186,400	1.9
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	17,242,000	17,631,900	389,900	2.3	17,945,300	313,400	1.8
GF/GP	33,825,800	34,481,300	655,500	1.9	35,113,100	631,800	1.8
Gross	\$85,082,500	\$89,306,900	\$4,224,400	5.0	\$90,935,700	\$1,628,800	1.8
FTEs	514.0	517.0	3.0	0.6	517.0	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Memoranda of Understanding - Legal Services

Includes \$2.1 million Gross (\$0 GF/GP) as an IDG from Departments of Community Health, Human Services, and Licensing and Regulatory Affairs to cover the costs of legal services provided under new Memoranda of Understanding (MOUs).

Information Technology

Includes \$53,100 GF/GP to support information technology investments in wireless infrastructure and Internet bandwidth. Funds will also support Microsoft Enterprise Agreement and Center for Shared Solutions Framework.

Economic Adjustments

Reflects increased costs of \$2.6 million Gross (\$1.0 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$1.6 million Gross (\$631,800 GF/GP) projected for FY 2014-15.

Civil Rights

Analyst: Ben Gielczyk

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	2,641,300	2,690,200	48,900	1.9	2,745,000	54,800	2.0
Local	0	0	0	--	0	0	--
Private	18,700	18,700	0	0.0	18,700	0	0.0
Restricted	151,900	151,900	0	0.0	151,900	0	0.0
GF/GP	11,953,600	12,337,500	383,900	3.2	12,576,100	238,600	1.9
Gross	\$14,765,500	\$15,198,300	\$432,800	2.9	\$15,491,700	\$293,400	1.9
FTEs	127.0	128.0	1.0	0.8	122.0	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Division on Deaf and Hard of Hearing

Includes \$100,000 GF/GP to provide increased educational support for persons taking the Sign Language Interpreters Examination. Funds will also support efforts to reduce time required to review and score examination.

Hispanic and Latino Commission

Includes \$54,000 GF/GP to increase assistance services for new Hispanic and Latino residents in the State of Michigan. Services provided include translation, outreach, and partnerships with local organizations.

Information Technology

Includes \$6,100 GF/GP for various statewide Information Technology (IT) adjustments. Specifically, IT funding will support investments in wireless infrastructure, Internet bandwidth, Microsoft Enterprise Agreement, and Center for Shared Solutions Framework.

Economic Adjustments

Reflects increased costs of \$401,600 Gross (\$328,100 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$293,400 Gross (\$238,600 GF/GP) projected for FY 2014-15.

Executive Office

Analyst: Ben Gielczyk

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	0	0	0	--	0	0	--
GF/GP	4,887,900	4,970,000	82,100	1.7	4,970,000	0	0.0
Gross	\$4,887,900	\$4,970,000	\$82,100	1.7	\$4,970,000	\$0	0.0
FTEs	84.2	84.2	0.0	0.0	0.0	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Executive Office Operations

Includes \$97,800 GF/GP to increase investment in Executive Office operations.

Economic Adjustments

Reflects increased costs of \$43,000 GF/GP for employee economics.

Legislative Auditor General

Analyst: Ben Gielczyk

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$3,792,100	\$5,092,100	\$1,300,000	34.3	\$5,181,100	\$89,000	1.7
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	1,890,700	1,951,000	60,300	3.2	1,985,100	34,100	1.7
GF/GP	13,004,900	13,511,300	506,400	3.9	13,791,400	280,100	2.1
Gross	\$18,687,700	\$20,554,400	\$1,866,700	10.0	\$20,957,600	\$403,200	2.0
	0.0	0.0	0.0	--	0.0	0.0	--

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Technical Funding Adjustment Shift

Includes \$1.3 million Gross (\$0 GF/GP) in increased appropriation authorization for operations. Reflects shift from boilerplate spending authorization to line-item spending authorization to reflect actual restricted revenues that Office of Auditor General (OAG) earns from its audit activities statewide.

Increased Audit Funding

Includes \$250,000 GF/GP to increase audit oversight and service delivery for mandated statewide audits, including the State of Michigan Comprehensive Financial Report (CAFR).

Economic Adjustments

Reflects increased costs of \$632,400 Gross (\$441,200 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$403,200 Gross (\$280,100 GF/GP) projected for FY 2014-15.

Note: The Legislative Auditor General budget is rolled in with the Legislature budget in the FY 2012-13 budget and FY 2013-14 and 2014-15 Executive budget recommendations.

Legislature

Analyst: Ben Gielczyk

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	400,000	400,000	0	0.0	400,000	0	0.0
Restricted	1,109,800	1,109,800	0	0.0	1,109,800	0	0.0
GF/GP	113,705,000	122,309,500	8,604,500	7.6	122,309,500	0	0.0
Gross	\$115,214,800	\$123,819,300	\$8,604,500	7.5	\$123,819,300	\$0	0.0
FTEs	0.0	0.0	0.0	--	0.0	0.0	--

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013, as well as FY 2012-13 OPEB costs for legislative employees. (3) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (4) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Economic Adjustments

Reflects increased costs of \$8.6 million GF/GP for economic adjustments for legislative staff.

State

Analyst: Paul Holland

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$0	0.0	\$20,000,000	\$0	0.0
Federal	1,810,000	1,810,000	0	0.0	1,810,000	0	0.0
Local	0	0	0	--	0	0	--
Private	100	100	0	0.0	100	0	0.0
Restricted	183,971,100	182,485,400	(1,485,700)	(0.8)	185,733,200	3,247,800	1.8
GF/GP	14,888,100	15,253,400	365,300	2.5	15,428,800	175,400	1.1
Gross	\$220,669,300	\$219,548,900	(\$1,120,400)	(0.5)	\$222,972,100	\$3,423,200	1.6
FTEs	1,695.0	1,568.0	(127.0)	(7.5)	1,568.0	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Privatization of Michigan Assigned Claims Facility

Eliminates spending authorization for Assigned Claims Assessment of \$1.1 million in state restricted revenues and 7.0 FTEs. 2012 PA 204 transferred the Michigan Assigned Claims Facility (which indemnified uninsured individuals injured by uninsured or unidentified drivers, supported by annual assessments on insurers writing auto insurance in Michigan) from the Department of State (DOS) to the Michigan Automobile Insurance Placement Facility (a joint underwriting association established by the Insurance Code, supported by member insurers writing auto insurance in Michigan).

Reduce Transportation Administration Collection Fund

Reduces the spending authorization from the Transportation Administration Collection Fund (TACF) by \$8.0 million to more accurately reflect actual expenditures. The TACF (established by 2003 PA 152) is supported by revenues generated by various registration and service fees collected by the DOS and is utilized to support administrative expenses of enforcing Sections 801 thru 810 of the Michigan Vehicle Code.

Adjust the Michigan Transportation Fund

Recommends supporting the economic adjustments related to the Michigan Transportation Fund (MTF) appropriation with \$606,300 in GF/GP. The DOS is appropriated \$20.0 million from the MTF to partially reimburse administrative expenses of collecting registration and title fees deposited into the MTF (\$905.0 million in FY 2011-12). The annual appropriation of MTF revenue for the DOS may not exceed \$20.0 million pursuant to Section 10(1) of 1951 PA 51.

Increase Record Look-Up Fees

Increases the record look-up fee to \$8/record to reflect the actual administrative expenses of the DOS relating to record look-up services. This fee increase would generate an estimated \$4.7 million in state restricted funds annually. The DOS currently charges a \$7/record fee to individuals and entities requesting registration and driving records (e.g. insurance companies, reporting agencies, etc.). The fee is established in boilerplate section 703 and generated \$34.0 million in FY 2011-12.

Eliminate One-Time Appropriations

Eliminates FY 2012-13 one-time appropriation of \$2.3 million Gross (\$1.0 million GF/GP).

Economic Adjustments

Reflects increased costs of \$4.9 million Gross (\$282,300 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$3.4 million Gross (\$175,400 GF/GP) projected for FY 2014-15.

Technology, Management, and Budget

Analyst: Paul Holland

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$635,564,900	\$677,159,800	\$41,594,900	6.5	\$660,402,100	(\$16,757,700)	(2.5)
Federal	9,464,300	8,790,900	(673,400)	(7.1)	8,790,900	0	0.0
Local	1,320,800	1,320,800	0	0.0	1,320,800	0	0.0
Private	190,200	190,400	200	0.1	190,400	0	0.0
Restricted	90,517,200	92,625,900	2,108,700	2.3	93,218,100	592,200	0.6
GF/GP	405,916,200	405,887,400	(28,800)	0.0	415,140,800	9,253,400	2.3
Gross	\$1,142,973,600	\$1,185,975,200	\$43,001,600	3.8	\$1,179,063,100	(\$6,912,100)	(0.6)
FTEs	2,814.0	2,812.0	0.0	0.0	2,812.0	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Statewide IT Services and Projects

Increases the spending authorization for existing and initial IT services and projects (e.g. implementing the Treasury tax software, replacing of Windows XP, upgrading State Police vehicle computer systems, improving wireless connectivity, and increasing internet bandwidth) for various state agencies by \$13.1 million Gross (\$1.6 million GF/GP).

Increase Motor Vehicle Fleet Authorization

Increases spending authorization for the Motor Vehicle Fleet by \$1.5 million Gross (\$0 GF/GP). The Michigan State Police (MSP) is closing 33 trooper stations and equipping patrol vehicles to operate as mobile offices (resulting in increased mileage) and the Department of Human Services (DHS) is planning to hire additional Child Welfare Services staff who require vehicles to conduct home visits and appear at court proceedings.

Eliminate FY 2012-13 One-Time Appropriations

Eliminates FY 2012-13 one-time appropriations of \$15.7 million Gross (\$11.8 million GF/GP). (The Executive recommends retaining one-time spending authorization of \$10.0 million GF/GP for special maintenance for state facilities; excluded from the above amounts.)

Delta County Bridge (One-Time)

Includes one-time spending authorization of \$1.5 million GF/GP to remove the old Delta County Bridge over the Escanaba River.

IT Services and Projects (One-Time)

Includes one-time spending authorization of \$21.3 million Gross (\$0 GF/GP). The Department of Community Health (DCH) is updating the Community Health Automated Medicaid Processing System to implement new medical codes for diagnosis and inpatient procedures as required by federal law and the Michigan Casino Gaming Board (MCGB) is replacing its administrative and enforcement IT system.

Regional Prosperity Grant Program (One-Time)

Includes one-time spending authorization of \$5.0 million GF/GP to support the Regional Prosperity Initiative proposed by boilerplate section 17-901 also recommended by the Executive. Through the initiative, DTMB would award grants to eligible regional planning organizations qualifying as a Regional Prosperity Collaborative, Council, or Board.

State Emergency Operations Center

Increases spending authorization for State Building Authority rent by \$1.7 million GF/GP and a one-time \$100 GF/GP placeholder for construction of the State Emergency Operations Center (SEOC). Total construction costs are estimated at \$20.2 million Gross (\$17.1 million in SBA rent, \$80,100 GF/GP of which \$80,000 was appropriated in FY 2012-13).

Economic Adjustments

Reflects increased costs of \$13.0 million Gross (\$3.2 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$8.0 million Gross (\$2.9 GF/GP) projected for FY 2014-15.

FY 2014-15 State Building Authority Rent

Includes increase in spending authorization of \$22.9 million GF/GP in State Building Authority rent for FY 2014-15 to support rent payments for anticipated obligations.

Treasury

Analyst: Ben Gielczyk

	FY 2012-13	FY 2013-14	Difference: FY 2013-14		FY 2014-15	Difference: FY 2014-15	
	Year-to-Date as of 2/7/13		Executive	Vs. FY 2012-13		Vs. FY 2013-14	Executive
			Amount	%		Amount	%
IDG/IDT	\$8,899,400	\$9,130,000	\$230,600	2.6	\$9,212,500	\$82,500	0.9
Federal	698,385,900	677,780,700	(20,605,200)	(3.0)	678,737,500	956,800	0.1
Local	6,686,200	6,393,000	(293,200)	(4.4)	6,393,000	0	0.0
Private	5,380,000	5,476,900	96,900	1.8	5,526,000	49,100	0.9
Restricted	1,594,122,400	1,630,788,000	36,665,600	2.3	1,636,780,700	5,992,700	0.4
GF/GP	419,836,500	444,195,200	24,358,700	5.8	383,392,700	(60,802,500)	(13.7)
Gross	\$2,733,310,400	\$2,773,763,800	\$40,453,400	1.5	\$2,720,042,400	(\$53,721,400)	(1.9)
FTEs	2,532.5	2,566.5	34.0	1.3	2,566.5	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Revenue Sharing

Includes \$17.1 million Gross (\$0 GF/GP) to adjust constitutional revenue sharing payments in FY 2013-14 based on January Consensus Revenue Estimating Conference (CREC). Projected increase of \$25.9 million Gross (\$0 GF/GP) for FY 2014-15. Adjusts county payments by \$8.0 million Gross (\$0 GF/GP) ongoing and \$2.0 million Gross (\$0 GF/GP) one-time to maintain FY 2012-13 funding percentage (77.1% of full funding). Funding for Economic Vitality Incentive Program (EVIP) and Competitive Grant Assistance Program is maintained at FY 2012-13 funding levels for both ongoing and one-time appropriations. One-time funding removed in FY 2014-15.

Payments in Lieu of Taxes

Increases Payments in Lieu of Taxes (PILT) by \$1.7 million Gross (\$1.0 million GF/GP) to fully fund PILT. Recommends increase of \$4.8 million Gross (\$4.4 million GF/GP) for FY 2014-15 due to required increases under PAs 603 and 604 of 2012.

Debt Service

Includes \$2.5 million GF/GP to replace corresponding amount of Refined Petroleum Fund in Debt Service. Debt service adjustments also include an increase of \$5.6 million GF/GP for scheduled FY 2013-14 adjustments and an increase of \$8.0 million GF/GP for debt service on proposed new Strategic Water Quality bond issues. Additional \$8.0 million GF/GP proposed for FY 2014-15 for new bond issue.

At-Risk Local Unit Administration

Includes \$5.0 million GF/GP in one-time funding to assist at-risk local units of government facing financial emergencies and pay emergency manager salaries.

Digital Tobacco Stamping

Includes \$3.0 million GF/GP for new digital tobacco stamp costs required under PA 188 of 2012.

iLottery

Includes \$3.4 million Gross (\$0 GF/GP) to support development and operation of a new internet-based lottery.

Dual Enrollment Payments

Reduces dual enrollment payments for nonpublic school pupils by \$9.0 million GF/GP due to lower than anticipated participation.

Tax System Information Technology

Includes \$942,600 GF/GP to support ongoing IT contracting and Department of Technology, Management, and Budget staffing expenses related to the corporate income tax and flow through withholding tax created under PA 38 of 2011. Includes \$1.8 million GF/GP in one-time funding for an upgrade of the sales, use, and withholding legacy system.

Michigan Gaming Control Board System Upgrade

Recommends additional one-time funding including \$3.0 million Gross (\$0 GF/GP) for new Casino Gaming IT system replacement to improve licensing, regulation, audit, investigative, and administrative functions.

Business Attraction and Community Revitalization (Michigan Strategic Fund)

Reduces Business Attraction and Community Revitalization ongoing line item by \$7.5 million Gross (\$0 GF/GP) and includes \$27.5 million GF/GP in one-time funding. Funds will support business attraction and community revitalization (\$5.5 million), a debt financing program for underserved communities (\$20.0 million), and a Food and Agriculture Industry Growth Initiative (\$2.0 million).

Land Bank Fast Track Authority (Michigan Strategic Fund)

Includes \$16.0 million GF/GP (\$7.0 million one-time) for the Land Bank Fast Track Authority to support Blight Elimination (\$9.5 million), Good Neighbor Property Management Program (\$4.0 million), and operations (\$2.5 million). Reduces restricted revenues from the Land Bank Fast Track Fund by \$1.9 million Gross (\$0 GF/GP) to align appropriation with actual revenues.

Facility for Rare Isotope Beams (Michigan Strategic Fund)

Includes \$7.3 million GF/GP for debt service related to the State commitment for the Facility for Rare Isotope Beams (FRIB), an increase of \$5.0 million from FY 2012-13.

Film Incentives (Michigan Strategic Fund)

Includes \$25.0 million GF/GP in one-time funding for Film Incentives Program. One-time funding of \$50.0 million appropriated in FY 2012-13.

New Skilled Trades Training Program (Michigan Strategic Fund)

Includes \$10.0 million GF/GP in one-time funding for a new Skilled Trades Training Program. Program would address job and talent mismatches and enable employers to design training programs for potential employees.

Economic Adjustments

Reflects increased costs for both MSF and Treasury of \$9.9 million Gross (\$1.8 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$6.8 million Gross (\$973,200 GF/GP) projected for FY 2014-15.

BUDGET CATEGORY HEALTH AND HUMAN SERVICES

Community Health

Analysts: Margaret Alston, Susan Frey, and Steve Stauff

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$10,023,800	\$10,056,100	\$32,300	0.3	\$10,056,100	\$0	0.0
Federal	9,693,023,500	11,392,469,900	1,699,446,400	17.5	12,225,389,200	832,919,300	7.3
Local	257,148,600	227,545,600	(29,603,000)	(11.5)	227,545,600	0	0.0
Private	93,364,000	106,333,300	12,969,300	13.9	106,333,300	0	0.0
Restricted	2,158,060,000	2,172,313,600	14,253,600	0.7	2,173,463,200	1,149,600	0.1
GF/GP	2,817,437,800	2,725,532,500	(91,905,300)	(3.3)	2,735,460,600	9,928,100	0.4
Gross	\$15,029,057,700	\$16,634,251,000	\$1,605,193,300	10.7	\$17,478,248,000	\$843,997,000	5.1
FTEs	3,552.6	3,589.6	37.0	1.0	3,589.6	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Medicaid Expansion

Reflects projected Medicaid expansion savings within the Department of Community Health budget of \$181.7 million GF/GP and additional federal Medicaid revenue of \$1.5 billion, both covering three quarters of the fiscal year. Across the Department of Community Health and the Department of Corrections, the GF/GP savings mainly from shifting current state costs to federal revenue are estimated to be \$205.9 million with one half of these savings to be deposited in a Budget Stabilization Fund sub-fund entitled the Michigan Health Savings Fund to pay future state costs when the state share of expansion costs increases from 0% to 5% and then 10%. The expansion of the income criteria for Medicaid eligibility up to 133% of the federal poverty level (FPL) is estimated to qualify an additional 320,000 Michigan residents in FY 2013-14. The assumed expansion start date is January 1, 2014.

Medicaid Cost Increases

Includes an increase for FY 2013-14 of \$219.6 million Gross (\$79.9 million GF/GP) to cover Medicaid caseload, utilization and inflation changes within Medical Services, Mental Health/Substance Abuse, Children's Special Health Care Services and the Federal Medicare Pharmaceutical programs. Also recognized is a FY 2012-13 Medicaid caseload, utilization and inflation adjustment reducing various Medicaid appropriation lines by \$186.1 million Gross (\$63.9 million GF/GP). The increase for FY 2014-15 Medicaid caseload, utilization and inflation is projected to be an increase of \$197.3 million Gross (\$67.7 million GF/GP). To meet the federal requirement that the Medicaid HMOs and PIHPs remain actuarially sound, the Governor's budget includes an increase of \$112.6 million Gross (\$37.9 million GF/GP).

Health Insurance Claims Assessment Statutory Change

Proposes changes to PA 142 of 2011, the Health Insurance Claims Assessment Act, by replacing on January 1, 2014, the 1% current assessment with a levied rate that would generate revenue not greater than \$400.0 million in the immediate preceding year. The FY 2013-14 base health insurance claims assessment (HICA) authorization is continued from the current year but the most recent estimate is that revenues are short \$129.2 million.

Healthy Kids Dental Expansion

Includes the continued phase-in of the statewide coverage for the Healthy Kids Dental program by increasing the budget \$11.6 million Gross (\$3.9 million GF/GP). The expansion would include the counties of Ingham, Ottawa and Washtenaw, enrolling an additional 70,500 children.

Behavioral Health Homes

Provides funding of \$900,000 Gross (\$90,000 GF/GP) for the implementation of three behavioral health homes demonstration projects ensuring better coordination of physical and behavioral health care for Medicaid individuals with chronic conditions such as asthma, heart disease, obesity, mental health condition, or substance abuse disorder.

Jail Diversion Programs

Redirects funding of \$1.6 million GF/GP from Caro Regional Mental Health Center and Walter P. Reuther Psychiatric Hospital for the creation of an Advisory Council to advise the Department of Community Health on the state's jail diversion plan, and the enhancement of current jail diversion efforts for individuals with mental illness, emotional disturbance, or developmental disability within five communities.

Community Mental Health (CMH) Non-Medicaid Services

Redirects funding of \$9.0 million GF/GP from the CMHSP, Purchase of State Services Contracts line item to the CMH Non-Medicaid Services line item, enabling community mental health services programs (CMHSPs) or prepaid inpatient health plans (PIHPS) to serve individuals with mental illness who are not covered by Medicaid or who require services that are not benefits under the state Medicaid plan in the community rather than purchasing days of care in the state-operated facilities.

Health and Wellness Initiatives

Net \$2.7 million GF/GP reduction for health and wellness initiatives with elimination of \$4.2 million one-time funding (also noted below in One-Time Appropriations), offset by \$1.5 million increase in ongoing funding; some currently funded projects may no longer be supported or will be supported at reduced funding.

Infant Mortality

Net increase of \$1.75 million GF/GP to address infant mortality including promote regional perinatal care system, improve health of women of childbearing age, and encourage infant safe sleep practices. Net change reflects ongoing funding increase of \$2.5 million and elimination of \$750,000 of one-time funding (also noted below in One-Time Appropriations.)

Fee Increases

Reflects \$3.2 million of additional state restricted revenue from proposed fee increases to maintain program operations for emergency medical services licensure and regulation (\$1.0 million), certificate of need (\$700,000), and vital records (\$1.5 million). Statutory changes are required for each.

AIDS Drug Assistance

Recognizes increased private pharmaceutical manufacturer rebate revenue of \$10.6 million to the AIDS drug assistance program.

Health Care Service Delivery Innovation

Provides new funding of \$3.0 million GF/GP for Health Innovations Grants to stimulate innovative health care service delivery improvements.

Childhood Lead Program

Increased federal block grant funding of \$582,600 is appropriated to restore funding to the childhood lead program.

One-Time Appropriations

Discontinues FY 2012-13 one-time appropriations of \$16.6 million Gross (\$12.0 million GF/GP) for negotiated state employee lump-sum payments, health and wellness initiatives, hospital services and therapy - graduate medical education, and mental health services for special populations. Continues FY 2012-13 one-time appropriation for primary care services - island health clinics of \$325,000 GF/GP, reduces FY 2012-13 one-time appropriation for the community health automated Medicaid processing system (CHAMPS) by \$11.7 million Gross (\$700,000 GF/GP), and establishes one-time appropriation for mental health innovation services and programs of \$5.0 million GF/GP in FY 2013-14.

Economic Adjustments

Reflects increased costs of \$16.3 million Gross (\$7.3 million GF/GP) for negotiated salary and wage increases (1.0%), insurance rate increases, actuarially-required retirement rate increase, and other economic adjustments. Additional increase of \$8.6 million Gross (\$5.3 million GF/GP) projected for FY 2014-15 active and retirees insurance and pension costs.

Human Services (Department)

Analyst: Kevin Koorstra

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$30,581,300	\$30,594,600	\$13,300	0.0	\$30,594,600	\$0	0.0
Federal	5,507,467,200	4,802,702,800	(704,764,400)	(12.8)	4,805,562,500	2,859,700	0.1
Local	39,029,400	37,891,500	(1,137,900)	(2.9)	37,891,500	0	0.0
Private	9,792,600	9,856,000	63,400	0.6	9,856,000	0	0.0
Restricted	88,453,600	151,618,800	63,165,200	71.4	151,618,800	0	0.0
GF/GP	1,028,769,600	1,013,112,400	(15,657,200)	(1.5)	1,022,565,000	9,452,600	0.9
Gross	\$6,704,093,700	\$6,045,776,100	(\$658,317,600)	(9.8)	\$6,058,088,400	\$12,312,300	0.2
FTEs	12,314.0	12,282.5	(31.5)	(0.3)	12,263.0	(19.5)	(0.2)

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Food Assistance Program (FAP) Caseload Adjustment

Reduces FAP caseload costs by \$683.7 million Gross (\$0 GF/GP). Caseload forecast reduces FAP cases from 1,088,146 to 876,650. FAP caseload in December 2012 was 912,446.

Other Caseload Adjustments

Reduces other caseload costs by \$38.9 million Gross (\$8.2 million GF/GP). Programs included in this adjustment include Family Independence Program, State Disability Assistance, State Supplementation, Foster Care Payments, Adoption Subsidies, Child Care Fund, and Guardianship Assistance. Reduces projected FY 2014-15 caseload costs \$8.9 million Gross and increases GF/GP by \$686,900.

Annualize Child Welfare Staffing Enhancement

Increases child welfare staffing enhancement costs by \$26.3 million Gross (\$8.2 million GF/GP) to provide full year funding of staff hired, or to be hired, during FY 2012-13. Additional child welfare staff were requested for FY 2012-13 to meet the requirements of the Children's Rights Settlement Agreement.

Michigan Energy Assistance Program

Replaces \$59.9 million Gross (\$27.7 million GF/GP) designated as one-time funding with \$60.0 million in new restricted fee revenue for low-income energy assistance.

Pathways to Potential

Provides \$6.2 million Gross (\$2.2 million GF/GP) to expand Pathways to Potential. The funding would be used to hire new child support enforcement staff, child welfare training staff, and medical consultation staff. The funding would also provide partial tuition reimbursement for DHS staff seeking a Master's Degree in Social Work.

Temporary Assistance for Needy Families (TANF) Block Grant Fund Source Deduct

Rolls the federal TANF fund source deduct back into the general "total federal revenue" fund source deduct.

Economic Adjustments

Reflects increased costs of \$40.3 million Gross (\$14.5 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$27.2 million Gross (\$10.8 million GF/GP) projected for FY 2014-15.

One-Time Appropriations

Discontinues FY 2012-13 one-time appropriations of \$15.0 million Gross (\$6.9 million GF/GP) for state employee lump sum payments, Inspector General information technology upgrades, Seita Scholarship, juvenile justice behavioral health study, and Medicaid eligibility review. Includes FY 2013-14 appropriations designated as one-time:

- \$2.5 million Gross for family preservation services expansion.
- \$2.0 million Gross (\$1.0 million GF/GP) for Bridges information technology improvements.
- \$1.5 million Gross (\$1.0 million GF/GP) for fraud prevention, detection, and recoupment.

BUDGET CATEGORY RESOURCE PROTECTION
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Agriculture and Rural Development

Analyst: Susan Frey

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%			Amount
IDG/IDT	\$519,300	\$524,300	\$5,000	1.0	\$524,300	\$0	0.0
Federal	11,199,600	9,720,900	(1,478,700)	(13.2)	10,035,500	314,600	3.2
Local	0	0	0	--	0	0	--
Private	175,800	96,900	(78,900)	(44.9)	117,600	20,700	21.4
Restricted	28,959,400	29,020,900	61,500	0.2	29,241,400	220,500	0.8
GF/GP	36,098,900	37,630,300	1,531,400	4.2	37,701,100	70,800	0.2
Gross	\$76,953,000	\$76,993,300	\$40,300	0.1	\$77,619,900	\$626,600	0.8
FTEs	431.0	434.0	3.0	0.7	434.0	0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Food Safety

Includes net \$250,000 GF/GP reduction for food safety wholesale and retail sampling and follow-up and related laboratory testing with elimination of \$500,000 GF/GP one-time funding (also noted below in One-Time Appropriations), offset by \$250,000 GF/GP increase in ongoing funding.

Assurance and Certification Program of Products for Export

Increases funding by \$1.0 million GF/GP to maintain and enhance current inspection and certification programs to assure safety and integrity of Michigan agricultural products and commodities for export and for domestic purchase, including certificate requests, sampling and laboratory analysis, survey activities, and outreach to identify presence of exotic pests.

New Food and Agriculture Industry Growth Initiative

Provides \$1.0 million GF/GP to fund a new competitive grant program to foster agriculture industry development and growth through research, education, and technical assistance, focused on removing barriers and leveraging opportunities identified by an advisory board formed by the Director. Initiative also proposes \$2.0 million GF/GP in the Michigan Strategic Fund budget.

Farmland and Open Space Preservation

Increases funding for administration of the Farmland and Open Space Preservation program by \$392,500 from the state restricted Agricultural Preservation Fund; requires statutory amendment. Reduces capital outlay appropriation for farmland and open space development acquisition by \$200,000 of funds from the state restricted Agricultural Preservation Fund.

Producer Security/Grain Dealer

Increases state restricted funding by \$150,000 for administration of the farm producer security and grain dealer program, with funds from the Grain Dealers Fee Fund.

Economic Adjustments

Reflects increased costs of \$1.8 million Gross (\$0.9 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$1.2 million Gross (\$0.7 million GF/GP) projected for FY 2014-15.

One-Time Appropriations

Recommends continuation of FY 2012-13 one-time appropriation for private forestry program of \$600,000 GF/GP. Discontinues FY 2012-13 appropriations totaling \$1.9 million Gross (\$1.6 million GF/GP) for negotiated one-time lump-sum payments to state employees (\$470,300 Gross, \$235,300 GF/GP), rural development value-added grants (\$900,000 GF/GP), and new food safety requirements (\$500,000 GF/GP).

Environmental Quality

Analyst: Viola Bay Wild

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$9,021,200	\$9,401,900	\$380,700	4.2	\$9,401,900	\$0	0.0
Federal	161,687,500	150,929,700	(10,757,800)	(6.7)	150,929,700	0	0.0
Local	0	0	0	--	0	0	--
Private	533,200	541,800	8,600	1.6	541,800	0	0.0
Restricted	231,275,600	322,190,900	90,915,300	39.3	325,255,800	3,064,900	1.0
GF/GP	29,812,400	29,104,500	(707,900)	(2.4)	28,526,700	(577,800)	(2.0)
Gross	\$432,329,900	\$512,168,800	\$79,838,900	18.5	\$514,655,900	\$2,487,100	0.5
FTEs	1,327.5	1,291.5	(36.0)	(2.7)	1,291.5	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Funding Authorization Reductions

Reduces restricted funding by \$1.9 million and federal funding by \$400,000 to align with anticipated revenues. Decreases federal EPA authorization for Great Lakes Restoration Initiative funding by \$10.0 million.

Wetlands Funding

Funds Wetlands Program at \$2.1 million Gross (\$1.6 million GF/GP). Reclassifies \$1.0 million GF/GP one-time funding in current year for Wetlands Program to ongoing base funding and includes additional \$100,000 GF/GP funding and 1.0 FTE for a Wetland Ombudsman. One-time GF/GP support totals \$600,000 for FY 2013-14.

Leaking Underground Storage Tanks (LUST) Cleanups

Includes additional \$2.5 million Refined Petroleum Fund (RPF) revenue for cleanup work at LUST sites. Funding is available by replacing \$2.5 million of RPF revenues currently used for debt service in Treasury with GF/GP funding.

Hazardous Waste Management Program Fee Increase

Includes a plan to restructure the fee schedule for Hazardous Waste Management fees that would generate an additional \$1.5 million in revenues. In addition, \$400,000 one-time GF/GP is appropriated for program in FY 2013-14. Revenue would replace \$2.0 million one-time restricted funding used in FY 2011-12 and FY 2012-13 that is no longer available.

Underground and Aboveground Storage Tank Inspection/Permitting Program

Reduces restricted funding by \$3.7 million and federal funding by \$1.3 million and eliminates 37.0 FTE positions to reflect the transfer to LARA of the underground and aboveground storage tank programs authorized by E.O. 2012-14.

Strategic Water Quality Initiatives Funding (SWQIF)

Includes additional \$100.0 million restricted funding from SWQIF bond revenues. Provides \$97.0 million funding for the SWQIF grants and loans program which makes awards to local governments to improve sewage collection and treatment systems and \$3.0 million to establish the new wetland mitigation bank funding program to provide grants and loans to eligible municipalities.

Economic Adjustments

Reflects increased costs of \$5.5 million Gross (\$747,600 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$3.5 million Gross (\$422,200 GF/GP) projected for FY 2014-15.

Natural Resources

Analyst: *Viola Bay Wild*

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$2,027,200	\$1,412,300	(\$614,900)	(30.3)	\$1,412,300	\$0	0.0
Federal	66,524,800	67,127,300	602,500	0.9	67,127,300	0	0.0
Local	0	0	0	--	0	0	--
Private	7,239,200	7,237,200	(2,000)	0.0	7,237,200	0	0.0
Restricted	242,353,700	251,325,500	8,971,800	3.7	255,441,100	4,115,600	1.6
GF/GP	19,737,900	27,286,600	7,548,700	38.2	24,904,000	(2,382,600)	(8.7)
Gross	\$337,882,800	\$354,388,900	\$16,506,100	4.9	\$356,121,900	\$1,733,000	0.5
FTEs	2,099.8	2,141.3	41.5	2.0	2,141.3	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Funding and FTE Authorization Adjustments

Reduces restricted funding authorization by \$14.6 million, federal funding by \$37,600, and private funding by \$17,900 to align with anticipated revenues; eliminates 54.5 FTE unfilled and unfunded positions.

Conservation Officer Academy and Training

Includes \$3.5 million GF/GP funding and 25.0 FTE positions for a conservation officer academy for 25 conservation officers. Of the GF/GP funding, \$2.9 million will be ongoing funding and \$600,000 will be one-time GF/GP funding.

Hunting and Fishing License Fees Increase

Includes additional \$11.4 million restricted funding in FY 2013-14 and 44.0 FTE positions. Funding would be realized through an increase in hunting and fishing license fees. The current license fee structures would be replaced. Hunting licenses would require a base license that allows hunters to hunt small game and waterfowl. Tags can be purchased for deer, turkey, bear, elk, and fur bearing animals to add to base license. The following fishing licenses would be offered: 24 hour all-species licenses, and all-species licenses for residents, senior residents, and non-residents. Fee increases would begin on March 1, 2014. Proposal estimated to generate \$18.1 million funding annually; a portion of new revenue would fund 16 additional conservation officers and 20 wildlife/fisheries positions.

Off Road Vehicle (ORV) License Fee Increase

Includes \$2.7 million additional restricted funding to be realized through an increase in ORV licenses from the current annual fee of \$16.25 to a \$26.25 annual fee. Proposal also includes an additional optional cost of \$10 to the license fee to be authorized to ride on state trails.

Research Vessel Replacement

Includes \$2.0 million one-time GF/GP funding to replace the *Chinook*, DNR's 65-year-old research vessel.

Belle Isle

Includes additional \$3.7 million GF/GP funding and 26.0 FTE positions for the operation of Belle Isle as a state park, assuming a lease agreement with the City of Detroit. The new FTE positions would include 10.0 additional FTE authorizations within the State Parks program and 10.0 FTE authorizations in General Law Enforcement.

Capital Outlay Projects

Increases funding for capital outlay projects by \$7.4 million. Restricted funding for state parks repair and maintenance projects is reduced by \$2.6 million; restricted funding for waterways boating projects is increased by \$9.7 million and federal funding is increased by \$338,000. Of the restricted funding, \$9.4 million would be dedicated to emergency dredging of harbors and generated by a portion of an anticipated increase in the state gasoline tax.

Economic Adjustments

Reflects increased costs of \$4.1 million Gross (\$277,000 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$4.3 million Gross (\$217,400 GF/GP) projected for FY 2014-15.

BUDGET CATEGORY PUBLIC SAFETY AND DEFENSE

Corrections

Analyst: Robin R. Risko

	FY 2012-13	FY 2013-14	Difference: FY 2013-14		FY 2014-15	Difference: FY 2014-15	
	Year-to-Date as of 2/7/13		Executive	Vs. FY 2012-13		%	Executive
			Amount			Amount	%
IDG/IDT	\$992,100	\$1,109,600	\$117,500	11.8	\$1,123,900	\$14,300	1.3
Federal	8,784,400	8,852,500	68,100	0.8	8,950,700	98,200	1.1
Local	264,300	266,200	1,900	0.7	268,200	2,000	0.8
Private	0	0	0	--	0	0	--
Restricted	66,989,500	56,026,100	(10,963,400)	(16.4)	56,593,300	567,200	1.0
GF/GP	1,941,485,600	1,963,053,600	21,568,000	1.1	1,982,080,100	19,026,500	1.0
Gross	\$2,018,515,900	\$2,029,308,000	\$10,792,100	0.5	\$2,049,016,200	\$19,708,200	1.0
FTEs	14,695.2	14,496.5	(198.7)	(1.4)	14,496.5	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Medicaid Expansion

Reflects a savings of \$24.2 million GF/GP from the proposed expansion of Medicaid eligibility to low income individuals. Inpatient hospitalization for prisoners will become reimbursable, along with specific re-entry, substance abuse, and sex offender treatment for parolees. Eligibility is estimated at 80% for both prisoners and parolees. Additional savings of \$8.1 million GF/GP projected for FY 2014-15.

One-Time Employee Training School Adjustment

Includes \$9.0 million GF/GP in one-time funding to train an additional 400 corrections officers to meet projected attrition needs. Funding supports salary and payroll costs of new officers while they participate in training.

Special Equipment Fund

Includes \$6.0 million in state restricted revenue (revenue from prisoner phone charges) to finance replacement of personal protection systems at several facilities. Investment in these systems are intended to reduce serious assaults on staff and improve safety within the prisons.

Detroit Re-Entry Center Adjustment

Includes 8.8 FTE positions and \$881,400 GF/GP to correct the adjustment made in the FY 2012-13 budget for the staffing complement of the Detroit Re-Entry Center. The Ryan Correctional Facility was re-purposed in the FY 2012-13 budget as the Detroit Re-Entry Center to house parolees and parole violators. The staffing reduction and associated savings amount taken in the prior year budget were higher than what was actually achieved.

Maintenance Costs at Closed Facilities

Includes \$634,100 GF/GP for maintenance and upkeep costs at the following facilities which have been closed: Camp Kitwen, Camp Manistique, Camp Ottawa, and Standish Correctional Facility.

Alger Housing Unit Conversion

Includes \$506,200 GF/GP to correct the adjustment made in the FY 2012-13 budget for the conversion of housing units at Alger Correctional Facility. Level 4 housing units were converted to Level 2, resulting in the addition of 88 beds. This funding will cover operational costs for the 88 additional beds, including food service and health care.

Economic Adjustments

Includes \$48.9 million Gross (\$47.8 million GF/GP) for salary and wage, insurance, retirement, building occupancy, worker's compensation, and food and fuel adjustments. Additional increase of \$36.8 million Gross (\$36.1 million GF/GP) projected for FY 2014-15.

Eliminate One-Time Funding Included in the FY 2012-13 Budget

Eliminates \$32.0 million Gross (\$14.0 million GF/GP) that was included in the FY 2012-13 budget for one-time employee lump sum payments, one-time information technology projects, and one-time special equipment funds.

Eliminate FTE Position Authorization

Eliminates authorization for 225.5 unfunded FTE positions as part of the realignment of department resources.

Military and Veterans Affairs

Analyst: Mark Wolf

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$1,166,500	\$650,000	(\$516,500)	(44.3)	\$650,000	\$0	0.0
Federal	99,239,400	89,782,700	(9,456,700)	(9.5)	91,341,900	1,559,200	1.7
Local	1,503,600	1,500,000	(3,600)	(0.2)	1,500,000	0	0.0
Private	1,503,700	740,000	(763,700)	(50.8)	740,000	0	0.0
Restricted	30,427,000	27,554,000	(2,873,000)	(9.4)	27,554,000	0	0.0
GF/GP	38,233,400	42,381,300	4,147,900	10.8	38,767,600	(3,613,700)	(8.5)
Gross	\$172,073,600	\$162,608,000	(\$9,465,600)	(5.5)	\$160,553,500	(\$2,054,500)	(1.3)
FTEs	846.0	880.0	34.0	4.0	880.0	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Veterans Service Delivery Initiative

Adds \$4.0 million GF/GP and 33.0 FTE positions in ongoing support, and an additional one-time appropriation of \$4.0 million GF/GP, for a new veterans' service delivery initiative. The initiative is part of the restructuring of the administration and delivery of veterans' affairs programs of the department following the creation of the Michigan Veterans Affairs Agency under E.O. 2013-2. Ongoing funding and staffing support the operations of the agency, while the one-time funds support activities pertaining to program (service delivery) design and development. (Supplemental Request 2013-4 includes \$3.0 million and 11.0 FTE positions for the new agency for FY 2012-13.)

Veterans Service Officers

Adds \$600,000 and 5.0 FTE positions to support the hiring of state employees to serve as accredited veterans service officers, providing assistance to qualified veterans in the preparation, presentation, and prosecution of claims for veterans benefits; also supports continued efforts in training accredited county veterans service officers.

Veterans Homes Maintenance

Adds \$500,000 GF/GP in ongoing support for special maintenance activities at the Grand Rapids and Jacobetti veterans' homes. (Eliminates \$2.1 million designated as "one-time" support in FY 2013-14 for maintenance at the two homes.)

D.J. Jacobetti Veterans Home Laundry Services

Adds \$60,000 GF/GP for a new contract for laundry and linen services at the D.J. Jacobetti Veterans' Home in Marquette.

Land and Acquisitions

Adds \$750,000 Restricted (Armory Construction Fund) for land acquisition costs for new (or expanded) armories. DMVA is seeking a replacement for the armory in Flint, and would use the funds appropriated here to acquire a suitable existing facility (rather than building a new one).

Technical Adjustments and Elimination of One-Time Appropriations

Makes several technical adjustments, reducing spending authority to align with expected available revenues by \$4.2 million Gross (\$0 GF/GP), and eliminates several "one-time appropriations" totaling \$18.6 million Gross (\$6.1 million GF/GP), which included funding to replace the Flint armory, veterans service enhancements, department data upgrades, and records digitization.

Economic Adjustments

Reflects increased costs of \$3.4 million Gross (\$1.0 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$1.9 million Gross (\$0.4 million GF/GP) projected for FY 2014-15.

State Police

Analyst: Mark Wolf

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$25,238,500	\$25,219,700	(\$18,800)	(0.1)	\$25,692,200	\$472,500	1.9
Federal	104,911,000	98,846,100	(6,064,900)	(5.8)	99,422,200	576,100	0.6
Local	6,869,400	6,967,500	98,100	1.4	7,004,200	36,700	0.5
Private	231,300	239,700	8,400	3.6	245,600	5,900	2.5
Restricted	123,218,700	121,554,400	(1,664,300)	(1.4)	123,656,600	2,102,200	1.7
GF/GP	317,513,800	350,974,300	33,460,500	10.5	355,963,900	4,989,600	1.4
Gross	\$577,982,700	\$603,801,700	\$25,819,000	4.5	\$611,984,700	\$8,183,000	1.4
FTEs	2,884.0	2,917.0	33.0	1.1	2,917.0	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Trooper Recruit School

Adds \$15.2 million GF/GP (\$4.2 million one-time) for costs related to a new trooper school projected to graduate 107 troopers. Costs for the trooper school include costs for recruitment and selection of candidates, salary and wages for recruits, overtime costs for instructors, and outfitting and equipping recruits. The starting date of the trooper school is to be determined. The new recruits would allow for the placement of 7 troopers at Belle Isle in Detroit under the administration's plan to transform Belle Isle into a state park.

COPS Hiring Program (CHP) Grant GF/GP Offset

Adds \$2.1 million GF/GP to offset the exhaustion of a 3-year \$5.8 million grant from the federal Department of Justice Community Oriented Policing Services (COPS) Hiring Program in FY 2010-11. The original federal grant enabled the department to hire an additional 21 troopers.

Information Technology Costs

Adds \$2.3 million Gross (\$2.1 million GF/GP) for increased information technology costs related to the mobile data computers in MSP vehicles (\$1.0 million Gross), upgrading to Windows 7, increased costs related to the Center for Shared Solutions (\$151,200 Gross), and continued improvements to the state's wireless infrastructure and internet bandwidth (\$1.1 million Gross).

Fleet Leasing

Adds \$1.1 million GF/GP related to increases in monthly vehicle fleet leasing costs.

Disaster and Emergency Contingency Fund

Adds a \$4.0 million GF/GP appropriation in FYs 2013-14 and 2014-15 (\$8.0 million combined) to the Disaster Contingency Fund established in the Emergency Management Act to provide assistance to state agencies and local governments responding to natural or man-made disasters; includes a boilerplate authorization of up to \$800,000 to be expended from the fund. Implementing legislation would change the name of the fund to the Disaster and Emergency Contingency Fund and increase the minimum and maximum amounts held in the fund.

Battery and Vehicle Replacement

Adds \$80,000 Gross (\$70,000 GF/GP) to establish a 2.5 year life-cycle for replacing the batteries on the departments communications radios, as well as a one-time appropriation of \$350,000 GF/GP to replace two vehicles for the MSP Emergency Response Support Team.

Economic Adjustments

Reflects increased costs of \$19.1 million Gross (\$13.4 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-requirement retirement rate increases, and other economic adjustments. Additional increase of \$10.0 million Gross (\$6.9 million GF/GP) projected for FY 2014-15.

BUDGET CATEGORY ALL OTHER

Judiciary

Analyst: Robin R. Risko

	FY 2012-13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
	Year-to-Date as of 2/7/13		Amount	%		Amount	%
IDG/IDT	\$2,638,200	\$2,350,500	(\$287,700)	(10.9)	\$2,354,800	\$4,300	0.2
Federal	6,017,100	5,343,900	(673,200)	(11.2)	5,384,800	40,900	0.8
Local	7,049,300	7,133,100	83,800	1.2	7,218,200	85,100	1.2
Private	921,800	931,500	9,700	1.1	939,700	8,200	0.9
Restricted	86,382,200	86,115,900	(266,300)	(0.3)	86,141,800	25,900	0.0
GF/GP	170,751,500	183,441,300	12,689,800	7.4	178,163,600	(5,277,700)	(2.9)
Gross	\$273,760,100	\$285,316,200	\$11,556,100	4.2	\$280,202,900	(\$5,113,300)	(1.8)
FTEs	472.0	482.0	10.0	2.1	481.0	(1.0)	(0.2)

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Regionalization and Expansion of Specialty Courts

Includes \$3.0 million GF/GP for the regionalization and/or expansion of drug courts, driving while intoxicated/sobriety courts, and veterans courts. The goal is to make these courts available to more citizens in the state by regionalizing courts to serve multiple jurisdictions and expanding the number of specialty courts available.

Expansion of Mental Health Courts

Includes \$2.0 million GF/GP for grants to be awarded to trial courts that are interested in operating mental health courts. Currently, there are nine pilot courts operating mental health courts.

State Appellate Defender Office (SADO) Staff Increase

Includes 1.0 FTE position and \$107,200 GF/GP to assist the office with meeting the statutory requirement to manage 25% of the state's criminal defense appellate cases for indigents.

Savings for Eliminated Judgeships

Reflects a savings of \$391,500 GF/GP from elimination of 4.0 judgeships under Public Act 300 of 2011. The amount of savings is a result of the effective dates of the retirements of the judges.

Economic Adjustments

Includes \$2.5 million Gross (\$2.1 million GF/GP) for salary and wage, insurance, retirement, rent, building occupancy, and worker's compensation adjustments. Additional increase of \$1.4 million Gross (\$1.2 million GF/GP) projected for FY 2014-15.

Eliminate One-Time Funding Included in the FY 2012-13 Budget

Eliminates \$827,200 Gross (\$636,900 GF/GP) that was included in the FY 2012-13 budget for one-time employee lump sum payments.

One-Time Trial Court Innovations Fund

Includes 1.0 FTE position and \$4.0 million GF/GP in one-time funding to be used to create incentives which encourage positive change, adoption of best practices, and high performance in the state's trial courts. Funding will be divided into a \$3.0 million incentive program, incentivizing trial courts to become early adopters of specified performance measures and benchmarks, and a \$1.0 million grant program, providing financial assistance to courts for innovative projects which will improve efficiency and effectiveness of operations.

One-Time Implementation of the Michigan Court System

Includes 8.0 FTE positions and \$2.5 million GF/GP in one-time funding to be used for implementation of a unified case management information system, the Michigan Court System (MiCS), in 240 trial court locations, and to train more than 3,600 users of the system.

Licensing and Regulatory Affairs

Analyst: Paul Holland

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$13,496,900	\$14,228,200	\$731,300	5.4	\$14,228,200	\$0	0.0
Federal	268,708,300	197,470,000	(71,238,300)	(26.5)	198,557,800	1,087,800	0.6
Local	659,900	656,500	(3,400)	(0.5)	656,500	0	0.0
Private	2,011,800	2,011,800	0	0.0	2,011,800	0	0.0
Restricted	324,079,700	320,734,900	(3,344,800)	(1.0)	327,416,900	6,682,000	2.1
GF/GP	36,945,200	38,804,900	1,859,700	5.0	39,351,700	546,800	1.4
Gross	\$645,901,800	\$573,906,300	(\$71,995,500)	(11.1)	\$582,222,900	\$8,316,600	1.4
FTEs	3,767.3	3,324.5	(442.8)	(11.8)	3,324.5	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Veteran Exemption from Licensing and Filing Fees

Replaces reduced state restricted revenues resulting from veteran fee exemptions with \$3.7 million in GF/GP. 2012 PAs 309 thru 315 exempted honorably discharged military veterans from licensing fees charged to plumbers, electricians, mechanical contractors, and various building officials by the Bureau of Construction Codes (BCC) and filing fees charged to for-profit, nonprofit, and limited liability companies by the Bureau of Commercial Services (BCS).

Transfer of Aboveground and Underground Storage Tank Programs

Transfers spending authorization for \$1.3 million in federal revenues and \$2.9 million in state restricted revenues from the Department of Environmental Quality (DEQ) to the LARA budget along with 37.0 FTEs. The state restricted revenues are generated by application, registration, installation, inspection, and certification fees while the federal revenues are supported by grants from the US EPA. E.O. 2012-14 transferred the Aboveground and Underground Storage Tank Programs from the DEQ to the Bureau of Fire Services (BFS) within LARA.

Reductions for the Unemployment Insurance Agency

Reduces the Unemployment Insurance Agency's (UIA) spending authorization by \$67.2 million in federal revenues and FTEs by 539.3. The federal government supports the administrative expenses of the UIA through formula grants based on the Insured Unemployment Rate within the state. Due to the decline in the state's Insured Unemployment Rate during 2012, the federal government reduced the amount of these grants by \$37.2 million and approximately 430.0 UIA employees were laid-off in 2012. The additional reductions of \$30.0 million and 100.0 FTEs is of excess spending and FTE authorizations and does not represent actual decreases in available funding.

Eliminate One-Time and "Right to Work" Appropriations

Eliminates FY 2012-13 one-time appropriations of \$4.5 million Gross (\$177,500 GF/GP) and \$2.0 million GF/GP appropriated by 2012 PAs 348 and 349 to implement the acts and inform stakeholders and the public about the acts.

Economic Adjustments

Reflects increased costs of \$11.8 million Gross (\$204,900 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$8.3 million Gross (\$546,800 GF/GP) projected for FY 2014-15.

Transportation

Analyst: William E. Hamilton

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$3,531,900	\$3,625,100	\$93,200	2.6	\$3,702,700	\$77,600	2.1
Federal	1,221,830,100	1,198,885,500	(22,944,600)	(1.9)	1,198,699,700	(185,800)	0.0
Local	52,080,200	50,177,100	(1,903,100)	(3.7)	50,177,100	0	0.0
Private	100,000	100,000	0.0	0.0	100,000	0	0.0
Restricted	2,165,895,300	3,321,999,900	1,156,104,600	53.4	3,345,365,600	23,365,700	0.7
GF/GP	23,000,000	0	(23,000,000)	(100.0)	0	0	--
Gross	\$3,466,437,500	\$4,574,787,600	\$1,108,350,100	32.0	\$4,598,045,100	\$23,257,500	0.5
FTEs	2,918.30	2,918.3	0	0.0	2,918.3	0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Transportation Revenue Increases/Commercial Corridor Fund

Reflects Executive proposals to increase transportation revenue by \$1.2 billion through increases in motor fuel taxes and vehicle registration taxes. Most of the new revenue, \$1.1 billion, would be credited to a new Commercial Corridor Fund.

Basic Industry Logistics Transportation (BILT) Fund/Transportation Economic Development Fund (TEDF)

Proposes new BILT fund and competitive grant program, funded at \$68.7 million, "to assist in financing critical transportation projects supporting economic growth and job creation." BILT would replace current TEDF programs.

End Redirection of General Fund from Sales Tax to Transportation Funds

The FY 2012-13 budget includes \$110.0 million in additional state restricted revenue from the redirection of certain sales tax revenue – revenue that would have otherwise been credited to the state General Fund. Amendments to the Sales Tax Act redirected \$100.0 million to the State Trunkline Fund to provide the match for federal-aid highway programs, and \$10.0 million to the State Aeronautics Fund for state aeronautics programs. The legislation had designated the redirection for the 2012-13 fiscal year only.

End One-Time General Fund Appropriation

The FY 2012-13 budget also includes the direct appropriation of \$23.0 million in GF/GP revenue. This appropriation had been designated one-time and was not continued in FY 2013-14 budget.

Blue Water Bridge Plaza Project

Recognizes Blue Water Bridge expansion project; funding of \$25.8 million provided from the Blue Water Bridge Fund.

Detroit-Chicago AMTRAK Service

As a result of changes in federal law, the state will be required to pay for an estimated \$16.3 million in rail passenger operating costs that had previously been absorbed by AMTRAK. Budget recognizes those new state costs as well as additional \$3.0 million in estimated new track inspection and maintenance services on the Detroit-Chicago high speed rail corridor.

Economic Adjustments

Reflects increased costs of \$11.2 million Gross (\$0 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$7.7 million Gross (\$0 GF/GP) projected for FY 2014-15.



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