

EXECUTIVE BUDGET

Fiscal Years 2014 and 2015

State of Michigan
Rick Snyder, CPA, Governor

John E. Nixon, CPA, State Budget Director

This publication was produced and printed by the Department of Technology, Management and Budget. The purpose of the publication is to inform state and local officials and residents about Governor Snyder's recommended budget for fiscal year 2014 and projections for fiscal year 2015. This document is required by law MCLA 18.1363 and by the Michigan Constitution, Article V, Section 18.

FISCAL YEARS 2014 AND 2015 EXECUTIVE BUDGET

TABLE OF CONTENTS

	<u>Page</u>
Budget Overview	A 1
Department Detail.....	B 1
Background Information.....	C 1

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Budget Overview





STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

February 7, 2013

My Fellow Michiganders:

Building on the success and sound budgeting principles of the previous two years, I am proud to recommend for consideration the fiscal year 2014 budget. Michigan has emerged as the nation's comeback state and this proposed budget continues to move Michigan forward.

We have established an environment of fiscal responsibility in state government so that you and residents across the state can rest assured that the state's fiscal house is in order. The days of budget peril and government shutdown that plagued Michigan for much of the decade leading up to 2010 are gone.

This fiscal responsibility and smart budgeting have played a critical role in Michigan turning the corner. Unemployment is down, home sales are up, personal income growth is 9th best in the nation, the state GDP growth is 6th best in the country, the population is growing again and the Michigan economy is at a 10-year high.

Managing a state budget is a lot like managing your family budget, albeit on a larger scale. We have focused on paying off debt and saving for the future. When I took office, the balance in the state's savings account, or Rainy Day Fund, was a mere \$2.2 million. We continue that prudent foresight with this budget recommendation, bringing the total Rainy Day Fund balance to \$580 million. With the proposal of a new health savings fund to capture savings from the expansion of Medicaid and the proposed deposit of \$103 million, the overall balance in the state's savings account would total \$683 million.

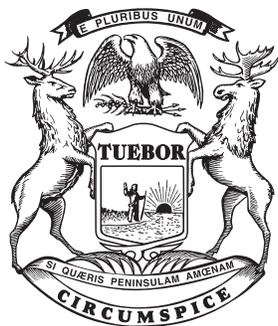
This proposed 2014 budget also strategically invests in priorities such as education, roads, health, human services, job growth, and public safety. Like before, state spending is tied to measured outcomes through the use of performance metrics, continuing the strong focus on value for money.

This budget again presents the right balance of funding for the priorities and needs of our great state while ensuring that we maintain fiscal responsibility and structural balance. I look forward to working in partnership with the members of the Michigan House and Senate to enact the fiscal year 2014 budget and continue our state's comeback.

Sincerely,

A handwritten signature in black ink that reads "Rick Snyder".

Gov. Rick Snyder



MOVING MICHIGAN FORWARD -- CONTINUING OUR COMEBACK

Executive Budget Recommendation for Fiscal Years 2014 and 2015

Building on the success and stability of the previous two years, Governor Rick Snyder's Executive Budget Recommendation continues to focus on reinvention and strategic investments to move Michigan forward. Through prioritized budgeting, the governor's plan is designed to improve the quality of life for Michigan residents by continuing to invest in education, health and human services, public safety, veteran services, natural resources and infrastructure.

Committed to the responsible management of taxpayer dollars, the governor's balanced two-year budget plan is the right combination of funding for the priorities and needs of our great state. In order to maintain structural balance, continue Michigan's economic comeback and further our fiscal sustainability, the state must continue along the path of financial responsibility.

Turning the Corner

Make no doubt about it, Michigan is making a comeback. The economic outlook is improving for the state and our residents. For two years in a row, the state has operated with an on-time, structurally balanced budget. Michigan's economy is at a 10-year high. Our income growth is the 9th best in the nation (including significant gains in per capita personal income in the state's metropolitan areas); the state's GDP growth is 6th best in the United States; Michigan motor vehicle production is improving (with 2012 production up above 2 million for the first time since 2007); and home sales have increased a full 10 percent.

Governor Snyder's business-minded approach to tackling the state's financial problems has positively impacted the state's economic outlook. As recognized by Bloomberg in its State of the States report, Michigan is ranked 2nd in the nation in economic health, making our state a model for implementing financial stability reforms.

"We applaud Gov. Rick Snyder and legislative leaders for the most pro-growth reforms by a governor and legislature in the past 50 years."

**Rob Fowler, President
Small Business Association of Michigan,
The Detroit News, Jan. 28, 2013**

According to Area Development magazine's 2012 *Top States for Doing Business Survey*, Michigan ranks 4th among all states in the nation in leading the economic recovery. In addition, the state recently received an unprecedented 1.16 percent interest rate, the lowest rate ever received on a State of Michigan bond issuance, signaling that investors across the country are feeling more confident about Michigan's economy.

While there is no question that Michigan's economy has turned a corner, Governor Snyder remains focused on the state's long term financial health and translating that into a positive difference for Michiganders. To help ensure Michigan's fiscal sustainability, we must be prudent stewards of the tax dollars collected from our hard-working residents; continue to maintain structural balance; address the state's long-term liabilities; continue to focus on performance-based funding; and save for the future by adding to the state's Budget Stabilization Fund.

Unemployment Continues to Drop

Michigan's unemployment peaked at 14.2 percent in August of 2009. Since Governor Snyder took office in 2011, Michigan's unemployment rate has dropped by two full points and averaged 8.9 percent in 2012, well below the 2011 annual average rate of 10.3 percent. Due to the difficult, yet responsible, decisions made in the governor's first budget plan, the state's jobless rate has declined, job levels have risen and the workforce is growing slowly but surely. In 2012, payroll jobs in Michigan rose by about 47,000 above 2011 levels, for a growth rate of 1.2 percent. Michigan registered a second consecutive year of job expansion in 2012, after 10 straight years of job loss.

"Since November 2011, the number of unemployed workers in Michigan has dropped by 32,000, or 7.2 percent."

MLive, Dec. 19, 2012

As released at the January 2013 Consensus Revenue Estimating Conference, by fiscal year 2015 nearly 40 percent of the jobs lost during the great recession will be recovered.

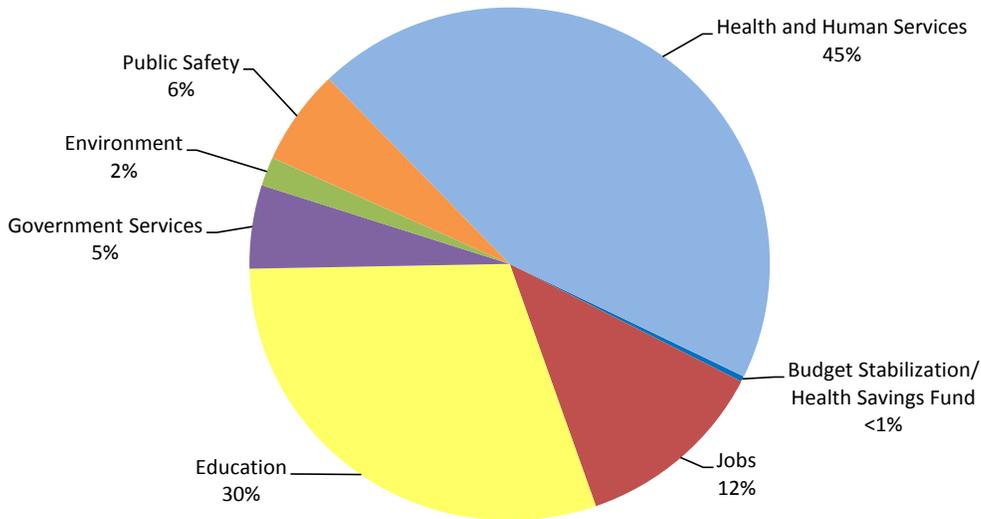
Budget Recommendation in Totality

The total executive budget recommendation for fiscal year 2014, including all state and federal revenue sources, is \$50.9 billion. Nearly 75 percent of the total budget is dedicated to education and health and human services.

The Consensus Revenue Estimating Conference projected that revenues will be \$9.3 billion in the general fund and \$11.4 billion in the School Aid Fund for fiscal year 2014, for a combined total of \$20.7 billion.

Fiscal year 2015 projected revenues are \$9.6 billion in the general fund and \$11.8 billion in the School Aid Fund, for a combined total of \$21.4 billion.

Nearly 75% of Total Spending is Dedicated to Education and Health and Human Services



Total FY 2014 Adjusted Gross Spending: \$50.9 billion

Paying and Lowering Our Bills

Governor Snyder has often said that having a balanced budget is not sufficient and that the state’s spending cannot outpace its revenue. Michigan’s financial future hinges on addressing its long-term obligations, such as post-retirement benefits. So far, Michigan’s unfunded liabilities have been reduced by \$20 billion thanks to pension and retiree health care reforms for both state and public school employees.

To advance the goal of getting the state back on solid financial footing, the governor’s plan includes more than a billion dollars to pay down the debt burden of post-employment benefits (retiree health, dental and vision). The governor led the charge to begin paying down the actual principal. Gone is the short-sighted “pay-as-you-go” approach. Under Governor Snyder, the state is pre-funding post-employment benefits to ensure that today’s employees can count on benefits when they retire.

Additionally, State of Michigan employees are doing their part to help the system remain solvent. Retirement reforms enacted last year resulted in state employees paying more for health costs to bring them more in line with employee contributions in the private sector. In addition, state employees eligible for pensions are now paying 4 percent of their salary to help pay the costs.

“Now Michigan is rebuilding reserves, in keeping with strong financial management practices, as the auto industry stabilizes. Bonded debt remains modest and, with the state’s adoption of defined contribution pension plans, Michigan’s funding burden for retiree benefits should be manageable.”

Moody’s Investor Services, Mar. 2012

Paying down this debt strengthens Michigan’s economic revitalization, showing fiscal responsibility to improve our credit rating. Making these changes now will ensure a brighter future for our children.

Driving the Economy Forward: Investing in Infrastructure

Good infrastructure paves the way to economic growth. Michigan's residents, tourists and job providers depend on the state's transportation system for leisure travel, workday commutes and the movement of goods. Realizing the important link between infrastructure and the state's economy, the governor's proposed transportation budget recommends an additional \$1.2 billion to adequately maintain and improve Michigan's roads.

The current transportation funding model is simply not able to keep pace with system needs, and the time for investment has never been more critical given future system condition forecasts. It is the choice of spending \$12 billion over the next 10 years to

repair our infrastructure, or \$25 billion later on to reconstruct a failed system. Governor Snyder's balanced approach tackles the issue of Michigan's deteriorating road system. The plan addresses the lack of appropriate road funding by creating a new funding model based on a gasoline and diesel tax of 33 cents a gallon; and increasing registration taxes for vehicles and heavy trucks. This will cost a typical Michigan family an estimated \$120 per vehicle each year.

Additionally, the governor recommends a local option that would allow Michigan's 83 counties to raise additional revenue for local transportation needs. Subject to local voters, a local vehicle registration tax of 0.18 percent of a vehicle's list price would generate \$280 million that counties could use to fix local roads or invest in public transportation. Revenues from the new registration tax would be collected by the Secretary of State and returned to each county.

Educating Our Children

Michigan's future lies in the hands of our children. In order to truly move Michigan forward, the state must make vital investments that benefit future generations.

"In the largest effort ever to collect and analyze public opinion on K-12 education, Michigan taxpayers overwhelmingly supported an expansion of early childhood opportunities."

Center for Michigan Report, Jan. 2013

report, more Great Start Readiness Program students graduated on time from high school than non-participants. The governor's proposed budget increases funding by \$130 million over the next two years to further expand early childhood education opportunities.

"It's going to be expensive to fix Michigan's roads, but doing nothing carries a heavy price. The state simply cannot afford a legislative roadblock on this issue. Further, deteriorating roads cost jobs in the form of unrealized economic development and opportunity. Our manufacturing, tourism and agricultural sectors depend on good roads to manage their costs."

Battle Creek Enquirer, Jan. 29, 2013

The governor recommends \$11.5 billion in state funds for the School Aid budget, an increase of over 2 percent. The recommendation includes an equity payment to further close the foundation allowance funding gap between districts. The K-12 budget also supports online and blended learning, as the Michigan Virtual University works with schools to create and maintain a statewide catalog of online courses. District performance and best practices funding is continued, as well as technology infrastructure improvement grants.

While establishing a firm foundation for lifelong learning is essential to preparing our children for their future, it is also critical to sufficiently fund the state's institutions of higher learning. Home to 15 outstanding public universities and 28 outstanding community colleges, Michigan's college graduates are prepared to enter the workforce in a wide variety of fields – from high tech jobs such as engineering or computer science to highly skilled manufacturing. If we want the future generations to be prepared for the jobs of the 21st century in advanced careers, higher education funding must be a priority. To achieve this goal, the governor's plan calls for a 2 percent increase in state support for higher education using the same performance formula as adopted in fiscal year 2013. The funding formula includes metrics designed to help ensure Michigan college students are receiving a quality education at a reasonable cost by linking funding to performance.

For community colleges, the recommendation also includes a 2 percent increase (\$5.8 million) allocated through a performance formula, including a new metric that rewards community colleges that place skilled trades students in jobs and apprenticeships, with special emphasis on veterans. The recommendation also includes \$1.1 million for the Virtual Learning Collaborative to increase student access to online courses.

Since taking office, Governor Snyder has helped reduce the long-term liabilities facing the Michigan Public School Employees Retirement System. Prefunding the system allows the state to address one of its largest long-term liabilities while providing needed stability to the retirement system depended upon by hundreds of thousands of hard-working Michigan public school employees and retirees. This move puts school districts in a better fiscal position and reduces the unfunded liability from \$46 billion to \$31 billion, ensuring that the resources can instead be spent in the classroom.

Ensuring a Healthier Michigan

Creating a healthy Michigan is paramount to improving the vitality of the state's economy. A key component to increasing the health of the state's residents is ensuring that people have access to affordable, quality health care.

Governor Snyder's budget recognizes the need for positive health outcomes and invests additional resources in Michigan's health care system.

Medicaid Expansion

To protect Michigan's most vulnerable residents and ensure access to health care, the governor recommends

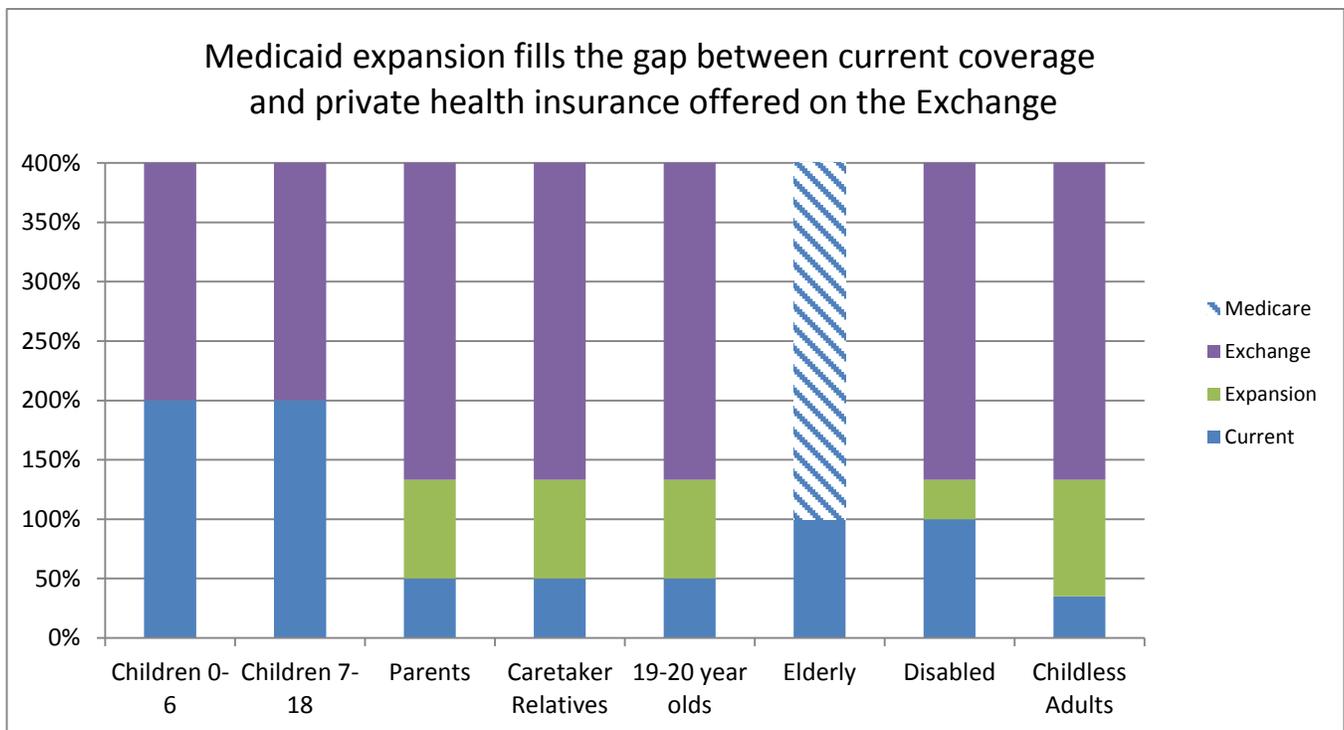
"Expanding Medicaid will be good for the state. Ann Arbor's Center for Health Care Research and Transformation found that it could save the state \$1 billion over 10 years and improve the quality of life and mortality rates of Michigan residents -- ultimately reducing disability costs and promoting productivity on the job."

Detroit Free Press, Jan. 28, 2013

expanding Medicaid for adults to 133 percent of the federal poverty level. With this expansion, the governor’s budget calls for \$12.3 billion to provide health care to 2.2 million Michigan residents. A study published by the New England Journal of Medicine in 2011 showed that compared to individuals who are uninsured, Medicaid recipients saw doctors more often; were less likely to delay getting care; reported better health; were less likely to die from disease, accidents, injuries and drug abuse; and reported better financial stability. As the old adage goes, “an ounce of prevention is worth a pound of cure.”

Individuals eligible for the Medicaid expansion will be enrolled in a health maintenance organization (HMO) where their medical home is established. All 13 Michigan Medicaid HMOs are accredited and nationally recognized as leaders in health care delivery. Members in plans get the care they need for themselves and their children quickly and seamlessly. To keep moms and babies healthy, pre and post natal care is an integral part of HMO services. In addition, coverage includes tests for breast and cervical cancer and other infections, which can help diagnose these diseases earlier and allows for more treatment choices. These medical homes are already in place for our current Medicaid population and they are effective.

This unique opportunity to provide health care to Michigan’s low-income population will improve the quality of care and health outcomes for the most vulnerable. The governor’s executive recommendation includes 100 percent federal funds to support Medicaid expansion. For fiscal year 2014, the budget recommendation recognizes a reduction in state general fund spending of \$206 million. To cover future state health care liabilities, \$103 million is deposited in a newly created health care savings fund.



Mental Health

The governor's executive recommendation also includes expanded Medicaid coverage for mental health services, funding for jail diversion, behavioral health homes, and mental health innovations. These investments will strengthen Michigan's mental health services. Jail diversion will address mental health and substance abuse problems outside of the criminal justice system. Behavioral health homes will be demonstrated across the state to coordinate physical and mental health care services for Medicaid beneficiaries with chronic conditions. The mental health needs of our youth will be addressed through a variety of mental health innovations. These include home-based mental health services for children, care management and treatment for high-risk youth, and mental health training and awareness programs to assist community stakeholders and law enforcement in identifying youth with mental health needs and guiding them to treatment resources.

Healthy Kids Dental

Tooth decay is the most common chronic childhood disease in America, affecting more than one-fourth of children 2-5 years old and half of those 12-15 years old. Left untreated, tooth decay and disease can affect a child's health, well-being, growth, and achievement. Children with serious oral health problems can have difficulty eating, sleeping and concentrating in school. To improve dental health outcomes for young Michiganders, Governor Snyder's budget invests in Michigan's children by expanding the Healthy Kids Dental program, a public-private partnership between the Michigan Department of Community Health and Delta Dental of Michigan. Since it began 12 years ago, Healthy Kids Dental has garnered national attention and is recognized by the American Dental Association as one of five national models for improving access to dental care for low-income children. Under the governor's plan, Healthy Kids Dental will cover an additional 70,500 children in Ottawa, Ingham and Washtenaw counties, funded with \$11.6 million. Currently, more than 440,000 Michigan children residing in 75 of Michigan's 83 counties are enrolled in the Healthy Kids Dental program.

Infant Mortality

The governor's budget invests an additional \$2.5 million to reduce Michigan's infant mortality rate. The governor called for the development of an infant mortality plan in his Special Message on Health and Wellness. The Department of Community Health will address a variety of initiatives outlined in the plan, including support for high risk mothers and families.

Health Innovation Grants

The governor is also calling for \$3 million in health innovation grants in the Department of Community Health. These grants will provide funding to community organizations and coalitions to devise innovative approaches to improving Michigan's health care system. The resulting new ideas will improve the health outcomes of Michiganders.

Supporting Job Creation

Realizing the importance of having highly-trained workers in Michigan, Governor Snyder's budget recommends \$10 million for a new skilled trades training program to better match talent with employers' needs. There are currently thousands of jobs that could be filled if workers had the necessary training to meet these employer needs. The mismatch must be addressed for the Michigan economy to continue to grow and diversify.

"The business climate reforms enacted by Snyder over the past two years have been credited with making Michigan more attractive to growing industrial firms."

Site Selection magazine, Jan. 2013

The governor's budget also calls for an additional \$27.5 million for the Michigan Economic Development Corporation to help grow Michigan's economy, including \$20 million for a new, innovative debt financing program to assist banks and other lenders invest in underserved communities.

Bolstering Human, Veterans Services

Launched last summer, Pathways to Potential puts workers at the Department of Human Services in local communities where they can directly and easily connect with clients. This service delivery model was designed to help families and children break down barriers to success. Initially located in 22 neighborhood schools in Detroit, Pontiac, Flint and Saginaw, Pathways to Potential helps families address a wide variety of issues including education, employment, food and child care needs. By addressing truancy, hunger and lack of transportation, department

"Governor Rick Snyder's business roots show through in many of his plans for Michigan. He's about delivering goods to taxpayers – he considers them his customers – in the most efficient way possible. A new program that places state social workers directly in schools follows suit, offering children and their parents access to services in a place that's convenient."

The Detroit News, Feb. 4, 2013

workers help to improve school attendance, classroom performance and family independence. The governor's proposed budget includes \$6.2 million to expand Pathways to Potential.

The budget recommendation also includes \$2.5 million to expand three critical family preservation programs: Family Reunification; Families Together Building Solutions; and Supportive Visitation/Home-Based Parent Education.

To improve program integrity and to ensure that Michigan's resources support those who are truly needy, the recommendation calls for \$1.2 million to augment the Department of Human Services' fraud prevention, detection and recoupment efforts. These funds will augment efforts by the Department of Human Services, the Michigan State Police and the Attorney General's office to identify and prevent fraud before a case is open.

After serving their country bravely, veterans face a number of obstacles when returning home. Believing that the state should and can do more to honor the nearly 700,000 veterans who call Michigan home, Governor Snyder's proposed budget includes \$8.6 million to create a new agency to focus directly on improving services to veterans. Furthermore, the plan contains \$600,000 to increase the number of qualified service officers by an additional five full-time employees who will work to connect veterans with the services they need. Having additional officers on staff will allow for better service to Michigan's deserving veterans.

Making Michigan Safer

A key function of state government is to ensure the safety of its residents. As outlined in the governor's Special Message on Public Safety, the state must prevent crime through "smart justice" that recognizes the connection between law enforcement, prevention and economic opportunity.

Building on the initiatives begun in 2012, phase two of the governor's public safety plan continues to invest in the well-being of Michigan residents. The budget recommendation allots \$15.2 million to train an additional 107 troopers through the Michigan State Police Training Academy to patrol Michigan roadways and communities. Increasing the number of troopers trained to protect and serve will help improve public safety all across Michigan.

The governor proposes an investment of \$18 million to train up to 790 corrections officers. The additional officers will help maintain safety and order in prisons across the state.

Michigan State Police Director Col. Kriste Kibbey Etue "is shepherding perhaps Governor Rick Snyder's most ambitious and difficult initiative to reverse long-term problems with violent crime in the four cities, all of which show up on the FBI's list of the 10 most violent U.S. cities in 2010."

Gongwer, Feb. 1, 2013

The governor also calls for \$4 million to be directed to a new Trial Court Performance Innovations Fund for the adoption and improvement of performance measures and to provide funding for grants for innovative proposals to improve the trial courts. The fund will establish incentives for Michigan's 245 trial courts to adopt best practices, encourage positive change and remove barriers to achieving high performance.

The governor recommends an additional \$2 million investment for mental health courts, bringing the total funding to \$4.1 million. This will provide for the maintenance of nine existing mental health courts while allowing for further expansion of this successful specialty court program.

To continue ensuring public safety while reducing drug and alcohol convictions, the governor recommends an additional \$3 million to expand treatment courts and pilot "regional driving while intoxicated/sobriety" courts. This investment brings the total funding for drug and alcohol courts to \$10.1 million.

The Michigan Land Bank is working cooperatively with municipalities on strategies to combine parcels of land for economic development opportunities and to improve neighborhood safety. The governor's plan includes \$9.5 million for blight elimination and \$4 million for the Good Neighbor Program. Funds for the Blight Elimination Program will be utilized to continue demolishing vacant and abandoned properties, particularly near schools, thereby promoting public safety, the stabilization of property values, and enhancing economic development opportunities. Money appropriated for the Good Neighbor Program will go toward property maintenance, such as mowing the grass or cleaning up litter, at state-owned tax-reverted properties.

Protecting our Natural Resources

With the most fresh water coastline in the United States and being the only state that touches four of the five Great Lakes, Michigan is known far and wide as "The Great Lakes State." Whether camping, hiking, cross-country skiing, hunting, biking, fishing or snowmobiling, it is easy for residents and tourists to discover Michigan's abundant natural beauty. Michigan's pure and pristine forests, lakes and waterways significantly contribute to the high quality of life found in our great state. To protect and preserve the state's environment, the governor's plan contains \$2.5 million in funding to clean up leaking underground storage tanks.

The proposed budget also includes \$97 million for the Department of Environmental Quality to issue grants and low-interest loans to municipalities across the state to improve water quality. These funds will be made available to local units of government in the form of grants and loans to design, develop and implement sanitary sewer and storm sewer infrastructure, with the end goal of improving sewage and treatment systems.

The recommendation also includes \$5.9 million to hire and train 41 new Department of Natural Resources conservation officers to enforce natural resource, recreational safety and environmental protection laws. Michigan ranks 6th in the nation in the amount of money contributed to the state's economy by hunters and anglers, but ranks 19th in the number of conservation officers. Increasing the number of officers will increase safety, protect public health and preserve our environment by ensuring the state's population of wild animals remains healthy and abundant. This investment will help enhance the outdoor experience in Michigan.

"Governor Snyder understands the important role of parks and recreation in placemaking and why it matters for Michigan's economy, Michigan's communities and our future as a state. Additionally, the governor's commitment to health and wellness is evident with his 4 x 4 health and wellness initiative," said MRPA Chief Operating Officer Ann Conklin. "These issues are all important to the park and recreation profession, and the Michigan Recreation and Park Association applauds the governor's leadership and we are proud to present him with the Elected Official Award."

The Oakland Press, Jan. 23, 2013

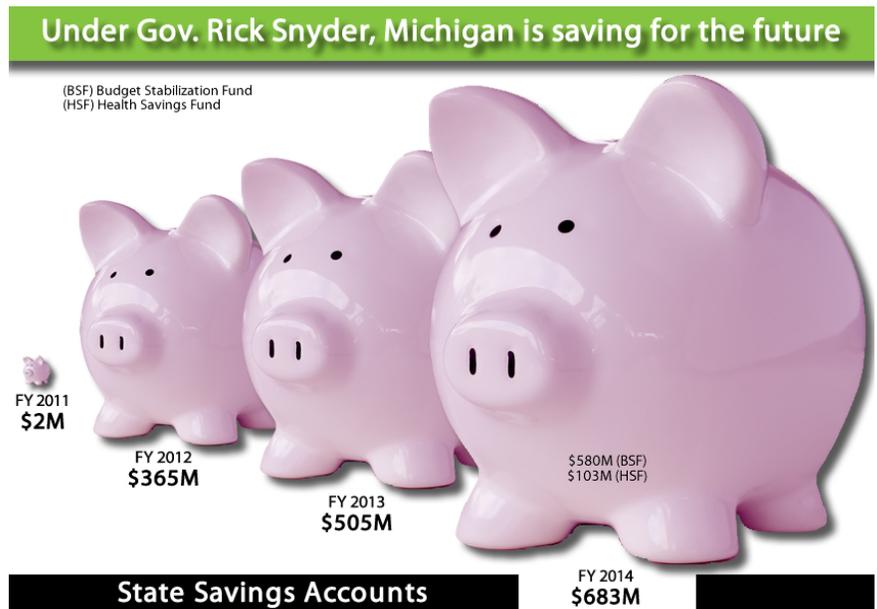
Michigan residents and tourists enjoy plentiful and picturesque opportunities for boating. To help ensure harbors remain passable for those who enjoy this pastime, the governor’s budget recommends \$9.4 million in ongoing funding for harbor dredging in 2014. To address the immediate need for dredging, a 2013 supplemental totaling \$21.5 million will also be sent to the legislature.

Saving for the Future, Preparing for Emergencies

Responsible budgeting means preparing for unforeseen financial emergencies. Recognizing that Michigan needs to have a healthy cash reserve, Governor Snyder has consistently called for significant deposits into the state’s Budget Stabilization Fund (commonly referred to as the Rainy Day Fund). The fund, which had been depleted to a balance of only \$2.2 million when the governor took office, will have a balance of more than half a billion dollars by the end of fiscal year 2013. This represents the largest balance in more than a decade.

With the governor’s recommendation to make another deposit of \$75 million, the state’s reserves in the Rainy Day Fund will grow to \$580 million. An additional \$103 million will be deposited into the newly created Michigan Health Savings Fund to offset future health care costs, bringing the total state savings to \$683 million. Establishing this reserve for the future shows fiscal responsibility, saves for unforeseen needs, and adds even more stability to Michigan’s fiscal situation.

Just as Michigan families prepare for possible emergencies by setting funds aside, the state must also prepare for natural disasters such as forest fires, tornadoes, flooding or collapsed mines. Last spring, the Duck Lake fire, the third-largest wildfire in Michigan’s modern history, raged across 21,000 acres (33 square miles) in the Upper Peninsula’s Luce County. Started by lightning, the fire resulted in evacuations, campground closures and the loss of 136 structures, including homes, cabins and recreational vehicles.



To help ensure the state is financially prepared to respond to these sorts of emergency situations in the future, the governor’s plan calls for \$4 million in fiscal year 2014 with an additional \$4 million in 2015 for the creation of a Disaster and Emergency Contingency Fund. These funds will help the state be ready for response when an emergency or natural disaster strikes.

Conclusion

This sound budget recommendation is a roadmap designed to move Michigan forward and help ensure the continuation of the state's comeback. The governor's budget clearly details his priorities for improving the quality of life for Michigan residents by continuing to invest in infrastructure, education, health and human services, public safety, veteran services, and natural resources. The plan set forth for fiscal years 2014 and 2015 continues and sustains critical funding needed to reinforce the firm financial footing Michigan has attained throughout the past two years. With Governor Snyder's financially responsible and balanced approach to the state's finances, and a healthy reserve in the Rainy Day Fund, Michigan is poised for financial stability well into the future.

Department Detail

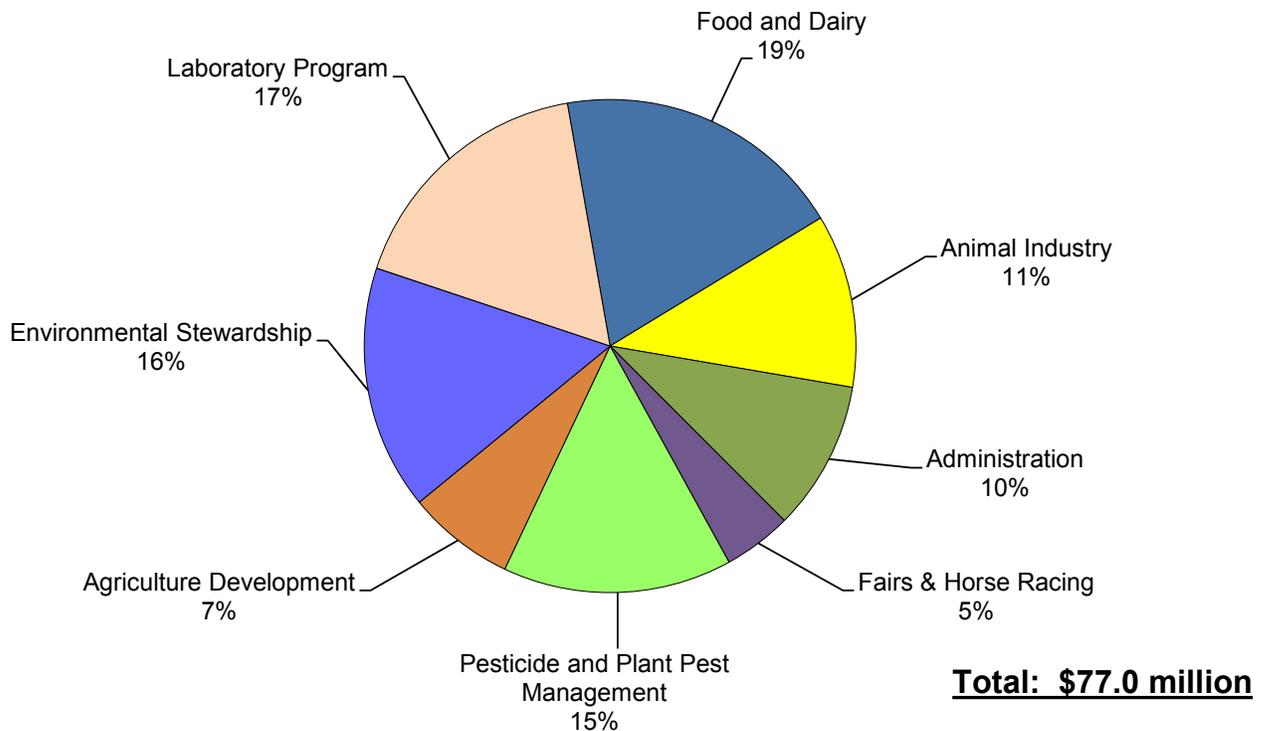
Agriculture and Rural Development	B	1
Attorney General	B	5
Civil Rights	B	9
Community Colleges	B	11
Community Health	B	15
Corrections	B	21
Education	B	25
Environmental Quality	B	27
Executive Office	B	31
Higher Education	B	33
Human Services	B	37
Judiciary	B	41
Legislature	B	45
Licensing and Regulatory Affairs	B	49
Military and Veterans Affairs	B	53
Natural Resources	B	57
Revenue Sharing	B	61
School Aid	B	63
State	B	67
State Police	B	69
Technology, Management and Budget	B	73
Transportation	B	77
Treasury	B	81



Department of Agriculture and Rural Development

The Department of Agriculture and Rural Development (MDARD) provides services to Michigan residents as well as the food and agriculture community through a variety of food safety, environmental protection, and animal and plant health programs. *The governor's proposed budget for fiscal year 2014 recommends ongoing funding of \$76.4 million of which \$37 million is general fund. In addition, one-time funding of \$600,000 general fund is recommended. The fiscal year 2015 recommendation includes \$77.6 million total funding of which \$37.7 million is general fund.*

Protect Food Safety, Public Health and the Environment



Highlights of Governor's Budget Recommendation

- Funding for core programs of the department is maintained including food safety and consumer protection programs as well as plant and animal health, welfare, and disease response.
- The governor recommends \$1 million general fund for a new Food and Agriculture Industry Growth Initiative focused on removing barriers and leveraging opportunities identified by food processors, agri-business, and those in agricultural production as critical to business development and growth. A competitive grant process will fund research, education, and technical assistance efforts. An advisory board, consisting of food and agriculture industry representatives, will identify criteria for grant funding. Grant recipients will be required to identify program outcomes and performance metrics. In addition, up to \$2 million will be available in the Michigan Strategic Fund (MSF) budget to support eligible projects that meet the goals and mission of this initiative. MDARD will collaborate with MSF in identifying projects for funding.

- MDARD is responsible for issuing certificates to ensure Michigan’s agricultural products, such as fruits and vegetables, are exported free of exotic pests to more than 70 countries worldwide. An additional \$1 million general fund is recommended to stabilize commitments to the industry for agricultural product inspections and assist in expediting export shipments by responding to the increasing number of export certificate requests in a timely manner, as well as to promote export opportunities to potential new markets. *(MDARD metric AgD-01)*
- The governor recommends an additional \$250,000 general fund to provide stable funding for the food safety program which is designed to minimize the risk of contaminated products entering the food supply. This is accomplished through inspections and laboratory testing. Program funding will assist the department with continuing to conduct over 16,000 food establishment inspections and respond to over 100 food recalls annually. In addition, approximately 900 additional produce samples and 500 additional packaged food samples will be tested. *(MDARD metric FDD-01)*
- The governor recommends one-time funding of \$600,000 for grants to conservation districts to provide private landowners with assistance in managing their forestland in order to increase the number of acres under a sustainable forestry management plan. *(MDARD metric ESD-04)*

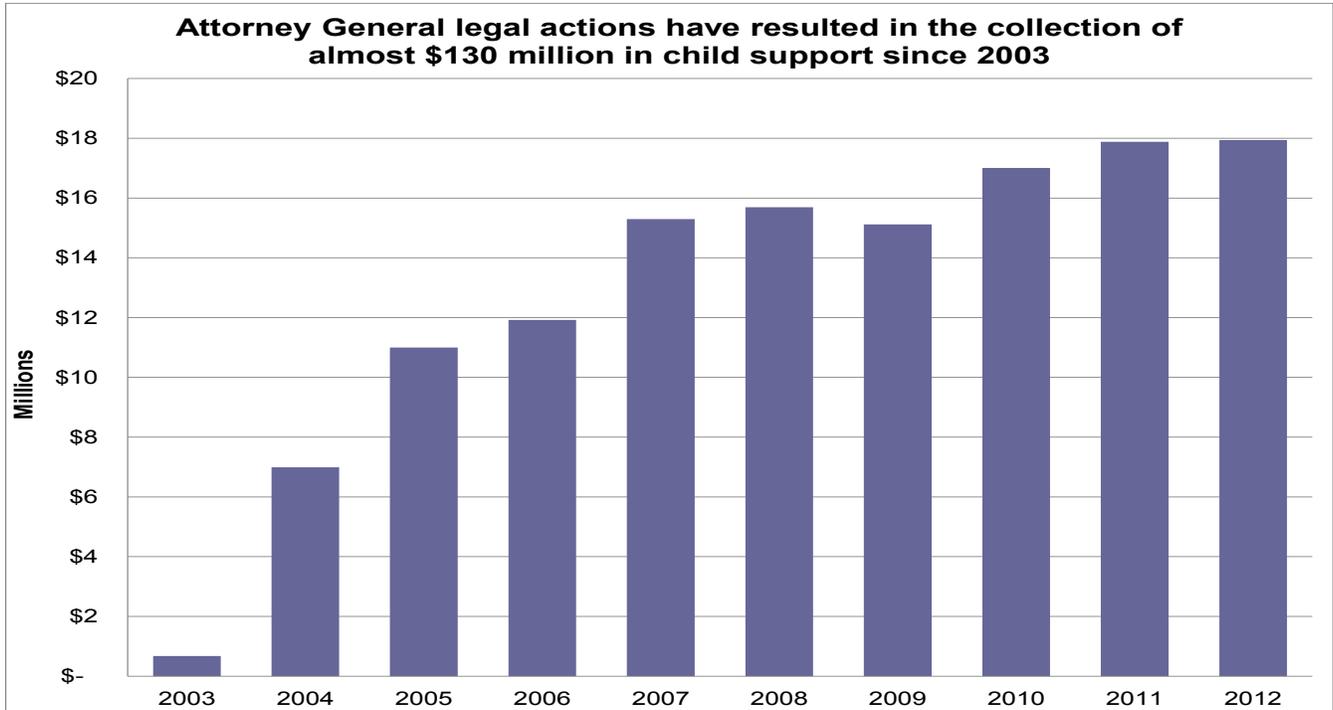
Governor's Recommendation
Department of Agriculture and Rural Development
(\$ in Thousands)

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$33,863.6	\$74,482.7	\$37,030.3	\$76,393.3	\$37,701.1	\$77,619.9
One-Time Funding	\$2,235.3	\$2,470.3	\$600.0	\$600.0	\$0.0	\$0.0
Total Funding	\$36,098.9	\$76,953.0	\$37,630.3	\$76,993.3	\$37,701.1	\$77,619.9
<i>% Change from Previous Year</i>						
	<i>Ongoing Funding</i>		9.4%	2.6%	1.8%	1.6%
	<i>One-Time Funding</i>		-73.2%	-75.7%	-100.0%	-100.0%
	<i>Total Funding</i>		4.2%	0.1%	0.2%	0.8%
Programs						
Food and Dairy			\$9,777.9	\$14,702.5	\$9,777.9	\$14,702.5
Laboratory Program			\$2,184.7	\$13,173.4	\$2,184.7	\$13,173.4
Pesticide and Plant Pest Management			\$4,753.7	\$11,613.0	\$4,753.7	\$11,613.0
Environmental Stewardship			\$3,301.1	\$11,427.5	\$3,301.1	\$11,427.5
Animal Industry			\$7,970.7	\$8,756.1	\$7,970.7	\$8,756.1
Administration			\$5,654.8	\$7,536.8	\$6,325.6	\$8,763.4
Agriculture and Rural Development			\$3,105.8	\$5,435.2	\$3,105.8	\$5,435.2
Fairs and Horse Racing Awards			\$281.6	\$3,448.8	\$281.6	\$3,448.8
Farmland Acquisition Program			\$0.0	\$300.0	\$0.0	\$300.0
Total Ongoing Recommendation			\$37,030.3	\$76,393.3	\$37,701.1	\$77,619.9
Private Forestry Program			\$600.0	\$600.0	\$0.0	\$0.0
Total One-Time Recommendation			\$600.0	\$600.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$37,630.3	\$76,993.3	\$37,701.1	\$77,619.9



Attorney General

The Attorney General serves as the State of Michigan's chief law enforcement officer and upholds and preserves the state's legal interests. The Attorney General provides legal advice and representation to state officials and agencies and, when warranted, initiates legal action on behalf of the residents of Michigan. The Attorney General also receives and investigates consumer complaints and enforces child support orders. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$89.3 million, of which \$34.5 million is general fund. Anticipated funding for fiscal year 2015 is recommended at \$90.9 million, of which \$35.1 million is general fund.*



Highlights of Governor's Budget Recommendation

- The executive recommendation provides over \$82 million for Attorney General core programs and support services, including funding for 250 attorneys who provide a wide array of legal services concerning child abuse and neglect cases, health care fraud, consumer protection, and litigation on behalf of the state.
- The Child Support Enforcement Division will receive over \$3.4 million to enforce child support orders. The division focuses on prosecuting those parents who have the ability to pay their court-ordered obligation but fail to do so. ([AG Child Support Enforcement metric 1](#))
- Over \$2 million is recommended for the Prosecuting Attorneys Coordinating Council, an autonomous agency that provides training, automation support, and legal research for local prosecutors throughout the state.

- The budget continues funding, initiated in 2012, to increase prosecutions and incarceration of offenders and to reduce backlogs for outstanding warrants in high-risk urban areas. This funding is one component of the governor’s Public Safety Initiative, which is targeted at crime reduction in major urban areas in Michigan.
- The Department of Human Services will partner with multiple state agencies to improve fraud prevention, detection, and recoupment efforts. As part of this initiative, the Attorney General will investigate and prosecute applicants who use false identity or fraudulent information to qualify for assistance, and will support efforts to recoup benefits paid to ineligible clients. The Attorney General will receive \$500,000 to support 3 attorneys working on this initiative.

**Governor's Recommendation
Department of Attorney General
(\$ in Thousands)**

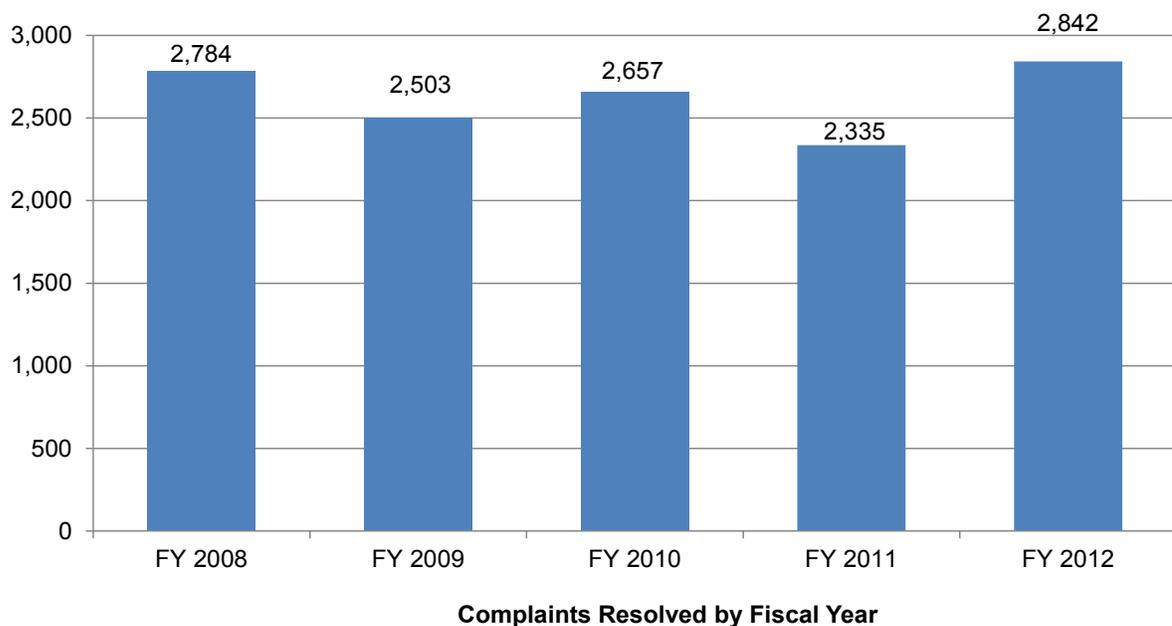
	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$33,432.5	\$84,056.6	\$34,481.3	\$89,306.9	\$35,113.1	\$90,935.7
One-Time Funding	\$393.3	\$1,025.9	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$33,825.8	\$85,082.5	\$34,481.3	\$89,306.9	\$35,113.1	\$90,935.7
<i>% Change from Previous Year</i>						
<i>Ongoing Funding</i>			3.1%	6.2%	1.8%	1.8%
<i>One-Time Funding</i>			-100.0%	-100.0%	0.0%	0.0%
<i>Total Funding</i>			1.9%	5.0%	1.8%	1.8%
Programs						
Attorney General Operations			\$33,083.8	\$87,232.6	\$33,715.6	\$88,861.4
Prosecuting Attorneys Coordinating Council			\$1,397.5	\$2,074.3	\$1,397.5	\$2,074.3
Total Ongoing Recommendation			\$34,481.3	\$89,306.9	\$35,113.1	\$90,935.7
None			\$0.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation			\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$34,481.3	\$89,306.9	\$35,113.1	\$90,935.7



Department of Civil Rights

The Michigan Department of Civil Rights (MDCR) works to prevent discrimination through educational initiatives that promote voluntary compliance with civil rights laws; the department also investigates and resolves discrimination complaints. The department administers programs for complaint investigation, outreach and education, community relations, contract compliance, and federal contracts. The Civil Rights Commission, appointed by the governor, leads the state's efforts to protect civil rights and prevent discrimination. The Department of Civil Rights also provides support for the Women's Commission, the Hispanic/Latino Commission of Michigan, and the Asian Pacific American Affairs Commission. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$15.2 million, of which \$12.3 million is general fund. For fiscal year 2015, the governor recommends total funding for the department of \$15.5 million, of which \$12.6 million is general fund.*

A New Intake Center, Streamlined Procedures, and Additional Investigators Helped the Agency Resolve More Complaints and Reduce Their Backlog in 2012



Highlights of Governor's Budget Recommendation

- The governor recommends an increase of \$100,000 general fund for the Division on Deaf and Hard of Hearing. These funds will be used to expand services to those individuals taking the Sign Language Interpreters Examination and reduce time required to review and score exams, providing better service to Michigan residents. (*Department of Civil Rights metric I1*)
- The executive recommendation adds \$54,000 general fund for the Hispanic/Latino Commission of Michigan. These funds will be used to enhance services for new Hispanic/Latino residents, a growing population in Michigan. (*Department of Civil Rights metric L4*)

**Governor's Recommendation
Department of Civil Rights
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$11,849.3	\$14,636.6	\$12,337.5	\$15,198.3	\$12,576.1	\$15,491.7
One-Time Funding	\$104.3	\$128.9	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$11,953.6	\$14,765.5	\$12,337.5	\$15,198.3	\$12,576.1	\$15,491.7
<i>% Change from Previous Year</i>						
<i>Ongoing Funding</i>			4.1%	3.8%	1.9%	1.9%
<i>One-Time Funding</i>			-100.0%	-100.0%	0.0%	0.0%
<i>Total Funding</i>			3.2%	2.9%	1.9%	1.9%
Programs						
Civil Rights Operations			\$12,337.5	\$15,198.3	\$12,576.1	\$15,491.7
Total Ongoing Recommendation			\$12,337.5	\$15,198.3	\$12,576.1	\$15,491.7
None			\$0.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation			\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$12,337.5	\$15,198.3	\$12,576.1	\$15,491.7

Community Colleges

A key component of Michigan's education system, Michigan's 28 community colleges provide almost 472,000 residents with affordable access to postsecondary education opportunities. These institutions are integral to attaining the governor's goal of ensuring that at least 60 percent of Michigan residents have a high-quality degree or other credential by 2025. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$334.9 million, of which \$137.3 million is general fund, plus an additional \$1.1 million in one-time general fund. The recommendation for fiscal year 2015 is \$352.3 million, of which \$154.7 million is general fund.*

Highlights of Governor's Budget Recommendation

- The governor's executive budget invests an additional \$5.8 million general fund in community college operations, a 2 percent increase. The increase for operations is distributed through a modified version of the performance funding formula adopted in the fiscal year 2013 budget, providing long-term planning stability to community colleges. In conjunction with an across the board increase, the metrics used are: weighted completions, enrollment, administrative costs as a percentage of core expenditures, and a new metric that rewards community colleges for working with employers to place skilled trades students in jobs and apprenticeships in their fields, with special emphasis on placing veterans. Local strategic value, a component of the funding formula in 2013, is retained as a prerequisite to receive any performance funding. ([Michigan Education Dashboard](#))

Community Colleges Funding (\$ in thousands)			
Community College	FY13 Payments	FY14 Payments	Percent Increase
Alpena	\$5,133.6	\$5,217.9	1.6%
Bay de Noc	5,184.0	5,258.6	1.4%
Delta	13,772.7	14,016.6	1.8%
Glen Oaks	2,393.4	2,432.4	1.6%
Gogebic	4,251.7	4,313.3	1.4%
Grand Rapids	17,129.2	17,388.5	1.5%
Henry Ford	20,687.4	20,975.0	1.4%
Jackson	11,542.0	11,712.9	1.5%
Kalamazoo Valley	11,880.2	12,080.2	1.7%
Kellogg	9,330.0	9,489.2	1.7%
Kirtland	2,981.2	3,048.3	2.2%
Lake Michigan	5,081.5	5,158.5	1.5%
Lansing	29,463.9	29,909.3	1.5%
Macomb	31,343.7	31,807.8	1.5%
Mid Michigan	4,412.6	4,505.7	2.1%
Monroe County	4,241.9	4,330.9	2.1%
Montcalm	3,051.8	3,111.9	2.0%
Mott	14,955.8	15,190.8	1.6%
Muskegon	8,493.3	8,620.3	1.5%
North Central MI	2,992.9	3,056.1	2.1%
Northwestern MI	8,662.0	8,791.3	1.5%
Oakland	20,065.1	20,413.5	1.7%
St. Clair County	6,726.7	6,835.2	1.6%
Schoolcraft	11,852.1	12,074.1	1.9%
Southwestern MI	6,296.6	6,377.2	1.3%
Washtenaw	12,295.2	12,581.7	2.3%
Wayne County	15,867.9	16,138.2	1.7%
West Shore	2,308.3	2,339.9	1.4%
Skilled Trades (TBD)	\$0.0	\$1,068.7	
Total:	\$292,396.9	\$298,244.0	2.0%

- As part of reforms in the Michigan Public School Employees' Retirement System enacted in 2012, the employer's contribution rate for unfunded accrued liabilities was capped at the fiscal year 2012 level. The state is required to pay the amount over the cap. The budget includes a total of \$31.4 million for payments to community colleges for the portion of their retirement liabilities that exceeds the capped amount. (*Treasury metric F-3*)
- To expand the use of technology in education, the governor proposes \$1.1 million in one-time general fund to support the Michigan Community College Association Virtual Learning Collaborative. This initiative will allow students, when their home institution courses are full, to enroll in an equivalent online course from another community college, and will also make available a course database for jointly developed, high-cost, low-enrollment online courses for all 28 colleges to share.
- Renaissance Zone tax reimbursements totaling \$3.5 million are transferred to the Community Colleges budget from the Treasury budget in order to consolidate payments to colleges in a single budget.
- State Building Authority rent payments of \$28.1 million, all general fund, support debt service for recently constructed community college building projects.

**Governor's Recommendation
Community Colleges
(\$ in Thousands)**

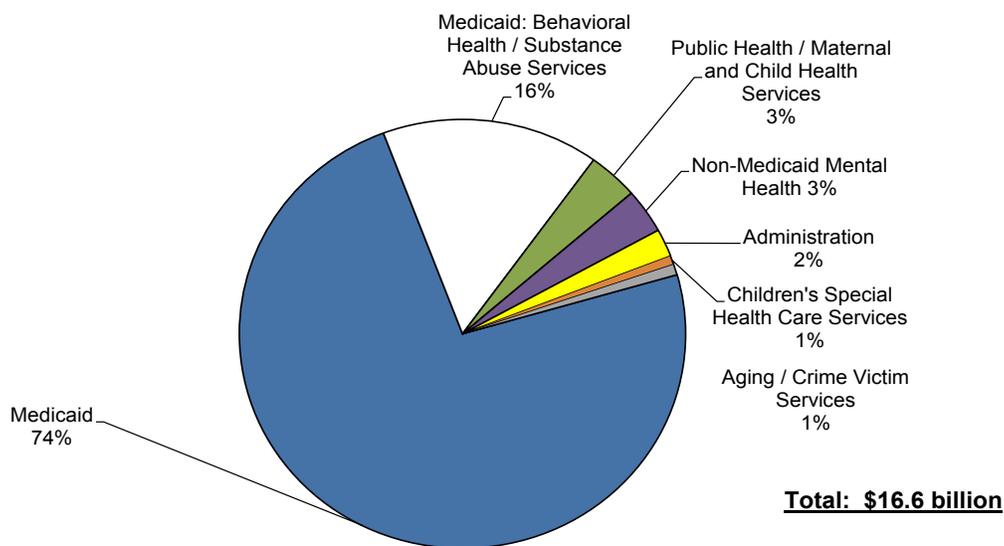
	FY2013 Current Law			FY2014 Recommendation			FY2015 Recommendation		
	GF/GP	School Aid	All Funds	GF/GP	School Aid	All Funds	GF/GP	School Aid	All Funds
Ongoing Funding	\$96,516.4	\$197,614.1	\$294,130.5	\$137,263.5	\$197,614.1	\$334,877.6	\$154,663.5	\$197,614.1	\$352,277.6
One-Time Funding	\$0.0	\$0.0	\$0.0	\$1,100.0	\$0.0	\$1,100.0	\$0.0	\$0.0	\$0.0
Total Funding	\$96,516.4	\$197,614.1	\$294,130.5	\$138,363.5	\$197,614.1	\$335,977.6	\$154,663.5	\$197,614.1	\$352,277.6
	<i>% Change from Previous Year</i>								
	<i>Ongoing Funding</i>			<i>42.2%</i>	<i>0.0%</i>	<i>13.9%</i>	<i>12.7%</i>	<i>0.0%</i>	<i>5.2%</i>
	<i>One-Time Funding</i>			<i>N/A</i>	<i>0.0%</i>	<i>N/A</i>	<i>-100.0%</i>	<i>0.0%</i>	<i>-100.0%</i>
	<i>Total Funding</i>			<i>43.4%</i>	<i>0.0%</i>	<i>14.2%</i>	<i>11.8%</i>	<i>0.0%</i>	<i>4.9%</i>
Programs									
Community College Operations				\$95,238.9	\$195,880.5	\$291,119.4	\$101,294.8	\$195,880.5	\$297,175.3
MPSEERS Retirement Contributions*				\$31,400.0	\$1,733.6	\$33,133.6	\$48,800.0	\$1,733.6	\$50,533.6
Community College Performance Funding				\$7,124.6	\$0.0	\$7,124.6	\$1,068.7	\$0.0	\$1,068.7
Renaissance Zone Tax Reimbursements				\$3,500.0	\$0.0	\$3,500.0	\$3,500.0	\$0.0	\$3,500.0
*The FY2013 current law figures do not reflect a proposed FY2013 supplemental that transfers \$12.5 million in state MPSEERS reform cost payments from the School Aid budget to the Community Colleges budget.									
Total Ongoing Recommendation				\$137,263.5	\$197,614.1	\$334,877.6	\$154,663.5	\$197,614.1	\$352,277.6
Virtual Learning Collaborative				\$1,100.0	\$0.0	\$1,100.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation				\$1,100.0	\$0.0	\$1,100.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION				\$138,363.5	\$197,614.1	\$335,977.6	\$154,663.5	\$197,614.1	\$352,277.6



Department of Community Health

The Department of Community Health (DCH) is responsible for health policy and management of the state's publicly funded health care systems. These programs include Medicaid health coverage for those with limited incomes; mental health services for people who have a mental illness or developmental disability; services for individuals who need substance abuse treatment; and services provided through local public health programs. The department also provides services to promote the independence and preserve the dignity of Michigan's elderly through the Office of Services to the Aging. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$16.6 billion, of which \$2.7 billion is general fund. This includes one-time funding of \$23.6 million (\$7.6 million general fund). The recommendation for fiscal year 2015 is \$17.5 billion, of which \$2.7 billion is general fund.*

Medicaid makes up 90% of the DCH budget



Improving Michigan's Health Care System

To improve Michigan's health care outcomes, the governor's budget addresses problems in the current health care delivery system. Too many people lack access to routine and preventive care, resulting in high hospital emergency room use. Chronic diseases and illnesses that go untreated result in poor health outcomes. The high costs and lack of insurance result in high amounts of uncompensated care for all providers. This uncoordinated system of care contributes to poor health outcomes that are unacceptable and costly.

To address these problems and achieve positive health outcomes for Michigan residents, the governor recommends expanding Medicaid for adults to 133 percent of the federal poverty level. In fiscal year 2014, this expansion will provide health care to over 320,000 individuals who are currently uninsured. These individuals will have access to routine and preventive medical care, improving health outcomes and reducing uncompensated costs for health care providers. Financial pressures on medical providers will be reduced.

This Medicaid expansion will be 100 percent financed by the federal government from fiscal year 2014 through fiscal year 2016. Beginning in fiscal year 2017 there is a gradual increase in the state's share of expansion costs capped at 10 percent in fiscal year 2020. Michigan will realize general fund savings of \$206 million in fiscal year 2014 because Medicaid expansion will cover expenses that are currently paid by the state for individuals who are not Medicaid eligible. State savings will continue through fiscal year 2020. Half of these savings will be reserved in a new Health Savings Fund to help cover state health care costs in future years.

Strengthening Mental Health Services

The governor recognizes the importance of providing mental health services and the need for coordinating resources to support diagnosis and treatment. Services for children are often unavailable. Health care workers, other professionals and law enforcement officers need assistance in recognizing mental health problems. Many of those incarcerated with mental health needs can and should be treated more effectively outside the corrections system. The fiscal year 2014 budget proposes funding to address Michigan's critical mental health needs.

- Medicaid expansion will provide mental health services to over 320,000 uninsured individuals. Many of those with low incomes forgo mental health treatment because they have no health insurance. Untreated mental illnesses result in significant costs for the individuals and their families and for the state. Expanding Medicaid mental health coverage will provide the resources needed to address and control mental illnesses and mental health problems while reducing uncompensated care and improving health outcomes.
- The executive budget makes a new investment of \$5 million general fund in Mental Health Innovations. These funds will support three service initiatives.
 - Comprehensive home-based mental health services will be provided to children to strengthen families and reduce child hospitalizations.
 - The Department of Community Health will coordinate with private providers and the Department of Human Services to pilot a high intensity care management team for children with complex behavior disorders.
 - Mental health "first aid" training will be provided to a range of public and private groups to help them recognize mental health problems and obtain professional help. In addition, the Department of Community Health will pilot Youth Crisis Intervention Training for law enforcement officers to identify youth with mental health needs and guide them to treatment resources.
- A new jail diversion initiative is supported with \$1.6 million general fund. Those with mental illness or substance abuse diagnoses will be diverted from the criminal justice system so they can receive the medical attention they need. In addition, Medicaid expansion will provide health services for low-income prisoners and parolees in Michigan's criminal justice system. Parolees will be eligible to receive health services

to help them successfully transition into the community and to reduce recidivism. Incarceration is an expensive way to house those who can be treated more effectively, and at lower cost, outside the corrections system. (*DCH metric 4b*)

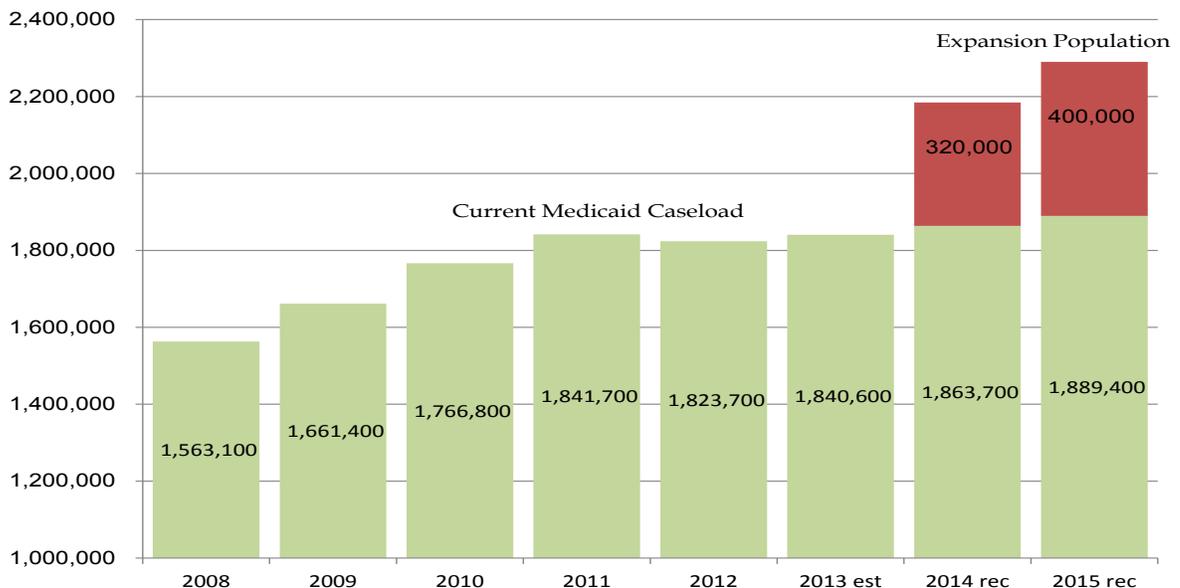
- An investment of \$900,000 (\$90,000 general fund) supports three health home demonstrations for Medicaid recipients with chronic mental health conditions. The health home model is designed to coordinate physical and mental health care through the provision of specific services. These include comprehensive case management, support for transitional care from an institution to the community, educating the family to support the health and well-being of the recipient, referral to community and social support services, and using health information technology to share data between physical and mental health providers. This person-centered model will be demonstrated in three regions: Washtenaw region (includes Washtenaw, Livingston, Lenawee and Monroe counties), Northern Michigan (includes 21 counties from Manistee to Emmett to Iosco), and either Saginaw County or the Genesee region (includes St. Clair, Lapeer, and Sanilac counties).

Other Highlights of the Governor’s Budget

Medical Services

- Michigan’s existing health care safety net is protected in the governor’s executive recommendation. The DCH budget recommends \$8.6 billion (\$982 million general fund) for medical services and \$2.4 billion (\$500 million general fund) for the long term care portion of the Medicaid program. This represents a 2 percent increase over fiscal year 2013 due to caseload increases, utilization and inflation, special provider payments and funding for actuarial soundness. After flattening in fiscal year 2012, the Medicaid caseload is projected to resume modest growth in fiscal years 2013 and 2014. Medicaid provides health care services for one out of every five Michigan residents, rising to almost 25 percent with Medicaid expansion.

Medicaid caseload has leveled off - Medicaid expansion will add 320,000 individuals in 2014, financed by the federal government.



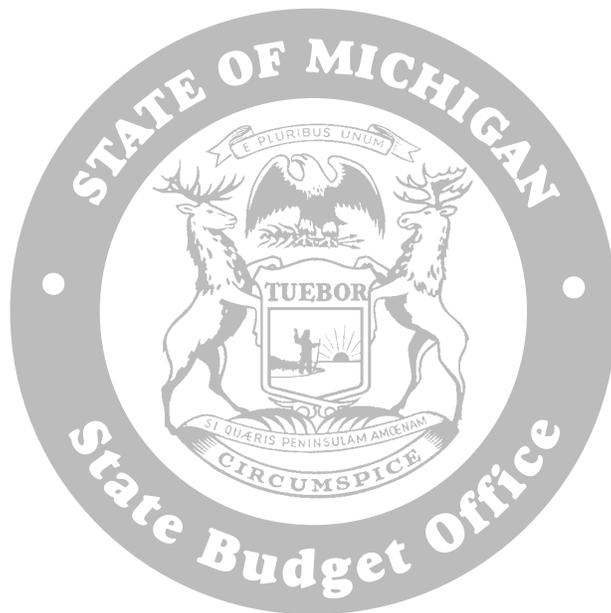
- The governor continues his commitment to improve dental care and oral health outcomes for children by investing \$11.6 million gross (\$3.9 million general fund) in the continued expansion of Healthy Kids Dental to 70,500 children in Ingham, Ottawa and Washtenaw counties. With this expansion, 50 percent of eligible children will be covered. Full statewide phase-in will be completed within the next several years. Planned expansion in fiscal year 2015 will cover an additional 100,000 children. Healthy Kids Dental increases provider reimbursement rates, encourages provider participation and ensures that children receive good dental care. (*DCH metric 1a*)
- Health Innovation Grants will be awarded to encourage and foster reforms and new approaches to improve the provision of health care. The results will encourage healthier communities, integration of mental health and primary care, better health care at reduced costs, and increased efficiencies through better service delivery models. Funded at \$3 million general fund, this initiative will solicit proposals and make grants to local units of government, private entities and public/private partnerships. Proposals will be selected for funding based on merit and their potential to bring efficiencies to the state's health care system.

Public Health Services

- The governor's Health and Wellness initiative is funded with an additional \$1.5 million general fund for a total of \$8.7 million (\$3.5 million general fund). These funds support public health activities including obesity reduction, cancer screening, improved diabetes care and pregnancy prevention/family planning programs. (*DCH Health and Wellness Dashboard*)
- The Infant Mortality Reduction Plan is supported with funding of \$2.5 million general fund. Michigan's infant mortality rate ranks 37th among all states. This investment recognizes the importance of addressing this significant public health problem. Initiatives funded under this plan include a regional system of perinatal care, reducing medically unnecessary deliveries before 39 weeks, infant safe-sleep practices, expanding home-visiting programs and reducing unintended pregnancies. (*DCH Health and Wellness Dashboard*)

**Governor's Recommendation
Department of Community Health
(\$ in Thousands)**

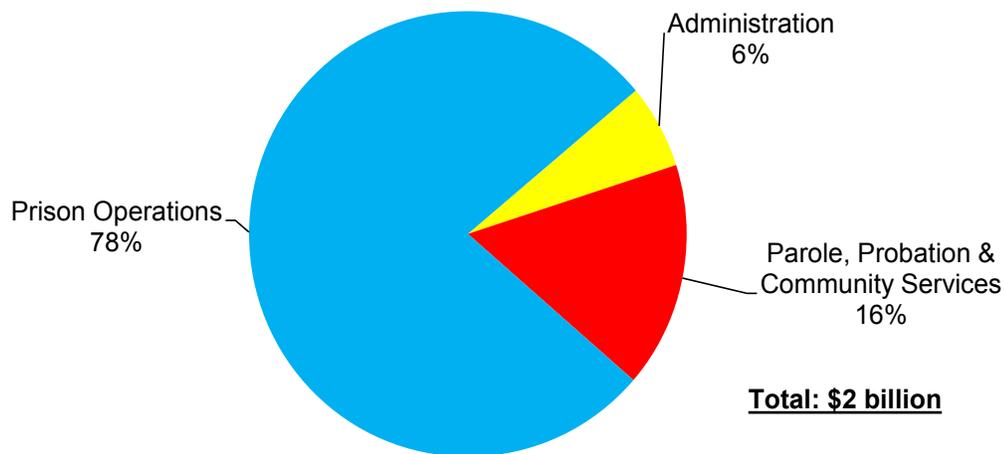
	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$2,802,091.3	\$14,979,201.1	\$2,717,907.5	\$16,610,626.0	\$2,735,460.6	\$17,478,248.0
One-Time Funding	\$15,346.5	\$49,856.6	\$7,625.0	\$23,625.0	\$0.0	\$0.0
Total Funding	\$2,817,437.8	\$15,029,057.7	\$2,725,532.5	\$16,634,251.0	\$2,735,460.6	\$17,478,248.0
<i>% Change from Previous Year</i>						
<i>Ongoing Funding</i>			-3.0%	10.9%	0.6%	5.2%
<i>One-Time Funding</i>			-50.3%	-52.6%	-100.0%	-100.0%
<i>Total Funding</i>			-3.3%	10.7%	0.4%	5.1%
Programs						
Medicaid			\$1,419,082.4	\$10,896,918.4	\$1,482,158.2	\$10,793,370.2
Behavioral Health / Substance Abuse Services			\$1,182,061.4	\$2,897,582.7	\$1,188,637.0	\$2,917,545.0
Medicaid Expansion			(\$181,720.5)	\$1,359,044.1	(\$243,240.4)	\$2,292,842.6
Public Health / Maternal and Child Health Services			\$65,487.0	\$607,859.5	\$65,487.0	\$607,859.5
Administration / Information Technology			\$75,574.9	\$331,234.5	\$80,827.2	\$339,831.5
State Psychiatric Hospitals / Forensic Center			\$65,837.2	\$275,025.7	\$65,837.2	\$275,025.7
Children's Special Health Care Services			\$62,704.3	\$111,604.3	\$66,873.6	\$120,416.7
Office of Services to the Aging			\$28,880.8	\$93,581.6	\$28,880.8	\$93,581.6
Crime Victim Services Commission			\$0.0	\$37,775.2	\$0.0	\$37,775.2
Total Ongoing Recommendation			\$2,717,907.5	\$16,610,626.0	\$2,735,460.6	\$17,478,248.0
Michigan Medicaid Information System - ICD-10			\$2,300.0	\$18,300.0	\$0.0	\$0.0
Mental Health Innovation			\$5,000.0	\$5,000.0	\$0.0	\$0.0
Primary Care Services - Island Health Clinics			\$325.0	\$325.0	\$0.0	\$0.0
Total One-Time Recommendation			\$7,625.0	\$23,625.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$2,725,532.5	\$16,634,251.0	\$2,735,460.6	\$17,478,248.0



Department of Corrections

The Department of Corrections contributes to public safety by providing custody and care for incarcerated felons while maintaining oversight and supervision of parolees and felony probationers. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$2.03 billion of which \$1.96 billion is general fund. Anticipated funding for fiscal year 2015 is recommended at \$2.05 billion of which \$1.98 billion is general fund. For fiscal year 2014, the governor's proposed budget includes a total of \$9 million in one-time funding, all general fund.*

Nearly 80% of Corrections Costs are in Prison Operations



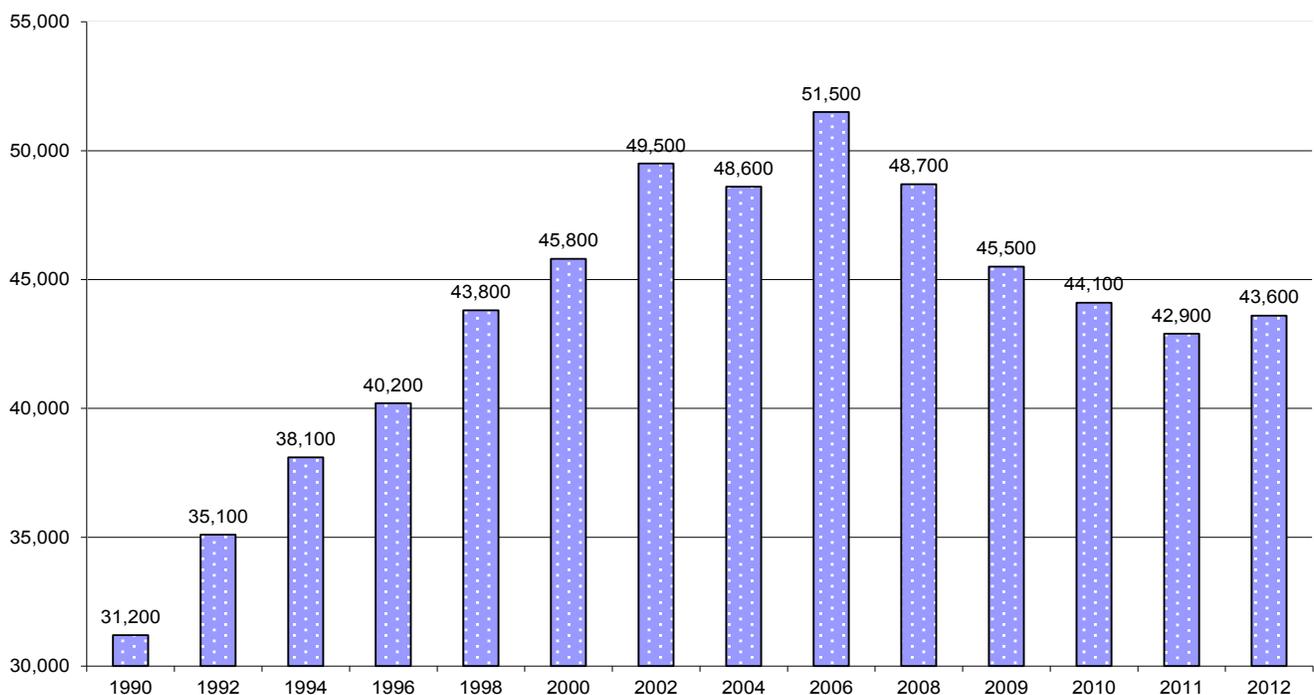
Highlights of the Governor's Budget Recommendation

- The executive budget includes \$1.6 billion to operate a safe and secure prison system that currently houses 43,000 prisoners. Due to successful cost containment efforts, the recommended funding remains nearly unchanged from the current year, despite an increase in prison population and almost \$50 million in negotiated employee pay adjustments. The department is able to control cost pressures due to a number of efficiency measures undertaken in the last two years, including efforts to reorganize health care services, reduce positions, limit overtime costs and optimize the department's supply chain.
- The governor's budget includes \$331 million in funding for supervision of parolees and felony probationers as well as funding for community programs to provide cost-effective local alternatives to incarceration in the state's prison system.
- Access to routine and preventive health care helps parolees successfully transition into the community. Current access to quality care is limited and beyond the financial reach of most parolees. Health care costs are shared by all Michigan residents when these individuals seek treatment in emergency rooms or return to prison because of additional criminal behavior caused by lack of access to substance abuse or mental health services.

The governor’s proposed expansion of Medicaid eligibility to low income residents will improve access to primary care and health outcomes for Michigan’s parolees, helping them succeed in the community while saving the department over \$24 million general fund in fiscal year 2014. With the expansion of Medicaid, most inpatient hospitalization for prisoners will be covered along with specific re-entry, substance abuse and sex offender treatment for parolees. (*MDOC metric 13 and 14*)

- The governor’s budget includes \$6 million in state restricted funds to improve staff personal protection systems at several facilities. Investment in these projects will reduce serious assaults on staff and improve safety within the prisons. (*MDOC metric 3 and 4*)
- To ensure that there are adequately trained corrections officers, \$9 million (one-time general fund) is recommended. This investment will allow the department to replace officers who retire or leave employment, while reducing overtime. With this additional support, total funding for new employee training schools equals \$18 million to train approximately 790 replacement officers.

Prison Population in 2012 Showed a Slight Rebound After Five Successive Years of Decline



**Governor's Recommendation
Department of Corrections
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$1,927,482.3	\$1,986,560.5	\$1,954,021.1	\$2,020,275.5	\$1,982,080.1	\$2,049,016.2
One-Time Funding	\$14,003.3	\$31,955.4	\$9,032.5	\$9,032.5	\$0.0	\$0.0
Total Funding	\$1,941,485.6	\$2,018,515.9	\$1,963,053.6	\$2,029,308.0	\$1,982,080.1	\$2,049,016.2
<i>% Change from Previous Year</i>						
	<i>Ongoing Funding</i>		1.4%	1.7%	1.4%	1.4%
	<i>One-Time Funding</i>		-35.5%	-71.7%	-100.0%	-100.0%
	<i>Total Funding</i>		1.1%	0.5%	1.0%	1.0%
Programs						
Prison Operations			\$1,526,927.6	\$1,566,157.6	\$1,522,734.4	\$1,561,964.4
Parole, Probation & Community Services			\$311,990.4	\$330,920.9	\$309,176.0	\$328,106.5
Administration			\$115,103.1	\$123,197.0	\$150,169.7	\$158,945.3
Total Ongoing Recommendation			\$1,954,021.1	\$2,020,275.5	\$1,982,080.1	\$2,049,016.2
New Employee Training School			\$9,032.5	\$9,032.5	\$0.0	\$0.0
Total One-Time Recommendation			\$9,032.5	\$9,032.5	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$1,963,053.6	\$2,029,308.0	\$1,982,080.1	\$2,049,016.2



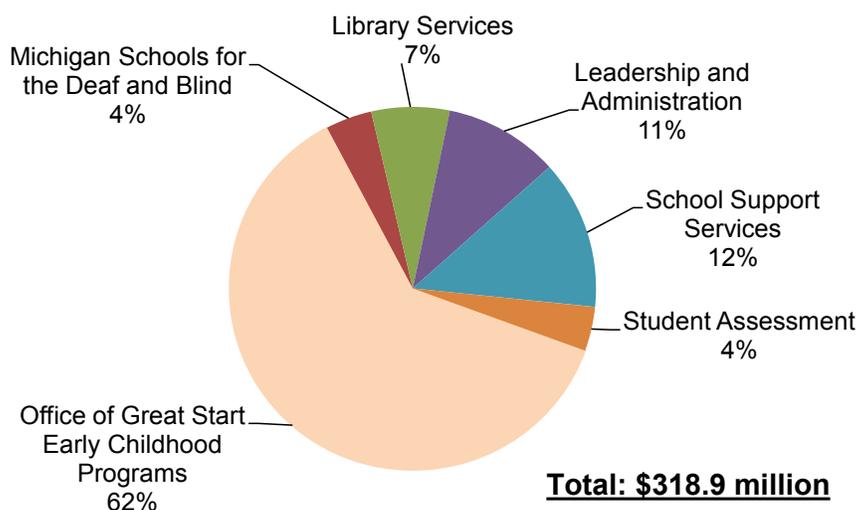
Department of Education

Leadership for Michigan's public education system is vested by the State Constitution in the elected members of the State Board of Education and the Superintendent of Public Instruction. The governor's proposed budget for fiscal year 2014 recommends total funding of \$318.9 million, of which \$70.9 million is general fund. The governor's proposed budget for fiscal year 2015 recommends total funding of \$320.9 million, of which \$71.8 million is general fund.

Highlights of Governor's Budget Recommendation

- In 2011, the governor established the Michigan Office of Great Start to create a single, unified office for the state's early childhood programs. The Office of Great Start oversees preschool and childcare programs that serve approximately 95,000 children throughout the state. The executive budget includes funding for the Office of Great Start of \$196.8 million (\$40.2 million general fund). *(MDE metric C-5)*

Over 60 Percent of the Department Budget Supports Early Childhood Programs



- As part of reforms in the Michigan Public School Employees' Retirement System enacted in 2012, the employer's contribution rate for unfunded accrued liabilities was capped at the fiscal year 2012 level. The state is required to pay the amount over the cap. The budget includes a total of \$1.3 million general fund for payments to libraries, which represents the portion of the retirement liabilities that exceed the capped amount.
- The governor's budget consolidates all state library funding in the Department of Education by transferring \$2.8 million from the School Aid budget to the department budget. State library funding totals \$22 million.
- The executive budget provides additional resources of \$255,000 (\$127,500 general fund) to assist new charter schools. P.A. 277 of 2011 made a number of changes to the laws governing charter schools; those changes are expected to increase both the number of charter schools and the department's oversight responsibilities. *(MDE metric P-3)*
- The governor's budget includes \$137,500 general fund to assist more schools as they develop school improvement plans designed to improve student academic achievement. *(MDE metric P-4)*

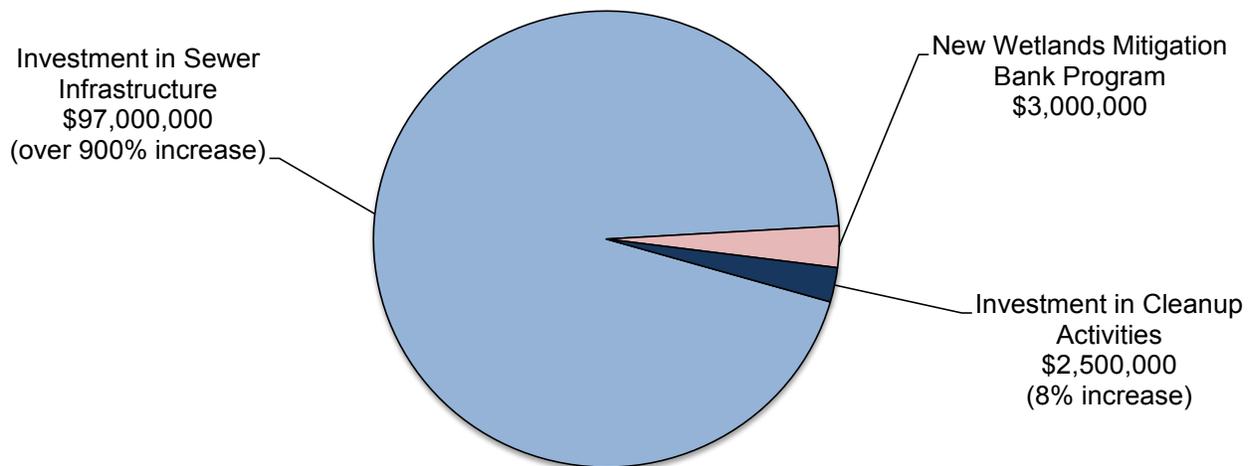
**Governor's Recommendation
Department of Education
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$67,929.1	\$328,235.6	\$70,893.9	\$318,888.4	\$71,831.1	\$320,929.6
One-Time Funding	\$164.1	\$674.3	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$68,093.2	\$328,909.9	\$70,893.9	\$318,888.4	\$71,831.1	\$320,929.6
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		4.4%	-2.8%	1.3%	0.6%
	<i>One-Time Funding</i>		-100.0%	-100.0%	0.0%	0.0%
	<i>Total Funding</i>		4.1%	-3.0%	1.3%	0.6%
Programs						
Early Childhood Development Programs			\$40,198.5	\$196,791.8	\$40,198.5	\$196,791.8
School Support Services			\$6,732.6	\$42,279.5	\$6,732.6	\$42,279.5
Leadership and Administration			\$6,426.8	\$32,317.6	\$6,664.0	\$33,658.8
Library Services			\$16,370.5	\$21,974.2	\$17,070.5	\$22,674.2
Michigan Schools for the Deaf and Blind			\$0.0	\$13,030.7	\$0.0	\$13,030.7
Student Assessment			\$1,165.5	\$12,494.6	\$1,165.5	\$12,494.6
Total Ongoing Recommendation			\$70,893.9	\$318,888.4	\$71,831.1	\$320,929.6
None			\$0.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation			\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$70,893.9	\$318,888.4	\$71,831.1	\$320,929.6

Department of Environmental Quality

Funding for the Department of Environmental Quality (DEQ) supports programs to restore and enhance Michigan's environment and preserve our natural resources. *The governor's proposed budget for fiscal year 2014 recommends ongoing funding of \$511.2 million, of which \$28.1 million is general fund. In addition, one-time funding of \$1 million general fund is recommended. The fiscal year 2015 recommendation includes \$514.7 million, of which \$28.5 million is general fund.*

Over \$100 Million in New Funding for Environmental Cleanup and Protection



Total: \$102.5 million

Highlights of Governor's Budget Recommendation

- The fiscal year 2014 executive recommendation focuses on the governor's commitment to ensuring good water quality, defending our wetlands, and restoring Michigan's environment. The governor recommends a 20 percent increase in funding devoted primarily to environmental cleanups.

- The governor's recommendation includes an additional \$97 million in bond authority to improve sewage collection and treatment systems. Funds will be made available to local units of government in the form of grants and loans to design, develop and implement sanitary sewer and storm sewer infrastructure. Corresponding debt service funding has been added to the Department of Treasury budget to reflect the debt service associated with these new bonds. ([DEQ metrics S212 and S412](#))

"In Michigan, we care about energy and the environment because we care about our kids and their future. These areas don't lend themselves to "quick fixes." It takes a long time to see the effect of the choices we make."

Special Message from Governor Snyder, Ensuring our Future: Energy and the Environment, November 28, 2012

- The governor recommends an additional \$3 million in bond proceeds to establish a wetland mitigation bank funding program to provide grants and loans to eligible municipalities. A wetland mitigation bank is a site where wetlands are restored, created, or preserved to compensate for unavoidable impacts to wetlands. Funding will be available for developing wetland mitigation bank proposals, including the planning, designing and establishment of mitigation banks. (*DEQ metrics B1a13 and B1b13*)

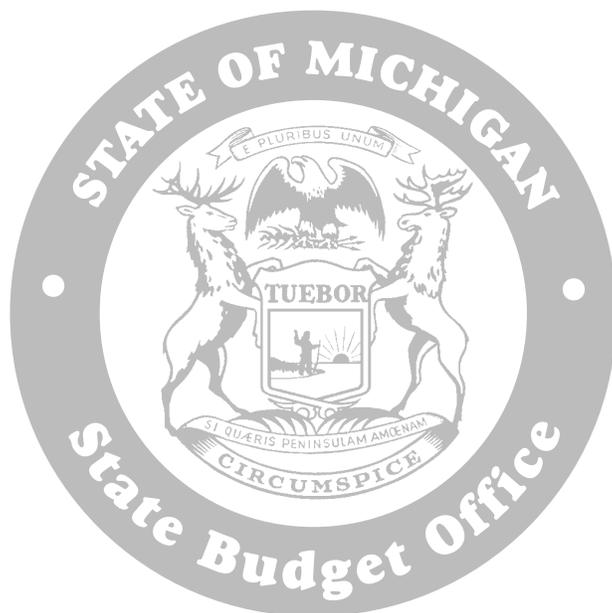
"I am calling on DEQ to reinvent our wetland mitigation banking system to make sure that Michigan will end up not just with average or good replacement wetlands, but with the best wetlands and wetland systems in America - all at the same or lower cost to our business community and residents."

Special Message from Governor Snyder, Ensuring our Future: Energy and the Environment, November 28, 2012

- The governor's recommendation includes general fund in the amount of \$1 million ongoing and \$600,000 one-time for the wetlands program. Funding will be used to continue the wetlands program and to create a Wetland Ombudsman to address the impact of wetland regulations on agricultural expansion in Michigan. This position will assist the agricultural specialty crop industry with development of cost effective options for mitigating wetland impacts. (*DEQ metrics B1a13 and B1b13*)
- The governor recommends an additional \$2.5 million of refined petroleum funds for environmental contamination cleanup work at leaking underground storage tank sites. Funding is available by replacing \$2.5 million in refined petroleum fund currently funding debt service payments in the Department of Treasury with an equal amount of general fund. With the additional funding support, there will be an increase in the percentage of orphan sites that meet risk reductions goals. (*DEQ metric S1513*)
- The governor recommends an additional \$500,000 general fund to offset depleted Great Lakes protection funds to be used to support policy development pertaining to Great Lakes issues and to satisfy the state's obligations under the Great Lakes Compact Agreement. As Co-Chair of the Great Lakes Governors Council, Governor Snyder will spearhead efforts to protect the Great Lakes and invigorate the region's economy. The governor is planning a 2013 summit on Mackinac Island to develop ideas and multi-state strategies on how to protect and enhance the Great Lakes. (*DEQ metric S112*)
- The governor's recommendation includes a fee proposal to replace existing hazardous waste management program fees with a new system of user charges developed in consultation with the hazardous waste user charge stakeholder's workgroup. The proposed new fee structure is expected to generate an additional \$1.5 million for the program which regulates businesses that generate, transport, store, treat, recycle or dispose of hazardous waste in Michigan. The program provides for the permitting and registration of approximately 50 hazardous waste transporters annually. In addition, \$400,000 one-time general fund is recommended for the program. (*DEQ metrics S1213, S1313, and S1413*)

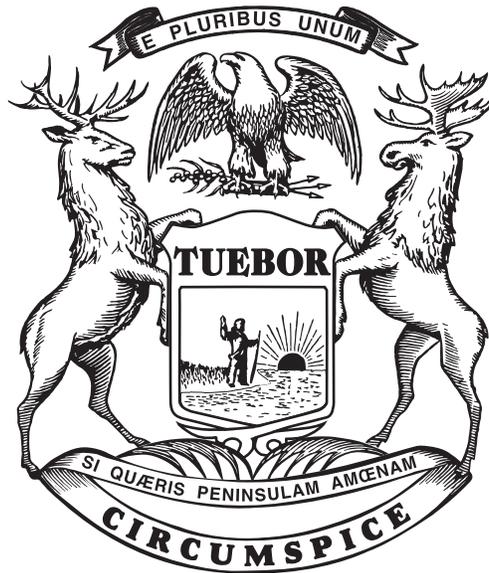
**Governor's Recommendation
Department of Environmental Quality
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$25,652.3	\$425,880.7	\$28,104.5	\$511,168.8	\$28,526.7	\$514,655.9
One-Time Funding	\$4,160.1	\$6,149.2	\$1,000.0	\$1,000.0	\$0.0	\$0.0
Total Funding	\$29,812.4	\$432,029.9	\$29,104.5	\$512,168.8	\$28,526.7	\$514,655.9
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		9.6%	20.0%	1.5%	0.7%
	<i>One-Time Funding</i>		-76.0%	-83.7%	-100.0%	-100.0%
	<i>Total Funding</i>		-2.4%	18.5%	-2.0%	0.5%
Programs						
Resource Management			\$3,775.0	\$248,170.6	\$3,775.0	\$248,170.6
Remediation			\$0.0	\$115,170.5	\$0.0	\$115,170.5
Water Resources			\$13,783.3	\$60,001.7	\$13,783.3	\$60,001.7
Administration			\$4,571.3	\$32,687.0	\$4,993.5	\$36,174.1
Air Quality			\$4,531.6	\$25,766.5	\$4,531.6	\$25,766.5
Office of the Great Lakes			\$884.8	\$19,644.9	\$884.8	\$19,644.9
Environmental Assistance			\$0.0	\$6,937.2	\$0.0	\$6,937.2
Law Enforcement			\$558.5	\$2,790.4	\$558.5	\$2,790.4
Total Ongoing Recommendation			\$28,104.5	\$511,168.8	\$28,526.7	\$514,655.9
Wetlands Program			\$600.0	\$600.0	\$0.0	\$0.0
Hazardous Waste Management			\$400.0	\$400.0	\$0.0	\$0.0
Total One-Time Recommendation			\$1,000.0	\$1,000.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$29,104.5	\$512,168.8	\$28,526.7	\$514,655.9



Executive Office

The Executive Office is the Office of the Governor. The budget provides funding for the governor and his immediate staff, who assist him in executing his constitutional responsibilities as chief executive of the State of Michigan. The Executive Office also includes funding for the lieutenant governor's office. The lieutenant governor performs gubernatorial functions in the governor's absence, presides over the Senate, serves on the State Administrative Board and represents the governor at selected local, state and national meetings. The Executive Office also contains the Constituent Services Division, which serves as a resource for the residents of Michigan to communicate their concerns and opinions directly to the governor. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$5.0 million; the same amount is recommended of fiscal year 2015.*



Governor's Recommendation
Executive Office
(\$ in Thousands)

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$4,829.2	\$4,829.2	\$4,970.0	\$4,970.0	\$4,970.0	\$4,970.0
One-Time Funding	\$58.7	\$58.7	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$4,887.9	\$4,887.9	\$4,970.0	\$4,970.0	\$4,970.0	\$4,970.0
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		2.9%	2.9%	0.0%	0.0%
	<i>One-Time Funding</i>		-100.0%	-100.0%	0.0%	0.0%
	<i>Total Funding</i>		1.7%	1.7%	0.0%	0.0%
Programs						
Executive Office Operations			\$4,970.0	\$4,970.0	\$4,970.0	\$4,970.0
Total Ongoing Recommendation			\$4,970.0	\$4,970.0	\$4,970.0	\$4,970.0
None			\$0.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation			\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$4,970.0	\$4,970.0	\$4,970.0	\$4,970.0

Higher Education

The Higher Education budget provides operating support to the state’s 15 public universities and also funds student financial aid programs. State universities are essential to the governor’s goal of ensuring that at least 60 percent of Michigan residents possess a high-quality degree or other credential by 2025. *The governor’s proposed budget for fiscal years 2014 and 2015 recommends total funding of \$1.4 billion, of which \$1.1 billion is general fund.*

Highlights of Governor’s Budget Recommendation

- The governor’s executive budget invests an additional 2 percent, or \$24.9 million, in state university operations, all general fund. All fiscal year 2013 performance funding and tuition restraint allocations have been built into the ongoing fiscal year 2014 base appropriations for each university. As part of the governor’s continued emphasis on financial best practices, state universities will be required to post revenue and expenditure projections and debt service obligations on their financial transparency websites.
- The increase for operations is distributed using the performance funding formula adopted in the fiscal year 2013 budget, providing long-term planning stability to state universities. The metrics used are: weighted undergraduate completions in critical skills areas, research expenditures, 6-year graduation rate, total completions, and administrative costs as a percentage of core expenditures. ([Michigan Education Dashboard](#))
- Universities that better constrain tuition and fee increases to less than 4.0 percent will receive greater funding, in the same manner as fiscal year 2013. Tuition restraint funding of \$6.2 million will be allocated to qualifying universities once all institutions have set their academic year 2013-14 tuition rates. ([Michigan Education Dashboard](#))

FY 2014 State University Funding (\$ in Thousands)			
University	Operations Funding	Performance Funding	Percent Increase
Central Michigan University	\$71,352.3	\$1,660.1	2.3%
Eastern Michigan University	66,466.7	600.9	0.9%
Ferris State University	44,250.7	2,083.4	4.7%
Grand Valley State University	55,436.0	1,778.5	3.2%
Lake Superior State University	12,046.1	620.2	5.1%
Michigan State University	245,037.0	2,386.8	1.0%
Michigan Technological University	42,579.1	1,190.9	2.8%
Northern Michigan University	40,856.6	852.4	2.1%
Oakland University	44,964.1	696.4	1.5%
Saginaw Valley State University	25,656.7	533.7	2.1%
University of Michigan - Ann Arbor	274,156.7	3,079.1	1.1%
University of Michigan - Dearborn	22,237.3	246.3	1.1%
University of Michigan - Flint	19,526.6	952.1	4.9%
Wayne State University	183,398.3	456.0	0.2%
Western Michigan University	95,487.5	1,514.9	1.6%
Unallocated Tuition Restraint Funds	\$0.0	\$6,217.3	
Total:	\$1,243,451.7	\$24,869.0	2.0%

- In line with the operations increase, the governor also proposes a 2 percent increase for MSU AgBioResearch and Extension, a total of \$1.1 million, all general fund.
- For fiscal year 2014, the appropriation for the Tuition Incentive Program (TIP), a student financial aid program, increases by \$3.2 million, all general fund, bringing total funding for all student grant and financial aid programs to \$101.6 million. To limit steep growth in TIP, beginning in fiscal year 2015, the governor proposes capping Phase I tuition reimbursement to participating state universities at 300 percent of the statewide average in-district community college tuition.
- The College Access Program (\$2 million in general fund) is moved from the Department of Education to the Higher Education budget for better mission alignment. The Department of Treasury will administer this grant.
- State Building Authority rent payments of \$125.4 million, all general fund, support debt service for recently constructed university building projects.

**Governor's Recommendation
Higher Education
(\$ in Thousands)**

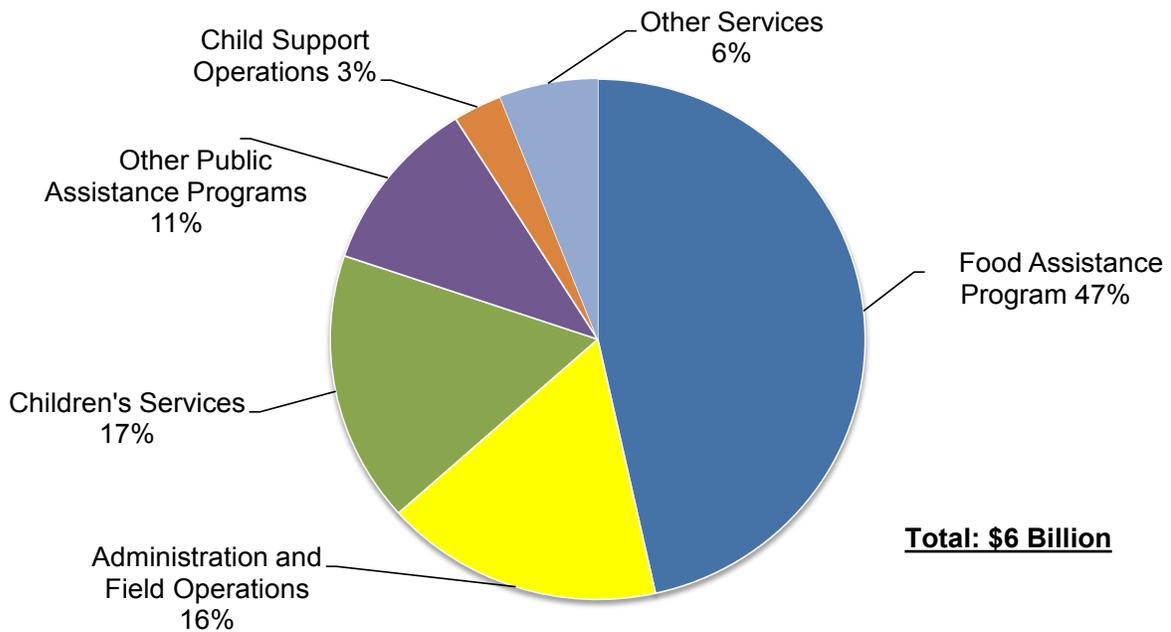
	FY2013			FY2014			FY2015		
	Current Law			Recommendation			Recommendation		
	GF/GP	School Aid	All Funds	GF/GP	School Aid	All Funds	GF/GP	School Aid	All Funds
Ongoing Funding	\$1,101,628.3	\$200,465.7	\$1,399,220.4	\$1,132,981.4	\$200,465.7	\$1,430,573.5	\$1,132,981.4	\$200,465.7	\$1,430,573.5
One-Time Funding	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$1,101,628.3	\$200,465.7	\$1,399,220.4	\$1,132,981.4	\$200,465.7	\$1,430,573.5	\$1,132,981.4	\$200,465.7	\$1,430,573.5
	<i>% Change from Previous Year</i>								
	<i>Ongoing Funding</i>			<i>2.8%</i>	<i>0.0%</i>	<i>2.2%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
	<i>One-Time Funding</i>			<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
	<i>Total Funding</i>			<i>2.8%</i>	<i>0.0%</i>	<i>2.2%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Programs									
University Operations				\$1,043,432.2	\$200,019.5	\$1,243,451.7	\$1,062,083.9	\$200,019.5	\$1,262,103.4
Student Financial Aid				\$4,500.0	\$0.0	\$101,626.4	\$4,500.0	\$0.0	\$101,626.4
MSU AgBioResearch and Extension Activities				\$55,288.7	\$0.0	\$55,288.7	\$55,288.7	\$0.0	\$55,288.7
University Performance Funding				\$24,869.0	\$0.0	\$24,869.0	\$6,217.3	\$0.0	\$6,217.3
Statewide Programs				\$4,891.5	\$0.0	\$4,891.5	\$4,891.5	\$0.0	\$4,891.5
MPSERS Retiree Health Care Reimbursement				\$0.0	\$446.2	\$446.2	\$0.0	\$446.2	\$446.2
Total Ongoing Recommendation				\$1,132,981.4	\$200,465.7	\$1,430,573.5	\$1,132,981.4	\$200,465.7	\$1,430,573.5
None				\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation				\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION				\$1,132,981.4	\$200,465.7	\$1,430,573.5	\$1,132,981.4	\$200,465.7	\$1,430,573.5



Department of Human Services

The Department of Human Services (DHS) helps families and individuals meet financial, medical, and social service needs. Department of Human Services programs provide financial assistance and medical assistance to Michigan’s low-income population; move people toward self-sufficiency through employment and training services; work to prevent abuse, neglect, and exploitation of children and vulnerable adults through direct services; and regulate and license adult and child care agencies, facilities, and homes. Services are provided through a network of county-based offices. *The governor’s proposed budget for fiscal year 2014 recommends total funding of \$6 billion, of which \$1 billion is general fund. This includes one-time funding of \$6 million (\$2 million general fund). The recommendation for fiscal year 2015 is \$6.1 billion, of which \$1 billion is general fund.*

Nearly Half the Department Budget Provides Food Assistance to Low-Income Families



Highlights of Governor’s Budget Recommendation

- Pathways to Potential is funded with a new investment of \$6.2 million (\$2.2 million general fund) in fiscal year 2014. This innovative service delivery model locates Department of Human Services’ staff in local public schools where they work directly with clients and their children to address the families’ needs and barriers to success, including housing, food, education and employment. These staff are currently located in 21 sites including schools in the distressed cities of Detroit, Flint, Pontiac and Saginaw. They will soon be located in over 135 schools. Outcomes include improved school attendance for children, increased employment and improved family functioning and independence.
- To improve program integrity, the governor invests additional funding of \$1.2 million (\$850,000 general fund) in fraud prevention, detection and recoupment. The Department of Human Services will partner with the Michigan State Police and the Attorney General to augment their Front-End Eligibility program that identifies and prevents fraud before a case is opened. (*DHS metric P-2*)

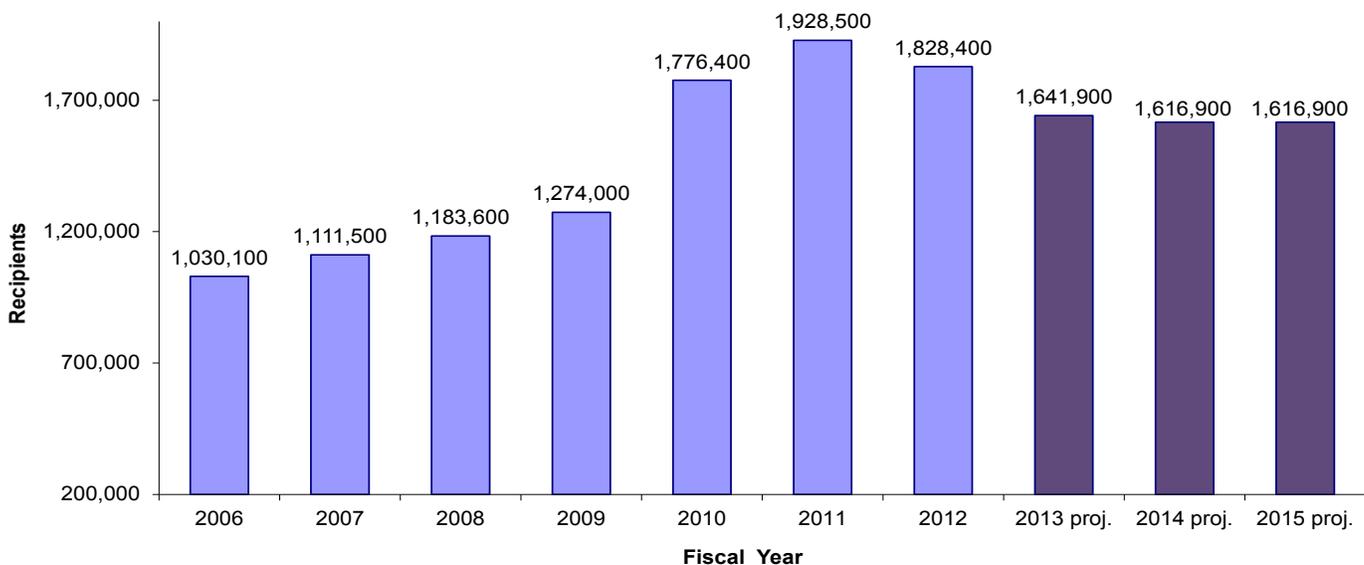
Children’s Services

- The governor’s budget invests almost \$970 million (\$369 million general fund) in Michigan’s child welfare system. Child welfare improvements are an essential component of this system and continue to be a priority in the governor’s budget for fiscal year 2014. From fiscal year 2008 through fiscal year 2013, Michigan invested over \$306 million (\$198 million general fund) to enhance child welfare services for abused and neglected children. These funds support child protective services, foster care, and adoption. Additional funds of \$28.8 million (\$8.2 million general fund) for fiscal year 2014 support child welfare staffing costs and expanding family preservation programs. Together, these improvements to the child welfare system help keep children safe in their own homes and, when necessary, support alternative living arrangements including foster care and adoption. (*DHS metrics C-2 and C-4*)
- Foster care payments for 6,600 children in out-of-home care are supported with \$190.8 million (\$78.9 million general fund). These payments provide care and supervision until children are returned to their parents or are adopted. The foster care caseload has declined and then stabilized in recent years due to the department’s efforts to find permanent homes for children who have been abused or neglected. (*DHS metrics C-1 and C-4*)
- The Adoption Subsidy program supports abused or neglected children in permanent homes. Adoption subsidies are funded at \$217.4 million (\$85.5 million general fund) for 27,000 adopted children. The children benefiting from this program are an indication of the department’s success at finding and supporting adoptions. (*DHS metric C-5*)

Income Assistance Programs

- One in six Michigan residents receives benefits from the Food Assistance Program. This vital safety-net program provides food to 1.6 million people and is supported in the governor’s budget with \$2.8 billion in federal funds. (*DHS metric F-3*)

One in Six Michigan Residents Receives Food Assistance



- The Family Independence Program provides financial support for 48,240 families at a cost of \$239.4 million (\$99.2 million general fund). Recent department policies, including the 48 month lifetime limit on receipt of Family Independence Program benefits, are intended to encourage employment and self-sufficiency.
- The governor invests \$235 million in federal and state restricted funds to support heating assistance programs. Included in the Department of Human Services budget are \$175 million in federal funds for the home heating credit, energy-related crisis payments and weatherization for low-income home owners. A new Michigan Energy Assistance Program was created in the Department of Human Services in P.A. 615 of 2012. To support this new program, the governor recommends that the legislature create a permanent Low-Income Energy Assistance Fund. This fund will be supported with \$60 million in state restricted revenues to be collected by the Public Service Commission through utility rates. This new program will provide heating assistance to low-income families and seniors, including Department of Human Services' clients.

Child Support

- To help Michigan children obtain financial support from absent parents, over \$180 million (\$23.6 million general fund) is provided for the child support program. In fiscal year 2012, \$1.4 billion in child support was collected and distributed for children and their families. (*DHS metric F-1*)

Adult Services

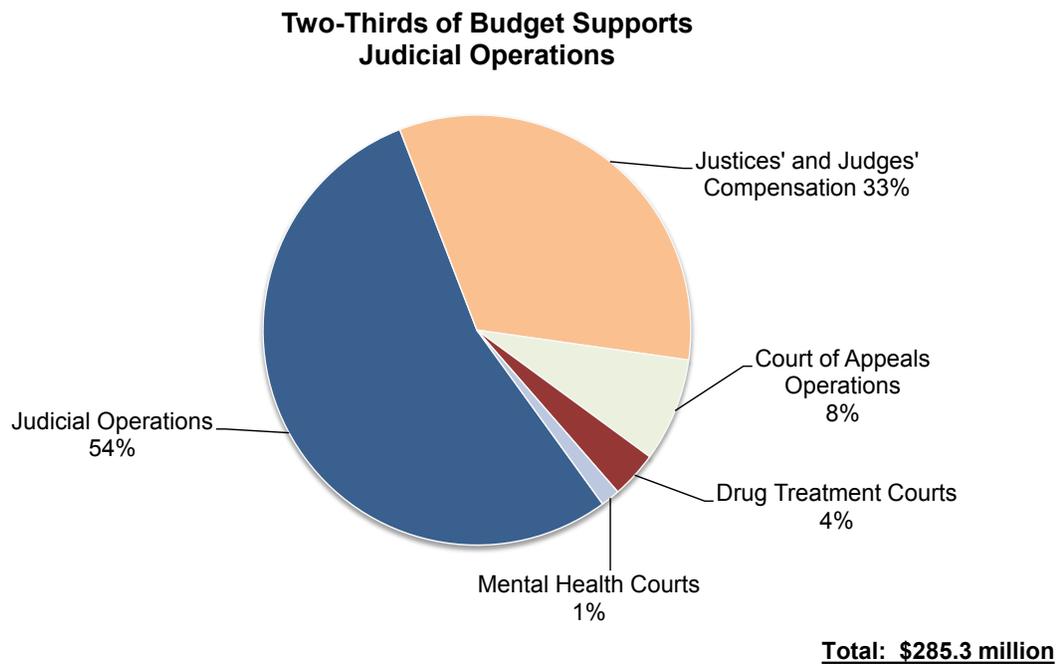
- As Michigan's population ages, service demands are increasing for the elderly and the disabled. The governor's budget invests \$185 million gross (\$20 million general fund) in Adult Services programs to assist the elderly and the disabled to live in the least restrictive setting, free from abuse and exploitation.

**Governor's Recommendation
Department of Human Services
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$975,507.1	\$6,478,390.3	\$1,011,072.8	\$6,039,776.1	\$1,022,565.0	\$6,058,088.4
One-Time Funding	\$53,262.5	\$225,703.4	\$2,039.6	\$6,000.0	\$0.0	\$0.0
Total Funding	\$1,028,769.6	\$6,704,093.7	\$1,013,112.4	\$6,045,776.1	\$1,022,565.0	\$6,058,088.4
<i>% Change from Previous Year</i>						
Ongoing Funding			3.6%	-6.8%	1.1%	0.3%
One-Time Funding			-96.2%	-97.3%	-100.0%	-100.0%
Total Funding			-1.5%	-9.8%	0.9%	0.2%
Programs						
Food Assistance			\$0.0	\$2,833,927.4	\$0.0	\$2,833,927.4
Administration and Field Operations			\$366,637.5	\$1,036,655.0	\$377,442.8	\$1,063,904.4
Children's Services			\$386,909.0	\$1,003,976.7	\$386,909.0	\$1,003,976.7
Other Public Assistance			\$204,230.4	\$634,656.3	\$204,917.3	\$625,719.2
Adult and Family Services			\$20,554.2	\$185,038.7	\$20,554.2	\$185,038.7
Child Support Operations			\$23,603.3	\$180,217.0	\$23,603.3	\$180,217.0
Disability Determination Services			\$3,955.6	\$91,715.6	\$3,955.6	\$91,715.6
Community Action and Economic Opportunity			\$0.0	\$44,224.2	\$0.0	\$44,224.2
Licensing (Adult Foster Care, Children's Foster Care and Child Day Care)			\$5,182.8	\$29,365.2	\$5,182.8	\$29,365.2
Total Ongoing Recommendation			\$1,011,072.8	\$6,039,776.1	\$1,022,565.0	\$6,058,088.4
Family Preservation Program Expansion			\$0.0	\$2,500.0	\$0.0	\$0.0
Information Technology Improvements			\$1,039.6	\$2,000.0	\$0.0	\$0.0
Fraud Prevention, Detection, and Recoupment			\$1,000.0	\$1,500.0	\$0.0	\$0.0
Total One-Time Recommendation			\$2,039.6	\$6,000.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$1,013,112.4	\$6,045,776.1	\$1,022,565.0	\$6,058,088.4

Judiciary

The Michigan Constitution vests the judicial power of the state exclusively in a court system composed of the Supreme Court, the Court of Appeals, the Circuit Court (which is the trial court of general jurisdiction, including the Family Court division), the Probate Court, and courts of limited jurisdiction such as the Court of Claims, District Court, and municipal courts. The statewide court system is administered by the Supreme Court Justices through the State Court Administrative Office. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$285.3 million, of which \$183.4 million is general fund. This includes one-time funding of \$6.5 million, all general fund. For fiscal year 2015, the governor's proposed budget is \$280.2 million, of which \$178.2 million is general fund.*



Highlights of Governor's Budget Recommendation

- As a continuing part of his Public Safety Initiative, the governor recommends the addition of \$3 million general fund to expand drug treatment courts and to pilot regional driving while intoxicated/sobriety courts. With this investment, the total funding for drug and alcohol courts will be \$10.1 million, of which \$5.9 million is general fund. The objective of the expansion is to improve public safety by reducing drug and alcohol convictions. (*Judiciary Metrics: Sobriety and Drug Court Recidivism Rates*)
- An additional \$2 million general fund investment in mental health courts is recommended bringing the total funding for mental health courts to \$4.1 million general fund. This funding will maintain nine existing mental health courts while allowing for further expansion of this successful specialty court program. Mental health courts serve as a valuable community alternative to more costly local and state criminal justice sanctions.

- The governor recommends a one-time investment of \$4 million general fund for a Trial Court Performance Innovation Fund to create incentives for Michigan’s 245 trial courts to adopt best practices, encourage positive change, and remove barriers to high performance. Approximately \$3 million will be utilized to incentivize trial courts and their funding units to become early adopters of performance measures and benchmarks. The remaining \$1 million will provide seed money for innovative projects designed to improve efficiency and effectiveness of trial court operations. *(Judiciary Metrics – Efficiency: Coordination and Consolidation; Adopting Court Performance Metrics and Evidence Based Practices)*
- A one-time investment of \$2.5 million general fund is included to expedite the implementation of the unified case management information system, Michigan Court System (MiCS), in trial courts and to train system users. The MiCS will use modern technology to enhance business processes and to improve interactions with the public. *(Judiciary Metrics – Efficiency: Coordination and Consolidation)*
- The executive recommendation includes an additional \$107,200 general fund for the State Appellate Defender Office (SADO) to help ensure that SADO can successfully manage 25 percent of indigent appellate defense cases, which is consistent with the statutory requirement.

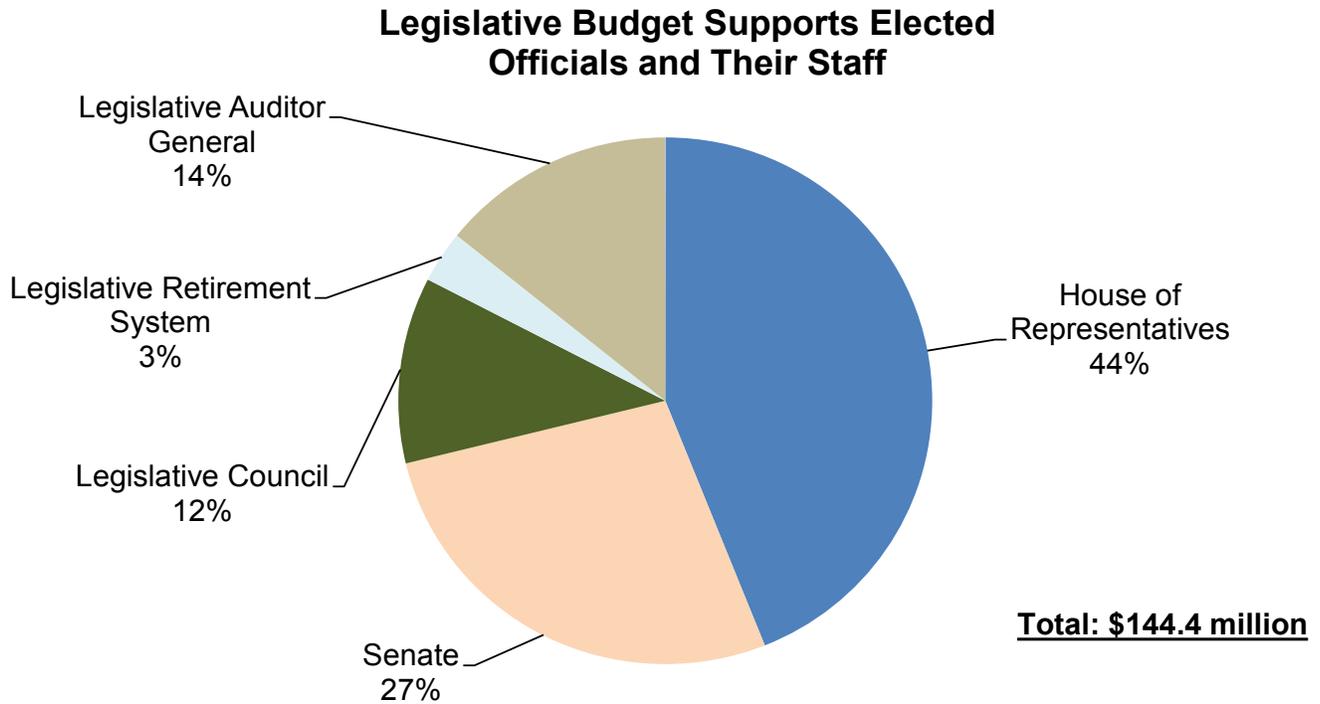
**Governor's Recommendation
Judiciary
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$170,114.6	\$272,932.9	\$176,941.3	\$278,816.2	\$178,163.6	\$280,202.9
One-Time Funding	\$636.9	\$827.2	\$6,500.0	\$6,500.0	\$0.0	\$0.0
Total Funding	\$170,751.5	\$273,760.1	\$183,441.3	\$285,316.2	\$178,163.6	\$280,202.9
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		4.0%	2.2%	0.7%	0.5%
	<i>One-Time Funding</i>		920.6%	685.8%	-100.0%	-100.0%
	<i>Total Funding</i>		7.4%	4.2%	-2.9%	-1.8%
Programs						
Judicial Operations			\$55,173.5	\$147,937.7	\$56,395.8	\$149,324.4
Justices' and Judges' Compensation			\$89,556.8	\$94,447.0	\$89,556.8	\$94,447.0
Court of Appeals Operations			\$22,248.5	\$22,248.5	\$22,248.5	\$22,248.5
Drug Treatment Courts			\$5,862.5	\$10,083.0	\$5,862.5	\$10,083.0
Mental Health Courts			\$4,100.0	\$4,100.0	\$4,100.0	\$4,100.0
Total Ongoing Recommendation			\$176,941.3	\$278,816.2	\$178,163.6	\$280,202.9
Trial Court Performance Innovation Fund			\$4,000.0	\$4,000.0	\$0.0	\$0.0
Michigan Court System Implementation			\$2,500.0	\$2,500.0	\$0.0	\$0.0
Total One-Time Recommendation			\$6,500.0	\$6,500.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$183,441.3	\$285,316.2	\$178,163.6	\$280,202.9



Legislature

The Michigan Constitution vests the state's lawmaking power in a two-house legislature consisting of a 38-member Senate and a 110-member House of Representatives. The legislature is an independent branch of state government with the authority to enact laws that regulate the actions of the government and protect the interests of the people. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$144.4 million, of which \$135.8 million is general fund. The governor's proposed budget for fiscal year 2015 recommends total funding of \$144.8 million, of which \$136.1 million is general fund.*



Highlights of Governor's Budget Recommendation

- The executive recommendation provides \$123.8 million for the legislature, including the Senate, the House of Representatives, and supporting entities.
- More than \$20.5 million is recommended for the Office of Auditor General (OAG), which conducts financial and performance audits of state government operations. The governor recommends an increase in the OAG budget of \$250,000 general fund. This enhancement will support the timely completion of mandated audits, including the State of Michigan Comprehensive Annual Financial Report. The governor also recommends a technical adjustment to recognize restricted revenues that the OAG earns from its audit activities.

**Governor's Recommendation
Legislature
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$109,412.7	\$110,922.5	\$122,309.5	\$123,819.3	\$122,309.5	\$123,819.3
One-Time Funding	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$109,412.7	\$110,922.5	\$122,309.5	\$123,819.3	\$122,309.5	\$123,819.3
<i>% Change from Previous Year</i>						
<i>Ongoing Funding</i>			11.8%	11.6%*	0.0%	0.0%
<i>One-Time Funding</i>			0.0%	0.0%	0.0%	0.0%
<i>Total Funding</i>			11.8%	11.6%*	0.0%	0.0%
Programs						
House of Representatives			\$63,405.8	\$63,405.8	\$63,405.8	\$63,405.8
Senate			\$39,361.1	\$39,361.1	\$39,361.1	\$39,361.1
Legislative Council			\$16,090.7	\$16,490.7	\$16,090.7	\$16,490.7
Legislative Retirement System			\$3,451.9	\$4,561.7	\$3,451.9	\$4,561.7
<p>*The 11.6% proposed increase for the Legislature in FY 14 includes increases for OPEB and other unfunded retirement costs of 4% for FY 13 and 2.4% for FY 14. The OPEB and retirement costs pertain to employees only, as current Members do not receive pensions nor retirement health care.</p>						
Total Ongoing Recommendation			\$122,309.5	\$123,819.3	\$122,309.5	\$123,819.3
None			\$0.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation			\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$122,309.5	\$123,819.3	\$122,309.5	\$123,819.3

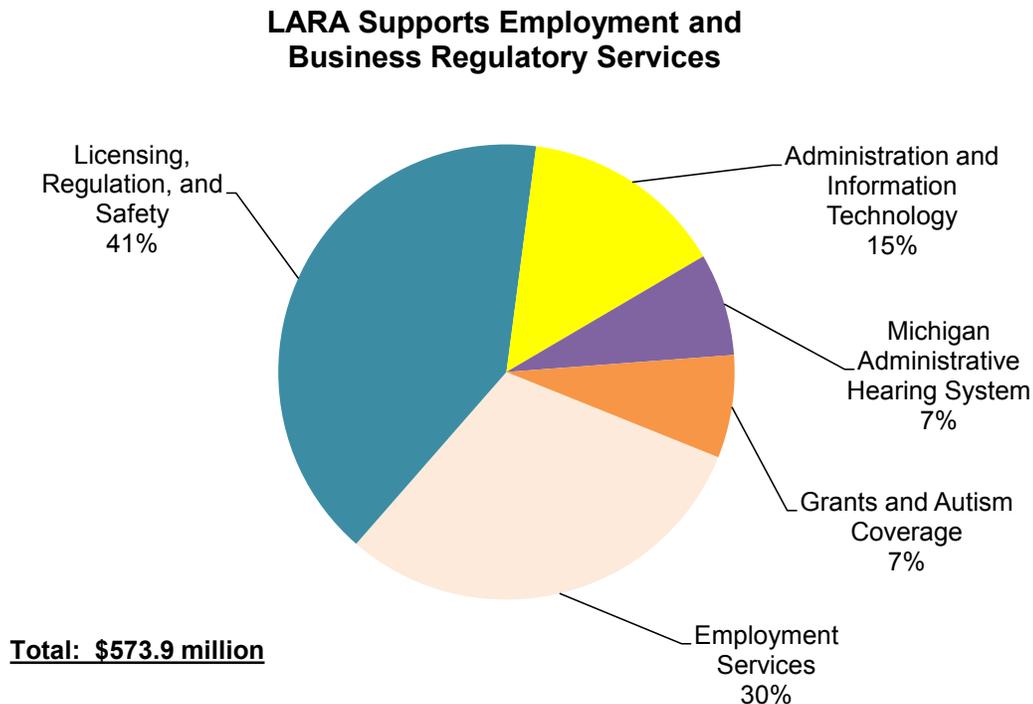
**Governor's Recommendation
Legislative Auditor General
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$12,820.1	\$18,416.8	\$13,511.3	\$20,554.4	\$13,791.4	\$20,957.6
One-Time Funding	\$184.8	\$270.9	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$13,004.9	\$18,687.7	\$13,511.3	\$20,554.4	\$13,791.4	\$20,957.6
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		5.4%	11.6%	2.1%	2.0%
	<i>One-Time Funding</i>		-100.0%	-100.0%	0.0%	0.0%
	<i>Total Funding</i>		3.9%	10.0%	2.1%	2.0%
Programs						
Auditor General Operations			\$13,511.3	\$20,554.4	\$13,791.4	\$20,957.6
Total Ongoing Recommendation			\$13,511.3	\$20,554.4	\$13,791.4	\$20,957.6
None			\$0.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation			\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$13,511.3	\$20,554.4	\$13,791.4	\$20,957.6



Department of Licensing and Regulatory Affairs

The Department of Licensing and Regulatory Affairs (LARA) serves as the state's primary business regulatory and employment services agency. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$573.9 million (\$38.8 million general fund). The proposed fiscal year 2015 budget includes \$582.2 million, of which \$39.4 million is general fund.*



Highlights of Governor's Budget Recommendation

- Consistent with the governor's efforts to properly align the functions in state government and streamline the focus of the department to licensing and regulatory activities, the budget recommendation implements a number of programmatic shifts related to recent Executive Order reorganizations, including the transfer of Michigan Rehabilitation Services to the Department of Human Services, and the transfer of the underground and aboveground storage tank programs from the Department of Environmental Quality to the Bureau of Fire Services.
- The most significant reorganization, however, relates to Executive Order 2013-1, which elevates the Office of Financial and Insurance Regulation by creating a new Department of Insurance and Financial Services charged with overseeing the regulation of financial services and insurance providers within the state. The governor's budget recommendation will be revised to reflect this new department after the Executive Order is effective on March 18, 2013. ([LARA metric 22](#))

- The governor’s budget also provides \$600,000 for additional grants to local agencies to enforce Michigan’s liquor control laws and combat underage drinking, and adds \$2 million for survey and remonumentation grants to counties to accurately survey and record public lands. (*LARA metric 11*)
- The governor recommends that the legislature create a permanent Low-Income Energy Assistance Fund to protect vulnerable households. Supported by gas and electric utility rates collected by the Public Service Commission, a total of \$60 million is included for heating assistance programs in the Department of Human Services budget to ensure that low-income families and senior citizens have heat during the cold winter months. (*LARA metric 32*)

Governor's Recommendation
Department of Licensing and Regulatory Affairs
(\$ in Thousands)

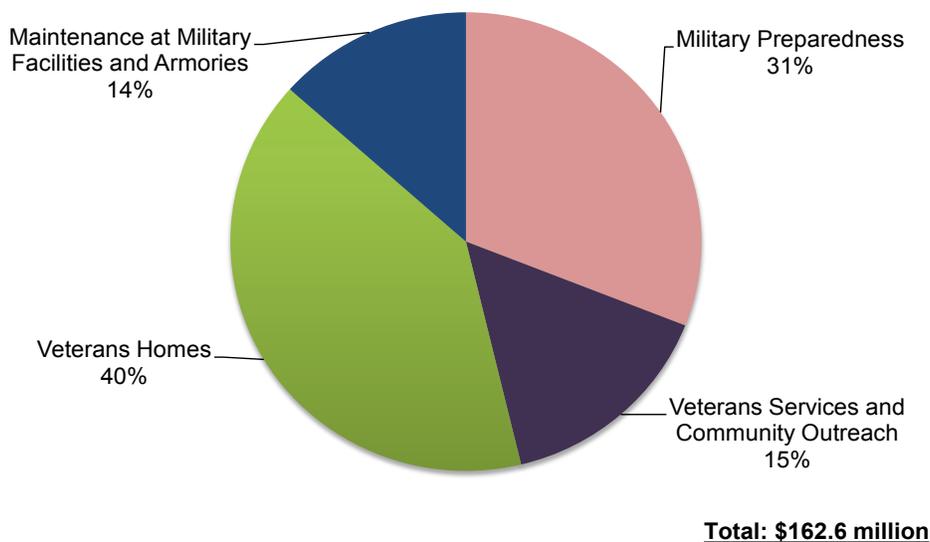
	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$50,393.4	\$786,826.5	\$38,804.9	\$573,906.3	\$39,351.7	\$582,222.9
One-Time Funding	(\$13,448.2)	(\$140,924.7)	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$36,945.2	\$645,901.8	\$38,804.9	\$573,906.3	\$39,351.7	\$582,222.9
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		<i>-23.0%</i>	<i>-27.1%</i>	<i>1.4%</i>	<i>1.4%</i>
	<i>One-Time Funding</i>		<i>100.0%</i>	<i>100.0%</i>	<i>0.0%</i>	<i>0.0%</i>
	<i>Total Funding</i>		<i>5.0%</i>	<i>-11.1%</i>	<i>1.4%</i>	<i>1.4%</i>
Programs						
Employment Services			\$9,324.60	\$141,891.00	\$9,324.60	\$141,891.00
Occupational Regulation			\$9,212.50	\$124,034.50	\$9,212.50	\$124,034.50
Office of Financial and Insurance Regulation			\$0.00	\$59,479.70	\$0.00	\$59,479.70
Information Technology			\$65.20	\$43,644.00	\$65.20	\$43,644.00
Michigan Administrative Hearing System			\$1,012.70	\$41,729.50	\$1,012.70	\$41,729.50
Departmental Administration			\$424.00	\$39,254.20	\$970.80	\$47,570.80
Michigan Occupational Safety and Health Administration			\$3,072.30	\$31,940.40	\$3,072.30	\$31,940.40
Public Service Commission			\$0.00	\$30,597.10	\$0.00	\$30,597.10
Department Grants			\$693.60	\$26,917.50	\$693.60	\$26,917.50
Liquor Control Commission			\$0.00	\$19,418.40	\$0.00	\$19,418.40
Autism Coverage			\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Total Ongoing Recommendation			\$38,804.9	\$573,906.3	\$39,351.7	\$582,222.9
None			\$0.00	\$0.00	\$0.00	\$0.00
Total One-Time Recommendation			\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$38,804.9	\$573,906.3	\$39,351.7	\$582,222.9



Department of Military and Veterans Affairs

The Department of Military and Veterans Affairs' (DMVA) primary mission is military and emergency preparedness, as well as service to veterans. The department is a key partner with the federal government in defending sovereign interests of the United States globally and protects the lives and property of Michigan residents during times of natural disaster and civil unrest. There are approximately 11,310 members of the Michigan National Guard; approximately 650 are currently mobilized with an additional 700 scheduled to be deployed through November 2013. *The governor's proposed budget for fiscal year 2014 recommends ongoing funding of \$158.6 million, of which \$38.4 million is general fund. One-time funding of \$4 million general fund is also recommended. For fiscal year 2015, the governor's proposed budget recommends total funding of \$160.6 million, \$38.8 million of which is general fund.*

55% of Funding Supports Veterans' Services



Highlights of Governor's Budget Recommendation

- The budget includes \$50.3 million in funding for Military Preparedness, representing the Michigan National Guard's traditional mission of state and national defense and homeland security.
- In order to improve the state's current last-place national ranking in the receipt of United States Department of Veterans Affairs (US-DVA) expenditures for compensation, pensions, health care and educational benefits for Michigan's veterans, Executive Order 2013-2 creates the Michigan Veterans Affairs Agency as an agency within the Department of Military and Veterans Affairs. The governor's budget recommendation will be revised to reflect this new agency after the Executive Order is effective on March 20, 2013. ([DMVA metric 3](#))
- Veterans, their families, and Michigan communities, through the department's outreach programs, are served with \$24.8 million in funding, including new funding of \$8.6 million in fiscal year 2014 and supplemental funding of \$2.9 million in fiscal year 2013 for a Veterans' Service Delivery Initiative. This initiative will dramatically enhance the ability

of Michigan's veterans and their dependents to access and obtain the benefits to which they are entitled from the US-DVA and other federal and state agencies. In addition, the Veterans Service Organizations will continue to receive \$2.9 million in state-funded grants to counsel veterans and assist them in receiving benefits and services for which they are eligible. (*DMVA metric 3*)

- The fiscal year 2014 executive recommendation provides \$65.6 million in funding support for the Grand Rapids and D. J. Jacobetti Veterans' Homes, which provide direct nursing care for 794 resident veterans. New capital outlay funding of \$ 500,000 is provided for special maintenance at the Veterans' Homes.
- Funding of \$20.3 million is included to address special maintenance needs at the department's forty-three armories and federal military facilities in Michigan, and \$1,000,000 for land acquisition and appraisals to meet the department's long-term facility needs. (*DMVA metric 2*)

Governor's Recommendation
Department of Military and Veterans Affairs
(\$ in Thousands)

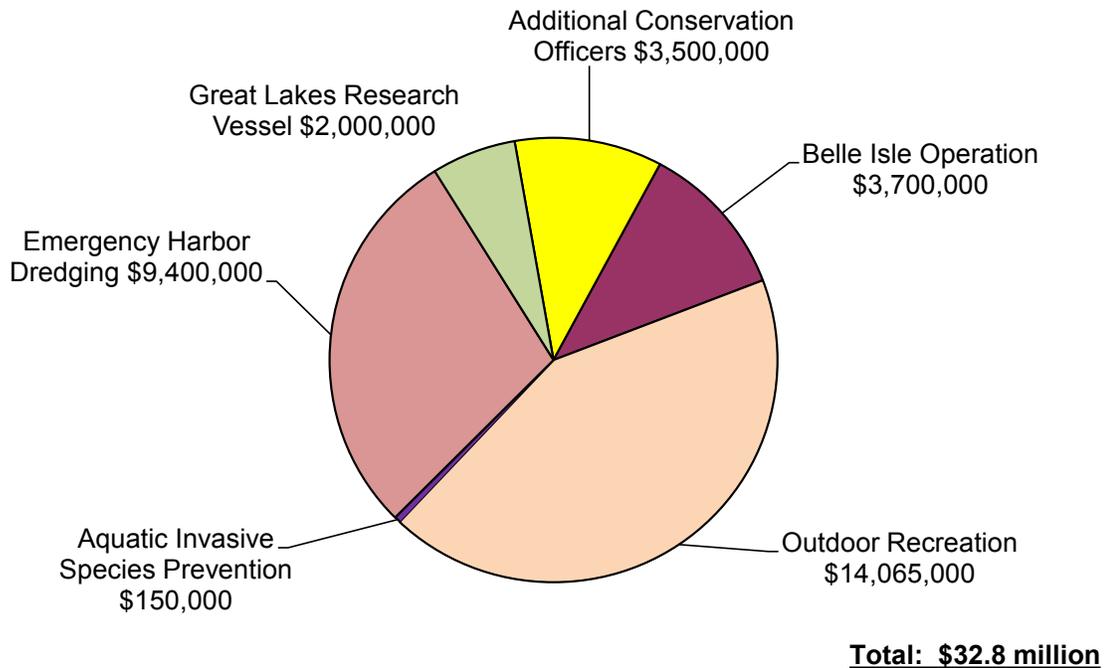
	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$32,177.5	\$165,465.7	\$38,381.3	\$158,608.0	\$38,767.6	\$160,553.5
One-Time Funding	\$6,055.9	\$6,607.9	\$4,000.0	\$4,000.0	\$0.0	\$0.0
Total Funding	\$38,233.4	\$172,073.6	\$42,381.3	\$162,608.0	\$38,767.6	\$160,553.5
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		19.3%	-4.1%	1.0%	1.2%
	<i>One-Time Funding</i>		-33.9%	-39.5%	-100.0%	-100.0%
	<i>Total Funding</i>		10.8%	-5.5%	-8.5%	-1.3%
Programs						
Veterans Homes			\$15,758.5	\$65,572.9	\$15,758.5	\$65,572.9
Military Preparedness			\$10,848.4	\$50,343.4	\$11,234.7	\$52,288.9
Maintenance at Armories and Military Facilities			\$3,551.2	\$21,851.2	\$3,551.2	\$21,851.2
Veterans Services and Community Outreach			\$8,223.2	\$20,840.5	\$8,223.2	\$20,840.5
Total Ongoing Recommendation			\$38,381.3	\$158,608.0	\$38,767.6	\$160,553.5
Veterans Service Delivery Initiative			\$4,000.0	\$4,000.0	\$0.0	\$0.0
Total One-Time Recommendation			\$4,000.0	\$4,000.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$42,381.3	\$162,608.0	\$38,767.6	\$160,553.5



Department of Natural Resources

Funding for the Department of Natural Resources (DNR) supports programs for wildlife and fisheries management, state parks and recreation areas, conservation and law enforcement, and forest management. *The governor's proposed budget for fiscal year 2014 recommends ongoing funding of \$351.8 million, of which \$24.7 million is general fund. In addition, one-time funding of \$2.6 million general fund is recommended. The fiscal year 2015 recommendation includes \$356.1 million, of which \$24.9 million is general fund.*

Over \$30 Million in New Funding to Protect and Enhance Our Natural Resources



Highlights of Governor's Budget Recommendation

- The fiscal year 2014 executive recommendation continues the governor's focus on the conservation, protection, management, accessible use and enjoyment of the state's natural resources.
- The governor recommends \$2.9 million ongoing and \$600,000 one-time general fund for a conservation officer school with the goal of adding 25 new officers to protect the state's natural resources, enhance law enforcement in rural communities, and improve public safety. This represents a 14 percent increase from the 173 sworn officers currently on board bringing the projected conservation officer count to 198. Each new officer will participate in a 22-week officer academy and an 18-week on-the-job field training probationary period. The last conservation officer school was held in fiscal year 2007 and graduated 14 officers. Conservation officers are fully commissioned as state peace officers, with full power and authority to enforce Michigan's criminal laws. They are a unique class of law enforcement officer, whose duties include enforcing regulations for outdoor recreational activities such as off-road vehicle use, snowmobiling, boating, hunting and fishing. ([DNR metric RES-5](#))

- The governor’s recommendation includes \$2 million one-time general fund to replace the 65-year old research vessel *Chinook* which is beyond its useful life. Replacement of the vessel will allow the department to continue critical assessments on the Great Lakes to foster containment of existing aquatic invasive species and early detection of new threats. In addition, a new research vessel will allow the department to continue annual fish assessments of lake trout, walleye, perch, and salmon as well as conduct research on topics such as the effects aquatic invasive species have on off-shore and in-shore fisheries. (*DNR metrics REC-3, REC-4, and RES-3*)
- The governor recommends \$3.7 million ongoing general fund to operate Belle Isle as a state park, assuming concurrence from the City of Detroit. The proposed lease agreement with Detroit will help generate economic development and neighborhood revitalization. In addition, any park revenue generated will be used to manage and improve the park. (*DNR metrics REC-12 and REC-8*)
- The governor’s recommendation includes \$3.0 million general fund to continue the summer youth employment initiative for at-risk youth with an emphasis on serving youth in Pontiac, Flint, Saginaw and Detroit. Over 750 youth participated during the first year of this initiative. The objective of the program is to expose youth to the outdoors while getting paid to learn job skills, develop career plans, and set a foundation for future employment. The department will continue to explore public/private partnerships to assist in the development and expansion of the program. (*DNR metric PART-1*)
- The governor recommends replacing the current hunting and fishing license fee structure with a model that is simple to utilize, fairly priced for all customers, and efficient for the department to administer. The new structure will include a base hunting license that will allow hunters to hunt small game and waterfowl. Tags can be added for deer, turkey, bear, elk, and fur bearing animals. Separate tags will be offered for wolf and moose, if needed. Three categories of fishing licenses will be offered along with discounts for senior citizens and members of the military. All other discounts will be eliminated. This proposal is expected to generate an additional \$18.1 million annually which will be used to extend service center hours, fund 16 additional conservation officers, increase management of existing public lands to improve habitat, and repair and replace aging infrastructure. (*DNR metric REC-4, REC-5, and RES-5*)
- The governor recommends an increase to the off-road vehicle license fee to generate sufficient annual revenue to add connector trails, expand the trail network, increase maintenance and restoration of trails, upgrade signage, and provide additional law enforcement. The department estimates that the proposed fee increase will generate \$2.7 million in additional revenue which will help position Michigan as *the Trail State*. (*DNR metric REC-6*)
- The governor’s recommendation includes a total of \$16.3 million for waterways boating projects and \$9.5 million for repair and maintenance at state parks.

“Michigan has more total trail miles than just about any other state. We can and will seek to make Michigan the Trail State.”

**A Special Message from
Governor Rick Snyder:
Ensuring our Future:
Energy and the Environment,
November 28, 2012**

**Governor's Recommendation
Department of Natural Resources
(\$ in Thousands)**

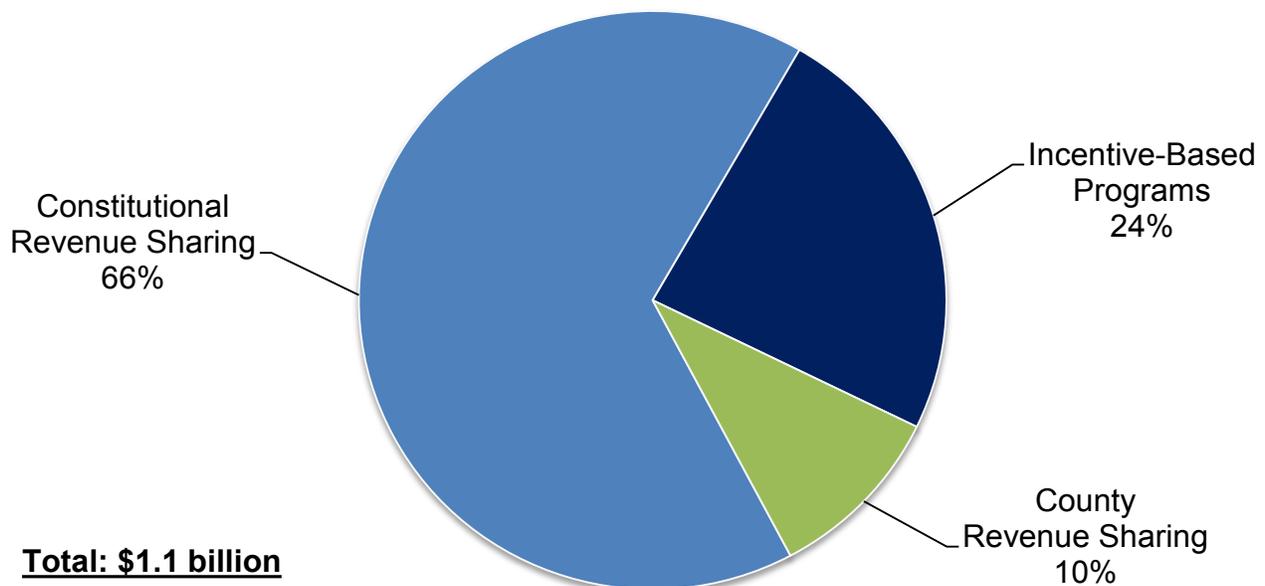
	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$17,641.7	\$333,990.2	\$24,686.6	\$351,788.9	\$24,904.0	\$356,121.9
One-Time Funding	\$2,096.2	\$3,892.6	\$2,600.0	\$2,600.0	\$0.0	\$0.0
Total Funding	\$19,737.9	\$337,882.8	\$27,286.6	\$354,388.9	\$24,904.0	\$356,121.9
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		39.9%	5.3%	0.9%	1.2%
	<i>One-Time Funding</i>		24.0%	-33.2%	-100.0%	-100.0%
	<i>Total Funding</i>		38.2%	4.9%	-8.7%	0.5%
Programs						
Wildlife, Fisheries and Enforcement			\$7,812.4	\$97,229.3	\$7,812.4	\$97,229.3
Parks and Recreation			\$1,970.4	\$83,614.8	\$1,970.4	\$83,614.8
Administration			\$3,924.8	\$40,142.7	\$4,142.2	\$44,475.7
Forest Management			\$3,663.0	\$39,805.0	\$3,663.0	\$39,805.0
Grants			\$350.0	\$35,571.3	\$350.0	\$35,571.3
Infrastructure Improvements			\$0.0	\$25,815.6	\$0.0	\$25,815.6
Communication and Customer Service			\$3,966.0	\$19,110.0	\$3,966.0	\$19,110.0
Great Lakes Restoration			\$0.0	\$5,500.0	\$0.0	\$5,500.0
Summer Youth Initiative			\$3,000.0	\$3,000.0	\$3,000.0	\$3,000.0
Mackinac Island State Park Commission			\$0.0	\$2,000.2	\$0.0	\$2,000.2
Total Ongoing Recommendation			\$24,686.6	\$351,788.9	\$24,904.0	\$356,121.9
Great Lakes Research Vessel			\$2,000.0	\$2,000.0	\$0.0	\$0.0
Conservation Officer Training			\$600.0	\$600.0	\$0.0	\$0.0
Total One-Time Recommendation			\$2,600.0	\$2,600.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$27,286.6	\$354,388.9	\$24,904.0	\$356,121.9



Revenue Sharing

Michigan's revenue sharing program distributes sales tax revenue collected by the State of Michigan to local units of government, allowing communities to determine how best to fund local services. A constitutionally-dedicated portion of sales tax revenue is distributed to cities, villages, and townships; the remainder is subject to annual appropriation. *Funding for fiscal year 2014 is recommended at \$1.1 billion, which includes \$742.6 million for constitutionally-required revenue sharing payments, \$225 million for the Economic Vitality Incentive Program, \$112.5 million for County Revenue Sharing, \$28.1 million for the County Incentive Program, and \$15 million for the Competitive Grant Assistance Program. Anticipated funding for fiscal year 2015 is recommended at \$1.1 billion, which includes \$768.5 million for constitutionally-required revenue sharing payments.*

Nearly 25% of Payments to Locals is Incentive-Based



Highlights of Governor's Budget Recommendation

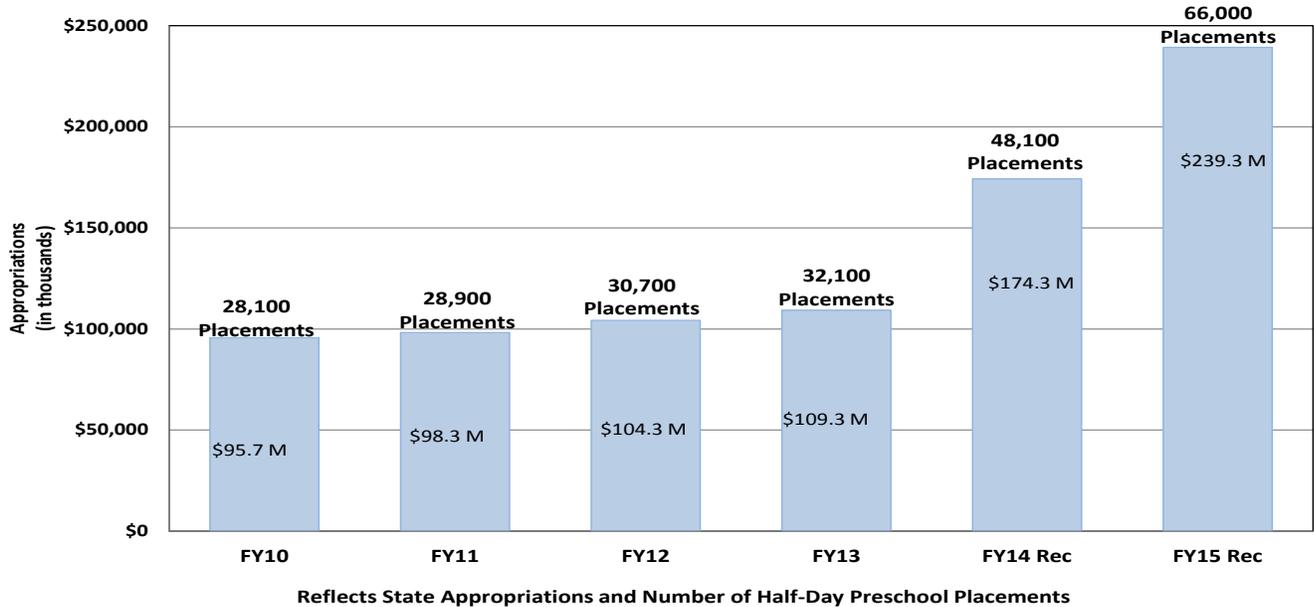
- Constitutional revenue sharing payments for cities, villages, and townships are increased by \$29.4 million (4.1 percent) to \$742.6 million, based on estimated sales tax collections.
- The Economic Vitality Incentive Program provides funding for qualified cities, villages, and townships that adopt best practices. Criteria related to accountability and transparency requirements and consolidation of services remain unchanged. For employee compensation reforms, all requirements for retirement and health provisions must be met, including compliance with the Publicly Funded Health Insurance Contribution Act (P. A. 152 of 2011). The executive budget continues funding at \$225 million in fiscal year 2014.

- Eligible counties will receive a combination of revenue sharing payments and incentive-based payments, provided they adopt best practices and meet criteria consistent with requirements under the Economic Vitality Incentive Program. The fiscal year 2014 executive budget recommends \$112.5 million for County Revenue Sharing payments. An additional \$28.1 million is recommended for the County Incentive Program.
- As an incentive to combine government operations, local units of government may apply for grant assistance to help defray expenses related to consolidation of services or programs. The fiscal year 2014 executive budget maintains funding at \$15 million for competitive grant assistance, with one-half of the funding earmarked for the consolidation of public safety operations.

School Aid

The School Aid budget provides operational funding for the state’s public schools, which are charged with ensuring all students are college or career ready when they graduate from the K-12 system. *The governor’s proposed budget for fiscal year 2014 recommends total funding of \$13.2 billion, of which \$230 million is general fund. The estimated fiscal year 2015 budget totals \$13.5 billion, including \$233 million general fund.*

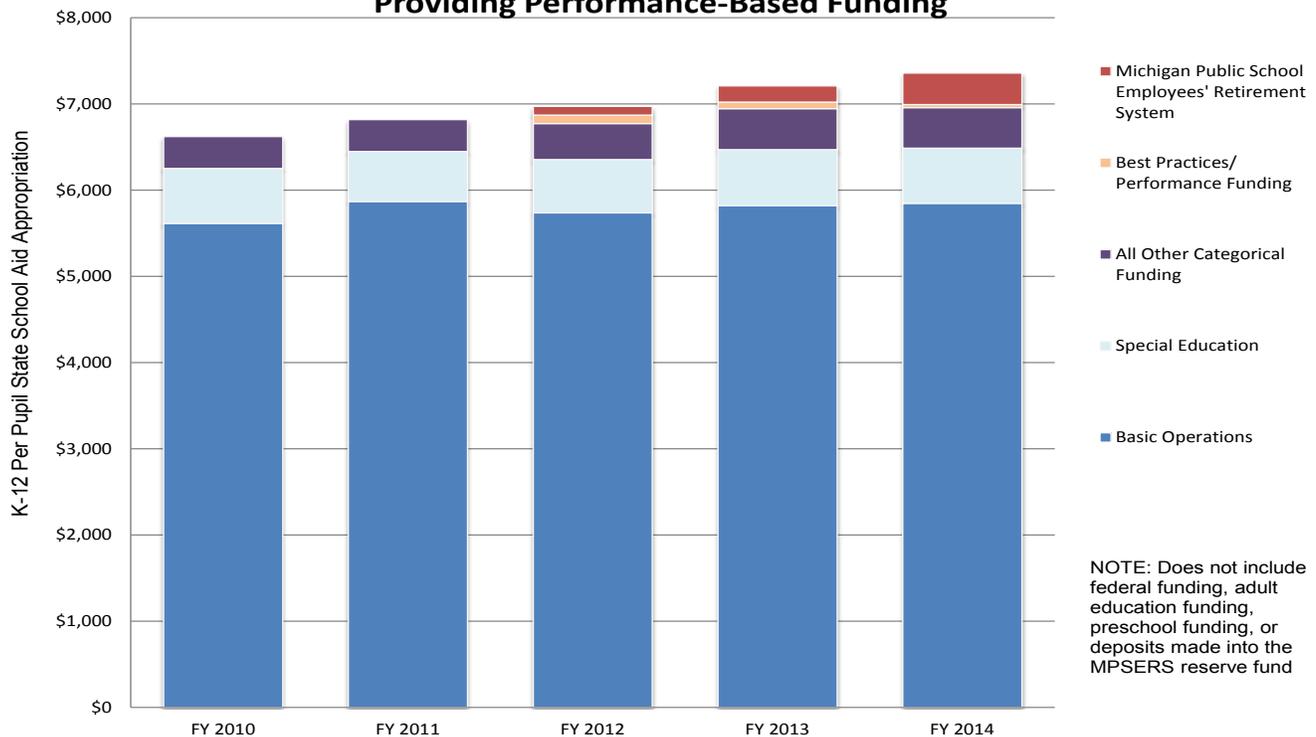
Preschool Funding Will Double by FY 2015 With \$130 million Investment Over Two Years



Highlights of the Governor’s Budget Recommendation

- Because early childhood programs are an essential gateway to student success in school, the governor recommends investing an additional \$65 million, nearly a 60 percent increase, in Great Start preschool programs in fiscal year 2014. This investment will increase half-day payments to preschool providers by \$225 per child, raising the half-day rate to \$3,625 per child, and provide preschool opportunities for up to 16,000 more children. With this additional investment, funding for preschool totals \$174.3 million, for over 48,000 preschool placements. The governor also recommends an additional \$65 million for early childhood programs in fiscal year 2015, bringing the ongoing increased investment to \$130 million over two years. ([Michigan Education Dashboard](#))
- Reforms in the Michigan Public School Employees’ Retirement System enacted in 2012 helped put the school employees’ retirement system on a sustainable path. As part of these reforms, the school districts’ contribution rate for unfunded accrued liabilities was capped at the fiscal year 2012 level, with the state being required to pay the amount over the cap. The budget includes a total of \$403.3 million for payments to districts for this purpose. These funds, in addition to \$155 million already included in the budget, bring total state support for retirement system costs to \$558.3 million, which averages \$350 per pupil.

**The School Aid Budget Reflects the Governor's Priorities:
Reducing Long-Term Retirement Obligations and
Providing Performance-Based Funding**



- Continuing with the governor’s focus on rewarding performance, the fiscal year 2014 budget provides \$25 million in funding (\$16 per pupil) for districts that meet best practices and also continues \$30 million to reward districts that achieve performance standards (up to \$100 per pupil). Additionally, the technology infrastructure grant program will continue for a second year, with \$13.5 million in funding. (*Michigan Education Dashboard*)
- To further close the foundation allowance funding gap, the governor’s budget includes \$24 million for an equity payment of up to \$34 per pupil for districts at or near the minimum foundation allowance, increasing the minimum per-pupil amount to \$7,000. Total funding for per-pupil foundation allowances equals \$8.9 billion.
- The governor’s budget alters the small class size supplemental payments by instituting a cap on the per-pupil payment amounts to districts. Districts that receive small class size supplemental payments and have a per-pupil foundation allowance less than \$7,500 will receive no more than \$100 per pupil, and districts that receive small class size payments and have a per-pupil foundation allowance greater than \$7,500 will receive no more than \$50 per pupil. A total of \$9 million will be paid out in small class size payments.
- The governor also recommends a new Digital Learning initiative, funded with \$10 million, to encourage online learning opportunities for students. The initiative will house a statewide online course catalog for students and parents at the Michigan Virtual University, and will focus on preparing teachers to excel in a digital environment through professional development and access to an internet platform for educators to create new distance learning resources.

- Also included in the executive recommendation is \$8 million for competitive Student-Centric Learning grants. The funds will be used to reward districts that have aligned instructional delivery with individual student learning styles and pace.
- The fiscal year 2014 budget includes over \$1.4 billion in funding for programs that provide over 217,000 students in the state with special education services.
- The Governor's budget also maintains spending of \$1.3 billion for core student supplemental programs such as academically at-risk pupils (\$309 million), adult education (\$22 million), vocational education (\$35.6 million) and added costs for educating court wards (\$8 million).

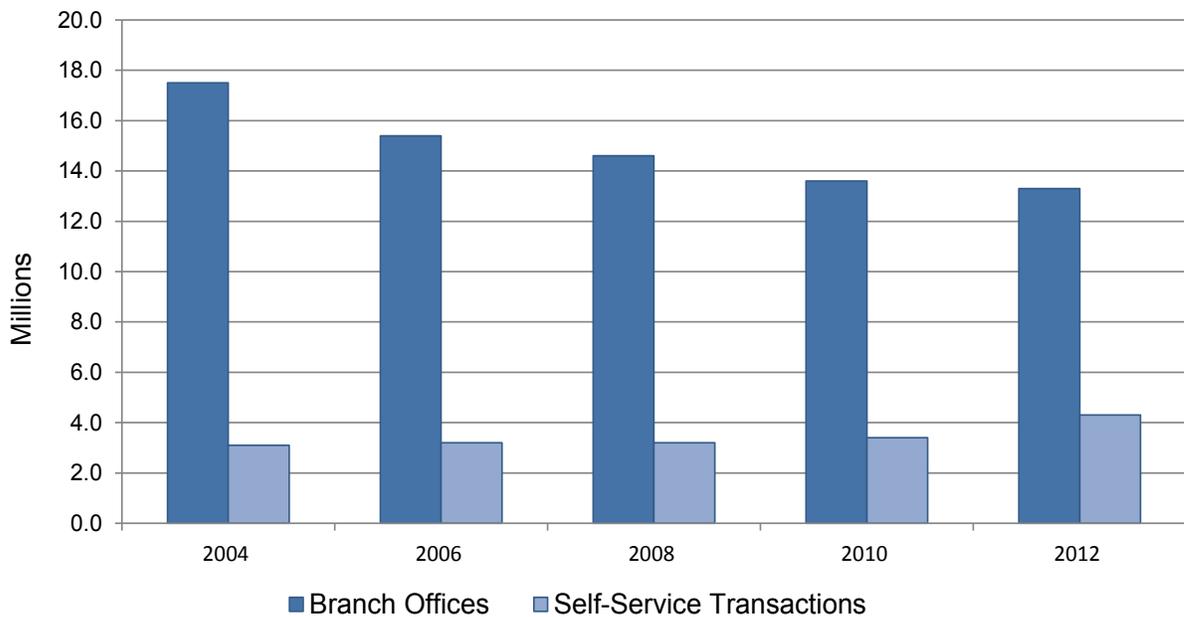
**Governor's Recommendation
School Aid
(\$ in Thousands)**

	FY2013 Current Law			FY2014 Recommendation			FY2015 Recommendation		
	GF/GP	School Aid	All Funds	GF/GP	School Aid	All Funds	GF/GP	School Aid	All Funds
Ongoing Funding	\$101,042.4	\$10,948,144.7	\$12,750,228.5	\$180,000.0	\$11,191,313.5	\$13,135,734.8	\$233,000.0	\$11,493,154.5	\$13,490,575.8
One-Time Funding	\$181,357.6	\$13,100.9	\$194,458.5	\$50,000.0	\$49,500.0	\$99,500.0	\$0.0	\$0.0	\$0.0
Total Funding	\$282,400.0	\$10,961,245.6	\$12,944,687.0	\$230,000.0	\$11,240,813.5	\$13,235,234.8	\$233,000.0	\$11,493,154.5	\$13,490,575.8
<i>% Change from Previous Year</i>									
Ongoing Funding				78.1%	2.2%	3.0%	29.4%	2.7%	2.7%
One-Time Funding				-72.4%	277.8%	-48.8%	0.0%	-100.0%	-100.0%
Total Funding				-18.6%	2.6%	2.2%	1.3%	2.2%	1.9%
Programs									
Basic Operations Support			\$160,877.4	\$8,756,262.6	\$8,917,140.0	\$213,877.4	\$8,697,262.6	\$8,911,140.0	
Special Education			\$0.0	\$980,569.1	\$1,424,569.1	\$0.0	\$1,004,869.1	\$1,448,869.1	
Supplemental and Support Services			\$0.0	\$458,193.2	\$1,315,221.0	\$0.0	\$458,193.2	\$1,315,221.0	
Michigan Public School Employees' Retirement System (MPSERS)			\$0.0	\$558,300.0	\$558,300.0	\$0.0	\$804,200.0	\$804,200.0	
School Meal Programs			\$0.0	\$28,120.1	\$491,320.1	\$0.0	\$28,120.1	\$491,320.1	
Debt Service and Other Required Payments			\$0.0	\$207,693.5	\$207,693.5	\$0.0	\$218,334.5	\$218,334.5	
Great Start Preschool Programs			\$300.0	\$170,175.0	\$170,475.0	\$300.0	\$250,175.0	\$250,475.0	
Performance Funding			\$0.0	\$32,000.0	\$32,000.0	\$0.0	\$32,000.0	\$32,000.0	
Technology and Online Learning Initiatives			\$18,822.6	\$0.0	\$19,016.1	\$18,822.6	\$0.0	\$19,016.1	
Total Ongoing Recommendation			\$180,000.0	\$11,191,313.5	\$13,135,734.8	\$233,000.0	\$11,493,154.5	\$13,490,575.8	
Best Practices Funding			\$0.0	\$25,000.0	\$25,000.0	\$0.0	\$0.0	\$0.0	
Foundation Allowance Equity Payment			\$24,000.0	\$0.0	\$24,000.0	\$0.0	\$0.0	\$0.0	
Great Start Preschool Programs			\$0.0	\$15,000.0	\$15,000.0	\$0.0	\$0.0	\$0.0	
Technology Infrastructure Grants			\$4,000.0	\$9,500.0	\$13,500.0	\$0.0	\$0.0	\$0.0	
Small Class Size Supplemental Payments			\$9,000.0	\$0.0	\$9,000.0	\$0.0	\$0.0	\$0.0	
Competitive Student-Centered Learning			\$8,000.0	\$0.0	\$8,000.0	\$0.0	\$0.0	\$0.0	
Digital Learning Initiative			\$5,000.0	\$0.0	\$5,000.0	\$0.0	\$0.0	\$0.0	
Total One-Time Recommendation			\$50,000.0	\$49,500.0	\$99,500.0	\$0.0	\$0.0	\$0.0	
TOTAL RECOMMENDATION			\$230,000.0	\$11,240,813.5	\$13,235,234.8	\$233,000.0	\$11,493,154.5	\$13,490,575.8	

Department of State

The Department of State administers Michigan's motor vehicle programs including titling, registering vehicles, licensing drivers, and monitoring driver performance. The Department of State delivers services via branch offices, renewal by mail, and self-service terminals throughout the state. ExpressSOS provides convenient online services to customers. The Secretary of State also supervises statewide elections and administers the state election laws. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$219.5 million, of which \$15.3 million is general fund. For fiscal year 2015, the governor recommends total funding for the department of \$223 million, of which \$15.4 million is general fund.*

Branch Office Visits Decrease With Usage of Self-Service Transactions



Highlights of Governor's Budget Recommendation

- In order to adequately fund its ongoing customer service responsibilities, the executive budget recommends increasing the commercial look-up fee from \$7 to \$8. This fee increase will generate \$4.7 million in restricted revenues which will be deposited into the Transportation Administration Collection Fund and used to support department operations.
- The executive recommendation reflects a reduction of \$1.1 million in restricted funds due to the transfer of the Assigned Claims Program to the private sector Michigan Automobile Insurance Placement Facility as a result of P.A. 204 of 2012.

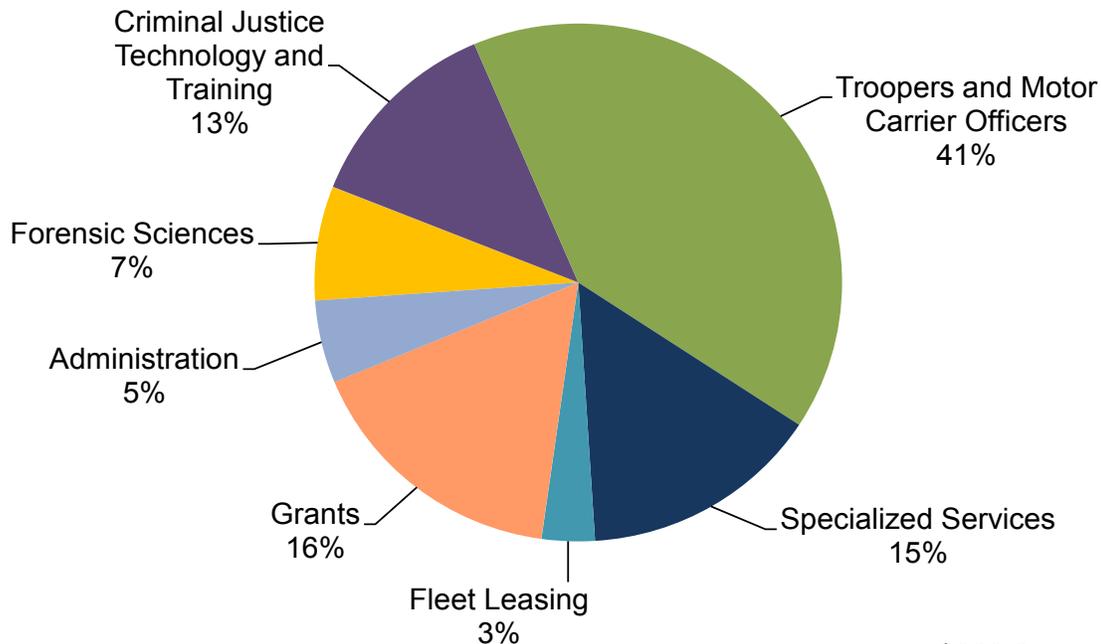
Governor's Recommendation
Department of State
(\$ in Thousands)

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$13,853.2	\$218,374.9	\$15,253.4	\$219,548.9	\$15,428.8	\$222,972.1
One-Time Funding	\$1,034.9	\$2,294.4	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$14,888.1	\$220,669.3	\$15,253.4	\$219,548.9	\$15,428.8	\$222,972.1
<i>% Change from Previous Year</i>						
<i>Ongoing Funding</i>			10.1%	0.5%	1.1%	1.6%
<i>One-Time Funding</i>			-100.0%	-100.0%	0.0%	0.0%
<i>Total Funding</i>			2.5%	-0.5%	1.1%	1.6%
Programs						
Customer Delivery Services			\$2,911.1	\$139,253.7	\$2,911.1	\$139,253.7
Department Services			\$153.9	\$29,710.2	\$329.3	\$33,133.4
Information Technology			\$1,570.2	\$21,763.5	\$1,570.2	\$21,763.5
Departmentwide Appropriations			\$2,708.4	\$9,984.9	\$2,708.4	\$9,984.9
Election Regulation			\$6,289.3	\$7,083.4	\$6,289.3	\$7,083.4
Legal Services			\$12.0	\$6,891.3	\$12.0	\$6,891.3
Executive Direction			\$1,608.5	\$4,861.9	\$1,608.5	\$4,861.9
Total Ongoing Recommendation			\$15,253.4	\$219,548.9	\$15,428.8	\$222,972.1
None			\$0.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation			\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$15,253.4	\$219,548.9	\$15,428.8	\$222,972.1

Department of State Police

The Michigan State Police (MSP) delivers law enforcement services throughout the state. The governor's proposed budget for fiscal year 2014 recommends total funding of \$603.8 million, of which \$351 million is general fund. Of the total funding, one-time funding of \$8.6 million general fund is recommended. The governor's proposed budget for fiscal year 2015 recommends total funding of \$612 million, of which \$356 million is general fund.

State Police Provides a Variety of Statewide Enforcement and Specialty Services



Total: \$603.8 million

Highlights of Governor's Budget Recommendation

- The governor's proposed budget adds a total of \$33.5 million general fund for MSP, an increase of 10.5 percent over the current year. This funding is for core programs of the department, including road patrol and motor carrier enforcement, investigative services, emergency management and homeland security, secondary road patrol grant funding, and funding for the Michigan Commission on Law Enforcement Standards.
- In an effort to continue to improve public safety, \$15.2 million general fund is added for a trooper recruit school anticipated to graduate 107 troopers. This additional funding consists of \$11 million ongoing funding and \$4.2 million in one-time funding. These additional troopers will continue the governor's focus on improving public safety and reducing crime. A trooper recruit school graduated 78 troopers in October 2012, which increased the current overall trooper strength to 893. There is currently a second trooper recruit school for fiscal year 2013 in progress that is anticipated to graduate 92 recruits in mid-March. (*MSP metric C-1 and C-8*)

- Of the total recommendation for the trooper school, seven troopers and ongoing funding of \$1 million general fund is designated for additional staffing to provide law enforcement services to the Belle Isle State Park, assuming concurrence from the City of Detroit. The department will be working in collaboration with the Department of Natural Resources to provide a safe environment at the State Park. In addition to general law enforcement, the MSP will focus safety services at the four major events that Belle Isle annually hosts, including the Detroit Grand Prix, the American Power Boat Association (APBA) Gold Cup Hydroplane Boat Race, the Detroit Fireworks, and the Red Bull Air Show. *(MSP metric C-1)*
- The governor recommends \$4 million general fund for the creation of a disaster and emergency contingency fund to address disasters occurring on state and private properties. These funds will be used to assist response efforts at the state level, with the coordination of local units of government, assuring a timely response to emergencies. These funds will be used for natural disasters, such as forest fires, tornadoes, flooding, or collapsed mines.
- As part of the Regional Policing Plan, an additional \$1 million general fund is included for hardware and software support for mobile computing. Specifically, this funding will pay for the installation of the various public safety technology applications in the patrol vehicle, as well as maintenance and support for these applications. *(MSP metric O-1)*
- The governor's recommendation includes one-time funding of \$350,000 general fund to replace two emergency response support team tactical vehicles that are over ten years old, have high mileage, and have high incidents of mechanical failure. The department currently has seven emergency response vehicles located in the different regions of the state. Approximately half of the services provided by the emergency response teams are assisting local police departments, as most local agencies cannot afford to maintain their own tactical teams. *(MSP metric C-1)*

**Governor's Recommendation
Department of State Police
(\$ in Thousands)**

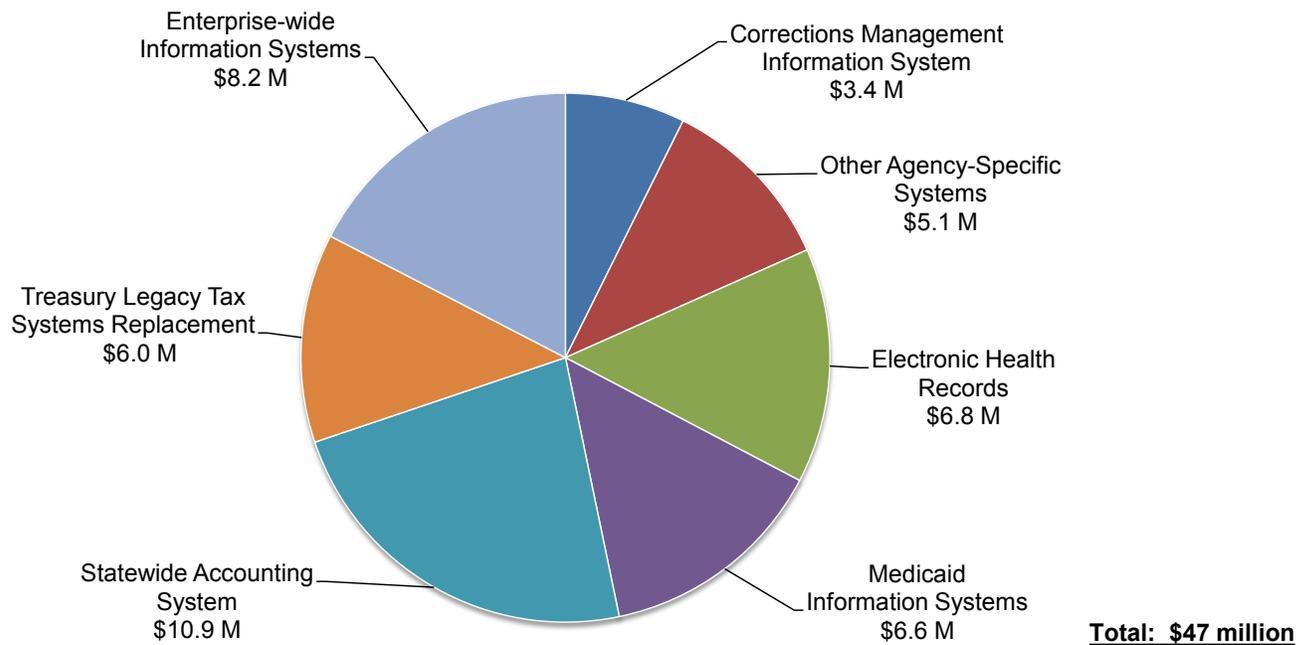
	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$312,654.9	\$571,989.0	\$342,412.4	\$595,239.8	\$351,963.9	\$607,984.7
One-Time Funding	\$4,858.9	\$5,993.7	\$8,561.9	\$8,561.9	\$4,000.0	\$4,000.0
Total Funding	\$317,513.8	\$577,982.7	\$350,974.3	\$603,801.7	\$355,963.9	\$611,984.7
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		9.5%	4.1%	2.8%	2.1%
	<i>One-Time Funding</i>		76.2%	42.8%	-53.3%	-53.3%
	<i>Total Funding</i>		10.5%	4.5%	1.4%	1.4%
Programs						
Troopers and Motor Carrier Officers			\$178,198.5	\$241,473.1	\$180,892.9	\$244,167.5
Grants			\$3,704.5	\$99,542.8	\$10,561.6	\$109,593.3
Specialized Services			\$61,493.5	\$88,561.2	\$61,493.5	\$88,561.2
Criminal Justice Technology and Training			\$33,618.8	\$75,769.0	\$33,618.8	\$75,769.0
Forensic Sciences			\$23,270.7	\$43,027.0	\$23,270.7	\$43,027.0
Administration			\$22,454.8	\$27,195.1	\$22,454.8	\$27,195.1
Fleet Leasing			\$19,671.6	\$19,671.6	\$19,671.6	\$19,671.6
Total Ongoing Recommendation			\$342,412.4	\$595,239.8	\$351,963.9	\$607,984.7
Trooper School One-Time Costs			\$4,211.9	\$4,211.9	\$0.0	\$0.0
Disaster and Emergency Contingency Fund			\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0
Emergency Response Team Vehicle Replacement			\$350.0	\$350.0	\$0.0	\$0.0
Total One-Time Recommendation			\$8,561.9	\$8,561.9	\$4,000.0	\$4,000.0
TOTAL RECOMMENDATION			\$350,974.3	\$603,801.7	\$355,963.9	\$611,984.7



Department of Technology, Management and Budget

The Department of Technology, Management and Budget (DTMB) supports the business operations of state agencies through a variety of services. These services include building management and maintenance, technology services, centralized contracting, purchasing, space planning and leasing, construction management, motor vehicle fleet management, and the state retirement system. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$1.2 billion, of which \$405.9 million is general fund. This includes one-time funding of \$37.8 million, of which \$16.5 million is general fund. For fiscal year 2015, the governor's proposed budget is \$1.2 billion, of which \$415.1 million is general fund.*

Budget Funds Improvements to Outdated Technology Systems



Highlights of Governor's Budget Recommendation

- The executive recommendation includes \$526.7 million for information technology support for all state departments, primarily funded with user fees from client agencies. In order to address the risks associated with obsolete, outdated and vulnerable information systems, the governor maintains funding of \$47 million general fund for enterprisewide information technology improvements and another \$2.5 million general fund for the information technology innovation fund. The department has conducted an inventory of risks in the current statewide technology infrastructure and the most significant risk areas are being addressed in order to protect the state's information systems, safeguard residents' information and help state agencies achieve their business goals. ([DTMB metrics 6A-2 and 6B-1](#))
- The executive budget includes funding of \$68 million for the Civil Service Commission to provide professional, non-partisan oversight of the state's workforce.

- The governor's recommendation includes authorization for the construction of a new State Emergency Operations Center at the Secondary Complex in Dimondale, Michigan. This new 24/7 facility will enhance the capabilities of state government to respond to emergencies, disasters and threats to homeland security. The total estimated cost of the project is \$20.2 million, financed with a combination of federal grants and state building authority resources.
- The state's debt service obligation on construction bonds issued for state, university, and community college projects is increased by \$1.7 million general fund for the State Emergency Operations Center project. For fiscal year 2015, this obligation increases by an additional \$22.9 million to support rent payments for anticipated bond obligations.
- The governor continues to address the preservation and maintenance of state facilities by investing \$28 million general fund for this purpose. (*DTMB metric 2A-1*)
- The governor recommends a one-time \$5 million general fund investment for a new Regional Prosperity Program to encourage local partners to work together, develop a regional economic development model, and create vibrant regional economies.

Governor's Recommendation
Department of Technology, Management and Budget
(\$ in Thousands)

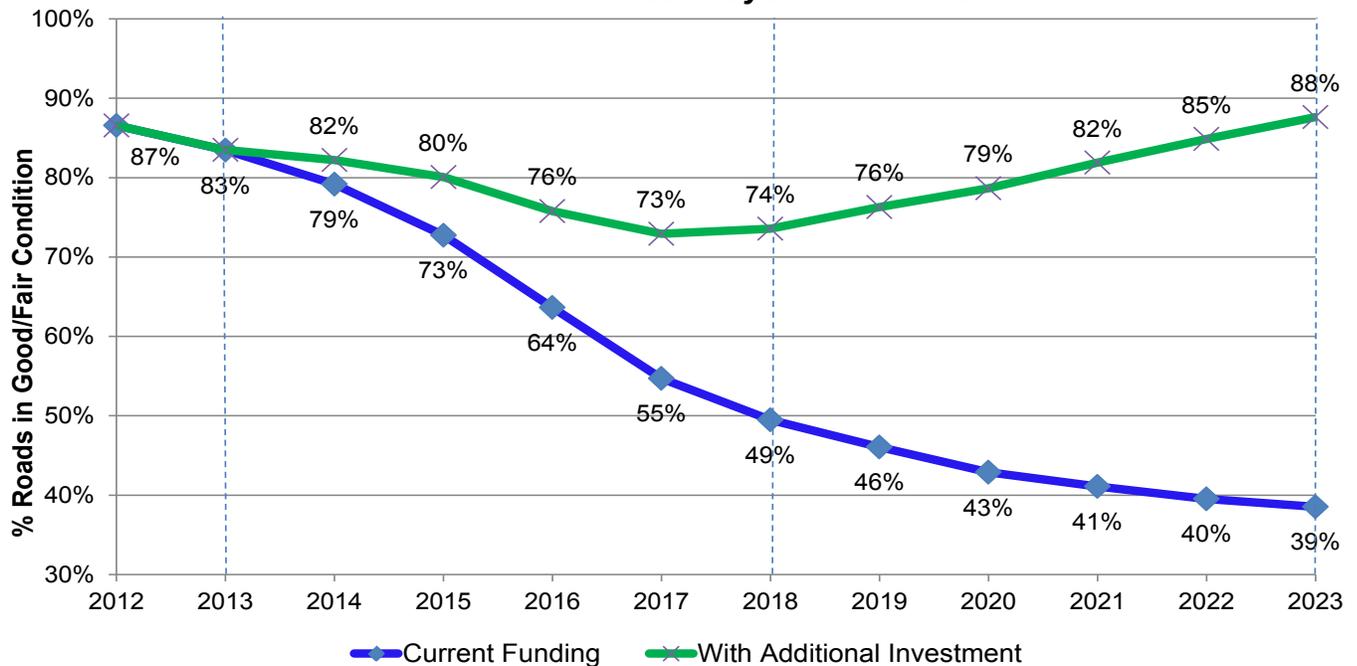
	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$384,124.0	\$1,117,293.4	\$389,387.3	\$1,148,175.1	\$415,140.8	\$1,179,063.1
One-Time Funding	\$21,792.2	\$25,680.2	\$16,500.1	\$37,800.1	\$0.0	\$0.0
Total Funding	\$405,916.2	\$1,142,973.6	\$405,887.4	\$1,185,975.2	\$415,140.8	\$1,179,063.1
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		1.4%	2.8%	6.6%	2.7%
	<i>One-Time Funding</i>		-24.3%	47.2%	-100.0%	-100.0%
	<i>Total Funding</i>		0.0%	3.8%	2.3%	-0.6%
Programs						
Technology Services			\$49,500.0	\$526,653.8	\$49,500.0	\$526,653.8
Management and Budget Operations			\$59,397.9	\$294,941.1	\$62,251.4	\$302,929.1
State Building Authority Rent			\$258,570.6	\$258,570.6	\$281,470.6	\$281,470.6
Civil Service Commission			\$21,918.8	\$68,009.6	\$21,918.8	\$68,009.6
Total Ongoing Recommendation			\$389,387.3	\$1,148,175.1	\$415,140.8	\$1,179,063.1
Technology Services Investments			\$0.0	\$21,300.0	\$0.0	\$0.0
Special Maintenance for State Facilities			\$10,000.0	\$10,000.0	\$0.0	\$0.0
Regional Prosperity Grant Program			\$5,000.0	\$5,000.0	\$0.0	\$0.0
Delta County Bridge			\$1,500.0	\$1,500.0	\$0.0	\$0.0
State Building Authority Financed Construction Projects			\$0.1	\$0.1	\$0.0	\$0.0
Total One-Time Recommendation			\$16,500.1	\$37,800.1	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$405,887.4	\$1,185,975.2	\$415,140.8	\$1,179,063.1



Department of Transportation

The Department of Transportation is responsible for ensuring the state's network of roads and bridges, public transportation systems, passenger and freight rail and aviation programs provide for the efficient and effective movement of people and goods. The state's economy and the quality of life of Michigan residents depend upon a safe, reliable transportation infrastructure. The governor's proposed budget for fiscal year 2014 and 2015 recommends total funding of \$4.6 billion in each year, reflecting the additional annual investment of \$1.2 billion needed to maintain our current transportation system.

**State Trunkline Pavement Condition Forecast:
Additional Investment Needed to Avoid
Drastic Declines in System Condition**



Highlights of Governor's Budget Recommendation

The time for investment in our transportation network has never been more critical. If no action is taken to increase investment levels, condition forecasts indicate state trunklines in good/fair condition will fall from 83 percent in 2013, dropping to a potentially debilitating 49 percent in five years and to 39 percent in ten years. Due to declines in revenue and inflationary pressures that erode purchasing power, the current funding model is simply not able to keep pace with system needs.

The costs of continued inaction are significant. It is projected a staggering \$25 billion would be needed to reconstruct the network, if system condition is allowed to deteriorate to such unprecedented levels. From a fiscal perspective, it is far more cost effective to repair a road or bridge now than to pay for a much more costly reconstruction in the future. Acting now will deliver real cost savings for Michigan taxpayers - it is the choice of spending \$12 billion over the next 10 years to invest in needed repairs or \$25 billion later to reconstruct a failed system.

The governor's budget recommendation includes a transportation investment proposal to address the resource demands of our transportation system. Highlights include:

- The package provides \$1.2 billion in additional annual revenues to invest now in critical state and local transportation needs that will create jobs, improve safety, and provide long-term savings to the taxpayer. The package also provides counties with an option for raising local revenues for transportation needs, which if fully adopted by voters, would raise an additional \$280 million annually for locally-directed investment.
(MDOT metrics 5, 7-10, 13, 14)
- The additional revenue is generated by increasing motor fuel taxes to 33 cents per gallon, while eliminating the disparity between gasoline and diesel fuels. This new per gallon rate will raise \$728 million in fiscal year 2014, and remain effective for two years. Beginning in fiscal year 2016, the per gallon rate will be adjusted according to a new dynamic formula that will modernize the collection of motor fuel taxes and better respond to market conditions. The package also increases the heavy vehicle truck and trailer registration taxes by 25 percent, and light-vehicle registration taxes by 60 percent, raising an additional \$508 million. It is estimated that the annual impact of this package on the typical Michigan motorist will equate to \$120 dollars per vehicle per year.

“So, this is just like looking at the question of, do you get oil changes on a regular basis... or wait for an engine rebuild?”

Governor Rick Snyder, State of the State Address, January 16, 2013

- Governor's Snyder's transportation package strategically targets the new investments in Michigan's infrastructure. Under a more simplified Michigan Transportation Fund (MTF) distribution formula, the department and local road agencies will each receive a "baseline" allocation from the MTF comparable to the amount each received in fiscal year 2012. After allocations for the fiscal year 2012 baseline, program support, Recreation Improvement Fund, Comprehensive Transportation Fund, and a new Basic Industry Logistics Transportation (BILT) Fund, the balance of the revenues, over \$1.1 billion, are directed to a new Commercial Corridor Fund.
- The new Commercial Corridor Fund is a pass-through mechanism by which funds will be distributed to state and local road agencies. Every county in Michigan contains commercial corridors that are key arteries of economic development. The governor will be working closely with the legislature in the coming months on the statutory distribution of the Commercial Corridor Fund.
- The new BILT Fund replaces the previous Transportation Economic Development Fund and is a \$58.3 million competitive grant program to assist in financing critical transportation projects supporting economic growth and job creation in Michigan. The focus of the BILT Fund will be to provide transportation improvements that support private investment in the areas of manufacturing, tourism and agriculture.

- The investment package also provides for much needed investment in other modes of transportation, including an additional \$113.9 million for the Comprehensive Transportation Fund. The governor’s budget includes total funding of \$211.7 million for transit operating assistance programs, \$89.9 million for transit services development, and \$63.6 million for rail passenger and freight programs.
- An increase in registration fees from 1 cent to 3 cents per pound for licensed aircraft, anticipated to raise an additional \$540,000, will also provide needed support to the aeronautics programs. (*MDOT metrics 6, 15, 16, 17*)

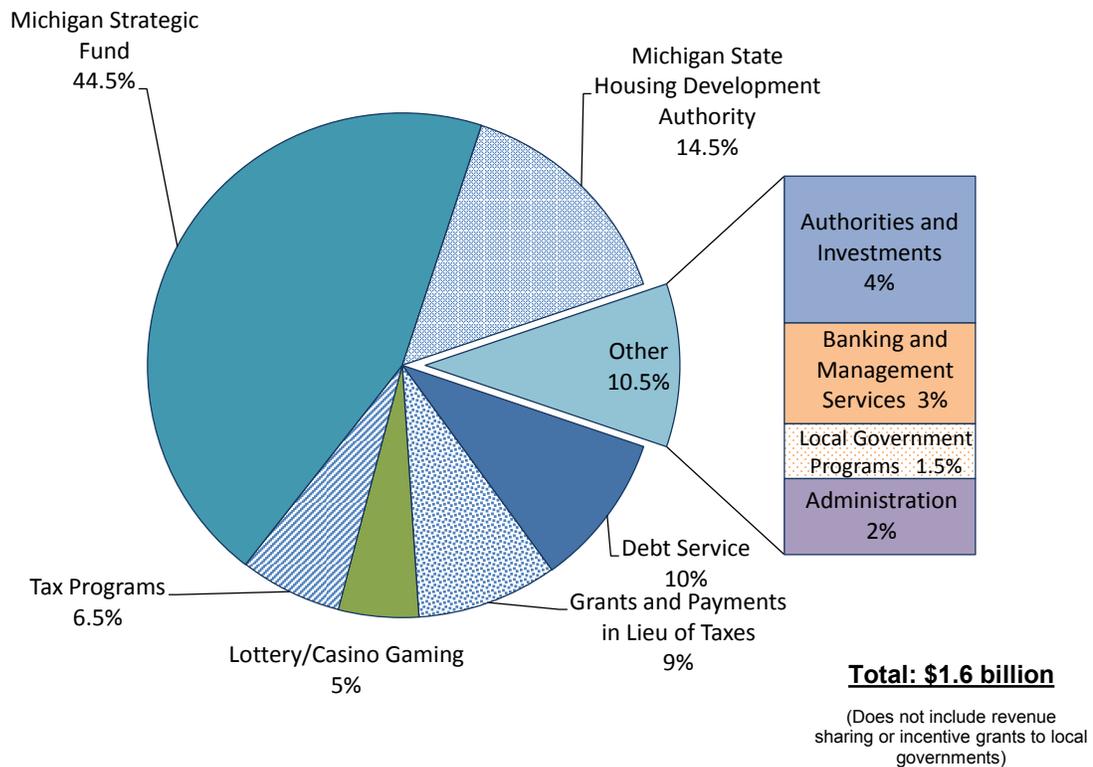
**Governor's Recommendation
Department of Transportation
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$0.0	\$3,439,926.7	\$0.0	\$4,574,787.6	\$0.0	\$4,598,045.1
One-Time Funding	\$23,000.0	\$26,260.8	\$0.0	\$0.0	\$0.0	\$0.0
Total Funding	\$23,000.0	\$3,466,187.5	\$0.0	\$4,574,787.6	\$0.0	\$4,598,045.1
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		<i>0.0%</i>	<i>33.0%</i>	<i>0.0%</i>	<i>0.5%</i>
	<i>One-Time Funding</i>		<i>-100.0%</i>	<i>-100.0%</i>	<i>0.0%</i>	<i>0.0%</i>
	<i>Total Funding</i>		<i>0.0%</i>	<i>32.0%</i>	<i>0.0%</i>	<i>0.5%</i>
Programs						
Road and Bridge Construction and Maintenance			\$0.0	\$3,684,876.3	\$0.0	\$3,695,477.2
Transit, Rail, and Aeronautics Services			\$0.0	\$426,168.6	\$0.0	\$432,497.2
Debt Service			\$0.0	\$242,321.1	\$0.0	\$242,323.4
Support Services			\$0.0	\$125,108.7	\$0.0	\$132,771.3
Capital Outlay			\$0.0	\$96,312.9	\$0.0	\$94,976.0
Total Ongoing Recommendation			\$0.0	\$4,574,787.6	\$0.0	\$4,598,045.1
None			\$0.0	\$0.0	\$0.0	\$0.0
Total One-Time Recommendation			\$0.0	\$0.0	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$0.0	\$4,574,787.6	\$0.0	\$4,598,045.1

Department of Treasury

The Department of Treasury's major responsibilities include the fair and efficient administration of the state's tax system, investing state funds, safeguarding the credit rating of the state and local governments, forecasting state economic activity and revenue, administering property tax laws, auditing county and municipal financial records, maximizing lottery revenue to the School Aid Fund and providing oversight of casino gaming operations. The department's budget also includes funding for the economic development and low-income housing programs administered by the Michigan Strategic Fund and the Michigan State Housing Development Authority. *The governor's proposed budget for fiscal year 2014 recommends total funding of \$2.8 billion, of which \$444.2 million is general fund. In fiscal year 2014, the budget includes one-time funding of \$101.3 million, of which \$76.3 is general fund. For fiscal year 2015, the governor recommends total funding of \$2.7 billion, of which \$383.4 million is general fund.*

Economic Growth and Strong Fiscal Policy Lead Michigan to Reinvention



Treasury Operations

- The proposed budget includes \$3 million in restricted funds to support the purchase of new digital stamps to enhance the tobacco enforcement program. As required by P.A. 188 of 2012, digital stamping will be placed on every package of cigarettes and will become an important component of the state's enforcement program. *(Treasury metric C7)*
- The governor recommends \$154.2 million for debt service payments. This includes replacing \$2.5 million in refined petroleum funds with an equal amount of general fund, which will increase the funding available for environmental clean-up efforts within the Department of Environmental Quality, and adding \$8 million to fund debt service related

to an investment of \$100 million in Strategic Water Quality bonds for grants and loans to local units of government. These grants will be used for design, development and implementation plans for sanitary sewer and storm sewer infrastructure. *(DEQ metric S9)*

- The proposed budget also includes \$3.3 million in restricted funds for the Bureau of State Lottery to launch iLottery where current existing lottery games will be offered through modern digital channels of web, mobile application or tablets creating the opportunity to substantially increase revenues to the School Aid Fund. This strategy is currently utilized and has been proven successful in Europe, Canada and other countries. iLottery is the next step in Lottery's continuous effort to meet the statutory mandate to maximize profits to the School Aid Fund. Small profit increases are expected in the first year until iLottery develops its game portfolio and channel mix. *(Lottery metric F1)*
- Recent passage of P.A. 603 and 604 of 2012 increases the statutory formula for payments in lieu of taxes to local units of government. The governor recommends \$17.3 million to fully fund the new formula, representing an increase of \$3.1 million.
- The governor also proposes \$5 million general fund to provide support services to financially distressed communities.
- The proposed recommendation includes \$3 million in restricted funds to replace and consolidate the information technology systems used for the licensing, regulation, auditing, investigative and administrative functions of the Michigan Gaming Control Board. The majority of this funding (\$2.3 million) comes from fees and fines received from the industry and will be used to eliminate outdated equipment impacting the three Detroit Casinos, the horse racing industry, and the charitable gaming system.

Michigan Strategic Fund (MSF)

- The governor's budget invests an additional \$27.5 million general fund to grow Michigan's economy through business development and community revitalization efforts, including \$20 million for a new debt financing program providing creative financing solutions to assist banks and other lenders to extend capital in underserved communities. *(MSF metric 7)*
- The recommendation includes \$10 million general fund for a new Skilled Trades Training Program to address job-to-talent mismatches created by technology advances, globalization, and an aging population. By leveraging employer contributions and other funding sources, this new program will help employers design training models that align with their specific talent needs enabling them to grow their businesses better and faster, while simultaneously providing employment opportunities for qualified individuals. Representatives from the Michigan Strategic Fund, Michigan Works! Agencies, local economic developers, and community colleges and other training institutions will work together to identify and prioritize eligible employers and participants. *(MSF metric 12)*

- The executive budget invests \$16 million general fund in the Land Bank Fast Track Authority to spur the redevelopment of tax-reverted properties, including \$9.5 million for blight elimination, \$4 million for “Good Neighbor” property maintenance, and \$2.5 million to support the operations of the Authority.

“This is much more than about simply tearing down structures... This is about working together in an unprecedented way with partners across all sectors and backgrounds – from neighborhood organizations and Detroit Public Schools and agencies throughout city, county, state and federal government to the foundation and nonprofit community to businesses – to address multiple factors that help ensure safe, stable neighborhoods and make a real, sustained difference for kids, families and communities.”

**Bill Pulte of Pulte Homes as quoted in
the Detroit Free Press, July 22, 2012**

- Governor Snyder recommends continuing the film incentive program via \$25 million in one-time general fund revenues, while also adding an additional \$1 million general fund for arts and cultural programs, for a total of \$6.7 million to support quality of place efforts in local communities. (*MSF metric 11*)
- The Michigan Strategic Fund will collaborate with Michigan Department of Agriculture and Rural Development on the Food and Agriculture Industry Growth Initiative, which will use a competitive grant process to fund research, education, and technical assistance efforts focused on removing barriers and leveraging opportunities identified by food processors, agri-business, and those in agricultural production critical to business development and growth. Outcomes will help increase sector profitability, aid in business expansion, and increase the overall economic impact on Michigan’s economy. As opportunities are identified, up to \$2 million will be available to support eligible projects that meet the goals and mission of the initiative.

**Governor's Recommendation
Department of Treasury
(\$ in Thousands)**

	FY2013 Current Law		FY2014 Recommendation		FY2015 Recommendation	
	GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
Ongoing Funding	\$343,436.7	\$2,634,296.3	\$367,931.9	\$2,672,500.5	\$383,392.7	\$2,720,042.4
One-Time Funding	\$76,399.8	\$99,014.1	\$76,263.3	\$101,263.3	\$0.0	\$0.0
Total Funding	\$419,836.5	\$2,733,310.4	\$444,195.2	\$2,773,763.8	\$383,392.7	\$2,720,042.4
	<i>% Change from Previous Year</i>					
	<i>Ongoing Funding</i>		7.1%	1.5%	4.2%	1.8%
	<i>One-Time Funding</i>		-0.2%	2.3%	-100.0%	-100.0%
	<i>Total Funding</i>		5.8%	1.5%	-13.7%	-1.9%
Programs						
Constitutional Revenue Sharing			\$0.0	\$742,550.2	\$0.0	\$768,450.4
Michigan Strategic Fund			\$141,003.9	\$699,376.2	\$141,277.4	\$700,431.6
Local Government Incentive Program			\$0.0	\$358,600.0	\$0.0	\$358,600.0
Michigan State Housing Development Authority			\$0.0	\$231,737.7	\$0.0	\$232,630.6
Debt Service Payments			\$151,188.0	\$154,202.5	\$161,227.3	\$164,241.8
Grants and Payments in Lieu of Taxes			\$25,382.9	\$140,217.1	\$29,831.2	\$145,063.7
Administration of Tax Programs			\$17,605.5	\$101,942.2	\$17,605.5	\$101,942.2
Authorities and Investments			\$2,898.8	\$63,674.6	\$2,898.8	\$63,674.6
Bureau of State Lottery			\$0.0	\$51,025.2	\$0.0	\$51,025.2
Banking and Management Services			\$5,079.5	\$43,635.8	\$5,779.2	\$48,443.3
Administration			\$11,793.5	\$32,922.9	\$11,793.5	\$32,922.9
Casino Regulation			\$0.0	\$28,904.8	\$0.0	\$28,904.8
Local Government Programs			\$12,979.8	\$23,711.3	\$12,979.8	\$23,711.3
Total Ongoing Recommendation			\$367,931.9	\$2,672,500.5	\$383,392.7	\$2,720,042.4
Business Development & Community Revitalization			\$27,500.0	\$27,500.0	\$0.0	\$0.0
Film Incentive Program			\$25,000.0	\$25,000.0	\$0.0	\$0.0
Skilled Trades Training Program			\$10,000.0	\$10,000.0	\$0.0	\$0.0
Competitive Grant Assistance Program			\$0.0	\$10,000.0	\$0.0	\$0.0
Economic Vitality Incentive Program			\$0.0	\$7,500.0	\$0.0	\$0.0
Land Bank Fast Track Authority			\$7,000.0	\$7,000.0	\$0.0	\$0.0
Distressed Communities Program			\$5,000.0	\$5,000.0	\$0.0	\$0.0
County Incentive Program			\$0.0	\$4,500.0	\$0.0	\$0.0
Casino Gaming Information Technology System			\$0.0	\$3,000.0	\$0.0	\$0.0
Information Technology Systems Upgrade			\$1,763.3	\$1,763.3	\$0.0	\$0.0
Total One-Time Recommendation			\$76,263.3	\$101,263.3	\$0.0	\$0.0
TOTAL RECOMMENDATION			\$444,195.2	\$2,773,763.8	\$383,392.7	\$2,720,042.4

Background Information

	<u>Page</u>
Revenues and Expenditures	C 1
Consensus Economic Outlook	C 3
Revenue Estimates	C 7
Revenue Review	C 8
Capped Federal Funds Shared Between Departments	C 19
Special Revenue Funds Shared Between Departments	C 21
State Restricted Revenue and Expenditure Projections	C 23
Summary of Expenditure Recommendation	C 35
Budget Schedule by Agency	C 37
Historical Expenditures/Appropriations	C 39
Civil Service Pay Recommendations	C 41
Legislation Needed to Implement FY 2014 Executive Budget	C 45

Web site address for this document: <http://www.michigan.gov/budget>



Fiscal Years 2014 and 2015
Sources and Uses of General Fund/General Purpose
(in millions)

	Fiscal Year 2014	Fiscal Year 2015
Ongoing Revenues:		
January Consensus Revenues	\$9,264.4	\$9,639.9
<u>Proposed Adjustments:</u>		
Payments to Local Government	(\$358.6)	(\$358.6)
Charge School Aid Fund for Short-term Borrowing	\$6.0	\$8.0
Blue Cross/Blue Shield Insurance Revenue	\$62.0	\$75.0
Total Sources of Ongoing Revenues	\$8,973.8	\$9,364.3
Fiscal Year 2014 Executive Recommendation	\$8,850.7	
Fiscal Year 2015 Executive Recommendation	\$9,034.7	
Total Uses of Ongoing Revenues	\$8,850.7	\$9,034.7
Ongoing Revenue Balance	\$123.1	\$329.6
One-Time Revenues:		
Estimated Beginning Fund Balance, October 1	\$278.4	\$15.7
<u>Proposed Adjustments:</u>		
Payments to Local Government	(\$22.0)	\$0.0
Total Sources of One-Time Revenues	\$256.4	\$15.7
Fiscal Year 2014 Executive Recommendation	\$363.8	
Fiscal Year 2015 Executive Recommendation	\$291.8	
Total Uses of One-Time Revenues	\$363.8	\$291.8
One-Time Revenue Balance	(\$107.4)	(\$276.1)
Ending Fund Balance, September 30	\$15.7	\$53.5

Fiscal Years 2014 and 2015
Sources and Uses of All Funds
(in millions)

	Fiscal Year 2014	Fiscal Year 2015
Estimated Beginning Unassigned Fund Balances, October 1	\$1,968.8	\$2,194.3
REVENUES:		
FY 2014 and Fiscal Year 2015 Revenue Estimates	\$49,834.6	\$51,485.4
Total Sources of Funds	\$51,803.4	\$53,679.7
EXPENDITURES:		
Fiscal Year 2014 Executive Recommendation \$51,785.1		
Less: Interdepartmental Grants and Transfers (837.9)		
Fiscal Year 2015 Executive Recommendation \$53,027.2		
Less: Interdepartmental Grants and Transfers (822.4)		
Total Uses of Funds	\$50,947.2	\$52,204.8
Excess of Sources Over Uses	\$856.2	\$1,474.9

Consensus Economic Outlook

The consensus economic outlook for 2013, 2014, and 2015 was adopted at the January 11, 2013, Consensus Revenue Estimating Conference by the Administration, House Fiscal Agency, and Senate Fiscal Agency.

2012 U.S. Economic Review

U.S. real gross domestic product (GDP) increased an estimated 2.2 percent in calendar year 2012, which was higher than the 1.8 percent rate of growth recorded in 2011. Real GDP increased during the first three quarters of 2012, but then declined slightly in the fourth quarter.

The labor market continued to make positive gains in 2012, with wage and salary employment increasing 1.4 percent in 2012. This was the second consecutive year wage and salary employment increased. On a monthly basis, wage and salary employment has increased every month since September 2010.

The national unemployment rate declined in 2012 to 8.1 percent from 8.9 percent in 2011. In 2010, the U.S. unemployment rate was 9.6 percent (the highest annual rate since 1982). In December 2012, the unemployment rate was 7.8 percent which is its lowest level since 2008.

The U.S. housing market began to rebound in 2012. Housing starts increased nearly 27 percent 2012 to 771,000 starts from the 2011 figure of 608,000 starts. By December 2012, housing starts jumped to an annualized rate of 954,000 units, which marked the highest monthly level since 2008. New home sales also continued to improve in 2012, totaling 367,000 units in 2012, up nearly 20 percent from 2011.

Light vehicle sales increased to 14.4 million units in 2012 from 12.7 million units in 2011, an increase of 13.6 percent. Light vehicle sales improved steadily throughout 2012, selling at a 13.9 million annual average sales rate in January and finishing at a 15.3 million annual average sales rate in December. The November sales rate of 15.5 million was the highest since February 2008.

Financial markets continued to recover in 2012. The Federal Reserve maintained an expansionary monetary policy as it announced a third round of quantitative easing in September 2012 under which it will purchase additional mortgage-backed securities. At the end of 2012, the Federal Reserve announced it will also purchase longer-term Treasury securities and keep the federal funds rate at low levels as long as the unemployment rate remains above 6.5 percent. The stock market continued to record gains as the S&P 500 was up 13.4 percent on the last day of trading in 2012 compared to the last day in 2011.

In 2012, much attention and debate was centered on the Federal “fiscal cliff”. As part of the Budget Control Act of 2011, a fiscal cliff consisting of significant tax increases and spending cuts was enacted to automatically go into effect on January 1, 2013. This fiscal cliff was designed to help reign in the growing Federal budget deficit and overall debt level. By delaying the effective date to January 1, 2013, it was hoped Congress would be able to develop a less severe alternative to the fiscal cliff. The tax increases included the repeal of the Bush tax cuts and the repeal of the

payroll tax cut which was initially enacted in 2011. It was projected that going over the fiscal cliff would send the U.S. economy into a recession. The uncertainty over which tax changes and spending cuts, and their magnitudes, would actually occur in 2013 had negative repercussions on both consumer and business activity at the end of 2012.

A partial alternative solution was adopted on January 1, 2013, and the fiscal cliff was at least temporarily averted. The alternative solution included increasing taxes on upper-income taxpayers, maintaining the Bush tax cuts for all other taxpayers, and eliminating the payroll tax cut for everyone. The spending cuts were delayed until March to allow additional time to craft an alternative plan for cutting spending. In addition to spending cuts, the debt ceiling must also be addressed in 2013. As a result, there continues to be much uncertainty over Federal fiscal policy.

Many European countries were in a deep recession in 2012 which threatened global growth in the short term. While European debt problems also remain a threat to world financial markets, looser monetary policy and financial bailouts to certain countries helped stabilize the financial system.

Oil prices initially rose in 2012, but were down at the end of the year. In January 2012, oil prices averaged \$100 barrel and by March were up to \$106 a barrel. Oil prices then edged down and by December they averaged \$88 per barrel.

2012 Michigan Economic Review

In 2012, Michigan wage and salary employment increased an estimated 1.3 percent, which marked the second consecutive year of growth after declining for 10 consecutive years. Michigan employment gained 51,000 jobs in 2012 after gaining 72,300 in 2011. While Michigan's employment level improved significantly during the past two years, it remains well below the previous peak level recorded in 2000. The increase in jobs helped reduce Michigan's unemployment rate to an estimated 8.9 percent in 2012 from 10.3 percent in 2011.

Michigan motor vehicle production increased by 17 percent in 2012 compared to 2011. Approximately 2,259,000 vehicles were produced in 2012 compared to the 1,924,000 vehicles produced in 2011. Michigan's 2012 vehicle production marked the first time since 2007 that vehicle production topped two million units. Production in 2012 was almost double the historically low 1,146,000 units produced in 2009.

As a result of strong growth in the motor vehicle sector, Michigan manufacturing employment rose 3.3 percent from December 2011 to December 2012 – marking the third straight year of year-over-year manufacturing employment growth.

In 2012, wage and salary payments to Michigan workers rose an estimated 3.4 percent after increasing 5.5 percent in 2011. Overall personal income grew an estimated 3.4 percent in 2012, down from the 5.6 percent rate of growth in 2011. With 1.9 percent inflation, real (inflation adjusted) personal income rose an estimated 1.5 percent in 2012.

U.S. Consensus Economic Outlook: 2013 - 2015

Real GDP is forecast to rise 1.9 percent in 2013, 2.6 percent in 2014, and 2.9 percent in 2015 (see Table 1). U.S. light vehicle sales are expected to increase to 15.0 million units in 2013 and to 15.4 million units in 2014. In 2015, light vehicle sales are forecast to increase to 15.8 million units.

The U.S. unemployment rate will edge down to an estimated 7.8 percent in 2013 from 8.1 percent in 2012. In 2014, the unemployment rate is forecast to fall to 7.5 percent. By 2015, the jobless rate is projected to decline to 7.1 percent.

Consumer prices, as measured by the U.S. Consumer Price Index (CPI), are expected to rise 1.9 percent in 2013 and 2014, and 2.1 percent in 2015.

Michigan Consensus Economic Outlook: 2013 - 2015

Michigan wage and salary employment is expected to increase 0.9 percent in 2013, 1.2 percent in 2014, and 1.3 percent in 2015. Michigan's unemployment rate is expected to fall from 8.9 percent in 2012 to 8.8 percent in 2013. The projected continued improvement in employment will pull down the jobless rate to an estimated 8.2 percent in 2014 and to 7.6 percent in 2015.

Michigan personal income is expected to rise 2.6 percent in 2013, 4.3 percent in 2014, and 4.4 percent in 2015. Inflation is forecast to increase 1.7 percent in 2013, 1.8 percent in 2014 and 2.0 percent in 2015. As a result, real Michigan personal income is expected to rise 0.8 percent in 2013, 2.5 percent in 2014 and 2.4 percent in 2015.

Forecast Risks

U.S. federal fiscal policy remains a risk to the overall economy. As U.S. borrowing approaches the debt ceiling in 2013, a more permanent solution would help ease financial markets and lessen the chance of a downgrade in U.S. debt. Federal government budget cuts will also weigh on the outlook for the U.S. economy.

Europe's financial crisis is far from being solved and much of Europe will remain in a recession in 2013. The European situation poses a drag on world economic growth.

The housing market is beginning to be a positive risk as it gains momentum after years of sharp decline. Housing prices are beginning to rise in some areas of the U.S. and housing starts are increasing to more economically healthy levels.

Job growth needs to continue and even accelerate to help lower the unemployment rate and provide a support to consumer spending.

Light vehicle sales growth is key to generating continued gains in manufacturing employment in Michigan.

Table 1
Consensus Economic Forecast

January 2013									
	Calendar 2011	Calendar 2012	Percent Change from Prior Year	Calendar 2013 Forecast	Percent Change from Prior Year	Calendar 2014 Forecast	Percent Change from Prior Year	Calendar 2015 Forecast	Percent Change from Prior Year
	Actual	Forecast							
United States									
Real Gross Domestic Product (Billions of Chained 2005 Dollars)	\$13,299	\$13,592	2.2%	\$13,850	1.9%	\$14,210	2.6%	\$14,622	2.9%
Implicit Price Deflator GDP (2005 = 100)	113.4	115.5	1.9%	117.6	1.8%	119.6	1.7%	121.8	1.8%
Consumer Price Index (1982-84 = 100)	224.939	229.558	2.1%	233.843	1.9%	238.306	1.9%	243.282	2.1%
Consumer Price Index - Fiscal Year (1982-84 = 100)	223.137	228.526	2.4%	232.718	1.8%	237.146	1.9%	241.942	2.0%
Personal Consumption Deflator (2005 = 100)	113.8	115.7	1.7%	117.4	1.5%	119.3	1.6%	121.3	1.7%
3-month Treasury Bills Interest Rate (percent)	0.1	0.1		0.1		0.1		0.2	
Aaa Corporate Bonds Interest Rate (percent)	4.6	3.7		3.6		3.8		4.0	
Unemployment Rate - Civilian (percent)	8.9	8.1		7.8		7.5		7.1	
Wage and Salary Employment (millions)	131.359	133.200	1.4%	134.930	1.3%	137.090	1.6%	139.420	1.7%
Housing Starts (millions of starts)	0.608	0.771	26.8%	1.044	35.4%	1.293	23.9%	1.400	8.3%
Light Vehicle Sales (millions of units)	12.7	14.4	13.6%	15.0	4.0%	15.4	2.7%	15.8	2.6%
Passenger Car Sales (millions of units)	6.2	7.4	19.4%	7.6	2.7%	7.7	1.3%	7.9	2.6%
Light Truck Sales (millions of units)	6.5	7.0	8.2%	7.4	5.3%	7.7	4.1%	7.9	2.6%
Big 3 Share of Light Vehicles (percent)	46.2	44.4		44.9		44.9		45.0	
Michigan									
Wage and Salary Employment (thousands)	3,936	3,987	1.3%	4,023	0.9%	4,071	1.2%	4,124	1.3%
Unemployment Rate (percent)	10.3	8.9		8.8		8.2		7.6	
Personal Income (millions of dollars)	\$358,152	\$370,329	3.4%	\$379,958	2.6%	\$396,296	4.3%	\$413,733	4.4%
Real Personal Income (millions of 1982-84 dollars)	\$169,131	\$171,600	1.5%	\$173,034	0.8%	\$177,354	2.5%	\$181,580	2.4%
Wages and Salaries (millions of dollars)	\$183,000	\$189,222	3.4%	\$194,520	2.8%	\$201,328	3.5%	\$208,375	3.5%
Detroit Consumer Price Index (1982-84 = 100)	211.760	215.809	1.9%	219.585	1.7%	223.449	1.8%	227.852	2.0%

Revenue Estimates

Fiscal Year 2012 Revenue

Michigan's economic activity continued to rebound in 2012 with increases in employment, income, motor vehicle production, and housing activity. This improvement in economic activity had a positive impact on tax collections and other revenue; however, these gains were largely offset by the net impact of the individual income/business tax reform which went into effect on January 1, 2012. As a result, General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue on a consensus basis totaled \$20,143.9 million in FY 2012, which was up only 0.4 percent from FY 2011. Including transfers, SAF federal aid, budget adjustments, and other one-time revenue not included in the consensus base, GF/GP and SAF revenue totaled \$21,841.5 million.

Revenue Estimates: Fiscal Year 2013, Fiscal Year 2014, and Fiscal Year 2015

On January 11, 2013, the Administration and the House and Senate Fiscal Agencies reached a consensus on projected revenues for FY 2013, FY 2014, and FY 2015, and these estimates are used for the Governor's FY 2014-FY 2015 *Executive Budget*. While Michigan's economy is projected to continue to grow through 2015, revenue is expected to decline in FY 2013 due to the net impact of the individual income/business tax reform, which will be fully phased-in in FY 2013. Revenues are expected to grow once again in both FY 2014 and FY 2015.

In FY 2013, GF/GP revenue on a consensus basis will decline an estimated 5.1 percent to \$8,792.2 million and after factoring in transfers and other budget adjustments, GF/GP revenue will total an estimated \$8,422.8 million. On a consensus basis, SAF revenue will increase an estimated 2.3 percent to \$11,127.7 million. Including federal aid and other budget adjustments, SAF revenue will total an estimated \$12,828.7 million.

In FY 2014, consensus based GF/GP revenue will total an estimated \$9,264.4 million, which is up 5.4 percent from FY 2013. Including transfers and other budget items, GF/GP revenue will total an estimated \$8,951.8 million. School Aid Fund revenue, on a consensus basis, will increase an estimated 2.7 percent to \$11,432.5 million in FY 2014; however, after factoring in federal aid and other budget measures, SAF revenue is expected to total \$13,434.7 million.

In FY 2015, GF/GP revenue is projected to increase 4.1 percent to \$9,639.9 million on a consensus basis and will total an estimated \$9,364.3 million including transfers and other budget items. School Aid Fund will increase an estimated 2.9 percent to \$11,768.8 million on a consensus basis and will total \$13,789.6 million including federal aid and other budget items.

Overall Revenue: FY 2013, FY 2014, and FY 2015

Total net revenue for all funds is estimated to be \$49,310.6 million in FY 2013, \$51,803.4 million in FY 2014, and \$53,679.7 million in FY 2015. A summary of revenues by fund is presented on pages C-9 through C-17. The Detailed Statement of General and Special Revenue Funds presents information for FY 2011 through FY 2015.

Projected Revenues
FY 2014 & FY 2015
(millions)

	<u>FY 2013 - 2014</u>	<u>FY 2014 - 2015</u>
General Fund - General Purpose		
Consensus Estimate	9,264.4	9,639.9
Total Adjustments	(312.6)	(275.6)
Total General Fund - General Purpose	<u>8,951.8</u>	<u>9,364.3</u>
School Aid Fund		
Consensus Estimate	11,432.5	11,768.8
Proposed Changes	7.8	23.4
Transfers and Federal Aid	1,994.4	1,997.4
Total SAF Revenue	<u>13,434.7</u>	<u>13,789.6</u>
Transportation Funds	6,661.3	6,701.9
Special Revenue & Permanent Funds	5,357.2	5,380.0
Federal Aid (Not Elsewhere Itemized)	<u>17,853.6</u>	<u>18,695.2</u>
Sub-Total All Funds	52,258.6	53,931.0
Fund Balances Available	<u>1,968.8</u>	<u>2,194.3</u>
Gross Total All Resources	54,227.4	56,125.3
Less Interfund Transfers (excluding GF-GP)	(2,424.0)	(2,445.6)
Net Total All Resources	<u><u>\$ 51,803.4</u></u>	<u><u>\$ 53,679.7</u></u>

Amounts may not tie to totals due to rounding.

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2010 - 2011	ACTUAL FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014	ESTIMATES FY 2014 - 2015
GENERAL FUND - GENERAL PURPOSE REVENUE					
TAXES					
Individual Income ⁽¹⁾	6,566,553,463	6,950,785,867	7,105,500,000	7,366,200,000	7,629,400,000
Less: Refunds	(2,127,144,393)	(2,134,648,368)	(1,585,300,000)	(1,590,100,000)	(1,625,000,000)
Net Individual Income	4,439,409,070	4,816,137,499	5,520,200,000	5,776,100,000	6,004,400,000
Single Business and Michigan Business ⁽¹⁾	1,479,409,184	732,088,620	(623,400,000)	(605,400,000)	(592,200,000)
Corporate Income Tax	0	547,146,093	945,000,000	980,000,000	1,020,000,000
Sales ⁽²⁾	1,068,470,538	741,173,453	1,014,600,000	1,156,800,000	1,202,100,000
Use ⁽³⁾	989,853,772	921,435,932	847,600,000	901,300,000	932,000,000
Insurance Company Premium Retailatory	271,248,931	290,185,047	307,000,000	319,000,000	335,000,000
Tobacco ⁽³⁾	195,747,779	192,620,386	190,200,000	187,400,000	183,900,000
Utility Property	57,548,606	60,877,790	60,000,000	60,000,000	60,000,000
Penalties and Interest	138,610,340	167,161,686	133,000,000	138,000,000	141,000,000
Intangibles	5,227	(69)	0	0	0
Estate / Inheritance	139,394	241,075	0	0	0
Beer and Wine Excise	47,093,510	50,827,684	52,500,000	53,000,000	54,000,000
Oil and Gas Severance	59,765,217	53,555,957	53,000,000	55,000,000	57,000,000
Liquor Specific ⁽³⁾	39,514,972	41,782,029	42,400,000	42,900,000	43,600,000
Other	0	0	0	0	0
Enhanced Enforcement and ACS ⁽⁴⁾	(123,753,157)	(129,143,000)	(128,000,000)	(129,000,000)	(130,000,000)
TOTAL GF - GP TAXES	8,663,063,381	8,486,090,180	8,414,100,000	8,935,100,000	9,310,800,000

⁽¹⁾ See also School Aid Fund. Starting in FY 2012, Michigan Business Tax is 100% General Fund

⁽²⁾ See General Fund Special Purpose Revenue, School Aid Fund, and Comprehensive Transportation Fund.

⁽³⁾ See also School Aid Fund.

⁽⁴⁾ Restricted revenues supporting Treasury collection activities are shown here as negatives.

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2010 - 2011	ACTUAL FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014	ESTIMATES FY 2014 - 2015
GENERAL FUND - GENERAL PURPOSE REVENUE					
NON-TAX REVENUE					
Federal Aid	17,325,267	54,839,327	20,000,000	20,000,000	20,000,000
Local Agencies	2,412,906	3,173,686	1,000,000	1,000,000	1,000,000
Services	11,877,524	10,527,447	11,000,000	11,000,000	11,000,000
Licenses & Permits	15,421,582	16,312,357	20,000,000	20,000,000	20,000,000
Miscellaneous	326,267,356	299,819,706	157,200,000	110,200,000	111,200,000
Interest and Investment Profits	466,137	195,301	(3,200,000)	(6,000,000)	(8,000,000)
TOTAL GF - GP NON-TAX REVENUE	373,770,772	384,867,823	206,000,000	156,200,000	155,200,000
TRANSFERS FROM OUTSIDE GENERAL & SPECIAL REVENUE FUNDS					
Other Interfund Transfers Received	112,468	117,309	0	0	0
Liquor Purchase Revolving Fund	164,250,530	174,886,345	163,200,000	164,000,000	165,000,000
Transfers From Lottery Charitable Gaming and Other Funds	9,353,695	7,500,358	9,000,000	9,000,000	9,000,000
TOTAL GF - GP TRANSFERS	173,716,693	182,504,013	172,200,000	173,000,000	174,000,000
General Fund - General Purpose Summary					
GF - GP Tax Revenue	8,663,063,381	8,486,090,180	8,414,100,000	8,935,100,000	9,310,800,000
GF - GP Non-Tax Revenue	373,770,772	384,867,823	206,000,000	156,200,000	155,200,000
GF - GP Transfers	173,716,693	182,504,013	172,200,000	173,000,000	174,000,000
TOTAL GENERAL FUND-GENERAL PURPOSE before Interfund Transfers	9,210,550,846	9,053,462,016	8,792,200,000	9,264,400,000	9,639,900,000
LESS: Interfund Transfers	(112,468)	(117,309)	0	0	0
CONSENSUS TOTAL GENERAL FUND-GENERAL PURPOSE	9,210,438,378	9,053,344,706	8,792,200,000	9,264,400,000	9,639,900,000
Excluding interfund transfers to GF-GP					
BUDGET ADJUSTMENTS					
Payments to Local Government	NA	NA	(370,600,000)	(370,600,000)	(358,600,000)
Charge School Aid Fund for Short-Term Borrowing	NA	NA	3,200,000	6,000,000	8,000,000
Liquor Purchase Licensing Upgrades	NA	NA	(2,000,000)	0	0
TOTAL ADJUSTMENTS	NA	NA	(369,400,000)	(364,600,000)	(350,600,000)
ADJUSTMENTS RECOMMENDED IN EXECUTIVE BUDGET					
Payments to Local Government	NA	NA	0	(10,000,000)	0
Blue Cross/Blue Shield Insurance Revenue	0	0	0	62,000,000	75,000,000
TOTAL PROPOSED ADJUSTMENTS	NA	NA	0	52,000,000	75,000,000
TOTAL GENERAL FUND-GENERAL PURPOSE WITH ADJUSTMENTS	9,210,438,378	9,053,344,706	8,422,800,000	8,951,800,000	9,364,300,000
Excluding interfund transfers to GF-GP					

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2010 - 2011	ACTUAL FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014	ESTIMATES FY 2014 - 2015
GENERAL FUND-SPECIAL PURPOSE/SPECIAL REVENUE AND PERMANENT FUNDS (EXCLUDING FEDERAL AID)					
Air Emission Fees	8,647,610	9,585,889	9,643,200	9,787,900	9,934,700
Airport Parking Revenue	20,274,625	20,628,356	21,020,877	21,466,226	21,466,226
Auto Repair Facilities Fees	2,730,596	2,859,833	3,375,000	3,375,000	3,375,000
Auto Theft Prevention Fund	6,315,172	6,259,081	6,772,000	7,272,000	7,272,000
Bank Fees	5,574,078	5,195,566	6,933,000	6,797,500	7,333,125
Bottle Deposits Fund	19,076,155	26,660,510	14,649,100	14,076,800	14,079,200
Budget Stabilization Fund	4,056	213,082	0	727,300	836,400
Child Support Collections	27,445,800	25,125,268	29,145,800	29,145,800	29,145,800
Children's Trust Fund	1,298,377	3,458,482	2,038,500	2,070,100	2,070,100
Civil Infraction (Jail Reimbursement) Fee	5,593,034	5,283,798	5,900,000	5,900,000	5,900,000
Conservation and Recreation Bond Proceeds	4,859	154	200	200	200
Construction Code Fund	7,509,864	7,563,980	15,835,790	10,322,490	10,453,390
Contributions to Children of Veterans Tuition Grant Program	300,000	95,683	100,000	100,000	100,000
Convention Facility Development Fund	72,349,836	75,755,056	79,154,783	83,131,337	83,131,337
Corporation Fees	21,273,543	22,061,611	22,900,000	22,550,000	22,975,000
Court Equity Fund	43,562,857	39,892,659	39,700,000	39,700,000	39,700,000
Court Fee Fund	6,396,467	5,321,621	4,890,200	4,890,200	4,890,200
Credit Union Fees	5,867,172	6,277,180	6,300,200	7,400,000	7,600,000
Crime Victims Rights Fund	10,632,558	14,374,080	16,100,000	18,000,000	18,000,000
Criminal Justice Info Cntr Service Fees	14,982,691	16,354,515	17,200,000	17,200,000	17,200,000
Dairy and Food Safety Fund	2,662,387	2,680,514	2,700,000	2,700,000	2,700,000
Delinquent Tax Collection Revenue & MARCS Revenue	123,150,983	128,579,515	128,000,000	129,000,000	130,000,000
Driver Fees	25,522,789	23,540,896	29,382,000	25,045,000	28,140,000
Elevator Fees	3,949,988	4,013,584	4,013,400	4,013,400	4,013,400
Emergency 911 Fund	28,125,425	27,941,626	28,252,044	28,252,044	28,252,044
Equine Development Fund	5,334,590	5,053,183	4,800,000	4,600,000	4,400,000
Fees and Collections (DCH)	5,574,329	5,961,561	6,105,000	6,105,000	6,105,000
Forest Development Fund	31,965,027	29,834,225	29,157,700	29,150,000	29,150,000
Freshwater Protection Fund	4,320,966	4,991,177	4,300,000	4,300,000	4,300,000
Game and Fish Protection Account	65,301,677	71,591,467	66,188,000	65,457,600	64,562,800

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2010 - 2011	ACTUAL FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014	ESTIMATES FY 2014 - 2015
Game and Fish Protection Trust Fund	13,841,665	32,092,643	8,736,800	8,620,300	8,473,800
Group Insurance Fund, Flexible Spending and COBRA	8,787,800	1,019,559	8,477,600	8,532,000	8,532,000
Health and Safety Fund - Counties	540,055	420,580	400,000	400,000	400,000
Health Insurance Claims Assessment	0	176,057,933	256,000,000	400,000,000	400,000,000
Health Professions Regulatory Fees	30,177,065	30,110,823	30,300,000	30,300,000	30,300,000
Healthy Michigan Fund	33,972,945	33,739,050	32,700,000	32,320,000	31,520,000
Highway Safety Fund	10,798,363	10,297,428	9,782,500	9,293,500	8,828,800
Income and Assessments	18,648,333	17,680,003	18,961,100	19,850,000	19,850,000
Individual Income Tax - Refunds	1,271,900,000	1,227,300,000	0	0	0
Insurance Bureau Fund	14,670,516	21,210,399	19,194,000	22,900,000	23,400,000
Insurance Licensing Regulatory Fees	6,668,610	6,459,074	6,420,150	6,600,000	6,600,000
Judicial Technology Improvement Fund	4,151,364	4,043,909	4,040,000	4,040,000	4,040,000
Juror Compensation Fund	1,476,649	4,138,151	4,000,000	4,000,000	4,000,000
Land Reutilization Fund	1,378,216	1,381,308	750,000	750,000	750,000
Licensing & Inspection Fees (MDA)	3,446,107	3,237,166	3,275,000	3,275,000	3,275,000
Licensing & Regulation Fees (DLARA)	13,902,734	9,799,120	9,993,508	14,925,000	11,425,000
Liquor License Revenue	12,394,280	12,936,147	12,740,000	13,740,000	13,740,000
Liquor Purchase Revolving Fund - Operations	20,645,700	22,495,500	0	0	0
Local Funds - County Payback	27,739,427	26,432,800	27,195,600	25,857,900	25,857,900
Local Revenues (DCH)	215,839,906	235,241,852	257,148,600	227,062,900	227,062,900
Local Vocational Rehabilitation Match	5,360,525	5,416,310	0	0	0
Lottery Operations	43,905,900	44,186,600	47,300,100	51,295,200	51,295,200
Low Income and Energy Assistance Fund	73,509,637	(11,981,377)	(1,509,748)	60,000,000	60,000,000
Mackinac Island State Park Fund	1,670,200	1,746,800	1,525,000	1,525,000	1,525,000
Manufacturer Rebates (DCH)	0	0	86,021,800	99,052,000	99,052,000
Medicaid Benefits Trust Fund	348,718,977	365,055,633	340,400,000	342,000,000	336,800,000
Michigan Employment Security Contingent Fund	7,743,607	44,911,215	5,014,700	5,500,000	5,700,000
Michigan Health Initiative Fund	9,097,371	9,024,654	9,160,000	9,160,000	9,160,000
Michigan Higher Education Assistance and Student Loan Authorities	34,600,000	35,112,800	31,019,300	36,155,300	36,155,300
Michigan Higher Education Assistance Authority Operating Fund	8,907	13,190	0	0	0
Michigan Justice Training Fund	5,638,616	5,301,711	5,600,000	5,768,000	5,950,000
Michigan Merit Award Trust Fund	116,101,069	119,717,916	209,932,600	118,694,700	116,794,600

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2010 - 2011	ACTUAL FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014	ESTIMATES FY 2014 - 2015
Michigan Natural Resources Trust Fund	51,381,237	63,419,013	25,570,800	25,570,800	25,570,800
Michigan Nongame Fish and Wildlife Fund	481,789	712,578	506,600	508,600	510,600
Michigan State Housing Development Authority	55,311,900	58,805,600	63,214,700	64,570,200	64,570,200
Michigan State Parks Endowment Fund	33,086,479	53,122,404	46,694,400	48,164,300	47,094,000
Michigan State Waterways Account	26,512,584	26,645,488	26,610,800	26,515,600	26,538,900
Michigan Veterans' Trust Fund	1,532,552	5,875,923	5,885,000	5,885,000	5,885,000
Motor Carrier Fees	5,873,552	5,456,628	11,449,900	11,264,600	11,264,600
Newborn Screening Fees	10,467,499	10,757,677	11,622,300	12,227,300	12,555,000
Nonpoint Discharge Elimination System Fees	2,659,903	3,351,636	2,800,000	2,800,000	2,800,000
Off Road Vehicle Account	3,299,151	3,474,693	3,316,600	3,316,600	3,315,900
Oil and Gas Regulatory Fund	9,107,393	9,192,301	9,560,100	9,800,000	10,000,000
Outdoor Recreation Legacy Account	2,572,116	2,591,250	2,936,900	3,037,800	3,102,700
Parole and Probation Oversight Fees	5,446,255	4,992,701	5,995,600	6,192,100	6,192,100
Public Utility Assessments	23,428,647	21,847,908	31,134,576	26,489,592	28,000,000
Quality Assurance Assessment Tax	882,599,699	956,702,313	934,559,100	966,143,000	966,143,000
Refined Petroleum Fund	51,110,946	50,989,999	50,357,200	50,365,900	50,374,700
Restructuring Mechanism (DLARA)	18,013,070	20,100,994	18,000,000	18,000,000	18,000,000
Retirement Operations	38,237,500	38,802,400	44,229,500	46,117,500	46,117,500
Safety Education and Training	9,553,872	10,305,644	9,413,000	9,413,000	9,413,000
Sales Tax - Revenue Sharing	664,701,207	707,504,898	713,149,926	742,550,153	768,450,344
Scrap Tire Regulatory Fund	4,003,499	4,192,611	4,100,000	4,000,000	4,000,000
Secondary Injury Fund	15,021,427	12,306,674	12,522,000	11,622,000	12,525,000
Securities Fees	10,244,928	9,513,272	12,236,100	12,236,100	12,236,100
Self Insurer's Security Fund	13,958,278	14,996,539	16,919,126	17,400,000	17,600,000
Snowmobile Account	8,638,507	8,101,181	7,711,000	7,000,000	6,600,000
Solid Waste Program Fees	9,979,782	9,331,497	10,777,600	10,766,400	10,752,600
Special Equipment Fund (DOC)	5,093,625	5,129,207	4,752,000	4,514,000	4,288,000
State Campaign Funds	0	13,585,459	11,400,000	11,400,000	11,400,000
State Casino Gaming Fund	1,351,459	897,995	1,000,000	1,000,000	1,000,000
	35,597,727	36,668,216	37,585,903	38,286,898	38,287,708

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2010 - 2011	ACTUAL FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014	ESTIMATES FY 2014 - 2015
State Court Sub - Fund	7,180,579	7,042,237	7,000,000	7,000,000	7,000,000
State Park Improvement Account	47,815,723	49,511,034	51,935,600	53,553,700	54,655,500
Supplemental Security Income Recoveries	13,549,078	9,227,411	15,561,800	15,664,800	15,664,800
Survey and Reimbursement Fees	5,576,039	6,827,657	7,493,100	7,493,100	7,493,100
Tax Tribunal Fund	4,895,868	4,479,764	4,465,400	4,215,400	3,965,400
Traffic Law Enforcement and Safety	22,982,010	24,656,273	25,150,000	25,150,000	25,150,000
Transportation Admin Collection Fund	99,757,304	101,216,838	102,960,667	105,800,000	105,800,000
Twenty-First Century Jobs Fund	75,000,000	150,000,000	75,000,000	75,000,000	75,000,000
Unemployment Obligation Trust Fund	0	255,540,566	0	0	0
Other Restricted Revenues	647,697,365	1,019,156,603	667,301,873	702,007,859	703,134,204
Total GF-Special Purpose/Special Revenue & Permanent Funds	5,856,802,605	6,888,786,134	5,142,014,574	5,357,194,999	5,380,024,177
Less: Interfund Transfers	(110,146,577)	(216,063,274)	(90,593,682)	(90,355,932)	(90,181,081)
Net Total GF-Special Purpose/Special Revenue & Permanent Funds	5,746,656,028	6,672,722,860	5,051,420,892	5,266,839,067	5,289,843,096
FEDERAL AID NOT ELSEWHERE ITEMIZED:					
Federal Aid: Agriculture	9,315,213	9,179,951	11,199,600	9,720,900	10,035,500
Federal Aid: Attorney General	2,765,029	3,085,803	9,932,600	9,838,200	10,024,600
Federal Aid: Capital Outlay (excluding transportation)	3,692,999	(15,198)	0	0	0
Federal Aid: Civil Rights	1,750,585	2,091,531	2,641,300	2,690,200	2,745,000
Federal Aid: Community Health	9,841,899,717	8,920,436,162	9,693,023,500	11,392,469,900	12,225,389,200
Federal Aid: Corrections	5,079,339	4,293,369	8,784,400	8,852,500	8,950,700
Federal Aid: Education	59,898,695	205,495,523	244,551,300	232,395,400	233,319,700
Federal Aid: Environmental Quality	54,596,043	58,147,131	161,687,500	150,929,700	150,929,700
Federal Aid: Human Services	5,291,776,576	4,805,775,880	5,507,467,200	4,802,702,800	4,805,562,500
Federal Aid: Higher Education	85,891,312	87,611,594	97,026,400	97,026,400	97,026,400
Federal Aid: Judiciary	4,268,878	4,607,932	6,017,100	5,343,900	5,384,800
Federal Aid: Licensing & Regulatory Affairs	767,542,244	302,221,377	268,708,300	197,470,000	198,557,800
Federal Aid: Military Affairs	79,007,303	87,447,276	99,239,400	89,782,700	91,341,900
Federal Aid: Natural Resources	45,388,824	52,111,524	66,524,800	67,127,300	67,127,300
Federal Aid: State	2,778,216	3,657,527	1,810,000	1,810,000	1,810,000
Federal Aid: State Police	90,646,252	92,679,134	104,911,000	98,846,100	99,422,200
Federal Aid: Technology, Management & Budget	4,831,192	6,169,415	9,464,300	8,790,900	8,790,900
Federal Aid: Treasury	167,291,764	493,379	698,385,900	677,780,700	678,737,500
TOTAL FEDERAL AID excluding Transportation and School Aid	16,518,420,182	14,645,489,308	16,991,374,600	17,853,577,600	18,695,155,700

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2010 - 2011	ACTUAL FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014	ESTIMATES FY 2014 - 2015
SCHOOL AID FUND REVENUE					
TAXES and LOTTERY					
Sales Tax	4,878,663,736	5,056,972,276	5,189,700,000	5,358,000,000	5,552,200,000
Use Tax	516,316,473	476,345,268	423,900,000	450,700,000	466,000,000
Income Tax Earmarking	1,972,926,042	2,100,167,333	2,216,300,000	2,302,800,000	2,384,700,000
State Education Tax	1,845,085,872	1,789,671,527	1,801,600,000	1,818,600,000	1,858,800,000
Real Estate Transfer Tax	123,254,157	150,106,311	169,600,000	183,500,000	192,700,000
Michigan Business Tax	611,432,515	0	0	0	0
Tobacco	376,360,098	373,977,316	364,900,000	358,000,000	349,600,000
Industrial & Commercial Facilities Tax	43,594,856	35,677,818	37,900,000	39,000,000	40,000,000
Casino Wagering Tax	114,017,133	115,752,860	108,300,000	111,000,000	116,000,000
Liquor Excise Tax	39,089,239	41,266,229	42,400,000	42,900,000	43,600,000
Other Specific Taxes	22,529,064	24,356,360	23,100,000	23,100,000	23,100,000
Sub-Total SAF Taxes	10,543,269,183	10,164,293,299	10,377,700,000	10,687,600,000	11,026,700,000
Transfer from Lottery Ticket Sales	727,324,851	778,431,937	750,000,000	745,000,000	742,000,000
CONSENSUS TOTAL SCHOOL AID FUND	11,270,594,034	10,942,725,237	11,127,700,000	11,432,500,000	11,768,800,000
NON-TAX REVENUE					
Federal Aid	2,468,558,286	1,818,997,207	1,701,041,400	1,764,421,300	1,764,421,300
Transfer from General Fund	18,642,400	78,642,400	282,400,000	230,000,000	233,000,000
Recovery of Prior Year State Aid and Receivables	26,323,258	26,500,535	0	0	0
Sub-Total SAF Other Source Revenues	2,513,523,944	1,924,140,142	1,983,441,400	1,994,421,300	1,997,421,300
TOTAL SCHOOL AID FUND before Interfund Transfers	13,784,117,978	12,866,865,379	13,111,141,400	13,426,921,300	13,766,221,300
Less Interfund Transfers	(18,642,400)	(78,642,400)	(282,400,000)	(230,000,000)	(233,000,000)
TOTAL SCHOOL AID FUND after adjustments excluding interfund transfers	13,765,475,578	12,788,222,979	12,828,741,400	13,196,921,300	13,533,221,300
ADJUSTMENTS RECOMMENDED IN EXECUTIVE BUDGET					
I-Lottery	0	0	0	7,800,000	23,400,000
TOTAL PROPOSED ADJUSTMENTS	0	0	0	7,800,000	23,400,000
TOTAL SCHOOL AID FUND WITH ADJUSTMENTS	13,765,475,578	12,788,222,979	12,828,741,400	13,204,721,300	13,556,621,300
Excluding interfund transfers					

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2010 - 2011	ACTUAL FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014	ESTIMATES FY 2014 - 2015
TRANSPORTATION: AERONAUTICS FUND 114					
Aviation Fuel Tax	5,621,413	5,026,508	5,200,000	5,300,000	5,400,000
Federal Aid	81,856,803	100,077,764	82,183,100	78,578,000	78,578,000
Local Agencies	12,545	9,789	11,145,000	11,414,000	11,414,000
Transfers and Other	10,628,488	12,580,331	7,158,000	7,166,000	7,172,000
TOTAL AERONAUTICS FUND	98,119,249	117,694,392	105,686,100	102,458,000	102,564,000
TRANSPORTATION: TRUNKLINE FUND 116					
Federal Aid	1,001,677,724	801,264,399	1,074,452,000	1,072,497,500	1,072,311,700
Local Agencies	16,954,788	15,082,347	30,000,000	30,000,000	30,000,000
Licenses and Permits	16,368,377	17,553,181	18,910,000	18,910,000	18,910,000
Transfer from Michigan Transportation & Other Funds	801,177,080	816,559,730	682,773,200	697,828,800	698,171,300
Interest from Common Cash Investment	890,032	616,295	747,000	820,000	1,016,000
Other	27,778,750	27,345,849	34,955,000	34,956,000	34,956,000
TOTAL TRUNKLINE FUND	1,864,846,751	1,678,421,801	1,841,837,200	1,855,012,300	1,855,365,000
TRANSPORTATION: BLUE WATER BRIDGE FUND 118					
Tolls and Rentals	21,865,860	22,515,063	23,400,000	24,300,000	25,300,000
Interest From Common Cash Investment and Other	67,948	57,563	66,000	82,000	108,000
TOTAL BLUE WATER BRIDGE TRANSPORTATION FUND	21,933,808	22,572,627	23,466,000	24,382,000	25,408,000
TRANSPORTATION: MICHIGAN TRANSPORTATION FUND 119					
Diesel and Motor Carrier Fuel Tax	125,598,100	126,781,882	128,500,000	130,000,000	131,500,000
Gasoline and Liquefied Petroleum Gas Tax	832,063,689	819,148,161	815,350,000	812,850,000	809,350,000
Motor Vehicle Registration Tax	859,674,914	876,064,203	890,000,000	905,000,000	920,000,000
Licenses, Permits, Other and Transfers	34,489,412	36,005,195	34,500,000	34,500,000	34,500,000
Interest From Common Cash Investment	283,084	161,041	133,000	164,000	217,000
TOTAL MICHIGAN TRANSPORTATION FUND	1,852,109,199	1,858,160,483	1,868,483,000	1,882,514,000	1,895,567,000
TRANSPORTATION: COMMERCIAL CORRIDOR FUND					
Transfer from Michigan Transportation & Other	NA	NA	NA	1,131,779,300	1,148,560,800
TOTAL COMMERCIAL CORRIDOR FUND	NA	NA	NA	1,131,779,300	1,148,560,800
TRANSPORTATION: COMPREHENSIVE TRANSPORTATION FUND 120					
Sales Tax	90,025,103	98,100,559	98,000,000	98,500,000	99,000,000
Federal Aid	42,312,018	55,780,070	65,195,000	47,810,000	47,810,000
Local Agencies	0	0	10,935,000	7,785,000	7,785,000
Transfer from Michigan Transportation & Other Funds	158,368,044	158,955,517	158,664,600	274,025,200	275,718,800
Interest From Common Cash Investment and Other	2,854,757	1,438,899	528,000	508,000	526,000
TOTAL COMPREHENSIVE TRANSPORTATION FUND	293,559,922	314,275,046	333,322,600	428,628,200	430,639,800
TRANSPORTATION BOND FUNDS	108,099,495	0	0	0	0
NEW TRANSPORTATION PROPOSAL	NA	NA	NA	1,236,540,000	1,243,640,000
TOTAL TRANSPORTATION REVENUE	4,238,668,425	3,991,124,349	4,172,794,900	6,661,313,800	6,701,944,600
LESS: Interfund Transfers	(959,545,125)	(975,515,247)	(841,437,800)	(2,103,633,300)	(2,122,450,900)
NET TOTAL TRANSPORTATION REVENUE After Transfers	3,279,123,301	3,015,609,101	3,331,357,100	4,557,680,500	4,579,493,700

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2010 - 2011	ACTUAL FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014	ESTIMATES FY 2014 - 2015
All Funds Summary					
General Fund - General Purpose	9,210,550,846	9,053,462,016	8,792,200,000	9,264,400,000	9,639,900,000
General Fund - General Purpose Budget Adjustments	NA	NA	(369,400,000)	(312,600,000)	(275,600,000)
General Fund - Special Purpose/Special Revenue & Permanent Funds	5,856,802,605	6,888,786,134	5,142,014,574	5,357,194,999	5,380,024,177
Federal Aid Not Elsewhere Categorized	16,518,420,182	14,645,489,308	16,991,374,600	17,853,577,600	18,695,155,700
School Aid Fund	13,784,117,978	12,866,865,379	13,111,141,400	13,434,721,300	13,789,621,300
Transportation Revenues	4,238,668,425	3,991,124,349	4,172,794,900	6,661,313,800	6,701,944,600
TOTAL ALL FUNDS	49,608,560,036	47,445,727,185	47,840,125,474	52,258,607,700	53,931,045,777
LESS: Interfund Transfers	(1,088,446,569)	(1,270,338,231)	(1,214,431,482)	(2,423,989,232)	(2,445,631,981)
NET TOTAL REVENUE after transfers	48,520,113,466	46,175,388,954	46,625,693,992	49,834,618,468	51,485,413,796

OTHER REVENUE OR NON-CURRENT YEAR SOURCES OF FINANCING

General Fund (Unassigned)	187,200,000	187,200,000	972,472,000	278,400,000	15,700,000
Restricted Fund Subfunds of the General Fund (Unobligated)	366,222,980	366,222,980	530,529,000	530,529,000	530,529,000
Budget Stabilization Fund (Unobligated)	2,155,807	2,155,807	365,102,000	505,829,500	581,665,900
Michigan Health Savings Fund (Unobligated)	0	0	0	0	103,000,000
School Aid Stabilization Fund (Unobligated)	255,900,000	724,688,359	254,111,560	50,000,000	1,400,000
Special Revenue and Permanent Funds Balances (Available)	172,653,282	172,653,282	429,701,000	430,000,000	430,000,000
MPERS Reserve Fund	NA	NA	133,000,000	174,000,000	532,000,000
Sub-Total Fund Balances	984,132,069	1,452,920,428	2,684,915,560	1,968,758,500	2,194,294,900
NET TOTAL RESOURCES	49,504,245,535	47,628,309,382	49,310,609,554	51,803,376,965	53,679,708,695

Note: Individual amounts may not add to totals due to rounding.



CAPPED SOURCES OF FEDERAL FUNDS SHARED BETWEEN STATE DEPARTMENTS

CFDA Number Title	FY 2014 Budget Recommendation	FY 2015 Budget Recommendation
16.588 Violence Against Women Formula Grants		
Grantee: Human Services	3,726,300	3,726,300
Subrecipient State Agency: State Police	175,000	175,000
17.503 Occupational Safety and Health-State Program		
Grantee: Licensing & Regulatory Affairs	12,797,900	12,797,900
Subrecipient State Agency: Attorney General	106,000	106,000
20.600 State and Community Highway Safety		
Grantee: State Police	8,586,000	8,586,000
Subrecipient State Agency: Judiciary	818,700	824,000
84.002 Adult Education-State Program		
Grantee: Michigan Strategic Fund	20,000,000	20,000,000
Subrecipient State Agency: Corrections	943,800	943,800
Subrecipient State Agency: Human Services	34,700	34,700
84.010 Title I Grants Disadvantaged		
Grantee: Education	7,285,100	7,000,000
Subrecipient State Agency: Education via School Aid Budget	591,500,000	591,500,000
84.013 Title I Program for Neglected and Delinquent Children		
Grantee: Education	10,500	10,500
Subrecipient State Agency: Corrections	552,500	552,500
Subrecipient State Agency: Human Services	100,000	100,000
84.027 Special Education-Grants to States		
Grantee: Education	13,275,000	13,000,000
Subrecipient State Agency: Education via School Aid Budget	370,000,000	370,000,000
Subrecipient State Agency: Human Services	149,400	149,400
Subrecipient State Agency: Corrections	114,100	114,100
84.048 Vocational Education-Basic Grants to States		
Grantee: Education	3,800,000	3,800,000
Subrecipient State Agency: Education via School Aid Budget	28,500,000	28,500,000
Subrecipient State Agency: Michigan Strategic Fund	19,000,000	19,000,000
Subrecipient State Agency: Corrections	294,500	294,500
Subrecipient State Agency: Human Services	93,800	93,800
84.181 Special Ed-Grants for Infants and Families with Disabilities		
Grantee: Education	980,600	980,600
Subrecipient State Agency: Education via School Aid Budget	15,000,000	15,000,000
Subrecipient State Agency: Human Services	71,500	71,500
84.184Y Safe and Supportive Schools-State Grants		
Grantee: Education	1,902,600	1,902,600
Subrecipient State Agency: Education via School Aid Budget	10,808,600	10,808,600
84.196 Homeless Children and Youth Grants		
Grantee: Education	800,000	700,000
Subrecipient State Agency: Education via School Aid Budget	2,600,000	2,600,000

CAPPED SOURCES OF FEDERAL FUNDS SHARED BETWEEN STATE DEPARTMENTS

CFDA Number	Title	FY 2014 Budget Recommendation	FY 2015 Budget Recommendation
84.336	Improving Teacher Quality		
	Grantee: Education	3,031,000	3,031,000
	Subrecipient State Agency: Education via School Aid Budget	111,111,900	111,111,900
84.365	English Language Acquisition Grants		
	Grantee: Education	803,300	803,300
	Subrecipient State Agency: Education via School Aid Budget	12,200,000	12,200,000
84.369	State Assessments		
	Grantee: Education	11,829,200	11,829,200
	Subrecipient State Agency: Education via School Aid Budget	5,000,000	5,000,000
93.558	Temporary Assistance For Needy Families		
	Grantee: Human Services	615,449,800	603,325,800
	Subrecipient State Agency: Higher Education	93,826,400	93,826,400
	Subrecipient State Agency: Michigan Strategic Fund	64,898,800	64,898,800
	Subrecipient State Agency: Community Health	19,545,400	19,984,000
93.568	Low-Income Home Energy Assistance		
	Grantee: Human Services	189,534,700	189,534,700
	Subrecipient State Agency: Treasury	2,967,800	2,967,800

SPECIAL REVENUE FUNDS SHARED BETWEEN STATE DEPARTMENTS

Fund/Department	FY 2014 Budget Recommendation	FY 2015 Budget Recommendation
Bottle Deposits Fund		
Environmental Quality	24,324,400	24,324,400
Treasury	250,000	250,000
Comprehensive Transportation Fund		
Transportation	379,960,600	387,339,900
Attorney General	200,900	200,900
Civil Service Commission	200,000	200,000
Technology, Management, and Budget	46,000	46,000
Legislative Auditor General	36,400	36,400
Treasury	12,200	12,200
Forest Development Fund		
Natural Resources	31,020,000	31,020,000
Treasury	2,100	2,100
Game and Fish Protection Account		
Natural Resources	76,835,900	80,951,500
Treasury	2,337,400	2,570,700
Attorney General	838,000	838,000
Legislative Auditor General	29,300	29,300
Game and Fish Protection Trust Fund		
Natural Resources	6,000,000	6,000,000
Treasury	116,600	116,600
Health Insurance Claims Assessment		
Community Health	398,051,600	398,051,600
Treasury	1,948,400	1,948,400
Michigan Merit Award Trust Fund		
Community Health	85,834,700	85,834,700
Human Services	30,100,000	30,100,000
Treasury	1,123,700	1,123,700
State Police	750,000	750,000
Attorney General	487,300	487,300
Michigan Natural Resources Trust Fund		
Natural Resources	1,233,600	1,233,600
Treasury	1,828,600	1,972,000
Michigan Nongame Fish and Wildlife Fund		
Natural Resources	520,100	520,100
Treasury	3,800	3,800
Michigan State Parks Endowment Fund		
Natural Resources	26,880,400	26,880,400
Treasury	106,600	106,600

SPECIAL REVENUE FUNDS SHARED BETWEEN STATE DEPARTMENTS

Fund/Department	FY 2014 Budget Recommendation	FY 2015 Budget Recommendation
Michigan State Waterways Account		
Natural Resources	33,686,200	33,686,200
State	1,478,000	1,478,000
Treasury	304,400	323,800
Attorney General	133,200	133,200
Legislative Auditor General	10,500	10,500
Motor Carrier Fees		
Licensing and Regulatory Affairs	2,972,300	2,972,300
State Police	4,616,900	4,616,900
Michigan Transportation Fund		
Transportation	986,706,700	987,326,100
State	20,000,000	20,000,000
Treasury	2,500,000	2,500,000
Environmental Quality	1,285,700	1,285,700
Legislative Auditor General	296,000	296,000
Off-Road Vehicle Account		
Natural Resources	6,142,000	6,142,000
State	164,800	164,800
Snowmobile Account		
Natural Resources	11,200,100	11,200,100
State	390,600	390,600
Treasury	1,600	1,600
State Aeronautics Fund		
Transportation	15,162,400	13,112,000
Attorney General	174,400	174,400
Civil Service Commission	150,000	150,000
Treasury	71,600	71,600
Technology, Management, and Budget	40,000	40,000
Legislative Auditor General	28,300	28,300
State Park Improvement Account		
Natural Resources	43,738,100	43,738,100
Treasury	3,300	3,300
State Trunkline Fund		
Transportation	683,835,800	684,031,800
State Police	11,258,700	11,258,700
Civil Service Commission	5,697,000	5,697,000
Attorney General	2,387,000	2,387,000
Technology, Management, and Budget	1,324,200	1,324,200
Legislative Auditor General	687,600	687,600
Treasury	129,700	129,700

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.

Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
MDARD	Agricultural Preservation Fund	1,343,129	933,379	(1,392,030)	884,478	900,000	(1,300,000)	484,478
MDARD	Agriculture Equine Industry Development Fund	1,689,748	5,053,183	(5,084,492)	1,658,439	4,800,000	(5,300,000)	1,158,439
MDARD	Animal Welfare Fund	185,547	161,029	(144,730)	201,846	150,000	(170,000)	181,846
MDARD	Commodity Inspection Fees	545	378,586	(378,932)	199	400,000	(400,199)	0
MDARD	Consumer & Industry Food Safety Education Fund	379,885	265,597	(246,620)	398,862	250,000	(265,800)	383,062
MDARD	Dairy And Food Safety Fund	506,725	2,678,677	(2,332,830)	852,572	2,700,000	(2,815,000)	737,572
MDARD	Freshwater Protection Fund	921,185	4,991,177	(4,983,543)	928,819	4,300,000	(4,550,000)	678,819
MDARD	Gasoline Inspection And Testing Fund	2,252,549	1,571,498	(2,533,688)	1,290,359	2,023,500	(2,200,000)	1,113,859
MDARD	Grain Dealer Fee Fund	35,285	197,512	(173,657)	59,140	472,800	(472,800)	59,140
MDARD	Horticulture Fund	0	31,008	(30,993)	15	35,000	(35,015)	0
MDARD	Industry Support Funds	73,021	326,902	(312,087)	87,836	210,700	(296,700)	1,836
MDARD	Licensing And Inspection Fees	807,461	3,237,166	(3,851,384)	193,243	3,275,000	(3,400,000)	68,243
MDARD	Migrant Housing Inspection Fees ¹	20,211	110,881	(102,202)	0	0	0	0
MDARD	Migrant Labor Housing Fund ¹	37,717	5,871	0	72,478	115,000	(157,000)	30,478
MDARD	Renewable Fuels Fund	41,968	590	0	42,558	500	(43,000)	58
MDARD	Testing Fees	0	233,058	(233,058)	0	220,000	(220,000)	0
MDARD	Weights And Measures Regulation Fees	642,992	735,657	(307,780)	1,070,869	460,000	(735,600)	795,269
Attorney General	Antitrust Enforcement Collections	250,000	650,962	(650,962)	250,000	690,300	(690,300)	250,000
Attorney General	Antitrust, Securities Fraud, CP or Class Action Enforcement Revenue	0	190,000	(190,000)	0	250,000	(250,000)	0
Attorney General	Attorney General's Operations Fund	1,876,832	821,496	(1,036,100)	1,662,228	825,000	(1,117,200)	1,370,028
Attorney General	Dag, State Administrative Match Grant/Food Stamps	0	117,094	(117,094)	0	120,000	(120,000)	0
Attorney General	Franchise Fees	0	325,564	(325,564)	0	340,000	(340,000)	0
Attorney General	Hhs-Os State Medicaid Fraud Control Units	0	1,043,905	(1,043,905)	0	1,402,404	(1,402,404)	0
Attorney General	Litigation Exp Reimbursement Fund	494,690	65,180	(59,870)	500,000	500,000	(500,000)	500,000
Attorney General	Prisoner Reimb Excess Collections	0	990,566	(990,566)	0	1,000,000	(1,000,000)	0
Attorney General	Prisoner Reimbursement	0	352,078	(352,078)	0	584,000	(584,000)	0
Attorney General	Prosecuting Attorney's Training Fees	0	0	0	0	405,300	(405,300)	0
Casino Gaming	Casino Gambling Agreements	399,124	726,539	(510,433)	615,230	602,700	(719,300)	498,630
Casino Gaming	Equine Development Fund (ORC)	0	1,522,438	(1,522,438)	0	1,600,000	(1,600,000)	0
Casino Gaming	Laboratory Fees	0	567,229	(567,229)	0	700,000	(700,000)	0
Casino Gaming	State Casino Gaming Fund	2,043,085	320,166	0	2,363,251	60,000	0	2,423,251

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

Boilerplate language in the Fiscal Year 2013 Enacted Appropriations requires an annual report, within 14 days after the release of the Executive Budget Recommendation, on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2012 and September 30, 2013.

Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			Available Fund Balance
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	
Casino Gaming	State Lottery Fund	0	186,628	(186,628)	0	3,000,000	(3,000,000)	0
Casino Gaming	State Services Fee Fund	7,332,890	33,325,806	(32,088,398)	8,570,298	34,322,600	(37,735,100)	5,157,798
DCH	Certificate Of Need	1,538,366	1,334,364	(1,661,867)	1,210,863	1,303,600	(1,959,300)	555,163
DCH	Compulsive Gambling Prevention Fund	4,171,211	81,305	(351,769)	3,900,747	60,000	(1,000,000)	2,960,747
DCH	Crime Victims	1,497,383	14,374,080	(13,223,035)	2,648,428	16,100,000	(15,000,000)	3,748,428
DCH	EMS Fees	11,446	403,270	(350,513)	64,203	405,000	(410,000)	59,203
DCH	Health Insurance Claims Assessment	0	176,057,933	(176,057,933)	0	256,000,000	(256,000,000)	0
DCH	Health Professions Regulatory Fund	15,138,646	0	0	0	0	0	0
DCH	Health Systems Fees And Collections	769,626	0	0	0	0	0	0
DCH	Healthy Michigan Fund	1,035,647	33,739,050	(34,259,083)	515,614	32,700,000	(33,215,614)	0
DCH	Mbpi-Pharmaceutical Products Fund	1,061,349	0	0	1,061,349	0	(100,000)	961,349
DCH	Medicaid Benefits Trust Fund	12,500,000	578,800,000	(454,600,000)	136,700,000	345,500,000	(461,900,000)	20,300,000
DCH	Michigan Health Initiative Fund	422,792	9,024,654	(8,792,230)	655,216	9,160,000	(9,278,800)	536,416
DCH	Newborn Screening Fees	1,756,220	10,757,677	(10,790,126)	1,723,771	11,622,300	(12,187,900)	1,158,171
DCH	Pain Mgt Educ & Contr Sub Elec Mon Antidiv	5,103,179	0	0	0	0	0	0
DCH	Radiological Fees	2,363,442	0	0	0	0	0	0
DCH	Vital Records Fees	600,805	3,980,871	(3,143,551)	1,438,125	3,873,100	(5,121,300)	189,925
DOC	Correctional Industries Revolving Fund (0302)	0	575,912	(575,912)	0	740,700	(740,700)	0
DOC	Correctional Industries Revolving Fund (1203)	0	0	0	0	17,647,900	(17,647,900)	0
DOC	Jail Reimbursement Program Fund	0	5,283,798	(5,283,798)	0	5,900,000	(5,900,000)	0
DOC	Local Corrections Officer Training Fund	0	0	0	0	500,000	(500,000)	0
DOC	Parole / Probation Oversight Fee Set-Aside	2,843,146	897,944	(830,445)	2,910,645	860,000	(3,318,600)	452,045
DOC	Parole / Probation Oversight Fees	0	4,992,701	(4,992,701)	0	5,995,600	(5,995,600)	0
DOC	Prisoner Health Care Copayments	0	189,012	(189,012)	0	278,700	(278,700)	0
DOC	Public Works User Fees (CFA)	0	0	0	0	1,000,000	(1,000,000)	0
DOC	Public Works User Fees (SAI)	0	77,922	(77,922)	0	283,900	(283,900)	0
DOC	Re-Entry Center Offender Reimbursements	0	12,696	(12,696)	0	23,400	(23,400)	0
DOC	Resident Stores	0	4,058,970	(4,058,665)	0	5,436,500	(5,436,500)	0
DOC	Special Equipment Fund	0	13,585,459	(500,000)	13,085,459	11,400,000	(23,400,000)	1,085,459
DOC	Tether Program Participant Contributions	0	2,119,580	(2,119,580)	0	2,200,700	(2,200,700)	0
Education	Certification Fees	2,114,891	5,884,100	(5,578,485)	2,420,507	5,884,100	(6,000,000)	2,304,607
Education	Commodity Distribution Fees	4,298	0	0	4,298	0	0	4,298
Education	Gifts Bequests & Donations	296,235	200,404	(278,541)	218,098	200,404	(278,541)	139,961

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
Education	Library Fees	463,940	80,792	(59,912)	484,820	80,792	(59,912)	505,700
Education	Local Cost Sharing (MSDB)	2,342	3,424,252	(3,423,652)	2,942	3,424,252	(3,423,652)	3,542
Education	Local School District Service Fees ²	0	187,546	(122,511)	65,035	187,546	(122,511)	130,070
Education	Private Foundations	10,343	214,526	(173,498)	51,371	45,840	(56,000)	41,211
Education	Student Insurance Revenue	0	183,933	(183,933)	0	183,933	(183,933)	0
Education	Teacher College Review Fees	56,111	4,335	(3,061)	57,385	4,335	(4,000)	57,720
Education	Teacher Testing Fees	90,595	149,036	(122,565)	117,066	149,036	(122,565)	143,537
Education	Tenant Rent ³	49,839	8,892	(58,731)	0	0	0	0
DEQ	Above Ground Storage Tank Fund ⁴	516,800	467,300	(651,900)	332,200	0	0	0
DEQ	Air Emissions Fees	1,829,800	9,717,600	(8,793,500)	2,753,900	9,643,200	(10,396,400)	2,000,700
DEQ	Campground Fund	122,900	267,700	(302,500)	88,100	200,000	(240,000)	48,100
DEQ	Cleanup And Redevelopment Fund	10,983,400	13,951,600	(6,006,000)	18,929,000	10,680,000	(16,551,400)	13,057,600
DEQ	Cleanup And Redevelopment Trust Fund	832,300	1,319,400	(1,000,300)	1,151,400	1,100,000	(1,000,000)	1,251,400
DEQ	Community Pollution Prevention Fund	2,213,300	1,320,300	(1,241,000)	2,292,600	1,100,000	(1,850,000)	1,542,600
DEQ	Electronic Waste Recycling Fund	143,100	278,200	(109,900)	311,400	275,000	(225,000)	361,400
DEQ	Environmental Education Fund	149,700	236,400	(249,300)	136,800	146,000	(172,700)	110,100
DEQ	Environmental Pollution Prevention Subfund	1,410,800	3,210,800	(2,062,100)	2,559,500	1,100,000	(2,624,000)	1,035,500
DEQ	Environmental Protection Fund	5,168,100	3,140,000	(5,069,600)	3,238,500	1,826,600	(2,850,100)	2,215,000
DEQ	Environmental Response Fund	14,193,900	2,333,800	(5,659,900)	10,867,800	1,589,800	(5,606,400)	6,851,200
DEQ	Fees & Collections	0	276,700	(276,700)	0	270,900	(270,900)	0
DEQ	Financial Instruments	0	1,030,500	(1,030,500)	0	1,300,000	(1,300,000)	0
DEQ	Great Lakes Protection Fund	410,100	145,100	(385,000)	170,200	0	(170,200)	0
DEQ	Groundwater Discharge Permit Fees	1,433,200	1,116,800	(1,093,800)	1,456,200	1,100,000	(1,462,600)	1,093,600
DEQ	Haz Materials Transport Permit Fund	1,184,700	222,400	(288,600)	1,118,500	230,000	(297,300)	1,051,200
DEQ	Infrastructure Construction Fund	2,000	3,500	0	5,500	5,000	(10,000)	500
DEQ	Land And Water Permit Fee	4,730,000	2,732,700	(5,044,700)	2,418,000	2,700,000	(2,408,600)	2,709,400
DEQ	Landfill Maintenance Trust Fund	41,500	600	0	42,100	700	(15,000)	27,800
DEQ	Medical Waste Emergency Response Fund	652,300	194,600	(233,600)	613,300	400,000	(240,600)	772,700
DEQ	Metallic Mineral Surveillance Fee	92,200	84,600	(81,700)	95,100	86,000	(84,200)	96,900
DEQ	Mineral Well Regulatory Fund	122,100	132,300	(132,400)	122,000	135,000	(136,400)	120,600
DEQ	National Pollutant Discharge Elimination System	2,489,300	3,440,200	(2,282,800)	3,646,700	2,800,000	(3,745,800)	2,700,900
DEQ	Natural Resource Damage Fund	3,210,500	1,519,400	(896,700)	3,833,200	125,000	(469,400)	3,488,800
DEQ	Nonferrous Metallic Mineral Surveillance	5,000	5,000	(1,200)	8,800	7,000	(15,800)	0
DEQ	Oil And Gas Regulatory Fund	6,110,900	9,320,500	(8,549,100)	6,882,300	9,560,100	(9,451,700)	6,990,700
DEQ	Orphan Well Sub-Fund	1,501,400	1,185,200	(920,400)	1,766,200	1,100,000	(900,000)	1,966,200

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
DEQ	Public Swimming Pool Fund	102,500	516,500	(504,400)	114,600	500,000	(520,000)	94,600
DEQ	Public Water Supply Fees	655,600	3,399,200	(4,041,800)	13,000	4,400,000	(4,357,000)	56,000
DEQ	Publication Revenue	72,500	0	0	72,500	0	0	72,500
DEQ	Refined Petroleum Fund	0	51,471,100	(49,218,800)	2,252,300	50,357,200	(51,799,100)	810,400
DEQ	Retired Engineers Technical Assistance Program	2,863,900	2,900	(470,800)	2,396,000	2,900	(737,800)	1,661,100
DEQ	Revitalization Revolving Loan Fund	6,113,200	38,200	(10,300)	6,141,100	49,300	(5,000)	6,185,400
DEQ	Sand Extraction Fee Revenue	146,300	64,400	(69,400)	141,300	70,000	(71,500)	139,800
DEQ	Scrap Tire Regulatory Fund	2,704,400	4,220,000	(2,801,800)	4,122,600	4,100,000	(4,385,900)	3,836,700
DEQ	Septage Waste Contingency Sub-Fund	30,100	0	(5,700)	24,400	0	(6,000)	18,400
DEQ	Septage Waste License Fees	191,300	438,200	(562,300)	67,200	440,000	(442,400)	64,800
DEQ	Settlements Fund	92,600	1,155,200	(831,200)	416,600	500,000	(600,000)	316,600
DEQ	Sewage Sludge Land Application Fee	25,300	989,300	(923,700)	90,900	825,000	(915,900)	0
DEQ	Small Business Pollution Prevention Assistance Revolving Loan Fund	5,834,300	5,400	(3,452,500)	2,387,200	7,000	(150,000)	2,244,200
DEQ	Soil Erosion And Sedimentation Control Fund	87,200	96,900	(77,900)	106,200	97,300	(100,000)	103,500
DEQ	Solid Waste Prgm Fees	2,071,300	5,210,600	(4,406,300)	2,875,600	4,752,000	(4,771,800)	2,855,800
DEQ	State Sites Cleanup Fund	4,461,000	6,900	(4,358,000)	109,900	5,000	(2,000)	112,900
DEQ	Stormwater Permit Fees	2,005,900	1,533,000	(874,500)	2,664,400	1,533,000	(2,594,500)	1,602,900
DEQ	Underground Storage Tank Fund ⁴	1,247,000	1,760,100	(1,429,800)	1,577,300	0	0	0
DEQ	Waste Reduction Fund	3,690,900	5,196,500	(4,659,000)	4,228,400	3,687,000	(5,839,100)	2,076,300
DEQ	Wastewater Operator Training Fees	14,700	440,300	(420,700)	34,300	440,000	(436,800)	37,500
DEQ	Water Analysis Fund	403,400	1,778,100	(2,001,900)	179,600	1,500,000	(1,587,000)	92,600
DEQ	Water Pollution Control Revolving Fund	0	2,125,800	(2,125,800)	0	2,189,600	(2,189,600)	0
DEQ	Water Quality Protection Fund	282,400	75,500	(96,800)	261,100	61,700	(100,000)	222,800
DEQ	Water Use Reporting Fee	346,900	155,900	(190,000)	312,800	200,000	(223,900)	288,900
DHS	Child Support Collections	0	25,125,268	(25,125,268)	0	29,145,800	(29,145,800)	0
DHS	Children's Advocacy Center Fund	2,158,691	828,088	(964,694)	2,022,085	1,000,000	(1,000,000)	2,022,085
DHS	Children's Trust Fund	1,148,994	1,687,544	(1,770,564)	1,065,974	1,700,000	(1,700,000)	1,065,974
DHS	Licensing Fees	0	0	0	0	0	0	0
DHS	Public Assistance Recoupment Revenue	810,023	5,918,700	(5,888,523)	840,200	7,800,000	(7,800,000)	840,200
DHS	Sexual Assault Victims' Medical Forensic Intervention	2,834,413	1,186,156	(1,545,248)	2,475,321	1,000,000	(1,000,000)	2,475,321
DHS	Supplemental Security Income Recoveries	602,772	9,227,411	(9,830,183)	0	15,817,300	(15,817,300)	0
Judiciary	Community Dispute Resolution Fund ⁵	1,669,468	1,894,001	(1,962,542)	1,600,927	1,900,000	(1,900,000)	1,600,927
Judiciary	Court Equity Fund	0	39,892,659	(39,892,659)	0	39,700,000	(39,700,000)	0
Judiciary	Court Fee Fund ⁶	532,783	5,321,621	(5,290,200)	564,204	4,890,200	(4,890,200)	564,204

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
Judiciary	Court Filing/Motion Fees	0	1,501,399	(1,501,399)	0	1,500,000	(1,500,000)	0
Judiciary	Drug Court Fund	755,844	1,214,272	(829,055)	1,141,062	1,200,000	(1,200,000)	1,141,062
Judiciary	Drug Fund	0	195,178	(195,178)	0	200,000	(200,000)	0
Judiciary	Drunk Driving Fund	0	2,705,723	(2,705,723)	0	2,700,000	(2,700,000)	0
Judiciary	Judicial Technology Improvement Fund	323,369	4,043,909	(4,297,637)	69,640	4,040,000	(4,040,000)	69,640
Judiciary	Juror Compensation Fund ⁷	2,263,572	4,138,151	(2,879,477)	3,522,247	4,000,000	(3,000,000)	4,522,247
Judiciary	Justice System Fund	135,189	435,512	(395,624)	175,077	432,000	(432,000)	175,077
Judiciary	Law Exam Fees	0	565,800	(565,800)	0	608,900	(608,900)	0
Judiciary	Miscellaneous Revenue	0	184,363	(184,363)	0	200,000	(200,000)	0
Judiciary	State Court Fund	0	7,042,237	(7,042,237)	0	7,000,000	(7,000,000)	0
DLARA	Above Ground Storage Tank Fund ⁸	0	0	0	332,200	0	0	332,200
DLARA	Accountancy Enforcement Fund	1,810,796	919,571	(182,494)	2,547,873	95,000	(157,889)	2,484,984
DLARA	Bank Fees	2,661,029	5,198,066	(5,340,319)	2,518,776	5,623,000	(6,039,680)	2,102,096
DLARA	Boiler Fee Revenue	1,571,441	3,156,083	(2,788,520)	1,939,004	3,151,900	(3,171,688)	1,919,216
DLARA	Builder Enforcement Fund	2,438,188	91,067	(403,124)	2,126,131	56,900	(387,195)	1,795,836
DLARA	Captive Insurance Regulatory & Supervision Fund	0	141,874	(4,289)	137,585	46,100	(45,100)	138,585
DLARA	Children's Protection Registry Fund	216,374	17,620	(12,590)	221,404	0	0	221,404
DLARA	Commission For The Blind Business Enterprise Program Fund	0	272,635	(272,635)	0	277,500	(277,500)	0
DLARA	Construction Code Fund	3,504,323	7,555,509	(9,811,656)	1,248,176	13,035,790	(10,429,592)	3,854,374
DLARA	Consumer Finance Fees	247,171	1,124,898	(1,190,038)	182,031	1,275,000	(1,224,812)	232,219
DLARA	Contingent Fund, P&I - 110 Fund ⁹	0	1,000,000	(1,000,000)	0	0	0	0
DLARA	Corporation Fees	10,506,240	22,072,932	(28,689,415)	3,889,758	22,900,000	(23,553,369)	3,236,389
DLARA	Credit Union Fees	770,394	6,279,680	(6,226,448)	823,625	6,300,200	(6,870,887)	252,938
DLARA	Deferred Presentment Service Transaction Fees	949,551	2,926,046	(2,716,133)	1,159,464	2,652,000	(2,853,517)	957,947
DLARA	Direct Shipper Enhancement Revolving Fund	352,783	85,673	(100)	438,356	85,000	(100)	523,256
DLARA	Elevator Fees	4,014,639	4,014,406	(3,653,483)	4,375,562	4,013,400	(3,987,744)	4,401,218
DLARA	Fees & Collections/Asbestos	255,852	636,389	(574,361)	317,880	636,000	(575,000)	378,880
DLARA	Fire Alarm Fees	0	81,304	(81,304)	0	133,900	(125,400)	0
DLARA	Fire Protection Fund	4,034,781	7,500,000	(7,500,000)	4,034,781	7,000,000	(7,000,000)	4,034,781
DLARA	Fire Safety Standard & Enforcement Fund	103,298	5,824	(38,734)	70,388	130,000	(40,000)	160,388
DLARA	Fire Service Fees	190,164	2,165,090	(2,355,254)	0	2,014,000	(2,014,000)	0
DLARA	Fireworks Safety Fund	0	1,836,936	(470,000)	1,366,936	1,596,000	(652,700)	2,310,236
DLARA	Health Professions Regulatory Fees	15,138,646	30,110,823	(23,697,899)	21,551,571	30,300,000	(26,000,000)	25,851,571
DLARA	Health Systems Fees	769,626	2,896,427	(2,265,200)	1,400,852	2,914,500	(3,564,806)	750,546
DLARA	Insurance Bureau Fund	3,949,691	21,517,441	(19,787,750)	5,679,382	14,794,000	(19,256,529)	1,216,853

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
DLARA	Insurance Continuing Education Fees	132,005	658,292	(448,772)	341,526	580,945	(475,595)	446,876
DLARA	Insurance Licensing & Regulation Fees	3,951,990	6,464,824	(6,142,754)	4,274,060	6,420,150	(6,377,207)	4,317,003
DLARA	Licensing & Regulation Fees	6,958,728	9,838,827	(13,029,689)	3,767,867	9,069,508	(14,438,417)	(1,601,042)
DLARA	Liquor License Revenue	2,122,162	12,939,959	(13,011,452)	2,050,668	12,740,000	(13,100,000)	1,690,668
DLARA	Liquor Purchase Revolving Fund	875,739	821,142,329	(821,142,329)	875,739	822,000,000	(822,000,000)	875,739
DLARA	Liquor Purchase Revolving Fund	0	773,900	(773,900)	0	773,900	(773,900)	0
DLARA	Low-Income & Energy Efficiency Fund	9,005,002	(7,495,524)	0	1,509,478	(1,509,478)	0	0
DLARA	MBLSLA Fund	664,534	4,017,795	(2,649,907)	2,032,422	2,715,000	(2,800,600)	1,946,822
DLARA	Michigan Employment Security Contingent Fund	0	8,328,502	(8,328,502)	0	5,014,700	(5,014,700)	0
DLARA	Mobile Home Code Fund	2,203,967	2,641,947	(2,402,681)	2,443,233	2,101,500	(2,564,055)	1,980,678
DLARA	Motor Carrier Fees	0	6,999,707	(6,999,707)	0	6,789,600	(6,789,600)	0
DLARA	Multiple Employer Welfare Arrangement	336,222	73,423	(50,032)	359,613	74,100	(55,178)	378,535
DLARA	Nurse Professional Fees	714,936	(45,103)	(256,290)	413,544	292,400	(381,000)	324,944
DLARA	Pain Management Fees	5,103,179	1,170,933	(1,173,681)	5,100,431	1,171,000	(1,173,400)	5,098,031
DLARA	Private Occupational School License Fees	550,941	507,033	(555,918)	502,056	500,000	(713,200)	288,856
DLARA	Property Development Fees	34,303	20,068	(861)	53,511	20,000	(73,511)	(0)
DLARA	Public Utility Assessments	5,663,730	21,886,373	(26,612,830)	937,274	31,134,576	(26,489,592)	5,582,258
DLARA	Radiological Health Fees	2,363,442	2,253,071	(2,379,470)	2,237,042	2,168,700	(2,600,900)	1,804,842
DLARA	Real Estate Appraiser Continuing Ed. Fund	494,189	31,291	(47,000)	478,480	44,300	(52,724)	470,056
DLARA	Real Estate Education Fund	2,706,762	292,136	(169,444)	2,829,454	546,600	(182,820)	3,193,234
DLARA	Real Estate Enforcement Fund	1,980,372	(161,493)	(187,579)	1,631,300	299,600	(630,200)	1,300,700
DLARA	Restructuring Mechanism Assessments	2,183,509	17,917,485	(16,131,618)	3,969,376	18,000,000	(16,500,000)	5,469,376
DLARA	Safety Education & Training Fund	7,020,356	10,305,644	(10,038,635)	7,287,365	9,413,000	(10,522,482)	6,177,883
DLARA	Second Injury Fund	15,052,000	10,931,000	(12,786,000)	13,197,000	12,522,000	(12,500,000)	13,219,000
DLARA	Securities Fees	0	15,167,556	(15,167,556)	0	16,919,126	(16,919,126)	0
DLARA	Securities Investor Education & Training Fund	10,203	619,396	0	629,599	75,000	0	704,599
DLARA	Security Business Fund	14,692	96,149	(49,749)	61,092	103,707	(34,704)	130,095
DLARA	Self-Insurers Security Fund	12,035,000	8,782,000	(5,660,000)	15,157,000	7,711,000	(6,000,000)	16,868,000
DLARA	Silicosis & Dust Disease Fund	2,156,000	1,114,000	(1,518,000)	1,752,000	1,314,000	(1,425,000)	1,641,000
DLARA	Special Fraud Control Fund	500,000	1,040,405	0	1,540,405	0	(1,540,405)	0
DLARA	State Restricted Revenue - Administrative Hearings & Rules	0	3,849,440	(3,849,440)	0	12,036,021	(12,036,021)	0
DLARA	Survey & Remonumentation Fund	1,969,075	6,993,714	(5,984,798)	2,977,992	7,493,100	(5,747,907)	4,723,185
DLARA	Tax Tribunal Fund	4,814,441	4,700,484	(5,168,311)	4,346,614	4,465,400	(5,395,780)	3,416,234
DLARA	Unarmed Combat Fund	73,312	55,780	(80,075)	49,016	62,100	(111,116)	0

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
DLARA	Underground Storage Tank Fund ⁸	0	0	0	1,577,300	0	0	1,577,300
DLARA	Utility Consumer Representation Fund	2,900,847	531,426	(906,149)	2,526,124	531,500	(936,000)	2,121,624
DLARA	Video Franchise Assessments	158,413	238,318	(217,040)	179,691	211,833	(233,707)	157,817
DLARA	Worker's Compensation Admin. Rev. Fund	2,740,716	1,631,246	(2,181,473)	2,190,489	1,559,084	(2,300,000)	1,449,573
Lottery	Lottery Operations ¹⁰	0	45,209,100	39,185,371	0	47,000,100	47,000,100	0
DMVA	Income & Assessments	0	17,682,426	(17,682,426)	0	19,617,700	(19,617,700)	0
DMVA	Lease Revenue	0	24,000	(24,000)	0	24,000	(24,000)	0
DMVA	Mackinac Bridge Authority - Restricted	0	70,000	(70,000)	0	70,000	(70,000)	0
DMVA	Mich Natl Guard Const Fund	1,033,870	526,251	905,667	654,454	0	0	654,454
DMVA	Michigan Veterans Trust Fund - Restricted	1,354,699	4,521,224	(2,591,317)	3,284,606	2,600,000	(2,600,000)	3,284,606
DMVA	Military Family Relief Fund	2,131,007	181,713	(106,360)	2,206,360	100,000	(100,000)	2,206,360
DMVA	Rental Fees	0	119,300	(119,300)	0	346,400	(346,400)	0
DNR	Aircraft Fees	1,097,600	374,700	(283,500)	1,188,800	335,000	(301,400)	1,222,400
DNR	Cervidae Licensing and Inspection Fees	0	104,900	(104,900)	0	71,500	(71,500)	0
DNR	Commercial Forest Fund	57,800	26,700	(57,900)	26,600	28,000	(28,000)	26,600
DNR	Forest Development Fund	7,448,100	29,246,200	(32,684,300)	4,010,000	29,157,700	(33,167,700)	0
DNR	Forest Land User Charges	453,300	978,400	(666,500)	765,200	351,400	(586,500)	530,100
DNR	Forest Recreation Account	530,900	1,604,700	(1,763,800)	371,800	1,949,100	(1,949,100)	371,800
DNR	Game and Fish Protection Fund	4,617,600	64,486,000	(60,577,400)	8,526,200	60,694,000	(67,316,900)	1,903,300
DNR	Game and Fish Protection Fund - Deer Habitat Reserve	349,000	2,236,300	(2,165,800)	419,500	2,239,800	(2,239,800)	419,500
DNR	Game and Fish Protection Fund - Fisheries Settlement	1,466,800	637,700	(676,300)	1,428,200	663,500	(937,400)	1,154,300
DNR	Game and Fish Protection Fund - Turkey Permit Fees	477,200	1,190,400	(1,551,600)	116,000	1,162,000	(1,162,000)	116,000
DNR	Game and Fish Protection Fund - Waterfowl Fees	7,500	27,000	(32,800)	1,700	87,800	(87,800)	1,700
DNR	Game and Fish Protection Fund - Waterfowl Hunt Stamp	1,550,000	268,000	90,000	1,908,000	199,000	0	2,107,000
DNR	Game and Fish Protection Fund - Wildlife Resource Protection Fund	37,700	1,105,700	(1,115,600)	27,800	1,107,200	(1,107,200)	27,800
DNR	Game and Fish Protection Fund - Youth Hunting and Fishing Education and Outreach Fund	227,700	36,500	(54,500)	209,700	34,700	(57,200)	187,200
DNR	History Fees Fund	1,900	119,900	(62,500)	59,300	225,000	(284,300)	0
DNR	Land Exchange Facilitation Fund	1,622,300	2,584,500	(1,708,600)	2,498,200	1,407,500	(3,905,700)	0
DNR	Local Public Recreation Facilities Fund	632,700	772,300	(556,500)	848,500	1,106,200	(858,400)	1,096,300
DNR	Mackinac Island State Park Fund	0	1,697,400	(1,697,400)	0	1,525,000	(1,525,000)	0
DNR	Mackinac Island State Park Operation Fund	0	109,100	(109,100)	0	140,000	(140,000)	0
DNR	Marine Safety Fund	486,100	4,814,400	(5,215,400)	85,100	4,790,400	(4,790,400)	85,100

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			Available Fund Balance
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	
DNR	Michigan Heritage Publications Fund	146,300	1,800	(44,500)	103,600	1,800	(52,200)	53,200
DNR	Michigan Natural Resources Trust Fund	45,351,600	63,298,600	(72,410,900)	36,239,300	25,570,800	(37,595,400)	24,214,700
DNR	Michigan State Parks Endowment Fund ¹¹	9,971,400	53,089,200	(53,686,900)	9,373,700	46,694,400	(48,345,100)	7,723,000
DNR	Michigan State Waterways Fund	1,388,500	21,748,000	(19,639,400)	3,497,100	21,880,400	(21,167,800)	4,209,700
DNR	Michigan Trailways Fund	41,700	6,400	(32,100)	16,000	6,700	(22,700)	0
DNR	Museum Operations Fund	146,000	519,100	(515,600)	149,500	520,000	(575,100)	94,400
DNR	Nongame Wildlife Fund	347,300	712,500	(778,100)	281,700	506,600	(700,500)	87,800
DNR	Off-Road Vehicle Safety Education Fund	268,100	197,200	(236,800)	228,500	196,400	(320,100)	104,800
DNR	Off-Road Vehicle Trail Improvement Fund	326,100	3,277,400	(2,517,500)	1,086,000	3,120,200	(3,120,200)	1,086,000
DNR	Park Improvement Fund	2,894,500	44,453,400	(46,094,900)	1,253,000	44,801,900	(44,026,900)	2,028,000
DNR	Permanent Snowmobile Trail Easement Fund	1,237,200	388,900	(200)	1,625,900	603,500	(700,000)	1,529,400
DNR	Public Use and Replacement Deed Fees	0	24,700	(24,700)	0	25,000	(25,000)	0
DNR	Recreation Improvement Account	556,700	986,600	(1,278,600)	264,700	987,800	(987,800)	264,700
DNR	Recreation Passport Fees	3,353,500	4,093,200	(5,065,400)	2,381,300	5,857,300	(7,853,900)	384,700
DNR	Snowmobile Registration Fee Fund	114,200	1,184,100	(1,247,200)	51,100	1,426,500	(1,426,500)	51,100
DNR	Snowmobile Trail Improvement Fund	1,188,300	7,758,600	(5,574,400)	3,372,500	8,747,600	(9,786,800)	2,333,300
DNR	Sportsmen Against Hunger Fund	31,000	23,400	(25,000)	29,400	22,000	(30,300)	21,100
State	Abandoned Vehicle Fund	0	268,209	(268,209)	0	276,000	(276,000)	0
State	Administrative Order Processing Fee	0	850	(850)	0	1,000	(1,000)	0
State	Auto Repair Facilities Fees	0	2,859,833	(2,859,833)	0	3,375,000	(3,375,000)	0
State	Basic Driver Improvement Course Fund	0	1,324,333	(1,324,333)	0	1,319,000	(1,319,000)	0
State	Child Support Clearance Fees	0	177,611	(177,611)	0	181,000	(181,000)	0
State	Credit & Debit Card Service Assessment	169,638	2,426,043	(1,000,000)	1,595,681	4,000,000	(5,000,000)	595,681
State	Driver Education Provider & Instructor Fund	261,223	45,808	(76,000)	231,031	111,000	(111,000)	231,031
State	Driver Fees	0	23,740,294	(23,740,294)	0	29,382,000	(29,382,000)	0
State	Enhanced Driver License & Personal ID Fund	1,803,279	5,441,494	(4,857,200)	2,387,573	5,088,000	(5,300,000)	2,175,573
State	Expedient Service Fees	0	2,702,112	(2,702,112)	0	3,504,000	(3,504,000)	0
State	Mobile Home Commission Fees	0	264,925	(264,925)	0	257,000	(257,000)	0
State	Motor Vehicle Accident Claims Fund	144,525	7,924	0	152,449	5,000	(5,000)	152,449
State	Motor Vehicle Code Books	91,218	0	0	91,218	5,000	(5,000)	91,218
State	Motorcycle Safety Fund	567,936	1,568,780	(1,680,388)	456,328	1,577,000	(1,680,000)	353,328
State	Notary Education & Training Fund	17,124	64,199	(55,000)	26,323	62,000	(62,000)	26,323
State	Notary Fees Fund	0	195,484	(195,484)	0	199,000	(199,000)	0

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
State	Off-Road Vehicle Title Fees	0	156,300	(156,300)	0	160,000	(160,000)	0
State	Parking Ticket Court Fines	0	1,328,403	(1,328,403)	0	1,469,000	(1,469,000)	0
State	Personal ID Cards	0	2,467,000	(2,467,000)	0	2,899,000	(2,899,000)	0
State	Reinstatement Fees	0	4,936,561	(4,936,561)	0	4,933,000	(4,933,000)	0
State	Scrap Tire Fund	0	74,900	(74,900)	0	75,100	(75,100)	0
State	Snowmobile Registration Fee Revenue	0	187,438	(187,438)	0	198,000	(198,000)	0
State	Transportation Administration Collection Fund	1,652,098	101,216,838	(101,153,130)	1,715,806	102,730,000	(104,000,000)	445,806
MSP	Auto Theft Prevention Fund	1,669,046	6,259,081	(6,113,865)	1,814,262	6,772,000	(6,772,000)	1,814,262
MSP	Commercial Mobile Radio Service Fees	0	7,000,000	(7,000,000)	0	0	0	0
MSP	Concealed Weapons Enforcement Fee	154,110	174	(9,045)	145,240	10,000	(60,000)	95,240
MSP	Criminal Justice Information Center Service Fees	1,090,194	16,370,400	(17,460,594)	0	17,200,000	(17,200,000)	0
MSP	Drunk Driving Prevention & Training Fund	423,524	897,282	(1,068,911)	251,894	950,800	(1,000,000)	202,694
MSP	Forensic Science Reimbursement Fees	0	1,056,674	(1,056,674)	0	1,240,800	(1,240,800)	0
MSP	Forfeiture Funds	0	99,785	(99,785)	(0)	5,000	(5,000)	(0)
MSP	Hazardous Materials Training Center Fees	0	952,769	(952,769)	0	1,100,000	(1,100,000)	0
MSP	Highway Safety Fund	1,325,365	10,297,428	(11,622,587)	206	9,782,500	(9,782,706)	0
MSP	Licensing Fees	0	3,000	(3,000)	0	3,000	(3,000)	0
MSP	Michigan Justice Training Fund	4,467,566	5,301,614	(5,914,610)	3,854,569	5,600,000	(5,900,000)	3,554,569
MSP	Narcotics Investigation Revenue	820,955	463,890	(699,287)	585,559	790,000	(900,000)	475,559
MSP	Nuclear Plant Emergency Planning Reimbursement	0	2,037,585	(2,037,585)	0	2,076,800	(2,076,800)	0
MSP	Precision Driving Track Fees	(0)	171,883	(171,883)	(0)	300,500	(300,500)	(0)
MSP	Reimbursed Services	0	539,429	(539,429)	0	620,000	(620,000)	0
MSP	Rental Of Department Aircraft	0	18,049	(18,049)	0	24,000	(24,000)	0
MSP	Secondary Road Patrol and Training Fund	598,375	9,459,588	(9,079,015)	978,948	12,236,100	(12,500,000)	715,048
MSP	Sex Offenders Registration Fund	331,036	55,510	(67,700)	318,846	75,000	(75,000)	318,846
MSP	State Forensic Laboratory Fund	789,319	1,052,311	(1,350,275)	491,354	1,600,000	(2,091,354)	0
MSP	State Police Service Fees	0	1,183,503	(1,183,503)	0	1,150,000	(1,150,000)	0
MSP	Traffic Crash Revenue	0	206,017	(206,017)	0	225,000	(225,000)	0
MSP	Traffic Law Enforcement And Safety Fund	2,572,432	25,138,154	(24,404,727)	3,305,859	25,150,000	(28,455,859)	0
MSP	Trooper School Recruitment Fund	1,914,097	9,676	0	1,923,773	0	(1,923,773)	0
MSP	Truck Driver Safety Fund	1,438,123	1,905,093	(1,212,856)	2,130,360	2,995,700	(3,000,000)	2,126,060
MSF	21st Century Jobs Trust Fund ¹²	22,422,100	92,184,300	(83,994,300)	30,612,100	100,000,000	(130,612,100)	0
MSF	Contingent Fund, P & I ¹³	0	2,002,300	(2,002,300)	0	0	0	0
MSF	Defaulted Loan Collection Fees	0	100,000	(100,000)	0	100,000	(100,000)	0

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
MSF	Industry Support Fees	0	5,500	(5,500)	0	5,500	(5,500)	0
MSF	Land Bank Fast Track Fund	0	941,600	(1,110,900)	(169,300)	300,000	(300,000)	(169,300)
MSF	Michigan Film Promotion Fund ¹⁴	525,600	25,563,100	(16,538,700)	9,550,000	50,631,000	(58,986,800)	1,194,200
MSF	Public Utility Assessments	0	328,400	(317,700)	10,700	864,700	(831,100)	44,300
MSF - MSHDA	Michigan Lighthouse Preservation Fund	150,400	146,600	(200)	296,800	307,500	(300)	604,000
MSF - MSHDA	MSHDA Fees & Charges	0	50,852,900	(50,852,900)	0	68,214,700	(68,214,700)	0
DTMB	State Building Authority Revenue	0	483,251	(483,251)	0	510,000	(510,000)	0
MDOT	Commercial Corridor Fund	0	0	0	0	0	0	0
MDOT	Comprehensive Transportation Fund ¹⁵	14,793,500	255,774,600	(236,115,300)	34,452,800	257,192,600	(270,723,900)	20,921,500
MDOT	Michigan Transportation Fund	0	1,858,160,500	(1,858,160,500)	0	1,868,483,000	(1,868,483,000)	0
MDOT	State Aeronautics Fund	6,678,800	12,176,000	(11,160,600)	7,694,200	22,358,000	(27,895,800)	2,156,400
MDOT	State Trunkline Fund ¹⁶	0	750,606,400	(750,606,400)	0	858,867,800	(858,867,800)	0
Treasury	Airport Parking Revenue	0	20,628,356	(20,628,356)	0	20,361,775	(20,361,775)	0
Treasury	Beverage Container Redemption	233,714	0	0	233,714	0	(233,714)	0
Treasury	Boy Scout Troops Fund ¹⁷	0	17,020	(17,020)	0	0	0	0
Treasury	Convention Facility Development Fund	22,367,757	75,751,553	(74,698,670)	23,420,641	74,850,000	(74,850,000)	23,420,641
Treasury	Delinquent Tax Collection Revenue And Marcs ¹⁷	0	97,510,616	(96,907,941)	0	113,425,300	(113,425,300)	0
Treasury	Emerg 911 Admin & Coord (State Police)	0	479,417	(479,417)	0	520,332	(520,332)	0
Treasury	Emerg 911 Dispatch Operations (State Police)	0	481,981	(481,981)	0	523,196	(523,196)	0
Treasury	Emergency 911 - Counties	0	8,460,526	(8,460,526)	0	9,450,000	(9,450,000)	0
Treasury	Emergency 911 - Counties Per Capita	0	12,690,837	(12,690,837)	0	14,175,000	(14,175,000)	0
Treasury	Emergency 911 - Local Exchange Providers Emergency 911	9,365,237	2,200,000	(8,531,066)	3,034,171	2,200,000	(1,200,000)	4,034,171
Treasury	Emergency 911 - PSAP Training ¹⁸	1,705,818	1,597,852	(1,704,563)	1,599,108	1,700,000	(1,700,000)	1,599,108
Treasury	Emergency 911 Administration	0	60,406	(60,406)	0	75,000	(75,000)	0
Treasury	Escheats Revenue ¹⁷	0	7,599,160	(5,345,234)	0	3,583,000	(3,583,000)	0
Treasury	Financial Institutions Services	0	5,876,933	(5,876,933)	0	0	0	0
Treasury	Fiscal Agent Service Fees	0	49,047	(49,047)	0	50,000	(50,000)	0
Treasury	Garnishment Fees ¹⁷	0	4,197,387	(4,218,645)	0	2,321,300	(2,321,300)	0
Treasury	Girl Scout Troops Fund ¹⁷	0	57,923	(57,923)	0	0	0	0
Treasury	Health And Safety Fund	(0)	520,067	(520,067)	0	9,000,000	(9,000,000)	0
Treasury	Homeowner Protection Fund	0	97,209,500	(35,000,000)	62,209,500	0	(30,700,000)	31,509,500
Treasury	Justice System Fund	299,369	430,306	(534,431)	195,244	430,000	(624,418)	826
Treasury	Land Reutilization Fund	5,701,592	3,714,088	(1,209,026)	8,206,654	1,100,000	(3,000,000)	6,306,654
Treasury	Levy/Warrant Charges ¹⁷	0	1,561,445	(1,561,445)	0	2,000,000	(2,000,000)	0

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2012			Fiscal Year Ending September 30, 2013			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
Treasury	Michigan Finance Authority Revenue	0	2,655,163	(2,655,163)	0	2,918,000	(2,918,000)	0
Treasury	Michigan Merit Award Trust Fund	56,100	119,717,900	(119,126,100)	647,900	209,932,600	(143,374,000)	67,206,500
Treasury	Municipal Finance Fees	0	431,833	(431,833)	0	507,600	(450,000)	57,600
Treasury	Nursing Scholarship Program	321,806	0	0	321,806	0	0	321,806
Treasury	Principal Residence Prop Tax Exemption Audit Fund	4,497,692	1,799,344	(618,067)	5,678,970	1,100,000	(630,000)	6,148,970
Treasury	Public-Private Partnership	0	0	0	0	0	0	0
Treasury	Refined Petroleum Fund	48,469	0	0	48,469	0	0	48,469
Treasury	School Bond Fees	100,237	758,977	(325,629)	533,585	550,000	(590,000)	493,585
Treasury	School Bond Loan Repayments ¹⁷	0	26,383,578	(26,383,578)	0	5,000,000	(5,000,000)	0
Treasury	Special Assessment Deferment	0	0	0	0	0	0	0
Treasury	State Campaign Funds	3,106,828	897,995	0	4,004,823	1,000,000	0	5,004,823
Treasury	Tax Amnesty Revenue	0	0	0	0	0	0	0
Treasury	Tobacco Tax Revenue	(0)	1,086,329	(1,086,329)	0	1,101,200	(1,101,200)	0
Treasury	Treasury Fees ¹⁷	0	1,246,827	(1,246,827)	0	1,383,400	(1,383,400)	0
Treasury	United Way Fund	385,089	385,089	0	770,177	0	0	770,177
Treasury	United Way Fund ¹⁷	0	235,745	(235,745)	0	0	0	0

¹ MDARD - Restricted revenue carry forward for Migrant Labor Housing Fees will be carried forward in the Migrant Labor Housing Fund.

² Education - Carryforward for Local School District Service Fees effective in FY2013.

³ Education - Tenant Rent fund eliminated in FY2012.

⁴ DEQ - Above Ground Storage Tank Fund and the Underground Storage Tank Fund transferred to DLARA in FY2013.

⁵ Judiciary - The Community Dispute Resolution Fund was originally set up in 1988 to collect revenues in one year and disburse them in the next.

⁶ Judiciary - The amount available from the Court Fee Fund will depend on how much revenue the actuaries determine needs to be retained by the Judges Retirement System from amounts collected in the Civil Filing Fee Fund.

⁷ Judiciary - If passed, HBs 5551 and 5552 would increase the mileage rate paid to jurors by \$0.10 per mile and reimburse court funding units for this cost from this fund, increasing the estimated expense by about \$780,000 per year.

⁸ DLARA - Above Ground Storage Tank Fund and the Underground Storage Tank Fund transferred from DEQ in FY2013.

⁹ DLARA - Beginning in FY2013, Contingent Fund, P&I fund will no longer be used.

¹⁰ Lottery - Any balances remaining at year end laps to the School Aid Fund.

¹¹ DNR - Expenditures in the Michigan State Parks Endowment Fund include transfers to permanent investment corpus.

¹² MSF - For FYs 2012 and 2013, general fund appropriated for the Business Attraction & Community Revitalization Program has been included in the figures. MCL 125.2090b(3) requires all funds appropriated for the Business Attraction & Community Revitalization Program to be transferred to the 21st Century Jobs Trust Fund.

¹³ MSF - Contingency Fund, P&I transferred to DLARA in FY2013.

¹⁴ MSF - For FYs 2012 and 2013, general fund appropriated for the Film Incentive Program has been included in the figures. MCL 125.2029d(6) requires all funds appropriated for the Film Incentive Program to be transferred to the Michigan Film Promotion Fund.

¹⁵ MDOT - For FY2013, the Comprehensive Transportation Fund expenditure figure includes a proposed fiscal year 2013 supplemental of \$5,396,600.

¹⁶ MDOT - For FYs 2012 and 2013, the State Trunkline Fund includes revenues and expenditures of the Blue Water Bridge Fund, and the Transportation Economic Development Fund.

¹⁷ Treasury - All fund balances lapse to the General Fund at year end.

¹⁸ Treasury - Revenue in the Emergency 911 - PSAP Training fund is invested pursuant to MCL 12.259.



FISCAL YEAR 2014 GOVERNOR'S RECOMMENDATION

DEPARTMENT/AGENCY	GROSS	IDG/IDT	ADJUSTED GROSS	FEDERAL	LOCAL	PRIVATE	STATE RESTRICTED	GF/GP	STATE SPENDING FROM STATE SOURCES	PAYMENTS TO LOCALS
Agriculture & Rural Development	76,993,300	524,300	76,469,000	9,720,900	0	96,900	29,020,900	37,630,300	66,651,200	3,500,000
Attorney General	89,306,900	27,355,500	61,951,400	9,838,200	0	0	17,631,900	34,481,300	52,113,200	0
Civil Rights	15,198,300	0	15,198,300	2,690,200	0	18,700	151,900	12,337,500	12,489,400	0
Community Health	16,634,251,000	10,056,100	16,624,194,900	11,392,469,900	227,545,600	106,333,300	2,172,313,600	2,725,532,500	4,897,846,100	1,227,734,500
Corrections	2,029,308,000	1,109,600	2,028,198,400	8,852,500	266,200	0	56,026,100	1,963,053,600	2,019,079,700	90,859,700
Education	318,888,400	0	318,888,400	232,395,400	5,633,700	1,933,300	8,032,100	70,893,900	78,926,000	10,312,300
Environmental Quality	512,168,800	9,401,900	502,766,900	150,929,700	0	541,800	322,190,900	29,104,500	351,295,400	2,275,000
Executive Office	4,970,000	0	4,970,000	0	0	0	0	4,970,000	4,970,000	0
Human Services	6,045,776,100	30,594,600	6,015,181,500	4,802,702,800	37,891,500	9,856,000	151,618,800	1,013,112,400	1,164,731,200	95,422,200
Judiciary	285,316,200	2,350,500	282,965,700	5,343,900	7,133,100	931,500	86,115,900	183,441,300	269,557,200	138,999,600
Legislative Auditor General	20,554,400	5,092,100	15,462,300	0	0	0	1,951,000	13,511,300	15,462,300	0
Legislature	123,819,300	0	123,819,300	0	0	400,000	1,109,800	122,309,500	123,419,300	0
Licensing and Regulatory Affairs	573,906,300	14,228,200	559,678,100	197,470,000	656,500	2,011,800	320,734,900	38,804,900	359,539,800	26,917,500
Military and Veterans Affairs	162,608,000	650,000	161,958,000	89,782,700	1,500,000	740,000	27,554,000	42,381,300	69,935,300	120,000
Natural Resources	354,388,900	1,412,300	352,976,600	67,127,300	0	7,237,200	251,325,500	27,286,600	278,612,100	11,689,400
State	219,548,900	20,000,000	199,548,900	1,810,000	0	100	182,485,400	15,253,400	197,738,800	1,360,800
State Police	603,801,700	25,219,700	578,582,000	98,846,100	6,967,500	239,700	121,554,400	350,974,300	472,528,700	15,537,600
Technology, Management & Budget	927,404,600	677,159,800	250,244,800	8,790,900	1,320,800	190,400	92,625,900	147,316,800	239,942,700	0
State Building Authority	258,570,600	0	258,570,600	0	0	0	0	258,570,600	258,570,600	0
Transportation	4,574,787,600	3,625,100	4,571,162,500	1,198,885,500	50,177,100	100,000	3,321,999,900	0	3,321,999,900	1,228,928,100
Treasury	495,797,200	9,130,000	486,667,200	39,410,400	1,959,500	22,000	362,772,000	82,503,300	445,275,300	131,383,300
Operations	154,202,500	0	154,202,500	0	0	0	3,014,500	151,188,000	154,202,500	0
Debt Service	1,000,613,900	0	1,000,613,900	638,370,300	4,433,500	5,454,900	141,851,300	210,503,900	352,355,200	15,224,800
Michigan Strategic Fund	1,123,150,200	0	1,123,150,200	0	0	0	1,123,150,200	0	1,123,150,200	1,123,150,200
Revenue Sharing / Incentive Grants										
Total - Non-Education Omnibus	\$36,605,331,100	\$637,909,700	\$35,767,421,400	\$18,955,436,700	\$345,485,000	\$136,107,600	\$8,795,230,900	\$7,535,161,200	\$16,330,392,100	\$4,123,415,000
Higher Education										
Community Colleges	335,977,600	0	335,977,600	0	0	0	197,614,100	138,363,500	335,977,600	335,977,600
Universities & Financial Aid	1,430,573,500	0	1,430,573,500	97,026,400	0	0	200,565,700	1,132,981,400	1,333,547,100	0
School Aid	13,235,234,800	0	13,235,234,800	1,764,421,300	0	0	11,240,813,500	230,000,000	11,470,813,500	11,309,030,900
Total - Education Omnibus	\$15,001,785,900	\$0	\$15,001,785,900	\$1,861,447,700	\$0	\$0	\$11,638,993,300	\$1,501,344,900	\$13,140,338,200	\$11,645,008,500
TOTAL SPENDING	\$51,607,117,000	\$637,909,700	\$50,769,207,300	\$20,816,884,400	\$345,485,000	\$136,107,600	\$20,434,224,200	\$9,036,506,100	\$29,470,730,300	\$15,768,423,500
Budget Stabilization Fund	75,000,000	0	75,000,000	0	0	0	0	75,000,000	75,000,000	0
Michigan Health Savings Fund	103,000,000	0	103,000,000	0	0	0	0	103,000,000	103,000,000	0
GRAND TOTAL	\$51,785,117,000	\$637,909,700	\$50,947,207,300	\$20,816,884,400	\$345,485,000	\$136,107,600	\$20,434,224,200	\$9,214,506,100	\$29,648,730,300	\$15,768,423,500

Percentage of State Spending from State Sources as Payments to Local Units of Government 53.51%

FISCAL YEAR 2015 GOVERNOR'S RECOMMENDATION

DEPARTMENT/AGENCY	GROSS	IDG/IDT	ADJUSTED GROSS	FEDERAL	LOCAL	PRIVATE	STATE RESTRICTED	GF/GP	STATE SPENDING FROM STATE SOURCES	PAYMENTS TO LOCALS
Agriculture & Rural Development	77,619,900	524,300	77,095,600	10,035,500	0	117,600	29,241,400	37,701,100	66,942,500	3,500,000
Attorney General	90,935,700	27,852,700	63,083,000	10,024,600	0	0	17,945,300	35,113,100	53,058,400	0
Civil Rights	15,491,700	0	15,491,700	2,745,000	0	18,700	151,900	12,576,100	12,728,000	0
Community Health	17,478,248,000	10,056,100	17,468,191,900	12,225,389,200	227,545,600	106,333,300	2,173,463,200	2,735,460,600	4,908,923,800	1,245,684,200
Corrections	2,049,016,200	1,123,900	2,047,892,300	8,950,700	268,200	0	56,593,300	1,982,080,100	2,038,673,400	90,859,700
Education	320,929,600	0	320,929,600	233,319,700	5,690,000	1,933,300	8,155,500	71,831,100	79,986,600	11,012,300
Environmental Quality	514,655,900	0	505,254,000	150,929,700	0	541,800	325,255,800	28,526,700	353,782,500	2,275,000
Executive Office	4,970,000	0	4,970,000	0	0	0	0	4,970,000	4,970,000	0
Human Services	6,058,088,400	30,594,600	6,027,493,800	4,805,562,500	37,891,500	9,856,000	151,618,800	1,022,565,000	1,174,183,800	95,422,200
Judiciary	280,202,900	2,354,800	277,848,100	5,384,800	7,218,200	939,700	86,141,800	178,163,600	284,305,400	132,599,600
Legislative Auditor General	20,957,600	5,181,100	15,776,500	0	0	0	1,985,100	13,791,400	15,776,500	0
Legislature	123,819,300	0	123,819,300	0	0	400,000	1,109,800	122,309,500	123,419,300	0
Licensing and Regulatory Affairs	562,222,900	14,228,200	567,994,700	198,557,800	656,500	2,011,800	327,416,900	39,351,700	366,768,600	26,917,500
Military and Veterans Affairs	160,553,500	650,000	159,903,500	91,341,900	1,500,000	740,000	27,554,000	38,767,600	66,321,600	120,000
Natural Resources	356,121,900	1,412,300	354,709,600	67,127,300	0	7,237,200	255,441,100	24,904,000	280,345,100	11,689,400
State	222,972,100	20,000,000	202,972,100	1,810,000	0	100	185,733,200	15,428,800	201,162,000	1,360,800
State Police	611,984,700	25,692,200	586,292,500	99,422,200	7,004,200	245,600	123,656,600	355,963,900	479,620,500	15,537,600
Technology, Management & Budget	897,592,500	660,402,100	237,190,400	8,790,900	1,320,800	190,400	93,218,100	133,670,200	226,888,300	0
State Building Authority	281,470,600	0	281,470,600	0	0	0	0	281,470,600	281,470,600	0
Transportation	4,598,045,100	3,702,700	4,594,342,400	1,198,699,700	50,177,100	100,000	3,345,365,600	0	3,345,365,600	1,234,571,000
Treasury	495,688,000	9,212,500	486,475,500	39,667,400	1,959,500	24,200	363,936,400	80,888,000	444,824,400	157,329,900
Debt Service	164,241,800	0	164,241,800	0	0	0	3,014,500	161,227,300	164,241,800	0
Michigan Strategic Fund	933,062,200	0	933,062,200	639,070,100	4,433,500	5,501,800	142,779,400	141,277,400	284,056,800	15,224,800
Revenue Sharing / Incentive Grants	1,127,050,400	0	1,127,050,400	0	0	0	1,127,050,400	0	1,127,050,400	1,127,050,400
Total - Non-Education Omnibus	\$37,465,940,900	\$822,389,400	\$36,643,551,500	\$19,796,829,000	\$345,665,100	\$136,191,500	\$8,846,828,100	\$7,518,037,800	\$16,364,865,900	\$4,171,154,400
Higher Education										
Community Colleges	352,277,600	0	352,277,600	0	0	0	197,614,100	154,663,500	352,277,600	352,277,600
Universities & Financial Aid	1,430,573,500	0	1,430,573,500	97,026,400	0	0	200,565,700	1,132,981,400	1,333,547,100	0
School Aid	13,490,575,800	0	13,490,575,800	1,764,421,300	0	0	11,493,154,500	233,000,000	11,726,154,500	11,559,131,900
Total - Education Omnibus	\$15,273,426,900	\$0	\$15,273,426,900	\$1,861,447,700	\$0	\$0	\$11,891,334,300	\$1,520,644,900	\$13,411,979,200	\$11,911,409,500
TOTAL SPENDING	\$52,739,367,800	\$822,389,400	\$51,916,978,400	\$21,658,276,700	\$345,665,100	\$136,191,500	\$20,738,162,400	\$9,038,682,700	\$29,776,845,100	\$16,082,563,900
Budget Stabilization Fund	150,000,000	0	150,000,000	0	0	0	0	150,000,000	150,000,000	0
Michigan Health Savings Fund	137,795,300	0	137,795,300	0	0	0	0	137,795,300	137,795,300	0
GRAND TOTAL	\$53,027,163,100	\$822,389,400	\$52,204,773,700	\$21,658,276,700	\$345,665,100	\$136,191,500	\$20,738,162,400	\$9,326,478,000	\$30,064,640,400	\$16,082,563,900

Percentage of State Spending from State Sources as Payments to Local Units of Government 54.01%

GENERAL FUND/GENERAL PURPOSE
(\$ in Thousands)

DEPARTMENT/AGENCY	FY13 Ongoing Current Law	FY13 One-Time Current Law	FY13 Total Current Law	FY14 Ongoing Governor's Recommendation	FY14 One-Time Governor's Recommendation	FY14 Total Governor's Recommendation	Difference FY14 Ongoing Governor's Rec. from FY13 Ongoing Current Law	% Change FY14 Ongoing Governor's Rec. from FY13 Ongoing Current Law	Difference FY14 Total Governor's Rec. from FY13 Total Current Law	% Change FY14 Total Governor's Rec. from FY13 Total Current Law
Agriculture & Rural Development	33,863.6	2,235.3	36,098.9	37,030.3	600.0	37,630.3	3,166.7	9.4%	1,531.4	4.2%
Attorney General	33,432.5	393.3	33,825.8	34,481.3	0.0	34,481.3	1,048.8	3.1%	655.5	1.9%
Civil Rights	11,849.3	104.3	11,953.6	12,337.5	0.0	12,337.5	488.2	4.1%	383.9	3.2%
Community Health	2,802,091.3	15,346.5	2,817,437.8	2,717,907.5	7,625.0	2,725,532.5	(84,183.8)	-3.0%	(91,905.3)	-3.3%
Corrections	1,927,482.3	14,003.3	1,941,485.6	1,954,021.1	9,032.5	1,963,053.6	26,538.8	1.4%	21,568.0	1.1%
Education	67,929.1	164.1	68,093.2	70,893.9	0.0	70,893.9	2,964.8	4.4%	2,800.7	4.1%
Environmental Quality	25,652.3	4,160.1	29,812.4	28,104.5	1,000.0	29,104.5	2,452.2	9.6%	(707.9)	-2.4%
Executive Office	4,829.2	58.7	4,887.9	4,970.0	0.0	4,970.0	140.8	2.9%	82.1	1.7%
Human Services	975,507.1	53,262.5	1,028,769.6	1,011,072.8	2,039.6	1,013,112.4	35,565.7	3.6%	(15,657.2)	-1.5%
Judiciary	170,114.6	636.9	170,751.5	176,941.3	6,500.0	183,441.3	6,826.7	4.0%	12,689.8	7.4%
Legislative Auditor General	12,820.1	184.8	13,004.9	13,511.3	0.0	13,511.3	691.2	5.4%	506.4	3.9%
Legislature	109,412.7	0.0	109,412.7	122,309.5	0.0	122,309.5	12,896.8	11.8%	12,896.8	11.8%
Licensing and Regulatory Affairs	50,393.4	(13,448.2)	36,945.2	38,804.9	0.0	38,804.9	(11,588.5)	-23.0%	1,859.7	5.0%
Military and Veterans Affairs	32,177.5	6,055.9	38,233.4	38,381.3	4,000.0	42,381.3	6,203.8	19.3%	4,147.9	10.8%
Natural Resources	17,641.7	2,096.2	19,737.9	24,686.6	2,600.0	27,286.6	7,044.9	39.9%	7,548.7	38.2%
State	13,853.2	1,034.9	14,888.1	15,253.4	0.0	15,253.4	1,400.2	10.1%	365.3	2.5%
State Police	312,654.9	4,858.9	317,513.8	342,412.4	8,561.9	350,974.3	29,757.5	9.5%	33,460.5	10.5%
Technology, Management & Budget	80,253.4	21,792.2	102,045.6	83,816.7	16,500.1	100,316.8	3,563.3	4.4%	(1,728.8)	-1.7%
Information Technology Investments	47,000.0	0.0	47,000.0	47,000.0	0.0	47,000.0	0.0	0.0%	0.0	0.0%
State Building Authority	256,870.6	0.0	256,870.6	258,570.6	0.0	258,570.6	1,700.0	0.7%	1,700.0	0.7%
Transportation	0.0	23,000.0	23,000.0	0.0	0.0	0.0	0.0	0.0%	(23,000.0)	-100.0%
Treasury	85,035.6	26,258.9	111,294.5	75,740.0	6,763.3	82,503.3	(9,295.6)	-10.9%	(28,791.2)	-25.9%
Operations	135,040.4	0.0	135,040.4	151,188.0	0.0	151,188.0	16,147.6	12.0%	16,147.6	12.0%
Debt Service	123,360.7	50,140.9	173,501.6	141,003.9	69,500.0	210,503.9	17,643.2	14.3%	37,002.3	21.3%
Michigan Strategic Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%
Revenue Sharing / Incentive Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%
Total - Non-Education Omnibus	\$7,329,265.5	\$212,339.5	\$7,541,605.0	\$7,400,438.8	\$134,722.4	\$7,535,161.2	\$71,173.3	1.0%	(\$6,443.8)	-0.1%
Higher Education	96,516.4	0.0	96,516.4	137,263.5	1,100.0	138,363.5	40,747.1	42.2%	41,847.1	43.4%
Community Colleges	1,101,628.3	0.0	1,101,628.3	1,132,981.4	0.0	1,132,981.4	31,353.1	2.8%	31,353.1	2.8%
Universities & Financial Aid	101,042.4	181,357.6	282,400.0	180,000.0	50,000.0	230,000.0	78,957.6	78.1%	(52,400.0)	-18.6%
School Aid	\$1,299,187.1	\$181,357.6	\$1,480,544.7	\$1,450,244.9	\$51,100.0	\$1,501,344.9	\$151,057.8	11.6%	\$20,800.2	1.4%
TOTAL SPENDING	\$8,628,452.6	\$393,697.1	\$9,022,149.7	\$8,850,683.7	\$185,822.4	\$9,036,506.1	\$222,231.1	2.6%	\$14,356.4	0.2%
Budget Stabilization Fund	0.0	140,000.0	140,000.0	0.0	75,000.0	75,000.0	N/A	N/A	N/A	N/A
Michigan Health Savings Fund	0.0	0.0	0.0	0.0	103,000.0	103,000.0	N/A	N/A	N/A	N/A
GRAND TOTAL	\$8,628,452.6	\$533,697.1	\$9,162,149.7	\$8,850,683.7	\$363,822.4	\$9,214,506.1				

ALL FUNDS
(\$ in Thousands)

DEPARTMENT/AGENCY	FY13 Ongoing Current Law	FY13 One-Time Current Law	FY13 Total Current Law	FY14 Ongoing Governor's Recommend	FY14 One-Time Governor's Recommend	FY14 Total Governor's Recommend	Difference FY14 Ongoing Governor's Rec. from FY13 Ongoing Current Law	% Change FY14 Ongoing Governor's Rec. from FY13 Ongoing Current Law	Difference FY14 Total Governor's Rec. from FY13 Total Current Law	% Change FY14 Total Governor's Rec. from FY13 Total Current Law
Agriculture & Rural Development	74,482.7	2,470.3	76,953.0	76,393.3	600.0	76,993.3	1,910.6	2.6%	40.3	0.1%
Attorney General	84,056.6	1,025.9	85,082.5	89,306.9	0.0	89,306.9	5,250.3	6.2%	4,224.4	5.0%
Civil Rights	14,636.6	128.9	14,765.5	15,198.3	0.0	15,198.3	561.7	3.8%	432.8	2.9%
Community Health	14,979,201.1	49,856.6	15,029,057.7	16,610,626.0	23,625.0	16,634,251.0	1,631,424.9	10.9%	1,605,193.3	10.7%
Corrections	1,986,560.5	31,955.4	2,018,515.9	2,020,275.5	9,032.5	2,029,308.0	33,715.0	1.7%	10,792.1	0.5%
Education	328,235.6	674.3	328,909.9	318,888.4	0.0	318,888.4	(9,347.2)	-2.8%	(10,021.5)	-3.0%
Environmental Quality	425,880.7	6,149.2	432,029.9	511,168.8	1,000.0	512,168.8	85,288.1	20.0%	80,138.9	18.5%
Executive Office	4,829.2	58.7	4,887.9	4,970.0	0.0	4,970.0	140.8	2.9%	82.1	1.7%
Human Services	6,478,390.3	225,703.4	6,704,093.7	6,039,776.1	6,000.0	6,045,776.1	(438,614.2)	-6.8%	(658,317.6)	-9.8%
Judiciary	272,932.9	827.2	273,760.1	278,816.2	6,500.0	285,316.2	5,883.3	2.2%	11,556.1	4.2%
Legislative Auditor General	18,416.8	270.9	18,687.7	20,554.4	0.0	20,554.4	2,137.6	11.6%	1,866.7	10.0%
Legislature	110,922.5	0.0	110,922.5	123,819.3	0.0	123,819.3	12,896.8	11.6%	12,896.8	11.6%
Licensing and Regulatory Affairs	788,826.5	(140,924.7)	647,901.8	573,906.3	0.0	573,906.3	(212,920.2)	-27.1%	(71,995.5)	-11.1%
Military and Veterans Affairs	165,465.7	6,607.9	172,073.6	158,608.0	4,000.0	162,608.0	(6,857.7)	-4.1%	(9,465.6)	-5.5%
Natural Resources	333,990.2	3,892.6	337,882.8	351,788.9	2,600.0	354,388.9	17,798.7	5.3%	16,506.1	4.9%
State	218,374.9	2,294.4	220,669.3	219,548.9	0.0	219,548.9	(1,174.0)	0.5%	(1,120.4)	-0.5%
State Police	571,989.0	5,993.7	577,982.7	595,239.8	8,561.9	603,801.7	23,250.8	4.1%	25,819.0	4.5%
Technology, Management & Budget	813,422.8	25,680.2	839,103.0	842,604.5	37,800.1	880,404.6	29,181.7	3.6%	41,301.6	4.9%
Information Technology Investments	47,000.0	0.0	47,000.0	47,000.0	0.0	47,000.0	0.0	0.0%	0.0	0.0%
State Building Authority	256,870.6	0.0	256,870.6	258,570.6	0.0	258,570.6	1,700.0	0.7%	1,700.0	0.7%
Transportation	3,439,926.7	26,260.8	3,466,187.5	4,574,787.6	0.0	4,574,787.6	1,134,860.9	33.0%	1,108,600.1	32.0%
Treasury										
Operations	484,546.4	27,878.4	512,424.8	486,033.9	9,763.3	495,797.2	1,487.5	0.3%	(16,627.6)	-3.2%
Debt Service	140,554.9	0.0	140,554.9	154,202.5	0.0	154,202.5	13,647.6	9.7%	13,647.6	9.7%
Michigan Strategic Fund	933,098.7	51,135.7	984,234.4	931,113.9	69,500.0	1,000,613.9	(1,984.8)	-0.2%	16,379.5	1.7%
Revenue Sharing / Incentive Grants	1,076,096.3	20,000.0	1,096,096.3	1,101,150.2	22,000.0	1,123,150.2	25,053.9	2.3%	27,053.9	2.5%
Total - Non-Education Omnibus	\$34,046,708.2	\$347,939.8	\$34,394,648.0	\$36,404,348.3	\$200,982.8	\$36,605,331.1	\$2,357,640.1	6.9%	\$2,210,683.1	6.4%
Higher Education										
Community Colleges	294,130.5	0.0	294,130.5	334,877.6	1,100.0	335,977.6	40,747.1	13.9%	41,847.1	14.2%
Universities & Financial Aid	1,399,220.4	0.0	1,399,220.4	1,430,573.5	0.0	1,430,573.5	31,353.1	2.2%	31,353.1	2.2%
School Aid	12,750,228.5	194,458.5	12,944,687.0	13,135,734.8	99,500.0	13,235,234.8	385,506.3	3.0%	290,547.8	2.2%
Total - Education Omnibus	\$14,443,579.4	\$194,458.5	\$14,638,037.9	\$14,901,185.9	\$100,600.0	\$15,001,785.9	\$457,606.5	3.2%	\$363,748.0	2.5%
TOTAL SPENDING	\$48,490,287.6	\$542,398.3	\$49,032,685.9	\$51,305,534.2	\$301,582.8	\$51,607,117.0	\$2,815,246.6	5.8%	\$2,574,431.1	5.3%
Budget Stabilization Fund	0.0	140,000.0	140,000.0	0.0	75,000.0	75,000.0	N/A	N/A	N/A	N/A
Michigan Health Savings Fund	0.0	0.0	0.0	0.0	103,000.0	103,000.0	N/A	N/A	N/A	N/A
GRAND TOTAL	\$48,490,287.6	\$682,398.3	\$49,172,685.9	\$51,305,534.2	\$479,582.8	\$51,785,117.0				

**HISTORICAL EXPENDITURES/APPROPRIATIONS
GENERAL FUND/GENERAL PURPOSE**

DEPARTMENT/AGENCY	FY 2006 Expenditures	FY 2007 Expenditures	FY 2008 Expenditures	FY 2009 Expenditures	FY 2010 Expenditures	FY 2011 Expenditures ¹	FY 2012 Expenditures	FY 2013 Current Law	FY 2014 Executive Recommendation	FY 2015 Executive Recommendation
Agriculture & Rural Development	28,642,137	28,830,541	31,343,641	28,789,293	29,491,886	28,743,091	29,334,024	36,098,900	37,630,300	37,701,100
Attorney General	32,301,451	30,339,022	31,479,029	30,402,847	28,431,484	26,606,307	29,626,037	33,825,800	34,481,300	35,113,100
Capital Outlay ²	7,497,908	235,358,492	220,421,286	231,622,691	230,885,862	233,767,220	242,888,624	0	0	0
Civil Rights	12,073,552	11,445,430	11,771,161	11,573,335	9,788,744	9,975,018	10,488,821	11,953,600	12,337,500	12,576,100
Civil Service Commission	6,516,518	5,847,290	5,590,433							
Community Health	2,916,259,695	3,078,095,654	3,142,139,136	2,443,109,120	2,154,822,760	2,604,209,003	2,743,204,694	2,817,437,800	2,725,532,500	2,735,460,600
Corrections	1,814,658,921	1,866,390,546	1,981,953,410	1,779,441,272	1,916,783,071	1,888,741,862	1,907,802,511	1,941,485,600	1,963,053,600	1,982,080,100
Education	14,918,731	5,779,402	6,823,871	7,160,078	19,762,307	20,638,645	64,105,162	68,093,200	70,893,900	71,831,100
Environmental Quality	31,277,560	30,530,551	42,452,208	38,467,057		24,315,317	21,999,596	29,812,400	29,104,500	28,526,700
Executive Office	5,311,867	5,134,346	5,170,371	4,977,867	4,676,391	4,512,135	4,450,312	4,887,900	4,970,000	4,970,000
Higher Education										
Community Colleges	281,230,375	247,665,181	318,938,465	298,966,989	90,625,435	295,880,500	24,251,100	96,516,400	138,363,500	154,663,500
Colleges & Universities	1,576,725,602	1,364,791,330	1,670,704,215	1,543,724,474	1,456,640,500	1,482,260,600	1,059,841,000	1,101,628,300	1,132,981,400	1,132,981,400
Financial Aid					3,540,273	3,728,248	5,668,200			
History, Arts and Libraries	41,846,792	38,330,469	38,773,711	38,426,890	48,074					
Human Services	1,166,359,327	1,220,343,336	1,314,675,746	1,188,617,890	861,872,475	915,603,770	912,134,888	1,028,769,600	1,013,112,400	1,022,565,000
Information Technology	0	0	0	0						
Judiciary	156,842,146	157,564,000	157,690,137	156,304,254	152,252,504	147,936,655	155,575,743	170,751,500	183,441,300	178,163,600
Legislative Auditor General	12,563,428	11,541,867	12,216,535	12,025,831	11,565,912	10,971,052	11,596,857	13,004,900	13,511,300	13,791,400
Legislature	110,950,635	114,006,059	111,899,054	108,538,191	104,284,938	104,475,083	108,466,494	109,412,700	122,309,500	122,309,500
Licensing & Regulatory Affairs	42,921,148	39,992,165	44,318,727	59,316,473	45,288,641	55,545,202	42,154,129	36,945,200	38,804,900	39,351,700
Management and Budget	33,763,107	32,854,157	37,016,989	57,902,890	26,989,328	32,104,465	134,963,992	173,501,600	210,503,900	141,277,400
Michigan Strategic Fund	32,971,544	29,249,923	32,962,448	27,704,072	35,224,024	35,413,187	37,768,897	38,233,400	42,381,300	38,767,600
Military & Veterans Affairs	39,418,528	37,771,209	39,538,471	36,869,791		15,417,740	19,532,386	19,737,900	27,286,600	24,904,000
Natural Resources	26,010,564	31,843,394	23,679,609	9,865,538	44,020,360					
Natural Resources & Environment										
School Aid	62,713,844	34,109,532	29,126,951	76,510,604	28,262,286	18,642,400	78,642,400	282,400,000	230,000,000	233,000,000
State	21,544,110	15,531,133	23,885,427	20,300,788	14,124,171	10,787,970	11,256,158	14,888,100	15,253,400	15,428,800
State Police	243,487,021	241,551,378	271,105,385	172,035,648	264,327,716	256,730,273	282,525,708	317,513,800	350,974,300	355,963,900
Technology, Management & Budget					56,583,746	48,153,388	93,505,987	405,916,200	405,887,400	415,140,800
Transportation	0	0	0	0	0	0	500,000	23,000,000	0	0
Treasury	482,693,722	266,451,630	163,095,232	73,223,720	53,230,719	48,524,329	101,280,446	111,294,500	82,503,300	80,888,000
Debt Service	46,571,578	4,933,816	59,293,503	50,734,853	52,053,461	38,942,415	122,504,551	135,040,400	151,188,000	161,227,300
Subtotal - Spending	\$9,248,071,811	\$9,186,181,853	\$9,822,064,148	\$8,506,612,456	\$7,695,576,869	\$8,362,625,875	\$8,256,068,717	\$9,022,149,700	\$9,036,506,100	\$9,038,682,700
Budget Stabilization Fund							362,700,000	140,000,000	75,000,000	150,000,000
Michigan Health Savings Fund									103,000,000	137,795,300
GRAND TOTAL	\$9,248,071,811	\$9,186,181,853	\$9,822,064,148	\$8,506,612,456	\$7,695,576,869	\$8,362,625,875	\$8,618,768,717	\$9,162,149,700	\$9,214,506,100	\$9,326,478,000

¹ The methodology was changed in FY 2011 to include the expenditures in the same location as the appropriation, with the exception of Capital Outlay.

² Capital Outlay includes all expenditures, regardless of agency.

³ Amounts include ongoing and one-time spending.

**HISTORICAL EXPENDITURES/APPROPRIATIONS
ALL FUNDS**

DEPARTMENT/AGENCY	FY 2006 Expenditures	FY 2007 Expenditures	FY 2008 Expenditures	FY 2009 Expenditures	FY 2010 Expenditures	FY 2011 Expenditures ¹	FY 2012 Expenditures	FY 2013 Current Law	FY 2014 Executive Recommendation	FY 2015 Executive Recommendation
Agriculture & Rural Development	87,521,988	82,980,488	82,475,560	72,573,188	63,866,074	60,357,898	63,635,690	76,953,000	76,993,300	77,619,900
Attorney General	61,592,188	61,730,208	69,457,429	68,911,093	66,093,561	63,779,854	71,392,106	85,082,500	89,306,900	90,935,700
Capital Outlay ²	214,551,440	445,175,806	383,270,768	405,112,519	376,350,577	1,257,740,111	1,294,763,169	0	0	0
Civil Rights	13,701,321	13,284,938	13,849,312	13,482,101	11,928,435	11,725,603	12,776,536	14,765,500	15,198,300	15,491,700
Civil Service Commission	28,593,540	27,761,202	27,082,507							
Community Health	10,310,266,349	11,089,797,821	11,954,835,930	12,829,679,832	13,548,360,093	14,381,932,451	13,989,052,545	15,029,057,700	16,634,251,000	17,478,248,000
Corrections	1,896,846,849	1,953,418,931	2,063,635,854	2,038,941,638	2,000,642,848	1,933,028,040	1,944,161,589	2,018,515,900	2,029,308,000	2,049,016,200
Education	88,110,788	59,925,870	61,927,616	64,566,200	82,724,729	126,415,700	336,656,000	328,909,900	318,888,400	320,929,600
Environmental Quality	282,013,558	205,009,588	219,067,682	204,037,900	4,676,391	196,626,820	229,984,007	432,029,900	512,168,800	514,655,900
Executive Office	5,311,867	5,134,346	5,170,371	4,977,867		4,512,135	4,450,312	4,887,900	4,970,000	4,970,000
Higher Education										
Community Colleges	281,230,375	247,865,181	318,938,465	298,966,989	299,025,435	295,880,500	283,880,500	294,130,500	335,977,600	352,277,600
Colleges & Universities	1,716,103,763	1,597,528,256	1,874,252,990	1,741,657,796	1,524,878,500	1,482,260,600	1,259,860,500	1,399,220,400	1,430,573,500	1,430,573,500
Financial Aid					86,113,153	89,702,394	90,732,411			
History, Arts and Libraries	51,380,500	48,835,420	47,831,005	50,440,406	1,001,280					
Human Services	4,360,299,152	4,464,518,972	4,621,555,720	5,325,801,517	6,047,030,889	6,316,482,364	5,888,728,106	6,704,093,700	6,045,776,100	6,058,088,400
Information Technology	347,635,573	341,692,415	366,097,470	372,435,920	236,616,084	234,695,153	235,263,103	273,760,100	285,316,200	280,202,900
Judiciary	242,790,732	244,620,557	247,401,193	241,415,358	17,088,823	16,871,695	17,848,101	18,687,700	20,554,400	20,957,600
Legislative Auditor General	16,644,377	16,105,142	16,969,689	17,063,712	105,732,309	95,206,409	107,747,770	110,922,500	123,819,300	123,819,300
Legislature	112,311,185	115,154,002	113,312,121	109,705,797	1,431,058,170	1,175,632,746	636,709,235	645,901,800	573,906,300	582,222,900
Licensing & Regulatory Affairs	1,109,855,068	1,140,472,553	1,181,354,299	1,367,643,100	175,288,360	189,777,421	261,972,232	984,234,400	1,000,613,900	933,062,200
Management and Budget	236,730,773	222,822,219	242,514,875	300,420,008	166,389,660	127,040,441	133,404,046	172,073,600	162,608,000	160,563,500
Michigan Strategic Fund	176,594,595	139,342,844	158,448,175	168,184,761	483,548,507					
Military & Veterans Affairs	114,935,779	116,166,538	147,170,057	156,993,535	166,389,660	267,370,342	281,690,687	337,882,800	354,388,900	356,121,900
Natural Resources	267,054,421	306,730,929	274,073,772	258,679,524						
Natural Resources & Environment					483,548,507					
School Aid	12,680,980,599	12,721,059,000	12,790,183,678	13,135,762,870	13,053,072,521	13,290,024,000	12,720,665,000	12,944,687,000	13,235,234,800	13,490,575,800
State	233,886,011	196,183,845	190,588,425	187,562,850	188,863,841	177,250,135	185,618,877	220,669,300	219,548,900	222,972,100
State Police	493,560,238	457,997,146	489,853,718	483,784,727	497,788,945	478,070,870	509,206,726	577,982,700	603,801,700	611,984,700
Technology, Management & Budget					682,314,465	636,250,100	706,358,442	1,142,973,600	1,185,975,200	1,179,063,100
Transportation	2,940,680,294	2,779,953,122	2,844,829,778	2,893,590,954	3,219,334,134	2,993,748,007	2,928,085,528	3,466,187,500	4,574,787,600	4,598,045,100
Treasury	2,872,469,250	2,745,568,191	2,679,180,140	2,639,763,225	2,938,885,967	2,993,283,028	2,714,216,958	1,608,521,100	1,618,947,400	1,622,738,400
Debt Service	82,686,078	98,748,316	77,208,003	66,249,353	67,567,961	54,456,915	138,019,051	140,554,900	154,202,500	164,241,800
Subtotal - Spending	\$41,326,338,653	\$41,945,183,846	\$43,562,546,601	\$45,518,414,742	\$47,376,241,713	\$48,950,121,732	\$47,046,859,227	\$49,032,685,900	\$51,607,117,000	\$52,739,367,800
Budget Stabilization Fund							362,700,000	140,000,000	75,000,000	150,000,000
Michigan Health Savings Fund									103,000,000	137,795,300
GRAND TOTAL	\$41,326,338,653	\$41,945,183,846	\$43,562,546,601	\$45,518,414,742	\$47,376,241,713	\$48,950,121,732	\$47,409,559,227	\$49,172,685,900	\$51,785,117,000	\$53,027,163,100

¹ The methodology was changed in FY 2011 to include the expenditures in the same location as the appropriation, with the exception of Capital Outlay.

² Capital Outlay includes all expenditures, regardless of agency.

³ Amounts include ongoing and one-time spending.

Summary
Michigan State Classified Service
Fiscal Year 2014
(10/1/2013 - 9/30/2014)

	A-02 MSEA Saf. & Reg. ¹	A-31 MSEA Labor & Trades ¹	C-12 MCO Security ¹	E-42 SEIU 517M Human Sv. Support ¹	H-21 SEIU 517M Scientific & Engineering ¹	L-32 SEIU 517M Technical ¹	T-01 MSPTA State Police Enlisted ¹	U-11 AFSCME Institutional ¹	W-22 UAW Human Sv. ¹	W-41 UAW Admin. Supt. ¹	MSC's & NEREs ²	TOTAL ALL UNITS
³ Number of FTEs	1,168	1,913	6,929	685	2,090	831	1,507	1,857	10,733	5,834	14,005	47,552
³ Avg. Hourly Salary - 12/22/12	\$ 25.41	\$ 22.94	\$ 23.95	\$ 23.57	\$ 32.81	\$ 24.77	\$ 30.16	\$ 20.28	\$ 25.54	\$ 20.88	\$ 33.72	\$ 27.26
Base Pay Adjustments for FY 2014												
Base Pay Increase 10/01/13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Roll-up Cost Resulting from Base Pay Increase												
⁴ FICA/Ret./OERC Blended Rates	56.66%	56.88%	57.11%	56.66%	56.53%	56.44%	75.26%	56.92%	56.77%	56.62%	56.51%	
FICA/Ret./OERC on Base Wage Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,572,197	
⁵ Life Insurance Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,677	
⁶ Long Term Disability Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,717	
⁷ Overtime Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,484	
⁸ Shift Differential Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,810	
FICA/Ret./OERC on OT and Shift Diff. Inc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,543	
FY 2014 ATB Cost Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,820,979	\$ 15,820,979
Lump Sum Adjustments for FY 2014												
⁹ Lump Sum payment 10/2/2013	\$ 619,695	\$ 916,303	\$ 3,465,027	\$ 337,117	\$ 1,431,802	\$ 429,791	\$ 949,019	\$ 786,340	\$ 5,723,643	\$ 2,543,475	\$ -	\$ 17,202,211
FICA/Ret./OERC on Lump Sums	\$ 351,119	\$ 521,193	\$ 1,978,877	\$ 191,010	\$ 809,398	\$ 242,574	\$ 714,232	\$ 447,585	\$ 3,249,312	\$ 1,440,115	\$ -	\$ 9,945,415
FY2014 Compensation Increases	\$ 970,814	\$ 1,437,495	\$ 5,443,903	\$ 528,127	\$ 2,241,200	\$ 672,365	\$ 1,663,251	\$ 1,233,925	\$ 8,972,955	\$ 3,983,590	\$ 15,820,979	\$ 42,968,605

¹ No base wage changes are scheduled.

² A 1% base wage increase is scheduled to be received in FY14 on 10/1/13.

³ Business Objects HR Human Resource System count and wage average of classified employees under status code of AA, AB, AC, AD, AE & AP as of 12/22/2012.

⁴ FICA/RET/OERC rates for FY 2013 provided by SBO. Unit rates are weighted by enrollment in each retirement code via Business Objects HR Human Resource System count of classified employees under status code of AA, AB, AC, AD, AE & AP as of 12/22/2012.

⁵ Life insurance increase on incremental cost increase. Annual \$5.46 per \$1000 of extra coverage (FY 2013 rate).

⁶ FY 2013 rate - (Increase/100)*.92.

⁷ Based on FY 2012 overtime amount with FY13 (+1%) - Comptroller Object Codes 3050, 3055, 3060, 3070, 3075, 3080, 3110, 3115, 3120.

⁸ Business Objects HR Human Resource System FY 2012 shift differential hours of classified employees under status code of AA, AB, AC, AD, AE & AP.

⁹ A 1% lump sum payment is scheduled to be received in FY14 on 10/2/13 except for NEREs, they are not scheduled to receive a lump sum payment.



**LEGISLATION NEEDED TO IMPLEMENT FISCAL YEAR 2014
BUDGET RECOMMENDATION**

DEPARTMENT	PURPOSE	MICHIGAN COMPILED LAW (MCL) BEING AMENDED
Agriculture and Rural Development	Amend Farmland Preservation Fund	MCL 324.36202
Community Health	Amend Health Insurance Claims Assessment Tax	MCL 550.1731 – MCL 550.1741
	Amend Social Welfare Act for Medicaid Expansion	MCL 400.106
	Emergency Medical Services Program Fee Proposal	MCL 333.20910; MCL 333.20912; MCL 333.20918; MCL 333.20920; MCL 333.20923; MCL 333.20926; MCL 333.20929; MCL 333.20931; MCL 333.20934; MCL 333.20936; MCL 333.20941; MCL 333.20945; MCL 333.20950; MCL 333.20954; MCL 333.20958
	Certificate of Need Fee Proposal	MCL 333.20161
	State Vital Records Fee Proposal	MCL 333.2891
	Amend Tobacco Products Tax Act	MCL 205.432
	Corrections	Eliminate Sunset Related to Retired Corrections Officers

**LEGISLATION NEEDED TO IMPLEMENT FISCAL YEAR 2014
BUDGET RECOMMENDATION**

DEPARTMENT	PURPOSE	MICHIGAN COMPILED LAW (MCL) BEING AMENDED
Environmental Quality	Solid Waste Program Sunset Extension	MCL 324.11525a
	Hazardous Waste Fee Proposal	MCL 324.11130; MCL 324.11132a; MCL 324.11135; MCL 324.11143; MCL 324.11145; MCL 324.11151; MCL 324.11153
Higher Education	Codify Tuition Incentive Program	New MCLs MCL 390.XXX
Licensing and Regulatory Affairs	Amend Low Income Energy Assistance Program	MCL 460.9
Michigan Strategic Fund	Amend Michigan Strategic Fund Act	MCL 125.2088b
Natural Resources	Amend Natural Resources and Environmental Protection Act for Hunting and Fishing Licenses Fee Proposal	MCL 324.43501 – MCL 324.43561
	Amend Natural Resources and Environmental Protection Act for Off-Road Vehicle Fee Proposal	MCL 324.81116
State Police	Amend Emergency Management Act to Create the Disaster and Emergency Contingency Fund	MCL 30.418; MCL 30.419
Technology, Management and Budget	Amend Management and Budget Act to Create the Michigan Health Savings Fund	New MCLs MCL 18.XXX

**LEGISLATION NEEDED TO IMPLEMENT FISCAL YEAR 2014
BUDGET RECOMMENDATION**

DEPARTMENT	PURPOSE	MICHIGAN COMPILED LAW (MCL) BEING AMENDED
Transportation	Amend State Trunkline Highway System	MCL 247.651 – MCL 247.675
	Repeal Transportation Economic Development Fund Act	MCL 247.902; MCL 247.914
	Amend Michigan Vehicle Code	MCL 257.801 – MCL 257.819
	Amend Motor Fuel Tax Act	MCL 207.1002 – MCL 207.1163
	Amend Motor Carrier Fuel Tax Act	MCL 207.212 – MCL 207.216a
	Amend the Aeronautics Code	MCL 259.77
Treasury	Eliminate Sunset for Emergency 9-1-1 Service Enabling Act	MCL 484.1408(6)

