



MSU IPPSR
PRESENTATION ON SPENDING
December 9, 2024
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 \$57B; State spending currently is roughly \$47B). 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 if a budget isn't adopted.

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.

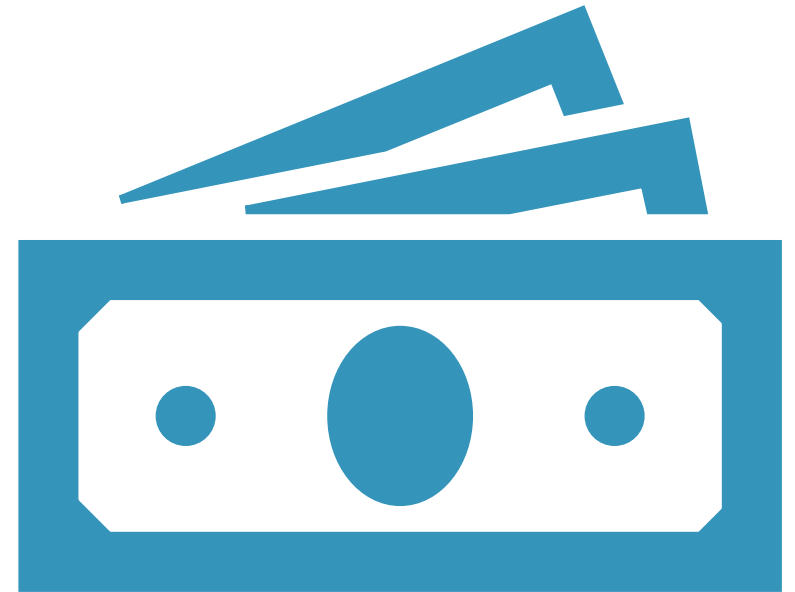
State Spending from State Resources = appropriations from any type of State funding; excludes local and private

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

Most of the data in this presentation reflect initial appropriations.

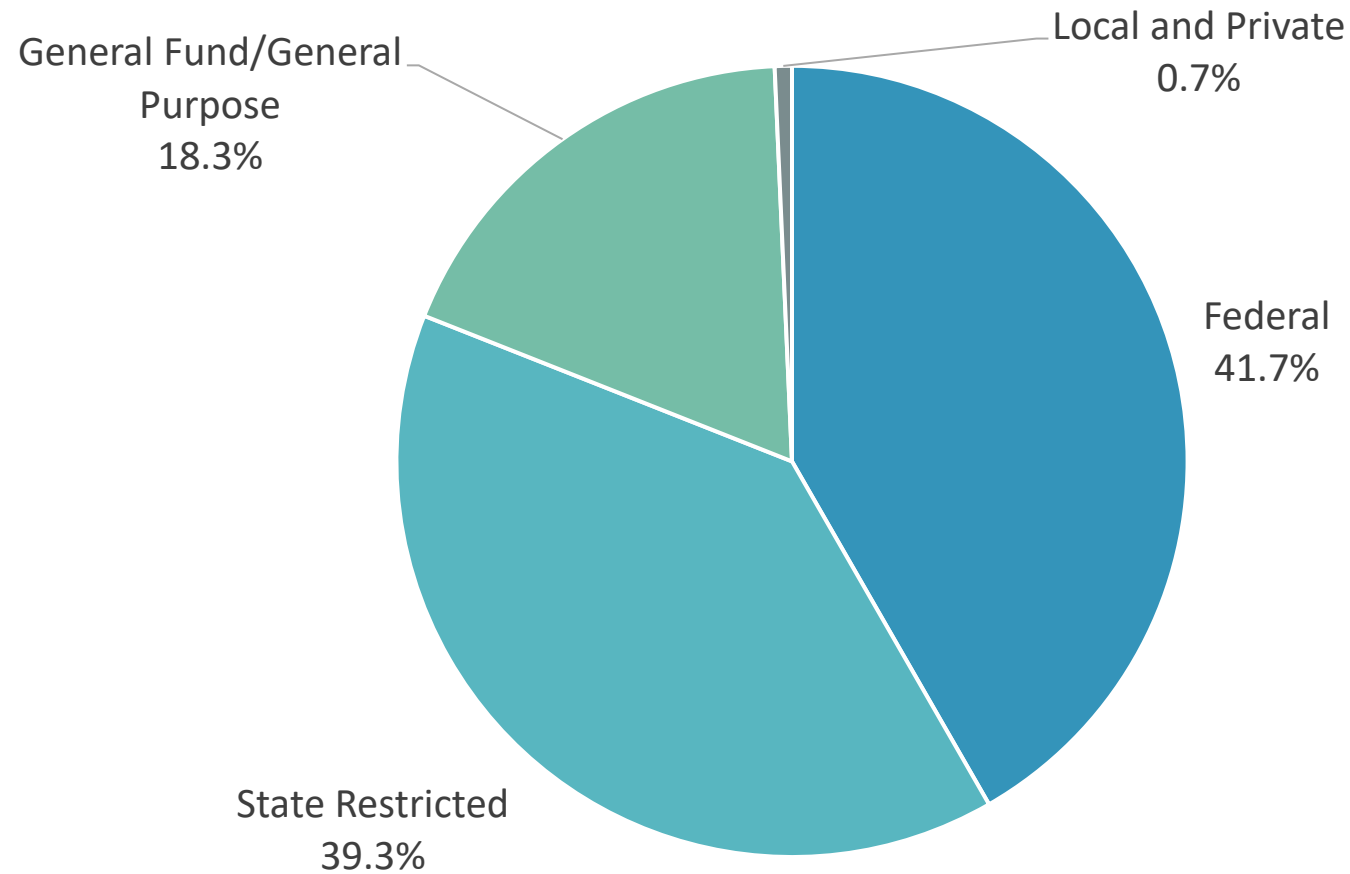
One-Time = appropriations designated as one-time and not recurring (can be reenacted for one or more subsequent years)

Current Year's Budget



FY 2024-25 Initial Adjusted Gross Appropriations

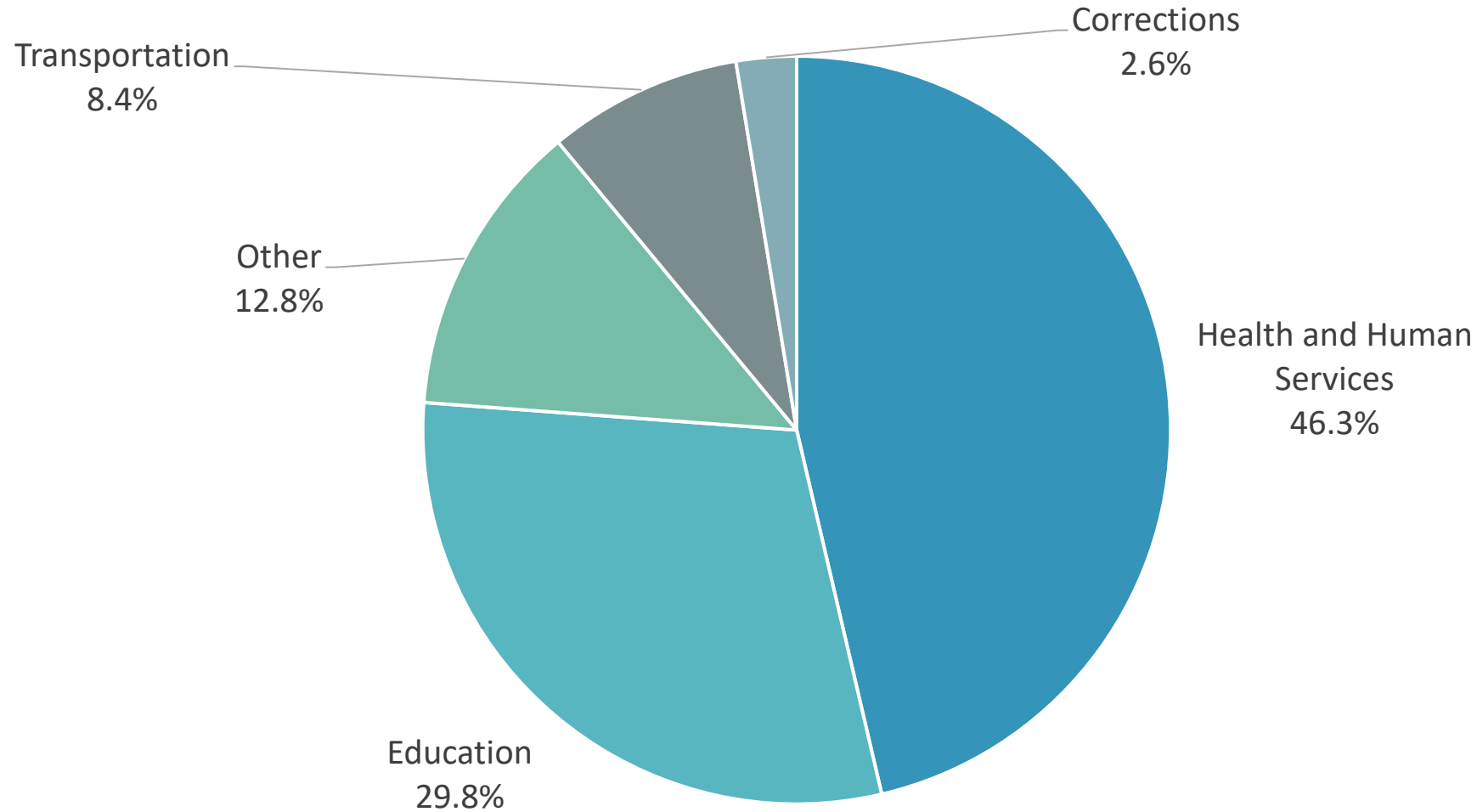
Appropriations by Source of Funds - % of Total



Total = \$81.2 Billion

ADJUSTED GROSS APPROPRIATIONS FY 2023-24 VERSUS FY 2024-25				
Department/Budget Area	FY 2023-24 Year-to-Date Appropriations ¹⁾	FY 2024-25 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development	\$175,415,800	\$156,606,500	(\$18,809,300)	(10.7%)
Attorney General	107,125,900	90,281,100	(16,844,800)	(15.7)
Capital Outlay	1,800	0	(1,800)	(100.0)
Civil Rights	31,919,300	29,163,500	(2,755,800)	(8.6)
Community Colleges	550,817,500	462,220,800	(88,596,700)	(16.1)
Corrections	2,098,327,000	2,147,379,000	49,052,000	2.3
Education	685,749,900	164,975,100	(520,774,800)	(75.9)
Environment, Great Lakes, & Energy	1,345,509,900	1,035,012,700	(310,497,200)	(23.1)
Executive	9,073,300	9,337,100	263,800	2.9
Health & Human Services	37,302,605,500	37,631,523,200	328,917,700	0.9
Higher Education	2,305,048,800	2,324,292,600	19,243,800	0.8
Insurance & Financial Services	73,415,800	77,867,900	4,452,100	6.1
Judiciary	356,097,300	371,039,100	14,941,800	4.2
Labor & Economic Opportunity	3,686,204,200	2,421,794,500	(1,264,409,700)	(34.3)
Legislature	218,503,300	224,546,200	6,042,900	2.8
Licensing & Regulatory Affairs	589,322,900	621,056,200	31,733,300	5.4
Lifelong Educ., Adv., & Potential	6,508,600	643,994,200	637,485,600	9,794.5
Military & Veterans Affairs	253,035,300	275,802,300	22,767,000	9.0
Natural Resources	580,007,400	534,372,800	(45,634,600)	(7.9)
Natural Resources Trust Fund	0	0	0	0.0
School Aid	21,587,001,300	20,644,275,400	(942,725,900)	(4.4)
State	292,518,300	271,839,900	(20,678,400)	(7.1)
State Police	890,840,700	925,918,700	35,078,000	3.9
Technology, Management, & Budget	986,773,100	676,977,000	(309,796,100)	(31.4)
Transportation	6,739,194,300	6,803,583,600	64,389,300	1.0
Treasury - Debt Service	100,084,100	95,087,000	(4,997,100)	(5.0)
Treasury - Operations	1,053,599,200	821,484,600	(232,114,600)	(22.0)
Treasury - Revenue Sharing	1,655,606,300	1,775,490,100	119,883,800	7.2
TOTAL BUDGET AREA APPROPRIATIONS	\$83,680,306,800	\$81,235,921,100	(\$2,444,385,700)	(2.9%)
¹⁾ Appropriations as of July 24, 2024				

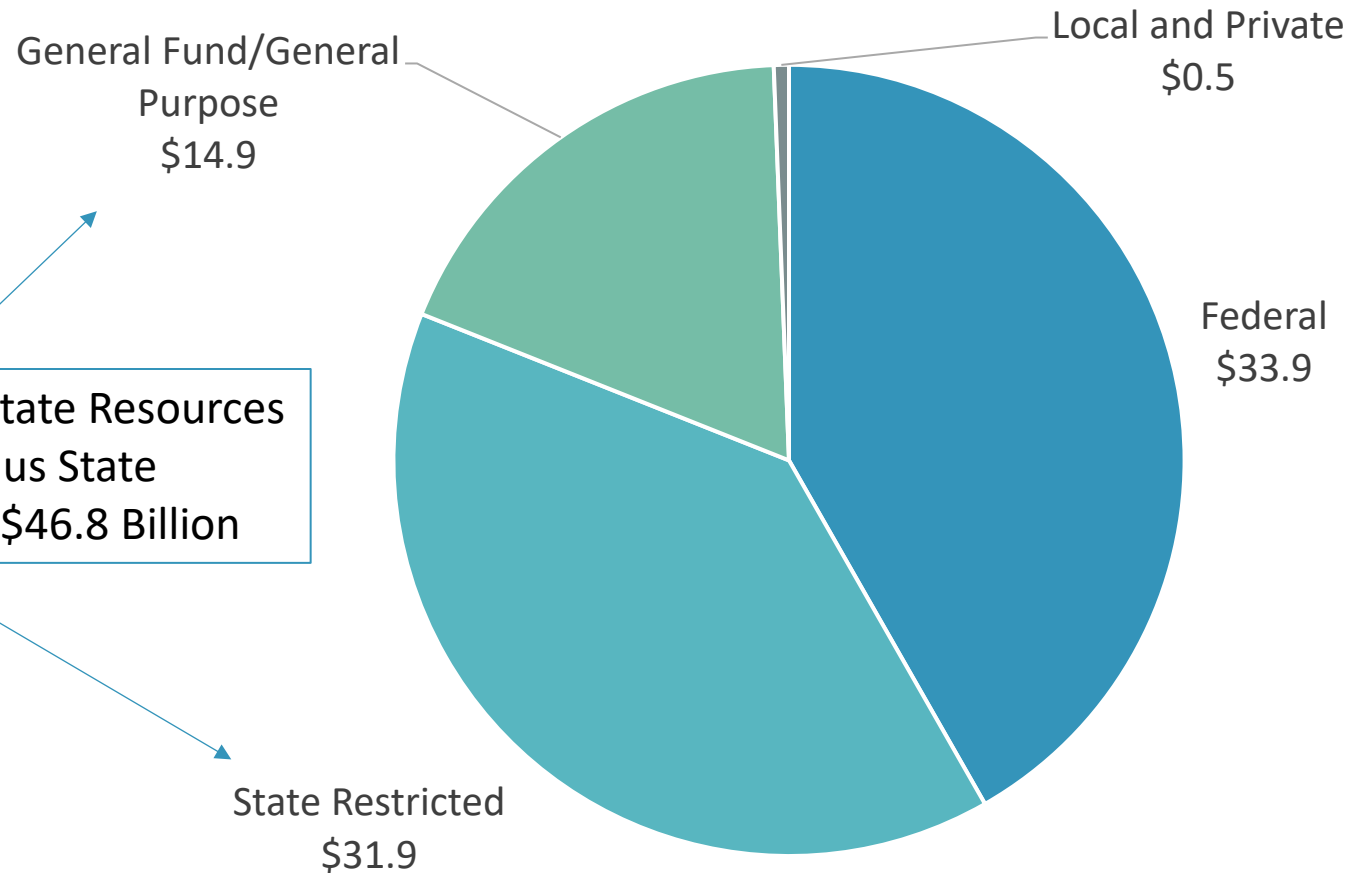
FY 2024-25 Initial Adjusted Gross Appropriations by Major Category



Total = \$81.2 Billion

FY 2024-25 Initial Adjusted Gross Appropriations

Appropriations by Source of Funds – in Billions

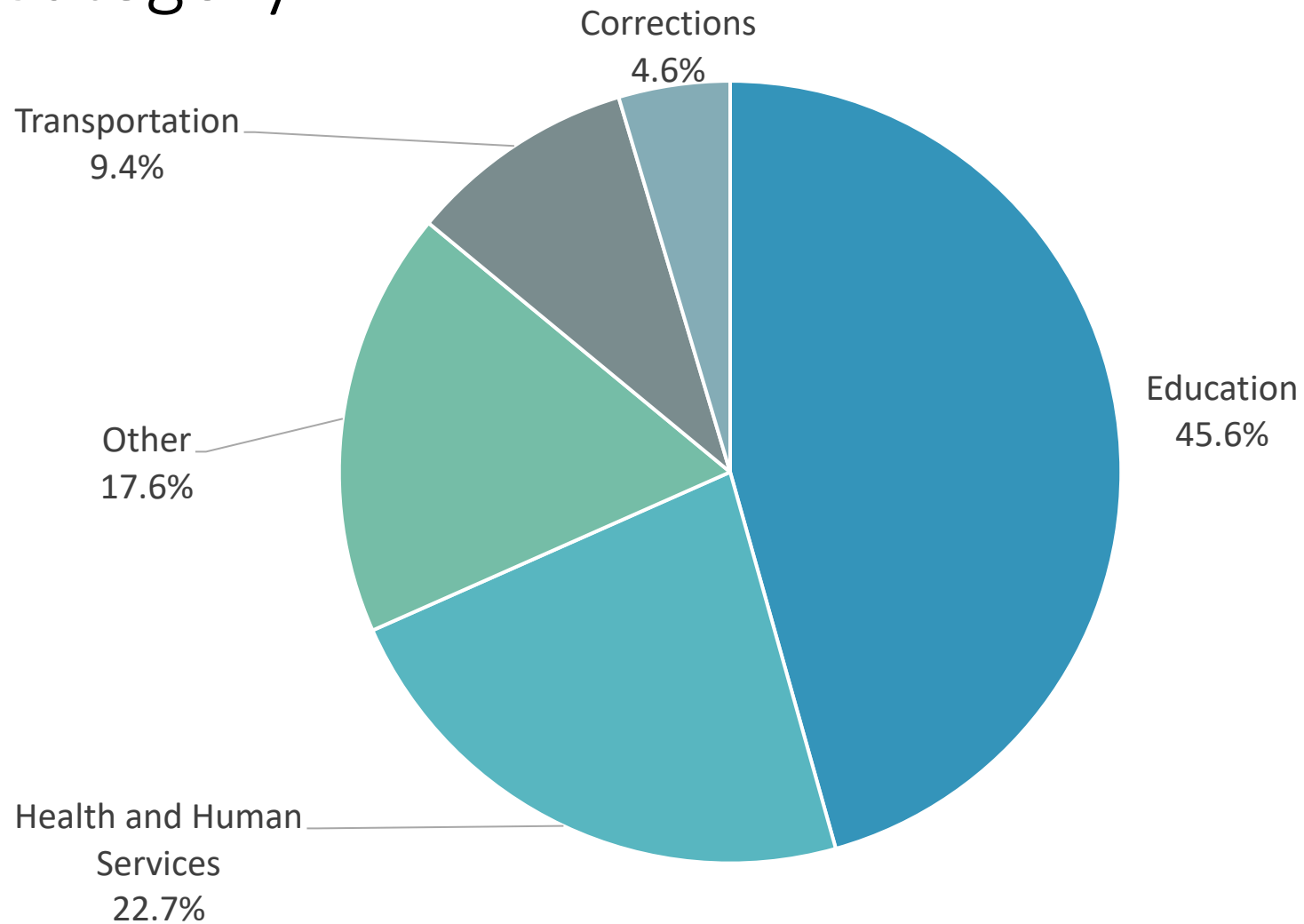


State Spending from State Resources is the sum of GF/GP plus State Restricted, or roughly \$46.8 Billion

STATE SPENDING FROM STATE RESOURCES FY 2023-24 VERSUS FY 2024-25				
Department/Budget Area	FY 2023-24 Year-to-Date Appropriations ¹⁾	FY 2024-25 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development.....	\$140,031,800	\$136,227,300	(\$3,804,500)	(2.7%)
Attorney General	97,062,100	79,889,500	(17,172,600)	(17.7)
Capital Outlay	1,800	0	(1,800)	(100.0)
Civil Rights	29,009,700	26,253,900	(2,755,800)	(9.5)
Community Colleges	550,817,500	462,220,800	(88,596,700)	(16.1)
Corrections	2,035,378,400	2,130,504,500	95,126,100	4.7
Education	184,131,700	74,013,900	(110,117,800)	(59.8)
Environment, Great Lakes, & Energy	654,595,800	569,859,600	(84,736,200)	(12.9)
Executive	9,073,300	9,337,100	263,800	2.9
Health & Human Services	10,572,325,300	10,639,253,500	66,928,200	0.6
Higher Education	2,160,022,400	2,321,092,600	161,070,200	7.5
Insurance & Financial Services	72,398,700	77,167,900	4,769,200	6.6
Judiciary	347,442,100	362,001,200	14,559,100	4.2
Labor & Economic Opportunity	2,252,660,300	1,207,344,100	(1,045,316,200)	(46.4)
Legislature	218,057,900	224,078,500	6,020,600	2.8
Licensing & Regulatory Affairs	539,318,700	590,584,900	51,266,200	9.5
Lifelong Educ., Adv., & Potential	6,508,600	138,353,200	131,844,600	2,025.7
Military & Veterans Affairs	117,149,400	130,915,500	13,766,100	11.8
Natural Resources	446,194,400	430,622,900	(15,571,500)	(3.5)
Natural Resources Trust Fund	0	0	0	0.0
School Aid	19,367,907,800	18,371,481,900	(996,425,900)	(5.1)
State	285,288,200	270,329,800	(14,958,400)	(5.2)
State Police	797,095,800	821,845,300	24,749,500	3.1
Technology, Management, & Budget	979,601,700	670,060,500	(309,541,200)	(31.6)
Transportation	4,382,775,600	4,423,660,000	40,884,400	0.9
Treasury - Debt Service	100,084,100	95,087,000	(4,997,100)	(5.0)
Treasury - Operations	1,013,606,100	781,229,500	(232,376,600)	(22.9)
Treasury - Revenue Sharing	1,655,606,300	1,775,490,100	119,883,800	7.2
TOTAL BUDGET AREA APPROPRIATIONS	\$49,014,145,500	\$46,818,905,000	(\$2,195,240,500)	(4.5%)

¹⁾ Appropriations as of July 24, 2024

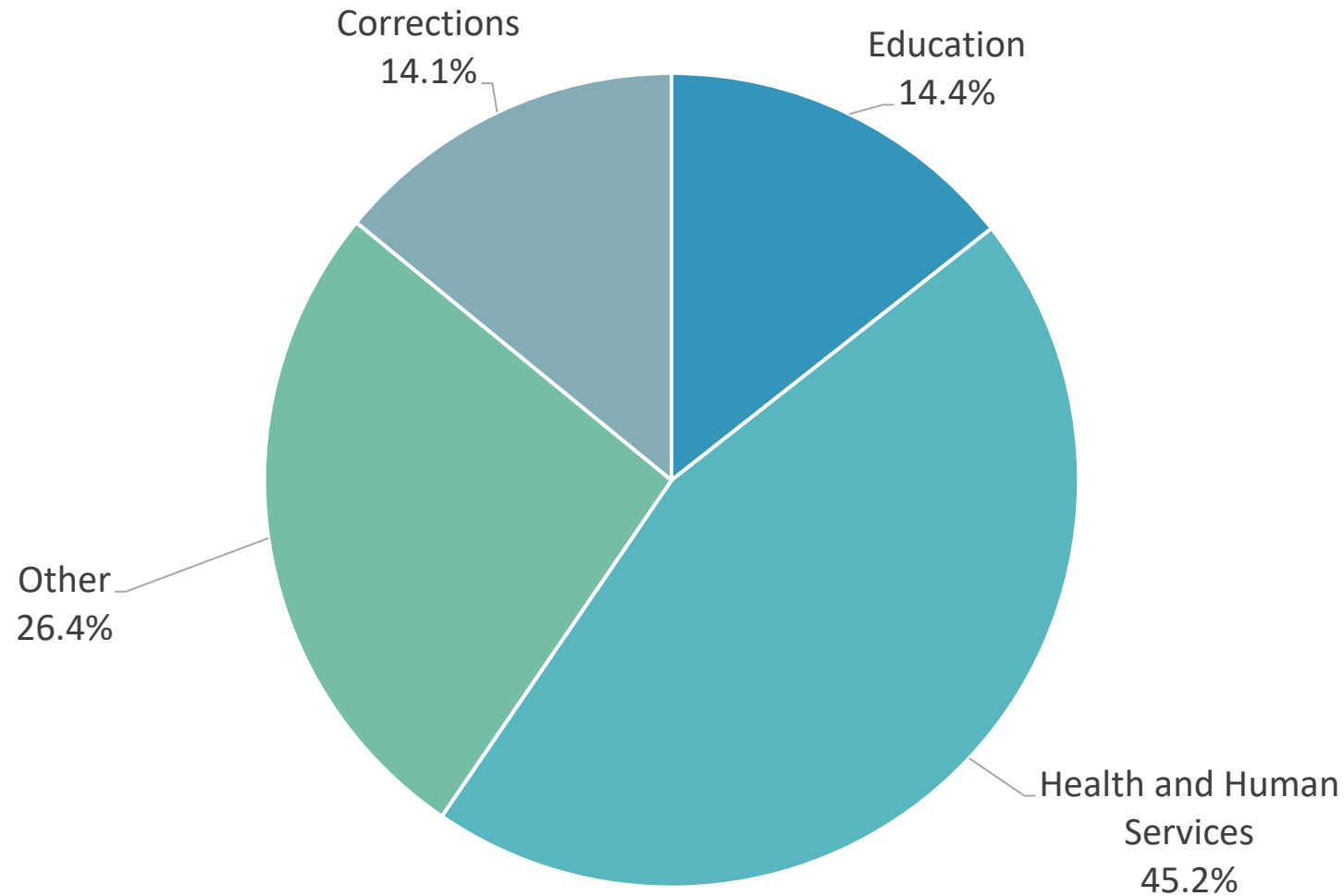
FY 2024-25 State Spending from State Resources by Major Category



Total = \$46.8 Billion

GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS FY 2023-24 VERSUS FY 2024-25				
Department/Budget Area	FY 2023-24 Year-to-Date Appropriations ¹⁾	FY 2024-25 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development.....	\$93,561,900	\$89,056,400	(\$4,505,500)	(4.8%)
Attorney General	76,289,000	57,409,100	(18,879,900)	(24.7)
Capital Outlay	1,800	0	(1,800)	(100.0)
Civil Rights	28,951,200	26,195,400	(2,755,800)	(9.5)
Community Colleges	0	500,000	500,000	100.0
Corrections	2,005,572,900	2,097,010,100	91,437,200	4.6
Education	130,961,700	63,896,100	(67,065,600)	(51.2)
Environment, Great Lakes, & Energy	293,955,000	260,710,300	(33,244,700)	(11.3)
Executive	9,073,300	9,337,100	263,800	2.9
Health & Human Services	6,679,761,900	6,717,231,000	37,469,100	0.6
Higher Education	1,677,754,100	1,859,424,300	181,670,200	10.8
Insurance & Financial Services	0	0	0	0.0
Judiciary	252,289,500	266,113,900	13,824,400	5.5
Labor & Economic Opportunity	1,489,214,900	793,569,400	(695,645,500)	(46.7)
Legislature	210,472,000	216,180,100	5,708,100	2.7
Licensing & Regulatory Affairs	271,842,300	308,605,700	36,763,400	13.5
Lifelong Educ., Adv., & Potential	6,508,600	136,489,300	129,980,700	1,997.1
Military & Veterans Affairs	101,936,000	117,694,100	15,758,100	15.5
Natural Resources	90,916,400	76,757,000	(14,159,400)	(15.6)
Natural Resources Trust Fund	0	0	0	0.0
School Aid	87,900,000	78,830,600	(9,069,400)	(10.3)
State	14,267,000	11,969,100	(2,297,900)	(16.1)
State Police	623,308,000	646,861,000	23,553,000	3.8
Technology, Management, & Budget	844,465,100	539,964,000	(304,501,100)	(36.1)
Transportation	300,373,600	193,000,000	(107,373,600)	(35.7)
Treasury - Debt Service	100,084,100	95,087,000	(4,997,100)	(5.0)
Treasury - Operations	364,477,300	213,568,700	(150,908,600)	(41.4)
Treasury - Revenue Sharing	0	0	0	0.0
TOTAL BUDGET AREA APPROPRIATIONS	\$15,753,937,600	\$14,875,459,700	(\$878,477,900)	(5.6%)
¹⁾ Appropriations as of July 24, 2024				

FY 2024-25 State Spending from GF/GP by Major Category



Total = \$14.9 Billion

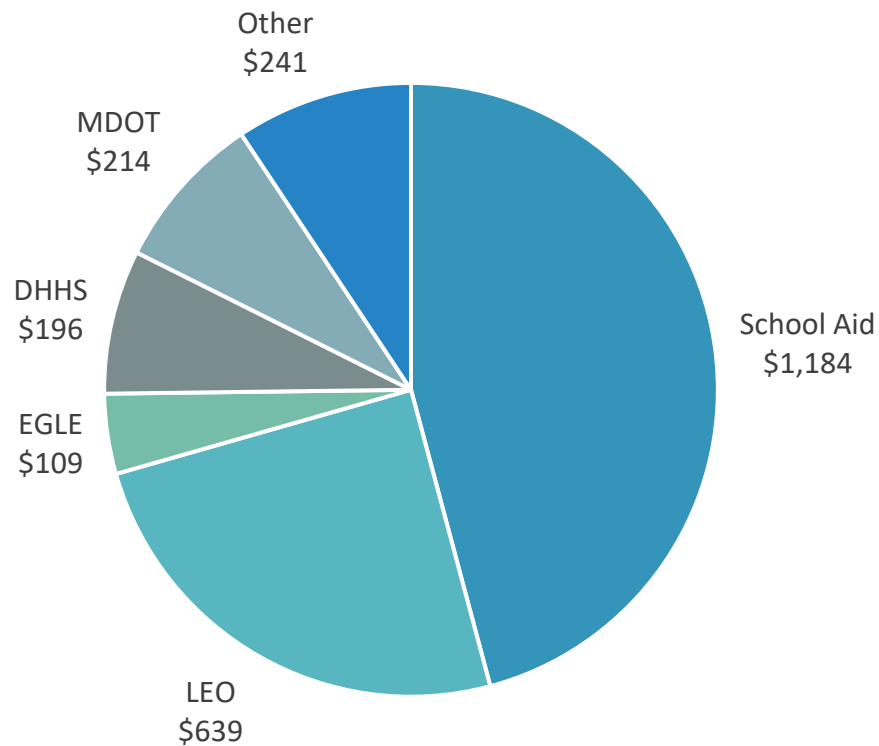
SUMMARY OF FY 2024-25 APPROPRIATION CHANGES		
	Gross	GF/GP
FY 2023-24 Year-To-Date Appropriation¹⁾	\$84,936,640,500	\$15,753,937,600
Changes for FY 2024-25:		
CSB Adjustments	(\$6,051,128,800)	(\$2,666,922,900)
New Programs	3,082,776,700	1,175,123,100
Program Increases	1,250,459,900	445,854,400
Program Eliminations	(108,032,600)	(88,231,000)
Program Reductions	(809,736,900)	(43,225,100)
Major Fund Shifts Affecting GF/GP	449,800	169,830,900
Other Technical Program Transfers/Adjustments	(138,700)	(137,100)
Economic Adjustments	211,981,600	127,432,000
Unclassified Salaries Adjustments (Executive Branch)	2,266,800	1,797,800
Total Changes	(2,421,102,200)	(878,477,900)
FY 2024-25 INITIAL APPROPRIATION	\$82,515,538,300	\$14,875,459,700
¹⁾ Appropriation as of July 24, 2024		

Summary of Types of Appropriation Changes

FY 2024-25 One-Time Spending by Department Initial Appropriations, Gross and GF/GP

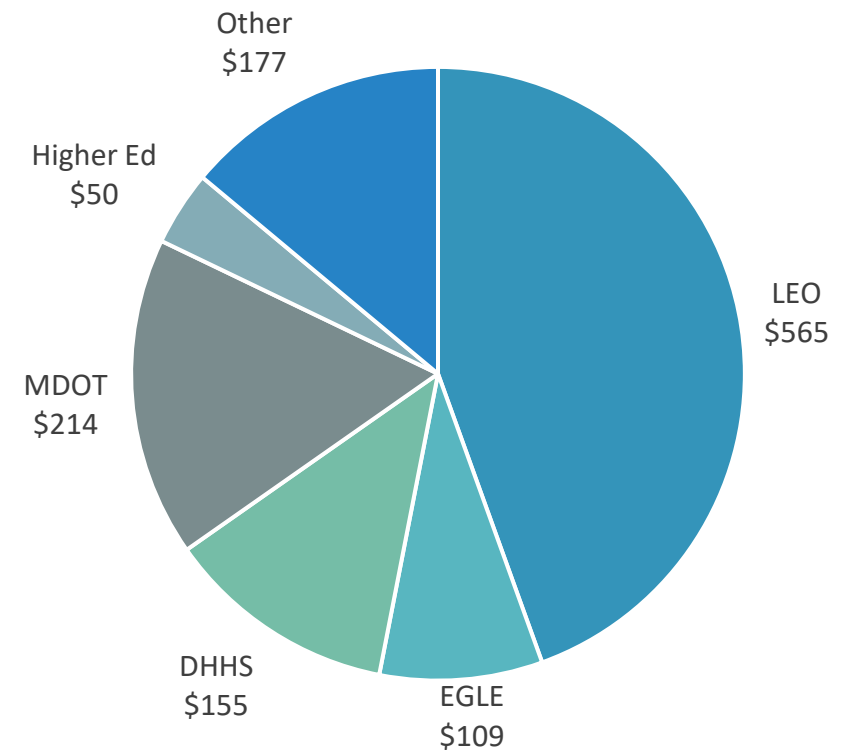
Initial Gross One-Time (in Millions)

Total = \$2.6 Billion



Initial GF/GP One-Time (in Millions)

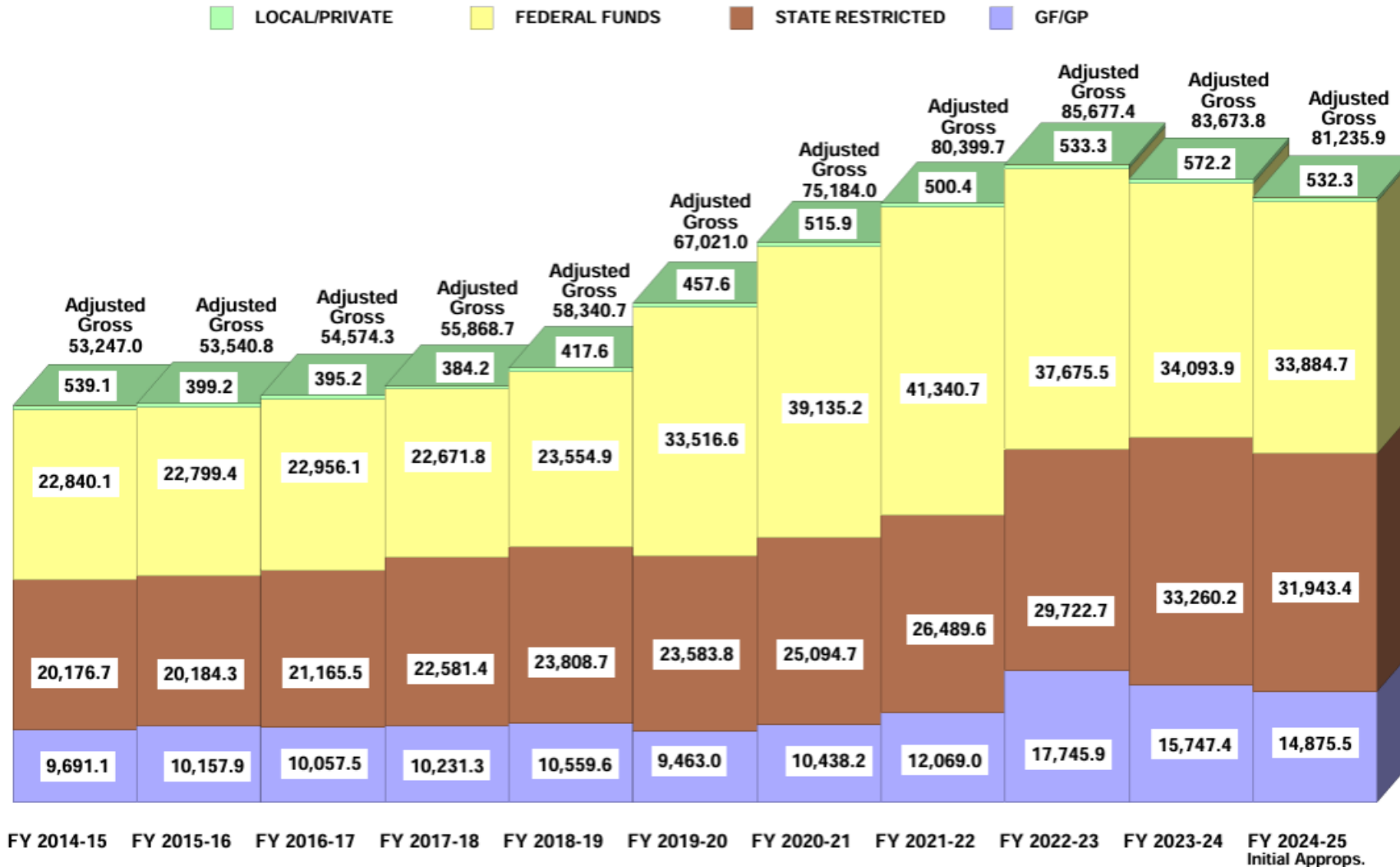
Total = \$1.3 Billion



Historical Budget Trends

State Of Michigan Appropriations by Fund Source

Year-To-Date (Millions of Dollars)



Notes: Adjusted Gross = Total appropriations for all departments.
 State Resources = State restricted + GF/GP appropriations.
 Does not include GF/GP BSF appropriations.

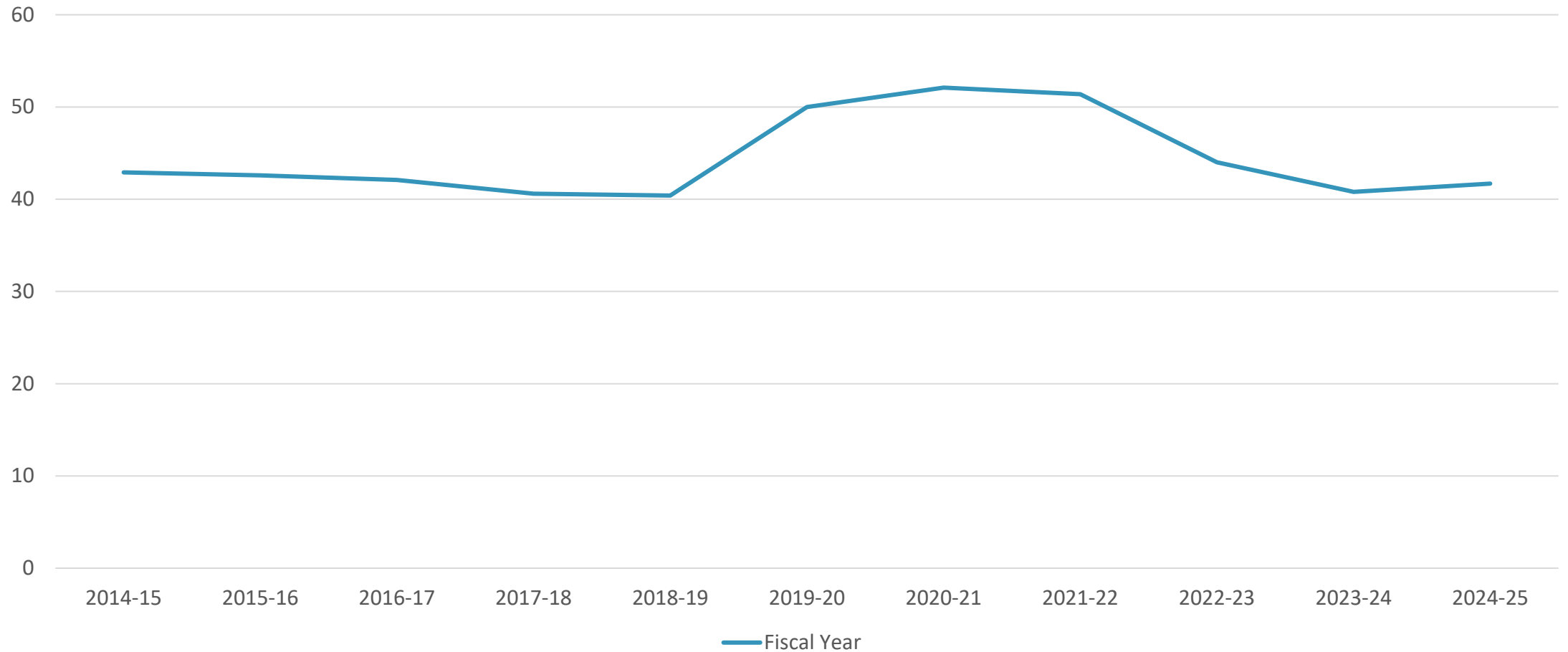
Senate Fiscal Agency, September 23, 2024

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

Budget Area	FY 2014-15 Year-to-Date Appropriations	FY 2024-25 Initial Appropriations	Dollar Difference	Percent Change
Health and Human Services	\$6,348.2	\$10,639.3	\$4,291.1	67.6%
Corrections	2,008.9	2,130.5	121.6	6.1
K-12 School Aid	11,865.8	18,371.5	6,505.7	54.8
Community Colleges	364.7	462.2	97.5	26.7
Higher Education	1,419.5	2,321.1	901.6	63.5
Labor and Economic Opportunity	365.3	1,207.3	842.0	230.7
Revenue Sharing-Constitutional	1,092.9	1,073.3	(19.6)	(1.8)
Revenue Sharing-Nonconstitutional	562.7	702.2	139.5	24.8
Transportation	2,439.6	4,423.7	1,984.1	81.3
All Other Programs	3,400.1	5,487.8	2,087.7	61.4
Total State Spending	\$29,867.7	\$46,818.9	\$16,951.1	56.8%
Addendum:				
Medicaid Caseload	2,290,827	2,633,570	342,743	15.0%
Prison Population	42,628	32,98	(9,755)	(22.9)
K-12 Pupil Count	1,508,008	1,385,000	(123,008)	(8.2)
University Students	261,989	234,412	(27,577)	(10.5)
Community College Students	136,124	97,057	(39,067)	(28.7)
Michigan Personal Income (millions)	\$424,082.5	\$640,815.3	\$216,732.8	51.1%
Detroit Consumer Price Index	218.9	296.5	--	35.4%

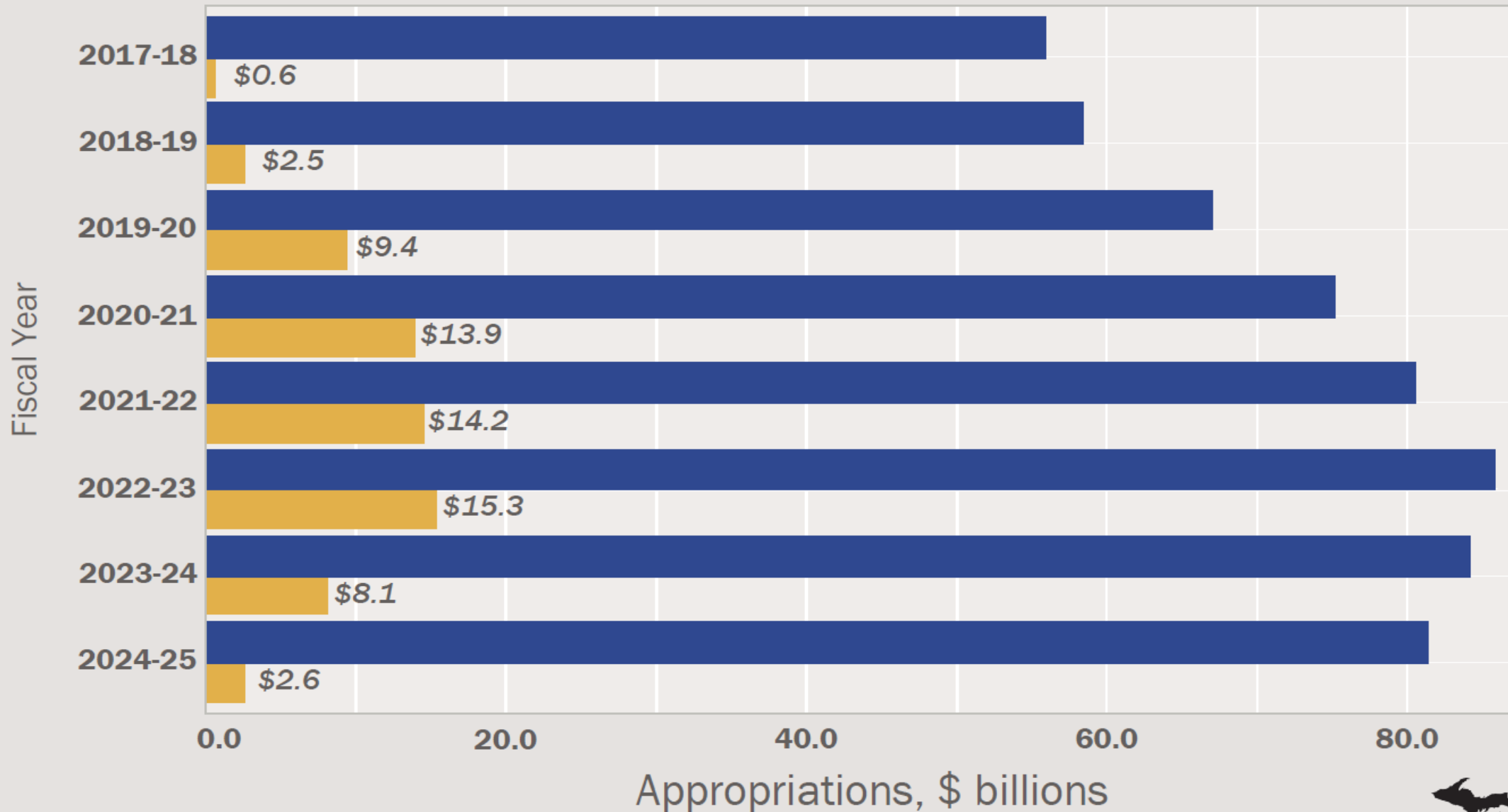
Federal Funds as a Percentage of Budget

Generally around 40%; higher during pandemic



Michigan Total and One-Time Appropriations

Growth in one-time appropriations before, during, and after COVID-19 pandemic years
Fiscal Year 2017-18 to enacted Fiscal Year 2024-25



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, Slowing

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 million	36.8%	26.5%
2020	10	\$5,970.4 million	111.3%	(10.9%)
2021	12	\$13,170.6 million	100.6%	(1.3%)
2022	9	\$11,025.5 million	96.9%	2.6%
2023	7	\$9,441.8 million	66.0%	26.2%
2024	4	\$2,912.7 million	35.5%	19.2%

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.

Contact Information



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