



MSU IPPSR  
PRESENTATION ON SPENDING  
December 5, 2022  
Senate Fiscal Agency  
Kathryn R. Summers, Director

## Today's Topics

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Current Budget: Terms  
and Dollars

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Historical Trends

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Supplementals

# Expenditures



## Budget Requirements

- The Constitution requires a balanced budget.
- The Constitution prescribes when the budget is submitted by the Governor: within 30 days for a sitting Governor; 60 days for new Governor.
- Limitation on taxes/spending: not more than 9.5% of personal income (roughly \$53B; State spending currently is roughly \$45B). Current tax collections are roughly 7.4% of personal income.

## Fiscal Year (FY)

- The State's fiscal year runs from October 1 through September 30.
- Statute requires the Legislature to adopt a budget by July 1; however, no penalty.

# Revenue and Expenditures – 2 sides of same coin

State's General Fund, School Aid  
Fund, and Restricted Funds =  
Spending from STATE Resources

Taxes/Revenue



Expenditures

# Types of Revenue That Support Spending

Federal Funds

Local Funds

Private Funds (can include gifts, bequests, donations)

## State Funds:

- State General Fund/General Purpose
- State School Aid Fund (restricted to K-12, postsecondary, and MPSERS)
- Other State Restricted Funds (like fees and licenses)
- Budget Stabilization Fund

# Common Verbiage

Adjusted Gross = Total appropriations minus Interdepartmental Grants (IDGs).

IDGs show up in both the sending department and the receiving department.

Deducting out IDGs removes duplication.

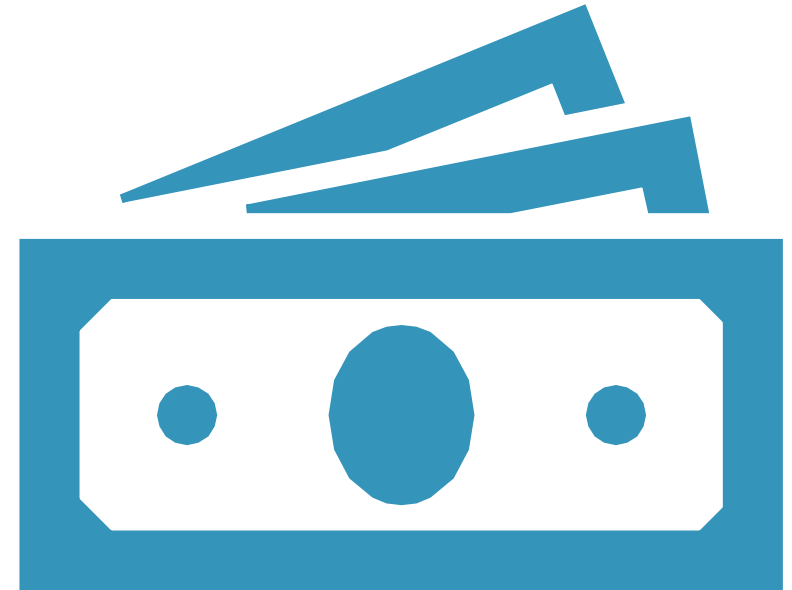
State Spending from State Resources = appropriations from any type of State funding; excludes local and private

Initial Appropriations = the sum of spending from the initially-enacted budget, excluding supplementals

Most of the data in this presentation reflect initial appropriations. A roughly \$1 billion supplemental was enacted in September primarily for economic development.

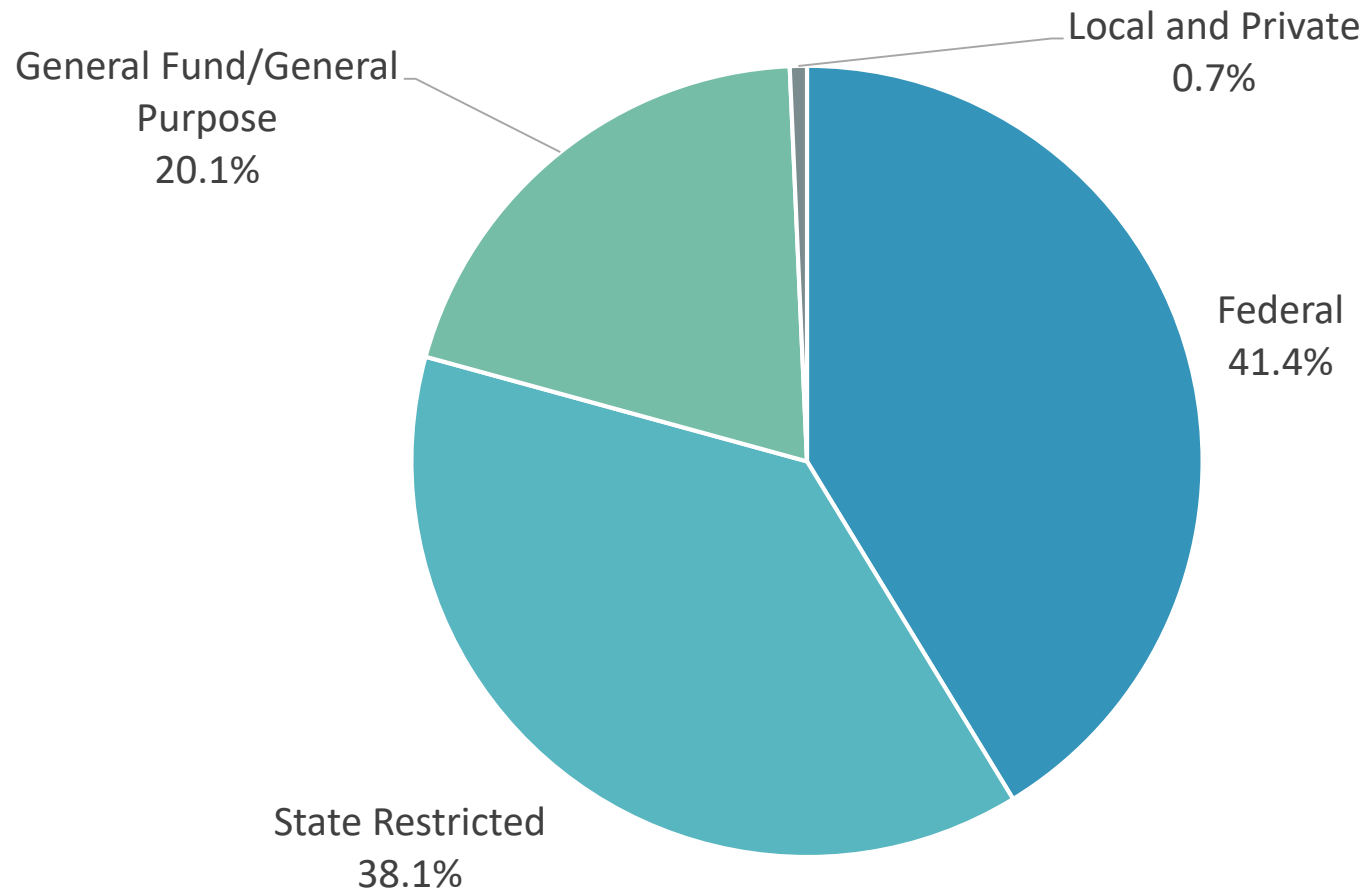
One-Time = appropriations designated as one-time and not recurring (can be reenacted for one or more subsequent years)

# Current Year's Budget



# FY 2022-23 Initial Adjusted Gross Appropriations

## Appropriations by Source of Funds - % of Total

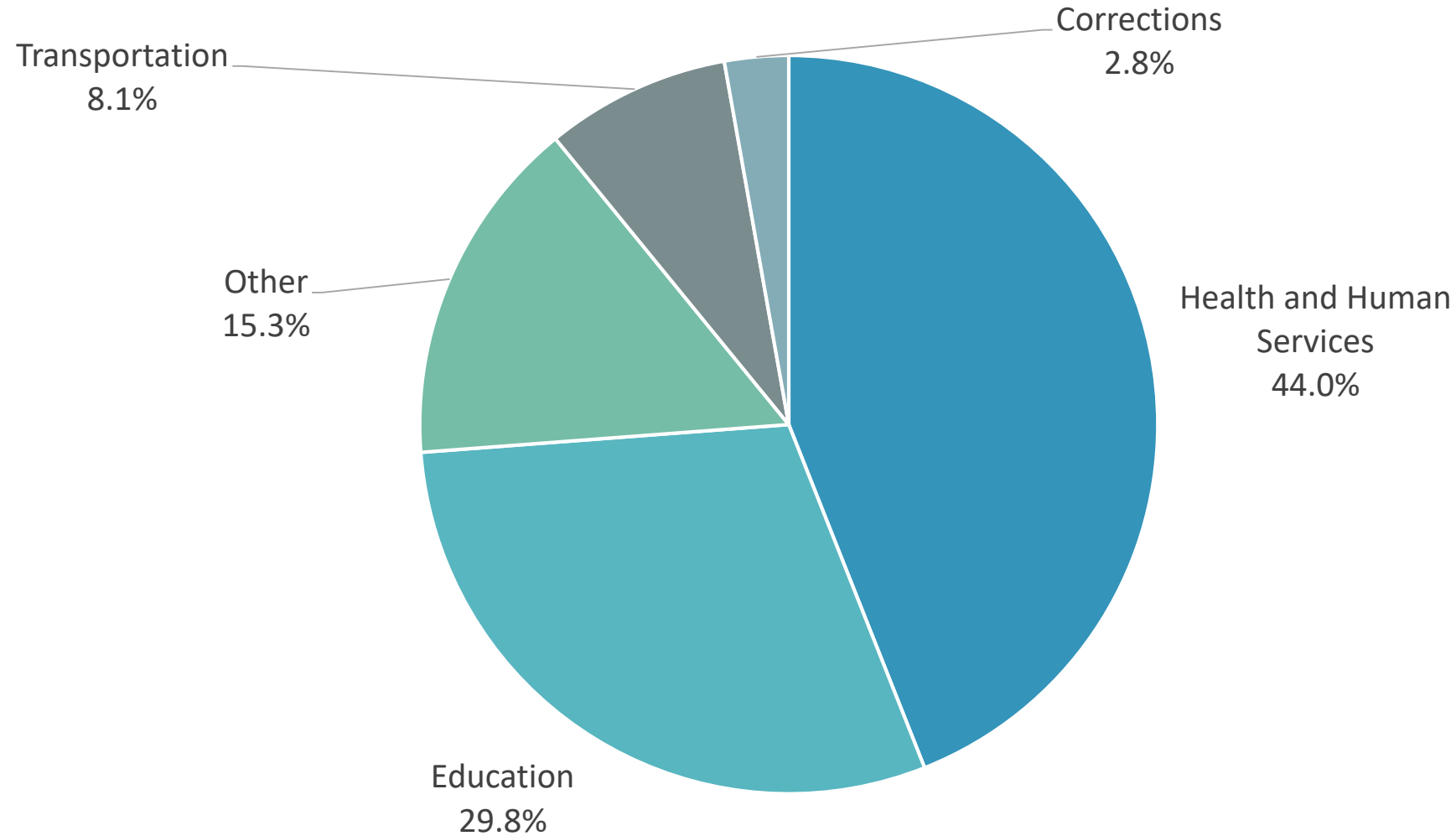


Total = \$75.8 Billion



ADJUSTED GROSS APPROPRIATIONS FY 2021-22 VERSUS FY 2022-23				
Department/Budget Area	FY 2021-22 Year-to-Date Appropriations <sup>1)</sup>	FY 2022-23 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development .....	\$155,365,300	\$187,388,400	\$32,023,100	20.6%
Attorney General .....	77,385,200	82,318,400	4,933,200	6.4
Capital Outlay .....	270,000,000	487,400,000	217,400,000	80.5
Civil Rights .....	18,035,200	21,601,600	3,566,400	19.8
Community Colleges .....	431,417,000	529,758,000	98,341,000	22.8
Corrections .....	2,065,873,000	2,124,968,000	59,095,000	2.9
Education .....	1,939,877,900	420,581,000	(1,519,296,900)	(78.3)
Environment, Great Lakes, & Energy .....	2,647,023,600	725,247,900	(1,921,775,700)	(72.6)
Executive .....	7,318,600	8,533,600	1,215,000	16.6
Health & Human Services .....	34,909,848,400	33,351,369,600	(1,558,478,800)	(4.5)
Higher Education .....	2,107,751,200	2,016,635,700	(91,115,500)	(4.3)
Insurance & Financial Services .....	72,263,000	73,599,000	1,336,000	1.8
Judiciary .....	325,810,800	481,603,400	155,792,600	47.8
Labor & Economic Opportunity .....	4,470,763,000	2,900,346,000	(1,570,417,000)	(35.1)
Legislature .....	209,617,600	208,628,100	(989,500)	(0.5)
Licensing & Regulatory Affairs .....	498,281,600	492,807,500	(5,474,100)	(1.1)
Military & Veterans Affairs .....	221,002,200	347,264,200	126,262,000	57.1
Natural Resources .....	929,003,200	535,279,700	(393,723,500)	(42.4)
Natural Resources Trust Fund .....	45,592,200	0	(45,592,200)	(100.0)
School Aid .....	17,080,768,700	19,602,716,400	2,521,947,700	14.8
State .....	232,764,300	235,196,700	2,432,400	1.0
State Police .....	915,771,600	798,203,400	(117,568,200)	(12.8)
Technology, Management, & Budget .....	700,442,900	788,014,100	87,571,200	12.5
Transportation .....	6,082,906,900	6,100,325,100	17,418,200	0.3
Treasury - Debt Service .....	99,064,000	100,084,100	1,020,100	1.0
Treasury - Operations .....	1,359,462,400	1,568,205,400	208,743,000	15.4
Treasury - Revenue Sharing .....	1,917,298,600	1,567,121,100	(350,177,500)	(18.3)
<b>TOTAL BUDGET AREA APPROPRIATIONS .....</b>	<b>\$79,790,708,400</b>	<b>\$75,755,196,400</b>	<b>(\$4,035,512,000)</b>	<b>(5.1%)</b>
<sup>1)</sup> Appropriations as of July 21, 2022				

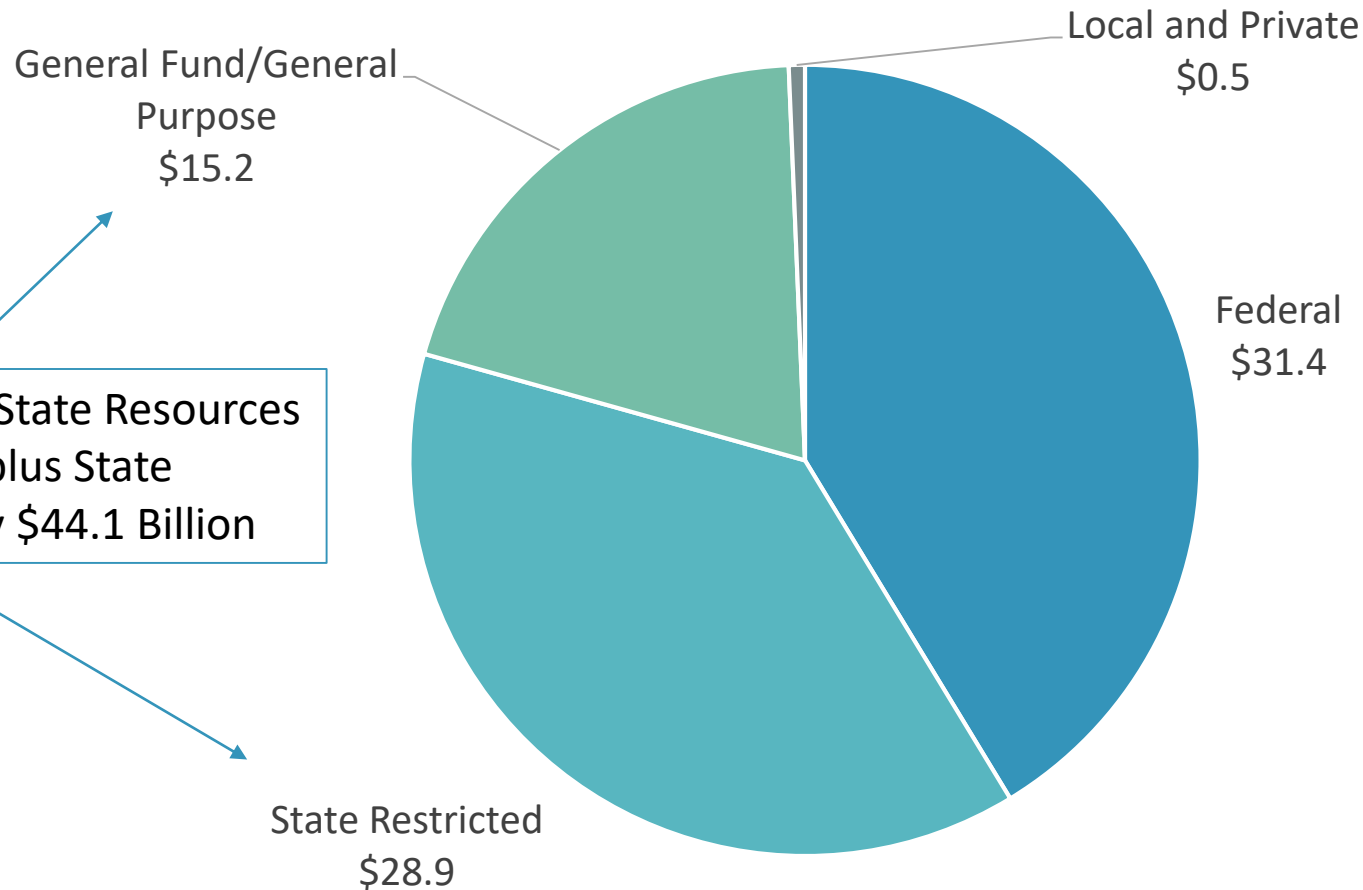
# FY 2022-23 Initial Adjusted Gross Appropriations by Major Category



Total = \$75.8 Billion

# FY 2022-23 Initial Adjusted Gross Appropriations

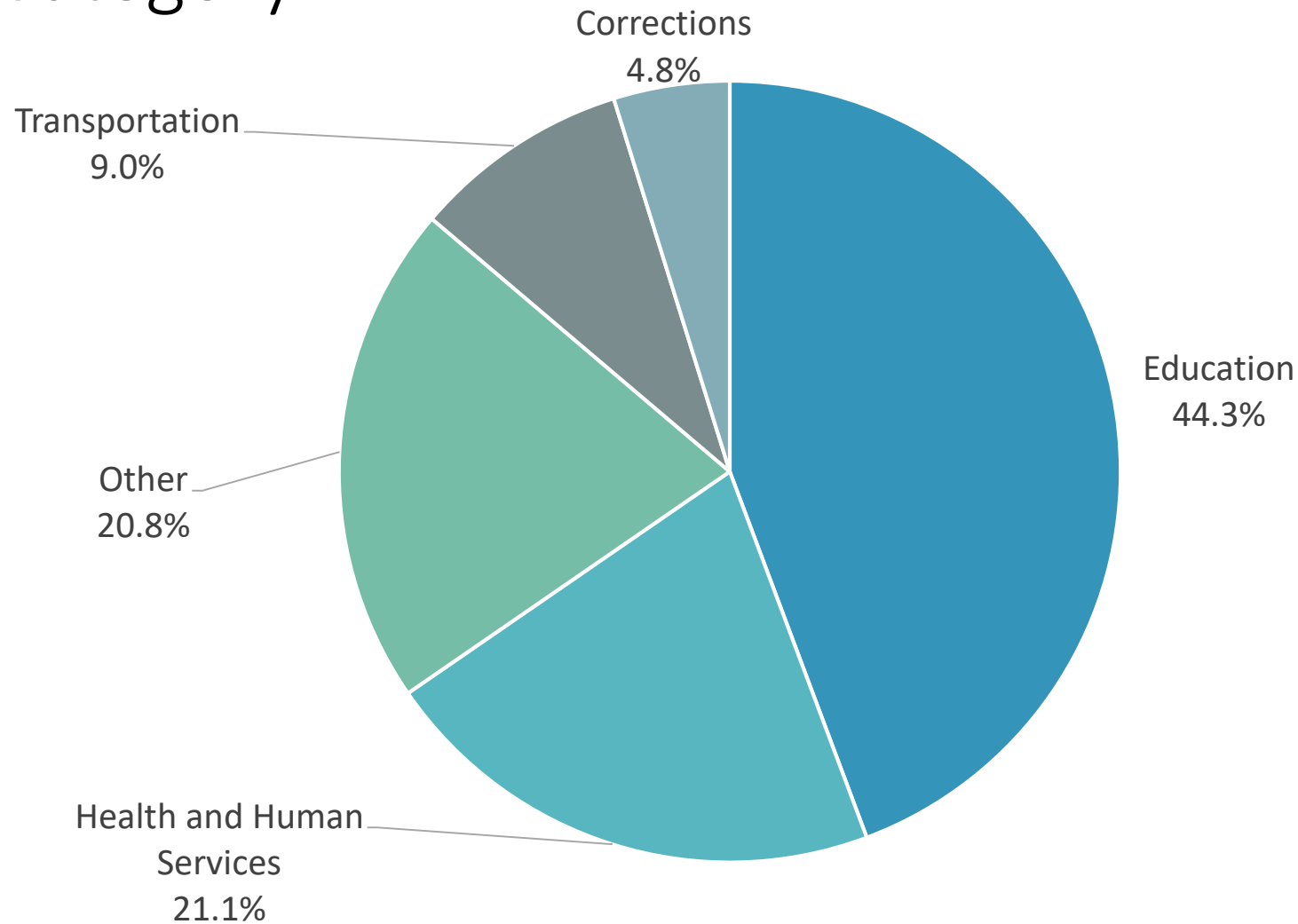
## Appropriations by Source of Funds – in Billions



State Spending from State Resources is the sum of GF/GP plus State Restricted, or roughly \$44.1 Billion

STATE SPENDING FROM STATE RESOURCES FY 2021-22 VERSUS FY 2022-23				
Department/Budget Area	FY 2021-22 Year-to-Date Appropriations <sup>1)</sup>	FY 2022-23 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development.....	\$141,694,200	\$167,696,200	\$26,002,000	18.4%
Attorney General .....	67,516,800	72,216,500	4,699,700	7.0
Capital Outlay.....	0	109,000,000	109,000,000	100.0
Civil Rights .....	15,165,800	18,692,000	3,526,200	23.3
Community Colleges .....	431,417,000	448,558,000	17,141,000	4.0
Corrections .....	1,167,862,800	2,109,940,100	942,077,300	80.7
Education .....	112,293,500	109,511,200	(2,782,300)	(2.5)
Environment, Great Lakes, & Energy .....	603,995,200	436,190,700	(167,804,500)	(27.8)
Executive.....	7,318,600	8,533,600	1,215,000	16.6
Health & Human Services .....	7,783,600,700	9,302,721,400	1,519,120,700	19.5
Higher Education.....	1,979,224,800	1,888,109,300	(91,115,500)	(4.6)
Insurance & Financial Services.....	71,245,900	72,581,900	1,336,000	1.9
Judiciary .....	303,648,600	465,956,300	162,307,700	53.5
Labor & Economic Opportunity .....	1,913,398,500	1,657,620,300	(255,778,200)	(13.4)
Legislature.....	209,211,600	208,199,800	(1,011,800)	(0.5)
Licensing & Regulatory Affairs .....	468,625,700	463,148,300	(5,477,400)	(1.2)
Military & Veterans Affairs .....	100,346,900	146,259,900	45,913,000	45.8
Natural Resources .....	372,916,400	434,610,500	61,694,100	16.5
Natural Resources Trust Fund .....	45,592,200	0	(45,592,200)	(100.0)
School Aid .....	14,635,534,200	17,078,472,900	2,442,938,700	16.7
State .....	231,254,200	233,686,600	2,432,400	1.1
State Police .....	730,637,400	711,459,600	(19,177,800)	(2.6)
Technology, Management, & Budget.....	657,749,700	780,328,300	122,578,600	18.6
Transportation .....	3,802,473,400	3,971,271,600	168,798,200	4.4
Treasury - Debt Service .....	99,064,000	100,084,100	1,020,100	1.0
Treasury - Operations .....	910,038,000	1,529,994,100	619,956,100	68.1
Treasury - Revenue Sharing .....	1,595,152,600	1,567,121,100	(28,031,500)	(1.8)
<b>TOTAL BUDGET AREA APPROPRIATIONS .....</b>	<b>\$38,456,978,700</b>	<b>\$44,091,964,300</b>	<b>\$5,634,985,600</b>	<b>14.7%</b>
<sup>1)</sup> Appropriations as of July 21, 2022				

# FY 2022-23 State Spending from State Resources by Major Category

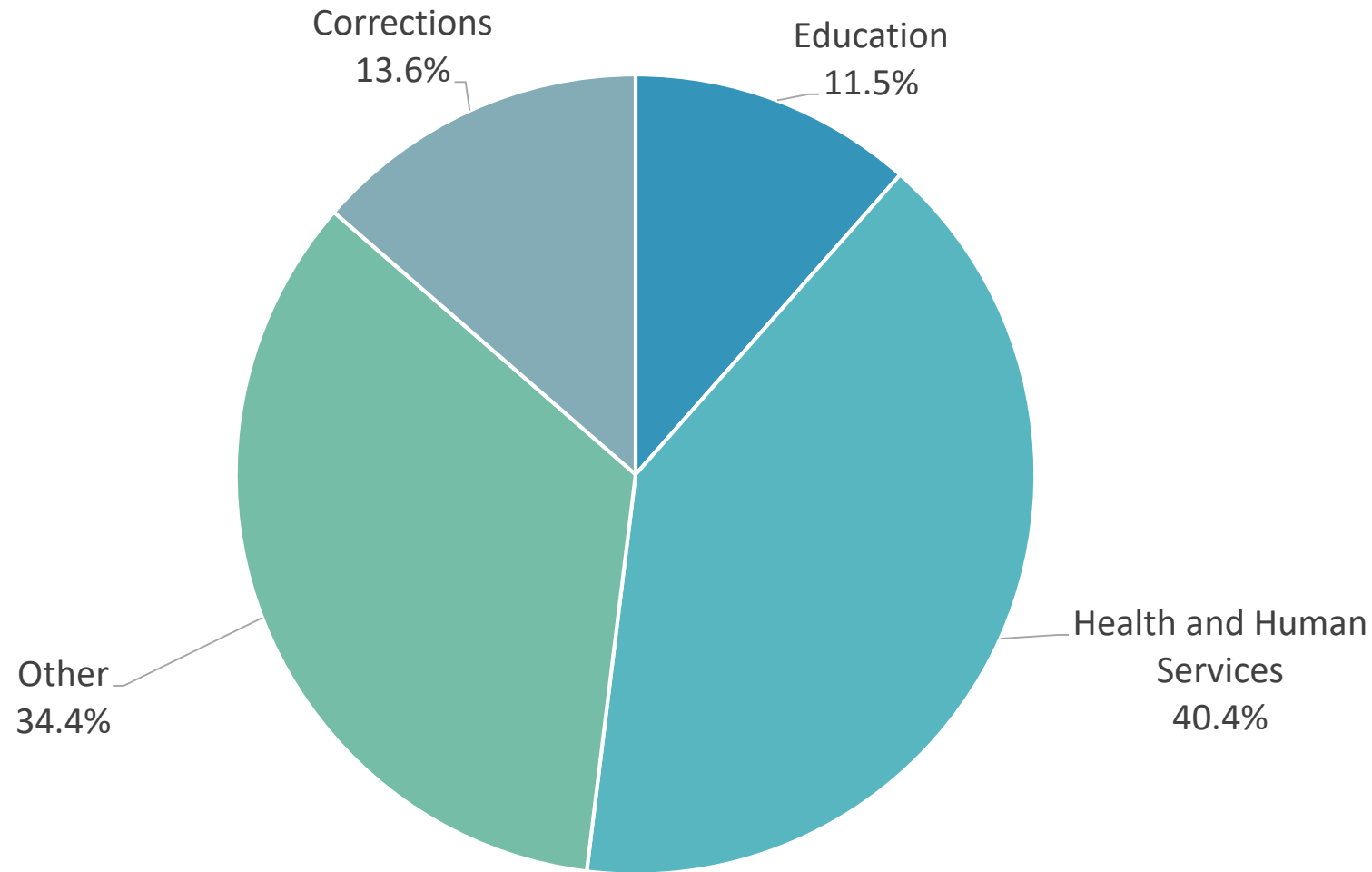


Total = \$44.1 Billion

GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS FY 2021-22 VERSUS FY 2022-23				
Department/Budget Area	FY 2021-22 Year-to-Date Appropriations <sup>1)</sup>	FY 2022-23 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development.....	\$97,366,900	\$122,989,800	\$25,622,900	26.3%
Attorney General .....	47,126,000	51,429,800	4,303,800	9.1
Capital Outlay.....	0	109,000,000	109,000,000	100.0
Civil Rights .....	15,107,300	18,633,500	3,526,200	23.3
Community Colleges .....	0	0	0	0.0
Corrections .....	1,122,369,400	2,080,108,300	957,738,900	85.3
Education .....	102,508,100	99,591,500	(2,916,600)	(2.8)
Environment, Great Lakes, & Energy .....	292,945,200	98,835,800	(194,109,400)	(66.3)
Executive .....	7,318,600	8,533,600	1,215,000	16.6
Health & Human Services .....	4,754,274,400	6,170,128,600	1,415,854,200	29.8
Higher Education.....	1,317,821,500	1,540,221,000	222,399,500	16.9
Insurance & Financial Services.....	0	0	0	0.0
Judiciary .....	209,335,900	370,774,900	161,439,000	77.1
Labor & Economic Opportunity .....	1,630,615,800	1,411,699,900	(218,915,900)	(13.4)
Legislature.....	202,334,300	200,904,800	(1,429,500)	(0.7)
Licensing & Regulatory Affairs .....	209,695,900	213,822,400	4,126,500	2.0
Military & Veterans Affairs.....	79,010,200	127,465,000	48,454,800	61.3
Natural Resources .....	49,457,900	94,404,000	44,946,100	90.9
Natural Resources Trust Fund .....	0	0	0	0.0
School Aid .....	98,119,400	112,000,000	13,880,600	14.1
State .....	13,035,600	12,679,300	(356,300)	(2.7)
State Police .....	575,689,300	552,709,200	(22,980,100)	(4.0)
Technology, Management, & Budget.....	533,545,100	657,109,000	123,563,900	23.2
Transportation .....	100,100,000	66,250,000	(33,850,000)	(33.8)
Treasury - Debt Service .....	99,064,000	100,084,100	1,020,100	1.0
Treasury - Operations .....	462,314,200	1,036,440,500	574,126,300	124.2
Treasury - Revenue Sharing.....	46,433,000	0	(46,433,000)	(100.0)
<b>TOTAL BUDGET AREA APPROPRIATIONS .....</b>	<b>\$12,065,588,000</b>	<b>\$15,255,815,000</b>	<b>\$3,190,227,000</b>	<b>26.4%</b>
<sup>1)</sup> Appropriations as of July 21, 2022				



# FY 2022-23 State Spending from GF/GP by Major Category



Total = \$15.3 Billion

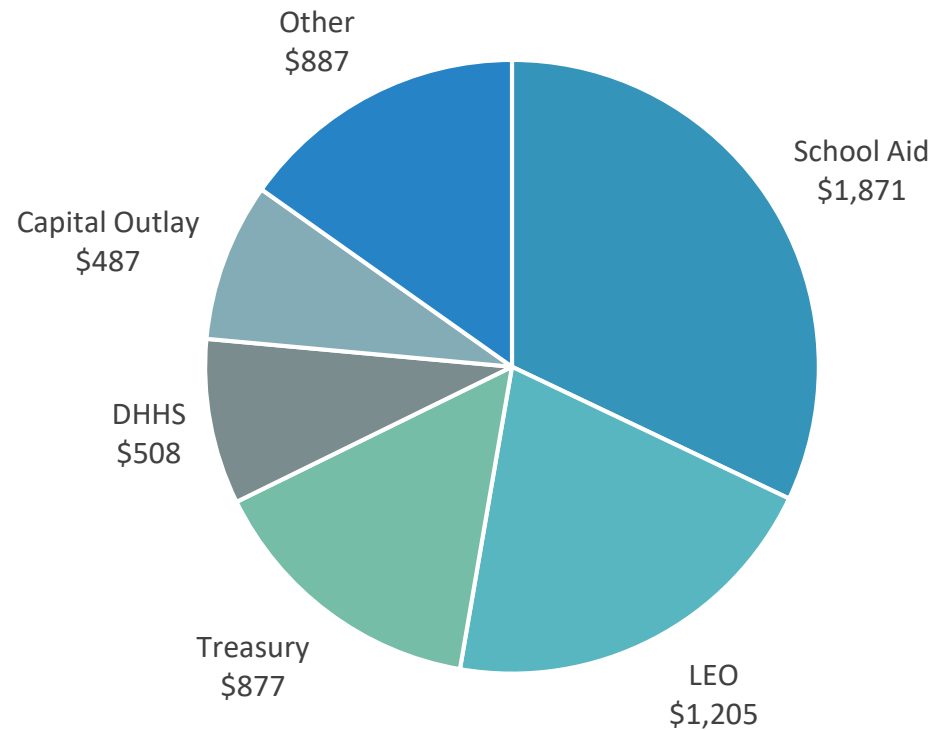
SUMMARY OF FY 2022-23 APPROPRIATION CHANGES		
	Gross	GF/GP
<b>FY 2021-22 Year-To-Date Appropriation<sup>1)</sup></b> .....	\$81,017,801,600	\$12,065,588,000
<b>Changes for FY 2022-23:</b>		
New Programs .....	\$3,976,739,500	\$2,795,733,300
Program Increases .....	5,209,535,700	1,327,099,000
Program Eliminations .....	(7,916,522,600)	(2,241,272,900)
Program Reductions .....	(5,520,408,700)	(73,025,800)
Major Fund Shifts Affecting GF/GP .....	14,000,000	1,276,403,100
Other Technical Program Transfers/Adjustments .....	(1,459,300)	0
Economic Adjustments .....	193,275,400	104,773,400
Unclassified Salaries Adjustments (Executive Branch) .....	1,148,800	516,900
Total Changes .....	(\$4,043,691,200)	\$3,190,227,000
<b>FY 2022-23 INITIAL APPROPRIATION</b> .....	<b>\$76,974,110,400</b>	<b>\$15,255,815,000</b>
<sup>1)</sup> Appropriation as of July 21, 2022		

## Summary of Types of Appropriation Changes

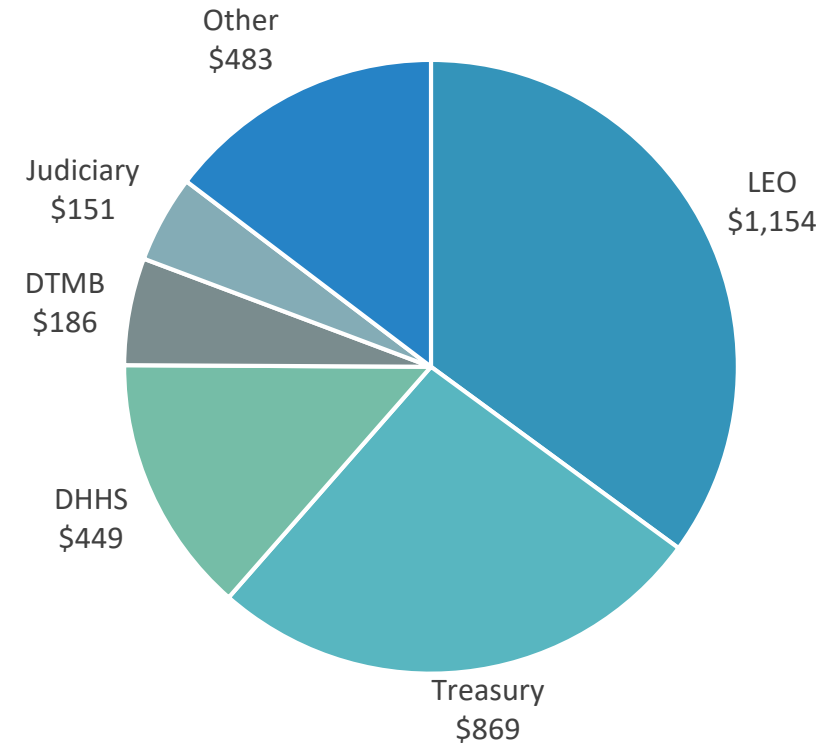


# FY 2022-23 One-Time Spending by Department Initial Appropriations, Gross and GF/GP

Initial Gross One-Time (in Millions)  
Total = \$5.8 Billion



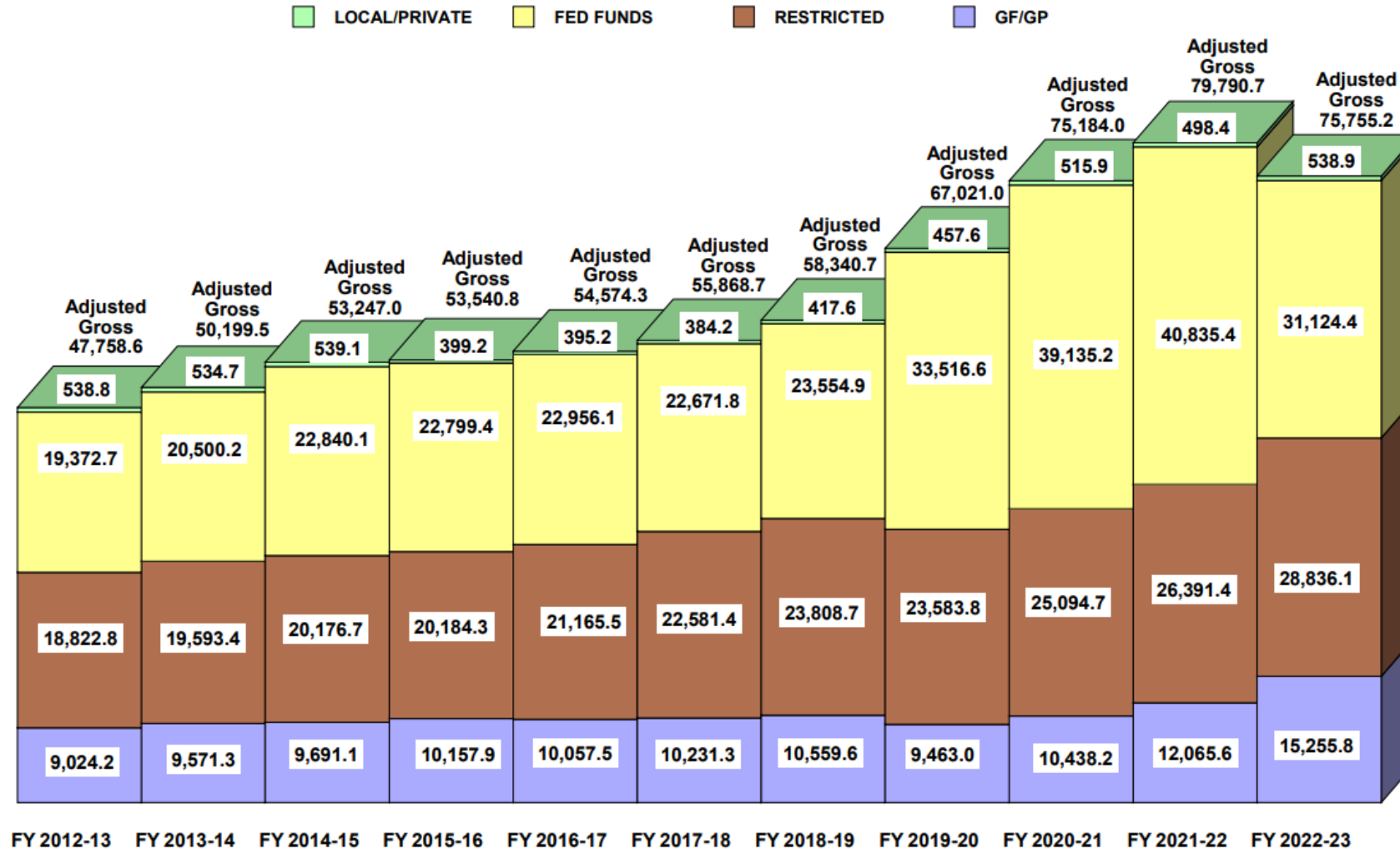
Initial GF/GP One-Time (in Millions)  
Total = \$3.3 Billion



# Historical Budget Trends

# State Of Michigan Appropriations by Fund Source

## Year-To-Date (Millions of Dollars)

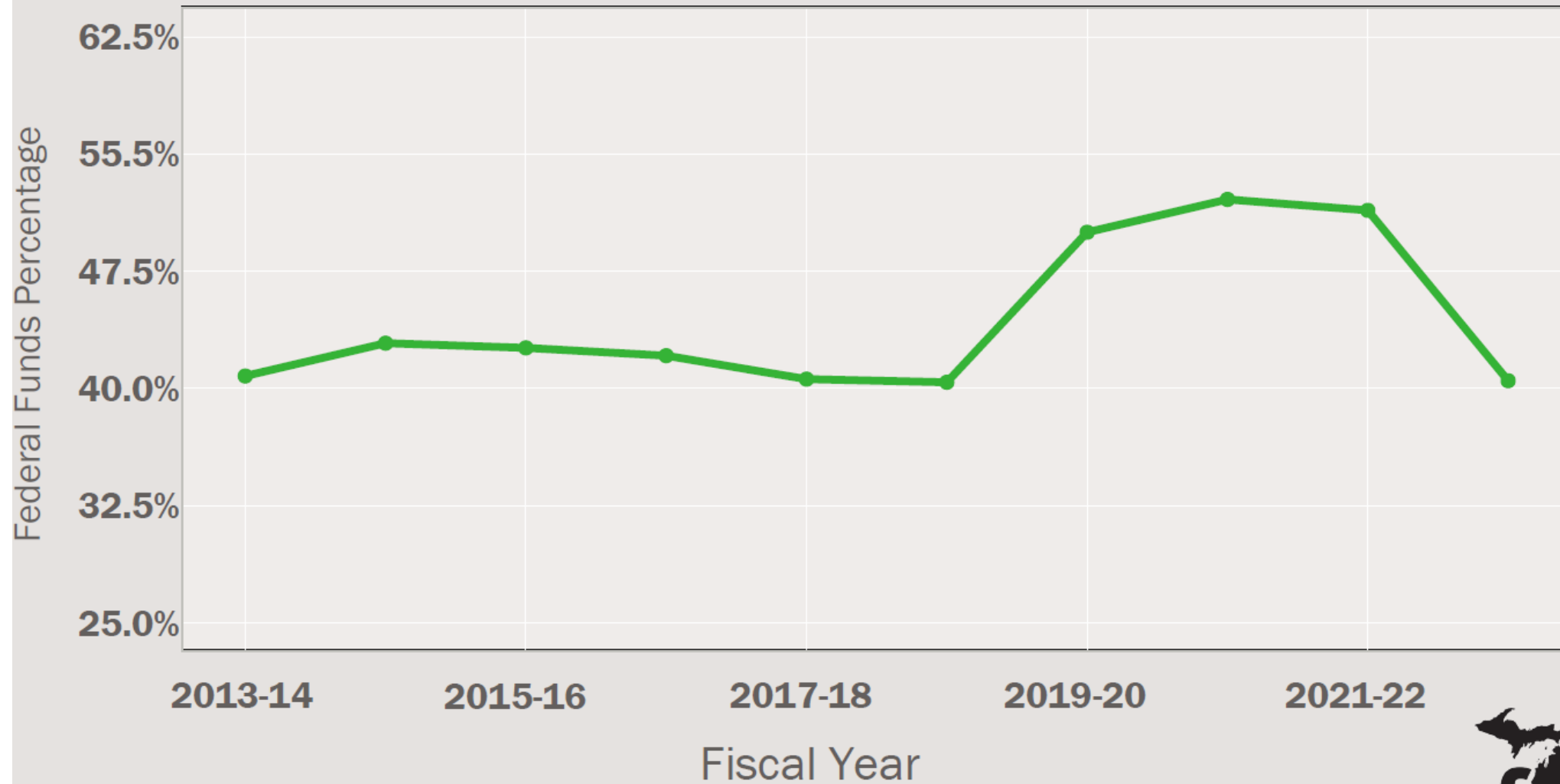


**STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS  
TOTAL COMPARED IN SELECTED BUDGET AREAS**  
(millions of dollars)

<b>Budget Area</b>	<b>FY 2012-13 Year-to-Date Appropriations</b>	<b>FY 2022-23 Year-to-Date Appropriations</b>	<b>Dollar Difference</b>	<b>Percent Change</b>
Health and Human Services	\$6,052.3	\$9,375.0	\$3,322.7	54.9%
Corrections	2,008.2	2,109.9	101.7	5.1
K-12 School Aid	11,211.0	17,090.7	5,879.7	52.4
Community Colleges	306.6	448.6	142.0	46.3
Higher Education	1,302.2	1,888.1	585.9	45.0
Labor and Economic Opportunity	317.6	2,573.8	2,256.2	710.4
Revenue Sharing-Constitutional	722.2	1,036.6	314.4	43.5
Revenue Sharing-Nonconstitutional	370.6	528.0	157.4	42.5
Transportation	2,194.3	3,971.3	1,777.0	81.0
All Other Programs	3,362.1	6,083.0	2,720.9	81.0
<b>Total State Spending</b>	<b>\$27,847.1</b>	<b>\$45,107.5</b>	<b>\$17,260.4</b>	<b>62.0%</b>
<b>Addendum:</b>				
Medicaid Caseload	1,916,187	3,138,807	1,222,620	63.8%
Prison Population	43,704	32,253	(11,451)	(26.2)
K-12 Pupil Count	1,535,989	1,398,900	(137,089)	(8.9)
University Students	263,817	247,444	(16,373)	(6.2)
Community College Students	154,118	102,319	(51,799)	(33.6)
Michigan Personal Income (millions)	\$394,325.0	\$593,295.3	\$198,970.3	50.5%
Detroit Consumer Price Index	219.1	274.0	--	25.1%

# Federal Funds as a Percentage of Total State of Michigan Budget

10-year history, COVID-19 expenditures reflect increased Federal share of budget



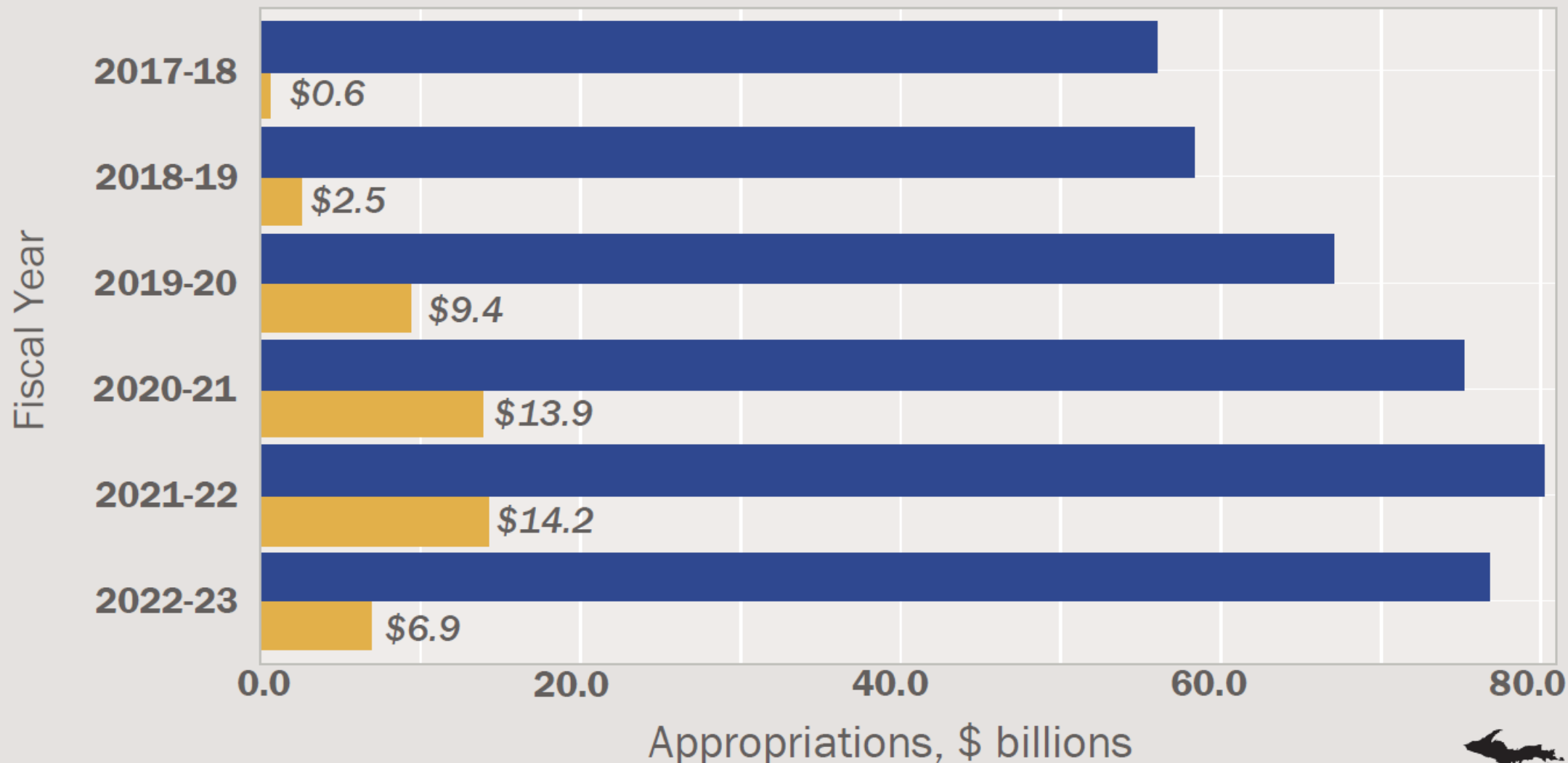
Source: Annual Appropriations Acts



# Michigan Total and One-Time Appropriations

Growth in one-time appropriations during COVID-19 pandemic years

Fiscal Year 2017-18 to enacted Fiscal Year 2022-23



Source: Annual Appropriations Acts; Total Appropriations = final adjusted gross appropriations,  
One-time appropriations = initial designated as one-time and supplemental appropriations

# Supplementals

Supplementals are  
budgets that are enacted  
after the first set of  
budget bills are enacted  
for a given fiscal year

# Many Supplementals in Recent Years

Fiscal Year	Number of Supplementals	Total Supplemental Funding	Federal Funds % of Supplementals	General Fund % of Supplementals
2017	7	\$265.3 million	75.7%	30.1%
2018	8	\$4.5 million	(11,813%)	42.2%
2019	7	\$1,992.9	36.8%	26.5%
2020	10	\$5,970.4	111.3%	(10.9%)
2021	12	\$13,170.6	100.6%	(1.3%)
2022	9	\$11,025.5	96.9%	2.6%



# Miscellaneous Budget Items

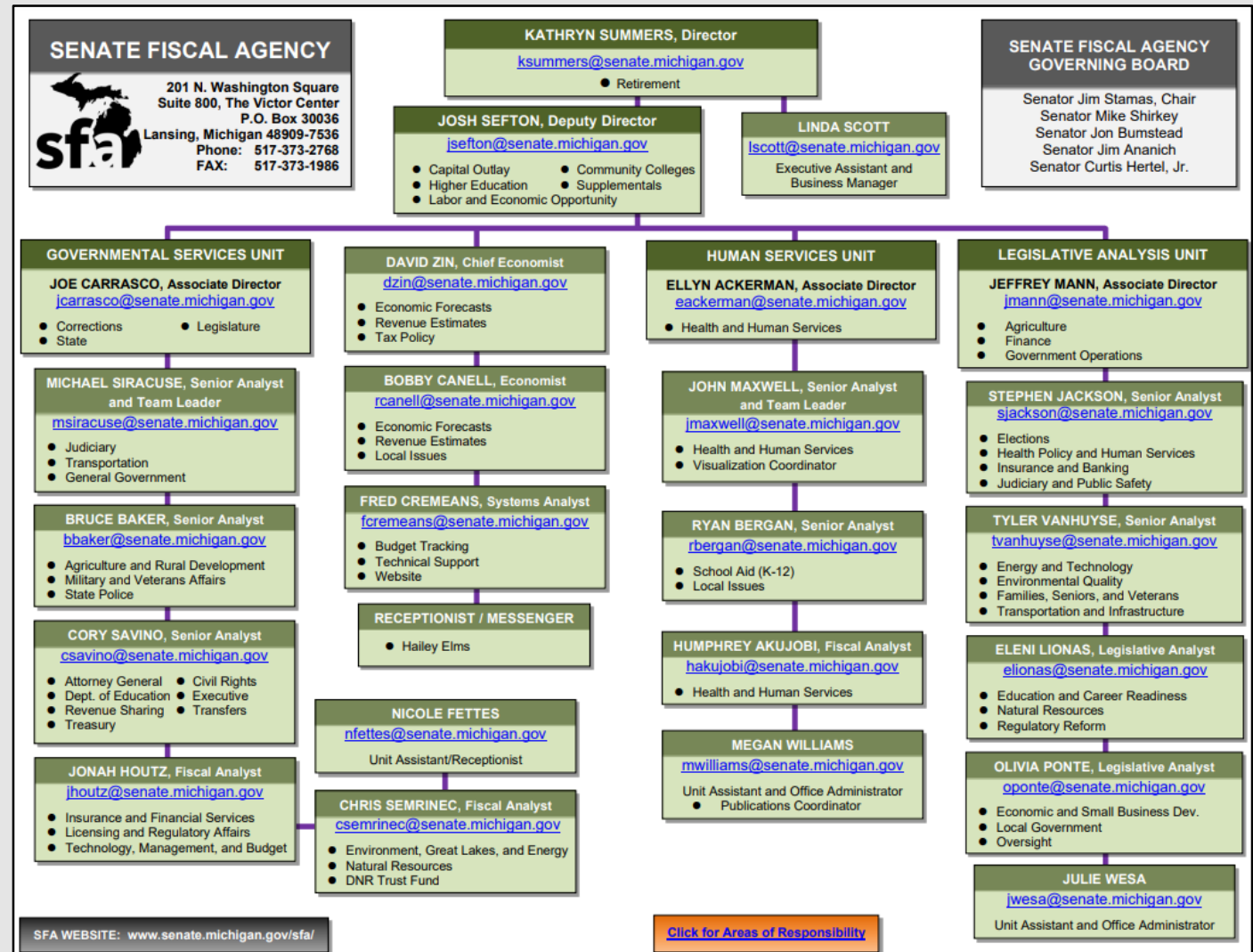
## Transfers

- Administrative - court judgments, settlements, cost adjustments
- Legislative – moving money between line items
- Contingency Fund – additional (often Federal) funds beyond what was envisioned when the initial budget was enacted

## Only Contingency Fund Transfers ADD money to the enacted budget

- The other transfers move money between line items and net to \$0
- Contingency funds are additional moneys that weren't anticipated when the original budget was enacted.

# Personnel



# Contact Information



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[Senate.Michigan.gov/sfa](https://Senate.Michigan.gov/sfa)

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