

# **PRELIMINARY REVIEW**

of the

**FY 2022-23**

**Executive Budget  
Recommendation**



**Mary Ann Cleary, Director**  
**February 11, 2022**



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**OVERVIEW OF  
FY 2022-23 EXECUTIVE BUDGET RECOMMENDATION**  
*Mary Ann Cleary, Director, and Kevin Koorstra, Deputy Director*

The FY 2022-23 executive budget recommendation incorporates the January 2022 Consensus Revenue Estimating Conference (CREC) revenue estimates for General Fund/General Purpose (GF/GP) of \$12,892.1 million and School Aid Fund (SAF) of \$16,246.6 million. In addition to the CREC estimates, the recommendation assumes beginning FY 2021-22 balances of \$4,257.1 million GF/GP and \$2,877.3 million SAF. The executive recommendation also assumes the restoration of income tax exemptions on retirement income over 4-years and an increase in the earned income tax credit from 6% to 20%.

The FY 2022-23 executive budget recommendation includes \$72,917.6 million in adjusted gross appropriations, an increase of \$2,002.6 million, or 2.8%. The table below compares current-year appropriations to the executive proposal.

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
<b>Adjusted Gross</b>	\$70,915.0	\$72,917.6	\$2,002.6	2.8%
<b>Federal</b>	\$31,323.1	\$30,341.1	(\$982.0)	(3.1%)
<b>Local/Private</b>	\$503.1	\$530.6	\$27.5	5.5%
<b>Restricted</b>	\$26,176.0	\$27,736.6	\$1,560.6	6.0%
<b>GF/GP</b>	\$12,912.7	\$14,309.3	\$1,396.5	10.8%

Of the \$42,045.9 million in state resources recommended for appropriation in FY 2022-23, \$23,158.6 million (55.1% 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 governments.

The executive proposal includes significant adjustments to the current FY 2021-22 budget and FY 2022-23 budget.

The budget proposal includes three FY 2021-22 supplementals totaling \$5,699.6 million Gross (\$722.4 million GF/GP and \$1,830.7 million SAF):

- Departmental appropriation adjustments of \$3,049.2 million Gross (\$420.9 million GF/GP) including the following major program additions:
  - \$1,330.5 million Gross (negative \$216.0 million GF/GP) for caseload cost and E-FMAP adjustments. (DHHS)
  - \$500.0 million GF/GP deposit into the Strategic Outreach and Attraction Reserve (SOAR) fund. (LEO)
  - \$500.0 million ARP-SFRF for essential worker “hero pay” program. (Treasury)
  - \$50.0 million GF/GP for constitutional revenue sharing hold harmless payments. (Treasury)
  - \$50.0 million Gross (\$30 million GF/GP) for first responder retention payments. (Treasury)
- School Aid supplemental increase of \$2,553.0 million Gross (\$301.5 million GF/GP and \$1,830.7 million SAF) for educator retention and recruitment programs; a deposit into the school infrastructure fund; great start readiness grants; and infrastructure, technology, equipment and maintenance grants to community colleges and universities.
- Natural Resources Trust Fund projects totaling \$45.6 million Gross. (2022-4)
- Budget Stabilization Fund (BSF) deposit of \$51.8 million.

GF/GP current services baseline increases in the FY 2022-23 executive recommendation include:

- \$353.1 million GF/GP for caseload adjustments. (DHHS)
- \$105.1 million GF/GP for state employee compensation-related costs. (All budgets)
- \$49.4 million GF/GP for all other current services baseline costs. (All budgets)

Total investments of \$410.4 million GF/GP for FY 2022-23. Major program increases include:

- \$247.6 million Gross (\$69.8 million GF/GP) for the redesign of Medicaid and Healthy Michigan Plan dental programs. (DHHS)
- \$69.3 million Gross (\$55.0 million GF/GP) for increases to behavioral health capacity and access. (DHHS)
- \$60.0 million Gross (\$21.2 million GF/GP) to increase non-clinical nursing facility staff hourly wages by \$2.35. (DHHS)
- \$33.7 million Gross (\$13.3 million GF/GP) increase to fund an 18% increase in regular maintenance payments to foster parents, adoptive families, and juvenile guardians (DHHS)

One-time allocations total \$2,389.5 million GF/GP for FY 2022-23. Major increases include:

- \$325.0 million for a new state-operated psychiatric hospital campus. (DHHS)
- \$230.0 million for transformational education infrastructure. (LEO)
- \$200.0 million for Michigan regional empowerment program. (LEO)
- \$175.0 million for a statewide judicial case management system. (Judiciary)
- \$150.0 million for critical road and bridge infrastructure. (MDOT)
- \$115.0 million for deposit into the Information Technology Investment Fund (ITIF) for statewide IT projects. (DTMB)
- \$75.0 million for nature, science, and cultural experiences grant program. (MSF)
- \$70.0 million for enterprise-wide special maintenance. (DTMB)
- \$66.0 million for freeway pumphouse backup generators. (MDOT)
- \$60.0 million for priority rail grade separation projects. (MDOT)
- \$55.0 million GF/GP (\$115.0 million Gross) for armory modernization. (DMVA)
- \$50.0 million for food security council investments. (DHHS)
- \$48.0 million for lead line replacement. (EGLE)
- \$40.0 million for minor home repair and plumbing assistance program. (DHHS)

Major increases proposed for FY 2022-23 for School Aid and Higher Education funding include:

- \$580.0 million SAF for increases to district foundation allowances of \$435 per pupil (5.0%).
- \$222.0 million SAF increase to the At-Risk program to fund payments to school districts for eligible students at \$1,051 per pupil (full-funding).
- \$170.0 million for school infrastructure grants.
- \$150.0 million SAF increase for special education costs at 8% above required amount.
- \$150.0 million SAF for grants to ISDs for statewide training of mental health professionals. (TRAILS)
- \$120.0 million SAF for district and ISDs for wraparound services.
- \$100.0 million SAF for Michigan Future Educator Fellowship program.
- \$146.0 million GF/GP increase of 5.0% ongoing and 5.0% one-time for public university operations.
- \$32.4 million SAF increase of 5.0% ongoing and 5.0% one-time for community college operations.

Revenue Sharing changes included in the executive recommendation for FY 2022-23 include:

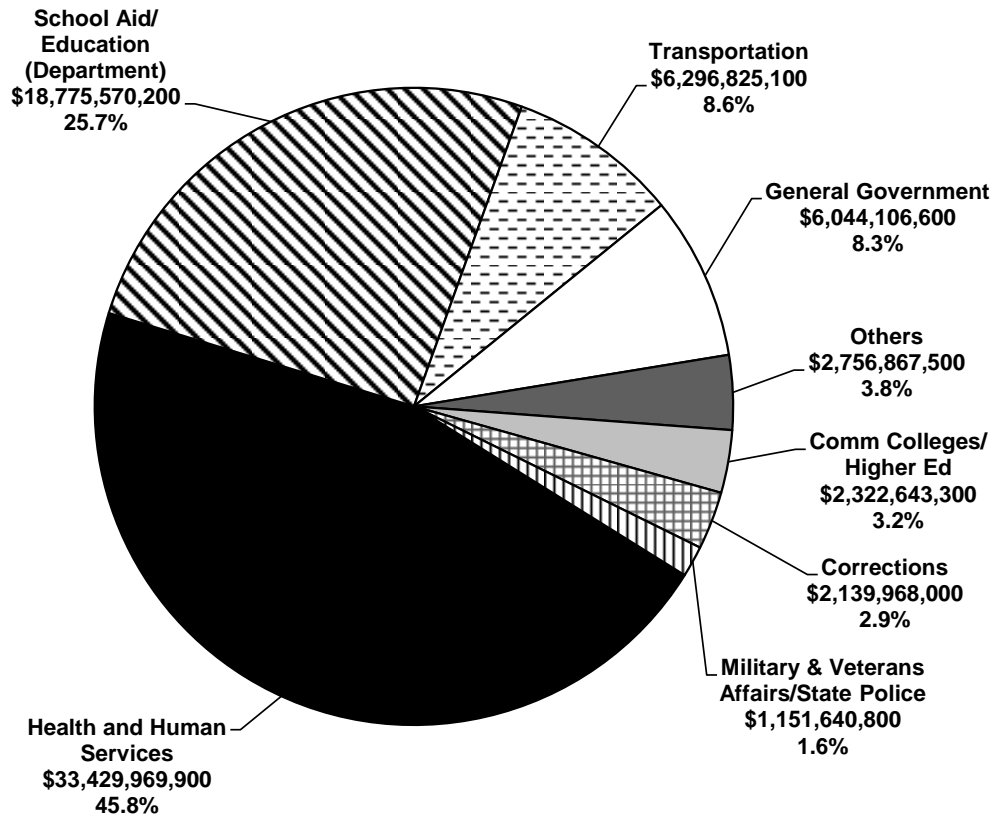
- \$26.6 million increase of 5.0% ongoing and 5.0% one-time for city, village, and townships (CVTs).
- \$23.2 million increase of 5.0% ongoing and 5.0% one-time for counties.

A more detailed summary of major budget changes by individual budget area begins on page 17.

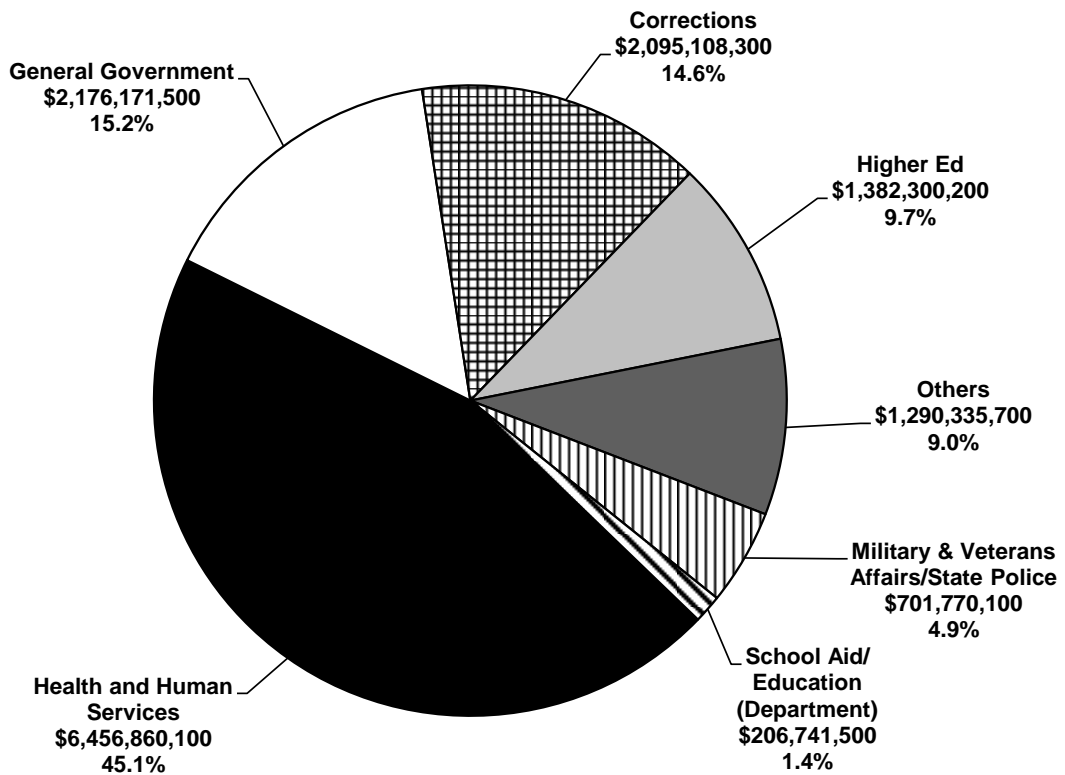
This preliminary review provides a brief summary of the FY 2022-23 Executive Budget Recommendation. The House Fiscal Agency's full Review and Analysis of the FY 2022-23 Executive Budget Recommendation will be available within two weeks and will contain a more detailed review of major budget and boilerplate changes by budget area.

A list of House Fiscal Agency staff by area of responsibility is included at the end of this document. Please do not hesitate to contact us if you have questions regarding this information.

**FY 2022-23 Executive Recommendation  
Adjusted Gross = \$72,917,591,400**



**FY 2022-23 Executive Recommendation  
General Fund/General Purpose (GF/GP) = \$14,309,287,400**



## **CHANGE IN ADJUSTED GROSS APPROPRIATIONS FY 2022-23 and FY 2023-24 Executive Recommendation**

The executive budget recommendation for FY 2022-23 increases adjusted gross appropriations by \$2,002.6 million (2.8%) from FY 2021-22 year-to-date amounts:

- GF/GP appropriations are increased by \$1,396.5 million (10.8%)
- State restricted appropriations are increased by \$1,560.6 million (6.0%)
- Federal appropriations are decreased by \$982.0 million (3.1%)
- Local and private appropriations are increased by \$27.5 million (5.5%)

Total state spending from state sources (GF/GP plus state restricted) in the FY 2022-23 executive budget recommendation is increased by \$2,957.2 million (7.6%) from FY 2021-22 year-to-date amounts.

Projected appropriation amounts for FY 2023-24 under the executive budget (which are presented only for planning purposes) reflect a 16.8% decrease in GF/GP appropriations, a 6.6% decrease in total state spending from state sources, and a 3.9% decrease in adjusted gross appropriations.



**FY 2022-23 and FY 2023-24  
Executive Budget Appropriation Changes  
Millions of Dollars**

	<u>Year-to-Date</u>	<u>Executive</u>	<u>Change Amounts</u>		<u>Executive</u>	<u>Change Amounts</u>	
	<u>FY 2021-22</u>	<u>FY 2022-23</u>			<u>Recommendation</u>		
General Fund/General Purpose	\$12,912.7	\$14,309.3	\$1,396.5	10.8%	\$11,903.3	(\$2,406.0)	(16.8%)
State Restricted	<u>26,176.0</u>	<u>27,736.6</u>	<u>1,560.6</u>	6.0%	<u>27,387.1</u>	<u>(349.5)</u>	(1.3%)
<b>Total State-Source Appropriations</b>	<b>\$39,088.7</b>	<b>\$42,045.9</b>	<b>\$2,957.2</b>	<b>7.6%</b>	<b>\$39,290.5</b>	<b>(\$2,755.4)</b>	<b>(6.6%)</b>
Federal	\$31,323.1	\$30,341.1	(\$982.0)	(3.1%)	\$30,235.7	(\$105.4)	(0.3%)
Local	303.0	324.0	21.0	6.9%	324.0	0.0	0.0%
Private	200.2	206.6	6.5	3.2%	206.6	0.0	0.0%
<b>Total Adjusted Gross</b>	<b>\$70,915.0</b>	<b>\$72,917.6</b>	<b>\$2,002.6</b>	<b>2.8%</b>	<b>\$70,056.8</b>	<b>(\$2,860.8)</b>	<b>(3.9%)</b>

**General Fund/General Purpose (GF/GP):** Unrestricted General Fund revenue available for basic state programs and other purposes determined by the legislature.

**State Restricted:** State revenue restricted by State Constitution, state statute, or outside restriction that is available only for specific purposes. Includes most fee revenue. Largest such fund is the School Aid Fund.

**State-Source Appropriations:** Appropriations from state-level revenue sources: State Restricted plus GF/GP.

**Federal Funds:** Federal grant or match revenue; generally dedicated to specific programs or purposes.

**Local/Private Funds:** Revenue received from local units of government and private, non-governmental entities for specific services or purposes.

**Adjusted Gross:** Total state appropriations from all fund sources. Excludes funds appropriated twice in state budget through interdepartmental grants (IDGs) or intradepartmental transfers (IDTs).

*Notes:*

- (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022.
- (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
- (3) Numbers may not add due to rounding.

## RESOURCES USED IN THE EXECUTIVE BUDGET RECOMMENDATION

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

<b>FY 2021-22 Through FY 2023-24 Executive Recommendation</b>			
<b>General Fund/General Purpose (GF/GP)</b>			
<b>Millions of Dollars</b>			
	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>Beginning Balance</b>	<b>\$4,257.1</b>	<b>\$2,494.0</b>	<b>\$2.6</b>
<b><u>Resources</u></b>			
Consensus Revenue Estimate: January 2022	\$12,449.7	\$12,892.1	\$13,314.3
Lawsuit Settlement Funds (AG/DEQ)	(2.6)	(2.6)	(2.6)
Repeal Retirement Tax - Phase-in	(13.0)	(107.0)	(285.0)
Earned Income Tax Credit Increase (6% to 20%)	0.0	(262.0)	(262.0)
Revenue Sharing: Ongoing	(500.3)	(525.2)	(525.2)
Revenue Sharing: One-Time	<u>0.0</u>	<u>(24.9)</u>	<u>0.0</u>
<b>Total Resources</b>	<b>\$11,933.8</b>	<b>\$11,970.4</b>	<b>\$12,239.5</b>
<b><u>Expenditures</u></b>			
Appropriations: Ongoing	\$10,959.0	\$10,959.0	\$10,959.0
Base: Caseload	--	353.1	528.1
Base: Other	--	49.4	49.4
Base: Economics	--	105.2	155.2
Executive Investments	--	385.3	385.3
GF to School Aid	85.4	108.2	67.7
Appropriations: One-Time	733.1	2,349.0	0.0
Supplementals – Current Law	1,145.2	--	--
Proposed Supplemental (2022-2 and 2022-3)	722.4	--	--
Reimburse Locals for Reduction in PPT Revenue (PA 150 of 2021)	--	75.0	--
BSF Deposit	51.8	--	--
Other/Lawsuit Settlements	<u>0.0</u>	<u>77.5</u>	<u>77.5</u>
<b>Total Expenditures</b>	<b>\$13,696.9</b>	<b>\$14,461.7</b>	<b>\$12,222.2</b>
<b>Projected Ending Balance / (Shortfall)</b>	<b>\$2,494.0</b>	<b>\$2.6</b>	<b>\$19.9</b>

Numbers may not add due to rounding.

<b>FY 2021-22 Through FY 2023-24 Executive Recommendation</b>			
<b>School Aid Fund (SAF)</b>			
<b>Millions of Dollars</b>			
	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>Beginning Balance</b>	<b>\$2,877.3</b>	<b>\$535.8</b>	<b>\$49.9</b>
<b><u>Resources</u></b>			
Consensus Revenue Estimates: January 2022	\$16,078.2	\$16,246.6	\$16,557.7
GF/GP Grant	85.4	108.2	67.7
Detroit Public Trust Fund	85.6	72.0	72.0
Proposed Supplemental 2022-3 Additional GF/GP	87.9	0.0	0.0
School Infrastructure Fund	(1,000.0)	170.0	170.0
Federal Aid	<u>2,445.3</u>	<u>2,191.3</u>	<u>2,191.3</u>
<b>Total Resources</b>	<b>\$17,782.4</b>	<b>\$18,788.1</b>	<b>\$19,058.7</b>
<b><u>Expenditures</u></b>			
School Aid: Ongoing	\$16,230.5	\$15,906.8	\$17,405.0
January 2022 CREC Baseline Adjustments	(323.7)	96.4	14.8
School Aid: Investments	0.0	1,401.8	18.0
School Aid: One-time	747.6	0.0	0.0
School Aid: Supplemental (2022-3)	2,676.7	951.0	529.0
Higher Education - MOE	0.0	100.0	0.0
Community Colleges	431.4	470.1	461.4
Higher Education	<u>361.4</u>	<u>347.9</u>	<u>347.6</u>
<b>Total Expenditures</b>	<b>\$20,123.9</b>	<b>\$19,274.0</b>	<b>\$18,775.8</b>
<b>Projected Ending Balance / (Shortfall)</b>	<b>\$535.8</b>	<b>\$49.9</b>	<b>\$332.8</b>

Numbers may not add due to rounding.

<b>FY 2021-22 and FY 2022-23 Executive Recommendation Tobacco Settlement / Merit Award Trust Fund Millions of Dollars</b>		
	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Beginning Balance</b>	<b>\$30.7</b>	<b>\$32.5</b>
<b><u>Resources</u></b>		
Tobacco Settlement MSA Payment	\$303.2	\$285.7
Debt Service on 2006/2007 Securitization Bonds (13.34%/10.77%)	(73.1)	(68.9)
Deposit to 21st Century Jobs Trust Fund	(75.0)	(75.0)
BSF repayment	(17.5)	(17.5)
Community District Trust Fund	(72.0)	(72.0)
Interest	<u>0.1</u>	<u>0.1</u>
<b>Total Resources</b>	<b>\$65.7</b>	<b>\$52.4</b>
<b><u>Expenditures</u></b>		
Attorney General: Operations	\$0.5	\$0.5
DHHS: Aging Respite care	4.1	4.1
DHHS: Medicaid Long Term Care	57.2	57.2
State Police: Criminal Investigations/IT	0.9	0.9
Treasury: Student Financial Services Programs	<u>1.2</u>	<u>1.2</u>
<b>Total Expenditures</b>	<b>\$63.9</b>	<b>\$63.9</b>
<b>Estimated Ending Balance</b>	<b>\$32.5</b>	<b>\$20.9</b>

*Numbers may not add due to rounding.*

## **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:

- FY 2021-22 year-to-date figures include adjustments through February 9, 2022.
- Some appropriation items in the FY 2021-22 budget are designated as one-time, indicating intent that those items will not be funded in the subsequent budget year in order to maintain a structurally balanced budget. The FY 2022-23 executive budget continues this practice.
- The tables in this document show total appropriation amounts by budget area, including both ongoing 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.

**TABLE 1  
FY 2022-23 EXECUTIVE BUDGET RECOMMENDATION BY SOURCE OF FUNDS**

<b>Department/Budget Area</b>	<b>Gross</b>	<b>IDG/IDT</b>	<b>Adjusted Gross</b>	<b>Federal</b>	<b>Local</b>	<b>Private</b>	<b>State Restricted</b>	<b>GF/GP</b>
Agriculture & Rural Development	\$172,165,100	\$326,700	\$171,838,400	\$19,670,900	\$0	\$21,300	\$44,706,400	\$107,439,800
Attorney General	126,888,000	35,954,600	90,933,400	10,101,900	0	0	20,786,700	60,044,800
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	21,601,600	0	21,601,600	2,890,900	0	18,700	58,500	18,633,500
Community Colleges	470,028,400	0	470,028,400	0	0	0	470,028,400	0
Corrections	2,139,968,000	0	2,139,968,000	5,148,400	9,879,500	0	29,831,800	2,095,108,300
Education	419,531,000	0	419,531,000	302,950,800	5,878,600	2,240,400	9,919,700	98,541,500
Environment, Great Lakes, & Energy	1,004,099,200	3,406,400	1,000,692,800	453,641,700	0	1,415,500	327,354,900	218,280,700
Executive Office	7,708,600	0	7,708,600	0	0	0	0	7,708,600
Health and Human Services	33,444,665,900	14,696,000	33,429,969,900	23,617,962,500	183,502,800	179,716,400	2,991,928,100	6,456,860,100
Higher Education	1,852,614,900	0	1,852,614,900	122,426,400	0	0	347,888,300	1,382,300,200
Insurance & Financial Services	80,335,500	736,500	79,599,000	1,017,100	0	0	72,581,900	6,000,000
Judiciary	506,371,900	1,902,300	504,469,600	6,381,500	7,782,600	1,524,200	94,435,300	394,346,000
Labor & Economic Devel. (MSF)	2,305,571,500	0	2,305,571,500	1,154,595,000	10,700,000	12,430,700	245,920,400	881,925,400
Legislative Auditor General	28,605,900	6,654,800	21,951,100	0	0	0	2,329,300	19,621,800
Legislature	183,999,900	0	183,999,900	0	0	428,300	4,965,700	178,605,900
Licensing & Regulatory Affairs	513,345,500	47,026,900	466,318,600	29,659,200	0	0	248,065,900	188,593,500
Military & Veterans Affairs	355,266,000	101,800	355,164,200	189,864,300	0	640,000	18,794,900	145,865,000
Natural Resources	534,152,200	203,100	533,949,100	93,630,000	0	7,039,200	337,504,200	95,775,700
School Aid	18,356,039,200	0	18,356,039,200	2,191,243,500	0	0	16,056,595,700	108,200,000
State	256,264,000	20,000,000	236,264,000	1,460,000	0	50,100	221,007,300	13,746,600
State Police	821,979,000	25,502,400	796,476,600	81,804,300	4,904,500	35,000	153,827,700	555,905,100
Tech., Mgmt. & Budget: Operations	1,622,669,100	1,047,125,600	575,543,500	5,217,200	2,331,200	137,400	123,219,300	444,638,400
Tech., Mgmt. & Budget: SBA Rent	231,570,600	0	231,570,600	0	0	0	0	231,570,600
Transportation	6,300,948,900	4,123,800	6,296,825,100	2,026,480,000	85,773,500	900,000	3,903,771,600	279,900,000
Treasury: Operations	789,901,200	11,153,100	778,748,100	24,970,700	13,209,600	31,000	520,945,000	219,591,800
Treasury: Debt Service	100,084,100	0	100,084,100	0	0	0	0	100,084,100
Treasury: Revenue Sharing	1,490,130,200	0	1,490,130,200	0	0	0	1,490,130,200	0
<b>TOTAL APPROPRIATIONS</b>	<b>\$74,136,505,400</b>	<b>\$1,218,914,000</b>	<b>\$72,917,591,400</b>	<b>\$30,341,116,300</b>	<b>\$323,962,300</b>	<b>\$206,628,200</b>	<b>\$27,736,597,200</b>	<b>\$14,309,287,400</b>

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

**TABLE 2**  
**ADJUSTED GROSS APPROPRIATIONS**  
**FY 2022-23 and FY 2023-24 Executive Recommendation Compared with FY 2021-22 Year-to-Date**

<u>Department/Budget Area</u>	<u>Year-To-Date FY 2021-22</u>	<u>Exec. Rec. FY 2022-23</u>	<u>Difference FY 2022-23 vs. FY 2021-22</u>		<u>Exec. Rec. FY 2023-24</u>	<u>Difference FY 2023-24 vs. FY 2022-23</u>	
Agriculture & Rural Development	\$155,365,300	\$171,838,400	\$16,473,100	10.6%	\$130,338,400	(\$41,500,000)	(24.2%)
Attorney General	73,315,200	90,933,400	17,618,200	24.0%	75,933,400	(15,000,000)	(16.5%)
Capital Outlay	0	0	0	--	0	0	--
Civil Rights	17,535,200	21,601,600	4,066,400	23.2%	17,949,700	(3,651,900)	(16.9%)
Community Colleges	431,417,000	470,028,400	38,611,400	8.9%	461,344,400	(8,684,000)	(1.8%)
Corrections	2,065,873,000	2,139,968,000	74,095,000	3.6%	2,084,968,000	(55,000,000)	(2.6%)
Education	1,928,027,900	419,531,000	(1,508,496,900)	(78.2%)	419,171,000	(360,000)	(0.1%)
Environment, Great Lakes, & Energy	686,225,800	1,000,692,800	314,467,000	45.8%	813,227,000	(187,465,800)	(18.7%)
Executive Office	7,318,600	7,708,600	390,000	5.3%	7,708,600	0	0.0%
Health and Human Services	31,962,609,900	33,429,969,900	1,467,360,000	4.6%	32,835,257,600	(594,712,300)	(1.8%)
Higher Education	1,807,751,200	1,852,614,900	44,863,700	2.5%	1,776,053,200	(76,561,700)	(4.1%)
Insurance & Financial Services	72,263,000	79,599,000	7,336,000	10.2%	73,599,000	(6,000,000)	(7.5%)
Judiciary	318,810,800	504,469,600	185,658,800	58.2%	329,021,600	(175,448,000)	(34.8%)
Labor & Economic Devel. (MSF)	3,250,153,600	2,305,571,500	(944,582,100)	(29.1%)	1,699,121,500	(606,450,000)	(26.3%)
Legislative Auditor General	20,769,400	21,951,100	1,181,700	5.7%	21,951,100	0	0.0%
Legislature	186,648,200	183,999,900	(2,648,300)	(1.4%)	183,999,900	0	0.0%
Licensing & Regulatory Affairs	472,156,600	466,318,600	(5,838,000)	(1.2%)	456,975,000	(9,343,600)	(2.0%)
Military & Veterans Affairs	220,750,800	355,164,200	134,413,400	60.9%	220,158,200	(135,006,000)	(38.0%)
Natural Resources	464,138,300	533,949,100	69,810,800	15.0%	485,042,400	(48,906,700)	(9.2%)
School Aid	16,978,110,700	18,356,039,200	1,377,928,500	8.1%	17,966,839,200	(389,200,000)	(2.1%)
State	232,164,300	236,264,000	4,099,700	1.8%	236,264,000	0	0.0%
State Police	836,329,800	796,476,600	(39,853,200)	(4.8%)	787,082,400	(9,394,200)	(1.2%)
Tech., Mgmt. & Budget: Operations	419,888,300	575,543,500	155,655,200	37.1%	374,543,500	(201,000,000)	(34.9%)
Tech., Mgmt. & Budget: SBA Rent	231,570,600	231,570,600	0	0.0%	231,570,600	0	0.0%
Transportation	5,425,810,700	6,296,825,100	871,014,400	16.1%	6,093,877,100	(202,948,000)	(3.2%)
Treasury: Operations	1,138,162,400	778,748,100	(359,414,300)	(31.6%)	667,261,100	(111,487,000)	(14.3%)
Treasury: Debt Service	99,064,000	100,084,100	1,020,100	1.0%	100,084,100	0	0.0%
Treasury: Revenue Sharing	1,412,735,300	1,490,130,200	77,394,900	5.5%	1,507,442,100	17,311,900	1.2%
<b>TOTAL</b>	<b>\$70,914,965,900</b>	<b>\$72,917,591,400</b>	<b>\$2,002,625,500</b>	<b>2.8%</b>	<b>\$70,056,784,100</b>	<b>(\$2,860,807,300)</b>	<b>(3.9%)</b>

**TABLE 3**  
**GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS**  
**FY 2022-23 and FY 2023-24 Executive Recommendation Compared with FY 2021-22 Year-to-Date**

<u>Department/Budget Area</u>	<u>Year-To-Date FY 2021-22</u>	<u>Exec. Rec. FY 2022-23</u>	<u>Difference FY 2022-23 vs. FY 2021-22</u>		<u>Exec. Rec. FY 2023-24</u>	<u>Difference FY 2023-24 vs. FY 2022-23</u>	
Agriculture & Rural Development	\$97,366,900	\$107,439,800	\$10,072,900	10.3%	\$65,939,800	(\$41,500,000)	(38.6%)
Attorney General	43,056,000	60,044,800	16,988,800	39.5%	45,044,800	(15,000,000)	(25.0%)
Capital Outlay	0	0	0	--	0	0	--
Civil Rights	14,607,300	18,633,500	4,026,200	27.6%	14,981,600	(3,651,900)	(19.6%)
Community Colleges	0	0	0	--	0	0	--
Corrections	2,005,369,400	2,095,108,300	89,738,900	4.5%	2,040,108,300	(55,000,000)	(2.6%)
Education	102,508,100	98,541,500	(3,966,600)	(3.9%)	98,181,500	(360,000)	(0.4%)
Environment, Great Lakes, & Energy	153,375,400	218,280,700	64,905,300	42.3%	77,585,800	(140,694,900)	(64.5%)
Executive Office	7,318,600	7,708,600	390,000	5.3%	7,708,600	0	0.0%
Health and Human Services	5,448,429,200	6,456,860,100	1,008,430,900	18.5%	5,917,312,600	(539,547,500)	(8.4%)
Higher Education	1,317,821,500	1,382,300,200	64,478,700	4.9%	1,306,008,500	(76,291,700)	(5.5%)
Insurance & Financial Services	0	6,000,000	6,000,000	--	0	(6,000,000)	(100.0%)
Judiciary	209,280,900	394,346,000	185,065,100	88.4%	218,898,000	(175,448,000)	(44.5%)
Labor & Economic Devel. (MSF)	1,517,995,600	881,925,400	(636,070,200)	(41.9%)	276,225,400	(605,700,000)	(68.7%)
Legislative Auditor General	18,598,900	19,621,800	1,022,900	5.5%	19,621,800	0	0.0%
Legislature	181,535,400	178,605,900	(2,929,500)	(1.6%)	178,605,900	0	0.0%
Licensing & Regulatory Affairs	184,195,900	188,593,500	4,397,600	2.4%	182,593,500	(6,000,000)	(3.2%)
Military & Veterans Affairs	78,758,800	145,865,000	67,106,200	85.2%	73,250,000	(72,615,000)	(49.8%)
Natural Resources	48,612,500	95,775,700	47,163,200	97.0%	48,419,000	(47,356,700)	(49.4%)
School Aid	85,400,000	108,200,000	22,800,000	26.7%	67,700,000	(40,500,000)	(37.4%)
State	12,435,600	13,746,600	1,311,000	10.5%	13,746,600	0	0.0%
State Police	527,822,500	555,905,100	28,082,600	5.3%	546,510,900	(9,394,200)	(1.7%)
Tech., Mgmt. & Budget: Operations	286,174,500	444,638,400	158,463,900	55.4%	243,638,400	(201,000,000)	(45.2%)
Tech., Mgmt. & Budget: SBA Rent	231,570,600	231,570,600	0	0.0%	231,570,600	0	0.0%
Transportation	0	279,900,000	279,900,000	--	0	(279,900,000)	(100.0%)
Treasury: Operations	241,014,200	219,591,800	(21,422,400)	(8.9%)	129,591,800	(90,000,000)	(41.0%)
Treasury: Debt Service	99,064,000	100,084,100	1,020,100	1.0%	100,084,100	0	0.0%
Treasury: Revenue Sharing	433,000	0	(433,000)	(100.0%)	0	0	--
<b>TOTAL</b>	<b>\$12,912,744,800</b>	<b>\$14,309,287,400</b>	<b>\$1,396,542,600</b>	<b>10.8%</b>	<b>\$11,903,327,500</b>	<b>(\$2,405,959,900)</b>	<b>(16.8%)</b>



**TABLE 4  
GF/GP APPROPRIATIONS DESIGNATED AS ONE-TIME ONLY**

<u>Department/Budget Area</u>	<u>Exec. Rec. FY 2022-23 GF/GP</u>
Agriculture & Rural Development	\$41,500,000
Attorney General	15,000,000
Civil Rights	3,651,900
Corrections	55,000,000
Education	360,000
Environment, Great Lakes, & Energy	140,694,900
Health and Human Services	523,087,700
Higher Education	76,291,700
Insurance & Financial Services	6,000,000
Judiciary	175,448,000
Labor & Economic Development	605,700,000
Licensing & Regulatory Affairs	6,000,000
Military & Veterans Affairs	72,615,000
Natural Resources	47,356,700
State Police	9,394,200
Tech., Mgmt. & Budget: Operations	201,000,000
Transportation	279,900,000
Treasury: Operations	90,000,000
<b>TOTAL: ONE-TIME APPROPRIATIONS</b>	<b>\$2,349,000,100</b>

**TABLE 5**  
**FULL-TIME EQUATED (FTE) POSITIONS\***  
**FY 2022-23 Executive Recommendation Compared with FY 2021-22 Year-to-Date**

<u>Department/Budget Area</u>	<u>Year-To-Date FY 2021-22</u>	<u>Executive Recommendation FY 2022-23</u>	<u>Difference FY 2022-23 vs. FY 2021-22</u>	
Agriculture & Rural Development	527.0	537.0	10.0	1.9%
Attorney General	547.4	555.9	8.5	1.6%
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	115.0	115.0	0.0	0.0%
Community Colleges	0.0	0.0	0.0	--
Corrections	13,500.4	13,514.4	14.0	0.1%
Education	622.5	632.5	10.0	1.6%
Environment, Great Lakes, & Energy	1,467.0	1,543.0	76.0	5.2%
Executive Office	89.2	89.2	0.0	0.0%
Health and Human Services	15,587.5	15,800.5	213.0	1.4%
Higher Education	0.0	0.0	0.0	--
Insurance & Financial Services	378.5	387.5	9.0	2.4%
Judiciary	524.0	534.0	10.0	1.9%
Labor & Economic Devel. (MSF)	2,588.9	2,623.9	35.0	1.4%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing & Regulatory Affairs	1,857.9	1,874.9	17.0	0.9%
Military & Veterans Affairs	1,063.5	1,064.5	1.0	0.1%
Natural Resources	2,360.9	2,418.8	57.9	2.5%
School Aid	0.0	0.0	0.0	--
State	1,592.0	1,602.0	10.0	0.6%
State Police	3,695.0	3,767.0	72.0	1.9%
Tech., Mgmt. & Budget: Operations	3,147.0	3,183.0	36.0	1.1%
Tech., Mgmt. & Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	2,942.3	3,142.3	200.0	6.8%
Treasury: Operations	1,934.5	1,990.5	56.0	2.9%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
<b>TOTAL FTE APPROPRIATIONS</b>	<b>54,540.5</b>	<b>55,375.9</b>	<b>835.4</b>	<b>1.5%</b>

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

**TABLE 6  
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS**

**FY 2022-23 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>
Agriculture & Rural Development	\$152,146,200	\$15,800,000	10.4%
Attorney General	80,831,500	0	0.0%
Capital Outlay	0	0	--
Civil Rights	18,692,000	0	0.0%
Community Colleges	470,028,400	470,028,400	100.0%
Corrections	2,124,940,100	124,615,400	5.9%
Education	108,461,200	18,327,700	16.9%
Environment, Great Lakes, & Energy	545,635,600	30,716,000	5.6%
Executive Office	7,708,600	0	0.0%
Health and Human Services	9,448,788,200	1,898,726,500	20.1%
Higher Education	1,730,188,500	0	0.0%
Insurance & Financial Services	78,581,900	0	0.0%
Judiciary	488,781,300	149,059,200	30.5%
Labor & Economic Devel. (MSF)	1,127,845,800	252,274,900	22.4%
Legislative Auditor General	21,951,100	0	0.0%
Legislature	183,571,600	0	0.0%
Licensing & Regulatory Affairs	436,659,400	169,417,400	38.8%
Military & Veterans Affairs	164,659,900	4,386,500	2.7%
Natural Resources	433,279,900	10,971,400	2.5%
School Aid	16,164,795,700	15,788,938,300	97.7%
State	234,753,900	1,417,200	0.6%
State Police	709,732,800	19,407,000	2.7%
Tech., Mgmt. & Budget: Operations	567,857,700	0	0.0%
Tech., Mgmt. & Budget: SBA Rent	231,570,600	0	0.0%
Transportation	4,183,671,600	2,384,253,600	57.0%
Treasury: Operations	740,536,800	330,174,900	44.6%
Treasury: Debt Service	100,084,100	0	0.0%
Treasury: Revenue Sharing	1,490,130,200	1,490,130,200	100.0%
<b>TOTALS APPROPRIATED</b>	<b>\$42,045,884,600</b>	<b>\$23,158,644,600</b>	<b>55.1%</b>



## FY 2022-23 EXECUTIVE BUDGET HIGHLIGHTS Major Changes Proposed

### **Agriculture and Rural Development**

Analyst: William E. Hamilton

	FY 2021-22	FY 2022-23	Difference: FY 2022-23 vs. FY 2021-22	
	Year-to-Date as of 2/9/22	Executive	Amount	%
<b>IDG/IDT</b>	\$320,000	\$326,700	\$6,700	2.1
<b>Federal</b>	13,599,800	19,670,900	6,071,100	44.6
<b>Local</b>	0	0	0	--
<b>Private</b>	71,300	21,300	(50,000)	(70.1)
<b>Restricted</b>	44,327,300	44,706,400	379,100	0.9
<b>GF/GP</b>	97,366,900	107,439,800	10,072,900	10.3
<b>Gross</b>	<b>\$155,685,300</b>	<b>\$172,165,100</b>	<b>\$16,479,800</b>	<b>10.6</b>
<b>FTEs</b>	527.0	537.0	10.0	1.9

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### **Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations**

#### **Economic Development for Food and Agriculture Industries**

Includes \$30.0 million GF/GP (one-time) for a new program targeted at supply chain, infrastructure, and workforce issues of Michigan agriculture as affected by the COVID-19 pandemic. The program will also address environmental issues in food processing facilities, and will also support domestic agricultural marketing programs.

#### **Office of Rural Development – General Fund Grants**

Includes \$10.0 million GF/GP (one-time) to provide grants to rural communities, specifically related to economic development, workforce development, affordable housing, infrastructure, education, and high-speed internet access.

#### **Climate Action/Reforestation in Northern Michigan**

Includes \$5.4 million in federal USDA funds to support a reforestation project – the planting of 5 million native hardwood trees and conifers – on private and state-owned land in the Northern Lower Peninsula.

#### **Emergency Management – Preparedness, Readiness, Response**

Provides ongoing increase of \$1.6 million GF/GP to the Emergency Management program in order to build capacity to prepare for and respond to emergency events affecting the food supply chain – from animal disease readiness to contamination of food and feed; increases program staffing authorization from 4.0 to 8.0 FTE positions.

#### **Pesticide Safety/Worker Protection**

Increases Pesticide Safety program by \$1.2 million GF/GP and authorizes an additional 6.0 FTE positions for targeted program to help protect agricultural workers from pesticide exposure, which includes education, compliance assistance, and enforcement.

#### **Buy Michigan Campaign**

Includes \$1.0 million GF/GP (one-time) for a campaign to support Michigan-grown agricultural products.

#### **Animal Industry – Animal Welfare/Veterinary Care Program**

Includes \$650,000 GF/GP baseline increase to support Michigan licensed animal shelters; specifically, veterinarians and other animal care workers at those shelters.

#### **Animal Industry – CWD Study**

Includes \$500,000 federal USDA funds to implement a biological study of Chronic Wasting Disease (CWD), a neurological disease of deer and other cervids.

#### **Community Support Agriculture Program**

Includes \$500,000 GF/GP (one-time) to assist in bringing fresh fruits and vegetables to Michigan families facing food insecurity.

### ***Economic Adjustments***

Reflects increased costs of \$1.7 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

### **Community Colleges**

Analyst: Perry Zielak

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	431,417,000	470,028,400	38,611,400	8.9
GF/GP	0	0	0	--
<b>Gross</b>	<b>\$431,417,000</b>	<b>\$470,028,400</b>	<b>\$38,611,400</b>	<b>8.9</b>

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### **Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations**

#### ***Community College Operations Increase***

Includes a net increase of \$28.8 million School Aid Fund (SAF) for community college operations. This includes a \$32.4 million SAF (\$16.2 million SAF ongoing and \$16.2 million SAF one-time), or 10.0%, increase to operations grants for community colleges, which would be distributed through the performance funding formula; removal of \$3.2 million SAF of FY 2021-22 one-time operations funding; and a \$306,500 SAF decrease based on FY 2020-21 North American Indian Tuition Waiver program costs reported by institutions. Total funding for operations would be \$357.4 million SAF.

#### ***Michigan Public School Employee Retirement System (MPERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment***

Increases funding by \$5.4 million SAF for the state's share of community colleges' MPERS UAAL, a 6.2% increase, due to changes in payroll growth assumptions. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement Act (MCL 38.1341). Total funding for the state share of MPERS would be \$92.6 million SAF.

#### ***MPERS Offset***

Increases funding by \$5.3 million SAF for the community colleges' MPERS offset payment, a 304.9% increase, which assists in offsetting a portion of the contributions owed to MPERS by community colleges. The increase would equalize the offset for community colleges with the K-12 school district MPERS offset. Total funding for the MPERS offset would be \$7.0 million SAF.

#### ***MPERS Normal Cost Offset***

Decreases funding by \$900,000 SAF for the community colleges' MPERS normal cost offset, a 7.7% decrease, due to maintaining the current assumed rate of return at 6.8%. Total funding for the MPERS Normal Cost Offset would be \$10.8 million SAF.

### **Supplemental Recommendations for FY 2021-22 Appropriations**

#### ***Infrastructure, Technology, Equipment, and Maintenance (ITEM)***

Includes \$58.5 million GF/GP for ITEM. The funds would allow community colleges to repair, improve, or maintain existing buildings, facilities, equipment and technological and physical infrastructure. Individual community college allocations would be distributed based on calculated FY 2020-21 fiscal year equated student (FYES) enrollment.

## Corrections

Analyst: Robin R. Risko

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
IDG/IDT	\$0	\$0	\$0	--
Federal	5,364,100	5,148,400	(215,700)	(4.0)
Local	9,646,100	9,879,500	233,400	2.4
Private	0	0	0	--
Restricted	45,493,400	29,831,800	(15,661,600)	(34.4)
GF/GP	2,005,369,400	2,095,108,300	89,738,900	4.5
<b>Gross</b>	<b>\$2,065,873,000</b>	<b>\$2,139,968,000</b>	<b>\$74,095,000</b>	<b>3.6</b>
FTEs	13,500.4	13,514.4	14.0	0.1

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### **Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations**

#### ***Electronic Prisoner/Staff Communications***

Includes \$30.0 million in one-time GF/GP to convert the current paper "kite" system to an electronic "kite" system. "Kites" are written requests made by prisoners and submitted to staff. Requests include healthcare services, prescription refills, requests related to prisoner programming, prisoner grievances, requests for information about prisoner accounts, and questions about daily schedules. Currently, over 1 million paper "kites" are sent by prisoners to staff each year. This project would help modernize IT within facilities, improve operations, enhance prisoner access opportunities, and streamline staff tasks. Of the \$30.0 million, \$25.0 million would be used to expand secure Wi-Fi networks at each correctional facility and \$5.0 million would be used to provide prisoners with tablets to use to file requests, perform tasks, and receive communications.

#### ***John and Jane Does v Department of Corrections Settlement***

Includes \$15.0 million in one-time GF/GP to make the last payment of the *John and Jane Does v Department of Corrections* settlement agreement. The payment will be made on October 15, 2022. The case involved approximately 1,300 members that were incarcerated October 2010 through the date of the settlement, March 2020. The lawsuits claimed a variety of injuries including sexual assault and harassment, inappropriate use of segregation, and deprivation of educational and rehabilitative experiences due to the young age of the members. The case settled for \$80.0 million total, inclusive of attorney fees and costs, to be paid out over 4 years.

#### ***Live Tracking of Prisoner Movement***

Includes \$10.0 million in one-time GF/GP to support enhancement of the current prisoner movement and tracking system, which would allow staff to proactively monitor prisoner movement, would include the ability to recall data, and would provide automatic alerts for restrictions. Currently, prisoner tracking is a reactive paper printout system requiring manual checks. Live tracking would consist of embedding radio-frequency identification chips into wrist bands worn by prisoners, and would enable tracking prisoner locations in real time.

#### ***Appropriate GF/GP to Replace Revenue Received from Prisoner Telephone Charges***

Includes \$14.8 million GF/GP to replace state restricted Program and Special Equipment Fund revenue. Currently, revenue is derived from fees paid by prisoners for use of telephone services. Prisoners are charged a base per minute call rate and a portion of the revenue collected pays the contract vendor for providing telephone services and a portion of the revenue is deposited into the Program and Special Equipment Fund. According to the contract, \$11.0 million is deposited annually. The funding is used, primarily, to support prisoner education and offender success programs administered by the department. Eliminating fees charged to prisoners would require another funding mechanism to continue financial support for prisoner education and offender success programming.

#### ***Temporary Nursing Staff Contract Rate Increases***

Includes \$3.7 million GF/GP to cover annual contract rate increases for temporary nursing staff. Temporary nursing contracts are experiencing substantial increases due to market factors driven by supply and demand issues. Contract rates for RN's have increased between 66% and 95% and contract rates for LPN's have increased between 67% and 92%.

**Information Management System Maintenance and Support**

Includes \$1.2 million GF/GP and authorizes an additional 10.0 FTE positions to support development, implementation, and ongoing maintenance of the new Corrections Offender Management System (COMS) and to support HR legacy system replacement for non-offender human resource systems. COMS is used for research and statistical analysis, offender treatment program evaluation, offender population projections, and management of the department's information systems. The non-offender human resource system is used for employee management, training, internal affairs, overtime equalization, personnel transactions, fixed assets, user access security, and litigation support.

**Economic Adjustments**

Reflects increased costs of \$42.1 million Gross (\$41.6 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.



## Education (Department)

Analysts: Emily Hatch and Jacqueline Mullen

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	1,807,625,600	302,950,800	(1,504,674,800)	(83.2)
Local	5,870,300	5,878,600	8,300	0.1
Private	2,238,500	2,240,400	1,900	0.1
Restricted	9,785,400	9,919,700	134,300	1.4
GF/GP	102,508,100	98,541,500	(3,966,600)	(3.9)
<b>Gross</b>	<b>\$1,928,027,900</b>	<b>\$419,531,000</b>	<b>(\$1,508,496,900)</b>	<b>(78.2)</b>
FTEs	622.5	632.5	10.0	1.6

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **One-Time Childcare Funding Removal**

Reflects the one-time nature of \$1.5 billion federal in child care funding included in the FY 2021-22 budget.

#### **Michigan School for the Deaf**

Provides \$3.0 million GF/GP to expand coordination, staff support, and training for the Michigan School for the Deaf.

#### **Educator Recruitment, Attraction and Retention Administration**

Provides \$800,000 GF/GP and authorizes 4.0 FTE positions to fund staff to oversee the administration of educator recruitment and retention programs included in the School Aid budget.

#### **Early Childhood Development Administration**

Provides \$700,000 GF/GP and authorizes 6.0 FTE positions to support the expansion of the Great Start Readiness Program (GSRP), administration of great start collaboratives and the home visitation program under 32p of the School Aid Act, increased child care staff, and the administration of early childhood programming.

#### **Mental Health Administration**

Provides \$200,000 and authorizes 1.0 FTE position to support and assist schools receiving mental health funding and hiring new staff.

#### **Retention of FY 2021-22 One-Time Appropriations**

Maintains \$360,000 GF/GP one-time funding for Michigan's Poet Laureate (\$100,000 GF/GP) and School Board Training Reimbursement (\$260,000 GF/GP).

#### **TEACH Scholarship Roll Up**

Includes a net \$0 change to roll the \$5.0 million federal TEACH Scholarship into the Child Development and Care contracted services line item.

#### **Economic Adjustments**

Reflects increased costs of \$2.1 million Gross (\$619,200 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

### Supplemental Recommendations for FY 2021-22 Appropriations

#### **Camp Tuhsmeheeta**

Provides \$1.3 million private for the renovation of Elm Hall into a nature center at Camp Tuhsmeheeta for students who are blind or visually impaired.

## Environment, Great Lakes, and Energy

Analyst: Austin Scott

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
IDG/IDT	\$3,544,900	\$3,406,400	(\$138,500)	(3.9)
Federal	226,889,200	453,641,700	226,752,500	99.9
Local	0	0	0	--
Private	1,411,200	1,415,500	4,300	0.3
Restricted	304,550,000	327,354,900	22,804,900	7.5
GF/GP	153,375,400	218,280,700	64,905,300	42.3
<b>Gross</b>	<b>\$689,770,700</b>	<b>\$1,004,099,200</b>	<b>\$314,328,500</b>	<b>45.6</b>
FTEs	1,467.0	1,543.0	76.0	5.2

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Community Technical, Managerial, and Financial Support for Lead Line Replacement (One-Time)**

Provides \$48.0 million GF/GP for local grants to replace lead service lines and upgrade water treatment facilities; preference for disadvantaged communities.

#### **Water State Revolving Funds**

Appropriates \$250.4 million Gross (\$36.4 million GF/GP) for federally-supported loans to local communities for water infrastructure projects. The GF/GP funding is appropriated on a one-time basis to be used as match to access federal funding.

#### **High Water Infrastructure Grants (One-Time)**

Appropriates \$20.0 million GF/GP to increase funding for local grants to address high water and climate effects on infrastructure.

#### **Contaminated Site Cleanup (One-Time)**

Appropriates \$10.0 million GF/GP to increase funding for the prioritization and remediation of newly contaminated properties statewide that emerge throughout the year.

#### **Environmental Health**

Appropriates \$9.1 million Gross (\$7.4 million GF/GP) and authorizes 7.0 FTE positions to strengthen water supply oversight and support local health departments in monitoring and testing drinking water; also aligns authorization with available federal and restricted funding.

#### **Air Quality Programs**

Appropriates \$4.4 million GF/GP and authorizes 24.0 FTE positions to expand air quality monitoring staff and operations, and to reduce permit review wait times.

#### **Grants and Records Management**

Appropriates \$2.9 million GF/GP and authorizes 6.0 FTE positions to create new program to digitize and manage departmental grants and records; \$2.0 million GF/GP is appropriated on a one-time basis.

#### **Economic Adjustments**

Reflects increased costs of \$4.7 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

### Supplemental Recommendations for FY 2021-22 Appropriations

#### **Environmental Sustainability and Stewardship**

Appropriates \$6.5 million in available restricted revenue to provide grants to public and private applicants for community energy management services, clean energy manufacturing, and energy policy initiatives.

## All General Government

Analysts: Viola Wild and Michael Cnossen

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22	Executive	Amount	%
<b>IDG/IDT</b>	\$1,132,012,100	\$1,120,888,100	(\$11,124,000)	(1.0)
<b>Federal</b>	1,894,483,500	1,199,235,700	(695,247,800)	(36.7)
<b>Local</b>	26,260,700	26,240,800	(19,900)	(0.1)
<b>Private</b>	14,332,400	13,096,200	(1,236,200)	(8.6)
<b>Restricted</b>	2,500,444,800	2,629,362,400	128,917,600	5.2
<b>GF/GP</b>	2,653,803,700	2,176,171,500	(477,632,200)	(18.0)
<b>Gross</b>	<b>\$8,221,337,200</b>	<b>\$7,164,994,700</b>	<b>(\$1,056,342,500)</b>	<b>(12.8)</b>
<b>FTEs</b>	10,014.0	10,159.5	145.5	1.5

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Supplemental Recommendations for FY 2021-22 Appropriations

#### **Budget Stabilization Fund Deposit**

Includes \$51.8 million GF/GP for a Countercyclical Budget and Economic Stabilization Fund deposit in FY 2021-22.

Summary pages for individual department/agency budgets contained within the current FY 2021-22 General Government appropriations bill follow this page.

## Attorney General

Analyst: Michael Crossen

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22	Executive	Amount	%
<b>IDG/IDT</b>	\$35,083,600	\$35,954,600	\$871,000	2.5
<b>Federal</b>	9,868,400	10,101,900	233,500	2.4
<b>Local</b>	0	0	0	--
<b>Private</b>	0	0	0	--
<b>Restricted</b>	20,390,800	20,786,700	395,900	1.9
<b>GF/GP</b>	43,056,000	60,044,800	16,988,800	39.5
<b>Gross</b>	<b>\$108,398,800</b>	<b>\$126,888,000</b>	<b>\$18,489,200</b>	<b>17.1</b>
<b>FTEs</b>	547.4	555.9	8.5	1.6

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Prosecuting Attorneys Digital Evidence Storage (One-Time)**

Provides 10.0 million GF/GP to Prosecuting Attorneys Association of Michigan for improvements to computer equipment and data storage capacities to accommodate the growing amount of digital evidence involved in prosecuting cases. Funding would support equipment, software, and server upgrades to help reduce warrant review backlogs, charge and resolve cases faster, and process cases and discovery more efficiently. Funding would also support limited-term staff to expedite processing evidence accumulated during pandemic.

#### **Job Specialty Court (One-Time)**

Provides \$5.0 million GF/GP to create a job court pilot program that would offer the option of dismissal of charges for pre-trial defendants who successfully secure and maintain gainful employment. The program will provide supervision and support to participants with the aim of assisting them while diverting prosecutorial caseloads and reducing criminal case backlogs.

#### **Organized Retail Crime Unit**

Provides \$1.1 million GF/GP and 6.5 FTE positions to establish Organized Retail Fraud Unit to respond to the emergence of "smash-and-grab" organized retail crime activity and sales of stolen goods. Unit would work to reduce demand for stolen merchandise, limit opportunities to sell stolen merchandise, and reduce theft opportunities for drug users who are primary repeat offenders.

#### **Price Gouging Investigations**

Provides \$1.0 million GF/GP to augment Consumer Protection Division to initiate additional investigations and file consumer protection actions to respond to high level of consumer complaints of price gouging during recent supply chain disruption and rising inflation following the pandemic.

#### **PACC Online Training**

Provides \$400,100 GF/GP and 2.0 FTE positions for training attorneys to expand online training opportunities for prosecution staff to assist them with responding to increased rates of violent crimes over the last two years.

#### **Economic Adjustments**

Reflects increased costs of \$2.5 million Gross (\$1.0 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

### Supplemental Recommendations for FY 2021-22 Appropriations

#### **Unemployment Fraud Investigation and Prosecution**

Provides \$4.1 million GF/GP to support 12.0 limited-term FTE positions to support additional investigations, prosecution, and recoupment of unemployment insurance funds acquired through claimant fraud, employer fraud, and identity theft. This funding would be used in conjunction with \$9.0 million of state restricted revenue recommended in Department of Labor and Economic Opportunity's budget for expanded unemployment insurance investigation staff.

## Civil Rights

Analyst: Michael Cnossen

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$298,900	\$0	(\$298,900)	(100.0)
Federal	2,850,700	2,890,900	40,200	1.4
Local	0	0	0	--
Private	18,700	18,700	0	0.0
Restricted	58,500	58,500	0	0.0
GF/GP	14,607,300	18,633,500	4,026,200	27.6
<b>Gross</b>	<b>\$17,834,100</b>	<b>\$21,601,600</b>	<b>\$3,767,500</b>	<b>21.1</b>
FTEs	115.0	115.0	0.0	0.0

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Complaint Investigation Backlog (One-Time)**

Provides \$3.2 million GF/GP to support the restructuring of current complaint investigation processes and 25.0 limited-term FTE positions to help eliminate a backlog of 2,500 complaint cases which accumulated due to hiring freeze and employee turnover and retirements.

#### **Indian Boarding School Study (One-Time)**

Provides \$500,000 GF/GP to conduct a state-wide study of number of Native American children forced to attend boarding schools to understand impacts of historical federal and state boarding school policies and removal of tribal children. Study would be accomplished through location and preservation of records and interviews with those impacted by the policies. Study will align with goals of Federal Indian Boarding School Initiative.

#### **Economic Adjustments**

Reflects increased costs of \$347,100 Gross (\$306,900 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

## Executive Office

Analyst: Viola Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	0	0	0	--
GF/GP	7,318,600	7,708,600	390,000	5.3
<b>Gross</b>	<b>\$7,318,600</b>	<b>\$7,708,600</b>	<b>\$390,000</b>	<b>5.3</b>
FTEs	0.0	0.0	0.0	--

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Executive Office Operations**

Reflects increased costs of \$390,000 GF/GP related to Executive Office staff and other operations.

## Labor and Economic Opportunity

Analyst: Viola Wild

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
IDG/IDT	\$0	\$0	\$0	--
Federal	1,433,813,200	1,154,595,000	(279,218,200)	(19.5)
Local	10,900,000	10,700,000	(200,000)	(1.8)
Private	13,591,900	12,430,700	(1,161,200)	(8.5)
Restricted	273,852,900	245,920,400	(27,932,500)	(10.2)
GF/GP	1,517,995,600	881,925,400	(636,070,200)	(41.9)
<b>Gross</b>	<b>\$3,250,153,600</b>	<b>\$2,305,571,500</b>	<b>(\$944,582,100)</b>	<b>(29.1)</b>
FTEs	2,588.9	2,623.9	35.0	1.4

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Transformational Education Infrastructure Grants**

Includes \$230.0 million GF/GP one-time funding to establish two grant programs for collaborative efforts among higher education institutions. The Medical Education and Health Care grant (\$100.0 million) would support a collaborative project to improve medical education, health infrastructure and access, and develop cancer research laboratories. The Electrification of the Automotive Industry grant (\$130.0 million) would support increased education opportunities on electric vehicles within a college of engineering and the creation of an economic strategy plan for the emerging electric vehicle market.

#### **Regional Empowerment Program**

Includes \$200.0 million GF/GP one-time funding for a competitive grant program to support the development and growth of regional economies; local communities may use grant funding to complete already planned projects that have local economic impact.

#### **Pure Michigan**

Includes an increase of \$5.0 million GF/GP for Pure Michigan. Eliminates \$20.0 million one-time funding appropriated in FY 2021-22 from the State Fiscal Recovery Fund for ARP – Pure Michigan.

#### **Workforce Development**

Includes \$4.8 million federal MiSTAIR grant funding for improving registered apprenticeship programs.

#### **Office of Future Mobility and Electrification**

Provides \$4.0 million GF/GP for the Office of Future Mobility and Electrification to support state efforts to become a leader in the mobility sphere, including the auto industry and the transportation sector. The office would implement the proposed Mobility Futures Initiative requested in the 2022-2 supplemental request.

#### **Michigan State Housing Development Authority (MSHDA) Staffing**

Includes authorization for 26.0 additional FTE positions to help reach goal of providing an additional 75,000 new or rehabbed housing units within the next 5 years. Funding for additional FTEs exists within current budget authorization.

#### **Workforce Development: Talent Retention and Expansion in Key Industries Program**

Includes \$20.0 million GF/GP one-time funding for employer-led collaboratives to help meet the talent needs of businesses and develop targeted solutions to talent shortages.

#### **Workforce Development: Barrier Removal and Employment Supports**

Provides \$15.0 million GF/GP one-time funding to support program to remove barriers to employment for low-income, poor, and working poor individuals.

#### **Workforce Development: Young Professionals Plus Program**

Includes \$15.0 million GF/GP one-time funding for program to help prepare young people for self-sustaining employment.

**Workforce Development: International Talent Attraction**

Provides \$15.0 million GF/GP one-time funding for a competitive grant program to attract international businesses to locate corporate headquarters in Michigan.

**Attainable Home Ownership and Apprenticeship Program**

Includes an increase of \$11.0 million GF/GP one-time funding for a program to help individuals acquire, renovate, and sell properties in land banks; requires paid apprentices on each renovation site.

**Statewide Pre-Apprenticeship Program – Skilled Trades**

Includes \$10.0 million GF/GP one-time funding for a statewide pre-apprenticeship program to connect unemployed and underemployed individuals in underserved communities with training and resources to become employed.

**Nature, Science, and Cultural Experiences Grant Program**

Includes \$75.0 million GF/GP one-time funding for a competitive grant program for projects that support Michigan's cultural diversity and natural beauty.

**Public Sector Employment Marketing Campaign**

Includes \$10.0 million GF/GP one-time funding for a marketing campaign to highlight the benefits of public sector employment and attract more workers to critical essential jobs.

**Economic Adjustments**

Reflects increased costs of \$9.9 million Gross (\$1.1 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

**Supplemental Recommendations for FY 2021-22 Appropriations**

**Strategic Outreach and Attraction Reserve Fund (SOAR) Deposit**

Includes \$500.0 million GF/GP to deposit into the SOAR Fund to attract transformational projects to the state. Funding must be appropriated or transferred to the Critical Industry Program and Michigan Strategic Fund Readiness Program.

**Community Development Block Grant – Disaster Recovery**

Appropriates \$59.9 million federal funding to recognize special federal disaster recovery funding to help mid-Michigan address the May 2020 flooding disaster.

**Bureau of Service for Blind Persons Staff**

Includes authorization for 3.0 additional FTE positions to provide pre-employment transition services to eligible blind and visually impaired students, to meet federal requirements. Additional staff can be supported with current appropriations.

**Mobility Futures Initiative**

Includes \$25.0 million GF/GP for the Mobility Futures Initiative to support state efforts to grow the state's mobility workforce and industry and develop and commercialize mobility technologies.

**Unemployment Insurance Agency (UIA) Fraud Enforcement**

Includes \$9.0 million Contingent Fund, Penalty and Interest Account funds to provide enhanced fraud enforcement, including funding 20 additional limited term investigations staff for two years, extending 30 existing limited term staff for another year, and providing additional staff and resources in other relevant divisions.

**Workers' Compensation Board of Magistrates**

Includes \$500,000 GF/GP and authorizes 3.0 FTE positions to hire temporary magistrates to help address the increased trial backlog affecting injured workers who have been denied benefits.

**Going Pro**

Includes a \$9.5 million fund source shift from the Contingent Fund, Penalty and Interest Account funding to GF/GP funding for the Going Pro program.

## Legislature

Analyst: Viola Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	406,000	428,300	22,300	5.5
Restricted	4,706,800	4,965,700	258,900	5.5
GF/GP	181,535,400	178,605,900	(2,929,500)	(1.6)
<b>Gross</b>	<b>\$186,648,200</b>	<b>\$183,999,900</b>	<b>(\$2,648,300)</b>	<b>(1.4)</b>
FTEs	0.0	0.0	0.0	--

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Legislative Operations Adjustment**

Reflects increased costs of \$8.0 million Gross (\$7.7 million GF/GP) related to legislative employees and other operations.

#### **Independent Citizens Redistricting Commission (ICRC)**

Removes \$3.1 million GF/GP for the ICRC. The Michigan Constitution requires that the terms of the Commissioners expire once the Commission has completed its work for a census cycle.

#### **Legislative IT Design Special Project**

Removes \$7.5 million GF/GP one-time appropriation for phase two of the IT system upgrade to the legislative computer system.

## Legislative Auditor General

Analyst: Viola Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$6,345,200	\$6,654,800	\$309,600	4.9
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	2,170,500	2,329,300	158,800	7.3
GF/GP	18,598,900	19,621,800	1,022,900	5.5
<b>Gross</b>	<b>\$27,114,600</b>	<b>\$28,605,900</b>	<b>\$1,491,300</b>	<b>5.5</b>
FTEs	0.0	0.0	0.0	--

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Auditor General Operations Increase**

Reflects increased costs of \$1.5 million Gross (\$1.0 million GF/GP) related to Auditor General Staff and other operations.



**State (Department)**

Analyst: Michael Cnossen

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
<b>IDG/IDT</b>	\$20,000,000	\$20,000,000	\$0	0.0
<b>Federal</b>	1,460,000	1,460,000	0	0.0
<b>Local</b>	0	0	0	--
<b>Private</b>	50,100	50,100	0	0.0
<b>Restricted</b>	218,218,600	221,007,300	2,788,700	1.3
<b>GF/GP</b>	12,435,600	13,746,600	1,311,000	10.5
<b>Gross</b>	<b>\$252,164,300</b>	<b>\$256,264,000</b>	<b>\$4,099,700</b>	<b>1.6</b>
<b>FTEs</b>	1,592.0	1,602.0	10.0	0.6

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations**

***Mobile Secretary of State Office Expansion***

Provides \$1.1 million GF/GP and 10.0 FTE positions to support staffing of 7 mobile secretary of state office vans to provide easy access of services to rural areas and locations with high concentrations of customers vulnerable to COVID-19.

***Enhanced Driver License Increase***

Authorizes \$1.0 million Gross (\$0 GF/GP) of state restricted enhanced driver license and enhanced personal identification card fee revenue to reflect increased level of customer transactions due to approaching date of federal REAL ID identification requirements for domestic air travel.

***State Contracted Security Costs***

Provides \$300,000 Gross (\$0 GF/GP) to support increased costs statewide of contracted security services at secretary of state branch office locations.

***Economic Adjustments***

Reflects increased costs of \$4.5 million Gross (\$243,700 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

## Technology, Management, and Budget

Analyst: Michael Cnossen

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
<b>IDG/IDT</b>	\$1,057,210,900	\$1,047,125,600	(\$10,085,300)	(1.0)
<b>Federal</b>	5,129,800	5,217,200	87,400	1.7
<b>Local</b>	2,328,700	2,331,200	2,500	0.1
<b>Private</b>	134,700	137,400	2,700	2.0
<b>Restricted</b>	121,020,600	123,219,300	2,198,700	1.8
<b>GF/GP</b>	522,845,100	676,209,000	153,363,900	29.3
<b>Gross</b>	<b>\$1,708,669,800</b>	<b>\$1,854,239,700</b>	<b>\$145,569,900</b>	<b>8.5</b>
<b>FTEs</b>	3,147.0	3,177.0	30.0	1.0

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **ITIF Legacy IT System Projects (One-Time)**

Provides \$150.0 million GF/GP (\$115.0 million in One-Time funding) to support 13 new information technology projects to modernize legacy systems in the Information Technology Investment Fund (ITIF) project portfolio. Project funding includes \$75.0 million for replacement of Unemployment Insurance Agency's automated system (MiDAS), \$27.1 million for MiLogin security enhancements, \$14.8 million for "zero trust security" cyber security model, \$8.9 million to migrate two large call centers under Treasury and Civil Service Commission and other projects.

#### **State Facilities Special Maintenance (One-Time)**

Provides \$70.0 million GF/GP for maintenance and infrastructure projects for 800 buildings, and 5,000 structures that the state owns.

#### **State Fleet Electric Vehicles (One-Time)**

Provides \$10.0 million GF/GP to begin transitioning the state's fleet of 7,000 vehicles to electric vehicles to demonstrate commitment to electric vehicle mobility and a clean energy economy.

#### **MiLogin Program Augmentation and Stabilization**

Provides \$5.0 million GF/GP and 8.0 FTE positions to support increased users and adoption of the state's online single sign-on platform particularly during customers' transition to working from home. The governor recommends a corresponding \$2.5 million GF/GP increases for FY 2021-22 and \$27.1 million GF/GP for MiLogin security enhancements is included in ITIF.

#### **Michigan Infrastructure Office**

Provides \$5.0 million GF/GP and 5.0 FTE positions to establish a new office that will coordinate across department agencies to help ensure federal funding available to state from Infrastructure Investment and Jobs Act is used effectively and efficiently.

#### **Energy Efficiency Revolving Fund (One-Time)**

Provides an additional deposit of \$5.0 million GF/GP to an initial \$5.0 million deposit in FY 2021-22 to support renewable energy projects at state facilities with intent to reduce energy costs and state's carbon footprint. Money saved from renewable energy projects would return to the fund to support additional state renewable energy projects.

#### **State Office Space Optimization Assessment (One-Time)**

Provides \$1.0 million GF/GP to continue assessment of state office space over coming years as agencies evaluate work options following workers' transition to working from home during the pandemic.

#### **Economic Adjustments**

Reflects increased costs of \$11.7 million Gross (\$3.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

**Supplemental Recommendations for FY 2021-22 Appropriations**

***MiLogin Program Augmentation and Stabilization***

Provides \$2.5 million GF/GP to support response activities from increased users and adoption of the state's online single sign-on platform particularly during state employees transition to remote work following the pandemic.

## Treasury – Operations/Debt Service

Analyst: Viola Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
<b>IDG/IDT</b>	\$13,073,500	\$11,153,100	(\$1,920,400)	(14.7)
<b>Federal</b>	436,361,400	24,970,700	(411,390,700)	(94.3)
<b>Local</b>	13,032,000	13,209,600	177,600	1.4
<b>Private</b>	31,000	31,000	0	0.0
<b>Restricted</b>	447,723,800	520,945,000	73,221,200	16.4
<b>GF/GP</b>	340,078,200	319,675,900	(20,402,300)	(6.0)
<b>Gross</b>	<b>\$1,250,299,900</b>	<b>\$889,985,300</b>	<b>(\$360,314,600)</b>	<b>(28.8)</b>
<b>FTEs</b>	1,934.5	1,990.5	56.0	2.9

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Debt Service**

Includes \$1.0 million GF/GP to reflect anticipated increase in debt service costs for Clean Michigan Initiative, Great Lakes Water Quality, and Quality of Life general obligation bonds.

#### **Electric Vehicle and Charging Equipment Rebates**

Includes \$50.0 million GF/GP one-time funding for point-of-sale rebates for electric vehicles and charging equipment. The program would provide rebates of up to \$2,000 for the purchase of a new electric vehicle and up to \$500 for at-home charging equipment. Rebates would be issued on a first-come, first served basis and are expected to complement existing federal and private incentives.

#### **Local Transition Support Grants**

Includes \$40.0 million GF/GP one-time funding for a grant program to assist local communities that experienced significant economic impacts from the departure or disinvestment of major employers and their workforce due to the COVID-19 pandemic. No local community recipient shall receive more than \$5.0 million from the grant program.

#### **Office of Postsecondary Financial Planning**

Includes \$2.9 million GF/GP and authorizes 5.0 FTE positions to support the administration of new scholarship programs and to fund additional outreach for student scholarships, including the Reconnect and Educator Recruitment programs.

#### **Recreational Marijuana Grants**

Includes an increase of \$20.1 million of restricted Marijuana Regulation Fund to increase the level of payments to locals based on revenues to the fund. Payments to locals are estimated at \$50.6 million for FY 2022-23. These payments are split evenly between counties and other municipalities and distributed proportionately based on the number of marijuana retail stores and microbusinesses within the municipality of county.

#### **Tax Program Changes – Support for Retirement Tax Repeal**

Includes \$1.2 million restricted funding one-time funding to administer the proposed plan to restore income tax exemptions on retirement income by 2025.

#### **Flow-Through Entity Tax Administration**

Includes \$1.4 million GF/GP and authorizes 10.0 FTE positions to provide administrative support to oversee the new flow-through entity tax established in 2021 PA 135.

#### **Michigan Gaming Control Board (MGCB) – Staffing and IT Support**

Includes an increase of \$4.8 million restricted funding and authorizes 25.0 FTE positions to MGCB to increase staff due to increased workload from higher than expected internet gaming activity.

#### **Office of Organizational Development**

Includes \$751,300 GF/GP and authorizes 5.0 FTE positions to establish an Office of Organizational Development to recruit and develop an inclusive and diverse workforce within the department.

***Lottery IT Support Transfer***

Includes a net-to-zero technical transfer of 11.0 FTEs into the Lottery budget from DTMB. These employees provide IT services to the Lottery and the funding for these positions is currently paid from the Lottery budget to DTMB through an IDG transfer. Following this proposed transfer of FTEs, the funding would remain in the Lottery budget.

***Economic Adjustments***

Reflects increased costs of \$6.5 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments.

**Supplemental Recommendations for FY 2021-22 Appropriations**

***Hero Pay to Essential Workers Program***

Includes \$500.0 million funding from ARP – Coronavirus State Fiscal Recovery Funds for payments to eligible essential workers. Eligibility is limited to those performing essential work as defined by the U.S. Treasury federal rule for the American Rescue Plan Act of 2021.

***First Responder Retention***

Includes \$50.0 million Gross (\$30.0 million GF/GP) for grants to provide payments to first responders, public safety personnel, law enforcement, and certain corrections staff who performed hazardous duty or work involving physical hardship due to the COVID-19 pandemic; maximum reimbursement shall be \$1,000 per eligible employee.

***Wrongful Imprisonment Compensation Fund***

Includes a \$5.0 million GF/GP deposit into the fund for FY 2021-22.

***Responsible Gaming Advertising Program***

Includes \$3.0 million restricted funding for an advertising program to assist problem gamblers and promote responsible gambling and gaming activities.

**Treasury – Revenue Sharing**

Analyst: Viola Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	1,412,302,300	1,490,130,200	77,827,900	5.5
GF/GP	433,000	0	(433,000)	(100.0)
<b>Gross</b>	<b>\$1,412,735,300</b>	<b>\$1,490,130,200</b>	<b>\$77,394,900</b>	<b>5.5</b>
FTEs	0.0	0.0	0.0	--

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations**

***Constitutional Revenue Sharing***

Increases by \$52.5 million of restricted sales tax revenue relative to the FY 2021-22 budget act appropriated amount. Appropriation represents a \$21.0 million decrease from January 2022 CREC estimates for FY 2021-22 payments.

***City, Village, and Township (CVT) Revenue Sharing***

Includes \$26.6 million of restricted sales tax revenue to provide a 5.0% ongoing and 5.0% one-time increase (10% total) for CVT revenue sharing payments. A CVT would be eligible for a payment equal to 110.0% of its FY 2021-22 eligible payment. Removes requirement that a CVT allocate its net increase to its unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act.

***County Revenue Sharing***

Includes \$23.2 million of restricted sales tax revenue to provide a 5.0% ongoing and 5.0% one-time increase (10% total) for all 83 counties. Each county would be eligible to receive 117.3115% of statutory full funding. Includes an additional \$376,000 of restricted sales tax revenue for support for Emmet County, the last remaining county to deplete their local reserve fund, and Leelanau County which became eligible in FY 2021-22. County Incentive Program is increased by \$69,300 restricted sales tax revenue and comprises 17.0% of the County Revenue Sharing/County Incentive Program total. Removes requirement that a county allocate its net increase to its unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act.

**Supplemental Recommendations for FY 2021-22 Appropriations**

***City, Village, and Township (CVT) Revenue Sharing – Hold Harmless***

Provides \$50.0 million GF/GP to make payments to cities, villages, and townships to hold them harmless for any overpayment amounts they received because of population losses identified in the 2020 Census. Due to the delay of Census data, updated population data will not be applied to revenue sharing payments until April of 2022 which may require adjustments to future payments. This funding will help offset any future negative adjustments.

## **Health and Human Services**

Analysts: Sydney Brown, Kent Dell, Susan Frey, and Kevin Koorstra

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
<b>IDG/IDT</b>	\$14,593,500	\$14,696,000	\$102,500	0.7
<b>Federal</b>	23,187,321,000	23,617,962,500	430,641,500	1.9
<b>Local</b>	167,951,100	183,502,800	15,551,700	9.3
<b>Private</b>	172,276,500	179,716,400	7,439,900	4.3
<b>Restricted</b>	2,986,632,100	2,991,928,100	5,296,000	0.2
<b>GF/GP</b>	5,448,429,200	6,456,860,100	1,008,430,900	18.5
<b>Gross</b>	<b>\$31,977,203,400</b>	<b>\$33,444,665,900</b>	<b>\$1,467,462,500</b>	<b>4.6</b>
<b>FTEs</b>	15,587.5	15,800.5	213.0	1.4

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### **Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations**

#### **MEDICAID AND BEHAVIORAL HEALTH**

##### ***Traditional Medicaid Cost Adjustments***

Includes a reduction of \$114.0 million Gross (increase of \$270.3 million GF/GP) to recognize caseload, utilization, and inflation adjustments, removing the additional 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act and associated prohibition on closing Medicaid cases, traditional FMAP cost-sharing adjustments from FMAP reducing from 65.48% to 64.71%, and actuarial soundness adjustments for medical and behavioral health services in the traditional Medicaid program.

##### ***Healthy Michigan Plan Cost Adjustments***

Includes a reduction of \$247.0 million Gross (increase of \$17.8 million GF/GP) to recognize caseload, utilization, and inflation adjustments, removing prohibition on closing Medicaid cases provided under the federal Families First Coronavirus Response Act, and actuarial soundness adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP).

#### **HUMAN SERVICES**

##### ***Warehouse Operations***

Includes \$3.4 million GF/GP to support the stockpiling of medical supplies, including personal protective equipment, in accordance with the Emergency Management Act 1976 PA 390, as amended by 2021 PA 95, MCL 30.407b.

##### ***Family Independence Program – Child-Based Distribution Increase***

Includes \$8.3 million Gross (\$1.1 million GF/GP) to support a per-child increase to FIP cases for each child under the age of 6, and offset the state-share of child support collections for administration to allow for an increase in the pass-through of child support to applicable FIP cases. Funds would provide \$100 per child under the age of 6 per month to each applicable case, as well as forfeit the remainder of the state share of child support collections to allow the funds to pass-through to applicable cases.

##### ***Public Assistance Caseload Adjustments***

Recognizes a \$1.1 billion Gross increase (\$3.3 million GF/GP net reduction) resulting from adjusted estimates to public assistance caseloads for FY 2021-22 and FY 2022-23. Net increase results from additional SNAP revenue for food assistance.

##### ***Food Security Council – One-Time***

Includes \$50.0 million GF/GP to support grants to food banks and other charity-based organizations that distribute food, update food distribution facilities, a new food distribution center in the U.P., information technology updates for the Bridges system, and attempt coordination between primary health care services and food access.

##### ***Home Repair and Plumbing Assistance Grants – One-Time***

Includes \$40.0 million GF/GP to support grants through local Community Action Agencies to households for minor home repair work, to include plumbing repairs.

**Comprehensive Child Welfare Information System Development – One-Time**

Includes \$27.8 million Gross (\$13.9 million GF/GP) to support the continued development of the replacement system for MISACWIS. This includes the development of the next 3 of the remaining cloud-based modules to be implemented over the course of the next 3 to 4 years.

**Child Welfare Caseload and FMAP Adjustments**

Includes a total increase of \$16.4 million Gross (\$24.6 million GF/GP) with a \$16.4 million (\$18.7 million GF/GP) increase for child welfare caseload adjustments and a \$5.9 million GF/GP increase to offset the decrease in federal funding due to the decrease in federal FMAP match from 65.48% to 64.71%. Also reverses FY 2021-22 Enhanced FMAP adjustments for base caseload in adoption subsidy, foster care and guardian assistance program lines.

**Federal IV-E Administration Decrease**

Includes \$35.0 million GF/GP adjustment to correct an overclaim of federal title IV-E administrative reimbursement from FY 2021-22.

**Payments Residential Rate Increase**

Includes \$10.5 million Gross (\$9.0 million GF/GP) increase to fund a 5% reimbursement increase to residential child caring institutions as well as a 12% reimbursement increase to private residential juvenile justice providers.

**Family Maintenance Payments**

Includes \$33.7 million Gross (\$13.3 GF/GP) increase to fund a 18% increase in regular maintenance payments to foster parents, adoptive families, and juvenile guardians.

**Raise the Age Fund Adjustment**

Includes a \$7.7 million GF/GP funding increase to adjust the Raise the Age fund for county incurred service costs based on county budget submissions to DHHS.

**Congregate Care Pandemic Relief Grants – One-Time**

Provides \$15.0 million GF/GP pandemic related fiscal relief to residential child welfare providers.

**BEHAVIORAL HEALTH**

**Behavioral Health Capacity**

Includes \$69.3 million Gross (\$55.0 million GF/GP) and authorizes 169.0 FTE positions to increase capacity of state-operated and private purchase psychiatric inpatient beds and expand Medicaid health homes. Funding for state-operated psychiatric hospitals would support an additional 56 beds. Funding for private purchase would support the purchase of 60 beds.

**New State-Operated Psychiatric Hospital Campus – One-Time**

Adds \$325.0 million in one-time GF/GP to construct a new state-operated psychiatric hospital campus in Southeast Michigan to replace Hawthorn and Walter P. Reuther. Campus would have a capacity of 260 total beds, which would be 45 more than the current occupancy of the 2 current facilities.

**Jail Diversion Fund – One-Time**

Includes \$15.0 million GF/GP for mental health jail diversion and crisis intervention grants to local entities to establish or expand current jail diversion programming.

**Multicultural Integration Funding – One-Time**

Adds \$8.6 million GF/GP in one-time funding to multicultural integration service providers.

**PUBLIC HEALTH AND AGING AND ADULT SERVICES**

**Healthy Moms Healthy Babies Expansion for Doula Care Services – Health Equity Lifespan Initiative**

Increases funding by \$1.2 million GF/GP for expansion of maternal and infant health and support programs to provide professional doula care services for high-risk pregnant women, new mothers, and their families.

**Michigan Essential Health Provider Program Expansion for Behavioral Health Professionals – One-Time**

Provides one-time funding of \$25.0 million GF/GP to support behavioral health providers in the repayment of medical education loans in exchange for service in federally designated health professional shortage areas, an expansion of the existing state/federal program.



***New Initiatives to Reduce Health Disparities – One-Time***

Includes one-time funding of \$20.0 million Gross (\$15.0 million GF/GP) for new initiatives to reduce health disparities, including \$10.0 million Gross (\$5.0 million GF/GP) for Medicaid health plan racial disparities incentive pool, \$4.2 million GF/GP for expansion of access to Centering Pregnancy sites to reduce racial disparities in pre-term births, \$4.0 million GF/GP for training and education to improve birth outcomes for adolescent mothers, \$1.3 million GF/GP for health care workforce diversification development, and \$500,000 GF/GP for outreach to minority women regarding uterine fibroid disease and health disparities.

***Gun Violence Prevention and Reduction – One-Time***

Includes one-time funding of \$10.0 million GF/GP for firearm injury and violence prevention initiatives, including evidence-based programs in schools and communities, training for health, community, and law enforcement workers, development of infrastructure to collect effective data, and evaluation of programs and initiatives.

***Aging Community and Nutrition Services***

Recognizes \$3.5 million of additional federal funds available for senior programs including \$1.0 million for senior community services, \$1.5 million for senior nutrition services including congregate meals and home-delivered meals, and \$1.0 million for administration and authorization of funds carried forward from prior fiscal years.

**MEDICAL SERVICES**

***Medicaid Dental Benefit Increase***

Adds \$247.6 million Gross (\$69.8 million GF/GP) to include adults into the Healthy Kids Dental benefit and rate structure and to increase the reimbursement rates for dental services provided at outpatient hospitals and ambulatory surgical centers.

***Medicaid Vaccine Reimbursement Increase***

Includes \$14.1 million Gross (\$4.5 million GF/GP) to increase the Medicaid reimbursement rates for administering injected and oral vaccines.

***Medicaid Birth Expense Recovery***

Adds \$13.7 million Gross (\$4.9 million GF/GP) to end the practice of seeking financial reimbursements from fathers of unwed pregnancies to partially offset the cost of Medicaid-paid birth expenses.

***Medicaid Non-Clinical Staff Wage Increase***

Includes \$60.0 million Gross (\$21.2 million GF/GP) to increase non-clinical nursing facility staff hourly wages by \$2.35.

***Economic Adjustments***

Reflects increased costs of \$48.1 million Gross (\$21.4 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments.

**Supplemental Recommendations for FY 2021-22 Appropriations**

**MEDICAID AND BEHAVIORAL HEALTH**

***Traditional Medicaid Cost Adjustments***

Includes reduction of \$301.4 million Gross (\$481.4 million GF/GP) for traditional Medicaid program caseload/utilization/inflation, and financing adjustments. Total includes \$432.3 million GF/GP savings from an additional 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act for 2 additional quarters, for a total of 3 quarters of enhanced FMAP.

***Healthy Michigan Plan Cost Adjustments***

Includes an increase of \$87.9 million Gross (\$11.4 million GF/GP) for Healthy Michigan Plan caseload/utilization/inflation, and financing adjustments.

**HUMAN SERVICES**

***Child Welfare Caseload and FMAP Adjustments***

Includes an increase of \$10.1 million Gross (\$9.1 million GF/GP) for child welfare caseload adjustments. Amount includes increasing funding for foster care by \$10.3 million Gross (\$9.5 million GF/GP) and decreasing the Child Care Fund by \$596,100 Gross (\$9.3 million GF/GP). Includes \$7.4 million GF/GP to offset decrease in federal FMAP reimbursements from 65.48% to 64.71%.

**Federal IV-E Administration Decrease**

Includes \$32.9 million GF/GP adjustment to correct an overclaim of federal title IV-E administrative reimbursement from FY 2021-22.

**Raise the Age Fund Adjustment**

Includes a \$7.7 million GF/GP funding increase to adjust the Raise the Age fund for county incurred service costs based on county budget submissions to DHHS.

**Congregate Care Pandemic Relief Grants – One-Time**

Provides \$2.0 million GF/GP pandemic related fiscal relief to residential child welfare providers.

**Residential Rate Non-Contracted Rate Increase – One-Time**

Provides \$10.8 million GF/GP pandemic related fiscal relief to residential child welfare providers.

**Public Assistance Caseload Adjustments**

Recognizes a \$1.2 billion Gross increase (\$1.9 million GF/GP net reduction) resulting from adjusted estimates to public assistance caseloads for FY 2021-22. Net increase results from additional SNAP revenue for food assistance.

**BEHAVIORAL HEALTH**

**Behavioral Health Inpatient Capacity**

Includes \$51.2 million GF/GP and authorizes 169.0 FTE positions to increase capacity of state-operated and private purchase psychiatric inpatient beds. Funding for state-operated psychiatric hospitals would renovate Hawthorn and Center for Forensic Psychiatry to open and then operate an additional 56 beds. Funding for private purchase would support the purchase of 60 beds.

**Behavioral Health Direct Care Worker Bonus Payment**

Includes \$135.0 million GF/GP to provide a one-time bonus payment of \$2,500 to behavioral health workers and state psychiatric hospital direct care staff.

**PUBLIC HEALTH AND AGING AND ADULT SERVICES**

**Public Health Non-GF/GP Funds Adjustments**

Net adjustment of \$6.6 million of federal, state restricted, local, and private funds for ongoing AIDS prevention, epidemiology administration, WIC supplemental food, smoking prevention, child and adolescent, sexually transmitted disease control, and rural health services programs.

**Aging Community and Nutrition Services**

Recognizes \$3.5 million of additional federal funds available for senior programs including \$1.0 million for senior community services, \$1.5 million for senior nutrition services including congregate meals and home-delivered meals, and \$1.0 million for administration.

**MEDICAL SERVICES**

**Medicaid Non-Clinical Staff Wage Increase**

Includes \$31.8 million Gross (\$10.0 million GF/GP) to increase non-clinical nursing facility staff hourly wages by \$2.35 for approximately half the fiscal year.

## Higher Education

Analyst: Perry Zielak

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
IDG/IDT	\$0	\$0	\$0	--
Federal	128,526,400	122,426,400	(6,100,000)	(4.7)
Local	0	0	0	--
Private	0	0	0	--
Restricted	361,403,300	347,888,300	(13,515,000)	(3.7)
GF/GP	1,317,821,500	1,382,300,200	64,478,700	4.9
<b>Gross</b>	<b>\$1,807,751,200</b>	<b>\$1,852,614,900</b>	<b>\$44,863,700</b>	<b>2.5</b>

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **University Operations Increase**

Includes a net increase of \$143.9 million GF/GP for university operations. This includes a \$146.0 million GF/GP (\$73.0 million GF/GP ongoing and \$73.0 million GP/GP one-time), or 10.0%, increase to operations grants for universities; a \$12.7 million GF/GP increase to fund the first year of a four-year phase-in of a \$4,500 funding floor based on fiscal year equated students (FYES); removal of \$14.6 million GF/GP of FY 2021-22 one-time operations funding; and a \$344,700 GF/GP decrease based on FY 2020-21 North American Indian Tuition Waiver program costs reported by institutions. Attainment of the ongoing and one-time operations increases, labeled operational support payments, would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 5.0% or \$722 (set at 4.2% or \$590 in the current year). Total funding for operations would be \$1.6 billion Gross (\$1.3 billion GF/GP).

#### **Michigan State University Extension and AgBioResearch Programs Increase**

Includes a net increase of \$5.9 million GF/GP total for MSU's AgBioResearch and Extension program funding. This includes an ongoing operations increase for the MSU AgBioResearch program of \$1.7 million GF/GP, a one-time funding increase of \$1.7 million GF/GP, and removal of one-time FY 2021-22 funding of \$349,400 GF/GP. Additionally, the MSU Extension program includes a net increase of \$2.7 million GF/GP comprising an ongoing and one-time operations increase of \$1.5 million GF/GP and the removal of one-time FY 2021-22 funding of \$301,400 GF/GP. These adjustments represent a 10.0% increase for both programs. Total funding for AgBioResearch and Extension programs would be \$71.6 million GF/GP.

#### **Michigan Public School Employee Retirement System (MPERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment**

Decreases funding by \$13.4 million School Aid Fund (SAF) for the state's share of the universities' MPERS UAAL contribution, a 99.5% decrease. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 25.73% of payroll for the seven universities with MPERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). The amount needed for the state share was reduced due to the one-time MPERS payment of \$84.7 million GF/GP appropriated in FY 2021-22. Funding for the state share of MPERS UAAL would be \$70,000 SAF.

#### **MPERS Normal Cost Offset**

Decreases reimbursement funding provided to universities by \$90,000 SAF, a 1.9% decrease, for the normal cost required to maintain the assumed rate of return for MPERS at 6.8%. Total funding for the MPERS Normal Cost Offset would be \$4.7 million SAF.

#### **Tuition Incentive Program**

Decreases Tuition Incentive Program (TIP) by \$6.1 million federal TANF funding, a 8.6% decrease. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The decrease is due to potential cost savings through implementation of a program reimbursement rate cap of 2.5 times the average in-district community college tuition rate. Total funding for TIP would be \$65.2 million TANF.

**Supplemental Recommendations for FY 2021-22 Appropriations**

***Infrastructure, Technology, Equipment, and Maintenance (ITEM)***

Includes \$141.5 million GF/GP for ITEM. The funds would allow universities to repair, improve, or maintain existing buildings, facilities, equipment and technological and physical infrastructure. Individual university allocations would be distributed based on calculated FY 2020-21 fiscal year equated student (FYES) enrollment.

## Insurance and Financial Services

Analyst: Marcus Coffin

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$724,600	\$736,500	\$11,900	1.6
Federal	1,017,100	1,017,100	0	0.0
Local	0	0	0	--
Private	0	0	0	--
Restricted	71,245,900	72,581,900	1,336,000	1.9
GF/GP	0	6,000,000	6,000,000	--
<b>Gross</b>	<b>\$72,987,600</b>	<b>\$80,335,500</b>	<b>\$7,347,900</b>	<b>10.1</b>
FTEs	378.5	387.5	9.0	2.4

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Regulatory Staff Increase**

Includes authorization for 9.0 FTE positions. The positions would be utilized to perform activities in the following areas: no-fault auto insurance reform, anti-fraud, surprise medical billing, health and auto insurance market regulation, and consumer services.

#### **Health Insurance Market Behavioral Health Parity Review**

Includes \$1.0 million GF/GP (one-time) to conduct a review of health insurance market compliance with behavioral health parity requirements.

#### **Auto No-Fault Insurance Market Study**

Includes \$5.0 million GF/GP (one-time) to complete a market conduct examination of auto insurers to ensure that practices and policies comply with the Insurance Code of 1956 and enacted auto insurance reforms.

#### **Economic Adjustments**

Reflects increased costs of \$1.3 million Gross (\$0 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

## Judiciary

Analyst: Robin R. Risko

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
<b>IDG/IDT</b>	\$1,652,300	\$1,902,300	\$250,000	15.1
<b>Federal</b>	6,374,800	6,381,500	6,700	0.1
<b>Local</b>	7,619,800	7,782,600	162,800	2.1
<b>Private</b>	1,222,600	1,524,200	301,600	24.7
<b>Restricted</b>	94,312,700	94,435,300	122,600	0.1
<b>GF/GP</b>	209,280,900	394,346,000	185,065,100	88.4
<b>Gross</b>	<b>\$320,463,100</b>	<b>\$506,371,900</b>	<b>\$185,908,800</b>	<b>58.0</b>
<b>FTEs</b>	524.0	534.0	10.0	1.9

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### **Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations**

#### ***Statewide Judicial Case Management System***

Includes \$175.0 million GF/GP for costs of developing a single, statewide judicial case management system. In the final report of the Trial Court Funding Commission, recommendation 2 was for the state to provide all court technology needs for trial courts, including case and document management services, in order to create a uniform system throughout the state. Currently, there are 242 trial courts using and funding more than 16 case management systems and 150 computer systems. Recommendation 18 from the Michigan Joint Task Force on Jail and Pretrial Incarceration was to standardize criminal justice data collection and reporting. The Supreme Court has recently ordered that local trial courts submit all case data in a uniform manner. The budget proposal is built on the premise that a single, statewide case management system will support data management efforts, reduce staff time and effort in preparing and reporting case data, eliminate duplicative efforts at the local level, improve the validity and accuracy of data, and support consistent implementation of newer technologies among trial courts.

#### ***Justice for All Initiative and Self-Help Center Expansion***

Includes \$300,000 GF/GP for continuing the Justice for All initiative implemented in the FY 2021-22 budget. The Justice for All initiative aims to simplify the court system, court rules, processes, and forms in order to increase court and community engagement and access to justice. Also includes \$750,000 GF/GP for expanding access to legal self-help centers. Funding would be used to open small, rural virtual self-help centers, support navigator services, and expand access to technology and staff for existing self-help centers.

#### ***Restoration of Funding Reduced in FY 2020-21***

Restores \$1.0 million GF/GP that was reduced from the FY 2020-21 budget. A total of \$2.0 million GF/GP was reduced from that budget, to be achieved primarily from extension of the hiring freeze, a reduction in non-essential travel, and cancellation of leases for office space. As the hiring freeze has been lifted, restoring \$1.0 million GF/GP would support data collection and analysis, technology modernization, and other judicial system process improvements.

#### ***Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers***

Includes \$962,900 in ongoing GF/GP and authorization for 7.0 FTE positions for the State Appellate Defender Office (SADO) to ensure continued compliance with the U.S. Supreme Court ruling on the *Montgomery v. Louisiana* case, and to support other casework and projects of the Juvenile Lifer Unit. SADO provides post-conviction representation of juvenile lifers. As of September 2021, there were 51 clients awaiting resentencing hearings. There are a number of potential resentencing appeals and the unit works to develop comprehensive reentry plans to assist juvenile lifer clients with their return to the community.

#### ***SADO Wrongful Prosecution and Administration***

Includes \$287,900 GF/GP and authorization for 2.0 FTE positions to continue operations of the Wrongful Prosecution Unit within SADO. Federal grant funding from the U.S. Department of Justice will expire and appropriation of GF/GP would ensure continuation of the unit and its work. Also includes \$445,100 GF/GP for 4.0 FTE positions that would support HR and finance administration, the Criminal Defense Resource Center, and IT services.

***Continuing Judicial Education***

Includes \$467,300 GF/GP and 3.0 FTE positions to implement the Supreme Court's new judicial continuing education requirements required under Administrative Order 2021-7. Funding would support staffing and IT architecture needed to comply with the new requirements.

***Judicial Tenure Commission***

Includes \$392,800 GF/GP (\$223,000 one-time; \$169,800 ongoing) to support 1.7 contract attorney positions that assist with reducing the grievance/investigation backlog, to support an increased number of hearings, and to support 1.0 additional paralegal position that would assist with non-attorney legal work, which would allow staff attorneys to focus their efforts on investigative duties.

***Economic Adjustments***

Reflects increased costs of \$7.7 million Gross (\$7.3 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

**Supplemental Recommendations for FY 2021-22 Appropriations**

***Foster Care Review Board***

Includes \$55,000 GF/GP to replace federal Title IV-E funding provided through the Department of Health and Human Services for administrative support of the Foster Care Review Board. DHHS over claimed the amount of its' administrative costs that could be reimbursed with federal Title IV-E funding. The same adjustment is proposed in the FY 2023 budget.

## Licensing and Regulatory Affairs

Analyst: Marcus Coffin

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$45,079,800	\$47,026,900	\$1,947,100	4.3
Federal	29,030,900	29,659,200	628,300	2.2
Local	0	0	0	--
Private	0	0	0	--
Restricted	258,929,800	248,065,900	(10,863,900)	(4.2)
GF/GP	184,195,900	188,593,500	4,397,600	2.4
<b>Gross</b>	<b>\$517,236,400</b>	<b>\$513,345,500</b>	<b>(\$3,890,900)</b>	<b>(0.8)</b>
FTEs	1,857.9	1,874.9	17.0	0.9

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### ***Marihuana Treatment Research***

Removes \$20.0 million restricted authorization from the Marihuana Regulation Fund (adult-use) that was statutorily required to support clinical trials (approved by the FDA and sponsored by non-profit organizations or researchers within academic institutions) researching the efficacy of marihuana for treating medical conditions afflicting veterans and for preventing veteran suicide, in accordance with the Michigan Regulation and Taxation of Marihuana Act (2018 IL 1).

#### ***Michigan Saves Green Bank***

Includes \$5.0 million GF/GP (one-time) to provide a grant to the Michigan Saves green bank which would be used to leverage private loans for clean energy and green projects.

#### ***Corporations Online Filing System Modernization***

Includes \$2.3 million in restricted authorization (one-time) from Corporation Fees to upgrade the Corporations Online Filing system to improve system reliability, functionality, and security and to lower annual maintenance costs.

#### ***Nursing Home State Surveys***

Includes \$1.6 million GF/GP and authorization for 10.0 FTE positions to hire additional state surveyors to provide education and consultation to skilled nursing facilities.

#### ***Michigan Task Force on Foreign-Trained Medical Professional Licensing***

Includes \$1.0 million in restricted authorization (one-time) from the Health Professions Regulatory Fund to implement recommendations from the Task Force on Foreign-Trained Medical Professional Licensing, which will focus on reducing licensure barriers for medical professionals who were trained outside of the United States.

#### ***Economic Adjustments***

Reflects increased costs of \$6.2 million Gross (\$667,600 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

### Supplemental Recommendations for FY 2021-22 Appropriations

#### ***COVID-19 Survey Activities***

Includes \$625,000 in federal authorization to fund the continuation of infection control surveys in skilled nursing facilities.

#### ***Michigan Task Force on Foreign-Trained Medical Professional Licensing***

Includes \$100,000 in restricted authorization from the Health Professions Regulatory Fund to support the initial costs of the task force.



## Military and Veterans Affairs

Analyst: Michael Crossen

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$101,800	\$101,800	\$0	0.0
Federal	120,015,300	189,864,300	69,849,000	58.2
Local	0	0	0	--
Private	640,000	640,000	0	0.0
Restricted	21,336,700	18,794,900	(2,541,800)	(11.9)
GF/GP	78,758,800	145,865,000	67,106,200	85.2
<b>Gross</b>	<b>\$220,852,600</b>	<b>\$355,266,000</b>	<b>\$134,413,400</b>	<b>60.9</b>
FTEs	1,063.5	1,064.5	1.0	0.1

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Armory Modifications (One-Time)**

Provides \$115.0 million Gross (\$55.0 million GF/GP) to make physical modifications to all Michigan National Guard armories, most of which were constructed before women were allowed to serve or when their numbers were low, to create equitable accommodations to female servicemembers. Projects would include creating bathroom and shower space, and lactation rooms as required by a 2015 Army directive. Funding would also support other armory modernization projects.

#### **Selfridge ANG Base Investment (One-Time)**

Provides \$6.1 million GF/GP to invest in projects that will position Selfridge Air National Guard Base to better compete for next generation aircraft flying missions.

#### **MVFA Transition Funding (One-Time)**

Provides \$6.0 million GF/GP to assist Michigan Veterans' Facility Authority achieve self-sufficiency as an independent administrative authority over Michigan veterans homes while veteran home membership grows and to maximize federal funding opportunities.

#### **NG Tuition Assistance Expansion to Dependents**

Provides \$5.0 million GF/GP to allow transferability of Michigan National Guard Tuition Assistance Program benefits from eligible servicemembers to their dependent children up to age 26. Funding would require statutory changes to implement.

#### **Grand Rapids Home for Veterans Transition Costs (One-Time)**

Provides \$6.5 million Gross (\$4.1 million GF/GP) to continue offering services to residents living in prior home facility as they continue to await moving to new living arrangements outside home.

#### **Veterans Suicide Prevention Outreach (One-Time)**

Provides \$1.2 million GF/GP to conduct outreach campaign targeting current and former servicemembers and their families to reduce suicide incidents as part of Governor's Challenge effort building off of VA Substance Abuse and Mental Health Services Administration.

#### **Economic Adjustments**

Reflects increased costs of \$2.5 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

### Supplemental Recommendations for FY 2021-22 Appropriations

#### **Statewide Contracted Security Cost Increase**

Provides \$251,400 GF/GP to support increased costs statewide of contracted security services at Grand Rapids and Chesterfield Township homes for veterans.

## Natural Resources

Analyst: Austin Scott

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$203,100	\$203,100	\$0	0.0
Federal	91,291,300	93,630,000	2,338,700	2.6
Local	0	0	0	--
Private	7,039,200	7,039,200	0	0.0
Restricted	317,195,300	337,504,200	20,308,900	6.4
GF/GP	48,612,500	95,775,700	47,163,200	97.0
<b>Gross</b>	<b>\$464,341,400</b>	<b>\$534,152,200</b>	<b>\$69,810,800</b>	<b>15.0</b>
FTEs	2,366.9	2,418.8	57.9	2.2

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### **Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations**

#### ***State Fish Hatchery Upgrades and Improvements (One-Time)***

Appropriates \$30.0 million GF/GP for biosecurity, equipment, and infrastructure updates at state fish hatcheries including expansion of facilities and fish production at the Wolf Lake hatchery in Van Buren County.

#### ***Equipment Lifecycle Replacement (One-Time)***

Appropriates \$12.4 million Gross (\$10.9 GF/GP) to replace aging equipment and vehicles in multiple DNR divisions including Fisheries, Forest Resources, and Law Enforcement.

#### ***Great Lakes Research Vessel (One-Time)***

Appropriates \$4.0 million GF/GP to replace the aging Lake Michigan Survey Vessel.

#### ***Mass Timber Facility Newberry Customer Service Center (One-Time)***

Appropriates \$2.0 million GF/GP for the construction of a facility in Luce County for departmental staff and equipment storage.

#### ***Wildfire Protection***

Appropriates \$751,900 GF/GP to expand wildfire prevention and protection by funding staff overtime and vacancies.

#### ***Fisheries Resource Management***

Appropriates \$652,800 GF/GP and authorizes 4.0 FTE positions to improve state and tribal relations in the co-management of fisheries.

#### ***Archives of Michigan Digitization (One-Time)***

Appropriates \$485,000 GF/GP to digitize and index decaying physical historical records.

#### ***Parks and Recreation Division Employee Initiatives***

Appropriates \$9.2 million in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund and authorizes 40.8 FTE positions for division employee recruitment and retention initiatives, including increases in work hours and wages.

#### ***Off-Road Vehicle Trail Improvements***

Appropriates an additional \$3.1 million of available restricted revenue and authorizes 13.1 FTE positions to support trail improvement grants and law enforcement across Michigan's ORV system.

#### ***State Parks Improvement Revenue Bonds – Debt Service***

Eliminates \$1.2 million from the Park Improvement Fund as no debt payments are required after FY 2021-22.

#### ***Economic Adjustments***

Reflects increased costs of \$6.2 million Gross (\$897,600 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

## School Aid

Analysts: *Emily Hatch and Jacqueline Mullen*

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22	Executive	Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	--
<b>Federal</b>	2,024,478,500	2,191,243,500	166,765,000	8.2
<b>Local</b>	0	0	0	--
<b>Private</b>	0	0	0	--
<b>Restricted</b>	14,868,232,200	16,056,595,700	1,188,363,500	8.0
<b>GF/GP</b>	85,400,000	108,200,000	22,800,000	26.7
<b>Gross</b>	<b>\$16,978,110,700</b>	<b>\$18,356,039,200</b>	<b>\$1,377,928,500</b>	<b>8.1</b>

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Foundation Allowance**

Increases by \$580.0 million to provide a \$435 (5%) increase in the per-pupil foundation allowance. Increases the Target foundation from \$8,700 to \$9,135. Exempts cyber schools from the foundation increase and maintains cyber school foundation allowances at \$8,700.

#### **At-Risk**

Increases by \$222.0 million School Aid Fund (SAF) for a total of \$746.5 million SAF. Increases the payment per economically disadvantaged student from an estimated prorated payment of \$768 in FY 2021-22 to a fully funded payment of \$1,051 in FY 2022-23. Eliminates \$12.0 million SAF allocation for districts to receive at least the amount they received in the prior year after accounting for declining enrollment. Removes requirement capping certain districts with state and local revenue exceeding the Target foundation allowance at 35% of the amount they would have otherwise received.

#### **School Infrastructure**

Provides \$170.0 million School Infrastructure Fund for education infrastructure projects approved by the Department of Education (MDE) in coordination with the Department of Technology, Management, and Budget (DTMB). Also provides \$1.0 million GF/GP for administration of the program. The School Infrastructure Fund may only be used for aid to local school districts and intermediate school districts (ISDs), and may not be used to aid public school academies (PSAs).

#### **Special Education Cost Reimbursement**

Increases by \$150.0 million SAF for a total of \$240.2 million SAF to reimburse districts and ISDs for an estimated 8% of total approved special education costs.

#### **TRAILS Program**

Provides \$150.0 million SAF for grants to ISDs for statewide implementation of a TRAILS program that improves youth access to evidence-based mental health services by training school mental health professionals in effective practices.

#### **Wraparound Services**

Provides \$120.0 million SAF for districts and ISDs to increase the number of school psychologists, school social workers, school counselors, and school nurses. For staff hired under this section, provides 100% of funding for the first year, 66% for the second year, 33% for the third year, and requires a recipient district or ISD to fully fund staff after three years of funding. This section also provided a one-time appropriation of \$240.0 million SAF in FY 2021-22 for districts (did not include ISDs) for the same purpose.

#### **Mi Future Educator Fellowship Program**

Provides \$100.0 million SAF to offset tuition costs for college students earning their initial teacher certification. Caps awards at the lesser of \$10,000 per academic year or the cost of tuition.

#### **New Teacher Programs**

Provides \$50.0 million SAF for programs to expand support for new teachers, improve their instructional practices, and improve teacher retention. Requires MDE to partner with educator preparation programs and districts to provide coaching and cohort support to students and new teachers through at least the first 3 years of a teacher's service.

### ***Community-Based Organization Before and After School Programs***

Provides \$50.0 million GF/GP (\$25.0 million ongoing and \$25.0 million one-time) for a competitive grant program for community-based organizations for before and after school programs. Allows up to 3% of funding to be awarded to a non-profit entity to provide start-up grants and assistance for the implementation of high quality out-of-school time learning opportunities. This item was funded in the MDE budget at \$3.9 million GF/GP for FY 2021-22 and is funded at \$1.1 million GF/GP (including \$500,000 for administration) in FY 2022-23.

### ***ISD Mental Health and Support Services***

Increases by \$50.0 million SAF for a total of \$87.8 million SAF the allocation to ISDs for mental health and support services for general education pupils. Increases the initial payment to each ISD from \$575,000 to \$1.3 million and increases the remaining funds, which are allocated on a per-pupil basis, from \$5.6 million to \$13.0 million.

### ***School Safety Grants***

Increases by \$41.5 million Gross (including the elimination of \$2.5 million GF/GP) for a total of \$51.0 million SAF for competitive school safety grants. Removes nonpublic schools as eligible recipients and expands allowable uses to include school resource officers. Increases grant caps from \$50,000 to \$250,000 for each school and from \$250,000 to \$1.3 million for each district or ISD. Allocates \$1.0 million for evaluating the effectiveness of the grants awarded.

### ***Great Start Readiness Program***

Increases by \$33.0 million Gross (including the elimination of \$121.0 million Federal) for a total of \$451.1 million SAF for school readiness preschool programs for 4-year-old children in low-income families. Increases the allocation per child from \$8,700 to \$9,135 for a full-day program—an amount equal to the proposed foundation allowance—and from \$4,350 to \$4,567.50 for a part-day program.

### ***Mental Health Screening Tools***

Provides \$25.0 million SAF for districts and ISDs to adopt and implement tools for conducting mental health screenings, managing referral and consent, care management and coordination, virtual visits, and reporting on outcomes.

### ***Michigan Public School Employees Retirement System (MPSERS)***

Increases state support for K-12 MPSERS costs by \$20.3 million Gross (\$21,000 GF/GP) for a total of \$1.8 billion Gross (\$581,000 GF/GP). Expands the allocation to offset a portion of costs for districts by \$12.1 million Gross (\$31,000 GF/GP) for a total of \$112.0 million Gross (\$31,000 GF/GP) to expand eligible recipients to also include ISDs and district libraries. Does not continue \$140.0 million SAF payment provided in FY 2021-22 for a one-time accelerated reduction in the payroll growth assumption.

### ***Cross-System Intervention Approach***

Provides \$15.0 million SAF for a public research institution, in collaboration with a national law enforcement foundation, to pilot a cross-system intervention approach to identifying and supporting middle and high school students that are determined to be at risk for violence through a psychiatric or psychological assessment.

### ***Eliminated Categorical Grants***

Reduces by \$38.2 million Gross (\$30.7 million GF/GP) by eliminating 23 categorical grant programs.

### ***Economic Adjustments***

Reflects increased costs of \$268,200 Gross (\$229,800 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

## **Supplemental Recommendations for FY 2021-22 Appropriations**

### ***Retention Bonuses for Teachers, Administrators, and Staff***

Provides \$1.5 billion SAF for districts to provide bonuses for each full-time equated teacher, administrator, paraprofessional, and other non-instructional staff member as follows: for all teachers and staff, \$2,000 for employment during the 2022-23 school year and \$2,000 for 2023-24; and for teachers only, \$3,000 for 2024-25, and \$4,000 for 2025-26. Requires a recipient to either remain employed by the same district or work in a building eligible for schoolwide Title I programs to be eligible for a stipend in following years.

**Educator Talent Pipeline**

Provides \$350.0 million SAF for payments to eligible institutions of higher education (IHEs) and districts for improving the educator talent pipeline. Allocates \$150.0 million for the Mi Future Educator Fellowship Program to offset tuition costs for college students earning their initial teacher certification. Allocates \$150.0 million for the Mi Future Educator – Student Teacher Stipend Program for educator preparation programs to pay student teachers up to \$9,600 per semester. Allocates \$50.0 million for the Mi Future Educator – Graduate Fellowship to offset tuition costs for individuals earning a school administrator certificate or completing graduate-level training to become a school-based mental health professional or a special education administrative professional.

**Grow Your Own Programs**

Provides \$150.0 million SAF for grants to districts to provide a no-cost pathway for support staff members to become certified teachers.

**Detroit Public Schools Community District (DPSCD) Settlement Payment**

Provides \$94.4 million GF/GP for DPSCD for literacy-related programs and initiatives. This grant is intended to fulfill a state agreement in the *Gary B. v. Whitmer* settlement.

**Innovative Education Workforce Grants**

Provides \$75.0 million SAF for grants for the development of innovative partnerships to respond to regional workforce needs and increase the number of qualified educator personnel. Each grant application must include at least one district or ISD and may include IHEs and other public, private, and nonprofit organizations.

**New Teacher Programs**

Provides \$50.0 million SAF for programs to expand support for new teachers, improve their instructional practices, and improve teacher retention. Requires MDE to partner with educator preparation programs and districts to provide coaching and cohort support to students and new teachers through at least the first 3 years of a teacher's service.

**Remediation Services and Teacher and Support Staff Incentives**

Provides \$45.4 million Federal ESSER II Fund for summer programs, credit recovery programs, and before and/or after school programs. Also provides \$6.6 million Federal GEER II Fund for payments to teachers and school staff who provide services for those programs. These appropriations re-appropriate federal funds that were not spent for these purposes in FY 2020-21.

**GSRP Start Up Grants**

Provides \$30.0 million SAF for grants to ISDs and consortia of ISDs for new or expanding GSRP classrooms. Grants may not exceed \$25,000 for each new or expanded classroom.

**Oxford Response**

Provides \$6.0 million SAF to a district forced to close a building for at least 20 consecutive days in response to an act of student violence (Oxford Community Schools). Funds may be used for personnel and additional student supports. Also waives attendance requirements and, for days the district closed in response to an act of violence, counts those days/hours as pupil instruction for the district. Provides intent that results from assessments administered during the 2021-22 school year are not used for retention decisions or educator evaluations for the district.

**School Infrastructure Fund**

Creates the School Infrastructure Fund as a separate account within the School Aid Fund with the purpose of creating a healthy and safe space for every child and to address inequities that currently exist in school infrastructure funding. Deposits \$1.0 billion SAF into the School Infrastructure Fund. The School Infrastructure Fund may only be used for aid to local school districts and ISDs, and may not be used to aid PSAs.

## State Police

Analyst: Marcus Coffin

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
<b>IDG/IDT</b>	\$24,816,300	\$25,502,400	\$686,100	2.8
<b>Federal</b>	145,331,500	81,804,300	(63,527,200)	(43.7)
<b>Local</b>	4,832,700	4,904,500	71,800	1.5
<b>Private</b>	35,000	35,000	0	0.0
<b>Restricted</b>	158,308,100	153,827,700	(4,480,400)	(2.8)
<b>GF/GP</b>	527,822,500	555,905,100	28,082,600	5.3
<b>Gross</b>	<b>\$861,146,100</b>	<b>\$821,979,000</b>	<b>(\$39,167,100)</b>	<b>(4.5)</b>
<b>FTEs</b>	3,695.0	3,767.0	72.0	1.9

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### ***FY 2022-23 Trooper Recruit School***

Includes \$9.2 million GF/GP (\$4.5 million ongoing, \$4.7 million one-time) to support a FY 2022-23 trooper recruit school that is projected to graduate 50 troopers. Costs that would be covered include trooper outfitting and training costs.

#### ***FY 2021-22 Trooper Recruit School Annualization***

Includes \$5.7 million GF/GP to support salaries, benefits, and administrative costs (IT, fleet, etc.) associated with 50 troopers expected to graduate the FY 2021-22 trooper recruit school.

#### ***Traffic Stop Data Collection Enhancement***

Includes \$3.7 million GF/GP (one-time) to develop new tracking and documentation systems to facilitate review and analysis of traffic stops made by MSP troopers.

#### ***Training and Professional Development***

Includes \$3.0 million GF/GP for professional development and training activities focusing on community engagement (cultural competency, implicit bias, and decision making).

#### ***Victim Support Program***

Includes \$1.8 million GF/GP and authorization for 14.0 FTE positions to place two full-time crime victim advocates within each of MSP's 7 districts.

#### ***Trooper Recruitment***

Includes \$1.0 million GF/GP (one-time) for recruitment and outreach activities to enhance diversity of MSP enlisted personnel.

#### ***Economic Adjustments***

Reflects increased costs of \$25.9 million Gross (\$21.6 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

### Supplemental Recommendations for FY 2021-22 Appropriations

#### ***Disaster and Emergency Contingency Fund***

Includes a \$10.0 million GF/GP deposit to the Disaster and Emergency Contingency Fund to facilitate response activities and assistance for disasters and emergencies.

#### ***Governors Highway Safety Association Grant***

Includes \$25,000 in private funding authorization to align grant revenue from the Governors Highway Safety Association to support safe driving initiatives to reduce teen speeding.

## Transportation

Analyst: William E. Hamilton

	FY 2021-22	FY 2022-23	Difference: FY 2022-23	
	Year-to-Date as of 2/9/22		Executive	Amount
IDG/IDT	\$4,044,800	\$4,123,800	\$79,000	2.0
Federal	1,641,755,300	2,026,480,000	384,724,700	23.4
Local	80,782,000	85,773,500	4,991,500	6.2
Private	900,000	900,000	0	0.0
Restricted	3,702,373,400	3,903,771,600	201,398,200	5.4
GF/GP	0	279,900,000	279,900,000	--
<b>Gross</b>	<b>\$5,429,855,500</b>	<b>\$6,300,948,900</b>	<b>\$871,093,400</b>	<b>16.0</b>
FTEs	2,942.3	3,142.3	200.0	6.8

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

#### **Road and Bridge Programs – Revenue Increases**

Recognizes \$488.6 million in additional revenue for state and local road and bridge programs, reflecting estimated federal revenue available under the Infrastructure Investment and Jobs Act (IIJA), as well as state restricted Michigan Transportation Fund (MTF) revenue as distributed under Public Act 51 of 1951. The increase in estimated federal and state restricted revenue available for state trunkline road and bridge construction nets to \$307.1 million. Local federal aid construction funding would increase by \$94.1 million. Estimated MTF distributions to local road agencies (county road commissions, cities and villages) would increase by \$87.7 million as compared to current-year estimates.

#### **Public Transportation Programs – Revenue Increases**

Recognizes \$132.3 million in additional federal and state restricted Comprehensive Transportation Fund (CTF) revenue for public transportation programs. Program increases include \$68.0 million for transit capital (\$41.0 million federal, \$27.0 million CTF), \$9.8 million in federal rural formula assistance for transit, \$5.0 million CTF for local bus operating assistance, and \$31.5 million for rail operations and infrastructure (\$21.5 million CTF and \$10.0 million federal).

#### **Aeronautics Programs – Revenue Increases**

Recognizes \$132.5 million increase in federal and state restricted State Aeronautics Fund revenue for state aeronautics programs. Increases include \$31.9 million for the ongoing Airport Improvement Program (\$29.0 million federal, \$2.9 million state restricted) and \$95.0 million federal for a new airport improvement grant program established in IIJA.

#### **One-Time GF/GP Projects**

Includes \$279.9 million in one-time GF/GP for specific projects: \$150.0 million for critical road and bridge infrastructure; \$66.0 million for freeway pumphouse backup generators; \$60.0 million for priority rail grade separation projects; and \$3.9 million to replace state-owned weather station equipment.

#### **Economic Adjustments**

Reflects increased costs of \$10.0 million Gross (\$0 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.

### Supplemental Recommendations for FY 2021-22 Appropriations

#### **Infrastructure Investment and Jobs Act (IIJA)**

Identifies \$475.7 million in additional federal aid for Michigan transportation programs as a result of the IIJA, enacted into law November 2021. Funding increases would be reflected as follows: road and bridge capital construction programs, \$316.7 million (\$237.5 million for state trunkline programs, \$79.2 million for local road programs); Airport Improvement Program, \$92.8 million federal plus \$5.0 million in local matching funds; federal transit programs, \$66.2 million including increases for transit capital (\$41.0 million) and rural area transit formula grants (\$9.8 million).

#### **Detroit New Center Intermodal Facility**

Recognizes a \$10.0 million federal discretionary RAISE grant, awarded November 2021, for the construction of an intermodal facility (combined intercity bus and passenger rail) in the New Center area of Detroit.







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