



Budget Briefing: House Budget Overview

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Briefing Topics

- Budget Overview
- GF/GP Program Increases
- Executive GF/GP Program Increases Not Included
- SAF Program Increases
- Budget Process

Budget Overview

Overall Budget Changes

HOUSE FY 2022-23 BUDGET COMPARED TO FY 2021-22 YTD IN MILLIONS OF DOLLARS

Fund Source	*FY 2021-22 Year to Date	FY 2022-23 House	\$ Change	% Change
Federal	\$30,237.8	\$30,055.1	(\$182.6)	(0.6%)
Federal SFRF	1,085.4	2,121.7	1,036.3	95.5%
Local/Private	503.1	515.2	12.1	2.4%
State Restricted	26,176.0	29,192.0	3,016.0	11.5%
GF/GP	12,912.7	14,556.1	1,643.3	12.7%
TOTAL (Adj Gross)	\$70,915.0	\$76,440.1	\$5,525.1	7.8%

* Includes mid-year budget adjustments through February 9, 2022.

Note: The percentage change shown above reflects actual change before totals are rounded to millions.

Budget Comparison

HOUSE FY 2022-23 BUDGET COMPARED TO EXECUTIVE REC IN MILLIONS OF DOLLARS

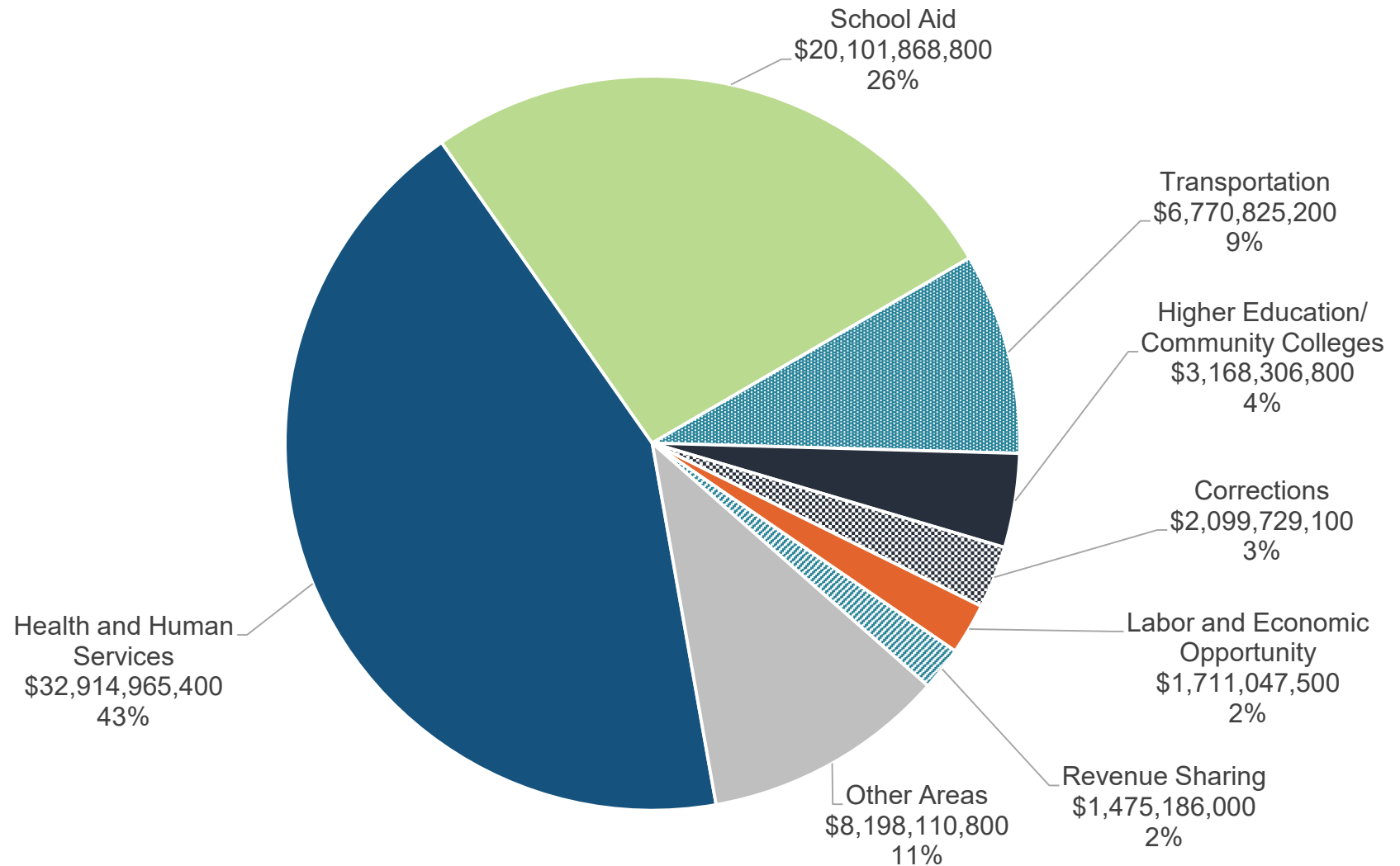
Fund Source	*FY 2022-23 Exec Rec	FY 2022-23 House	\$ Change	% Change
Federal	\$30,341.1	\$30,055.1	(\$286.0)	(0.9%)
Federal SFRF	0.0	2,121.7	2,121.7	--
Local/Private	530.6	515.2	(15.4)	(2.9%)
State Restricted	27,736.6	29,192.0	1,455.4	5.2%
GF/GP	14,309.3	14,556.1	246.8	1.7%
TOTAL (Adj Gross)	\$72,917.6	\$76,440.1	\$3,522.5	4.8%

* Executive Recommendation as of February 9, 2022.

Note: The percentage change shown above reflects actual change before totals are rounded to millions.

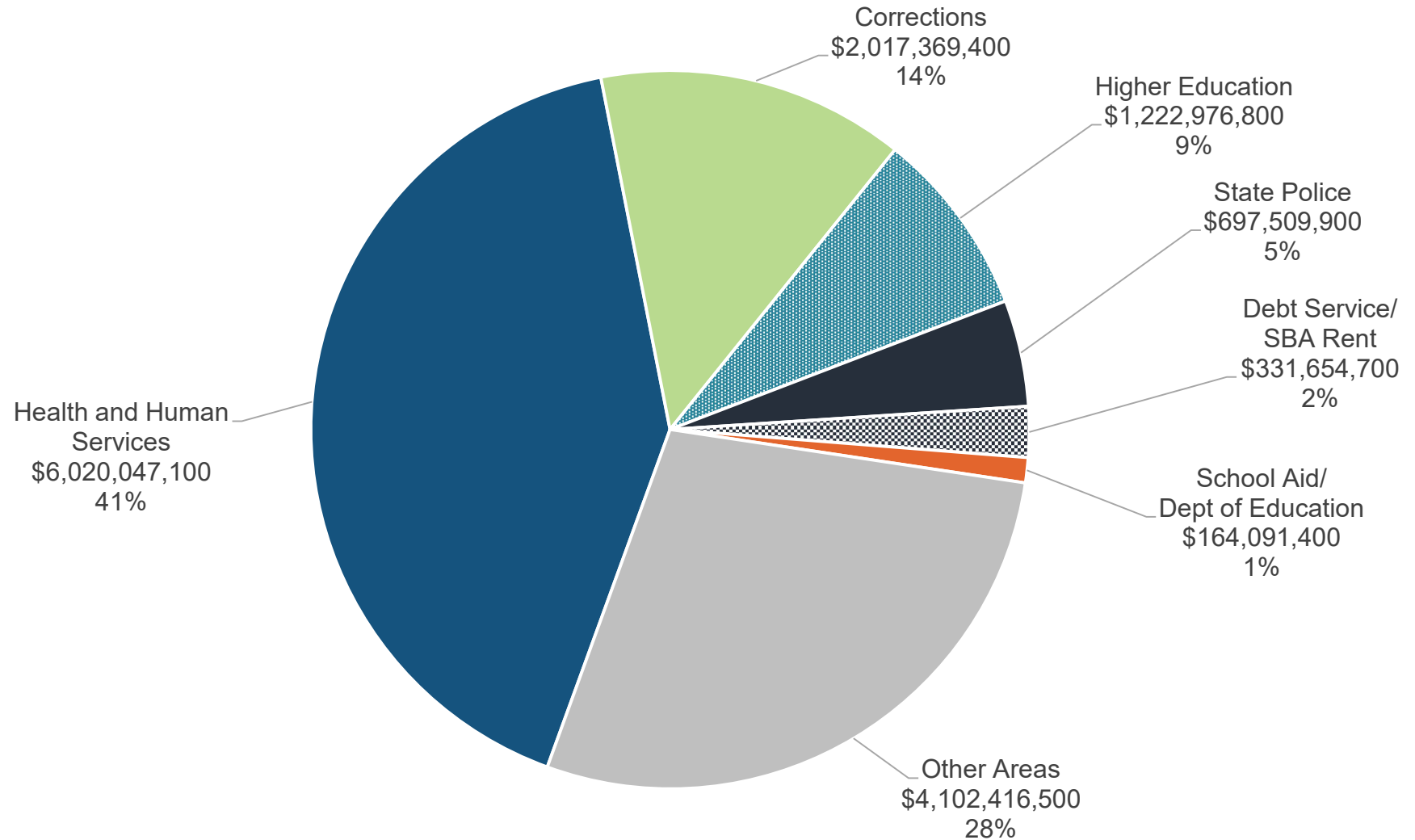
FY 2022-23 Adjusted Gross Appropriations House Budget

Total = \$76,440,389,600



FY 2022-23 GF/GP Appropriations House Budget

Total = \$14,556,065,800



House Proposal – Big Picture

- General Fund Beginning Balance - \$3,582.8 million
- School Aid Fund Beginning Balance - \$3,544.5 million
 - \$4,274.6 million for Pension Payments
 - Reserves \$1,000.0 million for Ongoing Tax Relief
 - \$750 million for Local Roads (MDOT)
 - \$717.5 million Gross (\$212.8 million GF/GP) for Public Safety (incl. HB 5522)
 - \$674.0 million Deposit into the School Aid Stabilization Fund
 - \$100.0 million Deposit into the Rainy Day Fund (BSF)
- General Fund Ending Balance - \$380.0 million
- School Aid Fund Ending Balance - \$320.0 million

House Proposal – Pension Payments

- MPSERS UAAL Payment - \$1,700.0 million (School Aid)
- MPSERS Retirement Obligation Reform Reserve Fund deposit - \$425.0 million (School Aid)
- MPSERS UAAL payoff for Universities - \$649.6 million (FY22 \$200.0 million and FY23 \$449.6 million) (Higher Education)
- Local Municipal Pension Principal grants - \$900.0 million (Treasury)
- Pension Best Practices and Debt Reduction grants - \$250.0 million (Treasury)
- State Police Retirement System - \$350.0 million (Treasury)
- **Total Amount = \$4,274.6 million**

House Proposal – Federal SFRF*

* COVID-19 State Fiscal Recovery Funds (SFRF).

FY 2022-23	Millions of \$
School Aid	\$869.6
Michigan State Police (MSP)	455.8
Higher Education	263.2
Community Colleges	173.7
Department of Health and Human Services (DHHS)	172.5
Labor and Economic Opportunity (LEO)	75.5
Environment, Great Lakes, and Energy (EGLE)	47.9
Department of Corrections (MDOC)	37.5
Judiciary	15.0
Technology, Management and Budget (DTMB)	6.0
Treasury	5.0
Total Federal SFRF	\$2,121.7

GF/GP Program Increases

House Proposal – Increases

- \$263.6 million Gross (\$138.6 million GF/GP), including \$125.0 million of federal State Fiscal Recovery Funds for various statewide psychiatric projects. Does not include Executive-proposed \$325.0 million GF/GP to construct a new state-operated psychiatric hospital campus. (DHHS)
- \$51.0 million Gross (\$17.7 million GF/GP) to increase Medicaid adult dental fee-for-service reimbursements, as well as increase rates for outpatient hospitals and ambulatory surgical centers. Does not include Executive-proposed \$247.6 million Gross (\$69.8 million GF/GP) to roll into single managed care contract. (DHHS)
- \$46.4 million GF/GP for family planning, adoption, maternal health, abortion alternative programming, and conditions Medicaid spending on HB 6011. (DHHS)
- \$45.9 million Gross (\$22.3 million GF/GP) for the child welfare rate increases. (DHHS)

House Proposal – Increases

- \$174.9 million GF/GP increase for developing a single, statewide judicial case management, data collection, and reporting system. (Judiciary)
- \$25.0 million GF/GP for low carbon energy infrastructure enhancement and development (grants to businesses, nonprofits, and local government units). (LARA)
- \$9.9 million increase for Revenue Sharing 2%. (Executive requested \$49.8 million for a 10% increase).

Executive GF/GP Program Increases Not Included

House Proposal – Not Included

- Various one-time Labor and Economic Opportunity grants or programs, \$580.0 million.
- Critical Road and Bridge Infrastructure, \$150.0 million. (MDOT)
- Construction projects at all Michigan National Guard armories, \$115.0 million Gross (\$55.0 million GF/GP). (DMVA)
- IT legacy system modernization, \$115.0 million. (DTMB)
- State-owned building maintenance and infrastructure projects, \$70.0 million. (DTMB)
- Priority Grade Separation Projects, \$60.0 million, House includes a includes \$100 placeholder. (MDOT)
- Add nursing facility non-clinical staff into direct care wage increase, \$60.0 million Gross (\$21.2 million GF/GP). (DHHS)
- Expand operations at state psychiatric hospitals and for the state to purchase the use of private inpatient psychiatric beds, \$52.5 million. (DHHS)

House Proposal – Not Included

- Food Security Council recommendations, \$50.0 million, House includes \$100 placeholder. (DHHS)
- Electric vehicle and charging equipment rebates, \$50.0 million. (Treasury)
- Pre-weatherization, home repair and plumbing assistance grants, \$40.0 million, House includes \$100 placeholder. (DHHS)
- Community technical, managerial, and financial support for lead line replacement, \$48.0 million. (EGLE)
- Local COVID-19 Transition Support Grants, \$40.0 million. (Treasury)
- Economic Development for Food and Agriculture Industries grant program, \$30.0 million. (MDARD)
- State Fish hatchery upgrades and improvements, \$30.0 million. (DNR)

SAF Program Increases

House Proposal – School Aid

- \$408.0 million to increase the foundation allowance \$300 (3.4%) per pupil to \$9,000. (Executive proposed \$580.0 million for a \$435 (5%)).
- Teacher Recruitment - \$514.0 million across 6 programs (e.g., educator scholarships, Grow Your Own, student teaching compensation).
- School Safety - \$293.5 million for school safety grants, school resource officers, and risk assessments.
- Mental Health - \$175.4 million across 10 programs (e.g., wraparound, school-based health centers, ISD supports, apprenticeships, community-based).
- Increases special education reimbursement by \$210.0 million to increase the additional reimbursement percentage from 3% to 10% (in addition to the mandated 28.6%).

House Proposal – Higher Education

○ **Community Colleges**

- \$25.4 million SAF or 7.8% increase for operations, using a revised distribution formula.
- Transfers in Michigan Reconnect and adds \$148.5 million to expand program eligibility to individuals aged 21 – 24.

○ **Higher Education**

- \$63.0 million SAF increase to operations to fund a \$4,672 funding floor based on fiscal year equated students (FYES).
- \$253.0 million federal for projects at Wayne State (Karmanos Cancer Center), Michigan State (Dairy and Greenhouse Renovation) and the Detroit Center for Innovation.

Budget Process

Michigan's Budget Process

Supplemental/Transfer
Adjustments
Throughout Year

First Revenue Estimating
Conference
Second Week of January

Budget Schedule Set
Late January

Governor's Budget
Recommendation
Early February

Subcommittee
Deliberations
February and March

Appropriations Committee
Action
April

Floor Action
Early May

Second House Review
Early May

Second Revenue
Estimating Conference
Third Week of May

Leadership Targets
Mid-/Late May

Conference Committee/
Final Floor Action
Late May/Early June

Governor's Review/Line
Item Vetoes/Signature
June

Reports, Review, Prepare for
Next Budget
July thru January

For more information about the state budget:

HFA website

<http://www.house.mi.gov/hfa/>

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