Budget Briefing: Executive Office

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Briefing Topics

- Funding Sources
- Appropriations Areas
- Major Budget Topics

Executive Office

- The governor is the chief executive officer of the state, the Commander-in-Chief of the state's military establishment, and the chairperson of the State Administrative Board
- The governor provides executive program and policy direction, submits an annual budget to the legislature, reviews and recommends statutory changes, appoints members of state boards and commissions, and appoints directors of departments which are not headed by elected officials or commissions
- The lt. governor performs gubernatorial functions in the governor's absence, serves as President of the Michigan Senate and as a State Administrative Board member, and represents the governor and state at local, state, and national meetings

Key Budget Terms

Fiscal Year: The state's fiscal year (FY) runs from October to September. FY 2021-22 is October 1, 2021 through September 30, 2022.

Appropriation: Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the legislature.

Line Item: Specific appropriation amount that establishes spending authorization for a particular program or function in a budget bill.

Boilerplate: Specific language sections in a budget bill that direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

Lapses: Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have <u>not</u> been adjusted for inflation.

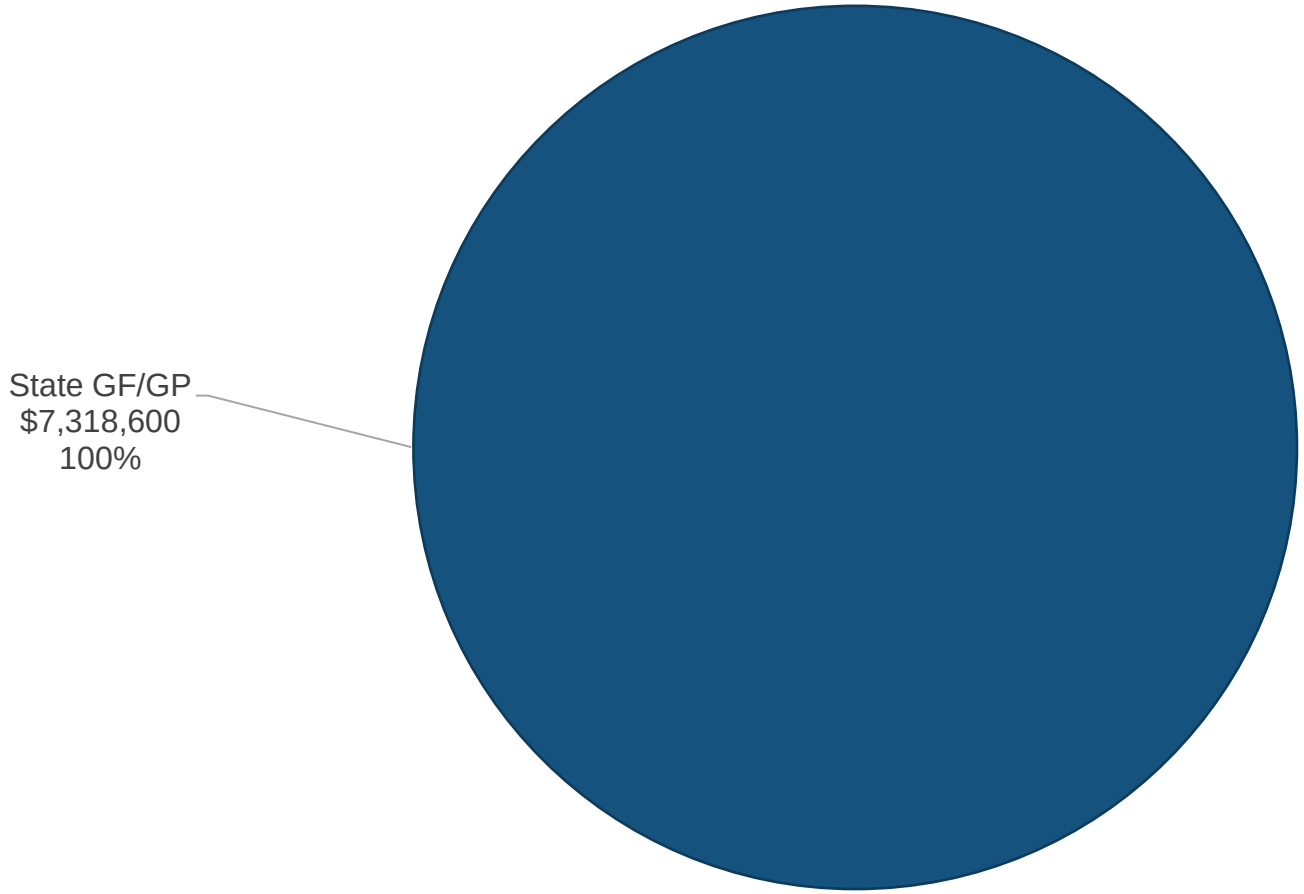
Funding Sources

FY 2021-22 Executive Office Budget

Fund Source	Funding	Description
Gross Appropriations	$7,318,600	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	0	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	$7,318,600	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	0	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	0	Revenue received from local units of government for state services
Private Revenue	0	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	0	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	$7,318,600	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

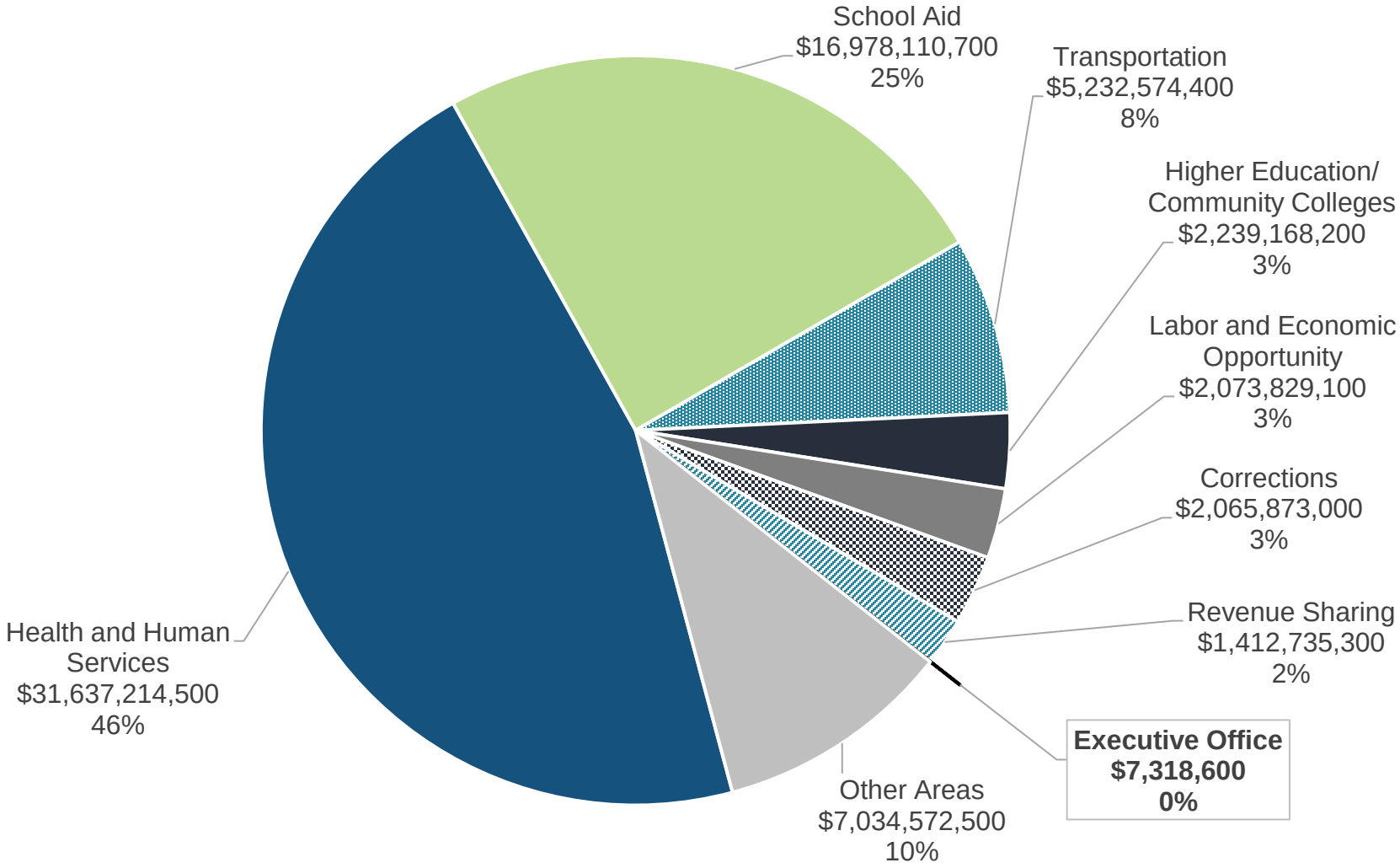
FY 2021-22 Fund Sources

General Fund revenues fund 100% of Executive Office operations.



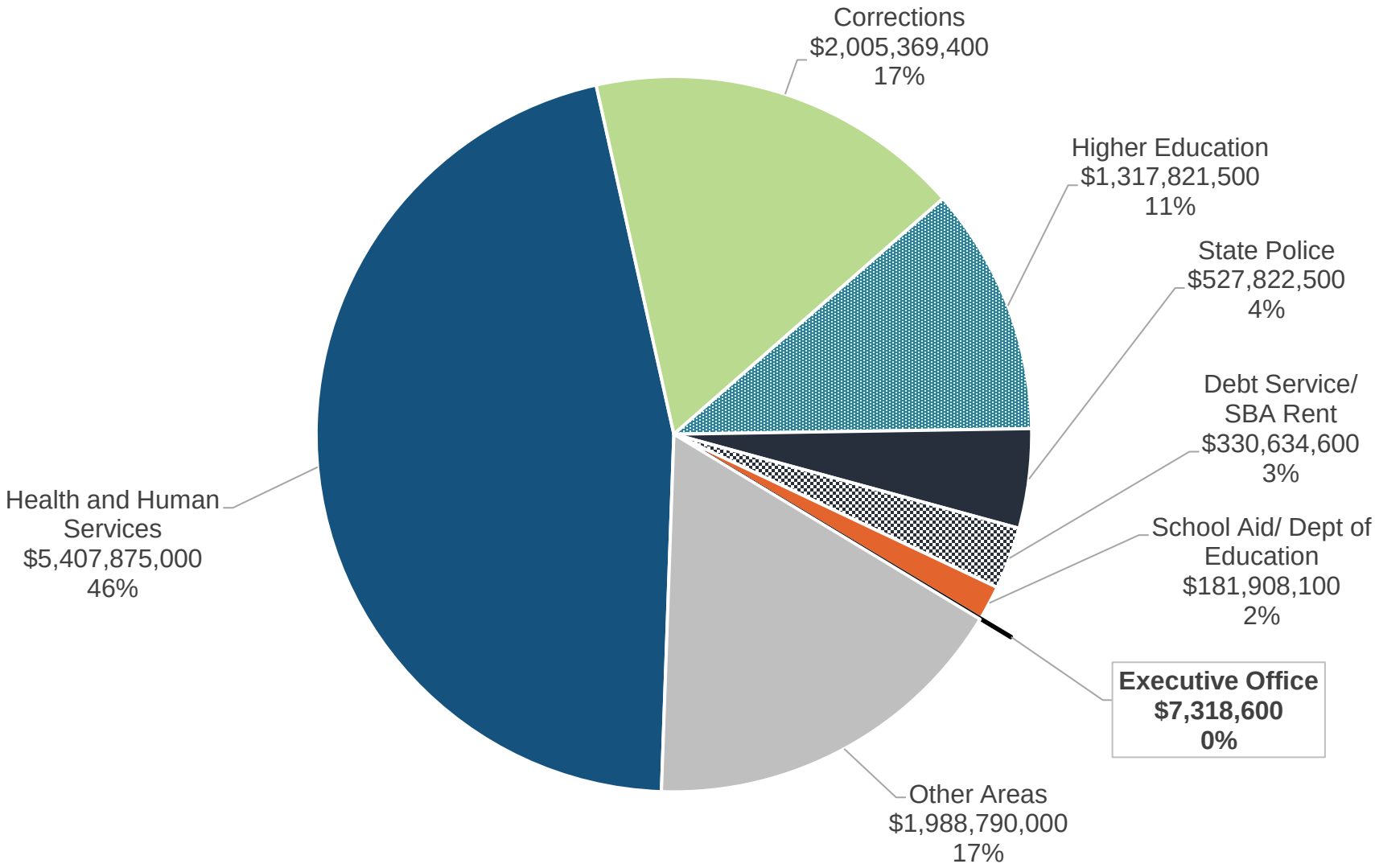
Executive Office Share of Total State Budget

The Executive Office budget represents less than **1%** of the **$68.7 billion** state budget (adjusted gross) for FY 2021-22.



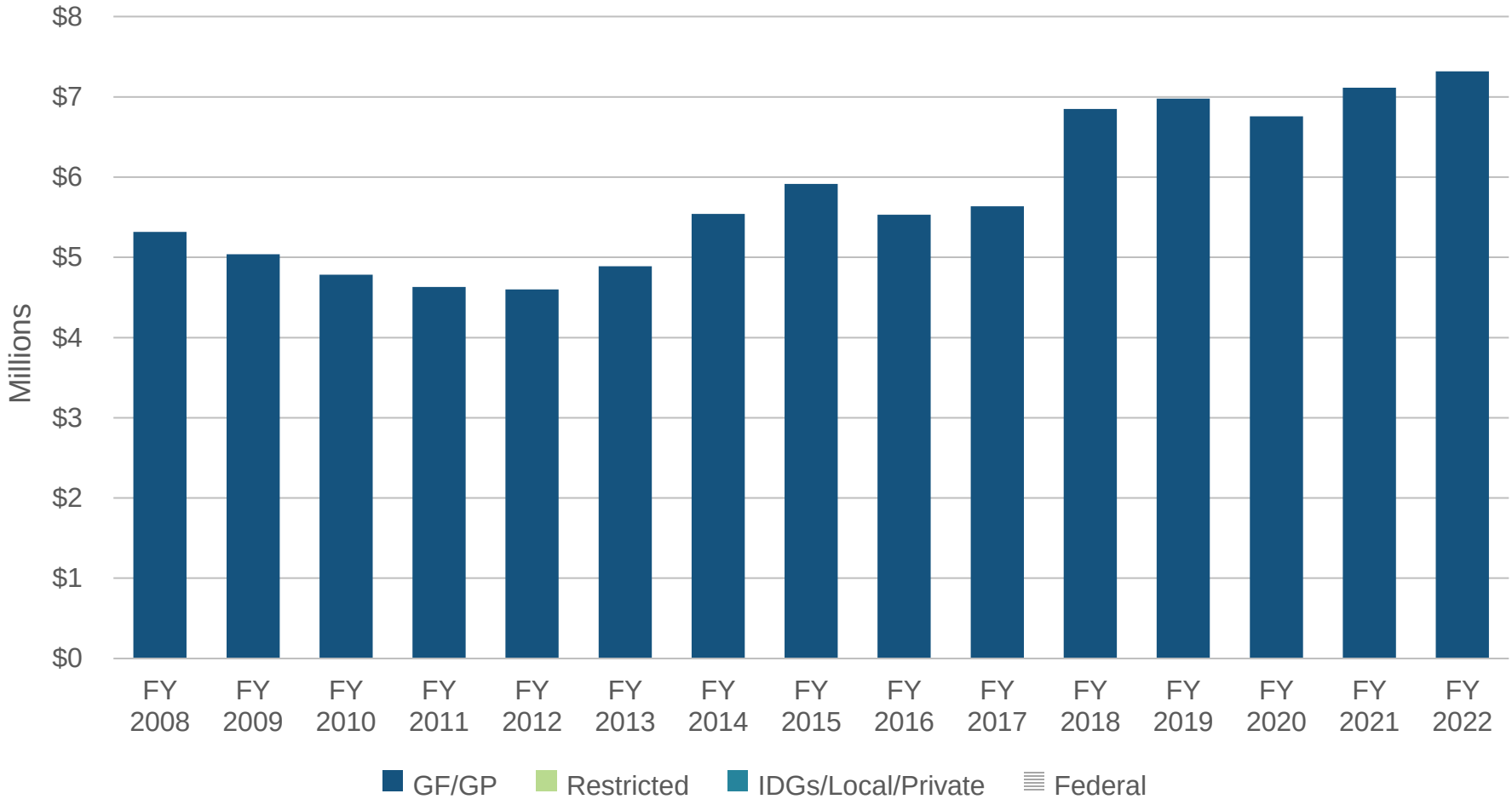
Executive Office Share of Total GF/GP Budget

The Executive Office budget represents less than **1%** of the **$11.8 billion** state GF/GP budget appropriations for FY 2021-22.



Executive Office Funding History

Funding for Executive Office has grown by **37.6%** since FY 2007-08, driven mainly by inflationary increases in operations. The FY 2015-16 reduction was the result of a transfer of the Office of Americans to LARA. The FY 2017-18 increase was the result of transferring in the Office of Urban Initiatives.



Appropriation Areas

Executive Office Appropriation Areas

Governor: Appropriates the salary for the governor

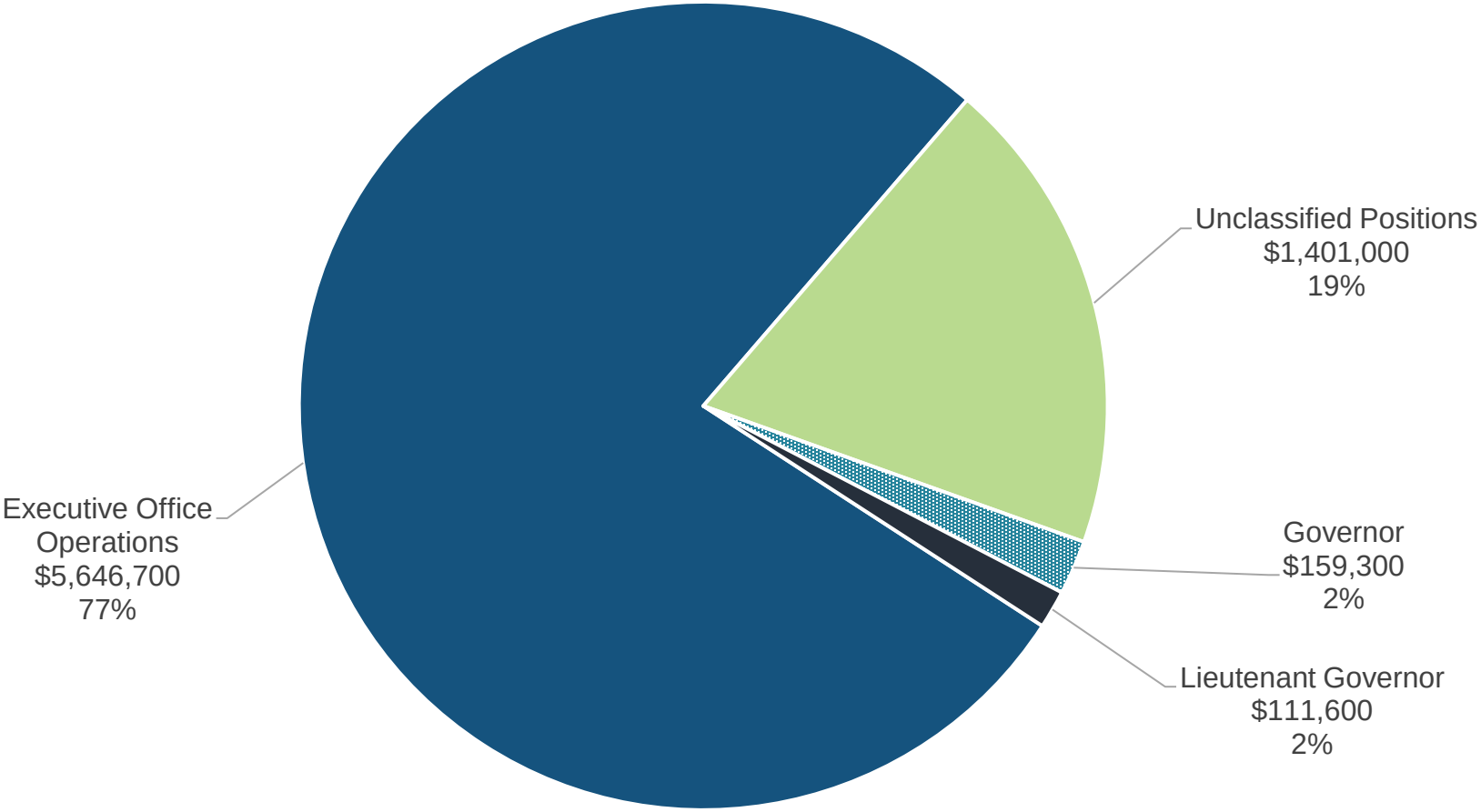
Lieutenant governor: Appropriates the salary for the lieutenant governor

Executive office operations: Expense allowances, staff salaries, benefits, contractual services, supplies, and materials, worker's compensation, travel, equipment, and other operations costs

Unclassified positions: Salaries of chosen positions appointed by the governor or lieutenant governor to manage the executive office and counsel the governor and lieutenant governor

FY 2021-22 Gross Appropriations

Over three-quarters of the **$7.3 million** executive office budget supports executive office operations.



Major Budget Topics

Executive Office Appropriation Areas

Divisions facilitate day-to-day operations for the governor and lt. governor

- Provide legal counsel and interpret legal matters
- Review charters, agreements, resolutions, extraditions, pardons, and administrative and emergency rules
- Recommend appointments to judicial vacancies, boards, and commissions
- Coordinate office facilities, personnel, budget, and information technology
- Recommend policy and manage external/legislative affairs
- Handle correspondence, visits, and phone calls from constituents
- Prepare and coordinate issue papers, speeches, media communications, and audio/video presentations
- Act as liaison between legislature, state departments, local and state officials, and Washington, D.C.

For more information about the Executive Office budget:

HFA Resources

http://www.house.mi.gov/hfa/GeneralGovernment.asp

Contact Information

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