

EXECUTIVE BUDGET

Fiscal Years 2013 and 2014

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 citizens about Governor Snyder's recommended budget for fiscal year 2012 and projections for fiscal year 2013. This document is required by law MCLA 18.1363 and by the Michigan Constitution, Article V, Section 18.

FISCAL YEARS 2013 AND 2014 EXECUTIVE BUDGET

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Budget Overview





STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

February 9, 2012

My Fellow Michigan Citizens:

Successfully reinventing Michigan demands that we make thoughtful, strategic and long-term investments in our state that deliver real results for real people. The platform for doing so is the fiscal year 2013 budget, which I am proud to recommend for consideration.

This proposal differs significantly from our current-year budget. Last year, our fiscal house was still in disarray. Michigan was burdened with a \$1.5 billion deficit and little effort had been made to pay down its long-term obligations. We were faced with difficult – but necessary – decisions that centered on budget cuts and major policy reforms. Working in partnership with the Legislature, we enacted a fiscally and structurally sound budget that laid the foundation for economic growth and prosperity while protecting our state's critical safety net.

Our work is paying off. Michigan is emerging as a stronger, more vibrant state. This recommended budget builds on that foundation for economic growth and job creation.

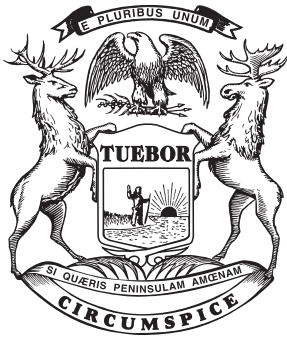
This proposed 2013 budget strategically invests in priorities such as education, our infrastructure, public safety, health and human services environment, and information technology while setting aside rainy day reserves and addressing legacy costs. Our focus is shifting from major policy reforms to one that is centered on good government and building for our future.

This budget again presents a balanced two-year plan that continues responsible management of taxpayer dollars. As promised, state spending is tied to measured outcomes through the use of performance metrics. We will be monitoring the performance metrics routinely throughout the year. This budget is 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 2013 budget and continue our state's drive to become a national model of success.

Sincerely,

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

Rick Snyder
Governor



REINVENTING MICHIGAN -- INVESTING IN OUR FUTURE

Executive Budget Recommendation for Fiscal Years 2013 and 2014

Michigan's reinvention began in earnest last year with Governor Rick Snyder's first budget, which laid the foundation for a return to fiscal integrity and economic growth. That momentum continues with the fiscal year 2013 and projected 2014 Executive Budget Recommendation. The fiscal discipline and policy reforms reflected in the current-year budget are fundamentally changing discussions regarding the 2013 plan. With the elimination of last year's \$1.5 billion deficit through difficult but necessary decisions, Michigan is now looking at revenue growth and greater opportunities to strategically invest in key priorities that deliver real results for real people. Michigan's future depends on a prosperous economy and opportunities for current and future generations. The governor's proposed 2013 budget continues on the path that creates an environment of economic success, protects our most vulnerable residents, enhances our quality of life, and promotes good government.

The two Executive Budget bills presented for legislative introduction are again "omnibus" in nature, with one bill including all departmental operations and the other focused on education. Just as last year, the budget provides a balanced, two-year spending plan with recommended fiscal year 2013 appropriations, as well as anticipated appropriations for fiscal year 2014. The two-year approach continues the commitment to focus on success over the long haul, achieving a strategic approach to budgeting with a vision toward the future.

Michigan's Improving Economy

After a decade of job loss, high unemployment, and declining state revenues, the dark cloud that had been hanging over Michigan has given way to rays of sunlight. In 2011, the state recorded a significant decline in the unemployment rate accompanied by a gain in payroll jobs. The annual average unemployment rate in 2011 fell by more than 2 full percentage points when compared to 2010, from 12.5 percent

"It's a new day in Michigan. We're leaving gridlock and negativity in the past. This fiscally disciplined, structurally balanced budget will let investors and job providers know that Michigan's house is in order. Restoring this fiscal integrity creates an economic environment that leads to more jobs for Michigan workers."

Governor Rick Snyder, May 19, 2011

to 10.4 percent. Michigan added nearly 80,000 private-sector jobs last year, jobs that are higher paying than the national average. Michigan is the number one state in the nation for research and development facility project announcements, beating out Ohio, Pennsylvania, Indiana, and North Carolina. Michigan's strong base of engineering talent and the strength of its research universities are cited as the biggest reasons for the strong showing in research and development. Finally, the unaudited book closing for 2011 showed the state had a surplus. That surplus, along with the forecasted revenue growth in 2013 and 2014, paints a much brighter budget picture when compared to the past decade.

State's Supporting Role in Success

Michigan's turnaround isn't an accident. Tough decisions were made in last year's budget to get the state's fiscal house in order, showing job creators around the world that we are serious about our reinvention. Some of the key actions that have fueled the transformation that we are now witnessing include:

- Repealing the job-killing Michigan Business Tax and replacing it with a flat 6-percent corporate income tax that is simple, fair and efficient.
- Ending the unfair double tax on small business owners.
- Leveling the playing field for all job creators by eliminating tax loopholes.
- Adding rural development to the Department of Agriculture and Rural Development's mission to help build the economy in rural areas.
- Refocusing the Michigan Economic Development Corporation to provide greater assistance to Michigan businesses.
- Supporting Michigan's tourism industry by insuring stable funding for the successful Pure Michigan advertising campaign.
- Launching Pure Michigan Business Connect, resulting in \$8 billion of investment and capital being made available to Michigan businesses.
- Establishing the Global Michigan Immigration Initiative and the Cultural Ambassador program to attract and welcome immigrants with advanced degrees to Michigan.
- Launching Talent Connect to help reduce unemployment by connecting talent to jobs.

"Governor Rick Snyder got Michigan back on the right track with a series of key reforms during his first year in office. There will be those who differ with parts of his agenda for this year – as was the case in 2011 – but he's right to keep the pressure on for infrastructure improvements, better government efficiency at all levels and the use of technology to expand learning. As his online dashboards indicate, the unemployment rate is dropping, the state bond rating is rising and there's less violent crime."

The Detroit News, January 19, 2012

Budget Recommendation in Totality

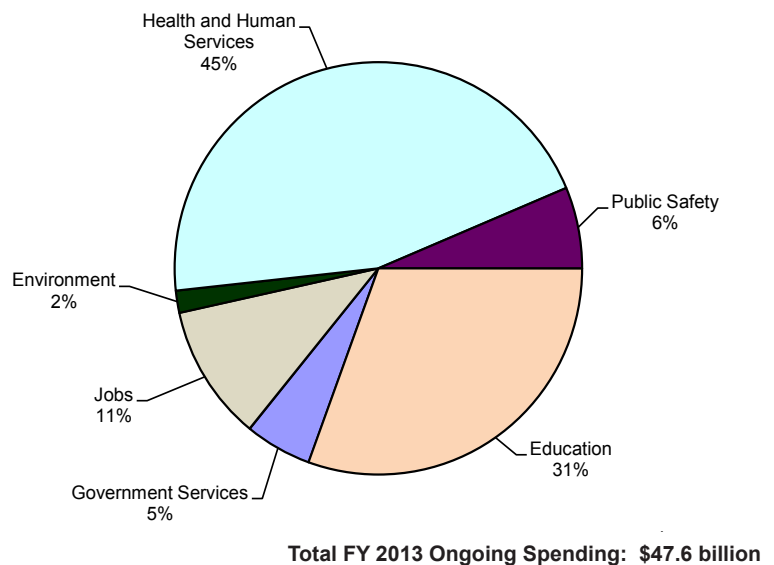
The total Executive Budget Recommendation for fiscal year 2013, including all state and federal revenue sources, is \$48.2 billion. This includes \$47.6 billion in ongoing base spending, with another \$600 million in one-time funding. Over 75 percent of the total budget is devoted to health, human services and education.

The Consensus Revenue Estimating Conference held in January projected that revenues will be \$9 billion in the general fund and \$11.1 billion in the School Aid Fund for fiscal year 2013, reflecting a combined total of \$20.1 billion. This budget cycle starts with a base increase of \$622.8 million over previously adopted revenue estimates.

In fiscal year 2014, projected revenues are \$9.2 billion in the general fund and \$11.4 billion in the School Aid Fund, for a combined total of \$20.6 billion. Assuming enactment of the Governor's fiscal year 2013 recommendation, the fiscal year 2014 budget is balanced with a modest surplus remaining.

The budget recommendation continues the Governor's focus on being accountable to the taxpayers with metrics to measure progress. With a new tax structure now firmly in place and a budget that is structurally balanced for the long term, this budget provides the right balance of funding for investing in Michigan's future, with associated measurements so results can be monitored.

Over 75% of total budget devoted to health, human services and education spending



One of the key financial principles used in the development of the recommended budget is that ongoing spending and one-time revenues are no longer commingled. This new budgeting approach is a major reform from past practice, where one-time funding was added to base spending creating the condition for structural imbalance. This new approach balances current revenues to current expenditures, enforcing fiscal responsibility and keeping the state on solid financial footing for the future.

At present, both the general fund and the School Aid Fund in fiscal year 2012 are balanced, and no action is needed at this time to rebalance the enacted budget. If revenues and expenditures warrant budgetary action in the current year, adjustments will be recommended to revise spending.

Jobs and the Economy

The recommended budget provides \$195 million in funding for economic development to assist Michigan businesses, with a continued focus on an economic gardening strategy to help local businesses grow.

Reinventing Michigan and investing in our future demands that we ensure career opportunities for future generations. Thinking strategically about the relationship between economic development and a highly skilled workforce, Governor Snyder's special message on talent development provides the blueprint to reinvent the way in which we prepare the current and next generation for fulfilling careers. It redesigns the way in which employers obtain the skills they need. Pure Michigan Talent Connect, the new online tool at www.MiTalent.org, is a web-based marketplace aimed at ensuring Michigan's economic development and talent enhancement are occurring in tandem.

The Governor recommends an additional \$15 million in general fund to support economic development in Michigan's distressed cities. The Talent Fund for Job Training and Skills Development will target communities with populations that have a history of chronic unemployment, investing in initiatives that assist citizens in accessing education, training, and employment opportunities.

Education: K-12 and Beyond

In his special message on education, Governor Snyder proposed reforms aimed at transforming Michigan's educational system from one still rooted in the days of a mostly farm-based society to one that prepares students for the technological age of today and jobs of tomorrow. His message outlined a dramatic shift from viewing different levels of education as separate stages to viewing them as part of an integrated system, beginning with early childhood education all the way through the completion of an advanced degree or career training.

"Read through Snyder's proposed education reforms, and it's clear he understands how you go about producing an excellent product, which in the case of education, means kids who are ready to perform in the workforce."

**Dan Calabrese, The Michigan View,
April 29, 2011**

In laying out his case for reform, the governor noted that Michigan ranks 21st in the country in total current per-pupil expenditures according to the most recent data from the National Center for Education Statistics, yet it ranks 39th in the nation when it comes to fourth grade math proficiency and 34th in reading proficiency. Fewer than 50 percent of students are proficient in writing, and ACT test scores need improvement.

The transformation has already started with the recognition that success in school starts well before a child's first day of class. To make sure children are developmentally on track, the governor created a new Michigan Office of Great Start. The proposed budget includes funding for this office of \$209.2 million, of which \$41.2 million is general fund. This is augmented by another \$115 million in School Aid funding for early childhood programs.

The recommended budget supports the \$10.8 billion in available School Aid Fund revenues with an additional \$200 million in general fund for best practices, and protects the per-pupil foundation allowances. Due to the pressure placed on school district budgets related to employee pension and health care costs, a total of \$179 million in ongoing funding is provided to help local schools defray those costs.

Enhanced Best Practices for Education

A total of \$200 million is designated for districts engaged in best practices and meeting required performance metrics. This represents an increase of \$46 million from fiscal year 2012.

Of this total, \$120 million is recommended for districts that meet five of six best practices, which are: the district publishes a citizen’s dashboard; the district serves as the policy holder for health care benefits; participation in schools of choice; the district monitors student growth in each subject area at least twice a year; the district offers dual enrollment, Advanced Placement courses, participates in a middle college, or offers other post-secondary learning opportunities; or the district offers online or blended learning.

A total of \$70 million is recommended for performance funding focused on student academic growth. Performance funding is allocated based on student growth in mathematics for grades 3-8, student growth in reading for grades 3-8, and growth over a four year period in all tested subject areas for high school students.

The recommendation also includes \$10 million in one-time funds for competitive innovation grants to help defray transition costs associated with consolidation of shared services efforts. Both local and intermediate school districts will be eligible to compete for these funds.

The recommended budget for community colleges includes a new performance formula based on degree completions to distribute an additional \$8.5 million to community colleges. This 3 percent increase is to be distributed based on associate degree and certificate completions in critical skill areas.

The Governor’s recommendation for higher education establishes total funding of \$1.4 billion, of which \$1.1 billion is general fund. Investing an additional \$36.2 million in state universities, this 3 percent funding increase is distributed using a new performance formula based on four metrics: the growth in the number of undergraduate degree completions, the number of undergraduate completions in critical skill areas, the number of undergraduate Pell Grant recipients, and compliance with tuition restraint. Universities doing a better job of holding tuition costs down will receive greater funding. Funding for all student grants and financial aid is \$98.2 million.

“I believe the Governor’s plan goes a long way toward creating the system of standards, measurements and accountability that Michigan so desperately needs.”

**Stephen Henderson, Detroit Free Press,
April 28, 2011**

Protecting Michigan Residents

Residents and businesses demand that government provide for the safety of the public. A key role of government is to ensure that citizens are safe and protected. With four of the top 10 most violent cities in the nation, and with an overall crime rate that is too high, we must do better. In March, the Governor will present a special message on public safety, with key reforms to create a safer Michigan.

The proposed budget makes a strong investment in public safety by:

- Funding core programs for the Michigan State Police (MSP) including road patrol, 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. The recommendation adds a total of \$47 million in general fund for MSP, an increase of 16 percent over the current year.
- Providing \$3.1 million general fund for additional staffing within Forensic Sciences within MSP, reducing the number of days for processing forensic tests for criminal investigations.
- Implementing improved enforcement of tobacco tax laws with multi-agency support totaling \$2.2 million for MSP, Treasury, and Attorney General.
- Reserving an additional \$15 million general fund for law enforcement enhancements to be detailed in the Governor’s Special Message on Public Safety in March.
- Adding \$4.8 million for critical maintenance needs at the 43 state armories throughout the state.
- An additional \$15 million is proposed for the criminal justice system, including funding for anticipated costs related to the public safety emergency in Flint and other distressed cities. The proposal increases funding for mental health courts by \$1 million.
- Funding the Department of Military and Veterans Affairs (DMVA) with \$55.7 million for Military Preparedness, representing the Michigan National Guard’s traditional mission of state and national defense and homeland security.

Advancing Health and Human Services; Protecting the Safety Net

The Governor’s special message on health and wellness points out that good health is the foundation for our state’s economic transformation and overall quality of life. While our state is home to some of the best health care providers and services in the world, many of our citizens still lack access, knowledge of and a commitment to a healthy lifestyle. Creating a healthy Michigan means giving people the tools they need to make informed decisions to access high-quality and affordable health care. The special message encouraged the expansion of the Healthy Kids Dental program as a priority item during the fiscal year 2013 budget cycle. The program has been highly successful in the areas in which it operates. Unfortunately, it is absent from some of our most populous counties where the greatest disparities in dental care exist. Expanding it to

all 83 counties would improve preventive care and decrease visits to emergency rooms for dental problems. A total of \$25 million in both 2013 and 2014 is proposed for a phased-in expansion of the Healthy Kids Dental program so that coverage will be available for all children receiving Medicaid over the next few years.

Michigan must also join the majority of states in more aggressively dealing with the challenges posed by autism. Without treatment, the average lifetime cost to Michigan of a single person suffering from autism is \$3.7 million. With early treatment, however, children can achieve better outcomes and many of these costs can be avoided. Michigan is recognized as one of the 10 worst states in which to raise a child with autism because evidence-based treatment is largely excluded from insurance coverage. To date, 27 other states have changed their laws to require insurers to cover evidence-based therapies for autism that will save taxpayers billions of dollars. While the Legislature continues its deliberations about autism coverage for children, the Governor's budget recommends a total of \$34.1 million to provide expanded autism coverage for children eligible for Medicaid and MICHild.

Each citizen can significantly improve personal health by practicing four key behaviors: maintaining a healthy diet, engaging in regular exercise, getting an annual physical examination, and avoiding all tobacco use. The four key health measures closely tied to the incidence of chronic disease are: body mass index (BMI), blood pressure, cholesterol levels, and blood sugar levels. When considered together, these four behaviors and four measures can be characterized as the "Michigan 4x4 Plan." In addition, infant mortality is a critical indicator of the overall health of Michigan, as well as the quality and accessibility of prenatal care for women. Unfortunately, the infant mortality rate in Michigan has increased over the past three years. The proposed budget increases funding for infant mortality reduction and 4 x 4 Wellness, with \$5 million in one-time funding, and \$1 million in ongoing funding.

In support of seniors and people with disabilities, \$14.1 million is recommended to reduce the waiting list for the MIChoice Home and Community Based Waiver Program. This increased support for home and community-based care allows the elderly to receive needed services while honoring their preference to remain in their homes or communities, and supports transitions from nursing homes to the waiver program.

This budget maintains Medicaid eligibility and uses federal funding to increase provider reimbursement rates for primary care providers. An appropriation of \$282 million in federal funds supports the provider rate increase, improving access to care for Medicaid recipients.

The proposed budget invests over \$942 million in Michigan's child welfare system. The rate paid to foster care parents and adoptive parents is increased by \$3 per day to help pay for basic living expenses and to encourage recruitment of foster and adoptive parents. Improvements to the child welfare system will maintain the focus on keeping children safe in their own homes, and when necessary, will support alternative living arrangements including foster care and adoption.

The recommendation invests \$255 million in federal and state restricted funds to support heating assistance programs, including \$195 million in federal funds for the home heating credit, energy-related crisis payments and weatherization for low-income home owners. The new Home

Heating Assistance for the Vulnerable Fund is supported with \$60 million in state restricted funds. Funded through utility rates and distributed to local agencies, these new funds will provide heating assistance to low-income families and individuals.

Veterans, their families, and Michigan communities are served in this budget through outreach programs with \$16.2 million in funding. As part of that funding, Veterans Service Organizations will receive \$2.9 million in state-funded grants to counsel veterans and assist them in receiving benefits and services for which they are eligible. In addition, \$65.6 million is provided to support the Grand Rapids and D. J. Jacobetti Veterans' Homes, which provide direct nursing care for 731 resident veterans.

Investing in our Infrastructure

Governor Snyder said it in his special message on infrastructure: better roads drive better jobs. Investments in the state's infrastructure are essential to the economy and to the future growth of our state. The Governor's message focused on a modern transportation system that moves people and goods efficiently, reliably and safely, as well as water and sewer systems that support and protect Michigan's rich environment.

The proposed transportation budget totals \$3.3 billion in both 2013 and 2014, including \$119 million in one-time general fund appropriations in fiscal year 2013 to allow the legislature time to develop a long-term road funding solution. The \$119 million investment of general fund revenues will ensure that Michigan matches all federal highway and transit aid in fiscal year 2013. Ignoring the state's deteriorating infrastructure is not an option, nor is allowing unmatched federal money to flow to other states. An extensive package of bills recently introduced in the Legislature provides for other necessary reforms mentioned in the special message on infrastructure, including the need for additional revenues.

"Governor Snyder is smart to be taking a comprehensive approach toward fixing the roads, bridges, sewers and water lines that are crumbling beneath our feet and wheels."

The Detroit News, October 27, 2011

The proposed budget recommends an additional \$10 million of restricted refined petroleum fund for environmental cleanup work at leaking underground storage tank sites. An additional \$5 million is recommended for use as state match to obtain federal grant dollars for the drinking water revolving fund program. The added funding will provide infrastructure loans to public water suppliers, enabling an increased percentage of communities to be in compliance with federal health-based standards. The recommendation also includes \$1 million to reach the goal of 5,000 MAEAP (Michigan Agriculture Environmental Assurance Program) farm verifications by 2015, which will result in more sustainable systems and increased production for the agriculture industry.

Resources have been included to stimulate investments in large sewer system improvement projects, with debt service funding to accommodate anticipated bond issuances of \$125 million in fiscal years 2013 and 2014.

Revenue Sharing

Constitutional revenue sharing payments for cities, villages, and townships are increased by \$13.6 million (2 percent), to \$711.1 million, based on estimated sales tax collections. The budget continues and strengthens the Economic Vitality Incentive Program (EVIP) for local units of government, with \$210 million in funding for fiscal year 2013. Aimed at encouraging best practices for cities, villages, and townships, EVIP funding will again require that local units of government meet certain criteria that include accountability and transparency requirements, consolidation of services, and employee compensation reforms.

“Snyder is hoping to end once and for all the status quo thinking that has continued long after local units of government could afford to pay for it ... More cooperation and outright consolidation make sense.”

The Flint Journal, August 4, 2011

A new incentive-based program for counties is recommended to replace statutory revenue sharing beginning in fiscal year 2013, funded with \$125.6 million in sales tax revenue. Sixty-one counties are estimated to exhaust their revenue sharing reserve funds prior to, or during, fiscal year 2013. These counties will qualify for financial incentive payments provided they meet specific standards and adopt best practices, consistent with requirements under EVIP for cities, villages, and townships.

In addition, a competitive grant assistance program is funded in fiscal year 2013 with \$25 million in sales tax revenue, using \$5 million in ongoing funding plus a one-time augmentation of \$20 million. Cities, villages, townships, or counties that elect to combine government operations may apply for reimbursement of costs for approved projects. Fiscal year 2013 funding represents a four-fold increase from fiscal year 2012 funding of \$5 million. The proposed one-time increase addresses significant interest expressed by local units seeking help with transition costs associated with mergers, inter-local agreements, and other cooperative efforts.

Good Government and Measuring for Success

Governor Snyder’s first budget required tough decisions to achieve balance for the long term. Because that has been accomplished, a renewed focus on good government is now in motion, utilizing metrics and measurements to monitor progress and help make informed decisions. The commitment to government transparency and accountability is strong, and the government culture is fully ingrained in the movement to measure. Last year, the Citizens Guide to State Government provided the first step in making it easier for Michigan citizens to understand how and where their money is spent and whether it is effective. The Governor continued the progress in transparency and accountability with the Michigan Dashboard, providing a quick assessment of the state’s performance in key areas including: economic strength; health and education; value for money government; quality of life; and public safety. Separate dashboards were created for measuring education, health and wellness, infrastructure, and talent. And now, with the release of this budget and



representing the evolution of the original Citizen’s Guide, the state unveils its new dashboard for financial health, found at www.michigan.gov/openmichigan.

While the dashboards measure how Michigan as a whole is doing within key areas, there are also scorecards in place that track how Michigan government is performing within each of the agencies. During budget development, the State Budget Office worked closely with state departments to ensure that funding is aligned to agency priorities. In doing so, each funding decision is examined and outcomes are evaluated based on how they “move the needle” of performance.

The measurements provided by the dashboards and scorecards cast a spotlight on how Michigan is doing, and whether we’re trending in a positive or negative direction. Without this focus on measurement, it’s impossible to know where government is succeeding or failing so that the necessary course adjustments can be made.

Investing in our Business Platforms and Physical Assets

In times of budget crisis, states cannot make necessary investments to save money over the long term. Most states across the country still find themselves in this negative situation. With Michigan’s fiscal house restored to order, we can now make targeted investments that protect our assets, build for the future, and lead to long-term cost savings.

Technology plays a major role in realizing government efficiency, but requires up-front investments to achieve it. The proposed budget includes \$50 million in ongoing funding for information technology projects designed to address system upgrades and major opportunities for automation. The Department of Technology, Management and Budget will complete an assessment of those systems and areas most in need of investment, ensuring that the information technology investment will help state workers do their jobs, improve services for citizens, and produce long term savings for the state.

Governor Snyder recommends additional support of Michigan’s universities and community colleges by advancing 18 capital outlay construction projects previously approved for planning by the legislature. The budget also recommends substantial reform of the capital outlay process in order to ensure spending decisions are more transparent and merit-based for future projects. These reforms will assist in strategically aligning capital investments with statewide economic development goals, while streamlining the approval process.

Fiscal Order Restored

Just one year ago, Michigan faced a \$1.5 billion deficit with unresolved liabilities that had lingered for years. It was an unhealthy budget situation for both taxpayers and businesses. Tough decisions were necessary to get Michigan government back into long-term structural balance so residents and businesses could see that state government had its fiscal house in order. Through a strong partnership with the legislature, the deficit is gone and the budget is in structural balance. For the first time in almost a decade, state government is balanced for the future, with ongoing expenditures now matching ongoing revenues. Reinventing Michigan demanded a new approach to budgeting.

Legacy Costs No Longer Ignored

Not only has the budget been put into balance for the long term, Governor Snyder's 2012 budget also took major strides in addressing the state's long-term liabilities, including post-retiree health care costs. The state paid off its \$3.2 billion loan to the federal government for unemployment benefits in order to refinance the liability at a better rate. Successful negotiations with unions representing state employees produced solutions to better

"Working together, Michigan showed great commitment to do not just what is easy but what is right. Not what is political but what is practical. Not what is partisan but what is principled. While not everyone agreed on every approach, we worked hard to make sure our decisions were rooted in common sense. We refused to engage in the kind of finger-pointing that stymies government from meeting its obligations to citizens."

**Governor Rick Snyder, State of the State Address,
January 18, 2012**

manage rocketing state employee health care costs. In short, after too many years of pushing the problem down the road, the state got serious about its legacy costs.

One of the most significant and monumental accomplishments came with the signing of Public Acts 264 and 265 in December 2011 (commonly referred to as the OPEB legislation, where OPEB refers to "other post-employment benefits"). The new laws reduce the state's long-term retiree health care liability, ensuring that the post-retirement promises made to employees can be kept.

Michigan has restructured state employee retiree benefits, saving the state \$5.6 billion in long-term liabilities. Funding has been included in the base budget to fully fund the anticipated actuarially required contribution (ARC) for state employee pensions and health care. Fully funding the ARC is significant, especially in light of the OPEB legislation, because it's another step in paying down the liability and making good on the promise to state employees.

Last year also brought important and significant reforms to health care costs for existing state employees. After a successful bargaining process between the state and union leaders representing state employees, the Michigan Civil Service Commission took action in approving the contracts overwhelmingly ratified by the unions. As in the case of the OPEB legislation, the agreement provided wins for both the state and state employees. The new contracts provide a 1 percent pay raise to state employees in October, 2012. In addition, lump-sum payments will

be made in 2012 and 2013 that equal 1 percent increases, but will not be added to ongoing base pay. In turn, union leaders worked in partnership with the state to resolve the financial stress placed on the state related to funding health care for employees. As a result of the agreement, all employees will begin paying 20 percent of their health plan premiums beginning in October 2012, bringing the state in line with the private sector. Those hired on or after April 1, 2010 already pay 20 percent.

Deferred Maintenance

Another component of infrastructure that too often goes unnoticed is maintenance of state buildings. The budget recommendation includes \$15 million in ongoing funding for state buildings plus \$10 million in one-time funding to be administered by the Department of Technology, Management and Budget (DTMB). The past practice of bonding for routine building maintenance defers payment of current costs to the future. The new funding will eliminate that practice and fund current needs with current resources. DTMB will develop a space consolidation plan that will make better use of existing state office space, putting necessary investments into the renovation and upkeep of existing state owned buildings, eliminating the need for some of the existing leased space paid for by the state. The proposed budget also includes funding for armory maintenance with \$2.4 million in ongoing funding, plus an additional \$2.4 million in one-time funding.

Maintaining Structural Balance; Reserves for a Rainy Day

While this budget places new investments in our future, the importance of maintaining structural balance has not been and cannot be lost. Funding for programs is recommended based on the state's ability to pay, making sure that revenues match expenditures to keep the state in balance for the long term.

"Last January, Michigan ranked at or near the bottom of most measures of economic activity and attractiveness. Today, its recovery is leading the nation, and the people who make decisions about where to invest are viewing the state in a far more favorable light...Using today's surpluses to further reduce Michigan's future obligations is a good investment."

The Detroit News, December 27, 2011

This budget recommendation makes another deposit in the Budget Stabilization Fund. Commonly referred to as the Rainy Day Fund, a deposit of \$130 million is recommended to continue to build the necessary reserves in the event of an emergency. This deposit, coupled with the action taken last year to invest \$255 million into the fund, places the state's rainy day reserves at \$385 million - a far cry from just two short years ago when the fund had bottomed out and there were essentially no emergency reserves.

External Validation

Working in “dog years” coupled with “relentless positive action” have been popular themes in all areas of the Snyder administration, and those concepts have certainly been applied to the budget development process. Hard work and a positive attitude toward structural balance have led the budget process, and others outside of Michigan have taken note. In July 2011, Fitch Ratings announced that it had revised the State of Michigan’s Rating Outlook for all bonds to Positive from Stable. According to Fitch, continued evidence of a return to structural balance in the budget, continued progress toward re-building reserve funds, and continued employment recovery could trigger a future upgrade in Michigan’s rating.

“The Positive Outlook reflects prudent budgeting and efforts to grow reserve levels in the context of an economy beginning to slowly rebound.”

Fitch Ratings, July 2011

Fitch Ratings are not the only ones who have noticed the positive steps in Michigan. Bloomberg has long been a respected leader when it comes to delivering business and financial information, news and insight around the world. In November 2011, Bloomberg’s Economic Evaluation of States ranked Michigan second in economic health out of all 50 states, sending a strong message that Michigan’s economy is headed in the right direction. The Bloomberg analysis took into account important economic factors such as personal income, tax revenue, employment, home prices and other key indicators, placing Michigan at the upper echelon of the ranking. The Bloomberg evaluation provides evidence that Michigan is ripe for positive growth in our economy that will make a positive difference for Michiganders. Strong corporate performance, coupled with the fact that Michigan’s state budget is now balanced for the long term, has put Michigan in a solid economic position.

Conclusion

This budget invests in our future and funds the key priorities to continue Michigan’s recovery and its path to further growth and success. In stark contrast to last year’s budget where cuts and strong reforms were necessary for long-term structural balance, this budget is focused on building on that foundation – a budget made possible due to the tough but necessary decisions made in the 2012 budget. This two-year budget presented by Governor Snyder continues the plan that will lead to job creation and a brighter future for Michigan’s residents. It is a budget built with metrics and measurements so our progress and results can be monitored, found at www.michigan.gov/openmichigan. The Snyder administration stands ready to work in partnership with the members of the Michigan House of Representatives and Senate to enact a fiscal year 2013 budget that will lead to an even stronger, more prosperous state.



Department Detail

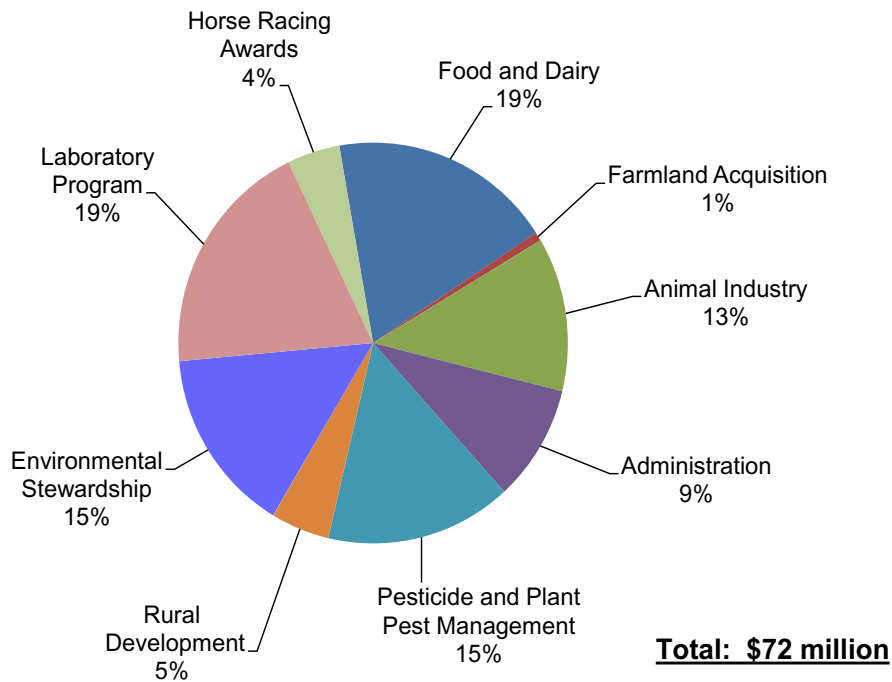
Agriculture and Rural Development	B	1
Attorney General	B	5
Civil Rights	B	7
Community Colleges	B	9
Community Health	B	11
Corrections	B	15
Education	B	19
Environmental Quality	B	21
Executive Office	B	25
Higher Education	B	27
Human Services	B	31
Judiciary	B	35
Legislature	B	37
Licensing and Regulatory Affairs	B	41
Military and Veterans Affairs	B	45
Natural Resources	B	49
Revenue Sharing	B	51
School Aid	B	53
State	B	57
State Police	B	59
Technology, Management & Budget	B	63
Transportation	B	65
Treasury	B	67



Department of Agriculture and Rural Development

The Department of Agriculture and Rural Development (MDARD) provides services to Michigan citizens 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 2013 recommends total funding of \$72 million of which \$31.9 million is general fund. In addition, one-time funding of \$2.5 million, \$2.2 million general fund is recommended. The fiscal year 2014 recommendation includes \$73.4 million, of which \$32.6 million is general fund.*

Funding Protects 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 an additional \$1 million to reach the goal of 5,000 MAEAP (Michigan Agriculture Environmental Assurance Program) farm verifications by 2015. MAEAP verifications will result in long-term environmentally sustainable systems for Michigan citizens and increased production for the agriculture industry. (MDARD metric ES-01)
- An additional \$400,000 is recommended to continue the department's partnership with the Department of Licensing and Regulatory Affairs, Department of Civil Rights, and the U.S. Department of Labor to establish a single, clear and consistent set of rules for the operation of migrant labor housing in Michigan. Migrant labor housing inspections will be conducted to identify health risks. Quality housing is necessary to attract a workforce with the skill, speed and stamina needed to support Michigan agriculture which will in turn lead to improved access to affordable, fresh, healthy food. (MDARD metrics FS-04 and FS-05)

- The Governor recommends an additional \$600,000 for rural development activities. A network of state, local, and private partnerships will be leveraged to provide technical expertise to food processors with water, energy, and infrastructure issues which will lead to an expansion of the food and agriculture industry. In addition, \$1 million is recommended in the Department of Transportation to increase investment in rail to spur economic development for agriculture, mining and manufacturing in rural Michigan. (MDARD metrics RD-01, RD-02)

“In Michigan, railroads are critical to the success of agricultural production, whether they’re hauling inbound fertilizer or outbound grain. Freight rail is not a luxury for the agriculture and agri-business industries – it is a necessity.”
- One-time funding of \$1.5 million is recommended to allow the department to leverage federal and industry support to provide grants to five regional food hubs across the state resulting in new market opportunities for Michigan producers and increased fresh and healthy food for Michigan residents. These resources will also assist in implementing new federal Food Safety Modernization Act requirements through producer training, inspections and testing. The department will assist owners of food producing animals with the proper use of antibiotics to prevent animal disease while minimizing antibiotics entering the food supply and assure a safe and wholesome food supply through laboratory testing validation. (MDARD metric RD-03)

Special Message from Governor Snyder, Reinventing Michigan’s Infrastructure, October 26, 2011

- The Governor recommends \$500,000 one-time funding to re-establish local access to professional foresters across the state. Funding will be used 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 metrics RD-04, RD-05)

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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$29,878.7	\$74,683.0	\$31,925.2	\$72,044.3	\$32,607.8	\$73,400.8
	% Change from Previous Year	6.8%	-3.5%	2.1%	1.9%

Programs

Laboratory Program	\$1,959.4	\$13,902.4	\$1,959.4	\$13,902.4	
Food and Dairy	\$9,152.4	\$13,342.3	\$9,152.4	\$13,342.3	
Pesticide and Plant Pest Management	\$3,883.4	\$11,114.3	\$3,883.4	\$11,114.3	
Environmental Stewardship	\$3,198.8	\$10,805.1	\$3,198.8	\$10,805.1	
Animal Industry	\$7,743.6	\$8,956.7	\$7,743.6	\$8,956.7	
Administration	\$4,946.9	\$6,781.2	\$5,629.5	\$8,137.7	
Rural Development	\$1,040.7	\$3,500.6	\$1,040.7	\$3,500.6	
Horse Racing Awards	\$0.0	\$3,141.7	\$0.0	\$3,141.7	
Farmland Acquisition Program	\$0.0	\$500.0	\$0.0	\$500.0	
* Assumes passage of OPEB supplemental					
^ Figures do not include one-time funding					
Total Recommendation	\$31,925.2	\$72,044.3	\$32,607.8	\$73,400.8	

One-Time Appropriations

Healthy Food Program	\$1,500.0	\$1,500.0		
Private Forestry Program	\$500.0	\$500.0		
State Employee Lump Sum Payments	\$235.3	\$470.3		
Total One-Time Appropriations	\$2,235.3	\$2,470.3	\$0.0	\$0.0



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 2013 recommends total funding of \$83.9 million, of which \$33.3 million is general fund. A one-time appropriation of \$1 million, \$393,300 general fund, is recommended in fiscal year 2013 to fund state employee lump sum payments. Anticipated funding for fiscal year 2014 is recommended at \$85.9 million, of which \$34 million is general fund.*

Highlights of Governor's Budget Recommendation

- The Executive Recommendation provides almost \$82 million for Attorney General Operations, which funds 250 attorneys who provide a wide array of legal services including representation of state officials and agencies, child abuse and neglect, health care fraud, consumer protection, and litigation on behalf of the state.
- 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.
- In order to reduce backlogs for outstanding warrants in high crime areas of the state and increase prosecutions and incarceration of offenders, \$900,000 is added to the Attorney General budget to fund additional prosecutorial services. This funding is one component of the Governor's public safety initiative, which is intended to reduce crime in high-risk urban areas. As part of this initiative, additional funding is also recommended for the departments of Corrections and State Police.
- A multi-agency approach involving the departments of State Police, Treasury, and the Attorney General will be implemented to improve enforcement of tobacco tax laws and enforcement of the multi-state tobacco settlement agreement. The Governor recommends \$500,000 for the department of Attorney General to support these efforts, which will yield increased investigations and prosecutions, with a subsequent growth in civil assessments and tobacco tax revenues.

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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$29,836.3	\$78,426.3	\$33,297.2	\$83,921.3	\$34,042.5	\$85,943.9
	% Change from Previous Year	11.6%	7.0%	2.2%	2.4%

Programs

Attorney General Operations	\$31,927.3	\$81,887.9	\$32,672.6	\$83,910.5
Prosecuting Attorneys Coordinating Council	\$1,369.9	\$2,033.4	\$1,369.9	\$2,033.4
* Assumes passage of OPEB supplemental ^ Figures do not include one-time funding				
Total Recommendation	\$33,297.2	\$83,921.3	\$34,042.5	\$85,943.9

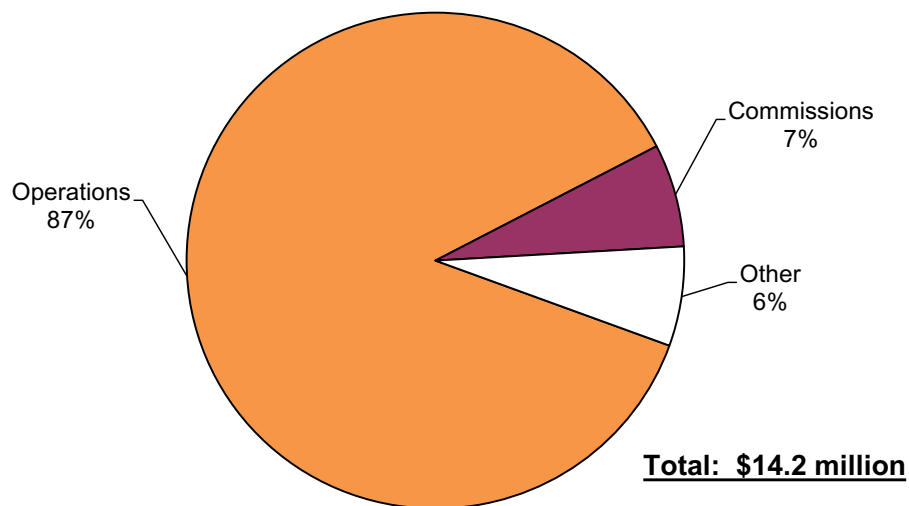
One-Time Appropriations

State Employee Lump Sum Payments	\$393.3	\$1,025.9	\$0.0	\$0.0
Total One-Time Appropriations	\$393.3	\$1,025.9	\$0.0	\$0.0

Department of Civil Rights

The Department of Civil Rights (MDCR) resolves and investigates discrimination complaints and works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws. The department administers programs for complaint investigation, outreach and education, mediation, partnerships, crisis intervention, contract compliance, various commissions and federal contracts. *The Governor's proposed budget for fiscal year 2013 recommends total funding of \$14.2 million, of which \$11.4 million is general fund. A one-time appropriation of \$128,900, \$104,300 general fund, is recommended for fiscal year 2013 to fund state employee lump sum payments. For fiscal year 2014, the Governor recommends total funding for the department of \$14.5 million, of which \$11.7 is general fund.*

Increased Enforcement Efforts Address Allegations of Discrimination



Highlights of Governor's Budget Recommendation

- The Governor recommends an increased focus on enforcement efforts and adds \$287,800 (\$115,000 general fund) for this purpose. These funds will be used to reduce average processing time for discrimination complaints, providing better service to Michigan residents. (MDCR metric I1)
- The Executive Recommendation includes \$100,000 in new funding for the Asian Pacific American Affairs Commission, as well as continuation funding for the Women's Commission and the Hispanic/Latino Commission of Michigan. (MDCR metric L4)
- The Executive Recommendation also includes \$120,000 general fund for the Commission on Disability Concerns to help replace a decline in federal funding. These funds will be used to meet the statutory obligation to test and certify all sign language interpreters, as the department is responsible for this activity across the state. (MDCR metric I5)

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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$11,187.1	\$14,382.8	\$11,416.4	\$14,203.7	\$11,675.0	\$14,524.0
	% Change from Previous Year	2.0%	-1.2%	2.3%	2.3%

Programs

Civil Rights Operations		\$11,416.4	\$14,203.7	\$11,675.0	\$14,524.0
<p>* Assumes passage of OPEB supplemental ^ Figures do not include one-time funding</p>					
Total Recommendation		\$11,416.4	\$14,203.7	\$11,675.0	\$14,524.0

One-Time Appropriations

State Employee Lump Sum Payments		\$104.3	\$128.9		
Total One-Time Appropriations		\$104.3	\$128.9	\$0.0	\$0.0

Community Colleges

A key component of Michigan's education system, the state's 28 community colleges provide over 485,000 residents per year with affordable access to postsecondary education opportunities. The average annual college tuition for a full-time in-district student is approximately \$2,600. 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 credential by 2025. *The Governor's proposed budget for fiscal years 2013 and 2014 recommends total funding of \$294.1 million, of which \$96.5 million is general fund.*

Highlights of Governor's Budget Recommendation

- A new performance formula based on degree completions is used to distribute an additional \$8.5 million to community colleges. This 3 percent increase is distributed to community colleges based on their share of the total number of certificate and associate degree completions in critical skills areas, averaged over the past three fiscal years. Critical skills areas are currently defined as those in scientific, technological, engineering, mathematical, and health-related fields. Beginning in fiscal year 2014, the community colleges funding formula will also recognize successful student transfers to four-year colleges or universities. (*Michigan Education Dashboard*)

FY 2013 Community Colleges Funding (\$ in thousands)			
Community College	Operations	Performance Funding	Percent Increase
Alpena	\$4,984.3	\$168.4	3.4%
Bay de Noc	5,040.2	139.9	2.8%
Delta	13,336.2	583.1	4.4%
Glen Oaks	2,320.9	72.8	3.1%
Gogebic	4,140.5	103.4	2.5%
Grand Rapids	16,649.7	333.4	2.0%
Henry Ford	20,145.0	430.2	2.1%
Jackson	11,219.7	331.6	3.0%
Kalamazoo Valley	11,522.7	399.3	3.5%
Kellogg	9,047.9	279.2	3.1%
Kirtland	2,872.9	155.4	5.4%
Lake Michigan	4,937.7	100.2	2.0%
Lansing	28,651.9	919.8	3.2%
Macomb	30,490.3	693.8	2.3%
Mid Michigan	4,266.8	189.8	4.4%
Monroe County	4,094.0	118.5	2.9%
Montcalm	2,946.8	103.2	3.5%
Mott	14,526.4	416.3	2.9%
Muskegon	8,256.7	155.2	1.9%
North Central MI	2,886.5	76.6	2.7%
Northwestern MI	8,430.3	112.1	1.3%
Oakland	19,455.9	478.9	2.5%
St. Clair County	6,534.1	192.2	2.9%
Schoolcraft	11,477.3	559.5	4.9%
Southwestern MI	6,143.7	90.4	1.5%
Washtenaw	11,827.3	990.9	8.4%
Wayne County	15,425.9	277.4	1.8%
West Shore	2,248.9	44.9	2.0%
State Total:	\$283,880.5	\$8,516.4	3.0%

- In an effort to address the increasing strain of employee-related pension and health care costs on community colleges' budgets, the Governor recommends funding of \$1.7 million for the increased cost of health care for retirees of the Michigan Public School Employees Retirement System.
- State Building Authority rent payments of \$26.3 million, all general fund, support debt service for recently constructed community college building projects.

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

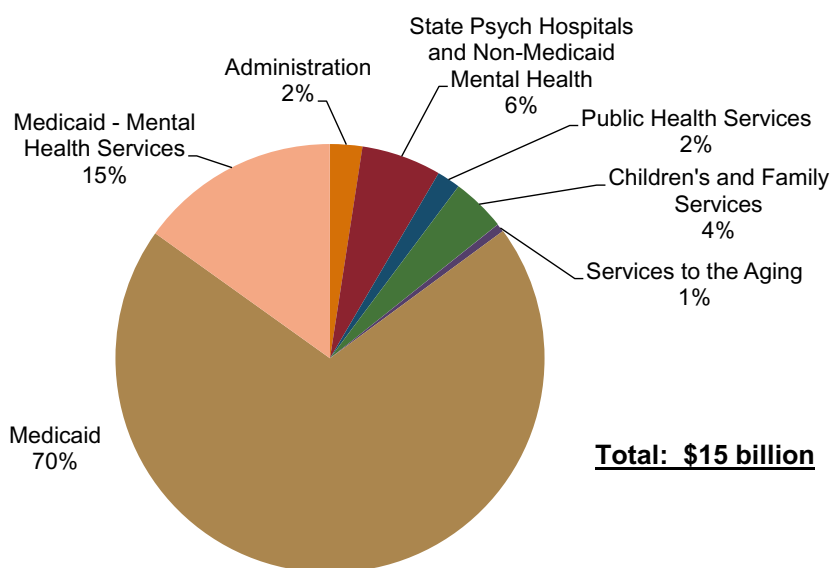
FY12 Current Law		FY13 Recommendation		FY14 Recommendation	
State Funds	All Funds	State Funds	All Funds	State Funds	All Funds
\$283,880.5	\$283,880.5	\$294,130.5	\$294,130.5	\$294,130.5	\$294,130.5
	% Change from Previous Year	3.6%	3.6%	0.0%	0.0%

Programs	GF/GP	All Funds	GF/GP	All Funds
Community College Operations	\$88,000.0	\$283,880.5	\$88,000.0	\$283,880.5
Community College Performance Funding	\$8,516.4	\$8,516.4	\$8,516.4	\$8,516.4
Retiree Health Care Increase Premium	\$0.0	\$1,733.6	\$0.0	\$1,733.6
Total Recommendation	\$96,516.4	\$294,130.5	\$96,516.4	\$294,130.5

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 2013 recommends total funding of \$15 billion, of which \$2.8 billion is general fund. In fiscal year 2013 the Governor also recommends one-time funding of \$49.7 million, of which \$12 million general fund. The recommendation for fiscal year 2014 is \$15.5 billion, of which \$3 billion is general fund.*

Medicaid makes up 85% of the DCH budget



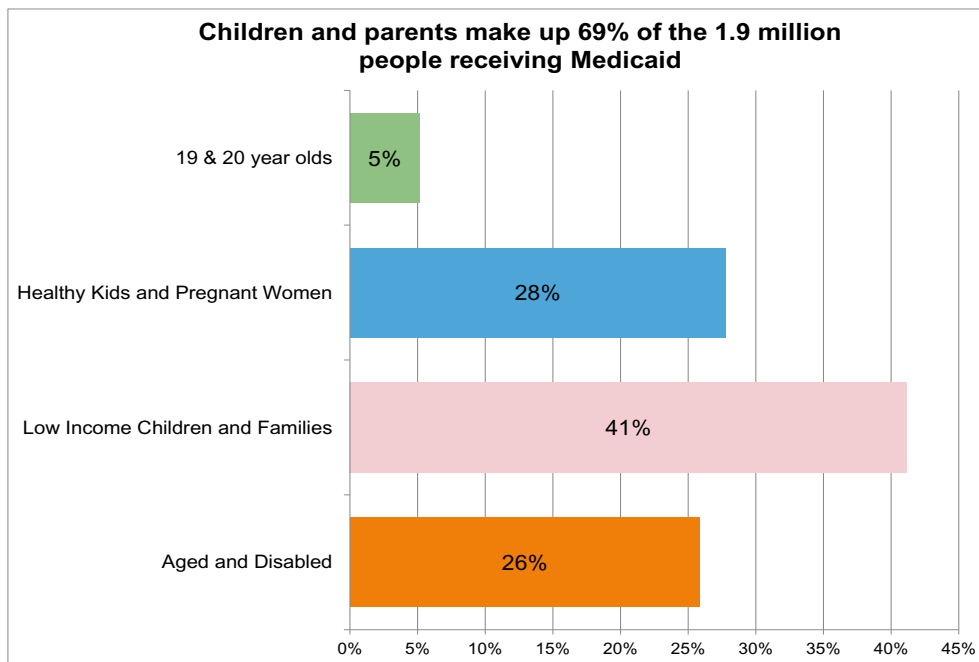
Highlights of Governor's Budget Recommendation

- To improve dental care and oral health outcomes for children, \$25 million (\$8.4 million general fund) is invested to expand the Healthy Kids Dental Program, currently available in 65 mostly rural counties. This expansion covers 25 percent of children in the remaining counties. Full statewide phase-in will be completed over the next several years. Current low Medicaid dental reimbursement rates discourage provider participation. Healthy Kids Dental increases provider reimbursement rates, encourages provider participation and ensures that children receive good dental care. (*DCH metric 1a*)
- Early diagnosis and treatment of autism provides the best outcomes for autistic children and their families. Therefore, the Governor recommends adding \$34.1 million (\$10.1 million general fund) to expand Medicaid and MICHild coverage to include the treatment of Autism Spectrum Disorders for children under age 6. The treatment for autism, Applied Behavior Analysis, is considered most effective for early diagnosis and treatment. (*DCH metric 2a*)

- A new investment of \$6 million general fund (\$5 million in one-time funds and \$1 million in ongoing funds) is made in Health and Wellness Initiatives that were included in the Governor’s September 2011 Special Health Message. These funds support programs that promote healthy behaviors and wellness, reduce infant mortality and reduce obesity. Achieving positive health outcomes improves lives and saves money for all Michigan residents. (*Health and Wellness Dashboard*)
- Michigan continues its long-standing support for serving the elderly and disabled in community settings. While nursing homes provide a valuable and necessary service for those with high care needs, home care can provide alternatives that meet client needs in a less costly community setting. (*DCH metrics 4a and 4b*)
 - To reduce the waiting list for the MIChoice Home and Community Based Waiver Program, \$11 million (\$3.7 million general fund) is added to the department’s budget. This increased support allows the elderly to receive needed services while remaining in their own homes or communities.
 - Transitions from nursing homes to the MIChoice Home and Community Based Waiver are supported with \$3.1 million (\$1 million general fund). These transitions allow the elderly to return home with the provision of community care.
 - Funded with \$1.6 million (\$500,000 general fund) in nursing home savings, the Program of All-Inclusive Care for the Elderly (PACE) is expanded to Berrien County. PACE is a capitated program that provides acute care and long-term care in a community setting. Existing program sites are Calhoun, Kent, Muskegon and Wayne counties.

Medical Services

- Michigan’s health care safety net is protected in the Governor’s Executive Recommendation. Medicaid eligibility is maintained and provider reimbursement rates are increased for primary care providers. The DCH budget recommends \$8.5 billion (\$1 billion general fund) for medical services and \$2.3 billion (\$424.1 million general fund) for the long term care portion of the Medicaid program. This represents a 4.3 percent increase over fiscal year 2012 due to caseload increases, utilization and inflation, special provider payments and funding for actuarial soundness. Medicaid provides health care services for one out of every five Michigan residents.
- Federal law requires states to increase Medicaid primary care provider rates to 100 percent of Medicare rates. An appropriation of \$282 million in federal funds supports this provider rate increase for primary care/family physicians and pediatricians. These rate increases will improve access to primary care and health outcomes for Medicaid recipients. (*DCH metric 5a*)



Mental Health Services

- Mental health services are funded at over \$3 billion consisting of \$2.9 billion (\$1.2 billion general fund) to provide community mental health services, and \$278.7 million (\$64 million general fund) to fund state-operated psychiatric hospitals and centers.

Other Budget Initiatives

- Department initiatives to reduce Medicaid fraud, increase program efficiencies and improve Medicaid service delivery achieve \$13.2 million in general fund savings. *(DCH metrics 6a and 6b)*

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

FY12 Current Law*^		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$2,953,127.4	\$14,589,624.5	\$2,835,843.2	\$15,045,744.8	\$2,994,360.7	\$15,461,169.2
	% Change from Previous Year	-4.0%	3.1%	5.6%	2.8%

Programs

Medical Services	\$1,306,663.7	\$10,532,763.5	\$1,432,512.6	\$10,862,841.7
Behavioral Health Services	\$1,178,481.4	\$2,897,954.1	\$1,198,958.7	\$2,958,880.3
Children's and Family Services	\$133,560.8	\$613,904.2	\$139,056.2	\$627,324.1
State Psychiatric Hospitals and Forensic Mental Health Services	\$63,956.5	\$278,689.5	\$63,956.5	\$278,689.5
Public Health Services	\$51,332.0	\$265,572.7	\$51,332.0	\$265,572.7
Medical Services Administration	\$24,353.1	\$215,319.3	\$24,353.1	\$215,319.3
Central Administration	\$48,918.9	\$149,388.8	\$55,614.8	\$160,388.9
Office of Services to the Aging	\$28,576.8	\$92,152.7	\$28,576.8	\$92,152.7

* Assumes passage of OPEB supplemental

^ Figures do not include one-time funding

Total Recommendation	\$2,835,843.2	\$15,045,744.8	\$2,994,360.7	\$15,461,169.2
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One-Time Appropriations

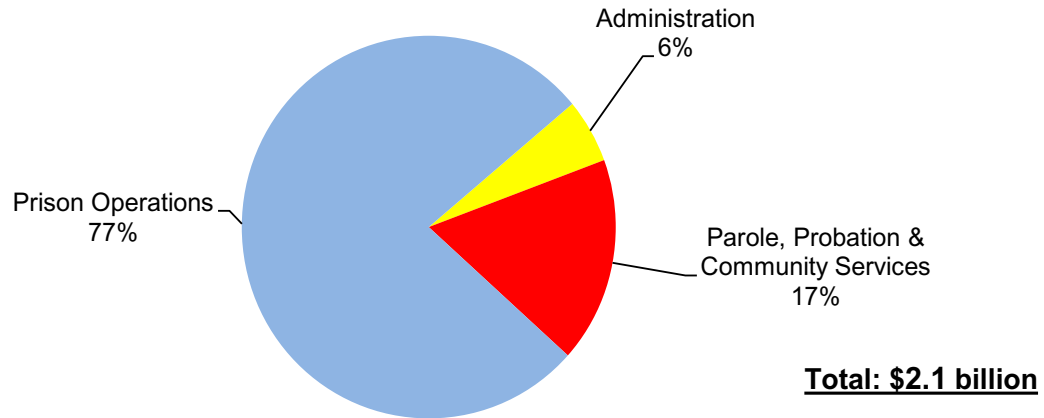
CHAMPS ICD-10 Diagnostic Coding Project	\$4,000.0	\$40,000.0		
Health and Wellness Initiatives	\$5,000.0	\$5,000.0		
State Laboratory Equipment and Supplies	\$200.0	\$200.0		
Elder Abuse Training and Prevention Initiatives	\$250.0	\$250.0		
State Employee Lump Sum Payments	\$2,571.5	\$4,285.3		

Total One-Time Appropriations	\$12,021.5	\$49,735.3	\$0.0	\$0.0
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Department of Corrections

The Department of Corrections (MDOC) 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 years 2013 and 2014 recommends total funding of \$2.1 billion, of which \$2 billion is general fund. In addition, for fiscal year 2013, the Governor proposes total one-time funding of \$14.4 million, of which \$14 million is general fund.*

Nearly 80% of Corrections Costs are in Prison Operations



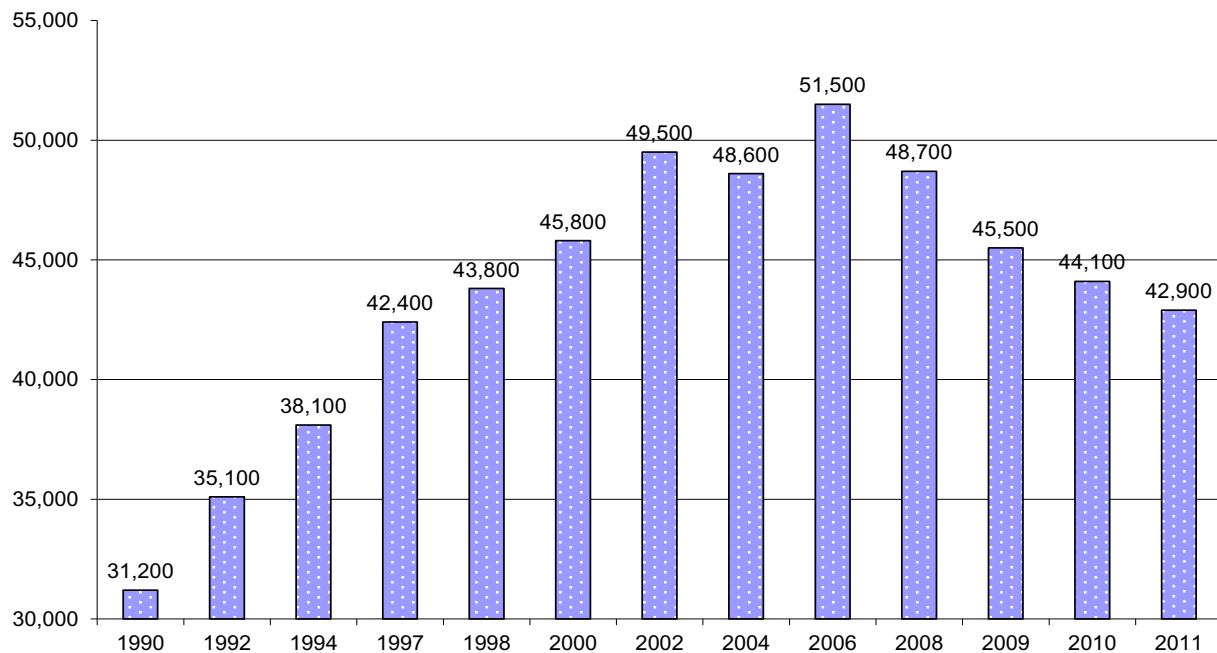
Highlights of the Governor's Budget Recommendation

- The Executive Budget includes \$1.6 billion to operate a safe and secure prison system that currently houses 43,000 prisoners.
- The Governor's budget includes \$357 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.
- As part of a statewide public safety initiative to reduce crime, the Governor recommends an additional \$4.5 million general fund for the Department of Corrections. This investment will provide critical assistance to help fund immediate jail space needs in high crime areas. The funding will be utilized by selected counties to purchase jail space from other counties that have available space. (*MDOC metric 4*)
- The department is seeking to reduce costs for the provision of health care services to prisoners by competitively bidding both physical and mental health services, including the operation of the Woodland Correctional Facility which specializes in services to prisoners with mental health problems. The competitive bidding process has been initiated and, although actual savings are not yet known, it is anticipated that a successful procurement process will result in estimated savings of \$11.1 million general fund in fiscal year 2013. These savings have been assumed in the Governor's budget recommendation.
- The Executive Recommendation includes \$10 million in general fund savings through the elimination of 115 positions in Parole and Probation Services. The total number

of probationers and parolees has dropped by 9 percent in the last two years and this reduction allows for the elimination of these positions.

- As part of the cost effective housing initiative begun this year, the department is undertaking a number of efficiency measures to reduce custody costs. The Executive Recommendation includes savings of \$21.4 million general fund as a result of staffing changes, prisoner clothing savings, technology savings, and other administrative cost savings.
- The Governor’s budget includes \$19.7 million in state restricted funds to enhance safety inside the state’s prisons by updating staff personal protection systems, facility security cameras, and cell phone detection equipment. Investment in this equipment will reduce serious assaults by prisoners on staff or on other prisoners. (*MDOC metrics 2 and 3*)
- The Executive Recommendation adds \$3.5 million general fund for maintenance and upkeep at closed correctional facilities. As prisoner population has dropped and facilities have been closed, the costs to safely maintain these vacant facilities have increased and this funding will be used for the maintenance or demolition of vacant facilities.

Prison Population at Lowest Level Since 1997



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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$1,950,939.1	\$2,014,499.4	\$1,968,182.3	\$2,050,142.5	\$2,011,206.5	\$2,085,246.8
	% Change from Previous Year	0.9%	1.8%	2.2%	1.7%

Programs

Prison Operations	\$1,525,488.2	\$1,580,769.0	\$1,525,052.0	\$1,571,450.8
Parole, Probation & Community Services	\$339,011.1	\$357,660.0	\$339,011.1	\$357,660.0
Administration	\$103,683.0	\$111,713.5	\$147,143.4	\$156,136.0
* Assumes passage of OPEB supplemental ^ Figures do not include one-time funding				
Total Recommendation	\$1,968,182.3	\$2,050,142.5	\$2,011,206.5	\$2,085,246.8

One-Time Appropriations

Information Technology Adjustments	\$1,129.5	\$1,129.5		
State Employee Lump Sum Payments	\$12,873.8	\$13,225.9		
Total One-Time Appropriations	\$14,003.3	\$14,355.4	\$0.0	\$0.0



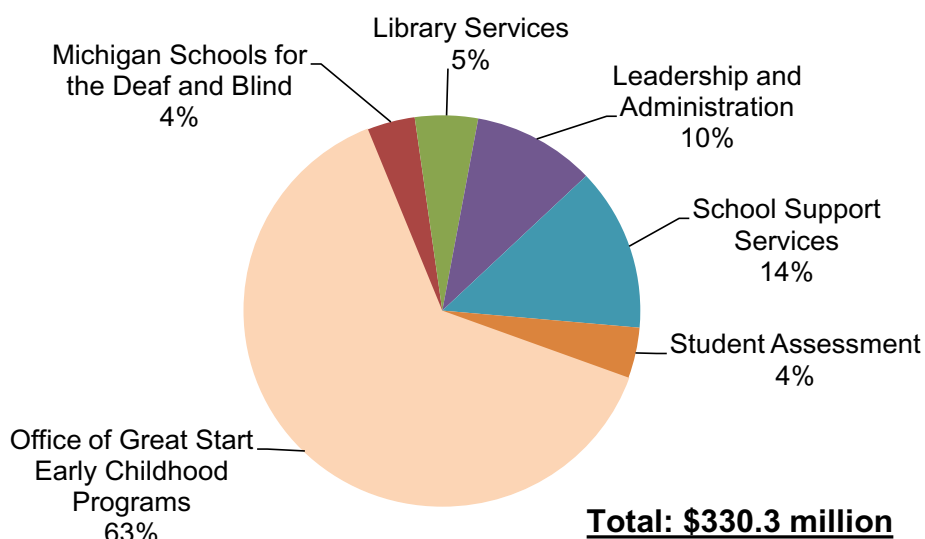
Department of Education

Leadership for Michigan's public education system is vested by the state Constitution in the elected members of the State Board of Education. The primary goal of the Board and the Department of Education (MDE) is to provide schools with the resources they need to better prepare all students to be college and career ready. *The Governor's proposed budget for fiscal year 2013 recommends total funding of \$330.3 million, of which \$67.9 million is general fund. The Governor's budget also recommends \$624,300 for one-time appropriations, of which \$114,100 is general fund. The Governor's proposed budget for fiscal year 2014 recommends total funding of \$331.8 million, of which \$68.2 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 development programs. The Executive Budget includes funding for the Office of Great Start of \$209.2 million (\$41.2 million general fund). (MDE metric C-5)

Over 60 Percent of the Department Budget Supports Early Childhood Development Programs



- To support efforts to increase the proportion of Michigan residents with college degrees or high-quality credentials, the Executive Budget recommends \$2 million in new general fund support for the Michigan College Access Network to place college advisors into urban and rural schools and to help families plan for college.
- The Governor's Budget includes \$800,000 general fund targeted to the expansion of online resources in the Michigan eLibrary for entrepreneurs and small business owners. Total funding for the Library of Michigan increases by 7.7 percent to \$17 million (\$11.4 million general fund). (MDE metric F-5)
- The Executive Budget includes increases of \$500,000 general fund to implement recent statutory provisions allowing for more charter schools, \$125,000 general fund to support the performance based funding initiative proposed in the School Aid budget, and \$760,000 general fund to provide assistance to schools needing improvement. (MDE metrics P-3 and C-7)

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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$64,643.9	\$326,559.8	\$67,929.1	\$330,328.6	\$68,182.4	\$331,819.7
	% Change from Previous Year	5.1%	1.2%	0.4%	0.5%

Programs

Early Childhood Development Programs	\$41,199.8	\$209,175.9	\$41,199.8	\$209,175.9
School Support Services	\$4,444.6	\$44,538.1	\$4,444.6	\$44,538.1
Leadership and Administration	\$8,261.8	\$33,068.5	\$8,515.1	\$34,559.6
Library Services	\$11,388.5	\$16,985.0	\$11,388.5	\$16,985.0
Student Assessment	\$2,634.4	\$13,735.9	\$2,634.4	\$13,735.9
Michigan Schools for the Deaf and Blind	\$0.0	\$12,825.2	\$0.0	\$12,825.2

* Assumes passage of OPEB supplemental

^ Figures do not include one-time funding

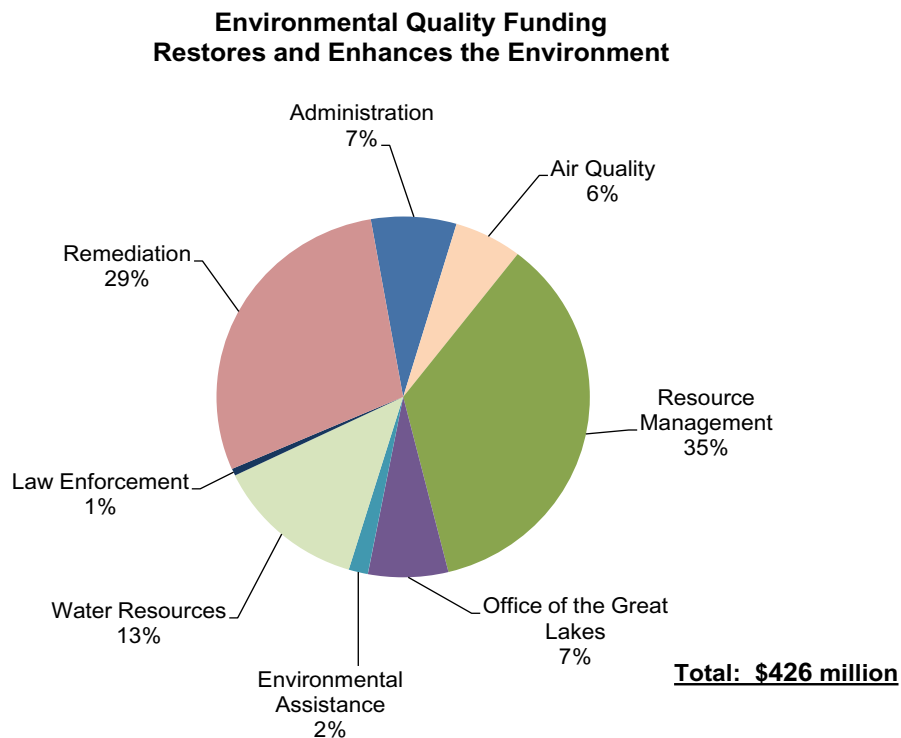
Total Recommendation	\$67,929.1	\$330,328.6	\$68,182.4	\$331,819.7
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One-Time Appropriations

State Employee Lump Sum Payments	\$114.1	\$624.3		
Total One-Time Appropriations	\$114.1	\$624.3	\$0.0	\$0.0

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 2013 recommends total funding of \$426 million, of which \$25.2 million is general fund. In addition, one-time funding of \$5.5 million, \$4.2 million general fund is recommended. The fiscal year 2014 recommendation includes \$428.5 million, of which \$25.7 million is general fund.*



Highlights of Governor's Budget Recommendation

- The fiscal year 2013 Executive Recommendation continues the Governor's focus on enforcing laws that protect public health while effectively administering core programs of the department with an emphasis on restoring the quality of the environment.
- Resources have been included to reflect the recommendations of the statutorily created State Water Pollution Control Revolving Fund Advisory Committee. Specifically, \$725,000 in state restricted support has been provided to cover staffing costs associated with administering a new state grant program and expansion of the state loan program, intended to stimulate much needed investments in large sewer system improvement projects. Statutory changes will be needed to repurpose some \$250 million of the remaining Great Lakes Water Quality Bond proceeds. Corresponding debt service funding has been added to the Department of Treasury budget to accommodate anticipated bond issuances of \$125 million in fiscal years 2013 and 2014. (DEQ metrics S2 and S4)
- The Governor recommends an additional \$10 million of restricted refined petroleum fund for environmental contamination cleanup work at leaking underground storage tank sites. Funding is available by replacing \$10 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 S9)

- One-time restricted funding of \$2 million is recommended to enhance the National Pollutant Discharge Elimination Management System and combine it with the Coastal and Inland Waters Permit Information System to form a new consolidated MiWaters (Michigan Waters) system. These systems improvements will decrease the amount of time required to process permit applications, thereby improving overall customer service. *(DEQ metrics B4, S2 and S4)*
- An additional \$2.5 million general fund is recommended for use as state match to obtain federal grant dollars for the drinking water revolving fund program. The additional funding will provide infrastructure loans to public water suppliers enabling an increased percentage of communities to be in compliance with health-based standards contained in the Federal Safe Drinking Water Act. An additional \$2.5 million in one-time funding for the same purpose is also recommended. *(DEQ metrics S8 and F3)*
- The water withdrawal program has operated using available fund balance resources which will not be available in fiscal year 2013. The Governor proposes to increase the annual water use reporting fee from \$200 to \$250 in order to protect and restore the aquatic ecosystem and provide for clean and safe water resources. The current fee generates approximately \$240,000 and the new structure will generate an estimated \$648,200. The fee will apply to anyone making one or more water withdrawals of over 100,000 gallons of water per day in a 30-day period. *(DEQ metric S10)*
- One-time funding of \$1.5 million general fund as well as \$500,000 of ongoing federal funding is recommended to offset restricted funds which are no longer available for the wetlands program. State restricted funds which have been supporting the program for the past three years have been depleted placing at risk the processing of consolidated land and water interface permits within statutory deadlines. The Wetlands Advisory Council, established in 2009, is expected to make long term funding recommendations in August of 2012. *(DEQ metric B1)*

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

FY12 Current Law*^		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$22,378.3	\$422,987.1	\$25,244.9	\$425,979.0	\$25,735.3	\$428,460.8
	% Change from Previous Year	12.8%	0.7%	1.9%	0.6%

Programs

Resource Management	\$3,740.7	\$151,674.5	\$3,740.7	\$151,674.5
Remediation Services	\$0.0	\$122,475.5	\$0.0	\$122,475.5
Water Resources	\$11,869.4	\$55,944.5	\$11,869.4	\$53,944.5
Administration	\$4,313.1	\$31,488.1	\$4,803.5	\$35,969.9
Office of the Great Lakes	\$375.8	\$29,556.6	\$375.8	\$29,556.6
Air Quality	\$4,404.8	\$25,046.1	\$4,404.8	\$25,046.1
Office of Environmental Assistance	\$0.0	\$7,082.6	\$0.0	\$7,082.6
Law Enforcement	\$541.1	\$2,711.1	\$541.1	\$2,711.1
* Assumes passage of OPEB supplemental				
^ Figures do not include one-time funding				
Total Recommendation	\$25,244.9	\$425,979.0	\$25,735.3	\$428,460.8

One-Time Appropriations

Drinking Water Revolving Fund State Match	\$2,500.0	\$2,500.0		
Wetlands Program	\$1,500.0	\$1,500.0		
State Employee Lump Sum Payments	\$160.1	\$1,549.2		
Total One-Time Appropriations	\$4,160.1	\$5,549.2	\$0.0	\$0.0



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 citizens of Michigan to communicate their concerns and opinions directly to the Governor. *The Governor's proposed budget for fiscal years 2013 and 2014 recommends total funding of \$4.8 million.*

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

FY12 Current Law		FY13 Recommendation [^]		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$4,599.2	\$4,599.2	\$4,829.2	\$4,829.2	\$4,829.2	\$4,829.2
	% Change from Previous Year	5.0%	5.0%	0.0%	0.0%

Programs

Executive Office Operations		\$4,829.2	\$4,829.2	\$4,829.2	\$4,829.2
<i>^ Figures do not include one-time funding</i>					
Total Recommendation		\$4,829.2	\$4,829.2	\$4,829.2	\$4,829.2

One-Time Appropriations

State Employee Lump Sum Payments		\$58.7	\$58.7		
Total One-Time Appropriations		\$58.7	\$58.7	\$0.0	\$0.0

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 citizens possess a high-quality degree or credential by 2025. *The Governor's proposed budget for fiscal years 2013 and 2014 recommends total funding of \$1.4 billion, of which \$1.1 billion is general fund.*

Highlights of Governor's Budget Recommendation

- The budget invests an additional \$36.2 million in state universities, all general fund. This 3 percent funding increase is distributed using a new performance formula based on four metrics: the growth in the number of undergraduate degree completions, the number of undergraduate completions in critical skills areas, the number of undergraduate Pell Grant recipients, and compliance with tuition restraint. (*Michigan Education Dashboard*)

FY 2013 State University Funding (\$ in Thousands)			
University	Operations Funding	Performance Funding	Percent Increase
Central Michigan University	\$68,108.9	\$2,571.8	3.8%
Eastern Michigan University	64,619.1	1,499.3	2.3%
Ferris State University	41,324.3	2,582.3	6.2%
Grand Valley State University	52,677.4	3,996.1	7.6%
Lake Superior State University	10,789.5	247.2	2.3%
Michigan State University	241,120.8	3,297.8	1.4%
Michigan Technological University	40,733.6	802.5	2.0%
Northern Michigan University	38,367.4	1,292.3	3.4%
Oakland University	43,145.0	1,599.6	3.7%
Saginaw Valley State University	23,561.5	1,121.0	4.8%
University of Michigan - Ann Arbor	268,803.3	3,892.2	1.4%
University of Michigan - Dearborn	21,016.3	571.5	2.7%
University of Michigan - Flint	17,762.4	568.5	3.2%
Wayne State University	182,036.9	1,682.4	0.9%
Western Michigan University	93,168.3	1,438.2	1.5%
Unallocated Tuition Restraint Funds		9,054.3	
Total:	\$1,207,234.7	\$36,217.0	3.0%

- Universities that better constrain tuition and fee increases will receive greater funding. Tuition restraint funding will be allocated to qualifying universities once all institutions have set their academic year 2012-13 tuition rates.
- In an effort to address the increasing strain of employee-related pension and health care costs on universities' budgets, the Governor recommends funding of \$446,200 for the increased cost of health care for retirees in the Michigan Public School Employees Retirement System.

- Funding for all student grant and financial aid programs is \$98.2 million, \$1.1 million of which is general fund.
- To ensure that limited student financial aid resources result in successful student outcomes, private institutions that receive Tuition Grant funding will be required to comply with certain performance reporting and data submission best practices.
- State Building Authority rent payments of \$124 million, all general fund, support debt service for recently constructed university building projects. An additional \$2.3 million general fund is appropriated for debt service for the Facility for Rare Isotope Beams at Michigan State University.

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

FY12 Current Law [^]		FY13 Recommendation		FY14 Recommendation	
State Funds	All Funds	State Funds	All Funds	State Funds	All Funds
\$1,263,952.0	\$1,362,278.4	\$1,302,955.1	\$1,399,981.5	\$1,305,662.9	\$1,402,689.3
	% Change from Previous Year	3.1%	2.8%	0.2%	0.2%

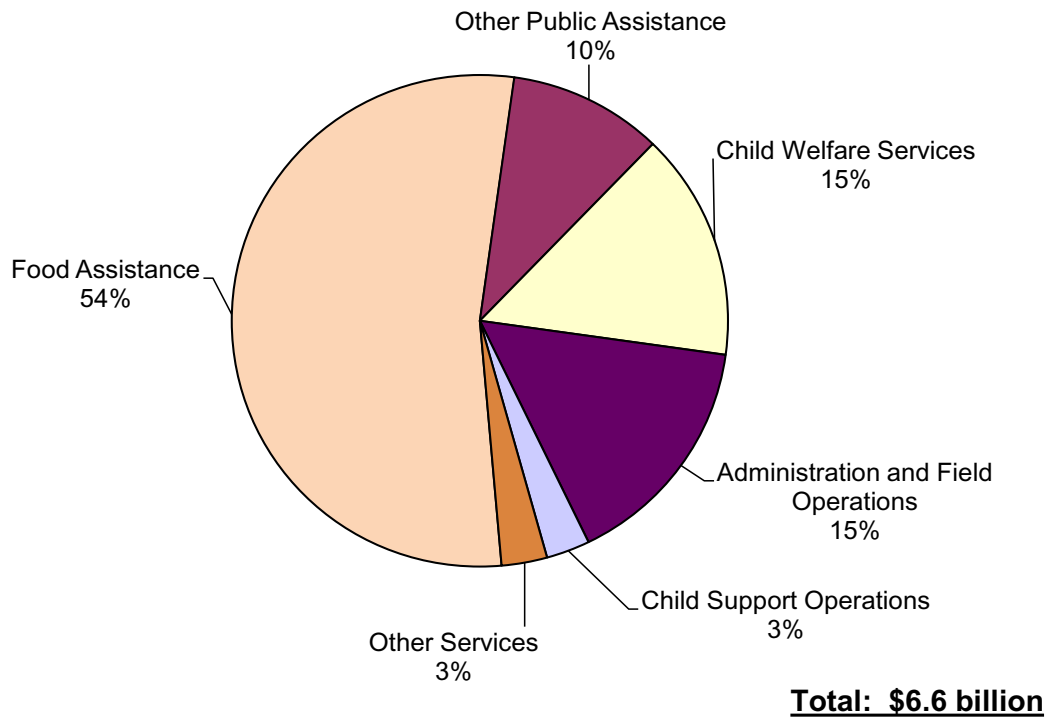
Programs	GF/GP	All Funds	GF/GP	All Funds
University Operations	\$1,007,215.2	\$1,207,234.7	\$1,007,215.2	\$1,207,234.7
Student Financial Aid	\$1,100.0	\$98,226.4	\$1,100.0	\$98,226.4
Agricultural Experiment and Cooperative Extension Services	\$52,625.8	\$52,625.8	\$52,625.8	\$52,625.8
University Performance Funding	\$36,217.0	\$36,217.0	\$36,217.0	\$36,217.0
Statewide Programs	\$2,891.5	\$2,891.5	\$2,891.5	\$2,891.5
Facility for Rare Isotope Beams Debt Service	\$2,339.9	\$2,339.9	\$5,047.7	\$5,047.7
Retiree Health Care Increase Premium	\$0.0	\$446.2	\$0.0	\$446.2
[^] Figures do not include one-time funding				
Total Recommendation	\$1,102,389.4	\$1,399,981.5	\$1,105,097.2	\$1,402,689.3



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 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 budgets for each of fiscal years 2013 and 2014 recommend total funding of \$6.6 billion, of which \$1 billion is general fund. In addition, one-time funding of \$16.2 million, \$7.9 million general fund, is recommended for fiscal year 2013.*

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



Highlights of Governor’s Budget Recommendation

- The Governor’s budget invests over \$942 million (\$359 million general fund) in Michigan’s child welfare system.
 - Child welfare improvements continue to be a priority for fiscal year 2013. During the last six years, Michigan has invested \$283 million (\$191 million general fund) to enhance child welfare services for abused and neglected children. These funds support staff for child protective services, foster care, adoption and contract monitoring; private agency staff and administrative costs; a needs assessment to aid in service provision; a federally required child welfare automation system and expansion of foster care program eligibility to age 21. 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-5)*

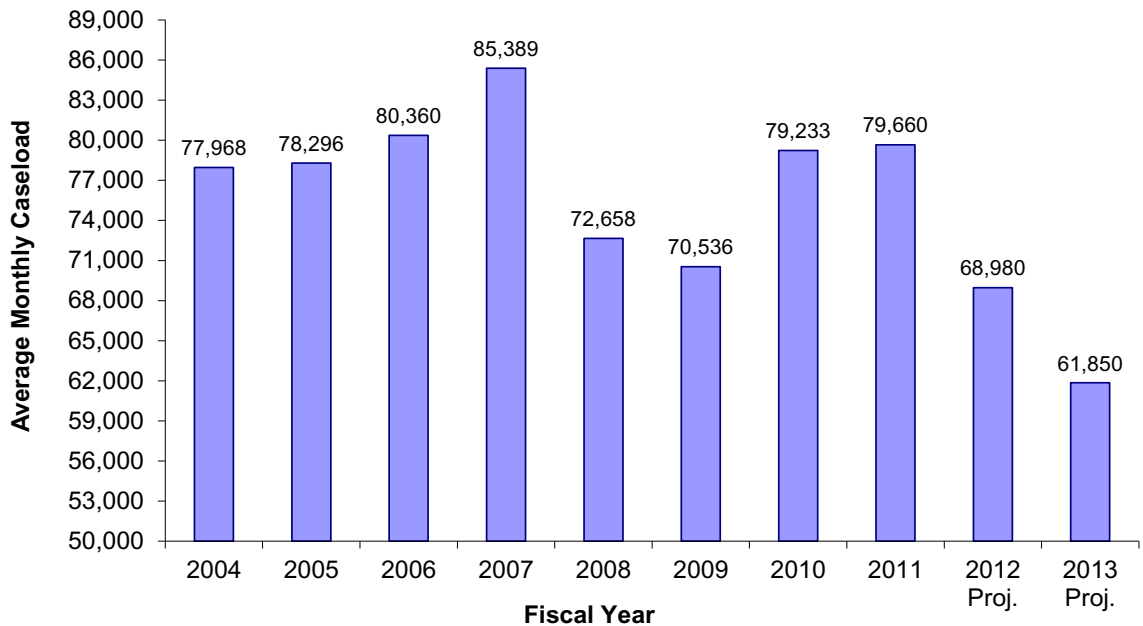
- The recommended budget adds \$2 million in federal funds for supported visitation, a home-based parent education program that supports family reunification. *(DHS metric C-2)*
- The rate paid to foster parents and adoptive parents is increased by \$3 per day. Supported with \$11.3 million (\$6.3 million general fund) in the Governor's recommendation, these funds pay for basic living expenses for foster and adopted children, encouraging and supporting permanent placements. These increased rates can also aid in the recruitment of foster and adoptive parents. *(DHS metric C-5)*
- A new Mobile Worker Initiative provides smart phones and laptops for child welfare, licensing and Inspector General staff to support working from remote locations and from home. These workers spend considerable time working directly with clients. This initiative gives staff the tools they need to complete their work anytime – anywhere – and maximizes the amount of time they have for direct interaction with clients. Smart phones also provide a safety feature using push-button distress calls and a GPS locator. This initiative is funded using \$935,000 in administrative savings. *(DHS metric P-1)*
- The Michigan Youth Opportunity Initiative combines staff and programs to focus resources on helping youth transition from the child welfare system to adult employment and independence. This new program is funded by redirecting \$1.9 million (\$878,000 general fund) in existing child welfare appropriations. *(DHS metric C-7)*

Other Highlights of the Governor's Budget

Income Assistance Programs

- The Family Independence program provides financial support for 61,850 families at a cost of \$318 million (\$140 million general fund). The 48 month lifetime limit on receipt of Family Independence Program benefits, implemented in fiscal year 2012, is intended to encourage employment and self-sufficiency. The reduction of 7,130 cases between fiscal years 2012 and 2013 is largely attributable to this policy change.
- To help move Family Independence Program recipients to self-sufficiency, a new stratified case management initiative is funded with \$1.2 million in federal funds. Caseworkers will conduct in-depth client needs assessments to identify cash assistance families with multiple barriers to employment and eventual self-sufficiency. Integrated service plans will be developed and implemented that bring together existing community resources to deliver services. Automated monitoring and tracking will provide data on progress toward achieving positive client outcomes, including increased employment and reduced dependence on cash assistance. *(DHS metric F-6)*

Family Independence Program Caseloads have Declined Due to Recent Policy Changes



- The Governor’s budget invests \$255 million in federal and state restricted funds to support heating assistance programs. Included in the Department of Human Services budget are \$195 million in federal funds for the home heating credit, energy-related crisis payments and weatherization for low-income home owners. The new Home Heating Assistance for the Vulnerable Fund in the Department of Licensing and Regulatory Affairs is supported with \$60 million in state restricted funds. Funded through utility rates and distributed to local agencies, these new funds will provide heating assistance to low-income families and individuals, including Department of Human Services clients. *(LARA metric 31)*

Child Support

- To help Michigan children obtain financial support from absent parents, over \$227 million (\$35 million general fund) is provided for the child support program. In fiscal year 2011, \$1.3 billion in child support was collected for children and their families.
- A new in-hospital paternity testing program is funded at \$1.8 million (\$600,000 general fund). Genetic testing at birth increases paternity establishments and child support collections, and encourages early parental involvement. Parental involvement and financial support increase the potential for positive child outcomes. *(DHS metric F-1)*

Adult Services

- To help address growing service demands as Michigan’s population ages, \$2.9 million (\$900,000 general fund) is recommended to support additional Adult Services staff. Adult Services programs assist the elderly and the disabled to live in the least restrictive setting, free from abuse and exploitation. *(DHS metric P-1A)*

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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$1,047,330.5	\$6,748,089.8	\$1,020,859.6	\$6,576,644.9	\$1,033,695.3	\$6,593,834.1
	% Change from Previous Year	-2.5%	-2.5%	1.3%	0.3%

Programs

Public Assistance	\$241,909.4	\$4,168,494.5	\$242,539.3	\$4,153,758.5
<i>Food Assistance</i>	\$0.0	\$3,511,626.3	\$0.0	\$3,511,626.3
<i>Other Public Assistance</i>	\$241,909.4	\$656,868.20	\$242,539.3	\$642,132.2
Administration and Field Operations	\$363,290.6	\$1,020,445.7	\$375,496.4	\$1,052,370.9
Children's Services	\$378,139.0	\$980,529.0	\$378,139.0	\$980,529.0
Child Support Operations	\$24,951.9	\$185,631.0	\$24,951.9	\$185,631.0
Disability Determination Services	\$2,792.6	\$94,294.3	\$2,792.6	\$94,294.3
Community Action and Economic Opportunity	\$0.0	\$56,169.7	\$0.0	\$56,169.7
Adult and Family Services	\$4,729.8	\$45,025.7	\$4,729.8	\$45,025.7
Licensing (Adult Foster Care, Children's Foster Care and Day Care)	\$5,046.3	\$26,055.0	\$5,046.3	\$26,055.0
* Assumes passage of OPEB supplemental				
^ Figures do not include one-time funding				
Total Recommendation	\$1,020,859.6	\$6,576,644.9	\$1,033,695.3	\$6,593,834.1

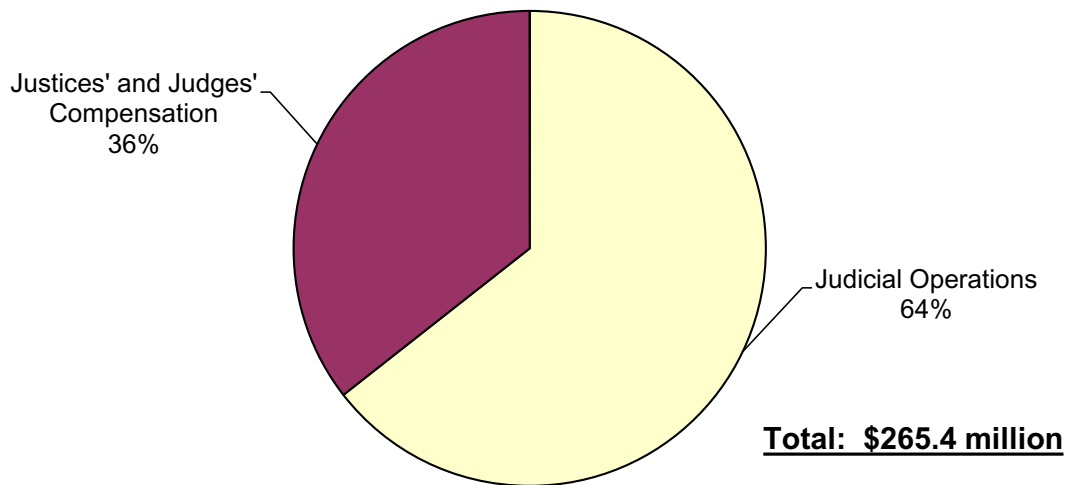
One-Time Appropriations

State Employee Lump Sum Payments	\$3,936.8	\$10,541.9		
Child Welfare Enhancements	\$4,000.0	\$5,700.0		
Total One-Time Appropriation	\$7,936.8	\$16,241.9	\$0.0	\$0.0

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 2013 recommends total funding of \$265.4 million, of which \$160.4 million is general fund. In addition, for fiscal year 2013, the Governor proposes total one-time funding of \$827,200 of which \$636,900 is general fund. For fiscal year 2014, the Governor's proposed budget is \$267 million, of which \$161.9 million is general fund.*

Two-Thirds of Budget Supports Judicial Operations



Highlights of Governor's Budget Recommendation

- As part of his Public Safety Initiative, the Governor recommends the addition of \$1 million general fund for mental health courts. This investment will contribute to the maintenance of eight 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 incarceration.
- The Executive Recommendation includes additional funding of \$225,000 for staff attorneys for the State Appellate Defender Office (SADO). These additional attorneys will help ensure that SADO can successfully manage 25 percent of indigent appellate defense cases, which is consistent with the statutory goal.
- The Governor recommends the investment of \$160,000 general fund for additional staff to provide technical assistance to local courts undergoing consolidation as part of the right-sizing effort of the Judiciary. The 2011 Judicial Resources Recommendations include the gradual elimination of 41 judgeships throughout the state and, if implemented, will save over \$7 million. The Governor's budget includes savings of \$42,100 related to elimination of judgeships included in P. A. 300 of 2011.

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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$154,740.3	\$259,787.2	\$160,379.5	\$265,397.8	\$161,857.1	\$267,005.7
	% Change from Previous Year	3.6%	2.2%	0.9%	0.6%

Programs

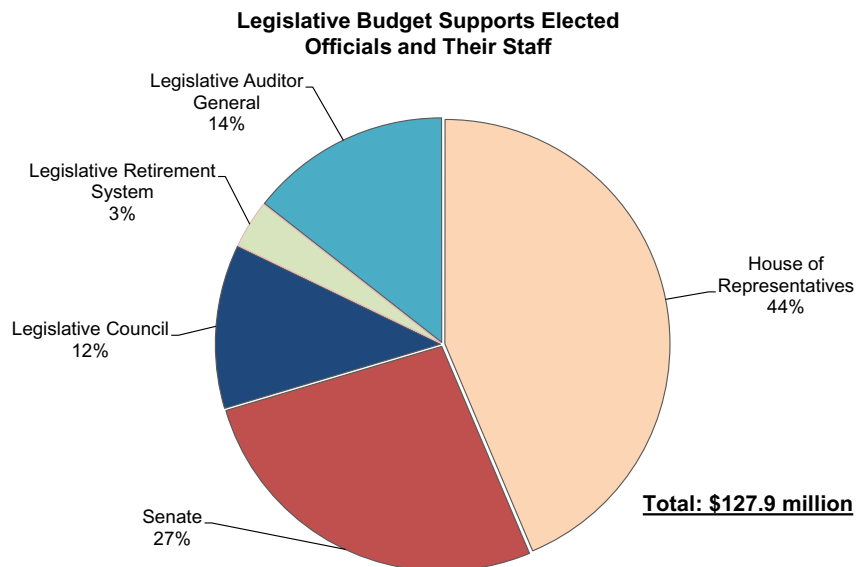
Judicial Operations	\$73,092.0	\$171,020.1	\$74,569.6	\$172,628.0
Justices' and Judges' Compensation	\$87,287.5	\$94,377.7	\$87,287.5	\$94,377.7
* Assumes passage of OPEB supplemental ^ Figures do not include one-time funding				

Total Recommendation	\$160,379.5	\$265,397.8	\$161,857.1	\$267,005.7
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One-Time Appropriations				
State Employee Lump Sum Payments	\$636.9	\$827.2		
Total One-Time Appropriations	\$636.9	\$827.2	\$0.0	\$0.0

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 and protect the actions and interests of the government and the people. *The Governor's proposed budget for fiscal year 2013 recommends total funding of \$127.9 million, of which \$120.8 million is general fund. The Governor's proposed budget for fiscal year 2014 recommends total funding of \$128.4 million, of which \$121.2 million is general fund.*



Highlights of Governor's Budget Recommendation

- The Executive Recommendation provides \$109.5 million for the Legislature, including the Senate, the House of Representatives, and supporting entities.
- More than \$18.4 million is recommended for the Legislative Auditor General and his staff, who assist him in executing his constitutional responsibilities to conduct financial and performance audits of state government operations.
- The Auditor General has recommended that the state change its audit schedule for federal programs from biennial department audits to a statewide single audit. This approach is consistent with the approach taken in 47 other states. With this change, the Office of the Auditor General will be able to redirect a significant amount of resources to higher impact audits that will greatly increase State agency accountability and legislative audit oversight in areas of interest to the State. The Governor agrees with this recommendation and has adjusted the Office of the Auditor General budget in order to implement the proposal.
- The Legislative Corrections Ombudsman will receive a direct appropriation increase of \$250,000 general fund, replacing an equal interdepartmental grant from the Department of Corrections.

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

FY12 Current Law*		FY13 Recommendation		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$102,884.8	\$104,644.6	\$108,012.7	\$109,522.5	\$108,012.7	\$109,522.5
	% Change from Previous Year	5.0%	4.7%	0.0%	0.0%

Programs

Legislature		\$108,012.7	\$109,522.5	\$108,012.7	\$109,522.5
<p>* Assumes passage of OPEB supplemental</p>					

Total Recommendation		\$108,012.7	\$109,522.5	\$108,012.7	\$109,522.5
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**Governor's Recommendation
Legislative Auditor General
(\$ in Thousands)**

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$11,624.1	\$16,966.4	\$12,820.1	\$18,416.8	\$13,157.1	\$18,917.9
	% Change from Previous Year	10.3%	8.5%	2.6%	2.7%

Programs

Auditor General Operations		\$12,820.1	\$18,416.8	\$13,157.1	\$18,917.9
<p>* Assumes passage of OPEB supplemental ^ Figures do not include one-time funding</p>					
Total Recommendation		\$12,820.1	\$18,416.8	\$13,157.1	\$18,917.9

One-Time Appropriations

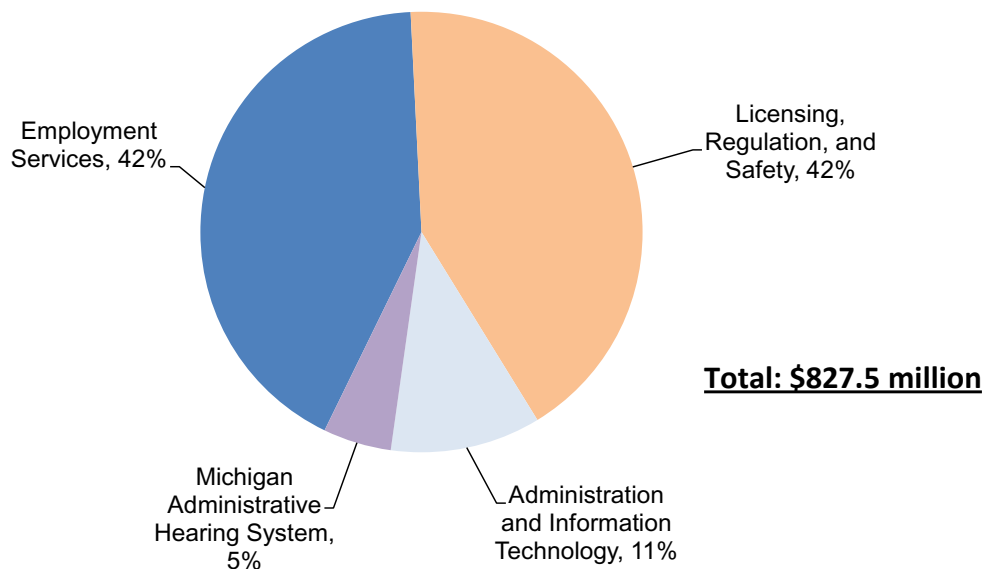
State Employee Lump Sum Payments	\$184.8	\$270.9		
Total One-Time Appropriations	\$184.8	\$270.9	\$0.0	\$0.0



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 2013 recommends total funding of \$827.5 million (\$35.4 million general fund), as well as one-time funding of \$5 million (\$177,500 general fund). The proposed fiscal year 2014 budget includes \$840 million, of which \$35.9 million is general fund.

LARA Supports Employment and Business Regulatory Services



Highlights of Governor's Budget Recommendation

- The Governor recommends a new Home Heating Assistance for the Vulnerable program as a permanent source of funding for heating assistance for the poor. Through \$60 million in revenue generated from gas and electric utility rates, this program will help achieve the Governor's objective of ensuring that Michigan's most vulnerable households have heat during the cold weather months. (LARA metric 31)
- The Executive Budget includes \$1.5 million in additional general fund support for Michigan's Centers for Independent Living in order to increase the number of persons with disabilities who achieve self-sufficiency and employment. (LARA metric 32)
- The Governor's budget continues the efforts begun in the previous fiscal year to reinvent Michigan's business regulatory environment with \$415,800 in restricted fund support for the Office of Regulatory Reinvention (ORR). ORR is actively working to streamline the state's rules and regulations in order to foster business growth and job creation. (LARA metric 3)

Unemployment Insurance System

- In December 2011, the Michigan Finance Authority issued \$3.3 billion in bonds to stabilize the state's unemployment insurance program and repay federal loans borrowed to satisfy unemployment insurance benefits during the economic downturn. This action restores long-term solvency to the state's unemployment insurance system and saves employers an estimated \$264 million by avoiding increased federal unemployment insurance tax obligations.

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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$42,024.1	\$857,934.0	\$35,393.4	\$827,476.8	\$35,949.4	\$840,005.8
	% Change from Previous Year	-15.8%	-3.6%	1.6%	1.5%

Programs

Employment Services	\$25,086.7	\$349,060.6	\$25,086.7	\$349,060.6
Licensing, Regulation, and Safety	\$7,184.6	\$347,066.7	\$7,184.6	\$347,066.7
Administration and Information Technology	\$2,109.4	\$92,096.2	\$2,665.4	\$104,625.2
Michigan Administrative Hearing System	\$1,012.7	\$39,253.3	\$1,012.7	\$39,253.3
* Assumes passage of OPEB supplemental				
^ Figures do not include one-time funding				
Total Recommendation	\$35,393.4	\$827,476.8	\$35,949.4	\$840,005.8

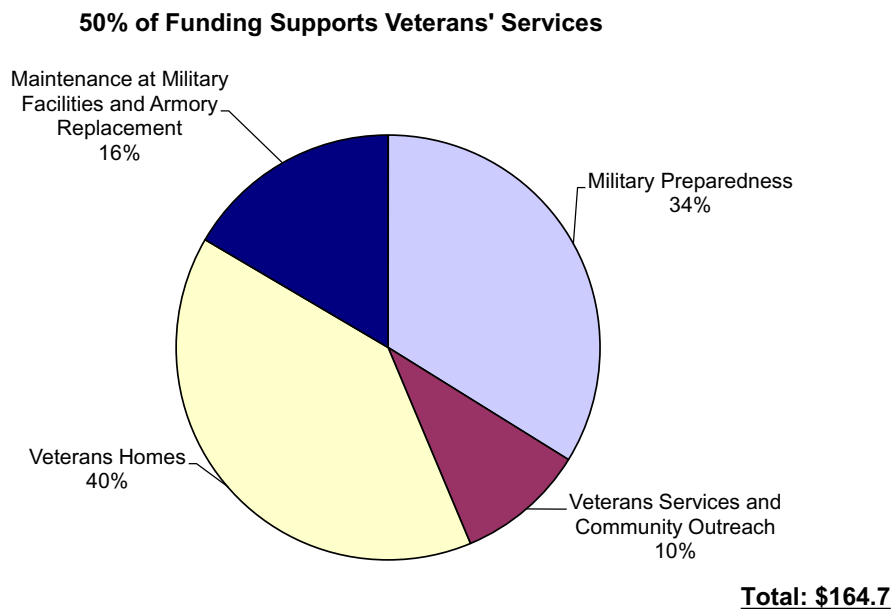
One-Time Appropriations

State Employee Lump Sum Payments	\$177.5	\$5,036.8		
Total One-Time Appropriations	\$177.5	\$5,036.8	\$0.0	\$0.0



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 11,700 members of the Michigan National Guard: 1,302 currently mobilized (1,244 Army and 58 Air) with an additional 926 scheduled to be deployed through March 2013. *The Governor's proposed budget for fiscal year 2013 recommends total funding of \$164.7 million, of which \$32.2 million is general fund. One-time funding of \$3.1 million, of which \$2.6 million is general fund, is also recommended. For fiscal year 2014, the Governor's proposed budget recommends total funding of \$155.1 million, \$32.7 million of which is general fund.*



Highlights of Governor's Budget Recommendation

- The budget includes \$55.7 million in funding for military preparedness, representing the Michigan National Guard's traditional mission of state and national defense and homeland security.
- Funding to address the backlog of special maintenance needs at the department's 43 armories has been increased by \$4.8 million, \$2.4 million of which is one-time funding for fiscal year 2013. This increased funding will enable the department to update its armories for better training for National Guard members. New capital outlay funding of \$12 million is recommended to replace the antiquated 87 year-old Flint Armory, and \$15 million is available for special maintenance projects at federal military facilities in Michigan. (*DMVA metric 2*)
- Veterans, their families, and Michigan communities, through the department's outreach programs, are served with \$16.2 million in funding. As part of that funding, Veterans Service Organizations will receive \$2.9 million in state-funded grants to counsel veterans and assist them in receiving benefits and services for which they are eligible.

- The fiscal year 2013 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 731 resident veterans.
- The Governor recommends that the Military Retirement program (\$3.9 million) be transferred to the Department of Technology, Management and Budget (DTMB). The Office of Retirement Services within DTMB has the expertise to efficiently operate this retirement program.

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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$33,983.7	\$156,544.9	\$32,177.5	\$164,731.3	\$32,713.1	\$155,127.9
	% Change from Previous Year	-5.3%	5.2%	1.7%	-5.8%

Programs

Veterans Homes	\$15,321.4	\$65,552.2	\$15,321.4	\$65,552.2
Military Preparedness	\$13,296.9	\$55,739.1	\$13,832.5	\$58,135.7
Maintenance at Military Facilities and Armory Replacement	\$0.0	\$27,250.0	\$0.0	\$15,250.0
Veterans Services and Community Outreach	\$3,559.2	\$16,190.0	\$3,559.2	\$16,190.0
* Assumes passage of OPEB supplemental ^ Figures do not include one-time funding				
Total Recommendation	\$32,177.5	\$164,731.3	\$32,713.1	\$155,127.9

One-Time Appropriations

Armory Special Maintenance	\$2,400.0	\$2,400.0		
State Employee Lump Sum Payments	\$155.9	\$707.9		
Total One-Time Appropriations	\$2,555.9	\$3,107.9	\$0.0	\$0.0

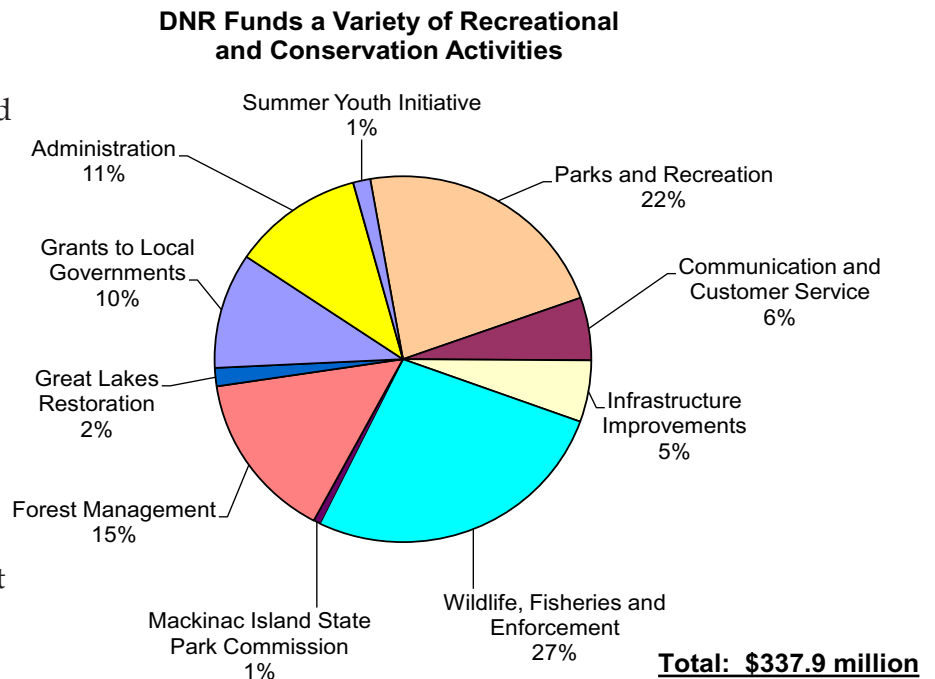


Department of Natural Resources

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 2013 recommends total funding of \$337.9 million, of which \$19.5 million is general fund. In addition, one-time funding of \$3.9 million, \$2.1 million general fund is recommended. The fiscal year 2014 recommendation includes \$340 million, of which \$19.8 million is general fund.*

Highlights of Governor's Budget Recommendation

- The fiscal year 2013 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 a new competitive grant program to assist public and private entities with dam removal and maintenance. One-time funding of \$2 million along with \$500,000 of ongoing funding is recommended to prevent the most at-risk dams from failing. *(DNR metric A13)*
- The Governor's recommendation includes \$5 million to implement a summer youth employment initiative for at-risk youth with an emphasis in Pontiac, Flint, Saginaw and Detroit. This program will provide valuable work for the state while giving at-risk youth an enriching experience where they are exposed to new activities and careers. Activities will foster a love of science and the outdoors, while others will focus on recreation and working with younger children to instill a sense of fair play and responsibility. The department will explore partnerships and replicate model programs to ensure the dollars are spent in effective ways. *(DNR metric A8)*
- An increase to the Off-Road Vehicle (ORV) license fee is recommended to enhance the ORV trails program by expanding trail riding opportunities, upgrading trail signage and improving safety education, law enforcement, and environmental restoration. The current fee of \$16.25, last increased in 1996, is recommended to increase to \$35.00 in fiscal year 2013.
- The Governor's recommendation includes a total of \$6.3 million for waterways boating projects, including \$2.3 million for continued improvements to the Port Austin State Harbor, and state match for local marina improvements at Presque Isle and Munising.



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

FY12 Current Law ^{**}		FY13 Recommendation [^]		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$14,326.7	\$340,141.1	\$19,541.7	\$337,869.5	\$19,844.2	\$339,958.5
	% Change from Previous Year	36.4%	-0.7%	1.5%	0.6%

Programs

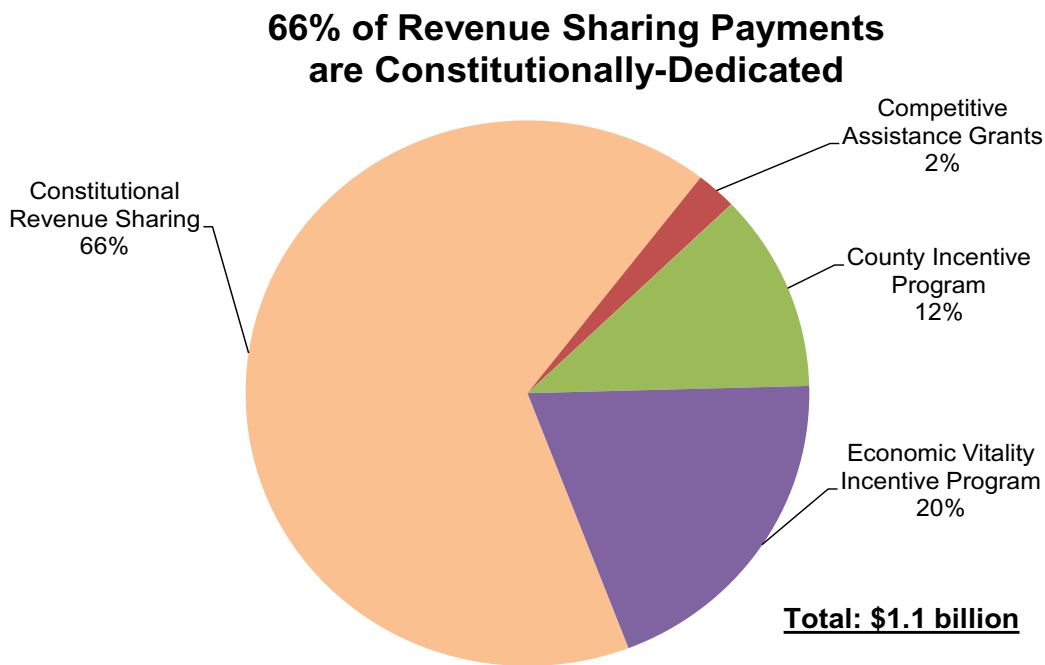
Wildlife, Fisheries and Enforcement	\$2,920.6	\$90,265.1	\$2,920.6	\$90,265.1
Parks and Recreation	\$0.0	\$75,474.7	\$0.0	\$75,474.7
Forest Management	\$3,772.0	\$49,926.6	\$3,772.0	\$49,926.6
Administration	\$3,797.2	\$38,216.7	\$4,099.7	\$43,727.9
Grants to Local Governments	\$350.0	\$34,414.2	\$350.0	\$34,414.2
Communication and Customer Service	\$3,701.9	\$18,723.8	\$3,701.9	\$18,723.8
Infrastructure Improvements	\$0.0	\$18,376.5	\$0.0	\$14,954.3
Great Lakes Restoration	\$0.0	\$5,500.0	\$0.0	\$5,500.0
Summer Youth Initiative	\$5,000.0	\$5,000.0	\$5,000.0	\$5,000.0
Mackinac Island State Park Commission	\$0.0	\$1,971.9	\$0.0	\$1,971.9
* Assumes passage of OPEB supplemental				
^ Figures do not include one-time funding				
Total Recommendation	\$19,541.7	\$337,869.5	\$19,844.2	\$339,958.5

One-Time Appropriations

Dam management grant program	\$2,000.0	\$2,000.0		
State Employee Lump Sum Payments	\$96.2	\$1,892.6		
Total One-Time Appropriations	\$2,096.2	\$3,892.6	\$0.0	\$0.0

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. There are two ways that local units share in a portion of state sales tax revenue: a constitutionally-dedicated portion is distributed to cities, villages, and townships; an additional portion of sales tax revenue is earmarked in state law to provide incentive-based payments that are subject to annual appropriation. *Funding for fiscal year 2013 is recommended at \$1.1 billion, which includes \$711.1 million for constitutionally-required revenue sharing payments, \$210 million for the Economic Vitality Incentive Program, \$25 million for assistance grants, and \$125.6 million for a new incentive-based program for counties. Anticipated funding for fiscal year 2014 is recommended at \$1.1 billion, which includes \$730.6 million for constitutionally-required revenue sharing payments.*



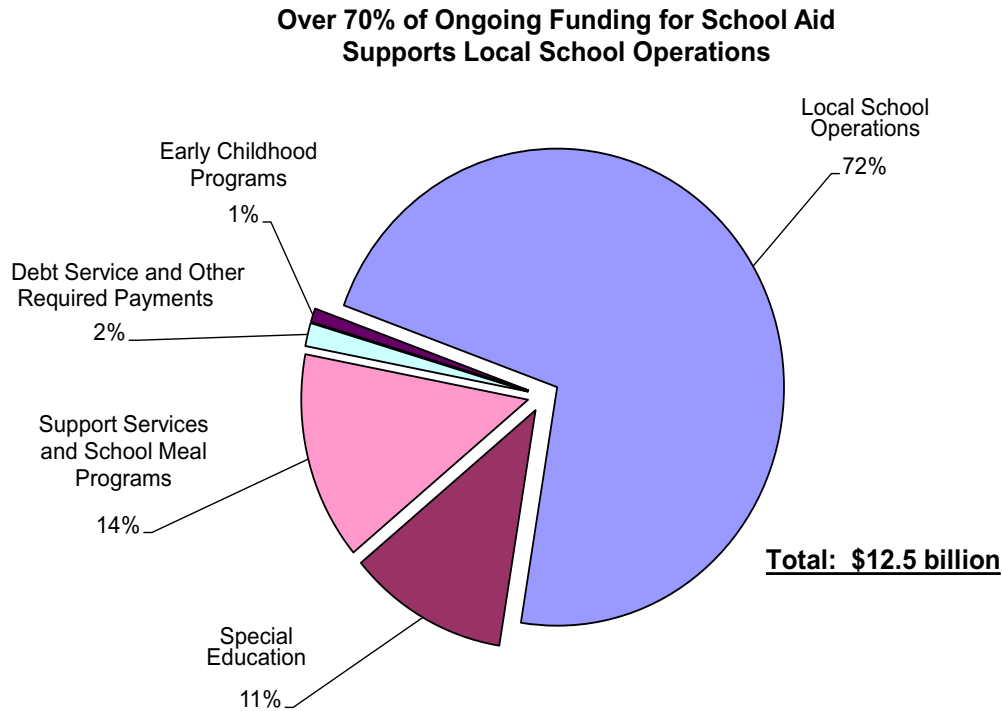
Highlights of Governor's Budget Recommendation

- Constitutional revenue sharing payments for cities, villages, and townships are increased by \$13.6 million (2 percent), to \$711.1 million, based on estimated sales tax collections.
- The Economic Vitality Incentive Program is funded in fiscal year 2013 with \$210 million in sales tax revenue. Cities, villages, and townships receive financial incentives if they meet specific standards and adopt best practices. Criteria include accountability and transparency requirements, consolidation of services, and employee compensation reforms.

- Beginning in fiscal year 2013, a new incentive-based program for counties is recommended to replace statutory revenue sharing, funded with \$125.6 million in sales tax revenue. Sixty-one (61) counties are estimated to exhaust their revenue sharing reserve funds prior to, or during, fiscal year 2013. These counties will qualify for financial incentive payments provided they meet specific standards and adopt best practices, consistent with requirements under the Economic Vitality Incentive Program for cities, villages, and townships.
- A competitive grant assistance program is funded in fiscal year 2013 with \$25 million in sales tax revenue, utilizing \$5 million in ongoing funding plus a one-time augmentation of \$20 million. Cities, villages, townships, or counties that elect to combine government operations may apply for reimbursement of costs for approved projects. Fiscal year 2013 funding represents a four-fold increase from fiscal year 2012 funding of \$5 million. The proposed one-time increase addresses significant interest expressed by local units seeking help with transition costs associated with mergers, inter-local agreements, and other cooperative efforts.

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 2013 recommends total ongoing funding of \$12.5 billion, of which \$200 million is general fund. The estimated fiscal year 2014 budget totals \$12.6 billion, including \$18.6 million in general fund.*



Highlights of the Governor's Budget Recommendation

- To protect critical education programs, the Executive Recommendation for fiscal year 2013 augments the \$10.8 billion in available School Aid Fund revenues with an additional \$200 million in general fund support for schools. Funding for per-pupil foundation allowances is maintained at fiscal year 2012 levels, for a total of \$8.7 billion.
- In an effort to address the increasing strain of employee-related pension and health care costs on school districts' budgets, the Governor's budget provides \$155 million in ongoing funding to help defray pension costs and adds \$24 million for anticipated increases in retiree health care costs.
- The Governor's budget invests \$190 million for incentive payments to districts that meet student performance standards or best practices criteria. Under the performance funding provision, districts may qualify for up to \$100 per pupil for demonstrating growth in student scores in math and reading for grades 3 to 8 and on all five tested subject areas for high school students. Additional payments of approximately \$75 per pupil will be awarded to districts that meet five of six best practices criteria: participating in schools of choice programs, monitoring individual student growth, offering opportunities for postsecondary

coursework, offering online learning, publishing a citizen's dashboard and serving as the policy-holder for health care benefits. (*Michigan Education Dashboard*)

- The Executive Recommendation also includes \$10 million in one-time funds for competitive innovation grants to help defray transition costs associated with consolidation or shared services efforts. Both local and intermediate school districts will be eligible to compete for these funds.
- While intermediate school districts' (ISDs) operations funding is maintained at \$62.1 million, the Governor continues his focus on best practices by setting aside 5 percent of that amount to be allocated to ISDs that meet four of five best practices: developing service consolidation plans; working in consortium with other ISDs to develop detailed data system specifications for use by districts; developing classroom digital technology plans; obtaining competitive bids for noninstructional services; and creating a citizen's dashboard.
- Education dollars have traditionally been distributed based on the time students spend in a classroom. As the use of technology has transformed the education delivery model in recent years, the role of the Michigan Virtual University is redesigned to serve as the statewide leader in online learning. In fiscal year 2013, the Michigan Virtual University will conduct a pilot program for online learning where funding is based on student performance rather than instructional seat time.
- In response to recently enacted teacher evaluation requirements, additional funding of \$1.8 million is included in the Governor's budget to support professional development for school principals related to methods of conducting fair and consistent teacher evaluations.
- The fiscal year 2013 School Aid budget maintains current year funding of over \$115 million for early childhood programs. An additional \$209.2 million (\$41.2 million general fund) is included in the Department of Education budget for early learning and child care programs.
- The fiscal year 2013 budget includes over \$1.4 billion in funding for programs that assist over 67,000 special education students in the state.
- The Governor also maintains spending of \$1.2 billion for core student supplemental programs such as services for 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)**

FY12 Current Law^		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$18,642.4	\$12,198,795.0	\$18,642.4	\$12,505,657.2	\$18,642.4	\$12,603,634.8
	% Change from Previous Year	0.0%	2.5%	0.0%	0.8%

Programs

Basic Operations Support	\$3,432.2	\$8,995,775.4	\$3,432.2	\$9,041,133.0
Special Education	\$0.0	\$1,429,269.1	\$0.0	\$1,461,869.1
Supplemental and Support Services	\$5,691.8	\$1,228,626.8	\$5,691.8	\$1,227,376.8
School Meal Programs	\$0.0	\$434,626.1	\$0.0	\$434,626.1
Debt Service and Other Required Payments	\$0.0	\$197,528.0	\$0.0	\$218,798.0
Early Childhood Programs	\$300.0	\$115,475.0	\$300.0	\$115,475.0
Student Assessment and Accountability	\$9,218.4	\$82,356.8	\$9,218.4	\$82,356.8
Adult Education	\$0.0	\$22,000.0	\$0.0	\$22,000.0
<i>^ Figures do not include one-time funding</i>				
Total Recommendation	\$18,642.4	\$12,505,657.2	\$18,642.4	\$12,603,634.8

One-Time Appropriations

Best Practices & Performance Funding	\$140,000.0	\$140,000.0		
Best Practices Innovation Grants	\$10,000.0	\$10,000.0		
General Fund Support for Operations	\$31,357.6	\$31,357.6		
Total One-Time Appropriations	\$181,357.6	\$181,357.6	\$0.0	\$0.0

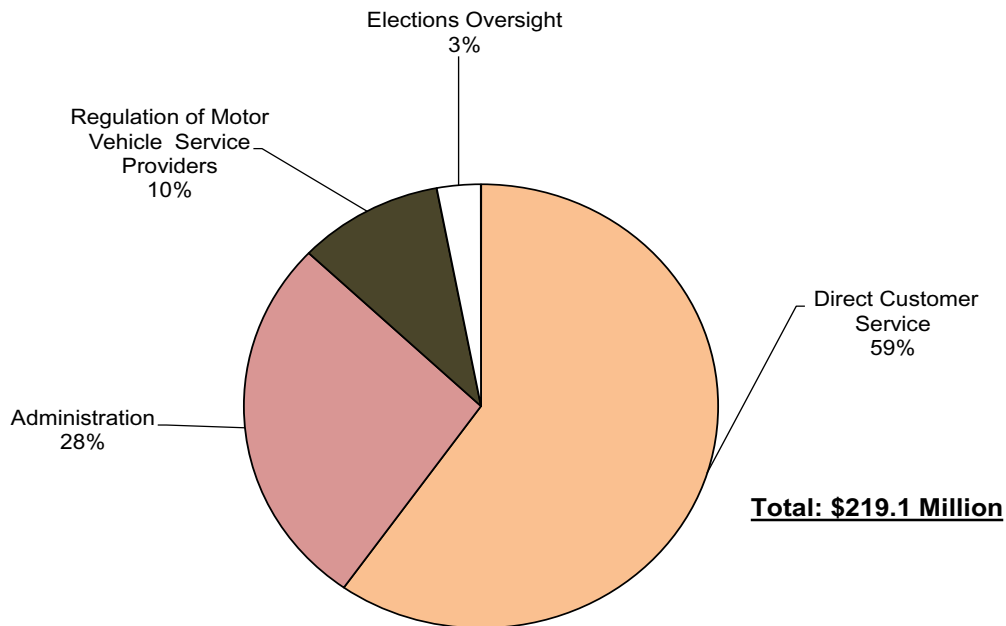


Department of State

The Department of State administers Michigan's motor vehicle programs including titling, registering vehicles, licensing drivers, and monitoring driver performance. The Secretary of State also supervises statewide elections and administers the state election law. *The Governor's proposed budget for fiscal year 2013 recommends total funding of \$219.1 million, of which \$13.6 million is general fund. In addition, for fiscal year 2013, the Governor proposes total one-time funding of \$1.7 million, of which \$434,900 is general fund. For fiscal year 2014, the Governor recommends total funding for the department of \$223.1 million, of which \$13.8 is general fund.*

The Department of State collects over \$2.1 billion in revenues. This includes \$890 million in highway funds, \$850 million in sales and use taxes, and \$140 million in record look-up fees. The Department of State has contact with the majority of Michigan residents through registered vehicles, driver licenses or personal identification cards, registered watercraft and snowmobiles and supervision of elections.

The Department of State's Top Priority is Customer Service



Highlights of Governor's Budget Recommendation

- The Governor recommends a one-time appropriation of \$150,000 in fiscal year 2013 to enhance marketing efforts to encourage residents to save time by conducting their Secretary of State business online.
- The Executive Recommendation includes \$1 million of restricted funds to administer the Federal Motor Carrier Safety Administration's requirement that commercial drivers provide medical proof that they are healthy enough to drive. Funding is available by increasing the commercial driver license fee from \$25 to \$35 and using the funds to implement and administer this new federal mandate.

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

FY12 Current Law*		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$11,750.6	\$219,758.1	\$13,606.4	\$219,128.1	\$13,841.2	\$223,132.4
	% Change from Previous Year	15.8%	-0.3%	1.7%	1.8%

Programs

Customer Services	\$2,087.2	\$131,032.9	\$2,087.2	\$131,032.9
Operational Support	\$5,707.6	\$59,805.5	\$5,942.4	\$63,809.8
Regulatory Services	\$11.8	\$21,709.9	\$11.8	\$21,709.9
Election Regulation	\$5,799.8	\$6,579.8	\$5,799.8	\$6,579.8
* Assumes passage of OPEB supplemental ^ Figures do not include one-time funding				
Total Recommendation	\$13,606.4	\$219,128.1	\$13,841.2	\$223,132.4

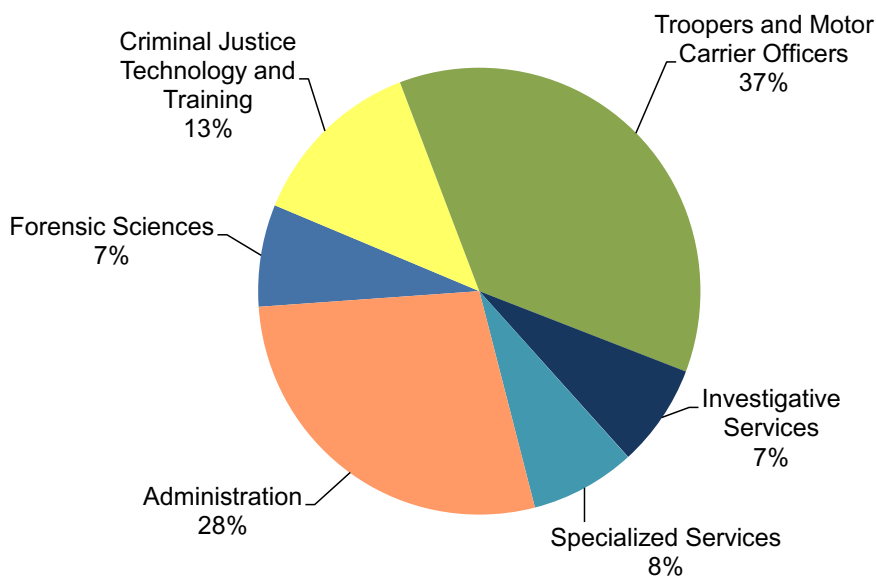
One-Time Appropriations

State Employee Lump Sum Payments	\$284.9	\$1,544.4		
ExpressSOS Marketing	\$150.0	\$150.0		
Total One-Time Appropriations	\$434.9	\$1,694.4	\$0.0	\$0.0

Department of State Police

The Michigan State Police (MSP) delivers law enforcement services throughout the state. *The Governor's proposed budget for fiscal year 2013 recommends total funding of \$567.6 million, of which \$312.4 million is general fund. In addition, one-time funding of \$5.6 million, \$4.5 million general fund is recommended. The Governor's proposed budget for fiscal year 2014 recommends total funding of \$579.3 million, of which \$320.6 million is general fund.*

State Police Provides a Variety of Statewide Enforcement and Specialty Services



Total: \$567.6 million

Highlights of Governor's Budget Recommendation

- Funding for core programs of the department is maintained 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. The Governor's proposed budget adds a total of \$47 million general fund for MSP, an increase of 16 percent over the current year. These additional funds will be used to enhance multiple facets of law enforcement including: forensic sciences, tobacco tax enforcement, assistance to local units of governments, the Regional Policing Plan, and replacement of critical equipment.
- In an effort to improve public safety, \$2.8 million general fund is added for patrol and investigative services. This funding is one component of the Governor's public safety initiative, which is intended to reduce crime in high-risk urban areas. As part of this initiative, additional funding is also recommended for the Attorney General and the Department of Corrections. (MSP metric C-8)
- The Executive Recommendation includes \$3.1 million general fund for additional staffing within Forensic Sciences. This additional funding will decrease the average number of days for processing forensic tests related to criminal investigations. (MSP metric C-6)

- An additional \$4.0 million general fund is included to fully fund the department's Regional Policing Plan which was implemented in the current year. Specifically, this funding will support communication and information technology costs associated with shifting to mobile offices as well as additional fleet costs for staff assigned to road patrol. Also, the Executive Recommendation includes \$1.1 million general fund to replace mobile radios and data computers and establish lifecycle replacement programs for both. *(MSP metric O-1)*
- A multi-agency approach involving the departments of State Police, Treasury, and the Attorney General will be implemented to improve enforcement of tobacco tax laws and enforcement of the multi-state tobacco settlement agreement. The Governor recommends \$200,000 for the department of State Police to support these efforts, which will yield increased investigations and prosecutions, with a subsequent growth in civil assessments and tobacco tax revenues. *(MSP metric P-6)*
- The Governor's Recommendation includes \$9 million general fund to replace state restricted and federal funding that is no longer available for forensic services and the operations of the Michigan Intelligence Operations Center and the Michigan Public Safety Communications System.
- An additional \$15 million general fund is included for a law enforcement enhancement which will be further detailed in the Governor's upcoming March 2012 Special Message on Public Safety.

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

FY12 Current Law*^		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$269,366.0	\$532,940.3	\$312,432.5	\$567,550.1	\$320,624.2	\$579,260.6
	% Change from Previous Year	16.0%	6.5%	2.6%	2.1%

Programs

Troopers and Motor Carrier Officers	\$144,849.6	\$208,151.9	\$144,849.6	\$208,151.9
Administration	\$42,939.5	\$153,083.7	\$51,131.2	\$164,794.2
Criminal Justice Technology and Training	\$30,797.8	\$73,317.9	\$30,797.8	\$73,317.9
Specialized Services	\$35,319.4	\$43,542.9	\$35,319.4	\$43,542.9
Investigative Services	\$31,152.4	\$42,170.5	\$31,152.4	\$42,170.5
Forensic Sciences	\$22,508.8	\$41,826.7	\$22,508.8	\$41,826.7
Executive Direction	\$4,865.0	\$5,456.5	\$4,865.0	\$5,456.5
* Assumes passage of OPEB supplemental ^ Figures do not include one-time funding				
Total Recommendation	\$312,432.5	\$567,550.1	\$320,624.2	\$579,260.6

One-Time Appropriations

State Employee Lump Sum Payments	\$2,085.2	\$3,220.0		
Replace Outdated Equipment/Protective Gear	\$1,623.7	\$1,623.7		
Rent and Building Occupancy Charges	\$750.0	\$750.0		
Total One-Time Appropriations	\$4,458.9	\$5,593.7	\$0.0	\$0.0



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 2013 recommends total funding of \$1.1 billion, of which \$384.1 million is general fund. In addition, for fiscal year 2013, the budget includes total one-time funding of \$21.7 million, of which \$17.8 million is general fund. For fiscal year 2014, the Governor's proposed budget is \$1.1 billion, of which \$387.5 million is general fund.*

Highlights of Governor's Budget Recommendation

- The Executive Recommendation includes \$466.2 million for information technology support for all state departments, primarily funded with user fees from client agencies. In order to begin to address the risks associated with obsolete, outdated and vulnerable information systems, the Governor recommends investment of \$50 million general fund for targeted technology upgrades and automation opportunities. The department is currently conducting an inventory of risks in the current statewide technology infrastructure. Once the study is complete, the most significant risk areas will be addressed first in order to protect the state's information systems, safeguard citizen information and help state agencies achieve their customer service goals. *(DTMB metric C-5)*
- The Executive Budget advances to construction 18 university and community college projects authorized for planning in the prior legislative session. The total cost of these projects is \$613.1 million, including \$304.5 million in state share to be financed through the State Building Authority.
- The Governor recommends reforms to the capital outlay process for future projects that will streamline approval, provide for transparent, merit-based evaluation of requests, and modernize statutory requirements.
- In order to address deterioration and maintenance issues in state buildings, the Governor recommends an investment of \$25 million (\$15 million in ongoing funding and \$10 million in one-time funding). Delayed maintenance to state buildings has resulted in costly capital needs; a significant investment is needed to address health and safety issues, as well as rehabilitation of valuable state assets. *(DTMB metric C-6)*
- In order to achieve work efficiencies and cost savings, the Governor recommends a one-time investment of \$7 million to consolidate the state's office space. The state will use private industry standards to optimize floor space in as few buildings as possible. Some private leases that are not cost effective will be eliminated. It is anticipated that this one-time investment will pay for itself within four years. *(DTMB metric C-4)*
- The Governor recommends that the Military Retirement program, currently managed by the Department of Military and Veterans Affairs, be transferred to the Department of Technology, Management and Budget. The Office of Retirement Services within DTMB has the expertise to efficiently operate this retirement program.

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

FY12 Current Law *^		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$313,303.1	\$1,034,510.5	\$384,124.0	\$1,117,293.4	\$387,505.9	\$1,126,668.3
	% Change from Previous Year	22.6%	8.0%	0.9%	0.8%

Programs

Technology Services	\$2,500.0	\$509,692.1	\$2,500.0	\$509,692.1
State Building Authority Rent	\$256,870.6	\$256,870.6	\$256,870.6	\$256,870.6
Management and Budget Operations	\$36,444.1	\$212,521.8	\$39,826.0	\$221,896.7
Civil Service Commission	\$21,301.8	\$66,780.0	\$21,301.8	\$66,780.0
Information Technology Investment	\$50,000.0	\$50,000.0	\$50,000.0	\$50,000.0
Special Maintenance for State Buildings	\$15,001.8	\$17,001.8	\$15,001.8	\$17,001.8
Office of the State Employer	\$811.7	\$3,233.1	\$811.7	\$3,233.1
Children's Ombudsman	\$1,194.0	\$1,194.0	\$1,194.0	\$1,194.0

* Assumes passage of OPEB supplemental

^ Figures do not include one-time funding

Total Recommendation	\$384,124.0	\$1,117,293.4	\$387,505.9	\$1,126,668.3
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One-Time Appropriations

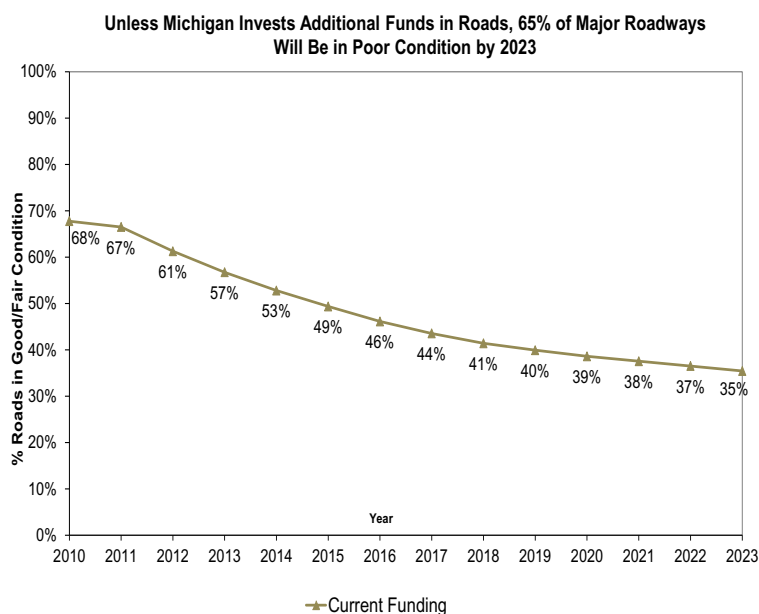
State Employee Lump Sum Payments	\$792.2	\$4,680.2		
Special Maintenance for State Buildings	\$10,000.0	\$10,000.0		
Space Consolidation Fund	\$7,000.0	\$7,000.0		
Total One-Time Appropriations	\$17,792.2	\$21,680.2	\$0.0	\$0.0

Department of Transportation

Through investments in the state's network of roads and bridges, public transportation systems, freight development, and aviation programs, the Department of Transportation (MDOT) works to ensure a safe, efficient and effective transportation infrastructure. *The Governor's proposed budget for fiscal year 2013 and 2014 recommends total funding of \$3.3 billion in each year, including \$119 million in one-time general fund appropriations in fiscal year 2013.*

Highlights of Governor's Budget Recommendation

- Michigan's transportation infrastructure is deteriorating from a lack of investment. Declining transportation revenues and increasing costs are undermining our ability to keep pace with infrastructure needs. Recent studies have determined that an additional \$1.4 billion investment is needed each year just to sustain the current system condition. In his Special Message on Transportation and Infrastructure, Governor Snyder outlined the critical link between our transportation infrastructure and Michigan's reinvention.



- One symptom of the transportation funding shortfall is that Michigan is in jeopardy of not matching all available federal aid without additional investment. If left unmatched, the federal aid would be re-directed to support road and bridge projects in other states. While the Legislature works on a long-term transportation funding solution, Governor Snyder's fiscal year 2013 budget includes \$119 million of general fund revenues to ensure that we match all federal highway and transit aid available in fiscal year 2013. Such a large amount of general fund has never before been included in the transportation budget; the inclusion of this general fund in fiscal year 2013 is a one-time measure to give the Legislature time to develop a permanent funding solution. *(MDOT metrics 8, 9 and 10)*

"A sound and modern infrastructure is vital to attracting jobs. The state that put the world on wheels needs to continue to be a transportation leader in order to stay competitive in today's global economy."

Special Message from Governor Snyder, Reinventing Michigan's Infrastructure, October 26, 2011

- An extensive package of bills was recently introduced in the Legislature that provides for necessary reforms and addresses the need for additional revenues. The Governor strongly supports these legislative efforts that target efficiencies, best practices, and long-term funding solutions to support Michigan's reinvention.

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

FY12 Current Law ^{*^}		FY13 Recommendation [^]		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$0.0	\$3,344,437.2	\$0.0	\$3,329,829.5	\$0.0	\$3,321,979.2
	% Change from Previous Year	0.0%	-0.4%	0.0%	-0.2%

Programs

State Road & Bridge Construction	\$0.0	\$1,294,152.0	\$0.0	\$1,281,400.5
Local Road & Bridge Construction	\$0.0	\$1,237,774.3	\$0.0	\$1,255,846.9
Public Transportation & Freight Services	\$0.0	\$337,415.4	\$0.0	\$319,483.8
Debt Service Obligations	\$0.0	\$240,274.5	\$0.0	\$240,274.5
Administrative Support Services	\$0.0	\$119,478.6	\$0.0	\$128,643.7
Building & Airport Capital Improvements	\$0.0	\$100,734.7	\$0.0	\$96,329.8
* Assumes passage of OPEB supplemental				
^ Figures do not include one-time funding				
Total Recommendation	\$0.0	\$3,329,829.5	\$0.0	\$3,321,979.2

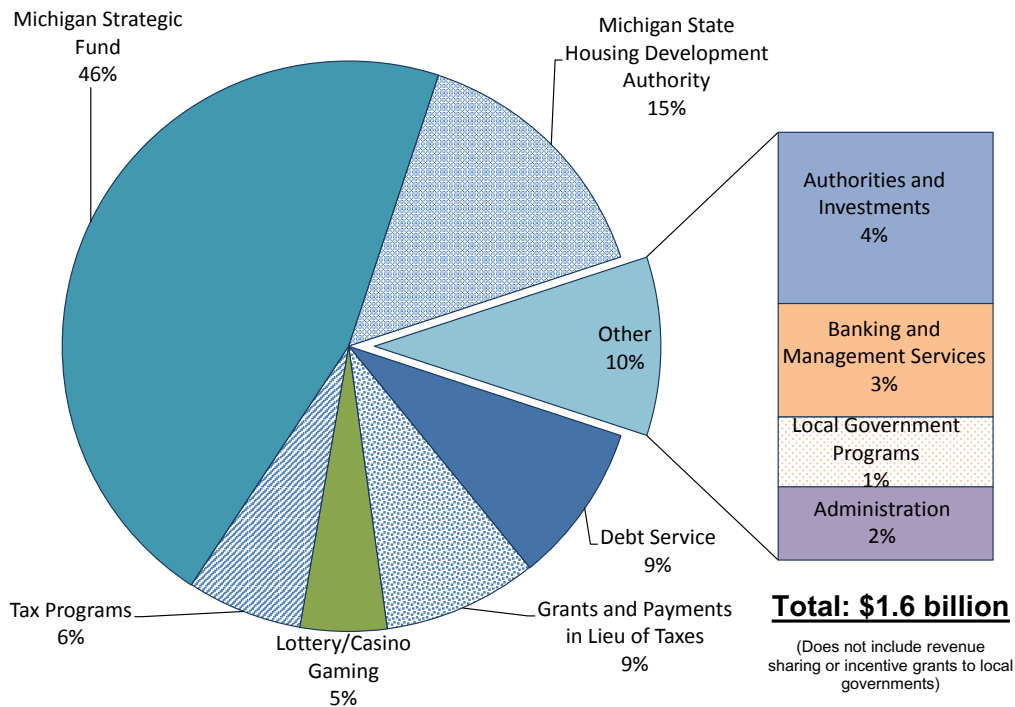
One-Time Appropriations

General Fund for Federal Aid Match	\$119,000.0	\$119,000.0		
State Employee Lump Sum Payments	\$0.0	\$3,260.8		
Total One-Time Appropriations	\$119,000.0	\$122,260.8	\$0.0	\$0.0

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 law, 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 (MSF) and the Michigan State Housing Development Authority. *The Governor's proposed budget for fiscal year 2013 recommends total funding of \$2.6 billion, of which \$331.2 million is general fund. In fiscal year 2013, the budget includes one-time funding of \$48.9 million, of which \$25.5 is general fund. For fiscal year 2014, the Governor recommends total funding of \$2.7 billion, of which \$351.8 million is general fund.*

Treasury Budget Supports a Variety of Financial and Economic Development Programs



Highlights of Governor's Budget Recommendation for Michigan Strategic Fund

- To continue growing Michigan's economy, the Executive Recommendation converts the one-time \$50 million general fund appropriation for business attraction and economic gardening to an on-going source of funding. With a total permanent budget of \$100 million, this program helps create jobs by attracting, supporting, and strengthening businesses in the state. *(MSF metrics 3 and 5)*
- The Governor recommends an additional \$15 million general fund to support economic development in Michigan's distressed cities. The Talent Fund for Job Training and Skills Development will target communities with populations that have a history of chronic unemployment and invest in initiatives that assist citizens in accessing education, training, and employment opportunities. *(MSF metric 14)*

- The Executive Recommendation increases general fund support for arts and cultural grants from \$1.4 million to \$5 million. This increased funding will help enhance the “Quality of Place” for local communities in Michigan through increased investments in arts and cultural programs. (*MSF metric 12*)

Highlights of Governor’s Budget Recommendation for Treasury Operations

- The proposed budget includes \$4.5 million general fund for a new Office of Fiscal Responsibility which will provide technical assistance, guidance, and support to at-risk local units of government in an effort to avoid insolvency. (*Treasury metric C7*)
- The Governor recommends \$140.6 million for debt service payments. This includes replacing \$10 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. (*DEQ metric S9*)
- A multi-agency approach involving the departments of Attorney General, State Police and Treasury will be implemented to improve enforcement of tobacco tax laws and enforcement of the multi-state tobacco settlement agreement. The Governor recommends \$1.5 million for the Department of Treasury to support these efforts, which will increase tobacco tax revenues. (*Treasury metric P5*)

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

FY12 Current Law*^		FY13 Recommendation^		FY14 Recommendation	
GF/GP	All Funds	GF/GP	All Funds	GF/GP	All Funds
\$254,028.9	\$2,514,598.4	\$331,221.4	\$2,600,220.3	\$351,821.2	\$2,656,805.0
	% Change from Previous Year	30.4%	3.4%	6.2%	2.2%

Programs

Constitutional Revenue Sharing	\$0.0	\$711,119.7	\$0.0	\$730,616.0	
Michigan Strategic Fund	\$128,560.7	\$710,731.2	\$128,945.2	\$713,120.0	
Local Government Incentive Programs	\$0.0	\$340,600.0	\$0.0	\$350,100.0	
Michigan State Housing Development Authority	\$0.0	\$230,382.2	\$0.0	\$230,382.2	
Debt Service Payments	\$135,040.4	\$140,554.9	\$154,449.5	\$159,964.0	
Grants and Payments in Lieu of Taxes	\$20,601.0	\$135,252.7	\$20,601.0	\$135,252.7	
Administration of Tax Programs	\$20,203.4	\$100,992.3	\$20,203.4	\$100,992.3	
Authorities and Investments	\$1,836.9	\$62,828.2	\$1,836.9	\$62,828.2	
Bureau of State Lottery	\$0.0	\$47,000.1	\$0.0	\$47,000.1	
Banking and Management Services	\$4,437.0	\$41,663.3	\$4,437.0	\$41,663.3	
Casino Regulation	\$0.0	\$28,582.9	\$0.0	\$28,582.9	
Administration	\$7,861.0	\$26,939.3	\$8,667.2	\$32,729.8	
Local Government Programs	\$12,681.0	\$23,573.5	\$12,681.0	\$23,573.5	
* Assumes passage of OPEB supplemental					
^ Figures do not include one-time funding					
Total Recommendation	\$331,221.4	\$2,600,220.3	\$351,821.2	\$2,656,805.0	

One-Time Appropriations

Film Incentive Funding	\$25,000.0	\$25,000.0		
Competitive Grant Assistance Program	\$0.0	\$20,000.0		
State Employee Lump Sum Payments	\$452.4	\$3,878.4		
Total One-Time Appropriations	\$25,452.4	\$48,878.4	\$0.0	\$0.0



Background Information

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



Fiscal Years 2013 and 2014
Sources and Uses of General Fund/General Purpose
(in millions)

	Fiscal Year 2013	Fiscal Year 2014
Ongoing Revenues:		
January Consensus Revenues	\$9,034.6	\$9,236.0
<u>Proposed Adjustments:</u>		
Payments to Local Government	(\$360.6)	(\$350.1)
Charge School Aid Fund for Short-term Borrowing	\$10.0	\$20.0
Total Sources of Ongoing Revenues	\$8,684.0	\$8,905.9
Fiscal Year 2013 Executive Recommendation	\$8,626.8	
Fiscal Year 2014 Executive Recommendation	\$8,881.9	
Total Uses of Ongoing Revenues	\$8,626.8	\$8,881.9
Ongoing Revenue Balance	\$57.2	\$24.0
One-Time Revenues:		
Estimated Beginning Fund Balance, October 1	\$541.9	\$0.0 *
Total Sources of One-Time Revenues	\$541.9	\$0.0
Fiscal Year 2013 Executive Recommendation	\$525.2	
Fiscal Year 2014 Executive Recommendation	\$13.6	
Total Uses of One-Time Revenues	\$525.2	\$13.6
One-Time Revenue Balance	\$16.7	(\$13.6)
Ending Fund Balance, September 30	\$73.9 *	\$10.4

Fiscal Years 2013 and 2014 Sources and Uses of All Funds

(in millions)

	Fiscal Year 2013	Fiscal Year 2014
Estimated Beginning Unassigned Fund Balances, October 1	\$1,807.4	\$1,334.7
REVENUES:		
FY 2013 and Fiscal Year 2014 Revenue Estimates	\$46,869.2	\$47,781.0
Total Sources of Funds	\$48,676.6	\$49,115.7
EXPENDITURES:		
Fiscal Year 2013 Executive Recommendation \$48,845.8		
Less: Interdepartmental Grants and Transfers (792.0)		
Fiscal Year 2013 Executive Recommendation \$49,018.1		
Less: Interdepartmental Grants and Transfers (793.9)		
Total Uses of Funds	\$48,053.8	\$48,224.2
Excess of Sources Over Uses	\$622.8	\$891.5

Consensus Economic Outlook

The economic outlooks for 2012, 2013, and 2014 were agreed to at the January 13, 2012, Consensus Revenue Estimating Conference by the Administration, House Fiscal Agency, and Senate Fiscal Agency.

2011 U.S. Economic Review

U.S. real gross domestic product (GDP) increased 1.7% in calendar year 2011, which was much slower than the 3.0 percent rate of growth experienced in 2010. During the first quarter of 2011, real GDP growth was very weak, but the rate of growth accelerated during each of the remaining three quarters.

The labor market finally began to improve in 2011. In 2010, U.S. wage and salary employment dropped for the third straight year -- the first time in over 60 years that U.S. employment fell for three consecutive years. In 2011, U.S. wage and salary employment rose an estimated 1.0 percent and the increase in December 2011 marked the 15th straight monthly employment gain.

After the U.S. unemployment rate rose to 9.6 percent in 2010 (the highest annual rate since 1982), the rate dropped to an estimated 9.0 percent in 2011. In addition, the December 2011 unemployment rate of 8.5 percent marked the lowest monthly rate in nearly three years.

The housing market remained weak in 2011. While housing starts increased slightly in 2011 to 606,900 starts from the 2010 figure of 586,900 starts, they were the third lowest annual level ever recorded and marked the fourth consecutive year they remained below one million units. New home sales totaled 302,000 units in 2011, down 6 percent from 2010.

Light vehicle sales increased from 11.6 million units in 2010 to 12.8 million units in 2011, an increase of 10.3 percent. The pace of light vehicle sales increased throughout the year, selling at a 12.6 million annual average sales rate in January 2011 and finishing at a 13.5 million annual average sales rate in December 2011.

Financial markets continued to slowly recover in 2011. In July 2011, the Federal Open Market Committee stated it would leave interest rates low through mid-2013. Later in the year, the Federal Reserve announced it would purchase \$400 billion longer-term Treasuries and sell \$400 billion in shorter-term Treasuries through June 2012 in order to continue to reduce longer-term interest rates, in an attempt to help boost economic activity.

In August 2011, the U.S. Federal government avoided default on its debt by agreeing to raise the debt ceiling; however, the failure of Congress to reach an agreement until the government was on the brink of default, caused instability in the financial markets. Shortly after the agreement, Standard and Poor's downgraded the U.S. Federal government's bond rating for the first time in history, as the rating agency was pessimistic that the U.S. government would be successful in implementing the plan to reduce its debt.

Europe's debt problems continued to disrupt world financial markets in 2011. The threat of Greece defaulting on its debt was a prominent risk throughout the year. The situation grew more severe as other larger European countries' sovereign debt situations deteriorated.

Oil prices remained relatively high in 2011. In January 2011, oil prices averaged \$89 a barrel and by April were up to \$110 a barrel. By December, oil prices were back under \$100 a barrel averaging \$99 per barrel.

2011 Michigan Economic Review

In 2011, Michigan wage and salary employment increased an estimated 1.7 percent, which was the first annual growth in employment in a decade. Despite this increase, Michigan employment was still more than 15 percent below than the State's previous peak level recorded in 2000. Similarly, while Michigan employment gained a net 66,000 jobs between the end of 2010 and 2011, December 2011 employment was more than 750,000 jobs below the State's peak monthly employment level recorded in April 2000. The increase in jobs helped reduce Michigan's unemployment rate to an estimated 10.7 percent in 2011 from 12.5 percent in 2010.

Michigan motor vehicle production increased by 22 percent in 2011 compared to 2010. Approximately 1,925,000 vehicles were produced in 2011 compared to the 1,577,000 vehicles produced in 2010. Michigan's 2011 vehicle production was 68 percent above 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 5.5 percent between December 2010 and December 2011 – marking the second straight year of year-over-year manufacturing employment growth. Nevertheless, manufacturing employment remains well below peak levels seen in 2000.

In 2011, wage and salary payments to Michigan workers rose an estimated 5.4 percent – much stronger than the 1.7 percent growth in 2010. Overall personal income grew an estimated 5.5 percent in 2011, up from the 3.3 percent rate of growth in 2010. With 3.4 percent inflation, real (inflation adjusted) personal income rose an estimated 2.0 percent in 2011.

U.S. Consensus Economic Outlook: 2012 - 2014

Real GDP is forecast to rise 2.0 percent in 2012, 2.2 percent in 2013, and 2.7 percent in 2014 (See Table 1). Light vehicle sales are forecast to increase to 13.7 million units in 2012, 14.5 million units in 2013, and in 2014, light vehicle sales are forecast to increase to 15.1 million units.

The 2012 U.S. unemployment rate is projected to increase slightly to 9.1 percent from 9.0 percent in 2011. In 2013, the unemployment rate is forecast to edge down to 8.9 percent. By 2014, the unemployment rate is projected to decrease further to 8.4 percent.

Consumer prices, as measured by the U.S. Consumer Price Index (CPI), are expected to rise 2.2 percent in 2012 and increase 1.9 percent in both 2013 and 2014.

Michigan Consensus Economic Outlook: 2012 - 2014

In 2012, Michigan wage and salary employment is expected to increase by 0.7 percent followed by a 0.8 percent rise in 2013 and 1.2 percent in 2014. Michigan's unemployment rate is expected to fall from 10.7 percent in 2011 to 10.4 percent in 2012. The jobless rate is forecast to decline in 2013 to 10.2 percent and then fall to 9.8 percent in 2014.

Michigan personal income is expected to rise 3.0 percent in 2012, 2.8 percent in 2013, and 4.6 percent in 2014. Inflation is forecast to increase 2.3 percent in 2012, and 1.8 percent in both 2013 and 2014. As a result, real Michigan personal income is expected to rise 0.7 percent in 2012, 1.0 percent in 2013 and 2.7 percent in 2014.

Forecast Risks

Europe's growing financial crises may become more severe than expected and this could significantly weaken the continent's economic activity and create serious repercussions on the U.S. financial sector and overall economy.

Higher than forecast oil prices leading to higher gasoline costs would lower consumers' discretionary income, increase many businesses costs and depress economic activity. Unrest and political instability in the Middle East may cause supply concerns. On the other hand, a slowdown in economic activity in Europe and other parts of the world could slow the demand for oil and keep prices lower than expected, which could benefit the U.S. economy.

Lack of cohesive governmental policies and continued fighting over budget matters in the United States could further damage consumer confidence and lead to further instability for financial markets.

Continued job growth remains central to sustaining recent gains across the economy and to combating dampening factors such as weak consumer confidence.

Continued growth in light vehicle sales is central for stabilizing and increasing manufacturing employment in Michigan.

Table 1
Consensus Economic Forecast

January 2012

	Calendar 2010 Actual	Calendar 2011 Forecast	Percent Change from Prior Year	Calendar 2012 Forecast	Percent Change from Prior Year	Calendar 2013 Forecast	Percent Change from Prior Year	Calendar 2014 Forecast	Percent Change from Prior Year
United States									
Real Gross Domestic Product (Billions of Chained 2005 Dollars)	\$13,088	\$13,310	1.7%	\$13,576	2.0%	\$13,875	2.2%	\$14,250	2.7%
Implicit Price Deflator GDP (2005 = 100)	110.7	113.1	2.2%	115.0	1.7%	117.0	1.7%	118.9	1.6%
Consumer Price Index (1982-84 = 100)	218.1	225.0	3.2%	230.0	2.2%	234.4	1.9%	238.9	1.9%
Consumer Price Index - Fiscal Year (1982-84 = 100)	217.4	223.1	2.7%	228.9	2.6%	233.2	1.9%	237.6	1.9%
Personal Consumption Deflator (2005 = 100)	111.1	113.9	2.5%	115.6	1.5%	117.3	1.5%	119.1	1.5%
3-month Treasury Bills Interest Rate (percent)	0.1	0.1		0.1		0.2		0.6	
Aaa Corporate Bonds Interest Rate (percent)	4.9	4.7		4.0		4.2		4.4	
Unemployment Rate - Civilian (percent)	9.6	9.0		9.1		8.9		8.4	
Wage and Salary Employment (millions)	129.818	131.159	1.0%	132.340	0.9%	133.530	0.9%	135.400	1.4%
Housing Starts (millions of starts)	0.585	0.597	2.0%	0.700	17.3%	0.873	24.7%	1.036	18.7%
Light Vehicle Sales (millions of units)	11.6	12.7	9.5%	13.7	7.9%	14.5	5.8%	15.1	4.1%
Passenger Car Sales (millions of units)	5.7	6.2	8.8%	6.7	8.1%	7.1	6.0%	7.4	4.2%
Light Truck Sales (millions of units)	5.8	6.5	12.1%	7.0	7.7%	7.4	5.7%	7.7	4.1%
Big 3 Share of Light Vehicles (percent)	44.2	46.2		45.3		45.3		45.3	
Michigan									
Wage and Salary Employment (thousands)	3,861	3,927	1.7%	3,954	0.7%	3,986	0.8%	4,034	1.2%
Unemployment Rate (percent)	12.5	10.7		10.4		10.2		9.8	
Personal Income (millions of dollars)	\$342,663	\$361,510	5.5%	\$372,355	3.0%	\$382,781	2.8%	\$400,389	4.6%
Real Personal Income (millions of 1982-84 dollars)	\$167,083	\$170,443	2.0%	\$171,592	0.7%	\$173,282	1.0%	\$178,030	2.7%
Wages and Salaries (millions of dollars)	\$173,642	\$183,019	5.4%	\$188,692	3.1%	\$195,297	3.5%	\$202,913	3.9%
Detroit Consumer Price Index (1982-84 = 100)	205.1	212.1	3.4%	217.0	2.3%	220.9	1.8%	224.9	1.8%

Revenue Estimates

Fiscal Year 2011 Revenue

Michigan experienced an increase in employment in 2011 for the first time since 2000 and this increase in economic activity helped boost tax collections and other revenue. On a consensus basis, FY 2011 General Fund/General Purpose (GF/GP) revenue totaled \$8,813.0 million, which was up 14.8 percent from FY 2010. Including transfers and other one-time revenue not included in the consensus base, GF/GP revenue totaled \$9,210.4 million. School Aid Fund (SAF) revenue increased 4.0 percent in FY 2011 to \$11,248.2 million on a consensus basis. Including federal aid and other budget measures, SAF revenue totaled \$13,784.1 million.

Revenue Estimates: Fiscal Year 2012, Fiscal Year 2013, and Fiscal Year 2014

On January 13, 2012, the Administration and the House and Senate Fiscal Agencies reached a consensus on projected revenues for FY 2012, FY 2013, and FY 2014, and these estimates are used for the Governor's FY 2013-FY 2014 *Executive Budget*. As reflected in these estimates, the Michigan economy is expected to continue to improve in 2012 through 2014, which will help boost tax and other revenue collections; however, some of this increase will be offset by the impact of the significant tax reform that was enacted in 2011 and became effective January 1, 2012.

In FY 2012, GF/GP revenue on a consensus basis will increase an estimated 2.5 percent to \$9,030.5 million and after factoring in transfers and other budget items, GF/GP revenue will total an estimated \$8,910.1 million. On a consensus basis, SAF revenue will decline an estimated 4.3 percent to \$10,763.6 million. This decline reflects the repeal of the MBT earmark to the SAF. Including federal aid and other budget measures, SAF revenue will total an estimated \$12,540.3 million.

In FY 2013, consensus based GF/GP revenue will total an estimated \$9,034.6 million, which is essentially unchanged from FY 2012. Including transfers and other budget items, GF/GP revenue will total an estimated \$8,684.0 million. Consensus based SAF revenue will increase 2.7 percent to \$11,055.0 million in FY 2013; however, after factoring in federal aid and other budget measures, SAF revenue is expected to total \$12,956.0 million.

In FY 2014, GF/GP revenue is projected to increase 2.2 percent to \$9,236.0 million on a consensus basis and will total an estimated \$8,905.9 million including transfers and other budget items. School Aid Fund will increase an estimated 2.8 percent to \$11,359.5 million on a consensus basis and including federal aid and other budget items will total an estimated \$13,079.2 million.

Overall Revenue: FY 2012, FY 2013, and FY 2014

Total net revenue for all funds is estimated to be \$48,556.8 million in FY 2012, \$48,676.6 million in FY 2013, and \$49,131.0 million in FY 2014. A summary of revenues by fund is presented on page C-8. The Detailed Statement of General and Special Revenue Funds on pages C-9 to C-17 presents information for FY 2010 through FY 2014.

Projected Revenues FY 2013 & FY 2014

(millions)

	<u>FY 2012 - 2013</u>	<u>FY 2013 - 2014</u>
General Fund - General Purpose		
Consensus Estimate	9,034.6	9,236.0
Total Adjustments	(350.6)	(330.1)
Total General Fund - General Purpose	8,684.0	8,905.9
 School Aid Fund		
Consensus Estimate	11,055.0	11,359.5
Transfers and Federal Aid	1,901.0	1,719.7
Total SAF Revenue	12,956.0	13,079.2
 Transportation Funds	4,156.7	4,177.0
 Special Revenue & Permanent Funds	5,168.1	5,256.3
 Federal Aid (Not Elsewhere Itemized)	16,998.5	17,279.3
 Sub-Total All Funds	47,963.2	48,697.8
 Fund Balances Available	1,807.5	1,349.8
 Gross Total All Resources	49,770.7	50,047.6
Less Interfund Transfers (excluding GF-GP)	(1,094.1)	(916.6)
 Net Total All Resources	\$ 48,676.6	\$ 49,131.0

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2009 - 2010	ACTUAL FY 2010 - 2011	ESTIMATES FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014
GENERAL FUND - GENERAL PURPOSE REVENUE					
TAXES					
Individual Income ⁽¹⁾	6,094,255,363	6,566,553,463	6,967,600,000	7,205,700,000	7,407,300,000
Less: Refunds	(2,400,822,654)	(2,127,144,393)	(2,041,100,000)	(1,494,000,000)	(1,495,200,000)
Net Individual Income	3,693,432,709	4,439,409,070	4,926,500,000	5,711,700,000	5,912,100,000
Single Business and Michigan Business ⁽¹⁾	1,244,532,197	1,479,409,184	635,000,000	(462,000,000)	(583,500,000)
Corporate Income Tax	0	0	485,600,000	813,900,000	877,400,000
Sales ⁽²⁾	972,993,617	1,068,470,538	1,084,700,000	1,115,900,000	1,151,400,000
Use ⁽³⁾	1,045,653,880	989,853,772	799,400,000	831,300,000	861,300,000
Insurance Company Premium Retailatory	257,448,687	271,248,931	282,000,000	289,900,000	297,400,000
Tobacco ⁽³⁾	200,885,384	195,747,779	189,400,000	184,900,000	180,000,000
Utility Property	62,285,483	57,548,606	58,000,000	58,300,000	58,300,000
Casino Gaming Wagering ⁽³⁾	0	0	0	0	0
Penalties and Interest	136,702,215	138,610,340	123,700,000	133,000,000	137,300,000
Intangibles	(2,173)	5,227	0	0	0
Estate / Inheritance	(20,779)	139,394	0	0	0
Beer and Wine Excise	50,949,777	47,093,510	49,000,000	49,800,000	50,800,000
Oil and Gas Severance	58,501,968	59,765,217	62,200,000	65,000,000	68,000,000
Liquor Specific ⁽³⁾	37,963,941	39,514,972	40,300,000	41,200,000	41,900,000
Other	5,000,000	0	0	0	0
Enhanced Enforcement and ACS ⁽⁴⁾	(122,117,982)	(123,753,157)	(127,000,000)	(128,000,000)	(129,000,000)
TOTAL GF - GP TAXES	7,644,208,925	8,663,063,381	8,608,800,000	8,704,900,000	8,923,400,000

⁽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 2009 - 2010	ACTUAL FY 2010 - 2011	ESTIMATES FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014
GENERAL FUND - GENERAL PURPOSE REVENUE					
NON-TAX REVENUE					
Federal Aid	20,826,735	17,325,267	20,000,000	20,000,000	20,000,000
Local Agencies	411,632	2,412,906	1,000,000	1,000,000	1,000,000
Services	9,454,601	11,877,524	11,000,000	11,000,000	11,000,000
Licenses & Permits	27,984,046	15,421,582	20,000,000	20,000,000	20,000,000
Miscellaneous	172,445,973	326,267,356	201,000,000	120,000,000	111,000,000
Interest and Investment Profits	714,618	466,137	(8,500,000)	(10,000,000)	(20,000,000)
TOTAL GF - GP NON-TAX REVENUE	231,837,605	373,770,772	244,500,000	162,000,000	143,000,000
TRANSFERS FROM OUTSIDE GENERAL & SPECIAL REVENUE FUNDS					
Other Interfund Transfers Received	39,200,230	112,468	0	0	0
Liquor Purchase Revolving Fund	157,107,201	164,250,530	167,200,000	157,200,000	159,000,000
Transfers From Lottery Charitable Gaming and Other Funds	11,335,165	9,353,695	10,000,000	10,500,000	10,500,000
TOTAL GF - GP TRANSFERS	207,642,596	173,716,693	177,200,000	167,700,000	169,500,000
General Fund - General Purpose Summary					
GF - GP Tax Revenue	7,644,208,925	8,663,063,381	8,608,800,000	8,704,900,000	8,923,400,000
GF - GP Non-Tax Revenue	231,837,605	373,770,772	244,500,000	162,000,000	143,000,000
GF - GP Transfers	207,642,596	173,716,693	177,200,000	167,700,000	169,500,000
TOTAL GENERAL FUND-GENERAL PURPOSE before Interfund Transfers	8,083,689,126	9,210,550,846	9,030,500,000	9,034,600,000	9,236,000,000
LESS: Interfund Transfers	(39,200,230)	(112,468)	0	0	0
CONSENSUS TOTAL GENERAL FUND-GENERAL PURPOSE	8,044,488,896	9,210,438,378	9,030,500,000	9,034,600,000	9,236,000,000
Excluding interfund transfers to GF-GP					
BUDGET ADJUSTMENTS					
Payments to Local Government	NA	NA	(330,000,000)	(330,000,000)	(330,000,000)
Charge School Aid Fund for Short-Term Borrowing	NA	NA	8,500,000	10,000,000	20,000,000
2011 PA 141	NA	NA	201,100,000	0	0
TOTAL ADJUSTMENTS	NA	NA	(120,400,000)	(320,000,000)	(310,000,000)
ADJUSTMENTS RECOMMENDED IN EXECUTIVE BUDGET					
Payments to Local Government	NA	NA	0	(30,600,000)	(20,100,000)
TOTAL PROPOSED ADJUSTMENTS	NA	NA	0	(30,600,000)	(20,100,000)
TOTAL GENERAL FUND-GENERAL PURPOSE WITH ADJUSTMENTS	8,044,488,896	9,210,438,378	8,910,100,000	8,684,000,000	8,905,900,000
Excluding interfund transfers to GF-GP					

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2009 - 2010	ACTUAL FY 2010 - 2011	ESTIMATES FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014
GENERAL FUND-SPECIAL PURPOSE/SPECIAL REVENUE AND PERMANENT FUNDS (EXCLUDING FEDERAL AID)					
Air Emission Fees	9,352,410	8,647,610	9,600,000	9,600,000	9,600,000
Airport Parking Revenue	19,602,628	20,274,625	20,361,775	20,539,792	20,539,792
Auto Repair Facilities Fees	3,196,204	2,730,596	3,537,000	3,537,000	3,537,000
Auto Theft Prevention Fund	6,243,227	6,315,172	6,255,000	6,300,000	6,300,000
Bank Fees	5,354,162	5,574,078	5,857,400	6,280,900	6,280,900
Bottle Deposits Fund	17,118,036	19,076,155	13,164,200	13,411,500	13,269,200
Budget Stabilization Fund	6,159	4,056	26,300	3,095,900	4,693,000
Child Support Collections	28,405,301	27,445,800	29,145,800	29,145,800	29,145,800
Children's Trust Fund	2,971,596	1,298,377	2,823,700	2,942,300	2,942,300
Civil Infraction (Jail Reimbursement) Fee	6,003,841	5,593,034	5,900,000	5,900,000	5,900,000
Civilian Conservation Endowment Fund	7,107	0	0	0	0
Conservation and Recreation Bond Proceeds	1,786,281	4,859	500	500	500
Contributions to Children of Veterans Tuition Grant Program	134,566	300,000	200,000	100,000	100,000
Convention Facility Development Fund	73,136,808	72,349,836	76,141,276	76,141,276	76,141,276
Corporation Fees	21,194,083	21,273,543	21,480,000	21,530,000	21,530,000
Court Equity Fund	44,275,375	43,562,857	40,900,000	40,900,000	40,900,000
Court Fee Fund	6,372,767	6,396,467	6,200,000	6,200,000	6,200,000
Credit Union Fees	6,299,791	5,867,172	6,685,200	6,200,200	6,200,200
Crime Victims Rights Fund	9,435,230	10,632,558	13,000,000	17,100,000	17,100,000
Criminal Justice Info Cntr Service Fees	14,623,225	14,982,691	16,370,400	16,370,400	16,370,400
Dairy and Food Safety Fund	2,668,489	2,662,387	2,595,300	2,595,300	2,595,300
Delinquent Tax Collection Revenue & MARCS Revenue	121,600,826	123,150,983	127,000,000	128,000,000	129,000,000
Driver Fees	20,830,100	25,522,789	29,466,000	29,140,000	25,045,000
Elevator Fees	4,122,481	3,949,988	4,009,500	4,009,500	4,009,500
Emergency 911 Fund	27,796,960	28,125,425	27,868,414	27,868,414	27,868,414
Equine Development Fund	6,252,330	5,334,590	4,600,000	3,900,000	3,500,000
Fees and Collections (DCH)	5,225,011	5,574,329	6,105,000	8,471,900	8,471,900
Forest Development Fund	33,256,425	31,965,027	31,169,100	31,152,000	31,150,000
Freshwater Protection Fund	4,387,172	4,320,966	4,202,300	4,202,300	4,202,300
Game and Fish Protection Account	66,496,398	65,301,677	63,358,300	62,490,500	61,614,101

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2009 - 2010	ACTUAL FY 2010 - 2011	ESTIMATES FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014
Game and Fish Protection Trust Fund	86,291,848	13,841,665	7,095,200	6,972,700	6,834,000
Group Insurance Fund, Flexible Spending and COBRA	8,726,900	8,787,800	8,870,800	8,870,800	8,870,800
Health and Safety Fund - Counties	1,350,946	540,055	84,000	(392,000)	(876,000)
Health Insurance Claims Assessment	0	0	300,000,000	400,000,000	400,000,000
Health Professions Regulatory Fees	23,541,244	30,177,065	30,170,400	30,170,400	30,170,400
Healthy Michigan Fund	35,791,284	33,972,945	32,800,000	31,820,000	30,820,000
Highway Safety Fund	11,550,621	10,798,363	10,258,500	9,745,500	9,258,300
Home Heating Assistance for the Vulnerable Fund	0	0	0	60,000,000	60,000,000
Income and Assessments	20,029,907	18,648,333	19,617,700	19,961,100	19,961,100
Individual Income Tax - Refunds	1,351,500,000	1,271,900,000	0	0	0
Insurance Licensing Fees	6,520,628	6,668,610	6,445,200	6,481,200	6,481,200
Insurance Regulatory Fees	14,813,186	14,670,516	17,225,000	16,504,000	15,400,000
Judicial Technology Improvement Fund	4,329,166	4,151,364	4,165,000	4,165,000	4,165,000
Juror Compensation Fund	2,889,405	1,476,649	4,000,000	4,000,000	4,000,000
Land Reutilization Fund	1,671,110	1,378,216	1,100,000	1,400,000	1,400,000
Licensing & Inspection Fees (MDA)	3,570,230	3,446,107	3,333,200	3,266,500	3,266,500
Licensing & Regulation Fees (DLARA)	12,024,030	13,902,734	10,272,900	6,193,100	8,512,000
Liquor License Revenue	12,136,879	12,394,280	12,298,000	12,298,000	12,298,000
Liquor Operations	19,049,900	20,645,700	21,460,900	22,792,300	22,792,300
Local Funds - County Payback	32,849,200	27,739,427	23,250,300	27,460,600	27,460,600
Local Revenues (DCH)	231,566,306	215,839,906	250,605,900	270,514,600	270,514,600
Local Vocational Rehabilitation Match	5,431,688	5,360,525	5,050,000	5,050,000	5,050,000
Lottery Operations	44,867,800	43,905,900	44,607,800	47,490,300	47,490,300
Low Income and Energy Efficiency Fund	86,920,146	73,509,637	0	0	0
Mackinac Island State Park Fund	1,649,200	1,670,200	1,500,000	1,500,000	1,500,000
Manufacturer Rebates (DCH)	0	0	86,021,800	86,021,800	86,021,800
Medicaid Benefits Trust Fund	365,684,502	348,718,977	345,300,000	336,000,000	324,000,000
Michigan Employment Security Contingent Fund	4,288,729	7,743,607	5,075,000	5,075,000	5,075,000
Michigan Health Initiative Fund	9,106,035	9,097,371	9,000,000	9,000,000	9,000,000
Michigan Higher Education Assistance and Student Loan Authorities	34,645,000	34,600,000	35,744,600	37,019,300	37,019,300
Michigan Higher Education Assistance Authority Operating Fund	34,036	8,907	0	0	0
Michigan Justice Training Fund	5,972,295	5,638,616	5,600,000	6,000,000	6,000,000
Michigan Merit Award Trust Fund	124,753,764	116,101,069	115,667,400	113,574,000	111,563,600

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2009 - 2010	ACTUAL FY 2010 - 2011	ESTIMATES FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014
Michigan Natural Resources Trust Fund	200,337,031	51,381,237	26,281,900	25,650,000	25,650,000
Michigan Nongame Fish and Wildlife Fund	924,344	481,789	262,800	264,800	266,800
Michigan State Housing Development Authority	46,803,200	55,311,900	58,805,600	63,214,700	63,214,700
Michigan State Parks Endowment Fund	24,003,197	33,086,479	41,159,800	40,085,000	38,837,500
Michigan State Waterways Account	27,376,786	26,512,584	26,527,400	26,708,300	26,708,300
Michigan Veterans' Trust Fund	4,498,776	1,532,552	5,053,300	5,166,500	5,166,500
Motor Carrier Fees	4,668,824	5,873,552	5,128,500	5,128,500	5,128,500
Newborn Screening Fees	10,024,651	10,467,499	10,824,400	11,500,000	12,000,000
Nonpoint Discharge Elimination System Fees	2,805,583	2,659,903	2,681,200	2,681,200	2,681,200
Off Road Vehicle Account	3,540,343	3,299,151	3,304,600	3,304,300	3,304,000
Oil and Gas Regulatory Fund	3,479,664	9,107,393	11,499,100	8,500,000	9,294,700
Outdoor Recreation Legacy Account	2,250,613	2,572,116	2,912,400	2,909,100	3,168,100
Parole and Probation Oversight Fees	6,000,000	5,446,255	5,840,200	5,995,600	5,995,600
Public Utility Assessments	23,608,564	23,428,647	24,055,500	24,055,500	24,055,500
Quality Assurance Assessment Tax	840,254,099	882,599,699	931,234,200	936,377,800	936,377,800
Refined Petroleum Fund	51,111,780	51,110,946	51,791,200	51,811,900	51,828,400
Remonumentation Fees	6,058,835	5,576,039	5,598,900	5,598,900	5,598,900
Restructuring Mechanism (DLARA)	1,314,800	18,013,070	18,000,000	18,000,000	18,000,000
Retirement Operations	39,354,600	38,237,500	41,540,300	44,960,300	44,960,300
Safety Education and Training	8,143,912	9,553,872	8,134,500	8,134,500	8,134,500
Sales Tax - Revenue Sharing	629,182,967	664,701,207	697,500,483	711,119,685	730,616,005
Scrap Tire Regulatory Fund	3,936,841	4,003,499	3,900,000	3,900,000	3,900,000
Second Injury Fund	10,885,740	15,021,427	11,750,000	14,000,000	9,000,000
Secondary Road Patrol & Training Fund	11,789,298	10,244,928	9,732,200	9,732,200	9,732,200
Securities Fees	14,052,452	13,958,278	21,220,000	21,430,000	21,430,000
Self Insurer's Security Fund	9,297,219	8,638,507	7,400,000	7,100,000	7,000,000
Snowmobile Account	10,434,845	9,979,782	11,447,600	11,440,600	11,440,000
Solid Waste Program Fees	4,568,469	5,093,625	4,570,000	4,330,000	4,090,000
Special Equipment Fund (DOC)	0	0	10,000,000	10,000,000	10,000,000
Special Financing Revenues - Medicaid	0	0	83,442,600	86,651,900	86,651,900
State Campaign Funds	1,043,538	1,351,459	1,000,000	1,000,000	1,000,000
State Casino Gaming Fund	36,279,822	35,597,727	34,071,053	34,697,587	34,798,885
State Construction Code Fund	12,963,485	7,509,864	7,501,700	13,080,950	7,501,700

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2009 - 2010	ACTUAL FY 2010 - 2011	ESTIMATES FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014
State Court Sub - Fund	7,451,475	7,180,579	7,200,000	7,200,000	7,200,000
State Park Improvement Account	40,838,422	47,815,723	49,841,500	49,835,300	53,273,500
Supplemental Security Income Recoveries	12,826,245	13,549,078	15,702,000	15,813,900	15,813,900
Tax Tribunal Fund	5,144,491	4,889,089	4,484,300	3,980,000	3,980,000
Traffic Law Enforcement and Safety	23,013,434	22,982,010	24,700,000	24,700,000	24,700,000
Transportation Admin Collection Fund	100,257,289	99,757,304	99,735,000	99,735,000	99,735,000
Twenty-First Century Jobs Fund	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Vulnerable Household Warmth Fund	0	0	48,000,000	0	0
Other Restricted Revenues	519,767,007	647,704,144	536,927,941	497,187,893	590,813,111
Total GF-Special Purpose/Special Revenue & Permanent Funds	5,967,003,618	5,856,802,605	5,040,404,242	5,168,061,596	5,256,303,184
Less: Interfund Transfers	(329,214,044)	(110,146,577)	(55,829,721)	(54,052,015)	(53,459,773)
Net Total GF-Special Purpose/Special Revenue & Permanent Funds	5,637,789,575	5,746,656,028	4,984,574,521	5,114,009,582	5,202,843,410
FEDERAL AID NOT ELSEWHERE ITEMIZED:					
Federal Aid: Agriculture	8,651,722	9,315,213	14,184,700	11,114,600	11,488,500
Federal Aid: Attorney General	3,426,512	2,765,029	8,848,800	9,810,000	10,070,400
Federal Aid: Capital Outlay (excluding transportation)	14,863,355	3,692,999	0	0	0
Federal Aid: Civil Rights	2,105,100	1,750,585	2,880,600	2,616,700	2,678,400
Federal Aid: Community Health	9,385,532,205	9,841,899,717	9,237,580,200	9,703,205,900	9,974,147,200
Federal Aid: Corrections	4,759,531	5,079,339	7,995,100	8,701,000	8,931,900
Federal Aid: Education	52,554,982	59,898,695	242,080,900	246,465,200	247,526,200
Federal Aid: Environmental Quality	51,852,202	54,596,043	159,701,500	161,271,800	161,271,800
Federal Aid: Human Services	5,045,940,794	5,291,776,576	5,462,899,500	5,385,771,600	5,390,125,100
Federal Aid: Higher Education	79,741,757	85,891,312	98,326,400	97,026,400	97,026,400
Federal Aid: Judiciary	3,814,716	4,268,878	5,539,500	5,965,900	6,005,600
Federal Aid: Licensing & Regulatory Affairs	1,007,682,001	767,542,244	365,728,300	388,025,200	395,184,100
Federal Aid: Military Affairs	86,661,052	79,007,303	87,678,000	98,831,900	91,692,900
Federal Aid: Natural Resources	49,595,780	45,388,824	69,319,800	66,342,500	66,342,500
Federal Aid: State	7,135,761	2,778,216	1,810,000	1,810,000	1,810,000
Federal Aid: State Police	125,977,746	90,646,252	106,051,600	104,661,300	105,698,300
Federal Aid: Technology, Management & Budget	4,664,165	4,831,192	10,346,000	9,037,600	10,409,700
Federal Aid: Treasury	1,669,382	167,291,764	743,533,900	697,805,700	698,926,400
TOTAL FEDERAL AID excluding Transportation and School Aid	15,936,628,763	16,518,420,182	16,624,504,800	16,998,463,300	17,279,335,400

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2009 - 2010	ACTUAL FY 2010 - 2011	ESTIMATES FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014
SCHOOL AID FUND REVENUE					
TAXES and LOTTERY					
Sales Tax	4,488,874,199	4,878,663,736	5,004,700,000	5,127,100,000	5,277,100,000
Use Tax	527,990,730	516,316,473	399,700,000	415,700,000	430,700,000
Income Tax Earmarking	1,836,157,876	1,972,926,042	2,104,400,000	2,228,800,000	2,320,700,000
State Education Tax	1,930,479,557	1,845,085,872	1,820,000,000	1,841,000,000	1,877,500,000
Real Estate Transfer Tax	121,632,276	123,254,157	132,900,000	143,600,000	158,000,000
Michigan Business Tax	604,394,668	611,432,515	0	0	0
Tobacco	392,943,846	376,360,098	366,100,000	355,300,000	344,200,000
Industrial & Commercial Facilities Tax	55,248,589	43,594,856	44,900,000	46,200,000	47,900,000
Casino Wagering Tax	101,815,875	114,017,133	113,700,000	106,300,000	109,400,000
Liquor Excise Tax	37,551,856	39,089,239	40,300,000	41,200,000	41,900,000
Other Specific Taxes	17,083,745	22,529,064	17,100,000	17,100,000	17,100,000
Sub-Total SAF Taxes	10,114,173,217	10,543,269,183	10,043,600,000	10,322,300,000	10,624,500,000
Transfer from Lottery Ticket Sales	701,327,800	727,324,851	720,000,000	732,700,000	735,000,000
CONSENSUS TOTAL SCHOOL AID FUND	10,815,501,016	11,270,594,034	10,763,600,000	11,055,000,000	11,359,500,000
NON-TAX REVENUE					
Federal Aid	2,392,903,424	2,468,558,286	1,658,031,800	1,701,041,400	1,701,041,400
Transfer from General Fund	28,262,286	18,642,400	118,642,400	200,000,000	18,642,400
Recovery of Prior Year State Aid and Receivables	33,155,553	26,323,258	0	0	0
Sub-Total SAF Other Source Revenues	2,454,321,263	2,513,523,944	1,776,674,200	1,901,041,400	1,719,683,800
TOTAL SCHOOL AID FUND before Interfund Transfers	13,269,822,279	13,784,117,978	12,540,274,200	12,956,041,400	13,079,183,800
Less Interfund Transfers	(28,262,286)	(18,642,400)	(118,642,400)	(200,000,000)	(18,642,400)
TOTAL SCHOOL AID FUND after adjustments excluding interfund transfers	13,241,559,993	13,765,475,578	12,421,631,800	12,756,041,400	13,060,541,400

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2009 - 2010	ACTUAL FY 2010 - 2011	ESTIMATES FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014
TRANSPORTATION: AERONAUTICS FUND 114					
Aviation Fuel Tax	5,421,677	5,621,413	5,700,000	5,750,000	5,800,000
Federal Aid	118,528,447	81,856,803	94,090,600	82,183,100	82,183,100
Local Agencies	14,988	12,545	13,134,000	10,923,000	13,962,000
Transfers and Other	17,072,831	10,628,488	7,127,000	7,118,000	7,203,000
TOTAL AERONAUTICS FUND	141,037,942	98,119,249	120,051,600	105,974,100	109,148,100
TRANSPORTATION: TRUNKLINE FUND 116					
Federal Aid	934,843,184	1,001,677,724	1,082,019,600	1,074,452,000	1,074,452,000
Local Agencies	16,114,966	16,954,788	30,000,000	30,000,000	30,000,000
Licenses and Permits	5,356,909	16,368,377	18,600,000	18,600,000	18,600,000
Transfer from Michigan Transportation & Other Funds	810,026,099	801,177,080	679,091,600	681,858,900	685,292,000
Interest from Common Cash Investment	1,548,371	890,032	1,067,000	968,000	2,800,000
Other	28,721,467	27,778,750	49,931,000	32,939,000	32,955,000
TOTAL TRUNKLINE FUND	1,796,610,996	1,864,846,751	1,860,709,200	1,838,817,900	1,844,099,000
TRANSPORTATION: BLUE WATER BRIDGE FUND 118					
Tolls and Rentals	19,072,705	21,865,860	22,800,000	23,500,000	24,000,000
Interest From Common Cash Investment and Other	60,098	67,948	71,000	73,000	210,000
TOTAL BLUE WATER BRIDGE TRANSPORTATION FUND	19,132,803	21,933,808	22,871,000	23,573,000	24,210,000
TRANSPORTATION: MICHIGAN TRANSPORTATION FUND 119					
Diesel and Motor Carrier Fuel Tax	120,069,270	125,598,100	127,000,000	128,500,000	130,000,000
Gasoline and Liquefied Petroleum Gas Tax	841,996,663	832,063,689	828,850,000	825,850,000	822,350,000
Motor Vehicle Registration Tax	842,106,016	859,674,914	868,000,000	877,000,000	888,000,000
Licenses, Permits, Other and Transfers	35,656,727	34,489,412	34,000,000	34,000,000	34,500,000
Interest From Common Cash Investment	349,268	283,084	296,000	303,000	875,000
TOTAL MICHIGAN TRANSPORTATION FUND	1,840,177,943	1,852,109,199	1,858,146,000	1,865,653,000	1,875,725,000
TRANSPORTATION: COMPREHENSIVE TRANSPORTATION FUND 120					
Sales Tax	76,778,121	90,025,103	88,000,000	88,000,000	88,000,000
Federal Aid	50,217,263	42,312,018	65,085,000	65,195,000	65,195,000
Local Agencies	0	0	10,835,000	10,835,000	10,835,000
Transfer from Michigan Transportation & Other Funds	156,947,632	158,368,044	156,942,900	158,142,100	159,205,200
Interest From Common Cash Investment and Other	2,202,632	2,854,757	485,000	487,000	624,000
TOTAL COMPREHENSIVE TRANSPORTATION FUND	286,145,648	293,559,922	321,347,900	322,659,100	323,859,200
TRANSPORTATION BOND FUNDS	76,809,859	108,099,495	101,000,000	0	0
TOTAL TRANSPORTATION REVENUE	4,159,915,192	4,238,668,425	4,284,125,700	4,156,677,100	4,177,041,300
LESS: Interfund Transfers	(966,973,731)	(959,545,125)	(836,034,500)	(840,001,000)	(844,497,200)
NET TOTAL TRANSPORTATION REVENUE After Transfers	3,192,941,461	3,279,123,301	3,448,091,200	3,316,676,100	3,332,544,100

DETAILED STATEMENT OF GENERAL AND SPECIAL REVENUE FUNDS

	ACTUAL FY 2009 - 2010	ACTUAL FY 2010 - 2011	ESTIMATES FY 2011 - 2012	ESTIMATES FY 2012 - 2013	ESTIMATES FY 2013 - 2014
All Funds Summary					
General Fund - General Purpose	8,083,689,126	9,210,550,846	9,030,500,000	9,034,600,000	9,236,000,000
General Fund - General Purpose Budget Adjustments	NA	NA	(120,400,000)	(350,600,000)	(330,100,000)
General Fund - Special Purpose/Special Revenue & Permanent Funds	5,967,003,618	5,856,802,605	5,040,404,242	5,168,061,596	5,256,303,184
Federal Aid Not Elsewhere Categorized	15,936,628,763	16,518,420,182	16,624,504,800	16,998,463,300	17,279,335,400
School Aid Fund	13,269,822,279	13,784,117,978	12,540,274,200	12,956,041,400	13,079,183,800
Transportation Revenues	4,159,915,192	4,238,668,425	4,284,125,700	4,156,677,100	4,177,041,300
TOTAL ALL FUNDS	47,417,058,980	49,608,560,036	47,399,408,942	47,963,243,396	48,697,763,683
LESS: Interfund Transfers	(1,363,650,291)	(1,088,446,569)	(1,010,506,621)	(1,094,053,015)	(916,599,373)
NET TOTAL REVENUE after transfers	46,053,408,689	48,520,113,466	46,388,902,321	46,869,190,381	47,781,164,310
OTHER REVENUE OR NON-CURRENT YEAR SOURCES OF FINANCING					
General Fund (Unassigned)	177,244,200	187,200,000	566,600,000	541,900,000	78,700,000
Restricted Fund Subfunds of the General Fund (Unobligated)	381,029,800	366,222,980	665,370,000	665,370,000	665,370,000
Budget Stabilization Fund (Unobligated)	2,178,900	2,155,807	2,189,000	261,085,000	395,778,000
School Aid Stabilization Fund (Unobligated)	238,200,000	255,900,000	724,700,000	129,100,000	0
Special Revenue and Permanent Funds Balances (Available)	185,928,706	172,653,282	209,028,000	210,000,000	210,000,000
Sub-Total Fund Balances	984,581,606	984,132,069	2,167,887,000	1,807,455,000	1,349,848,000
NET TOTAL RESOURCES	47,037,990,295	49,504,245,535	48,556,789,321	48,676,645,381	49,131,012,310

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



CAPPED SOURCES OF FEDERAL FUNDS SHARED BETWEEN STATE DEPARTMENTS

CFDA Number Title	FY 2013 Budget Recommendation	FY 2014 Budget Recommendation
10.664 Cooperative Forestry Assistance		
Grantee: Natural Resources	13,178,700	13,178,700
Grantee: Agriculture & Rural Development	1,119,500	1,119,500
16.588 Violence Against Women Formula Grants		
Grantee: Human Services	3,866,000	3,866,000
Subrecipient State Agency: State Police	175,000	175,000
17.503 Occupational Safety and Health-State Program		
Grantee: Licensing & Regulatory Affairs	15,443,200	15,443,200
Subrecipient State Agency: Attorney General	106,000	106,000
20.600 State and Community Highway Safety		
Grantee: State Police	7,998,700	7,998,700
Subrecipient State Agency: Judiciary	1,300,000	1,300,000
66.460 Nonpoint Source Implementation Grants		
Grantee: Environmental Quality	6,500,000	6,500,000
Subrecipient State Agency: Agriculture & Rural Development	361,200	361,200
84.002 Adult Education-State Program		
Grantee: Michigan Strategic Fund	20,000,000	20,000,000
Subrecipient State Agency: Corrections	911,200	919,000
Subrecipient State Agency: Human Services	34,700	34,700
84.010 Title I Grants Disadvantaged		
Grantee: Education	7,966,400	7,966,400
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	533,500	538,000
Subrecipient State Agency: Human Services	100,000	100,000
84.027 Special Education-Grants to States		
Grantee: Education	14,457,300	14,457,300
Subrecipient State Agency: Education via School Aid Budget	365,000,000	365,000,000
Subrecipient State Agency: Human Services	149,400	149,400
Subrecipient State Agency: Corrections	110,200	111,100
84.048 Vocational Education-Basic Grants to States		
Grantee: Education	2,549,200	2,549,200
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	283,100	286,800
Subrecipient State Agency: Human Services	93,800	93,800
84.181 Special Ed-Grants for Infants and Families with Disabilities		
Grantee: Education	932,600	932,600
Subrecipient State Agency: Education via School Aid Budget	15,000,000	15,000,000
Subrecipient State Agency: Human Services	74,600	74,600
84.186 Safe and Drug-Free Schools and Communities-State Grants		
Grantee: Education	1,822,500	1,822,500
Subrecipient State Agency: Education via School Aid Budget	10,808,600	10,808,600

CAPPED SOURCES OF FEDERAL FUNDS SHARED BETWEEN STATE DEPARTMENTS

CFDA Number	Title	FY 2013 Budget Recommendation	FY 2014 Budget Recommendation
84.196	Homeless Children and Youth Grants		
	Grantee: Education	484,000	484,000
	Subrecipient State Agency: Education via School Aid Budget	1,814,100	1,814,100
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	1,220,000
84.369	State Assessments		
	Grantee: Education	10,044,100	10,044,100
	Subrecipient State Agency: Education via School Aid Budget	5,000,000	5,000,000
93.558	Temporary Assistance For Needy Families		
	Grantee: Human Services	655,330,300	640,116,000
	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	19,341,500	19,341,500
	Subrecipient State Agency: Education	11,820,600	11,820,600
93.568	Low-Income Home Energy Assistance		
	Grantee: Human Services	172,064,300	172,064,300
	Subrecipient State Agency: Treasury	2,887,300	2,887,300
93.596	Child Care and Development Block Grant-Mandatory and Matching		
	Grantee: Education	123,434,300	123,434,300
	Subrecipient State Agency: Human Services	28,713,800	28,713,800
93.991	Preventive Health and Health Services Block Grant		
	Grantee: Community Health	3,583,800	3,583,800
	Subrecipient State Agency: Human Services	1,300,000	1,300,000

SPECIAL REVENUE FUNDS SHARED BETWEEN STATE DEPARTMENTS

Fund/Department	FY 2013 Budget Recommendation	FY 2014 Budget Recommendation
Bottle Deposits Fund		
Environmental Quality	23,122,400	23,122,400
Treasury	250,000	250,000
Comprehensive Transportation Fund		
Transportation	265,247,300	247,829,200
Attorney General	200,900	200,900
Civil Service Commission	200,000	200,000
Technology, Management, and Budget	44,100	44,100
Legislative Auditor General	29,600	29,600
Treasury	5,500	5,500
Forest Development Fund		
Natural Resources	36,136,200	36,136,200
Technology, Management, and Budget	351,500	351,500
Treasury	2,700	2,700
Game and Fish Protection Account		
Natural Resources	69,697,300	69,697,300
Treasury	1,205,500	1,205,500
Attorney General	838,000	838,000
Technology, Management, and Budget	475,400	475,400
Legislative Auditor General	25,800	25,800
Game and Fish Protection Trust Fund		
Natural Resources	6,000,000	6,000,000
Treasury	114,700	114,700
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	81,202,200	79,191,800
Human Services	30,100,000	30,100,000
Treasury	1,092,500	1,092,500
State Police	716,200	716,200
Attorney General	463,100	463,100
Michigan Natural Resources Trust Fund		
Natural Resources	1,217,300	1,217,300
Treasury	2,898,600	2,898,600
Michigan Nongame Fish and Wildlife Fund		
Natural Resources	687,400	687,400
Treasury	3,900	3,900
Michigan State Parks Endowment Fund		
Natural Resources	26,920,600	26,920,600
Technology, Management, and Budget	132,400	132,400
Treasury	92,500	92,500

SPECIAL REVENUE FUNDS SHARED BETWEEN STATE DEPARTMENTS

Fund/Department	FY 2013 Budget Recommendation	FY 2014 Budget Recommendation
Michigan State Waterways Account		
Natural Resources	24,319,800	20,897,600
State	1,437,600	1,437,600
Treasury	203,600	203,600
Technology, Management, and Budget	177,500	177,500
Attorney General	126,700	126,700
Legislative Auditor General	9,200	9,200
Motor Carrier Fees		
Licensing and Regulatory Affairs	2,949,700	2,949,700
State Police	4,657,800	4,657,800
Michigan Transportation Fund		
Transportation	979,076,200	984,944,500
State	20,000,000	20,000,000
Treasury	2,500,000	2,500,000
Environmental Quality	1,231,400	1,231,400
Legislative Auditor General	240,700	240,700
Off-Road Vehicle Account		
Natural Resources	6,488,700	6,488,700
State	160,400	160,400
Snowmobile Account		
Natural Resources	12,116,600	12,116,600
State	390,300	390,300
Treasury	1,500	1,500
State Aeronautics Fund		
Transportation	17,833,400	13,003,000
Attorney General	174,400	174,400
Civil Service Commission	150,000	150,000
Treasury	73,700	73,700
Technology, Management, and Budget	38,900	38,900
Legislative Auditor General	23,000	23,000
State Park Improvement Account		
Natural Resources	43,018,600	43,018,600
Treasury	2,700	2,700
State Trunkline Fund		
Transportation	689,603,900	685,343,000
State Police	11,217,900	11,217,900
Civil Service Commission	5,697,000	5,697,000
Attorney General	2,387,000	2,387,000
Technology, Management, and Budget	1,420,600	1,420,600
Legislative Auditor General	558,900	558,900
Treasury	124,300	124,300

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2011			Fiscal Year Ending September 30, 2012			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
MDARD	Agricultural Preservation Fund	166,380	2,318,482	(1,141,733)	1,343,129	777,600	(1,218,734)	901,995
MDARD	Agriculture Equine Industry Development Fund	1,642,273	5,334,590	(5,287,115)	1,689,749	4,600,000	(5,600,000)	689,749
MDARD	Animal Welfare Fund	127,669	177,069	(119,191)	185,547	130,000	(110,000)	205,547
MDARD	Commodity Inspection Fees	0	396,240	(395,695)	545	389,800	(390,345)	0
MDARD	Consumer & Industry Food Safety Education Fund	259,063	378,907	(258,085)	379,885	277,300	(250,000)	407,185
MDARD	Dairy and Food Safety Fund	342,336	2,668,628	(2,504,239)	506,726	2,595,300	(2,595,272)	506,754
MDARD	Freshwater Protection Fund	925,892	4,325,072	(4,329,779)	921,185	4,202,300	(4,621,774)	501,711
MDARD	Gasoline Inspection and Testing Fund	1,791,130	1,615,406	(1,153,987)	2,252,549	1,588,200	(2,228,195)	1,612,554
MDARD	Grain Dealer Fee Fund	0	128,469	(93,184)	35,284	171,000	(206,284)	0
MDARD	Horticulture Fund	0	0	0	0	35,000	(35,000)	0
MDARD	Industry Support Funds	74,645	286,545	(288,169)	73,021	222,600	(295,621)	0
MDARD	Licensing and Inspection Fees	404,153	3,446,144	(3,042,836)	807,461	3,333,200	(3,737,353)	403,308
MDARD	Migrant Housing Inspection Fees	0	114,586	(94,375)	20,211	108,500	(128,711)	0
MDARD	Migratory Labor Housing Fund	33,941	3,776	0	37,717	3,500	(41,217)	0
MDARD	Renewable Fuels Fund	18,270	23,698	0	41,968	21,000	0	62,968
MDARD	Testing Fees	0	225,221	(225,221)	0	220,000	(220,000)	0
MDARD	Weights and Measures Regulation Fees	414,652	575,832	(347,492)	642,992	445,000	(745,100)	342,892
Attorney General	Antitrust Enforcement Collections	250,000	509,321	(509,321)	250,000	656,600	(656,600)	250,000
Attorney General	Antitrust, Securities Fraud, Cp Or Class Action Enforcement Revenue	0	0	0	0	250,000	(250,000)	0
Attorney General	Attorney General's Operations Fund	1,975,134	774,081	(872,383)	1,876,832	750,000	(985,600)	1,641,232
Attorney General	Franchise Fees	0	313,392	(313,392)	0	331,700	(331,700)	0
Attorney General	Litigation Exp Reimbursement Fund	444,053	121,673	(71,036)	494,690	500,000	(500,000)	494,690
Attorney General	Prisoner Reimb Excess Collections	0	1,000,000	(1,000,000)	0	1,000,000	(1,000,000)	0
Attorney General	Prisoner Reimbursement	0	297,301	(297,301)	0	515,200	(515,200)	0
Attorney General	Prosecuting Attorney's Training Fees	0	166,684	(166,684)	0	375,000	(375,000)	0
Casino Gaming	State Casino Gaming Fund	1,980,005	63,080	0	2,043,085	240,000	0	2,283,085
Casino Gaming	State Services Fee Fund	4,897,300	33,017,070	(30,581,480)	7,332,890	32,650,000	(37,020,114)	2,962,776
Casino Gaming	Casino Gambling Agreements	338,101	539,601	(478,578)	399,124	602,700	(719,300)	282,524
Casino Gaming	Laboratory Fees	0	695,077	(695,077)	0	700,000	(700,000)	0
Casino Gaming	Equine Development Fund (ORC)	0	1,282,899	(1,282,899)	0	1,900,000	(1,900,000)	0
DCH	Certificate Of Need	1,097,807	2,271,793	(1,831,234)	1,538,366	2,368,800	(2,000,900)	1,906,266
DCH	Compulsive Gaming Prevention Fund	4,035,155	129,517	6,539	4,171,211	125,400	(1,050,000)	3,246,611

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2011			Fiscal Year Ending September 30, 2012			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
DCH	Crime Victims Rights Fund	2,866,476	10,429,357	(11,798,450)	1,497,383	13,000,000	(13,340,600)	1,156,783
DCH	EMS Fees	98,863	400,707	(488,124)	11,446	410,000	(421,446)	0
DCH	Health Insurance Claims Assessment	0	0	0	0	300,000,000	(300,000,000)	0
DCH	Health Professions Regulatory Fund ¹	6,675,113	30,177,065	(21,713,532)	15,138,646	0	0	15,138,646
DCH	Health Systems Fees and Collections ¹	27,801	2,360,691	(1,618,866)	769,626	0	0	769,626
DCH	Healthy Michigan Fund	817,623	33,962,837	(33,744,813)	1,035,647	32,800,000	(33,835,647)	0
DCH	Mbpi-Pharmaceutical Products Fund	1,169,679	0	(108,330)	1,061,349	0	(250,000)	811,349
DCH	Medicaid Benefits Trust Fund ²	12,506,200	699,628,265	(485,828,265)	226,306,200	345,300,000	(340,700,000)	230,906,200
DCH	Michigan Health Initiative Fund	204,969	9,140,276	(8,922,453)	422,792	9,000,000	(9,016,200)	406,592
DCH	Newborn Screening Fees	2,149,827	10,467,926	(10,861,533)	1,756,220	10,824,400	(11,649,200)	931,420
DCH	Pain Management Education & Controlled Substance Electronic Monitoring Antidiv ¹	4,800,374	1,266,200	(963,395)	5,103,179	0	0	5,103,179
DCH	Radiological Fees ¹	2,149,229	2,168,700	(1,954,487)	2,363,442	0	0	2,363,442
DCH	Vital Records Fees	800,887	4,022,763	(4,222,845)	600,805	4,039,900	(4,640,700)	0
DOC	Civil Infraction Fee	0	5,593,034	(5,593,034)	0	5,900,000	(5,900,000)	0
DOC	Correctional Industries Revolving Fund	0	522,288	(522,288)	0	694,200	(694,200)	0
DOC	Correctional Industries Revolving Fund	0	13,212,707	(13,212,707)	0	16,250,000	(16,250,000)	0
DOC	Local Corrections Officer Training Fund	0	0	0	0	500,000	(500,000)	0
DOC	Parole / Probation Oversight Fee Set-Aside	2,047,158	1,052,188	(540,000)	2,559,346	1,200,000	(2,000,000)	1,759,346
DOC	Parole / Probation Oversight Fees	0	5,446,255	(5,446,255)	0	5,840,200	(5,840,200)	0
DOC	Prisoner Health Care Copayments	0	193,440	(193,440)	0	250,000	(250,000)	0
DOC	Public Works User Fees	0	0	0	0	10,000,000	(10,000,000)	0
DOC	Public Works User Fees	0	69,028	(69,028)	0	358,700	(358,700)	0
DOC	Re-Entry Center Offender Reimbursements	0	14,301	(14,301)	0	20,000	(20,000)	0
DOC	Reimbursements From Other States - MCF	0	15,709,402	(15,709,402)	0	0	0	0
DOC	Resident Stores	0	4,798,467	(4,798,467)	0	5,967,100	(5,967,100)	0
DOC	Special Equipment Fund	0	0	0	0	10,000,000	0	10,000,000
DOC	Tether Program Participant Contributions	0	1,993,236	(1,993,236)	0	2,033,800	(2,033,800)	0
Education	Certification Fees	275,916	4,822,401	(3,921,334)	1,176,983	4,822,401	(5,000,000)	999,384
Education	Commodity Distribution Fees	4,298	0	0	4,298	0	0	4,298
Education	Library Fees	428,330	58,578	(22,968)	463,940	58,578	(22,968)	499,550
Education	Student Insurance Revenue	0	93,648	(93,648)	0	93,648	(93,648)	0
Education	Teacher College Review Fees	24,668	35,055	(3,612)	56,111	35,055	(3,612)	87,554
Education	Teacher Testing Fees	72,595	154,465	(136,465)	90,595	154,465	(136,465)	108,595
Education	Tenant Rent	758	96,437	(49,268)	47,927	0	0	47,927

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2011			Fiscal Year Ending September 30, 2012			Available Fund Balance
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	
Education	Training & Orientation Workshop Fees	0	4,262	(4,262)	0	4,262	(4,262)	0
DEQ	Above Ground Storage Tank Fund	402,900	499,700	(385,800)	516,800	500,000	(497,800)	519,000
DEQ	Air Emissions Fees	1,412,100	9,064,300	(8,574,600)	1,901,800	9,600,000	(9,972,600)	1,529,200
DEQ	Campground Fund	100,000	270,400	(247,500)	122,900	260,000	(226,000)	156,900
DEQ	Cleanup and Redevelopment Fund	22,510,100	10,132,700	(9,993,700)	22,649,100	9,680,000	(19,997,300)	12,331,800
DEQ	Cleanup and Redevelopment Trust Fund	599,100	1,233,400	(1,000,200)	832,300	1,100,000	(1,000,000)	932,300
DEQ	Community Pollution Prevention Fund	2,532,500	1,232,100	(1,077,800)	2,686,800	1,100,000	(1,250,000)	2,536,800
DEQ	Electronic Waste Recycling Fund	89,200	250,000	(196,100)	143,100	250,000	(207,000)	186,100
DEQ	Environmental Education Fund	93,500	56,200	0	149,700	56,200	(169,200)	36,700
DEQ	Environmental Pollution Prevention Subfund	1,522,500	1,358,000	(1,469,700)	1,410,800	1,400,000	(1,431,000)	1,379,800
DEQ	Environmental Protection Fund	8,633,200	2,070,500	(5,332,200)	5,371,500	3,303,800	(6,044,300)	2,631,000
DEQ	Environmental Response Fund	12,786,200	6,352,500	(4,863,300)	14,275,400	1,174,000	(6,647,500)	8,801,900
DEQ	Fees & Collections	0	282,500	(282,500)	0	286,000	(286,000)	0
DEQ	Financial Instruments	0	100,700	(100,700)	0	103,800	(103,800)	0
DEQ	Great Lakes Protection Fund	581,300	345,600	(510,200)	416,700	250,000	(517,500)	149,200
DEQ	Groundwater Discharge Permit Fees	1,184,900	1,139,700	(891,300)	1,433,300	1,100,000	(1,377,600)	1,155,700
DEQ	Hazardous Materials Transport Permit Fund	1,201,300	243,700	(260,400)	1,184,600	240,000	(261,100)	1,163,500
DEQ	Infrastructure Construction Fund	0	2,000	0	2,000	10,000	(12,000)	0
DEQ	Land and Water Permit Fee	3,676,300	2,560,000	(1,501,900)	4,734,400	2,470,000	(5,402,500)	1,801,900
DEQ	Landfill Maintenance Trust Fund	83,700	1,000	(36,500)	48,200	1,000	(15,000)	34,200
DEQ	Medical Waste Emergency Response Fund	601,100	243,800	(192,600)	652,300	250,000	(209,500)	692,800
DEQ	Metallic Mineral Surveillance Fee Revenue	93,600	34,000	(35,400)	92,200	80,000	(83,700)	88,500
DEQ	Mineral Well Regulatory Fee Revenue	139,300	144,400	(161,600)	122,100	150,000	(171,000)	101,100
DEQ	National Pollutant Discharge Elimination System	1,696,600	2,783,400	(1,706,900)	2,773,100	2,681,200	(2,300,000)	3,154,300
DEQ	Natural Resource Damage Fund	3,195,800	115,000	(100,300)	3,210,500	50,000	(50,000)	3,210,500
DEQ	Nonferrous Metallic Mineral Surveillance	0	5,000	0	5,000	75,000	(80,000)	0
DEQ	Oil And Gas Regulatory Fund	4,499,300	9,286,200	(7,674,700)	6,110,800	11,499,100	(9,216,800)	8,393,100
DEQ	Orphan Well Sub-Fund	1,762,500	1,245,500	(1,506,600)	1,501,400	1,300,000	(1,524,300)	1,277,100
DEQ	Public Swimming Pool Fund	173,700	514,200	(585,500)	102,400	500,000	(530,700)	71,700
DEQ	Public Utility Assessments	0	243,300	(243,300)	0	262,000	(262,000)	0
DEQ	Public Water Supply Fees	1,174,000	3,939,800	(4,458,200)	655,600	3,400,000	(4,014,000)	41,600
DEQ	Publication Revenue	72,600	100	(300)	72,400	0	(72,400)	0
DEQ	Refined Petroleum Fund	0	51,680,000	(51,680,000)	0	51,791,200	(51,791,200)	0
DEQ	Retired Engineers Technical Assistance Program	0	0	0	2,863,900	0	(887,900)	1,976,000
DEQ	Revitalization Revolving Loan Fund	6,072,500	47,900	(7,100)	6,113,300	48,900	(5,000)	6,157,200

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2011			Fiscal Year Ending September 30, 2012			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
DEQ	Sand Extraction Fee Revenue	141,900	49,200	(44,800)	146,300	85,000	(49,000)	182,300
DEQ	Scrap Tire Regulatory Fund	3,591,000	4,044,000	(4,930,600)	2,704,400	3,900,000	(4,540,000)	2,064,400
DEQ	Septage Waste Contingency Sub-Fund	36,000	0	(5,900)	30,100	0	(15,000)	15,100
DEQ	Septage Waste License Fees	348,800	416,800	(574,300)	191,300	450,000	(418,200)	223,100
DEQ	Settlements Fund	116,300	568,300	(608,800)	75,800	500,000	(575,800)	0
DEQ	Sewage Sludge Land Application Fee	3,700	763,500	(741,900)	25,300	845,800	(855,700)	15,400
DEQ	Small Business Pollution Prevention Assistance Revolving Loan Fund	965,200	11,200	(142,100)	834,300	11,200	(133,300)	712,200
DEQ	Soil Erosion and Sedimentation Control Fund	79,800	68,900	(61,500)	87,200	68,000	(64,500)	90,700
DEQ	Solid Waste Program Fees	906,300	5,219,200	(4,054,200)	2,071,300	4,570,000	(4,512,000)	2,129,300
DEQ	State Sites Cleanup Fund	5,952,700	11,800	(312,600)	5,651,900	11,300	(5,546,900)	116,300
DEQ	Stormwater Permit Fees	1,556,900	1,524,200	(1,075,200)	2,005,900	1,500,000	(1,291,000)	2,214,900
DEQ	Underground Storage Tank Fund	1,091,100	1,842,200	(1,686,400)	1,246,900	1,842,200	(1,830,700)	1,258,400
DEQ	Waste Reduction Fund	3,492,500	3,645,700	(3,326,800)	3,811,400	3,645,700	(3,426,600)	4,030,500
DEQ	Wastewater Operator Training Fees	17,900	49,500	(52,600)	14,800	370,000	(338,300)	46,500
DEQ	Water Analysis Fund	85,700	2,091,600	(1,773,900)	403,400	2,100,000	(1,911,400)	592,000
DEQ	Water Pollution Control Revolving Fund	0	2,130,000	(2,130,000)	0	2,355,100	(2,355,100)	0
DEQ	Water Quality Protection Fund	272,400	56,000	(36,800)	291,600	58,800	(100,000)	250,400
DEQ	Water Use Reporting Fee	382,100	239,200	(333,400)	287,900	175,000	(363,200)	99,700
Higher Education	Contributions to Children of Veterans Tuition Grant Program	0	79,932	(79,932)	0	200,000	(200,000)	0
DHS	Child Support Collections	0	27,445,800	(27,445,800)	0	29,145,800	(29,145,800)	0
DHS	Children's Advocacy Center Fund	1,443,114	877,211	(161,834)	2,158,491	1,000,000	(1,000,000)	2,158,491
DHS	Children's Trust Fund	1,098,577	1,687,544	(1,637,127)	1,148,994	2,823,700	(2,869,000)	1,103,694
DHS	Public Assistance Recoupment Revenue	55,539	7,787,040	(7,009,985)	832,595	7,010,000	(7,010,000)	832,595
DHS	Sexual Assault Victims' Medical Forensic Intervention	2,067,164	1,256,560	(489,311)	2,834,412	1,000,000	(1,000,000)	2,834,412
DHS	Supplemental Security Income Recoveries	0	13,549,078	(12,946,306)	602,772	15,702,000	(15,816,000)	488,772
Judiciary	Community Dispute Resolution Fund	1,740,462	1,942,426	(2,013,420)	1,669,468	1,950,000	(1,950,000)	1,669,468
Judiciary	Court Equity Fund ³	0	43,562,857	(43,562,857)	0	40,900,000	(40,900,000)	0
Judiciary	Court Fee Fund	1,226,516	6,396,467	(7,090,200)	532,783	6,200,000	(6,732,783)	0
Judiciary	Court Filing/Motion Fees	0	1,421,734	(1,421,734)	0	1,425,000	(1,425,000)	0
Judiciary	Drug Court Fund	519,079	1,276,331	(1,100,924)	694,486	1,275,000	(1,300,000)	669,486
Judiciary	Drug Fund	0	212,006	(212,006)	0	225,000	(225,000)	0
Judiciary	Drunk Driving Fund	0	2,823,645	(2,823,645)	0	2,900,000	(2,900,000)	0
Judiciary	Judicial Technology Improvement Fund	380,211	4,151,364	(4,410,377)	121,197	4,165,000	(4,200,000)	86,197
Judiciary	Juror Compensation Fund	3,866,399	1,476,649	(3,079,476)	2,263,572	4,000,000	(3,100,000)	3,163,572
Judiciary	Justice System Fund	216,965	457,850	(539,625)	135,189	460,000	(500,000)	95,189

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2011			Fiscal Year Ending September 30, 2012			Available Fund Balance
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	
Judiciary	Law Exam Fees	0	536,200	(536,200)	0	536,200	(536,200)	0
Judiciary	Miscellaneous Revenue	0	192,447	(192,447)	0	200,000	(200,000)	0
Judiciary	State Court Fund	0	7,180,579	(7,180,579)	0	7,200,000	(7,200,000)	0
DLARA	Accountancy Enforcement Fund	1,795,664	154,030	(138,898)	1,810,796	106,000	(145,000)	1,771,796
DLARA	Bank Fees	2,320,813	5,574,078	(5,233,862)	2,661,029	5,857,400	(5,431,948)	3,086,481
DLARA	Boiler Fee Revenue	1,139,133	2,862,798	(2,430,490)	1,571,441	2,833,400	(3,041,057)	1,363,784
DLARA	Builder Enforcement Fund	1,761,830	947,316	(270,959)	2,438,188	310,000	(180,100)	2,568,088
DLARA	Captive Insurance Regulatory & Supervision Fund	54,414	48,253	(102,667)	0	150,000	(50,000)	100,000
DLARA	Children's Protection Registry Fund	169,854	118,917	(72,397)	216,374	100,000	(70,000)	246,374
DLARA	Construction Code Fund	8,813,738	7,509,864	(9,299,067)	7,024,535	7,501,700	(10,723,316)	3,802,919
DLARA	Consumer Finance Fees	206,751	1,241,117	(1,200,697)	247,171	1,176,034	(1,354,450)	68,755
DLARA	Contingent Fund, Penalty & Interest - 110 Fund	0	3,650,000	(3,650,000)	0	3,675,000	(3,675,000)	0
DLARA	Contingent Fund, Regular Penalty & Interest	0	1,382,420	(1,382,420)	0	1,400,000	(1,400,000)	0
DLARA	Corporation Fees	8,866,538	21,273,543	(19,633,842)	10,506,239	21,480,000	(22,379,310)	9,606,929
DLARA	Credit Union Fees	771,858	5,867,172	(5,868,636)	770,394	6,685,200	(6,748,434)	707,160
DLARA	Deferred Presentment Service Transaction Fees	927,838	2,486,871	(2,465,158)	949,551	2,252,600	(2,793,900)	408,251
DLARA	Direct Shipper Enforcement Revolving Fund	272,796	79,989	0	352,785	70,700	0	423,485
DLARA	Elevator Fees	3,448,785	3,949,988	(3,384,134)	4,014,639	4,009,500	(3,843,211)	4,180,928
DLARA	Fees & Collections/Asbestos	0	774,539	(518,687)	255,852	620,998	(520,000)	356,850
DLARA	Fire Alarm Fees	0	87,413	(87,413)	0	88,000	(88,000)	0
DLARA	Fire Protection Fund	4,025,924	7,530,300	(11,551,743)	4,481	8,500,000	(8,500,000)	4,481
DLARA	Fire Safety Standard & Enforcement Fund	128,063	15,236	(40,000)	103,299	10,000	(40,000)	73,299
DLARA	Fire Service Fees	578,731	2,112,548	(2,501,115)	190,164	2,114,000	(2,304,164)	0
DLARA	Health Professions Regulatory Fees	6,930,175	30,177,065	(21,713,877)	15,393,363	30,170,400	(28,588,729)	16,975,034
DLARA	Health Systems Fees	27,801	2,360,691	(1,618,866)	769,626	2,360,000	(1,617,523)	1,512,103
DLARA	Insurance Bureau Fund	5,741,004	14,670,516	(16,461,829)	3,949,691	17,225,000	(18,880,036)	2,294,655
DLARA	Insurance Continuing Education Fees	239,232	683,770	(790,997)	132,005	592,900	(699,400)	25,505
DLARA	Insurance Licensing & Regulation Fees	2,836,900	6,668,610	(5,553,520)	3,951,990	6,445,200	(6,232,945)	4,164,245
DLARA	Licensing & Regulation Fees	5,403,662	13,902,734	(12,347,668)	6,958,728	10,272,900	(14,414,600)	2,817,028
DLARA	Liquor License Revenue	1,192,586	12,394,280	(11,464,705)	2,122,161	12,298,000	(12,858,942)	1,561,219
DLARA	Liquor Purchase Revolving Fund-- Operations	0	20,364,547	(20,364,547)	0	21,460,900	(21,460,900)	0
DLARA	Low-Income Energy Efficiency Fund	10,210,948	73,509,637	(74,715,584)	9,005,001	0	0	9,005,001
DLARA	MBLSA Fund	225,879	2,798,938	(2,360,284)	664,534	2,700,600	(2,556,856)	808,278
DLARA	Michigan Commission for the Blind Business Enterprise Program Fund	0	279,713	(279,713)	0	268,500	(268,500)	0
DLARA	Mobile Home Code Fund	2,486,113	1,891,337	(2,173,483)	2,203,967	2,498,625	(2,541,181)	2,161,411

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2011			Fiscal Year Ending September 30, 2012			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
DLARA	Motor Carrier Fees	0	5,873,552	(5,873,552)	0	5,128,500	(5,128,500)	0
DLARA	Multiple Employer Welfare Arrangement	316,529	65,643	(45,950)	336,222	43,900	(52,700)	327,422
DLARA	Nurse Professional Fund	453,024	1,365,468	(1,103,554)	714,938	1,301,500	(1,104,000)	912,438
DLARA	Pain Management Fees	4,800,374	1,266,200	(963,395)	5,103,179	1,261,613	(950,000)	5,414,792
DLARA	Private Occupational School License Fees	651,790	524,042	(624,891)	550,941	575,000	(658,763)	467,178
DLARA	Property Development Fees	14,608	22,620	(2,925)	34,303	14,850	0	49,153
DLARA	Public Utility Assessments	4,639,525	23,428,647	(22,404,442)	5,663,730	24,055,500	(25,450,993)	4,268,237
DLARA	Radiological Health Fees	2,149,229	2,168,700	(1,954,488)	2,363,442	2,100,000	(2,233,529)	2,229,913
DLARA	Real Estate Appraiser Continuing Education Fund	485,080	52,171	(43,062)	494,189	33,650	(47,400)	480,439
DLARA	Real Estate Education Fund	2,816,601	43,947	(153,785)	2,706,762	820,300	(163,803)	3,363,259
DLARA	Real Estate Enforcement Fund	2,466,464	49,548	(535,640)	1,980,372	825,000	(225,320)	2,580,052
DLARA	Rehabilitation Service Fees	0	493,696	(493,696)	0	800,000	(800,000)	0
DLARA	Restructuring Mechanism Assessments	1,165,027	18,162,843	(15,979,334)	3,348,536	18,000,000	(16,000,000)	5,348,536
DLARA	Safety Education & Training Fund	5,820,448	9,553,872	(8,355,337)	7,018,983	8,134,500	(9,870,751)	5,282,732
DLARA	Second Injury Fund	8,544,149	15,021,428	(13,545,308)	10,020,269	11,750,000	(13,500,000)	8,270,269
DLARA	Securities Fees	0	13,958,278	(13,958,278)	0	21,220,000	(21,220,000)	0
DLARA	Securities Investor Education & Training Fund	5,500	4,703	0	10,203	0	0	10,203
DLARA	Security Business Fund	219,269	95,991	(300,568)	14,692	114,500	(129,192)	0
DLARA	Self-Insurers Security Fund	13,044,988	9,299,190	(8,877,852)	13,466,326	7,400,000	(9,500,000)	11,366,326
DLARA	Silicosis & Dust Disease Fund	2,361,537	1,375,028	(1,667,779)	2,068,786	1,400,000	(1,500,000)	1,968,786
DLARA	Special Fraud Control Fund	0	0	0	0	1,000,000	(1,000,000)	0
DLARA	State Restricted Revenue - Administrative Hearings & Rules	0	3,175,097	(3,175,097)	0	4,807,154	(4,807,154)	0
DLARA	Survey & Remonumentation Fund	5,052,723	5,576,039	(8,659,687)	1,969,075	5,598,900	(5,687,663)	1,880,312
DLARA	Tax Tribunal Fund	3,399,306	4,895,867	(3,314,805)	4,980,368	4,484,300	(4,660,105)	4,804,563
DLARA	Unarmed Combat Fund	22,322	125,716	(74,727)	73,312	88,000	(69,700)	91,612
DLARA	Utility Consumer Representation Fund	3,284,313	1,131,554	(1,514,990)	2,900,877	1,133,700	(1,441,775)	2,592,802
DLARA	Video Franchise Assessments	106,491	287,640	(235,719)	158,412	229,908	(240,000)	148,320
DLARA	Vulnerable Household Warmth Fund	0	0	0	0	48,000,000	(48,000,000)	0
DLARA	Worker's Compensation Administrative Revolving Fund	2,806,759	1,539,161	(1,605,205)	2,740,715	1,444,000	(2,596,707)	1,588,008
Lottery	State Lottery Fund ⁴	0	43,905,900	(36,653,952)	0	44,186,600	(44,186,600)	0
DMVA	Income & Assessments	0	18,648,333	(18,648,333)	0	19,617,700	(19,617,700)	0
DMVA	Lease Revenue	0	12,200	(12,200)	0	12,200	(12,200)	0
DMVA	Mackinac Bridge Authority - Restricted	0	51,212	(51,212)	0	70,000	(70,000)	0
DMVA	Michigan National Guard Construction Fund	0	56,332	(35,241)	21,091	0	0	21,091
DMVA	Michigan Veterans Trust Fund - Restricted	2,955,644	1,532,552	(2,133,497)	2,354,699	5,053,300	(5,053,300)	2,354,699

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2011			Fiscal Year Ending September 30, 2012			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
DMVA	Military Family Relief Fund	2,529,632	132,075	(331,388)	2,330,319	1,000,000	(300,000)	3,030,319
DMVA	Rental Fees	0	133,796	(133,796)	0	346,400	(346,400)	0
DNR	Aircraft Fees	1,298,900	66,100	(267,400)	1,097,600	80,000	(284,800)	892,800
DNR	Cervidae Licensing and Inspection Fees	0	77,800	(77,800)	0	119,200	(119,200)	0
DNR	Commercial Forest Fund	58,900	31,100	(32,200)	57,800	28,100	(63,000)	22,900
DNR	Forest Development Fund	8,261,100	31,965,000	(32,778,000)	7,448,100	31,169,100	(36,078,800)	2,538,400
DNR	Forest Land User Charges	550,600	301,500	(398,800)	453,300	350,700	(697,100)	106,900
DNR	Forest Recreation Account	317,000	1,580,200	(1,366,300)	530,900	1,913,300	(2,242,400)	201,800
DNR	Game and Fish Protection Fund	5,637,400	61,738,800	(62,758,600)	4,617,600	59,766,200	(64,383,800)	0
DNR	Game and Fish Protection Fund - Deer Habitat Reserve	538,500	2,331,100	(2,520,600)	349,000	2,277,000	(2,626,000)	0
DNR	Game and Fish Protection Fund - Fisheries Settlement	1,237,100	624,600	(394,900)	1,466,800	615,600	(949,300)	1,133,100
DNR	Game and Fish Protection Fund - Turkey Permit Fees	715,500	1,290,300	(1,528,600)	477,200	1,337,400	(1,614,600)	200,000
DNR	Game and Fish Protection Fund - Waterfowl Fees	743,000	291,000	523,400	1,557,400	292,000	(121,500)	1,727,900
DNR	Game and Fish Protection Fund - Wildlife Resource Protection Fund	3,000	1,109,500	(1,074,800)	37,700	1,085,400	(1,123,100)	0
DNR	Game and Fish Protection Fund - Youth Hunting and Fishing Education and Outreach Fund	201,200	34,100	(7,600)	227,700	34,700	(56,600)	205,800
DNR	History Fees Fund	4,400	6,200	(8,700)	1,900	225,000	(226,900)	0
DNR	Land Exchange Facilitation Fund	749,200	2,144,000	(1,270,900)	1,622,300	2,877,300	(4,499,600)	0
DNR	Local Public Recreation Facilities Fund	0	632,700	0	632,700	948,000	(85,700)	1,495,000
DNR	Mackinac Island State Park Fund	0	1,500,500	(1,500,500)	0	1,500,000	(1,500,000)	0
DNR	Mackinac Island State Park Operation Fund	0	138,300	(138,300)	0	170,000	(170,000)	0
DNR	Marine Safety Fund	446,200	4,726,600	(4,686,700)	486,100	4,712,700	(5,198,800)	0
DNR	Michigan Heritage Publications Fund	148,000	4,100	(5,800)	146,300	5,000	(51,100)	100,200
DNR	Michigan Natural Resources Trust Fund	72,530,600	51,372,300	(78,551,300)	45,351,600	26,281,900	(43,369,100)	28,264,400
DNR	Michigan State Parks Endowment Fund ⁶	0	33,083,500	(23,112,100)	9,971,400	41,159,800	(45,822,400)	5,308,800
DNR	Michigan State Waterways Fund	3,263,900	21,562,400	(23,439,100)	1,387,200	21,814,700	(21,160,500)	2,041,400
DNR	Michigan Trailways Fund	64,600	6,900	(29,800)	41,700	7,000	(30,900)	17,800
DNR	Museum Operations Fund	143,000	511,200	(508,200)	146,000	525,000	(549,000)	122,000
DNR	Nongame Wildlife Fund	270,500	481,700	(404,900)	347,300	509,400	(769,500)	87,200
DNR	Off-Road Vehicle Safety Education Fund	285,100	203,400	(220,400)	268,100	194,600	(318,800)	143,900
DNR	Off-Road Vehicle Trail Improvement Fund	1,159,000	3,095,800	(3,928,700)	326,100	3,110,000	(3,436,100)	0
DNR	Park Improvement Fund	3,720,900	43,706,000	(44,532,400)	2,894,500	43,908,900	(46,664,600)	138,800
DNR	Permanent Snowmobile Trail Easement Fund	708,400	530,000	(1,200)	1,237,200	657,300	(700,000)	1,194,500

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		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
DNR	Public Use and Replacement Deed Fees	0	25,500	(25,500)	0	30,000	(30,000)	0
DNR	Recreation Improvement Account	486,800	991,900	(922,000)	556,700	999,100	(1,536,300)	19,500
DNR	Recreation Passport Fees	0	3,353,500	0	3,353,500	5,020,100	(5,274,900)	3,098,700
DNR	Snowmobile Registration Fee Fund	38,700	1,588,000	(1,512,500)	114,200	1,559,200	(1,673,400)	0
DNR	Snowmobile Trail Improvement Fund	1,575,000	7,861,800	(8,248,500)	1,188,300	9,231,100	(10,249,100)	170,300
DNR	Sportsmen Against Hunger Fund	44,700	21,100	(34,800)	31,000	20,000	(51,000)	0
State	Abandoned Vehicle Fund	0	336,384	(336,384)	0	334,000	(334,000)	0
State	Administrative Order Processing Fee	0	1,360	(1,360)	0	1,000	(1,000)	0
State	Auto Repair Facilities Fees	0	2,730,596	(2,730,596)	0	3,537,000	(3,537,000)	0
State	Basic Driver Improvement Course Fund	0	859,439	(859,439)	0	1,353,000	(1,353,000)	0
State	Child Support Clearance Fees	0	170,074	(170,074)	0	179,000	(179,000)	0
State	Credit & Debit Card Service Assessment	82,223	819,294	(731,879)	169,638	1,000,000	(1,000,000)	169,638
State	Driver Education Provider & Instructor Fund	223,111	111,012	(72,900)	261,223	44,000	(72,700)	232,523
State	Driver Fees	0	25,522,789	(25,522,789)	0	29,466,000	(29,466,000)	0
State	Enhanced Driver License & Personal ID Fund	627,428	5,402,551	(4,226,700)	1,803,279	4,857,000	(5,071,500)	1,588,779
State	Expedient Service Fees	0	2,176,447	(2,176,447)	0	3,333,000	(3,333,000)	0
State	Mobile Home Commission Fees	0	250,163	(250,163)	0	271,000	(271,000)	0
State	Motor Vehicle Accident Claims Fund	138,426	6,099	0	144,525	5,000	0	149,525
State	Motor Vehicle Code Books	91,625	5,788	(6,195)	91,218	5,000	(6,195)	90,023
State	Motorcycle Safety Fund	683,319	1,525,508	(1,640,891)	567,936	1,495,000	(1,775,073)	287,863
State	Notary Education & Training Fund	17,040	50,084	(50,000)	17,124	55,000	(50,000)	22,124
State	Notary Fees Fund	0	160,259	(160,259)	0	185,000	(185,000)	0
State	Off-Road Vehicle Title Fees	0	144,800	(144,800)	0	149,000	(149,000)	0
State	Parking Ticket Court Fines	0	1,446,307	(1,446,307)	0	1,427,000	(1,427,000)	0
State	Personal ID Cards	0	1,944,500	(1,944,500)	0	2,463,000	(2,463,000)	0
State	Reinstatement Fees	0	4,370,900	(4,370,900)	0	5,119,000	(5,119,000)	0
State	Scrap Tire Fund	0	72,900	(72,900)	0	72,000	(72,000)	0
State	Snowmobile Registration Fee Revenue	0	250,782	(250,782)	0	252,000	(252,000)	0
State	Transportation Administration Collection Fund	1,281,989	99,757,304	(99,387,195)	1,652,098	99,735,000	(100,000,000)	1,387,098
MSP	Auto Theft Prevention Fund	1,273,700	6,315,200	(5,919,900)	1,669,000	6,255,000	(6,752,600)	1,171,400
MSP	Concealed Weapons Enforcement Fee	153,800	300	0	154,100	300	(54,100)	100,300
MSP	Criminal Justice Information Center Service Fees	0	15,504,500	(14,414,300)	1,090,200	16,370,400	(17,460,600)	0
MSP	Drunk Driving Prevention & Training Fund	231,700	935,900	(744,100)	423,500	950,800	(960,000)	414,300
MSP	Forensic Science Reimbursement Fees	0	1,072,200	(1,072,200)	0	989,600	(989,600)	0

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

Boilerplate language in the Fiscal Year 2012 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, 2011 and September 30, 2012.

Agency	State Restricted Fund	Fiscal Year Ending September 30, 2011			Fiscal Year Ending September 30, 2012			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
MSP	Forfeiture Funds	0	500	(500)	0	5,000	(5,000)	0
MSP	Hazardous Materials Training Center Fees	0	1,094,700	(1,094,700)	0	1,281,200	(1,281,200)	0
MSP	Highway Safety Fund	0	10,798,400	(9,473,000)	1,325,400	10,258,500	(11,583,800)	100
MSP	Licensing Fees	0	2,000	(2,000)	0	1,500	(1,500)	0
MSP	Michigan Justice Training Fund	4,650,300	5,529,100	(5,909,400)	4,270,000	5,600,000	(6,560,000)	3,310,000
MSP	Narcotics Investigation Revenue	1,922,800	1,236,900	(2,338,700)	821,000	750,000	(1,025,000)	546,000
MSP	Nuclear Plant Emergency Planning Reimbursement	0	1,723,800	(1,723,800)	0	2,030,000	(2,030,000)	0
MSP	Precision Driving Track Fees	0	226,500	(225,200)	1,300	250,000	(250,000)	1,300
MSP	Reimbursed Services	0	806,900	(806,900)	0	1,195,800	(1,195,800)	0
MSP	Rental of Department Aircraft	0	23,600	(23,600)	0	24,000	(24,000)	0
MSP	Secondary Road Patrol and Training Fund	1,271,800	10,244,400	(10,917,900)	598,300	9,732,200	(9,976,700)	353,800
MSP	Sex Offenders Registration Fund	355,200	72,600	(96,800)	331,000	100,000	(283,200)	147,800
MSP	State Forensic Laboratory Fund	722,500	1,112,100	(1,045,300)	789,300	922,900	(1,712,200)	0
MSP	State Police Service Fees	0	1,368,300	(1,368,300)	0	1,400,000	(1,400,000)	0
MSP	Traffic Crash Revenue	0	230,300	(230,300)	0	250,000	(250,000)	0
MSP	Traffic Law Enforcement and Safety Fund	0	23,283,700	(20,861,200)	2,422,500	24,700,000	(27,122,500)	0
MSP	Trooper School Recruitment Fund	846,700	1,459,600	(392,200)	1,914,100	7,500	(600,000)	1,321,600
MSP	Truck Driver Safety Fund	1,165,000	1,535,500	(1,262,400)	1,438,100	1,110,800	(1,625,200)	923,700
MSF	Land Bank Fast Track Fund	0	795,698	(795,698)	0	550,000	(550,000)	0
MSF	Michigan Film Promotion Fund	471,791	473,877	(413,429)	532,239	26,120,000	(25,400,000)	1,252,239
MSF	Twenty-First Century Jobs Fund	0	75,000,000	(75,000,000)	0	75,000,000	(75,000,000)	0
MSF-MSHDA	MSHDA Fees and Charges	0	44,432,500	(44,432,500)	0	58,805,600	(58,805,600)	0
DTMB	State Building Authority Revenue	0	392,409	(392,409)	0	470,000	(470,000)	0
MDOT	Comprehensive Transportation Fund	18,934,500	249,430,500	(253,571,500)	14,793,500	245,354,000	(241,494,100)	18,653,400
MDOT	Michigan Transportation Fund	0	1,852,109,200	(1,852,109,200)	0	1,858,146,000	(1,858,146,000)	0
MDOT	State Aeronautics Fund	6,873,400	12,715,500	(12,910,100)	6,678,800	12,827,000	(14,537,700)	4,968,100
MDOT	State Trunkline Fund ⁶	0	729,959,600	(729,959,600)	0	770,072,100	(770,072,100)	0
Treasury	Airport Parking Revenue	0	20,274,625	(20,274,625)	0	20,361,775	(20,361,775)	0
Treasury	Beverage Container Redemption	285,000	0	0	285,000	0	(285,000)	0
Treasury	Convention Facility Development Fund	0	72,349,836	(72,349,836)	0	76,141,276	(76,141,276)	0
Treasury	Defined Contribution Administrative Fee Revenue	0	100,000	(100,000)	0	0	0	0
Treasury	Delinquent Tax Collection Revenue and MARCS ⁷	0	123,150,983	(123,150,983)	0	127,000,000	(127,000,000)	0
Treasury	Emerg 911 Admin & Coord (State Police)	0	524,691	(524,691)	0	520,332	(520,332)	0
Treasury	Emerg 911 Dispatch Operations (State Police)	0	527,498	(527,498)	0	523,113	(523,113)	0
Treasury	Emergency 911 - Counties	0	9,262,977	(9,262,977)	0	9,186,023	(9,186,023)	0

STATE RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS

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Agency	State Restricted Fund	Fiscal Year Ending September 30, 2011			Fiscal Year Ending September 30, 2012			
		Available Fund Balance	Revenue	Expenditures	Available Fund Balance	Revenue	Expenditures	Available Fund Balance
Treasury	Emergency 911 - Counties per Capita	0	13,894,553	(13,894,553)	0	13,779,121	(13,779,121)	0
Treasury	Emergency 911 - Local Exchange Providers Emergency 911	0	2,205,823	(2,205,823)	0	2,187,752	(2,187,752)	0
Treasury	Emergency 911 - PSAP Training	0	1,683,500	(1,683,500)	0	1,671,909	(1,671,909)	0
Treasury	Emergency 911 Administration	0	0	0	0	150,000	(100,000)	50,000
Treasury	Escheats Revenue ⁷	0	7,980,254	(3,938,571)	0	3,583,000	(3,583,000)	0
Treasury	Financial Institutions Services	0	11,099,327	(11,099,327)	0	0	0	0
Treasury	Garnishment Fees	0	3,099,324	(3,099,324)	0	2,321,300	(2,321,300)	0
Treasury	Health and Safety Fund	0	540,055	(540,055)	0	16,084,000	(16,084,000)	0
Treasury	Justice System Fund	292,722	456,818	(450,171)	299,369	450,000	(696,100)	53,269
Treasury	Land Reutilization Fund	8,123,134	1,378,216	(2,131,641)	7,369,709	1,100,000	(1,500,000)	6,969,709
Treasury	Municipal Finance Fees	0	483,699	(483,699)	0	507,600	(507,600)	0
Treasury	Principal Residence Prop Tax Exemption Audit Fund	2,470,250	2,617,501	(597,702)	4,490,049	1,100,000	(600,000)	4,990,049
Treasury	School Bond Fees	182,555	504,562	(586,880)	100,237	500,000	(590,000)	10,237
Treasury	State Campaign Funds	0	1,351,459	0	1,351,459	1,000,000	0	2,351,459
Treasury	Tax Amnesty Revenue	0	6,800,000	(4,099,279)	2,700,721	0	(2,700,721)	0
Treasury	Tobacco Tax Revenue	0	1,121,785	(1,121,785)	0	0	0	0
Treasury	Treasury Fees	0	1,016,648	(1,016,648)	0	1,144,600	(1,144,600)	0

¹ DCH - The Health Professionals Regulatory Fund, Health Systems Fees and Collections, Pain Management Education and Controlled Substance Electronic Monitoring Fund, and Radiological Fees were transferred to DLARA in accordance with Executive Order 2011-5.

² DCH - The Medicaid Benefits Trust Fund has \$213.8 million reserved for future potential federal disallowances pursuant to Section 301 of 2011 PA 157.

³ Judiciary - For fiscal year 2011, \$2.6 million Juror Compensation Fund was transferred to the Court Equity Fund.

⁴ Lottery - Excess revenue at the end of the fiscal year lapses to the School Aid Fund.

⁵ DNR - Expenditures for the Michigan State Parks Endowment Fund include transfers to the permanent investment corpus.

⁶ MDOT - The State Trunkline Fund includes revenues and expenditures of the Blue Water Bridge Fund and the Economic Development Fund.

⁷ Treasury - Excess revenues in the Delinquent Tax Collection Revenue and MARCS Fund and Escheats Revenue at the end of each fiscal year lapses to the general fund.

FISCAL YEAR 2013 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	72,044,300	316,900	71,727,400	11,114,800	0	174,300	28,513,300	31,925,200	60,438,500	1,500,000
Attorney General	83,921,300	23,784,800	60,136,500	9,810,000	0	0	17,029,300	33,297,200	50,326,500	0
Civil Rights	14,203,700	0	14,203,700	2,616,700	0	18,700	151,900	11,416,400	11,568,300	0
Community Health	15,045,744,800	10,004,100	15,035,740,700	9,703,205,900	257,129,700	93,263,200	2,146,298,700	2,835,843,200	4,982,141,900	1,151,081,700
Corrections	2,050,142,500	988,200	2,049,154,300	8,701,000	263,000	0	72,008,000	1,968,182,300	2,040,190,300	91,166,400
Education	330,328,600	0	330,328,600	246,465,200	5,543,900	2,828,700	7,561,700	67,929,100	75,490,800	5,445,700
Environmental Quality	425,979,000	8,972,400	417,006,600	161,271,800	0	529,000	229,960,900	25,244,900	255,205,800	2,775,000
Executive Office	4,829,200	0	4,829,200	0	0	0	0	4,829,200	4,829,200	0
Human Services	6,576,644,900	31,241,700	6,545,403,200	5,385,771,600	33,549,200	16,375,800	88,847,000	1,020,859,600	1,109,706,600	94,339,300
Judiciary	265,397,800	2,629,100	262,768,700	5,965,900	6,970,700	913,600	88,539,000	160,379,500	248,918,500	119,811,500
Legislative Auditor General	18,416,800	3,733,100	14,683,700	0	0	0	1,863,600	12,820,100	14,683,700	0
Legislature	109,522,500	0	109,522,500	0	0	400,000	1,109,800	108,012,700	109,122,500	0
Licensing and Regulatory Affairs	827,476,800	13,333,400	814,143,400	388,025,200	7,159,900	5,427,800	378,137,100	35,393,400	413,530,500	21,625,700
Military and Veterans Affairs	164,731,300	1,165,800	163,565,500	98,831,900	765,600	1,499,500	30,291,000	32,177,500	62,468,500	120,000
Natural Resources	337,869,500	2,015,900	335,853,600	66,342,500	0	7,223,700	242,745,700	19,541,700	262,287,400	6,152,600
State	219,128,100	20,000,000	199,128,100	1,810,000	0	100	183,711,600	13,606,400	197,318,000	1,360,800
State Police	567,550,100	25,066,300	542,483,800	104,661,300	6,830,500	229,600	118,329,900	312,432,500	430,762,400	18,728,700
Technology, Management & Budget	860,422,800	632,460,800	227,962,000	9,037,600	1,320,800	190,200	90,160,000	127,253,400	217,413,400	0
State Building Authority	256,870,600	0	256,870,600	0	0	0	0	256,870,600	256,870,600	0
Transportation	3,329,829,500	3,517,100	3,326,312,400	1,221,830,100	52,080,200	100,000	2,052,302,100	0	2,052,302,100	1,211,655,900
Treasury										
Operations	466,832,300	8,749,000	458,083,300	40,193,600	2,252,700	0	348,016,700	67,620,300	415,637,000	146,592,500
Debt Service	140,554,900	0	140,554,900	0	0	0	5,514,500	135,040,400	140,554,900	0
Michigan Strategic Fund	941,113,400	37,600	941,075,800	657,612,100	4,433,500	5,380,000	145,089,500	128,560,700	273,650,200	15,224,800
Revenue Sharing / Incentive Grants	1,051,719,700	0	1,051,719,700	0	0	0	1,051,719,700	0	1,051,719,700	1,051,719,700
Subtotal - Non-Education Omnibus	34,161,274,400	788,016,200	33,373,258,200	18,123,267,000	378,299,700	134,554,200	7,327,901,000	7,409,236,300	14,737,137,300	3,939,300,300
One-Time Boilerplate Appropriations	433,432,800	4,016,100	429,416,700	51,536,100	289,300	36,100	33,738,100	343,817,100	377,555,200	0
Total - Non-Education Omnibus	\$34,594,707,200	\$792,032,300	\$33,802,674,900	\$18,174,803,100	\$378,589,000	\$134,590,300	\$7,361,639,100	\$7,753,053,400	\$15,114,692,500	\$3,939,300,300
Higher Education										
Community Colleges	294,130,500	0	294,130,500	0	0	0	197,614,100	96,516,400	294,130,500	294,130,500
Universities & Financial Aid	1,399,981,500	0	1,399,981,500	97,026,400	0	0	200,565,700	1,102,389,400	1,302,955,100	0
School Aid	12,505,657,200	0	12,505,657,200	1,701,041,400	0	0	10,785,973,400	18,642,400	10,804,615,800	10,841,677,500
Subtotal - Education Omnibus	14,199,769,200	0	14,199,769,200	1,798,067,800	0	0	11,184,153,200	1,217,548,200	12,401,701,400	11,135,808,000
One-Time Boilerplate Appropriations	181,357,600	0	181,357,600	0	0	0	0	181,357,600	181,357,600	0
Total - Education Omnibus	\$14,381,126,800	\$0	\$14,381,126,800	\$1,798,067,800	\$0	\$0	\$11,184,153,200	\$1,398,905,800	\$12,583,059,000	\$11,135,808,000
GRAND TOTAL	\$48,975,834,000	\$792,032,300	\$48,183,801,700	\$19,972,870,900	\$378,589,000	\$134,590,300	\$18,545,792,300	\$9,151,959,200	\$27,697,751,500	\$15,075,108,300

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

55.56%

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	73,400,800	316,900	73,083,900	11,488,500	0	174,300	28,813,300	32,607,800	61,421,100	1,500,000
Attorney General	85,943,900	24,400,100	61,543,800	10,070,400	0	0	17,430,900	34,042,500	51,473,400	0
Civil Rights	14,524,000	0	14,524,000	2,678,400	0	18,700	151,900	11,675,000	11,826,900	0
Community Health	15,461,169,200	10,004,100	15,451,165,100	9,974,147,200	257,129,700	93,283,200	2,132,264,300	2,994,360,700	5,126,625,000	1,212,007,900
Corrections	2,085,246,800	1,002,600	2,084,244,200	8,931,900	267,800	0	63,838,000	2,011,206,500	2,075,044,500	91,166,400
Education	331,819,700	0	331,819,700	247,526,200	5,589,900	2,828,700	7,692,500	68,182,400	75,874,900	5,445,700
Environmental Quality	428,460,800	8,972,400	419,488,400	161,271,800	0	529,000	231,952,300	25,735,300	257,687,600	2,775,000
Executive Office	4,829,200	0	4,829,200	0	0	0	0	4,829,200	4,829,200	0
Human Services	6,593,834,100	31,241,700	6,562,592,400	5,390,125,100	33,549,200	16,375,800	88,847,000	1,033,695,300	1,122,542,300	94,339,300
Judiciary	267,005,700	2,631,700	264,374,000	6,005,600	7,035,700	919,700	88,555,900	161,857,100	250,413,000	119,811,500
Legislative Auditor General	18,917,900	3,842,500	15,075,400	0	0	0	1,918,300	13,157,100	15,075,400	0
Legislature	109,522,500	0	109,522,500	0	0	400,000	1,109,800	108,012,700	109,122,500	0
Licensing and Regulatory Affairs	840,005,800	13,773,700	826,232,100	395,184,100	7,159,900	5,427,800	382,510,900	35,949,400	418,460,300	21,625,700
Military and Veterans Affairs	155,127,900	1,165,800	153,962,100	91,692,900	765,600	1,499,500	27,291,000	32,713,100	60,004,100	120,000
Natural Resources	339,958,500	2,015,900	337,942,600	66,342,500	0	7,223,700	244,532,200	19,844,200	264,376,400	4,784,990
State	223,132,400	20,000,000	203,132,400	1,810,000	0	100	187,481,100	13,841,200	201,322,300	1,360,800
State Police	579,260,600	25,555,200	553,705,400	105,698,300	6,862,200	236,400	120,284,300	320,624,200	440,908,500	18,728,700
Technology, Management & Budget	869,797,700	636,402,800	233,394,900	10,409,700	1,320,800	190,200	90,838,900	130,635,300	221,474,200	0
State Building Authority	256,870,600	0	256,870,600	0	0	0	0	256,870,600	256,870,600	0
Transportation	3,321,979,200	3,558,300	3,318,420,900	1,221,830,100	52,080,200	100,000	2,044,410,600	0	2,044,410,600	1,217,695,000
Treasury										
Operations	472,622,800	8,967,700	463,655,100	40,526,700	2,304,300	0	352,397,700	68,426,400	420,824,100	117,596,200
Debt Service	159,964,000	0	159,964,000	0	0	0	5,514,500	154,449,500	159,964,000	0
Michigan Strategic Fund	943,502,200	37,600	943,464,600	658,399,700	4,433,500	5,380,000	146,306,200	128,945,200	275,251,400	15,224,800
Revenue Sharing / Incentive Grants	1,080,716,000	0	1,080,716,000	0	0	0	1,080,716,000	0	1,080,716,000	1,080,716,000
Total - Non-Education Omnibus	\$34,717,612,300	\$793,889,000	\$33,923,723,300	\$18,404,139,100	\$378,498,800	\$134,567,100	\$7,344,857,600	\$7,661,660,700	\$15,006,518,300	\$4,004,897,990
Higher Education										
Community Colleges	294,130,500	0	294,130,500	0	0	0	197,614,100	96,516,400	294,130,500	294,130,500
Universities & Financial Aid	1,402,689,300	0	1,402,689,300	97,026,400	0	0	200,565,700	1,105,097,200	1,305,662,900	0
School Aid	12,603,634,800	0	12,603,634,800	1,701,041,400	0	0	10,883,951,000	18,642,400	10,902,593,400	10,737,027,500
Total - Education Omnibus	\$14,300,454,600	\$0	\$14,300,454,600	\$1,798,067,800	\$0	\$0	\$11,282,130,800	\$1,220,256,000	\$12,502,386,800	\$11,031,158,000
GRAND TOTAL	\$49,018,066,900	\$793,889,000	\$48,224,177,900	\$20,202,206,900	\$378,498,800	\$134,567,100	\$18,626,988,400	\$8,881,916,700	\$27,508,905,100	\$15,036,055,990

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

54.66%

GENERAL FUND/GENERAL PURPOSE
(\$ in Thousands)

DEPARTMENT/AGENCY	FY12 Current Law*	FY13 Baseline Adjustments	FY13 Baseline Spending	FY13 Governor's Recommended	Difference FY13 Governor's Rec. from FY12 Current Law	% Change FY13 Governor's Rec. from FY12 Current Law	FY14 Governor's Recommended	Difference FY14 Governor's Rec. from FY13 Governor's Rec.	% Change FY14 Governor's Rec. from FY13 Governor's Rec.
Agriculture & Rural Development	28,702.7	1,222.5	29,925.2	31,925.2	3,222.5	11.2%	32,607.8	682.6	2.1%
Attorney General	28,367.6	3,529.6	31,897.2	33,297.2	4,929.6	17.4%	34,042.5	745.3	2.2%
Civil Rights	10,679.0	402.4	11,081.4	11,416.4	737.4	6.9%	11,675.0	258.6	2.3%
Community Health	2,939,874.6	(116,631.6)	2,823,243.0	2,835,843.2	(104,031.4)	-3.5%	2,994,360.7	158,517.5	5.6%
Corrections	1,874,836.2	88,846.1	1,963,682.3	1,968,182.3	93,346.1	5.0%	2,011,206.5	43,024.2	2.2%
Education	64,059.0	(2,214.9)	61,844.1	67,929.1	3,870.1	6.0%	68,182.4	253.3	0.4%
Environmental Quality	21,491.6	1,203.3	22,694.9	25,244.9	3,753.3	17.5%	25,735.3	490.4	1.9%
Executive Office	4,599.2	230.0	4,829.2	4,829.2	230.0	5.0%	4,829.2	0.0	0.0%
Human Services	1,024,639.4	(10,790.1)	1,013,849.3	1,020,859.6	(3,779.8)	-0.4%	1,033,695.3	12,835.7	1.3%
Judiciary	152,534.3	6,502.3	159,036.6	160,379.5	7,845.2	5.1%	161,857.1	1,477.6	0.9%
Legislative Auditor General	10,990.9	1,489.2	12,480.1	12,820.1	1,829.2	10.3%	13,157.1	337.0	2.6%
Legislature	99,043.4	4,091.4	103,134.8	108,012.7	8,969.3	5.0%	108,012.7	0.0	0.0%
Licensing and Regulatory Affairs	41,072.8	(7,179.4)	33,893.4	35,393.4	(5,679.4)	-13.8%	35,949.4	556.0	1.6%
Military and Veterans Affairs	33,044.9	(3,267.4)	29,777.5	32,177.5	(867.4)	-2.6%	32,713.1	535.6	1.7%
Natural Resources	13,831.2	210.5	14,041.7	19,541.7	5,710.5	41.3%	19,844.2	302.5	1.5%
State	11,286.2	2,320.2	13,606.4	13,606.4	2,320.2	20.6%	13,841.2	234.8	1.7%
State Police	284,676.0	24,178.8	288,854.8	312,432.5	47,756.5	18.0%	320,624.2	8,191.7	2.6%
Technology, Management & Budget	53,987.2	8,264.4	62,251.6	77,253.4	23,266.2	43.1%	80,635.3	3,381.9	4.4%
Information Technology Investments	0.0	0.0	0.0	50,000.0	50,000.0	0.0%	50,000.0	0.0	0.0%
State Building Authority	256,870.6	0.0	256,870.6	256,870.6	0.0	0.0%	256,870.6	0.0	0.0%
Transportation	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Treasury	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Operations	67,598.9	(6,178.6)	61,420.3	67,620.3	21.4	0.0%	68,426.4	806.1	1.2%
Debt Service	125,413.5	(373.1)	125,040.4	135,040.4	9,626.9	7.7%	154,449.5	19,409.1	14.4%
Michigan Strategic Fund	58,963.7	1,014.4	59,978.1	128,560.7	69,597.0	118.0%	128,945.2	384.5	0.3%
Revenue Sharing / Incentive Grants	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Subtotal - Non-Education Omnibus	7,186,562.9	(3,130.0)	7,183,432.9	7,409,236.3	222,673.4	3.1%	7,661,660.7	252,424.4	3.4%
One-Time Boilerplate Appropriations	425,450.0	0.0	425,450.0	343,817.1	(81,632.9)	-19.2%	0.0	0.0	0.0%
Total - Non-Education Omnibus	\$7,612,012.9	(\$3,130.0)	\$7,608,882.9	\$7,753,053.4	\$141,040.5	1.9%	\$7,661,660.7	\$252,424.4	3.3%
Higher Education	0.0	0.0	88,000.0	96,516.4	8,516.4	9.7%	96,516.4	0.0	0.0%
Community Colleges	88,000.0	0.0	88,000.0	96,516.4	8,516.4	9.7%	96,516.4	0.0	0.0%
Universities & Financial Aid	1,063,732.5	2,439.9	1,066,172.4	1,102,389.4	38,656.9	3.6%	1,105,097.2	2,707.8	0.2%
School Aid	18,642.4	0.0	18,642.4	18,642.4	0.0	0.0%	18,642.4	0.0	0.0%
Subtotal - Education Omnibus	1,170,374.9	2,439.9	1,172,814.8	1,217,548.2	47,173.3	4.0%	1,220,256.0	2,707.8	0.2%
One-Time Boilerplate Appropriations	101,900.0	0.0	101,900.0	181,357.6	79,457.6	78.0%	0.0	0.0	0.0%
Total - Education Omnibus	\$1,272,274.9	\$2,439.9	\$1,274,714.8	\$1,398,905.8	126,630.9	10.0%	\$1,220,256.0	\$2,707.8	0.2%
GRAND TOTAL	\$8,884,287.8	(\$690.1)	\$8,883,597.7	\$9,151,959.2	267,671.4	3.0%	\$8,881,916.7	\$255,132.2	2.6%

*Adjusted for Program Transfers

ALL FUNDS
(\$ in Thousands)

DEPARTMENT/AGENCY	FY12 Current Law*	FY13 Baseline Adjustments	FY13 Baseline Spending	FY13 Governor's Recommended	Difference FY13 Governor's Rec. from FY12 Current Law	% Change FY13 Governor's Rec. from FY12 Current Law	FY14 Governor's Recommended	Difference FY14 Governor's Rec. from FY13 Governor's Rec.	% Change FY14 Governor's Rec. from FY13 Governor's Rec.
Agriculture & Rural Development	72,219.3	(2,175.0)	70,044.3	72,044.3	(175.0)	-0.2%	73,400.8	1,356.5	1.9%
Attorney General	74,590.9	7,930.4	82,521.3	83,921.3	9,330.4	12.5%	85,943.9	2,022.6	2.4%
Civil Rights	13,730.2	(34.3)	13,695.9	14,203.7	473.5	3.4%	14,524.0	320.3	2.3%
Community Health	14,561,762.5	143,990.6	14,705,753.1	15,045,744.8	483,982.3	3.3%	15,461,169.2	415,424.4	2.8%
Corrections	1,936,573.8	89,886.7	2,026,460.5	2,050,142.5	113,568.7	5.9%	2,085,246.8	35,104.3	1.7%
Education	323,598.8	2,644.8	326,243.6	330,328.6	6,729.8	2.1%	331,819.7	1,491.1	0.5%
Environmental Quality	414,520.0	(4,019.9)	410,500.1	425,979.0	11,459.0	2.8%	428,460.8	2,481.8	0.6%
Executive Office	4,599.2	230.0	4,829.2	4,829.2	230.0	5.0%	4,829.2	0.0	0.0%
Human Services	6,686,846.9	(128,909.7)	6,557,937.2	6,576,644.9	(110,202.0)	-1.6%	6,593,834.1	17,189.2	0.3%
Judiciary	256,973.2	7,081.7	264,054.9	265,397.8	8,424.6	3.3%	267,005.7	1,607.9	0.6%
Legislative Auditor General	16,032.3	2,384.5	18,416.8	18,416.8	2,384.5	8.5%	18,917.9	501.1	2.7%
Legislature	100,803.2	3,841.4	104,644.6	109,522.5	8,719.3	4.7%	109,522.5	0.0	0.0%
Licensing and Regulatory Affairs	834,490.4	(69,098.6)	765,391.8	827,476.8	(7,013.6)	-0.8%	840,005.8	12,529.0	1.5%
Military and Veterans Affairs	152,483.5	(2,402.2)	150,081.3	164,731.3	12,247.8	8.0%	155,127.9	(9,603.4)	-5.8%
Natural Resources	330,195.8	(477.4)	329,718.4	337,869.5	7,673.7	2.3%	339,968.5	2,089.0	0.6%
State	211,885.0	6,243.1	218,128.1	219,128.1	7,243.1	3.4%	223,132.4	4,004.3	1.8%
State Police	524,282.7	19,440.7	543,723.4	567,550.1	43,267.4	8.3%	579,260.6	11,710.5	2.1%
Technology, Management & Budget	760,313.7	34,021.6	794,335.3	810,422.8	50,109.1	6.6%	819,797.7	9,374.9	1.2%
Information Technology Investments	0.0	0.0	0.0	50,000.0	50,000.0	0.0%	50,000.0	0.0	0.0%
State Building Authority	256,870.6	0.0	256,870.6	256,870.6	0.0	0.0%	256,870.6	0.0	0.0%
Transportation	3,327,770.7	2,058.8	3,329,829.5	3,329,829.5	2,058.8	0.1%	3,321,979.2	(7,850.3)	-0.2%
Treasury									
Operations	452,074.6	6,177.5	458,252.1	466,832.3	14,757.7	3.3%	472,622.8	5,790.5	1.2%
Debt Service	140,928.0	(373.1)	140,554.9	140,554.9	(373.1)	-0.3%	159,964.0	19,409.1	13.8%
Michigan Strategic Fund	908,818.9	(36,288.1)	872,530.8	941,113.4	32,294.5	3.6%	943,502.2	2,388.8	0.3%
Revenue Sharing / Incentive Grants	997,500.5	24,219.2	1,021,719.7	1,051,719.7	54,219.2	5.4%	1,080,716.0	28,996.3	2.8%
Subtotal - Non-Education Omnibus	33,359,864.7	106,372.7	33,466,237.4	34,161,274.4	801,409.7	2.4%	34,717,612.3	556,337.9	1.6%
One-Time Boilerplate Appropriations	462,177.9	0.0	462,177.9	433,432.8	(28,745.1)	-6.2%	0.0	0.0	0.0%
Total - Non-Education Omnibus	\$33,822,042.6	\$106,372.7	\$33,928,415.3	\$34,594,707.2	\$772,664.6	2.3%	\$34,717,612.3	\$556,337.9	1.6%
Higher Education									
Community Colleges	283,880.5	0.0	283,880.5	294,130.5	10,250.0	3.6%	294,130.5	0.0	0.0%
Universities & Financial Aid	1,362,278.4	1,039.9	1,363,318.3	1,399,981.5	37,703.1	2.8%	1,402,689.3	2,707.8	0.2%
School Aid	12,198,795.0	76,112.2	12,274,907.2	12,505,657.2	306,862.2	2.5%	12,603,634.8	97,977.6	0.8%
Subtotal - Education Omnibus	13,844,953.9	77,152.1	13,922,105.0	14,199,769.2	354,815.3	2.6%	14,300,454.6	100,685.4	0.7%
One-Time Boilerplate Appropriations	486,312.8	0.0	486,312.8	181,357.6	(304,955.2)	-62.7%	0.0	0.0	0.0%
Total - Education Omnibus	\$14,331,266.7	\$77,152.1	\$14,408,418.8	\$14,381,126.8	49,860.1	0.3%	\$14,300,454.6	\$100,685.4	0.7%
GRAND TOTAL	\$48,153,309.3	\$183,524.8	\$48,336,834.1	\$48,975,834.0	\$822,524.7	1.7%	\$49,018,066.9	\$657,023.3	1.3%

*Adjusted for Program Transfers

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

DEPARTMENT/AGENCY	FY 2005 Expenditures	FY 2006 Expenditures	FY 2007 Expenditures	FY 2008 Expenditures	FY 2009 Expenditures	FY 2010 Expenditures	FY 2011 Expenditures ¹	FY 2012 Current Law	FY 2013 Executive Recommendation	FY 2014 Executive Recommendation
Agriculture & Rural Development	30,371,748	28,642,137	28,830,541	31,343,641	28,789,293	29,491,686	28,743,091	28,702,700	31,925,200	32,607,800
Attorney General	30,597,538	32,301,451	30,339,022	31,479,029	30,402,847	28,431,484	26,606,307	28,367,600	33,297,200	34,042,500
Capital Outlay ²	244,177,825	7,497,908	235,358,492	220,421,286	231,622,691	230,885,862	233,767,220	0	0	0
Civil Rights	11,434,943	12,073,552	11,445,430	11,771,161	11,573,335	9,788,744	9,975,018	10,679,000	11,416,400	11,675,000
Civil Service	6,885,622	6,516,518	5,847,290	5,590,433						
Community Health	2,552,308,402	2,916,259,695	3,078,095,654	3,142,139,136	2,443,109,120	2,154,822,760	2,604,209,003	2,939,874,600	2,835,843,200	2,994,360,700
Corrections	1,698,586,577	1,814,668,921	1,866,390,546	1,981,953,410	1,779,441,272	1,916,783,071	1,888,741,862	1,874,836,200	1,968,182,300	2,011,206,500
Education	25,609,149	14,918,731	5,779,402	6,823,871	7,160,078	19,762,307	20,638,645	64,059,000	67,929,100	68,182,400
Environmental Quality	31,444,584	31,277,560	30,530,551	42,452,208	38,467,057		24,315,317	21,491,600	25,244,900	25,735,300
Executive Office	5,163,454	5,311,867	5,134,346	5,170,371	4,977,867	4,676,391	4,512,135	4,599,200	4,829,200	4,829,200
Higher Education										
Community Colleges	294,105,851	281,230,375	247,665,181	318,938,465	298,966,989	90,625,435	295,880,500	88,000,000	96,516,400	96,516,400
Colleges & Universities	1,625,896,322	1,576,725,602	1,364,791,330	1,670,704,215	1,543,724,474	1,456,640,500	1,482,260,600	1,063,732,500	1,102,389,400	1,105,097,200
Financial Aid						3,540,273	3,728,248			
History, Arts and Libraries	45,196,011	41,846,792	38,330,469	38,773,711	38,426,890	48,074				
Human Services	1,108,146,460	1,166,359,327	1,220,343,336	1,314,675,746	1,188,617,890	861,872,475	915,603,770	1,024,639,400	1,020,859,600	1,033,695,300
Information Technology	0	0	0	0	0					
Judiciary	160,262,517	156,842,146	157,564,000	157,690,137	156,304,254	152,252,504	147,936,655	152,534,300	160,379,500	161,857,100
Legislative Auditor General	11,377,788	12,563,428	11,541,867	12,216,535	12,025,831	11,565,912	10,971,052	10,990,900	12,820,100	13,157,100
Legislature	105,859,203	110,950,635	114,006,059	111,898,054	108,538,191	104,284,938	104,475,083	99,043,400	108,012,700	108,012,700
Licensing & Regulatory Affairs	45,337,101	42,921,148	39,992,165	44,318,727	59,316,473	45,288,641	55,545,202	41,072,800	35,393,400	35,949,400
Management and Budget	34,077,757	33,763,107	32,854,157	37,016,989	57,902,890	44,020,360	32,104,465	58,963,700	128,560,700	128,945,200
Michigan Strategic Fund	53,697,535	32,971,544	29,249,923	32,962,448	27,704,072	26,989,328	35,413,187	33,044,900	32,177,500	32,713,100
Military and Veterans Affairs	36,897,345	39,418,528	37,771,209	39,538,471	36,869,791	35,224,024	15,417,740	13,831,200	19,541,700	19,844,200
Natural Resources	28,706,106	26,010,564	31,843,394	23,679,609	9,865,538					
Natural Resources & Environment										
School Aid	164,136,628	62,713,844	34,109,532	29,126,951	76,510,604	44,020,360	18,642,400	18,642,400	18,642,400	18,642,400
State	12,894,506	21,544,110	15,531,133	23,885,427	20,300,788	14,124,171	10,787,970	11,286,200	13,606,400	13,841,200
State Police	242,268,776	243,487,021	241,551,378	271,105,385	172,035,648	264,327,716	256,730,273	264,676,000	312,432,500	320,624,200
Technology, Management & Budget						56,583,746	48,153,388	310,857,800	384,124,000	387,505,900
Transportation	0	0	0	0	0	0	0	0	0	0
Treasury	123,555,517	482,693,722	266,451,630	163,095,232	73,223,720	53,230,719	48,524,329	67,598,900	67,620,300	68,426,400
Debt Service	65,073,251	46,571,578	4,833,816	53,293,503	50,734,853	52,053,461	38,942,415	125,413,500	135,040,400	154,449,500
Subtotal	8,794,068,516	9,248,071,811	9,186,181,853	9,822,064,148	8,506,612,456	7,695,576,869	8,362,625,875	8,356,937,800	8,626,784,500	8,881,916,700
One-Time Boilerplate Appropriations								\$527,350,000	\$525,174,700	
GRAND TOTAL	\$8,794,068,516	\$9,248,071,811	\$9,186,181,853	\$9,822,064,148	\$8,506,612,456	\$7,695,576,869	\$8,362,625,875	\$8,884,287,800	\$9,151,959,200	\$8,881,916,700

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.

**HISTORICAL EXPENDITURES/APPROPRIATIONS
ALL FUNDS**

DEPARTMENT/AGENCY	FY 2005 Expenditures	FY 2006 Expenditures	FY 2007 Expenditures	FY 2008 Expenditures	FY 2009 Expenditures	FY 2010 Expenditures	FY 2011 Expenditures ¹	FY 2012 Current Law	FY 2013 Executive Recommendation	FY 2014 Executive Recommendation
Agriculture & Rural Development	96,976,844	87,521,988	82,980,488	82,475,560	72,573,188	63,866,074	60,357,898	72,219,300	72,044,300	73,400,800
Attorney General	58,572,911	61,592,188	61,730,208	69,457,429	68,911,093	66,093,561	63,779,854	74,590,900	83,921,300	85,943,900
Capital Outlay ²	463,872,896	214,551,440	445,175,806	383,270,768	405,112,519	376,350,577	1,257,740,111	0	0	0
Civil Rights	13,158,623	13,701,321	13,284,938	13,849,312	13,492,101	11,928,435	11,725,603	13,730,200	14,203,700	14,524,000
Civil Service	26,808,579	28,593,540	27,761,202	27,082,507						
Community Health	10,476,690,014	10,310,266,349	11,089,797,821	11,954,835,930	12,829,679,832	13,548,360,093	14,381,932,451	14,561,762,500	15,045,744,800	15,461,169,200
Corrections	1,781,323,331	1,896,846,849	1,953,418,931	2,063,635,854	2,038,941,638	2,000,642,848	1,933,028,040	1,936,573,800	2,050,142,500	2,085,246,800
Education	101,073,155	88,110,788	59,925,870	61,927,616	64,566,200	82,724,729	89,294,913	323,598,800	330,328,600	331,819,700
Environmental Quality	213,751,134	282,013,558	205,009,588	219,067,682	204,037,900		196,626,820	414,520,000	425,979,000	428,460,800
Executive Office	5,163,454	5,311,867	5,134,346	5,170,371	4,977,867	4,676,391	4,512,135	4,599,200	4,829,200	4,829,200
Higher Education										
Community Colleges	294,105,851	281,230,375	247,665,181	318,938,465	298,966,989	299,025,435	295,880,500	283,880,500	294,130,500	294,130,500
Colleges & Universities	1,708,947,643	1,716,103,763	1,597,528,256	1,874,252,990	1,741,657,796	1,524,878,500	1,482,260,600	1,362,278,400	1,399,981,500	1,402,689,300
Financial Aid						86,113,153	89,702,394			
History, Arts and Libraries	56,005,797	51,380,500	48,835,420	47,831,005	50,440,406	1,001,280				
Human Services	4,140,648,980	4,360,299,152	4,464,518,972	4,621,555,720	5,325,801,517	6,047,030,889	6,316,482,364	6,686,846,900	6,576,644,900	6,593,834,100
Information Technology	312,564,019	347,635,573	341,692,415	366,097,470	372,435,920	236,616,084	234,695,153	256,973,200	265,397,800	267,005,700
Judiciary	244,779,865	242,790,732	244,620,557	247,401,193	241,415,358	17,088,823	16,871,695	16,032,300	18,416,800	18,917,900
Legislative Auditor General	15,271,899	16,644,377	16,105,142	16,969,689	17,063,712					
Legislature	107,184,317	112,311,185	115,154,002	113,312,121	109,705,797	105,732,309	95,206,409	100,803,200	109,522,500	109,522,500
Licensing & Regulatory Affairs	1,007,466,635	1,109,855,068	1,140,472,553	1,181,354,289	1,367,643,100	1,431,059,170	1,175,632,746	834,490,400	827,476,800	840,005,800
Management and Budget	221,389,839	236,730,773	222,622,219	242,514,875	300,420,008					
Michigan Strategic Fund	158,468,905	176,594,595	139,342,844	158,448,175	168,184,761	175,288,360	189,777,421	908,818,900	941,113,400	943,502,200
Military and Veterans Affairs	106,902,384	114,935,779	116,166,538	147,170,057	156,993,535	166,389,660	127,040,441	152,483,500	164,731,300	155,127,900
Natural Resources	258,651,775	267,054,421	306,730,929	274,073,772	258,679,524	483,548,507	267,370,342	330,195,800	337,869,500	339,958,500
Natural Resources & Environment										
School Aid	12,434,323,000	12,680,980,599	12,721,059,000	12,790,183,678	13,135,762,870	13,053,072,521	13,248,123,941	12,198,795,000	12,505,657,200	12,603,634,800
State	189,689,796	233,886,011	196,183,845	190,598,425	187,562,850	188,863,841	177,250,135	211,885,000	219,128,100	223,132,400
State Police	456,125,977	493,560,238	457,997,146	489,853,718	483,784,727	497,788,945	478,070,870	524,282,700	567,550,100	579,260,600
Technology, Management & Budget						682,314,465	636,250,100	1,017,184,300	1,117,293,400	1,126,668,300
Transportation	2,920,553,025	2,940,680,294	2,779,953,122	2,844,829,778	2,893,590,954	3,219,334,134	2,993,748,007	3,327,770,700	3,329,829,500	3,321,979,200
Treasury	2,400,944,715	2,872,469,250	2,745,568,191	2,679,180,140	2,639,763,225	2,938,865,967	2,993,283,028	1,449,575,100	1,518,552,000	1,553,338,800
Debt Service	104,075,051	82,686,078	98,748,316	77,208,003	66,249,353	67,567,961	54,456,915	140,928,000	140,554,900	159,964,000
Subtotal	40,375,490,414	41,326,338,653	41,945,183,846	43,562,546,601	45,518,414,742	47,376,241,713	48,871,100,886	47,204,818,600	48,361,043,600	49,018,066,900
One-Time Boilerplate Appropriations								948,490,700	614,790,400	
GRAND TOTAL	\$40,375,490,414	\$41,326,338,653	\$41,945,183,846	\$43,562,546,601	\$45,518,414,742	\$47,376,241,713	\$48,871,100,886	\$48,153,309,300	\$48,975,834,000	\$49,018,066,900

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.



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

February 9, 2012

Ladies and Gentlemen of the Legislature and Citizens of the State of Michigan:

Article XI, Section 5, of the Michigan Constitution of 1963, requires the Civil Service Commission to provide notice to the Governor of increases in rates of compensation authorized by the Commission. The attached summary of costs associated with fiscal year 2013 compensation increases was prepared by the Office of the State Employer. The total additional cost is estimated to be approximately \$124.4 million.

Sincerely,

A handwritten signature in cursive script that reads "Rick Snyder".

Rick Snyder
Governor

Attachment

Summary
Michigan State Classified Service
Fiscal Year 2013
(10/1/2012 - 9/30/2013)

	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 ¹⁰	U-11 AFSCME Institutional ¹	W-22 UAW Human Sv. ¹	W-41 UAW Admin. Supt. ¹	MSC's & NERE's ²	TOTAL ALL UNITS
³ Number of FTEs	1,162	1,968	7,275	918	2,042	844	1,406	1,835	10,527	5,819	13,722	47,518
³ Avg. Hourly Salary - 12/24/11	\$ 25.21	\$ 22.71	\$ 24.42	\$ 22.59	\$ 32.65	\$ 24.50	\$ 31.29	\$ 20.26	\$ 25.06	\$ 20.70	\$ 32.61	\$ 26.78
Base Pay Adjustments for FY 2013												
Base Pay Increase 10/01/12	\$ 611,659	\$ 933,196	\$ 3,709,447	\$ 433,002	\$ 1,392,097	\$ 431,757	\$ -	\$ 776,258	\$ 5,508,282	\$ 2,515,065	\$ 28,029,798	\$ 44,340,561
Additional Roll-up Cost Resulting from Base Pay Increase												
⁴ FICA/Ret./OPEB Blended Rates	49.15%	48.66%	53.30%	43.82%	48.85%	49.88%	75.88%	46.05%	45.08%	48.69%	52.85%	
FICA/Ret./OPEB on Base Wage Increase	\$ 300,630	\$ 454,093	\$ 1,977,135	\$ 189,741	\$ 680,039	\$ 215,360	\$ -	\$ 357,467	\$ 2,483,134	\$ 1,224,585	\$ 14,813,748	
⁵ Life Insurance Increase	\$ 6,679	\$ 10,190	\$ 40,507	\$ 4,728	\$ 15,202	\$ 4,715	\$ -	\$ 8,477	\$ 60,150	\$ 27,465	\$ 306,085	
⁶ Long Term Disability Increase	\$ 5,627	\$ 8,585	\$ 34,127	\$ 3,984	\$ 12,807	\$ 3,972	\$ -	\$ 7,142	\$ 50,676	\$ 23,139	\$ 257,874	
⁷ Overtime Increase	\$ 24,874	\$ 59,828	\$ 547,282	\$ 81,261	\$ 22,756	\$ 38,080	\$ -	\$ 109,269	\$ 198,761	\$ 50,190	\$ 466,402	
⁸ Shift Differential Increase	\$ 3,125	\$ 2,344	\$ 85,233	\$ 1	\$ 6	\$ 385	\$ -	\$ 13,062	\$ 6,108	\$ 2,004	\$ 53,942	
FICA/Ret./OPEB on OT and Shift Diff. Inc.	\$ 13,762	\$ 30,253	\$ 337,130	\$ 35,609	\$ 11,119	\$ 19,186	\$ -	\$ 56,333	\$ 92,355	\$ 25,413	\$ 275,002	
FY 2013 ATB Cost Increase	\$ 966,356	\$ 1,498,489	\$ 6,730,861	\$ 748,326	\$ 2,134,026	\$ 713,455	\$ -	\$ 1,328,008	\$ 8,399,466	\$ 3,867,861	\$ 44,202,851	\$ 70,589,699
Lump Sum Adjustments for FY 2013												
⁹ Lump Sum payment 10/2/2012	\$ 617,776	\$ 942,528	\$ 3,746,541	\$ 437,332	\$ 1,406,018	\$ 436,074	\$ -	\$ 784,020	\$ 5,563,365	\$ 2,540,216	\$ 19,247,128	\$ 35,720,997
FICA/Ret./OPEB on Lump Sums	\$ 303,637	\$ 458,634	\$ 1,996,907	\$ 191,639	\$ 686,840	\$ 217,514	\$ -	\$ 361,041	\$ 2,507,965	\$ 1,236,831	\$ 10,172,107	\$ 18,133,114
FY2013 Compensation Increases	\$ 1,887,768	\$ 2,899,651	\$ 12,474,309	\$ 1,377,296	\$ 4,226,863	\$ 1,367,043	Unknown	\$ 2,473,070	\$ 16,470,796	\$ 7,644,908	\$ 73,622,086	\$ 124,443,810

¹ A 1% wage increase is scheduled to be received in FY13 on 10/1/12.

² A 3% wage increase is scheduled to be received in FY13 on 10/1/12.

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 12/24/2011.

⁴ FICA/RET/OPEB rates for FY 2012 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 12/24/2012.

⁵ Life insurance increase on incremental cost increase. Annual \$5.46 per \$1000 of extra coverage (FY 2012 rate).

⁶ FY 2012 rate - (Increase/100)*.92.

⁷ Based on FY 2011 overtime amount with FY12 (1%) - Comptroller Object Codes 3050, 3055, 3060, 3070, 3075, 3080, 3110, 3115, 3120.

⁸ Business Objects HR Human Resource System FY 2010 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 FY13 on 10/2/12 except for NEREs, they are scheduled to receive a 2% lump sum payment.

¹⁰ Negotiations are in progress for Fiscal Year 2013.



**LEGISLATION NEEDED TO IMPLEMENT FISCAL YEAR 2013
BUDGET RECOMMENDATION**

DEPARTMENT	PURPOSE	MICHIGAN COMPILED LAW (MCL) BEING AMENDED
Agriculture and Rural Development	Maintain nursery license fee	286.209
	Maintain pesticide applicator fee	324.8317
	Maintain livestock dealer fee	287.123
Capital Outlay	Capital Outlay process reform	18.1237a, 830.413
Community Health	Implement comprehensive estate recovery program	400.112g - j, 700.3983
	Update Medicaid preferred drug list	400.109h, 333.9709
	Airport parking tax adjustments related to health care	207.377a
Corrections	Eliminate Special Alternative Incarceration Program sunset	791.234a(13)
Environmental Quality	Extend Refined Petroleum Fund sunset	324.21550
	Adjust large quantity water withdrawal fee and exemptions	324.32707
Human Services	Implement case management stratification	408.115, 408.123, 400.57a,b
Legislature	Implement single statewide audit	18.1461
Licensing and Regulatory Affairs	Maintain Business Corporation Act reporting fee	450.2060
	Maintain Nonprofit Corporation Act reporting fee	450.3060
	Maintain electrician examination and license fees	338.883
	Maintain plumber examination and license fees	338.3541, 338.3545
	Maintain Limited Liability Company annual resident agent/registered office fee	450.5101

**LEGISLATION NEEDED TO IMPLEMENT FISCAL YEAR 2013
BUDGET RECOMMENDATION**

DEPARTMENT	PURPOSE	MICHIGAN COMPILED LAW (MCL) BEING AMENDED
Licensing and Regulatory Affairs (Cont.)	Maintain building officials and examiners registration fee	338.2313
	Maintain mechanical contractor examination fee	338.980
	Maintain Uniform Securities Act application fees	451.2410
	Maintain occupational license fees	338.2203, 338.2213, 338.2215, et al
	Amend low income heating assistance program	460.9q, 460.9t
Natural Resources	Establish shooting range fees	324.503(d)
	Adjust contribution from Off-Road Vehicle Account to ORV training program	324.81117
	Establish duplicate recreational safety certificate fee	324.503(c)
	Adjust dealer commission for sale of off-road vehicle licenses	324.81119
	Adjust off-road vehicle license fee	324.81116
School Aid	Codify Education Achievement Authority	380.3-6, 380.1260, 380.1280c, new sections
State	Adjust Commercial Driver License group fee	251.312e(7), 257.312e(13)
State Police	Eliminate fingerprint and criminal background fee sunsets	28.273
	Complete transfer of Officer's Survivor Tuition Program to Higher Education	390.1242
Transportation	Dedicate TEDF driver's license fee revenue to State Trunkline Fund	947.911