



MSU IPPSR
LEGISLATIVE STAFF TRAINING: BUDGET
February 3, 2023
Senate Fiscal Agency
Kathryn R. Summers, Director

Today's Topics

Current Budget: Terms
and Dollars

Historical Trends

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.

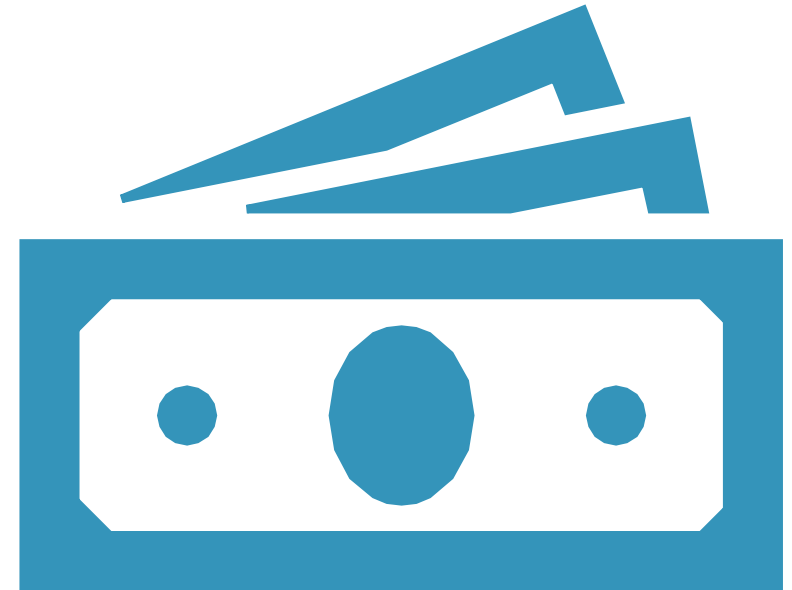
State Spending from State Resources = appropriations from any type of State funding; excludes local and private

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, and a roughly \$1 billion supplemental was adopted in January 2023.

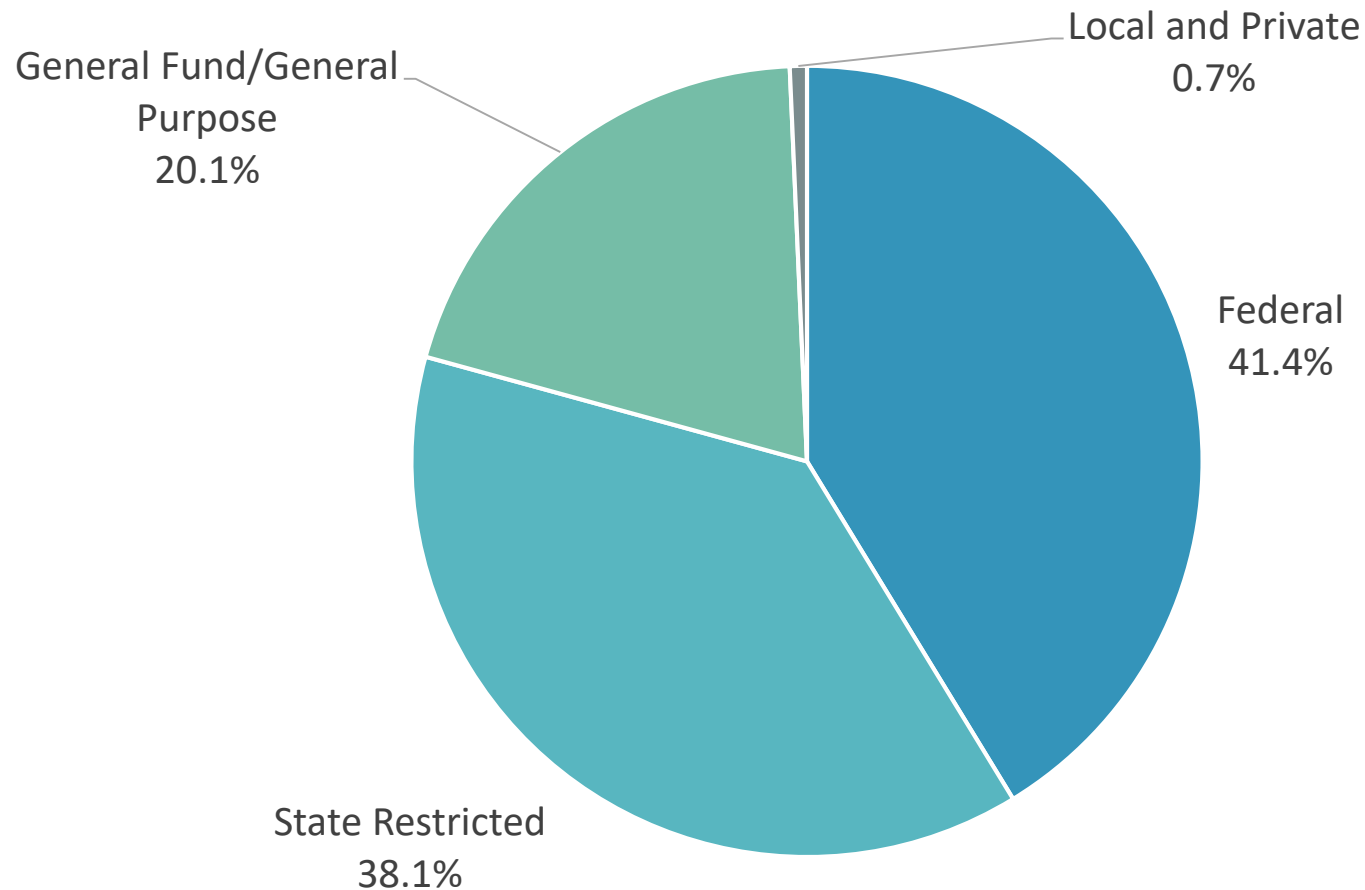
One-Time = appropriations designated as one-time and not recurring (can be reenacted for one or more subsequent years)

Current Year's Budget



FY 2022-23 Initial Adjusted Gross Appropriations

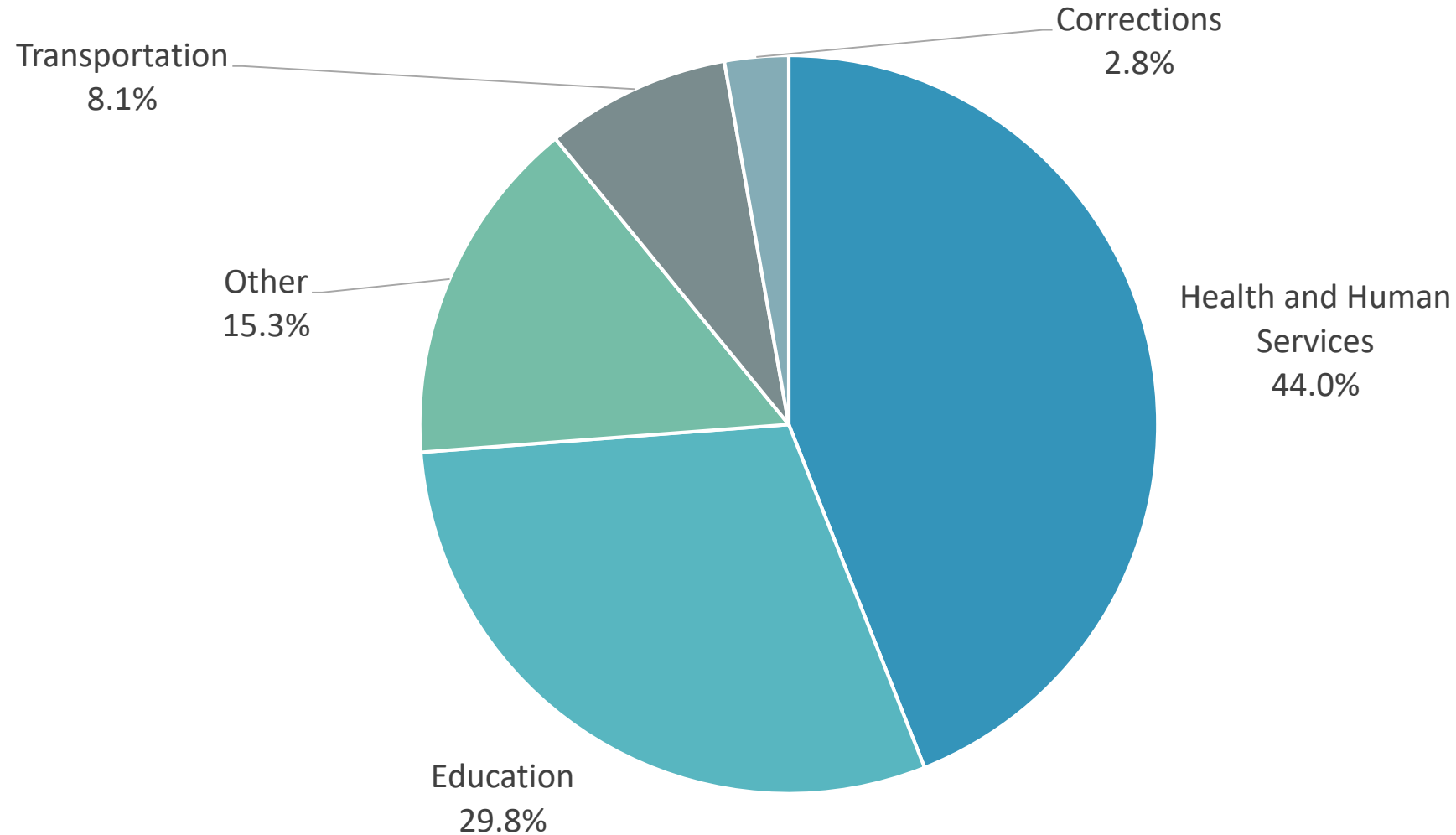
Appropriations by Source of Funds - % of Total



Total = \$75.8 Billion

ADJUSTED GROSS APPROPRIATIONS FY 2021-22 VERSUS FY 2022-23				
Department/Budget Area	FY 2021-22 Year-to-Date Appropriations ¹⁾	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)
TOTAL BUDGET AREA APPROPRIATIONS	\$79,790,708,400	\$75,755,196,400	(\$4,035,512,000)	(5.1%)
¹⁾ Appropriations as of July 21, 2022				

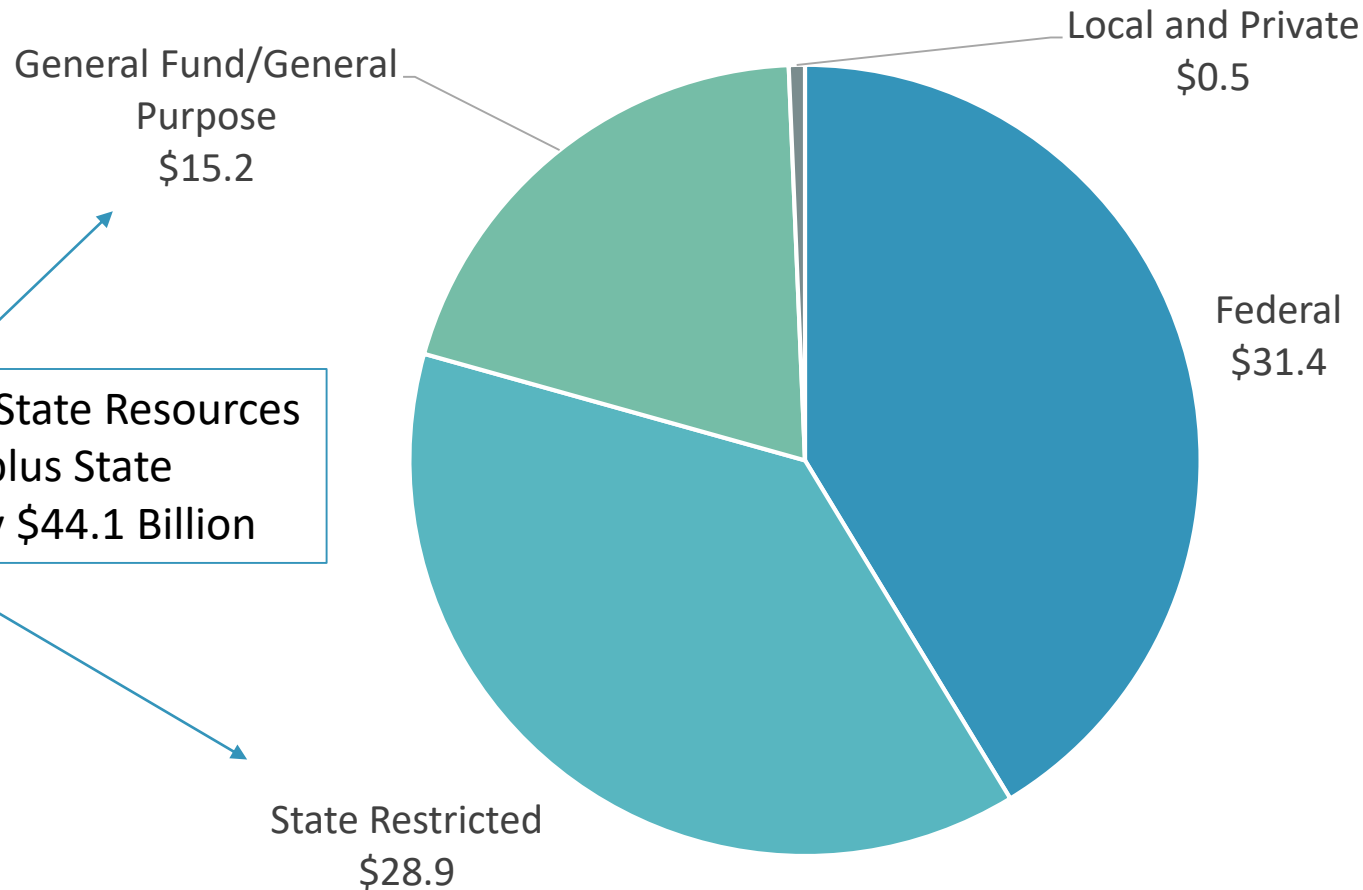
FY 2022-23 Initial Adjusted Gross Appropriations by Major Category



Total = \$75.8 Billion

FY 2022-23 Initial Adjusted Gross Appropriations

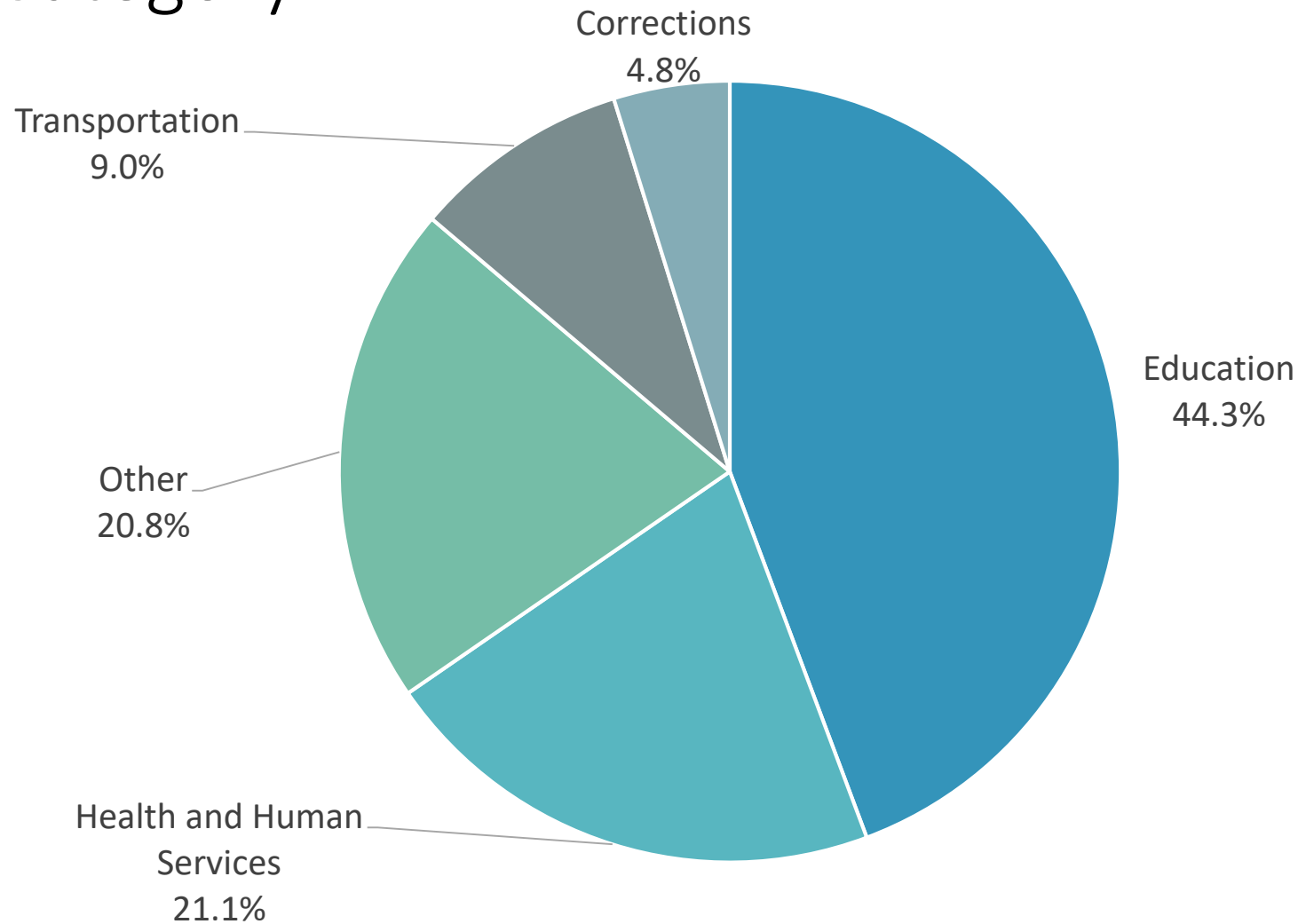
Appropriations by Source of Funds – in Billions



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 ¹⁾	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)
TOTAL BUDGET AREA APPROPRIATIONS	\$38,456,978,700	\$44,091,964,300	\$5,634,985,600	14.7%
¹⁾ Appropriations as of July 21, 2022				

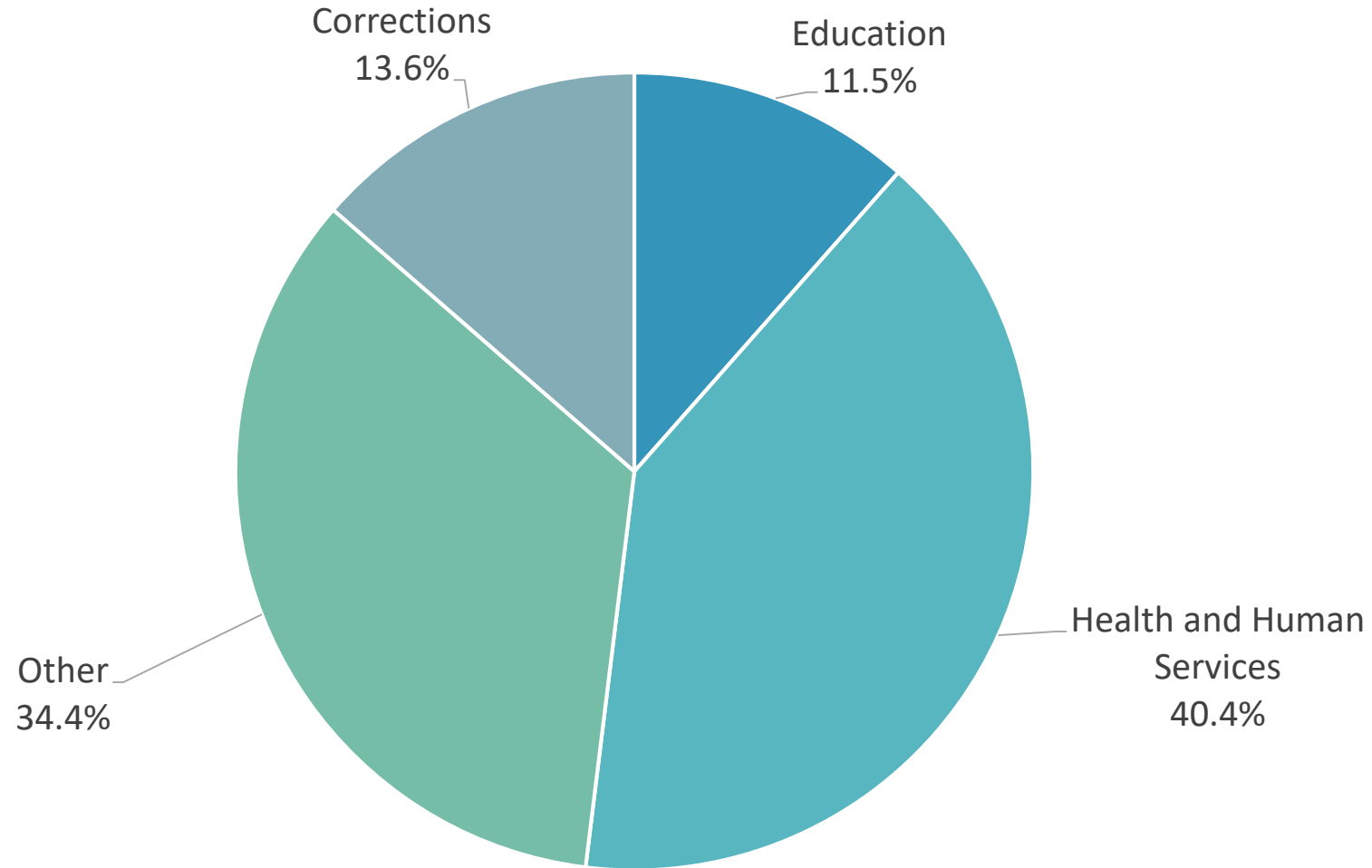
FY 2022-23 State Spending from State Resources by Major Category



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 ¹⁾	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)
TOTAL BUDGET AREA APPROPRIATIONS	\$12,065,588,000	\$15,255,815,000	\$3,190,227,000	26.4%
¹⁾ Appropriations as of July 21, 2022				

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



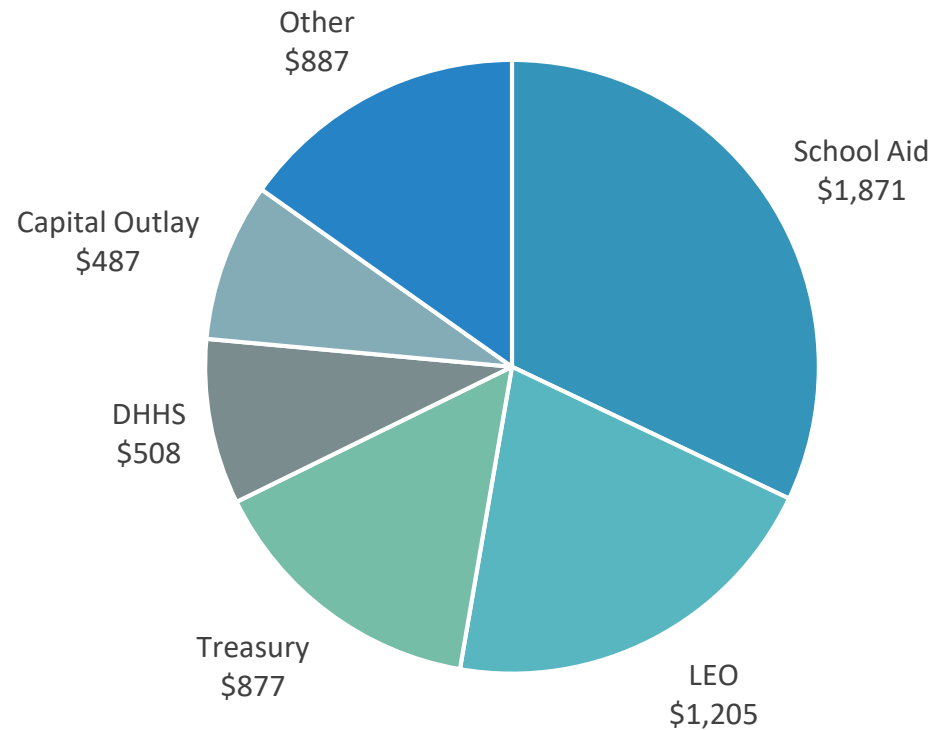
Total = \$15.3 Billion

Summary of Types of Appropriation Changes

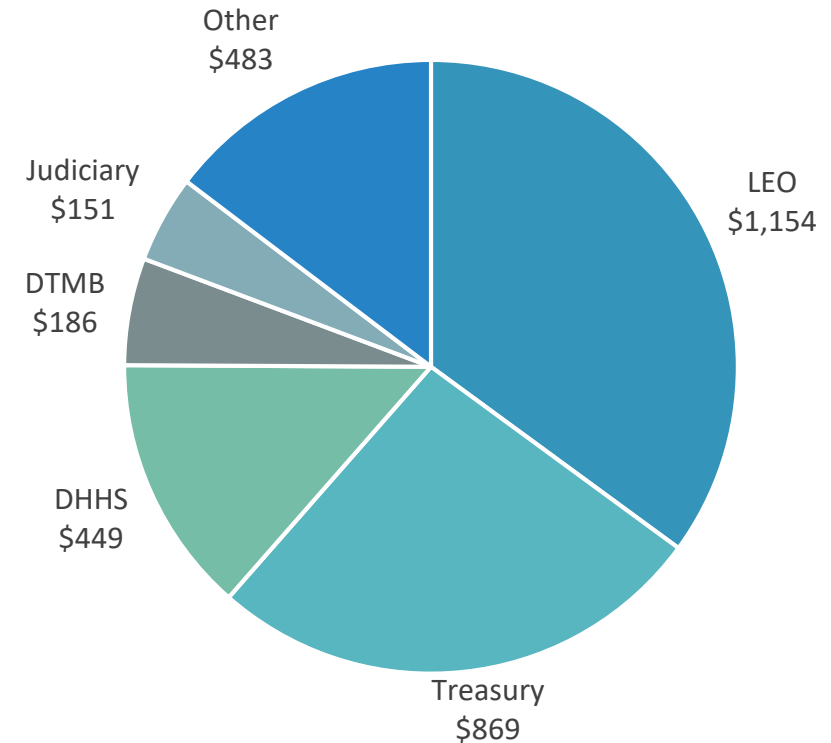
SUMMARY OF FY 2022-23 APPROPRIATION CHANGES		
	Gross	GF/GP
FY 2021-22 Year-To-Date Appropriation¹⁾	\$81,017,801,600	\$12,065,588,000
<u>Changes for FY 2022-23:</u>		
New Programs	\$3,976,739,500	\$2,795,733,300
Program Increases	5,209,535,700	1,327,099,000
Program Eliminations	(7,916,522,600)	(2,241,272,900)
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
FY 2022-23 INITIAL APPROPRIATION	\$76,974,110,400	\$15,255,815,000
¹⁾ Appropriation as of July 21, 2022		

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

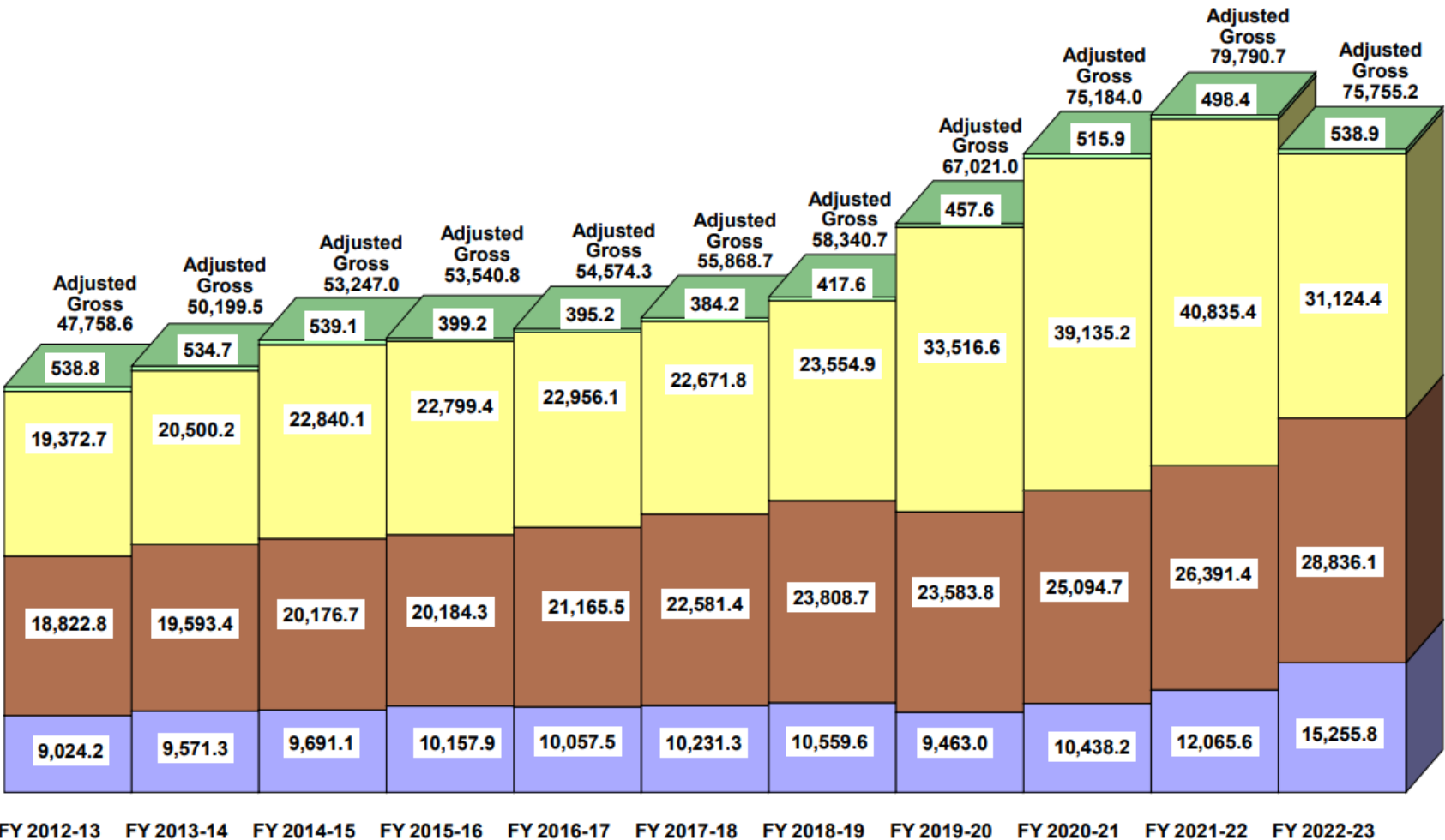


Historical Budget Trends

State Of Michigan Appropriations by Fund Source

Year-To-Date (Millions of Dollars)

LOCAL/PRIVATE FED FUNDS RESTRICTED GF/GP



As of 1/1/23;
not inclusive
of Jan. 2023
supplemental
that affects
both FY 22
and FY 23
figures.

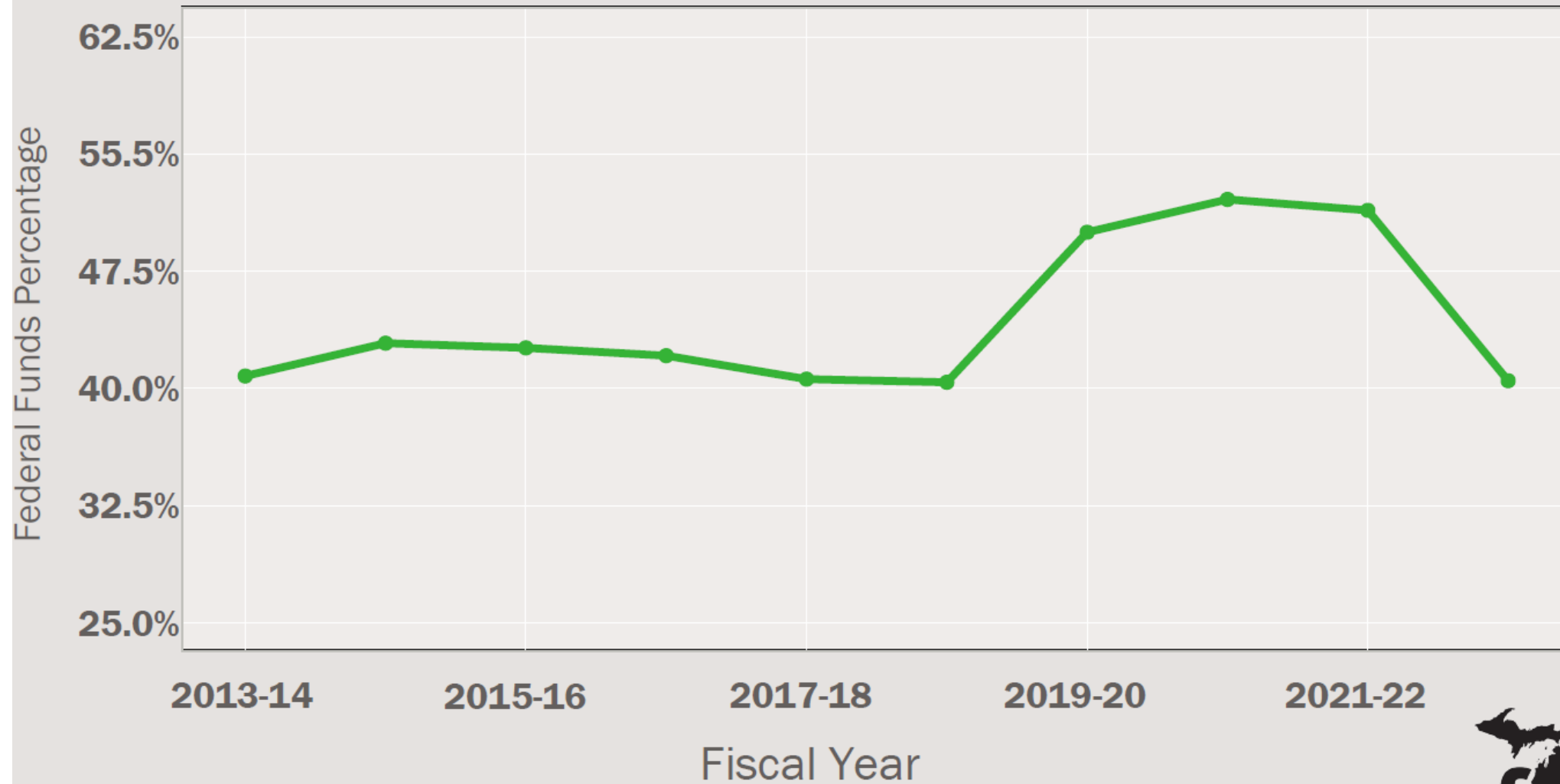


As of 1/1/23;
not inclusive
of Jan. 2023
supplemental
that affects
both FY 22
and FY 23
figures.

STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS TOTAL COMPARED IN SELECTED BUDGET AREAS (millions of dollars)				
Budget Area	FY 2012-13 Year-to-Date Appropriations	FY 2022-23 Year-to-Date Appropriations	Dollar Difference	Percent Change
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
Total State Spending	\$27,847.1	\$45,107.5	\$17,260.4	62.0%
Addendum:				
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



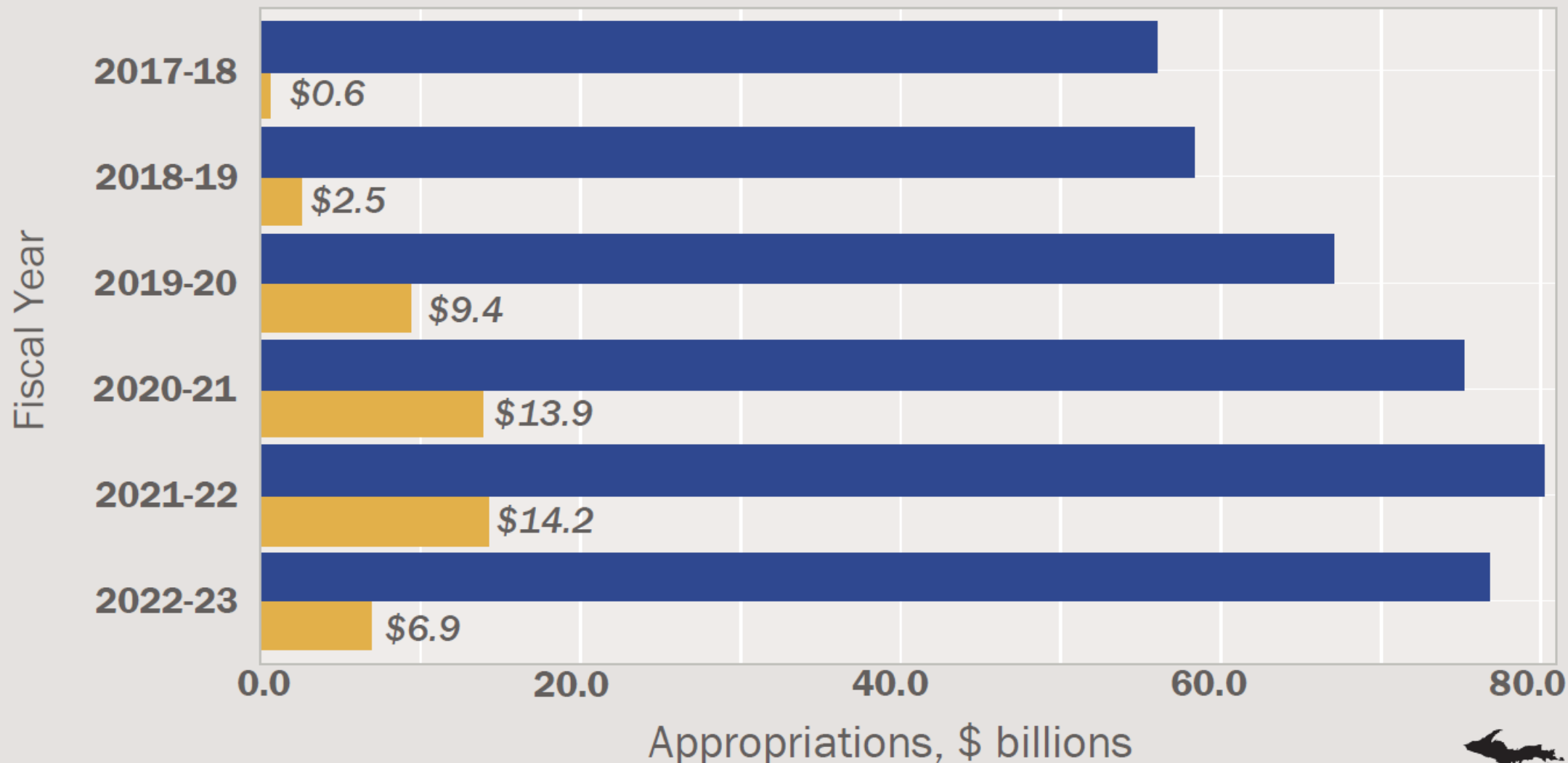
Source: Annual Appropriations Acts



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	10	\$11,171.8	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



SENATE FISCAL AGENCY

 201 N. Washington Square
Suite 800, The Victor Center
P.O. Box 30036
Lansing, Michigan 48909-7536
Phone: 517-373-2768
FAX: 517-373-1986

KATHRYN SUMMERS, Director
ksummers@senate.michigan.gov
● Retirement

SENATE FISCAL AGENCY GOVERNING BOARD

Senator Sarah Anthony, Chair
Senator Winnie Brinks
Senator Sean McCann
Senator Aric Nesbitt
Senator Jon Bumstead

JOSH SEFTON, Deputy Director
jsefton@senate.michigan.gov
● Capital Outlay
● Higher Education
● Community Colleges
● Supplementals

LINDA SCOTT
lscott@senate.michigan.gov
Executive Assistant and Business Manager

GOVERNMENTAL SERVICES UNIT

JOE CARRASCO, Associate Director
jcarrasco@senate.michigan.gov
● Corrections
● State
● Legislature

MICHAEL SIRACUSE, Senior Analyst and Team Leader
msiracuse@senate.michigan.gov
● Judiciary
● Labor and Economic Opportunity
● Transportation

BRUCE BAKER, Senior Analyst
bbaker@senate.michigan.gov
● Agriculture and Rural Development
● Military and Veterans Affairs
● State Police

CORY SAVINO, Senior Analyst
csavino@senate.michigan.gov
● Attorney General
● Dept. of Education
● Revenue Sharing
● Treasury
● Civil Rights
● Executive
● Transfers

JONAH HOUTZ, Fiscal Analyst
jhoutz@senate.michigan.gov
● Insurance and Financial Services
● Licensing and Regulatory Affairs
● Technology, Management, and Budget

DAVID ZIN, Chief Economist
dzin@senate.michigan.gov
● Economic Forecasts
● Revenue Estimates
● Tax Policy

BOBBY CANELL, Economist
rcanell@senate.michigan.gov
● Economic Forecasts
● Local Issues
● Revenue Estimates
● Transportation

FRED CREMEANS, Systems Analyst
fcremeans@senate.michigan.gov
● Budget Tracking
● Technical Support
● Website

RECEPTIONIST / MESSENGER
● Hailey Elms

NICOLE FETTES
nfettes@senate.michigan.gov
Unit Assistant/Receptionist

CHRIS SEMRINEC, Fiscal Analyst
csemrinec@senate.michigan.gov
● Environment, Great Lakes, and Energy
● Natural Resources
● DNR Trust Fund

HUMAN SERVICES UNIT

ELLYN ACKERMAN, Associate Director
eackerman@senate.michigan.gov
● Health and Human Services

JOHN MAXWELL, Senior Analyst and Team Leader
jmaxwell@senate.michigan.gov
● Health and Human Services
● Visualization Coordinator

RYAN BERGAN, Senior Analyst
rbergan@senate.michigan.gov
● School Aid (K-12)

HUMPHREY AKUJOBI, Fiscal Analyst
hakujobi@senate.michigan.gov
● Health and Human Services

MEGAN WILLIAMS
mwilliams@senate.michigan.gov
Unit Assistant and Office Administrator
● Publications Coordinator

LEGISLATIVE ANALYSIS UNIT

JEFFREY MANN, Associate Director
jmann@senate.michigan.gov
● Finance, Insurance, & Consumer Protection
● Government Operations
● Natural Resources and Agriculture

STEPHEN JACKSON, Senior Analyst
sjackson@senate.michigan.gov
● Civil Rights, Judiciary, & Public Safety
● Education
● Elections and Ethics
● Health Policy
● Labor

TYLER VANHUYSE, Senior Analyst
tvanhuyse@senate.michigan.gov
● Economic and Community Development
● Energy and Environment
● Transportation and Infrastructure
● Veterans and Emergency Services

ELENI LIONAS, Legislative Analyst
elionas@senate.michigan.gov
● Housing and Human Services
● Local Government
● Oversight
● Regulatory Affairs

JULIE WESA
jwesa@senate.michigan.gov
Unit Assistant and Office Administrator

SFA WEBSITE: www.senate.michigan.gov/sfa/

[Click for Areas of Responsibility](#)

Contact Information



517-373-2768

Senate.Michigan.gov/sfa

Kathryn Summers, Director
ksummers@senate.Michigan.gov

Josh Sefton, Deputy Director
jsefton@senate.Michigan.gov

David Zin, Chief Economist
dzin@senate.Michigan.gov