

PRELIMINARY REVIEW

of the

FY 2012-13 and

FY 2013-14

Executive Budget

Recommendation



Mary Ann Cleary, Director
February 14, 2012

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OVERVIEW OF FY 2012-13 AND FY 2013-14 EXECUTIVE BUDGET RECOMMENDATION

The FY 2012-13 Executive Budget Recommendation calls for \$48,053.8 million in adjusted gross appropriations. This includes \$9,022.0 million in General Fund/General Purpose (GF/GP) funds, \$18,545.8 million in restricted funds, \$513.2 million in local/private funds, and \$19,972.9 million in federal funds.

Of the \$27,567.8 million in state resources recommended for appropriation in FY 2012-13, \$15,093.4 million (54.8% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's *Constitution* requires that at least 48.97% of spending from state resources must be paid to local government.

The Executive Recommendation incorporated the January 13 Consensus Revenue Estimating Conference revenue estimates. The proposal also continues the policy to designate a portion of the appropriation items as one-time. Below is a summary highlighting the major GF/GP and School Aid Fund (SAF) adjustments for FY 2012-13:

- Proposal for ongoing resources:
 - New net program increases of \$297.3 million GF/GP and SAF.
 - Designated one-time FY 2011-12 appropriations converted to ongoing appropriations of \$236.2 million GF/GP and SAF.

- Proposal for one-time resources:
 - New one-time appropriations of \$203.8 million GF/GP and SAF.
 - Continued one-time appropriations from FY 2011-12 of \$180.0 million GF/GP and SAF.
 - Budget Stabilization Fund (BSF) transfer of \$130.0 million GF/GP.

A more detailed summary of proposed changes by department begins on page 17.

The Executive Budget Recommendation does not include any changes to the tax code.

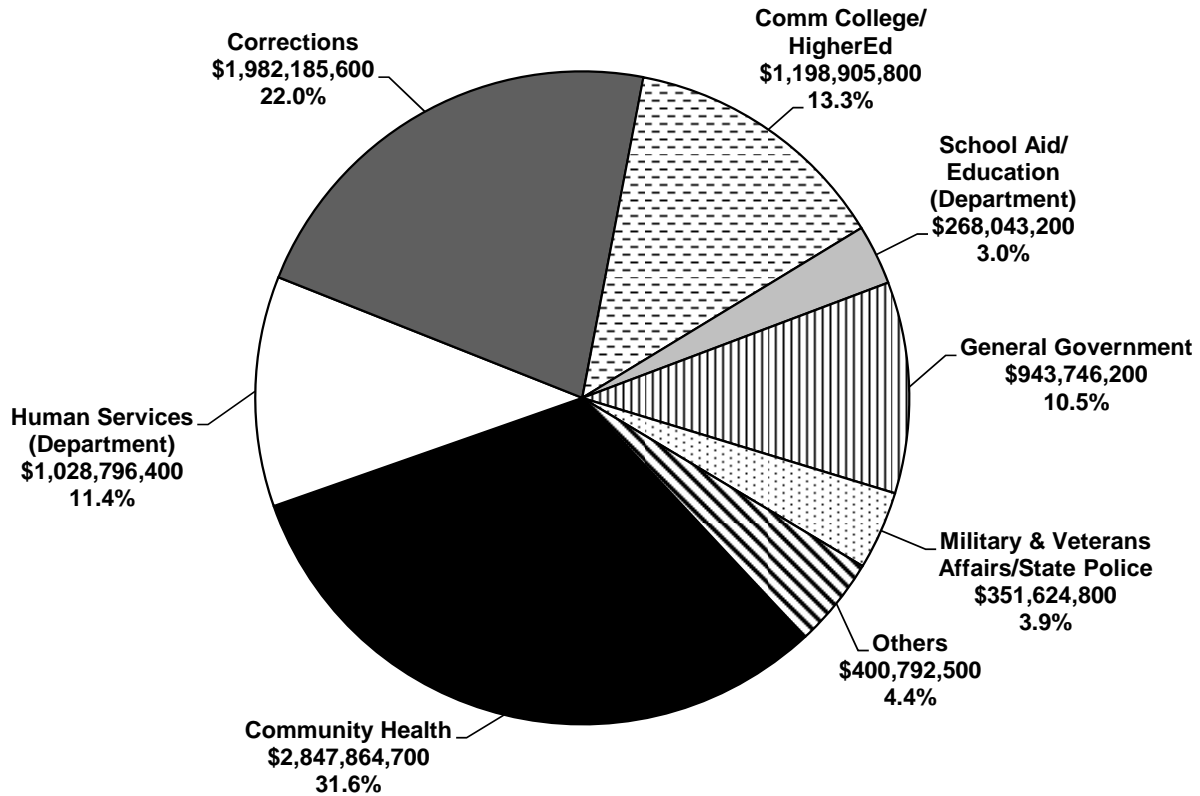
This preliminary review provides a quick look at the Executive Recommendation for FY 2012-13 and FY 2013-14. The House Fiscal Agency's full ***Review and Analysis of the FY 2012-13 and FY 2013-14 Executive Budget Recommendation*** will be available in approximately two weeks, and will contain a detailed analysis and discussion, by budget area, of major budget and boilerplate changes, fee proposals and a summary of the proposed FY 2011-12 supplement recommended in the Executive Budget Recommendation for FY 2012-13 and FY 2013-14.

A list of House Fiscal Agency staff by area of responsibility is included at the end of this document. Please do not hesitate to call me, or the Fiscal Analyst responsible for a specific budget area, if you have questions regarding this information.

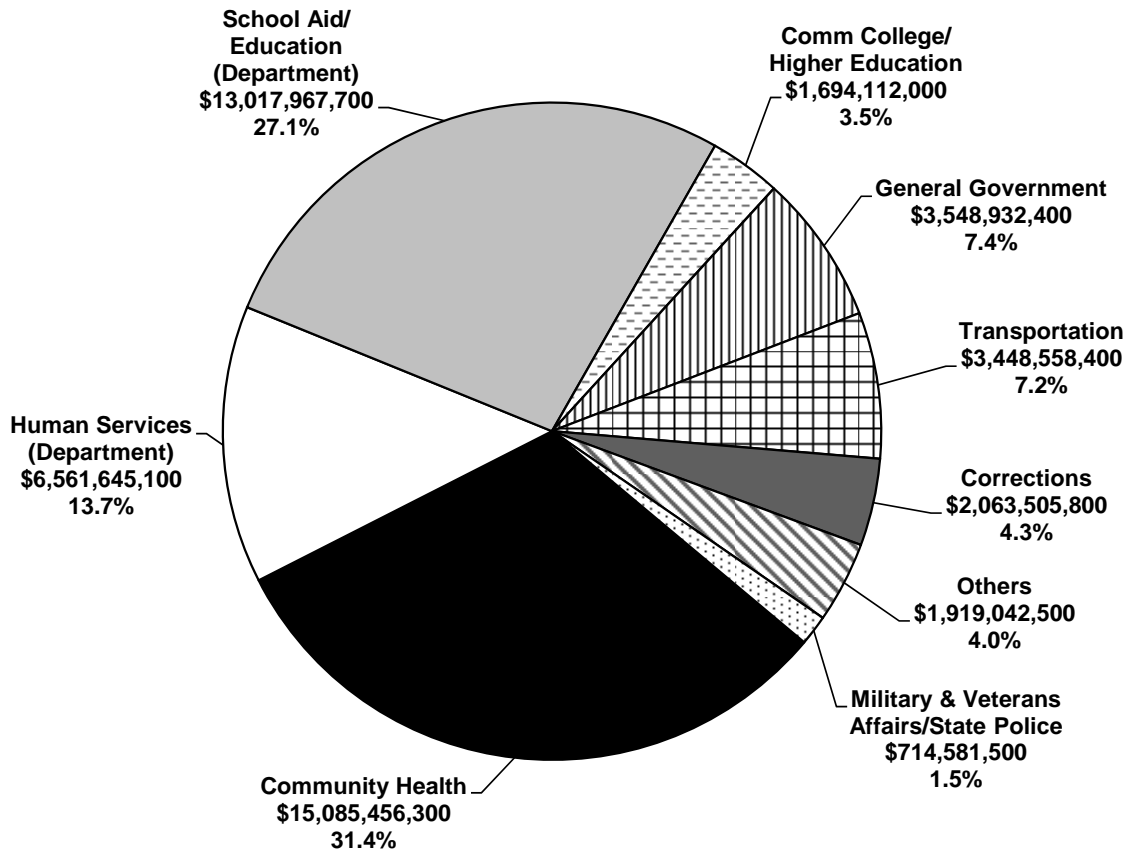


Mary Ann Cleary, Director

**FY 2012-13 Executive Recommendation
General Fund/General Purpose (GF/GP) = \$9,021,959,200**



**FY 2012-13 Executive Recommendation
Adjusted Gross = \$48,053,801,700**



CHANGE IN ADJUSTED GROSS APPROPRIATIONS FY 2012-13 and FY 2013-14 Executive Recommendation

The Executive Budget Recommendation for FY 2012-13 increases adjusted gross appropriations by \$716.0 million (1.5%) from FY 2011-12 year-to-date amounts (adjusted for anticipated Other Post-Employment Benefits (OPEB) prefunding under SB 683), as a result of these changes in appropriations from major fund sources:

- GF/GP appropriations are increased by \$258.1 million (2.9%).
- State restricted appropriations are increased by \$86.6 million (0.5%).
- Federal appropriations are increased by \$364.2 million (1.9%).
- Local and private appropriations are increased by \$7.1 million (1.4%).

Total state spending from state sources (GF/GP plus state restricted) in the FY 2012-13 Executive Budget Recommendation is increased by \$344.7 million (1.3%) from FY 2011-12 year-to-date amounts.

Projected appropriation amounts for FY 2013-14 under the Executive Budget (which will not be legally binding) reflect a 1.6% decrease in GF/GP appropriations, a 0.2% decrease in total state spending from state sources, and a 0.4% increase in adjusted gross appropriations.

**FY 2012-13 and FY 2013-14
Executive Budget Appropriation Changes
Millions of Dollars**

	Year-to-Date FY 2011-12	Executive Recommendation FY 2012-13	Change Amounts		Executive Recommendation FY 2013-14	Change Amounts	
General Fund/General Purpose	\$8,763.9	\$9,022.0	\$258.1	2.9%	\$8,881.9	(\$140.1)	-1.6%
State Restricted	<u>18,459.2</u>	<u>18,545.8</u>	<u>86.6</u>	0.5%	<u>18,627.0</u>	<u>81.2</u>	0.4%
Total State Spending from State Sources	\$27,223.1	\$27,567.8	\$344.7	1.3%	\$27,508.9	(\$58.9)	-0.2%
Federal	\$19,608.7	\$19,972.9	\$364.2	1.9%	\$20,202.2	\$229.3	1.1%
Local	378.2	378.6	0.4	0.1%	378.5	(0.1)	0.0%
Private	127.9	134.6	6.7	5.2%	134.6	-	0.0%
Total Adjusted Gross	\$47,337.9	\$48,053.8	\$715.9	1.5%	\$48,224.2	\$170.4	0.4%

Note: Numbers may not add due to rounding.

General Fund/General Purpose: The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

State Restricted: State revenue dedicated to a specific fund; revenue which results from state mandates or initiatives; includes state School Aid Fund.

Adjusted Gross: Total of all line item appropriations; gross appropriations minus interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

RESOURCES USED IN THE EXECUTIVE BUDGET RECOMMENDATION

Resources used to fund General Fund/General Purpose, School Aid Fund, Merit Award Trust Fund, and Medicaid Benefits Trust Fund expenditures in the Executive Budget Recommendation are reported below.

FY 2012-13 and FY 2013-14 Executive Recommendation General Fund/General Purpose (GF/GP) Millions of Dollars		
	FY 2012-13	FY 2013-14
<u>Resources</u>		
Beginning balance	\$541.9	\$73.9
Initial revenue estimate	9,034.6	9,236.0
Revenue sharing	(360.6)	(350.1)
Charge SAF for short-term borrowing cost	<u>10.0</u>	<u>20.0</u>
Total Resources	\$9,225.9	\$8,979.8
<u>Expenditures</u>		
Executive recommendations	\$8,626.8	\$8,881.9
One-time boilerplate recommendations	213.8	13.6
One-time GF/GP fund shift to SAF	181.4	0.0
BSF transfer	<u>130.0</u>	<u>0.0</u>
Total Expenditures	\$9,152.0	\$8,895.5
Estimated Ending Balance	\$73.9	\$84.3

Beginning balance: Estimated ending CAFR balance from FY 2010-11.

Initial revenue estimate: FY 2012-13 and FY 2013-14 revenue estimates agreed to at the January 2011 consensus revenue estimating conference.

Revenue sharing: Expenditure of sales tax revenue resulting from revenue sharing proposal.

Charge SAF for short-term borrowing cost: Savings that accrue to GF/GP by shifting short-term borrowing costs to the SAF.

Executive recommendations: Executive recommendation for the GF/GP budget (line items).

One-time boilerplate recommendations: Executive recommendations for one-time appropriations for the GF/GP budget.

One-time GF/GP fund shift to SAF: Executive recommendation for additional GF/GP funds to the SAF.

BSF transfer: Executive recommendation for GF/GP transfer to the Budget Stabilization Fund (BSF).

FY 2012-13 and FY 2013-14 Executive Recommendation School Aid Fund (SAF) Millions of Dollars		
	FY 2012-13	FY 2013-14
<u>Resources</u>		
Beginning balance	\$129.2	\$0.1
Initial revenue estimate	11,055.0	11,359.5
GF/GP contribution	200.0	18.6
Federal funds	<u>1,701.0</u>	<u>1,701.0</u>
Total Resources	\$13,085.2	\$13,079.2
<u>Expenditures</u>		
School Aid recommendations	\$12,537.0	\$12,603.6
School Aid one-time recommendations	150.0	0.0
Community College recommendations	197.6	197.6
Higher Education recommendations	<u>200.5</u>	<u>200.5</u>
Total Expenditures	\$13,085.1	\$13,001.7
Estimated Ending Balance	\$0.1	\$77.5

Beginning balance: Estimated ending CAFR balance from FY 2010-11.

Initial revenue estimate: FY 2012-13 and FY 2013-14 revenue estimates agreed to at the January 2012 consensus revenue estimating conference.

GF/GP contribution: Proposed GF/GP revenue appropriated to School Aid Fund.

Federal funds: Federal revenue available for School Aid programs.

School Aid recommendations: Executive recommendation for School Aid budget.

School Aid one-time recommendations: Executive proposal for one-time appropriation.

Community College recommendations: Proposed use of SAF revenue in place of GF/GP funding for Community Colleges budget.

Higher Education recommendations: Proposed use of SAF revenue in place of GF/GP funding for Higher Education budget.

FY 2012-13 and FY 2013-14 Executive Recommendation		
Merit Award Trust Fund		
Millions of Dollars		
	FY 2012-13	FY 2013-14
<u>Resources</u>		
Beginning balance	\$0.0	\$0.0
Master Settlement Agreement payment	283.9	281.2
Assume withheld/disputed payments	(35.4)	(35.3)
Payment on 2006 securitization bonds (13.34%)	(33.1)	(32.8)
Payment on 2007 securitization bonds (10.77%)	(26.8)	(26.5)
Deposit to 21st Century Jobs Trust Fund	<u>(75.0)</u>	<u>(75.0)</u>
Available Resources	\$113.6	\$111.6
<u>Expenditures</u>		
DHS: Family Independence Program	\$30.1	\$30.1
Treasury: Tuition Incentive Program admin	1.1	1.1
State Police: Tobacco tax enforcement	0.7	0.7
DCH: Medicaid base funding	76.7	74.7
DCH: Aging-respite care	4.5	4.5
Attorney General: Administration	<u>0.5</u>	<u>0.5</u>
Total Expenditures	\$113.6	\$111.6
Estimated Ending Balance	\$0.0	\$0.0

FY 2012-13 and FY 2013-14 Executive Recommendation		
Medicaid Benefits Trust Fund		
Millions of Dollars		
	FY 2012-13	FY 2013-14
<u>Resources</u>		
Beginning balance	\$4.6	\$0.0
Interest	0.5	0.5
<u>Estimated deposits:</u>		
Revenue from cigarette tax	320.8	313.4
Airport tax revenue for indigent health care	6.7	6.7
Medicaid settlement revenue	<u>3.4</u>	<u>3.4</u>
Available Resources	\$336.0	\$324.0
<u>Expenditures</u>		
Withdrawal	\$336.0	\$324.0
Estimated Ending Balance	\$0.0	\$0.0
Balance Available for State DSH Disallowance	\$213.8	\$213.8

BUDGET SUMMARY TABLES

The following pages include six tables summarizing the Executive Budget Recommendation by budget area.

The following should be noted regarding the appropriation amounts in the following tables and throughout the report:

- The year-to-date figures for FY 2011-12 budget designated some appropriation items as one-time (generally in boilerplate language), indicating intent that those items would not be funded in the subsequent budget year in order to maintain a structurally-balanced budget. The FY 2012-13 Executive Budget continues this practice.
- The tables in this document show total appropriation amounts by budget area, including both standard line items and the items designated as one-time, in order to provide an accurate representation of resources available for expenditure in each budget year by state departments, local units of government, and other entities receiving funds through the state budget.

Also, consistent with last year's Executive Budget proposal, this year's proposal greatly reduces the number of line item appropriations in each departmental budget, instead including a non-binding "Schedule of Programs" for each major budget area within a department. In most department budgets, the Legislature did not adopt the revised format last year, retaining legally-binding line item appropriation amounts. The analysis in this document is based on the assumption that Executive-proposed changes would be implemented on a line item basis.

TABLE 1
FY 2012-13 EXECUTIVE BUDGET RECOMMENDATION BY SOURCE OF FUNDS

<u>Department/Budget Area</u>	<u>Gross</u>	<u>IDG/IDT</u>	<u>Adjusted Gross</u>	<u>Federal</u>	<u>Local</u>	<u>Private</u>	<u>State Restricted</u>	<u>GF/GP</u>
Community Colleges	294,130,500	0	294,130,500	0	0	0	197,614,100	96,516,400
Education	330,952,900	0	330,952,900	246,894,300	5,560,400	2,828,700	7,626,300	68,043,200
Higher Education	1,399,981,500	0	1,399,981,500	97,026,400	0	0	200,565,700	1,102,389,400
School Aid	12,687,014,800	0	12,687,014,800	1,701,041,400	0	0	10,785,973,400	200,000,000
EDUCATION	\$14,712,079,700	\$0	\$14,712,079,700	\$2,044,962,100	\$5,560,400	\$2,828,700	\$11,191,779,500	\$1,466,949,000
Attorney General	84,947,200	24,082,100	60,865,100	9,932,600	0	0	17,242,000	33,690,500
Civil Rights	14,332,600	0	14,332,600	2,641,300	0	18,700	151,900	11,520,700
Executive Office	4,887,900	0	4,887,900	0	0	0	0	4,887,900
Legislative Auditor General	18,687,700	3,792,100	14,895,600	0	0	0	1,890,700	13,004,900
Legislature	109,522,500	0	109,522,500	0	0	400,000	1,109,800	108,012,700
State	220,822,500	20,000,000	200,822,500	1,810,000	0	100	184,971,100	14,041,300
Tech., Mgmt. & Budget: Operations	882,101,200	635,564,900	246,536,300	9,464,300	1,320,800	190,200	90,517,200	145,043,800
Tech., Mgmt. & Budget: SBA Rent	256,870,600	0	256,870,600	0	0	0	0	256,870,600
Treasury: MI Strategic Fund	967,249,100	37,600	967,211,500	658,020,600	4,433,500	5,380,000	145,675,800	153,701,600
Treasury: Operations	469,575,000	8,861,800	460,713,200	40,365,300	2,252,700	0	350,163,400	67,931,800
Treasury: Debt Service	140,554,900	0	140,554,900	0	0	0	5,514,500	135,040,400
Treasury: Revenue Sharing	1,071,719,700	0	1,071,719,700	0	0	0	1,071,719,700	0
GENERAL GOVERNMENT	\$4,241,270,900	\$692,338,500	\$3,548,932,400	\$722,234,100	\$8,007,000	\$5,989,000	\$1,868,956,100	\$943,746,200
Community Health	15,095,480,100	10,023,800	15,085,456,300	9,740,485,300	257,280,100	93,264,000	2,146,562,200	2,847,864,700
Human Services	6,592,886,800	31,241,700	6,561,645,100	5,394,076,700	33,549,200	16,375,800	88,847,000	1,028,796,400
HEALTH AND HUMAN SERVICES	\$21,688,366,900	\$41,265,500	\$21,647,101,400	\$15,134,562,000	\$290,829,300	\$109,639,800	\$2,235,409,200	\$3,876,661,100
Agriculture & Rural Development	74,514,600	319,300	74,195,300	11,199,600	0	175,800	28,659,400	34,160,500
Environmental Quality	431,528,200	9,021,200	422,507,000	161,687,500	0	533,200	230,881,300	29,405,000
Natural Resources	341,762,100	2,027,200	339,734,900	66,603,000	0	7,239,200	244,254,800	21,637,900
RESOURCE PROTECTION	\$847,804,900	\$11,367,700	\$836,437,200	\$239,490,100	\$0	\$7,948,200	\$503,795,500	\$85,203,400
Corrections	2,064,497,900	992,100	2,063,505,800	8,784,400	264,300	0	72,271,500	1,982,185,600
Military & Veterans Affairs	167,839,200	1,166,500	166,672,700	99,239,400	769,200	1,503,700	30,427,000	34,733,400
State Police	573,143,800	25,235,000	547,908,800	104,911,000	6,869,400	231,300	119,005,700	316,891,400
PUBLIC SAFETY AND DEFENSE	\$2,805,480,900	\$27,393,600	\$2,778,087,300	\$212,934,800	\$7,902,900	\$1,735,000	\$221,704,200	\$2,333,810,400
Capital Outlay	1,800	0	1,800	0	0	0	0	1,800
Judiciary	266,225,000	2,638,200	263,586,800	6,017,100	7,049,300	921,800	88,582,200	161,016,400
Licensing & Regulatory Affairs	832,513,600	13,496,900	819,016,700	390,840,600	7,159,900	5,427,800	380,017,500	35,570,900
Transportation	3,452,090,300	3,531,900	3,448,558,400	1,221,830,100	52,080,200	100,000	2,055,548,100	119,000,000
ALL OTHERS	\$4,550,830,700	\$19,667,000	\$4,531,163,700	\$1,618,687,800	\$66,289,400	\$6,449,600	\$2,524,147,800	\$315,589,100
TOTAL APPROPRIATIONS	\$48,845,834,000	\$792,032,300	\$48,053,801,700	\$19,972,870,900	\$378,589,000	\$134,590,300	\$18,545,792,300	\$9,021,959,200

Note: Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time.

TABLE 2
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2012-13 and FY 2013-14 Executive Recommendation Compared with FY 2011-12 Year-to-Date

<u>Department/Budget Area</u>	<u>Year-To-Date FY 2011-12</u>	<u>Executive Recommendation FY 2012-13</u>	<u>Difference FY 2012-13 vs. FY 2011-12</u>		<u>Executive Recommendation FY 2013-14</u>	<u>Difference FY 2013-14 vs. FY 2012-13</u>	
Community Colleges	88,000,000	96,516,400	8,516,400	9.7%	96,516,400	0	0.0%
Education	64,643,900	68,043,200	3,399,300	5.3%	68,182,400	139,200	0.2%
Higher Education	1,065,632,500	1,102,389,400	36,756,900	3.4%	1,105,097,200	2,707,800	0.2%
School Aid	118,642,400	200,000,000	81,357,600	68.6%	18,642,400	(181,357,600)	-90.7%
EDUCATION	\$1,336,918,800	\$1,466,949,000	\$130,030,200	9.7%	\$1,288,438,400	(\$178,510,600)	-12.2%
Attorney General	29,836,300	33,690,500	3,854,200	12.9%	34,042,500	352,000	1.0%
Civil Rights	11,187,100	11,520,700	333,600	3.0%	11,675,000	154,300	1.3%
Executive Office	4,599,200	4,887,900	288,700	6.3%	4,829,200	(58,700)	-1.2%
Legislative Auditor General	11,624,100	13,004,900	1,380,800	11.9%	13,157,100	152,200	1.2%
Legislature	102,884,800	108,012,700	5,127,900	5.0%	108,012,700	0	0.0%
State	11,750,600	14,041,300	2,290,700	19.5%	13,841,200	(200,100)	-1.4%
Tech., Mgmt. & Budget: Operations	117,682,500	145,043,800	27,361,300	23.3%	130,633,500	(14,410,300)	-9.9%
Tech., Mgmt. & Budget: SBA Rent	256,870,600	256,870,600	0	0.0%	256,870,600	0	0.0%
Treasury: MI Strategic Fund	134,696,300	153,701,600	19,005,300	14.1%	128,945,200	(24,756,400)	-16.1%
Treasury: Operations	68,919,100	67,931,800	(987,300)	-1.4%	68,426,400	494,600	0.7%
Treasury: Debt Service	125,413,500	135,040,400	9,626,900	7.7%	154,449,500	19,409,100	14.4%
Treasury: Revenue Sharing	0	0	0	--	0	0	--
GENERAL GOVERNMENT	\$875,464,100	\$943,746,200	\$68,282,100	7.8%	\$924,882,900	(\$18,863,300)	-2.0%
Community Health	2,975,227,400	2,847,864,700	(127,362,700)	-4.3%	2,994,360,700	146,496,000	5.1%
Human Services	1,047,330,500	1,028,796,400	(18,534,100)	-1.8%	1,033,695,300	4,898,900	0.5%
HEALTH AND HUMAN SERVICES	\$4,022,557,900	\$3,876,661,100	(\$145,896,800)	-3.6%	\$4,028,056,000	\$151,394,900	3.9%
Agriculture & Rural Development	29,878,700	34,160,500	4,281,800	14.3%	32,607,800	(1,552,700)	-4.5%
Environmental Quality	28,378,300	29,405,000	1,026,700	3.6%	25,735,300	(3,669,700)	-12.5%
Natural Resources	18,326,700	21,637,900	3,311,200	18.1%	19,844,200	(1,793,700)	-8.3%
RESOURCE PROTECTION	\$76,583,700	\$85,203,400	\$8,619,700	11.3%	\$78,187,300	(\$7,016,100)	-8.2%
Corrections	1,950,939,100	1,982,185,600	31,246,500	1.6%	2,011,206,500	29,020,900	1.5%
Military & Veterans Affairs	33,983,700	34,733,400	749,700	2.2%	32,713,100	(2,020,300)	-5.8%
State Police	270,166,000	316,891,400	46,725,400	17.3%	320,624,200	3,732,800	1.2%
PUBLIC SAFETY AND DEFENSE	\$2,255,088,800	\$2,333,810,400	\$78,721,600	3.5%	\$2,364,543,800	\$30,733,400	1.3%
Capital Outlay	0	1,800	1,800	--	0	(1,800)	-100.0%
Judiciary	154,740,300	161,016,400	6,276,100	4.1%	161,857,100	840,700	0.5%
Licensing & Regulatory Affairs	42,024,100	35,570,900	(6,453,200)	-15.4%	35,949,400	378,500	1.1%
Transportation	500,000	119,000,000	118,500,000	23700.0%	0	(119,000,000)	-100.0%
ALL OTHERS	\$197,264,400	\$315,589,100	\$118,324,700	60.0%	\$197,806,500	(\$117,782,600)	-37.3%
TOTAL APPROPRIATIONS	\$8,763,877,700	\$9,021,959,200	\$258,081,500	2.9%	\$8,881,914,900	(\$140,044,300)	-1.6%

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time.

TABLE 3
ADJUSTED GROSS APPROPRIATIONS
FY 2012-13 and FY 2013-14 Executive Recommendation Compared with FY 2011-12 Year-to-Date

<u>Department/Budget Area</u>	<u>Year-To-Date FY 2011-12</u>	<u>Executive Recommendation FY 2012-13</u>	<u>Difference FY 2012-13 vs. FY 2011-12</u>		<u>Executive Recommendation FY 2013-14</u>	<u>Difference FY 2013-14 vs. FY 2012-13</u>	
Community Colleges	283,880,500	294,130,500	10,250,000	3.6%	294,130,500	0	0.0%
Education	326,559,800	330,952,900	4,393,100	1.3%	331,819,700	866,800	0.3%
Higher Education	1,364,178,400	1,399,981,500	35,803,100	2.6%	1,402,689,300	2,707,800	0.2%
School Aid	12,659,072,900	12,687,014,800	27,941,900	0.2%	12,603,634,800	(83,380,000)	-0.7%
EDUCATION	\$14,633,691,600	\$14,712,079,700	\$78,388,100	0.5%	\$14,632,274,300	(\$79,805,400)	-0.5%
Attorney General	55,418,900	60,865,100	5,446,200	9.8%	61,543,800	678,700	1.1%
Civil Rights	14,238,300	14,332,600	94,300	0.7%	14,524,000	191,400	1.3%
Executive Office	4,599,200	4,887,900	288,700	6.3%	4,829,200	(58,700)	-1.2%
Legislative Auditor General	13,198,900	14,895,600	1,696,700	12.9%	15,075,400	179,800	1.2%
Legislature	104,394,600	109,522,500	5,127,900	4.9%	109,522,500	0	0.0%
State	193,445,400	200,822,500	7,377,100	3.8%	203,132,400	2,309,900	1.2%
Tech., Mgmt. & Budget: Operations	219,872,300	246,536,300	26,664,000	12.1%	233,393,100	(13,143,200)	-5.3%
Tech., Mgmt. & Budget: SBA Rent	256,870,600	256,870,600	0	0.0%	256,870,600	0	0.0%
Treasury: MI Strategic Fund	987,989,800	967,211,500	(20,778,300)	-2.1%	943,464,600	(23,746,900)	-2.5%
Treasury: Operations	448,361,300	460,713,200	12,351,900	2.8%	463,655,100	2,941,900	0.6%
Treasury: Debt Service	140,928,000	140,554,900	(373,100)	-0.3%	159,964,000	19,409,100	13.8%
Treasury: Revenue Sharing	988,979,300	1,071,719,700	82,740,400	8.4%	1,080,716,000	8,996,300	0.8%
GENERAL GOVERNMENT	\$3,428,296,600	\$3,548,932,400	\$120,635,800	3.5%	\$3,546,690,700	(\$2,241,700)	-0.1%
Community Health	14,635,346,100	15,085,456,300	450,110,200	3.1%	15,451,165,100	365,708,800	2.4%
Human Services	6,712,267,900	6,561,645,100	(150,622,800)	-2.2%	6,562,592,400	947,300	0.0%
HEALTH AND HUMAN SERVICES	\$21,347,614,000	\$21,647,101,400	\$299,487,400	1.4%	\$22,013,757,500	\$366,656,100	1.7%
Agriculture & Rural Development	74,245,300	74,195,300	(50,000)	-0.1%	73,083,900	(1,111,400)	-1.5%
Environmental Quality	416,371,900	422,507,000	6,135,100	1.5%	419,488,400	(3,018,600)	-0.7%
Natural Resources	337,553,600	339,734,900	2,181,300	0.6%	337,942,600	(1,792,300)	-0.5%
RESOURCE PROTECTION	\$828,170,800	\$836,437,200	\$8,266,400	1.0%	\$830,514,900	(\$5,922,300)	-0.7%
Corrections	2,013,524,700	2,063,505,800	49,981,100	2.5%	2,084,244,200	20,738,400	1.0%
Military & Veterans Affairs	153,762,300	166,672,700	12,910,400	8.4%	153,962,100	(12,710,600)	-7.6%
State Police	507,629,200	547,908,800	40,279,600	7.9%	553,705,400	5,796,600	1.1%
PUBLIC SAFETY AND DEFENSE	\$2,674,916,200	\$2,778,087,300	\$103,171,100	3.9%	\$2,791,911,700	\$13,824,400	0.5%
Capital Outlay	0	1,800	1,800	--	0	(1,800)	-100.0%
Judiciary	256,184,500	263,586,800	7,402,300	0.0%	264,374,000	787,200	0.3%
Licensing & Regulatory Affairs	843,947,900	819,016,700	(24,931,200)	-3.0%	826,232,100	7,215,400	0.9%
Transportation	3,325,019,400	3,448,558,400	123,539,000	3.7%	3,318,420,900	(130,137,500)	-3.8%
ALL OTHERS	\$4,425,151,800	\$4,531,163,700	\$106,011,900	2.4%	\$4,409,027,000	(\$122,136,700)	-2.7%
TOTAL APPROPRIATIONS	\$47,337,841,000	\$48,053,801,700	\$715,960,700	1.5%	\$48,224,176,100	\$170,374,400	0.4%

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time.

**TABLE 4
APPROPRIATIONS DESIGNATED AS ONE-TIME ONLY**

<u>Department/Budget Area</u>	<u>FY 2011-12</u>		<u>FY 2012-13</u>	
	<u>School Aid/ Sales Tax</u>	<u>GF/GP</u>	<u>Sales Tax</u>	<u>GF/GP</u>
Agriculture and Rural Development	\$0	\$0	\$0	\$2,235,300
Attorney General	0	0	0	393,300
Civil Rights	0	0	0	104,300
Community Health	0	22,100,000	0	12,021,500
Corrections	0	0	0	14,003,300
Education	0	0	0	114,100
Environmental Quality	0	6,000,000	0	4,160,100
Executive Office	0	0	0	58,700
Higher Education	0	1,900,000	0	0
Human Services	0	0	0	7,936,800
Judiciary	0	0	0	636,900
Legislative Auditor General	0	0	0	184,800
Licensing and Regulatory Affairs	0	0	0	177,500
Military and Veterans Affairs	0	0	0	2,555,900
Natural Resources	0	4,000,000	0	2,096,200
School Aid	460,200,000	0	0	150,000,000
State	0	0	0	434,900
State Police	0	800,000	0	4,458,900
Technology, Management, and Budget	0	61,250,000	0	17,792,200
Transportation	0	500,000	0	119,000,000
Treasury: Michigan Strategic Fund	0	75,000,000	0	25,452,400
Treasury: Revenue Sharing	30,000,000	0	20,000,000	0
TOTAL: ONE-TIME APPROPRIATIONS	\$490,200,000	\$171,550,000	\$20,000,000	\$393,817,100
Deposit to Budget Stabilization Fund		255,800,000		130,000,000
TOTAL: ONE-TIME APPROPRIATIONS/BSF TRANSFER	\$490,200,000	\$427,350,000	\$20,000,000	\$493,817,100

TABLE 5
FULL-TIME EQUATED (FTE) POSITIONS*
FY 2012-13 and FY 2013-14 Executive Recommendation Compared with FY 2011-12 Year-to-Date

<u>Department/Budget Area</u>	<u>Year-To-Date FY 2011-12</u>	<u>Executive Recommendation FY 2012-13</u>	<u>Difference FY 2012-13 vs. FY 2011-12</u>	
Community Colleges	0.0	0.0	0.0	--
Education	596.0	594.5	(1.5)	-0.3%
Higher Education	0.0	0.0	0.0	--
School Aid	0.0	0.0		
EDUCATION	596.0	594.5	(1.5)	-0.3%
Attorney General	520.0	513.0	(7.0)	-1.3%
Civil Rights	126.0	121.0	(5.0)	-4.0%
Executive Office	84.2	84.2	0.0	0.0%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
State	1,815.0	1,698.0	(117.0)	-6.4%
Tech., Mgmt. & Budget: Operations	3,038.5	2,814.0	(224.5)	-7.4%
Tech., Mgmt. & Budget: SBA Rent	0.0	0.0	0.0	--
Treasury: MI Strategic Fund	820.0	769.0	(51.0)	-6.2%
Treasury: Operations	1,755.5	1,784.5	29.0	1.7%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
GENERAL GOVERNMENT	8,159.2	7,783.7	(375.5)	-4.6%
Community Health	3,640.2	3,613.9	(26.3)	-0.7%
Human Services	11,546.5	11,208.5	(338.0)	-2.9%
HEALTH AND HUMAN SERVICES	15,186.7	14,822.4	(364.3)	-2.4%
Agriculture & Rural Development	443.0	424.0	(19.0)	-4.3%
Environmental Quality	1,340.5	1,347.8	7.3	0.5%
Natural Resources	2,179.4	2,152.5	(26.9)	-1.2%
RESOURCE PROTECTION	3,962.9	3,924.3	(38.6)	-1.0%
Corrections	15,568.8	14,879.2	(689.6)	-4.4%
Military & Veterans Affairs	826.0	826.0	0.0	0.0%
State Police	2,753.0	2,674.0	(79.0)	-2.9%
PUBLIC SAFETY AND DEFENSE	19,147.8	18,379.2	(768.6)	-4.0%
Capital Outlay	0.0	0.0	0.0	--
Judiciary	491.0	472.0	(19.0)	-3.9%
Licensing & Regulatory Affairs	4,378.3	4,419.8	41.5	0.9%
Transportation	3,049.6	2,918.3	(131.3)	-4.3%
ALL OTHERS	7,918.9	7,810.1	(108.8)	-1.4%
TOTAL FTE APPROPRIATIONS	54,971.5	53,314.2	(1,657.3)	-3.0%

**Includes classified, unclassified, and nonlegislative exempt positions.*

TABLE 6
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2012-13 Executive Recommendation

<u>Department/Budget Area</u>	<u>Spending from State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending from State Sources as Payment to Locals</u>
Community Colleges	294,130,500	292,396,900	99.4%
Education	75,669,500	5,445,700	7.2%
Higher Education	1,302,955,100	0	0.0%
School Aid	10,985,973,400	10,841,677,500	98.7%
EDUCATION	\$12,658,728,500	\$11,139,520,100	88.0%
Attorney General	50,932,500	0	0.0%
Civil Rights	11,672,600	0	0.0%
Executive Office	4,887,900	0	0.0%
Legislative Auditor General	14,895,600	0	0.0%
Legislature	109,122,500	0	0.0%
State	199,012,400	1,360,800	0.7%
Tech., Mgmt. & Budget: Operations	235,561,000	0	0.0%
Tech., Mgmt. & Budget: SBA Rent	256,870,600	0	0.0%
Treasury: MI Strategic Fund	299,377,400	15,224,800	5.1%
Treasury: Operations	418,095,200	146,592,500	35.1%
Treasury: Debt Service	140,554,900	0	0.0%
Treasury: Revenue Sharing	1,071,719,700	1,071,719,700	100.0%
GENERAL GOVERNMENT	\$2,812,702,300	\$1,234,897,800	43.9%
Community Health	4,994,426,900	1,151,081,700	23.0%
Human Services	1,117,643,400	94,339,300	8.4%
HEALTH AND HUMAN SERVICES	\$6,112,070,300	\$1,245,421,000	20.4%
Agriculture & Rural Development	62,819,900	1,500,000	2.4%
Environmental Quality	260,286,300	2,775,000	1.1%
Natural Resources	265,892,700	6,152,600	2.3%
RESOURCE PROTECTION	\$588,998,900	\$10,427,600	1.8%
Corrections	2,054,457,100	91,166,400	4.4%
Military & Veterans Affairs	65,160,400	120,000	0.2%
State Police	435,897,100	18,728,700	4.3%
PUBLIC SAFETY AND DEFENSE	\$2,555,514,600	\$110,015,100	4.3%
Capital Outlay	1,800	0	0.0%
Judiciary	249,598,600	119,811,500	48.0%
Licensing & Regulatory Affairs	415,588,400	21,625,700	5.2%
Transportation	2,174,548,100	1,211,655,900	55.7%
ALL OTHER	\$2,839,736,900	\$1,353,093,100	47.6%
TOTALS APPROPRIATED	\$27,567,751,500	\$15,093,374,700	54.8%

FY 2012-13 and FY 2013-14 EXECUTIVE BUDGET HIGHLIGHTS
Major Changes Proposed

BUDGET CATEGORY EDUCATION

Community Colleges

Analyst: Erik Jonasson

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	195,880,500	197,614,100	1,733,600	0.9	197,614,100	0	0.0
GF/GP	88,000,000	96,516,400	8,516,400	9.7	96,516,400	0	0.0
Gross	\$283,880,500	\$294,130,500	\$10,250,000	3.6	\$294,130,500	\$0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Operations Funding

Funding for community college operations is increased by 3.0% (\$8.5 million GF/GP), with the funding increase distributed according to a performance funding formula. The formula allocates funds based on the three-year average of degree completions in critical skills areas. Critical skills areas are defined as scientific, technological, engineering, mathematical, and health-related fields.

Retirement Contributions

\$1.7 million from the School Aid Fund (SAF) is distributed to community colleges to offset a portion of retirement contributions owed by colleges for FY 2012-13. The distribution of these funds will be based on each college's proportion of the Michigan Public School Employee's Retirement System-covered payroll.

Collection of Student Transfer Data

New boilerplate language requires community colleges to report the number of students who transferred to a 4-year college or university in the previous academic year. This data will be used in community college performance funding calculations beginning in FY 2013-14.

Proposed FY 2013-14 Appropriation

The recommendation for FY 2013-14 keeps funding for community colleges unchanged, except for the use of updated performance funding data. FY 2013-14 performance funding will use critical skills degree completion data, along with the number of students transferring to 4-year colleges or universities.

Education (Department)

Analysts: *Bethany Wicksall and Mark Wolf*

	FY 2011-12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
	Year-to-Date		Amount	%		Amount	%
	as of 2/9/12						
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	244,074,400	246,894,300	2,819,900	1.2	247,526,200	631,900	0.3
Local	7,269,200	5,560,400	(1,708,800)	(23.5)	5,589,900	29,500	0.5
Private	3,133,400	2,828,700	(304,700)	(9.7)	2,828,700	0	0.0
Restricted	7,438,900	7,626,300	187,400	2.5	7,692,500	66,200	0.9
GF/GP	64,643,900	68,043,200	3,399,300	5.3	68,182,400	139,200	0.2
Gross	\$326,559,800	\$330,952,900	\$4,393,100	1.3	\$331,819,700	\$866,800	0.3
FTEs	596.0	594.5	(1.5)	(0.3)	594.5	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Child Development and Care (CDC) Assistance Caseloads

Reduces funding by \$3.0 million Federal to reflect the continuing decline in child care assistance caseloads.

Michigan Schools for the Deaf and Blind (MSDB)

Reduces funding for the MSDB by \$2.1 million Gross and 27.0 FTE positions to reflect lower staffing and operating costs at the MSDB following the sale of the MSDB campus in Flint, and lower student enrollment.

Performance-Based Funding Initiative

Provides \$125,000 GF/GP for staff support (1.0 FTE position) to administer the proposed \$70.0 million performance-based funding incentive appropriated in the School Aid budget to districts meeting certain academic achievement metrics.

Persistently Lowest Achieving (PLA) Schools

Provides \$760,000 GF/GP to support reform/redesign activities of PLA schools not receiving federal School Improvement Grants (SIG) allowing the School Reform Office (SRO) to provide weekly monitoring, on-going learning and technical assistance, and enables the SRO and the Office of Education Innovation and Improvement (OEII) to assist schools in closing the achievement gaps between highest and lowest achieving groups.

Charter School Oversight

Provides \$500,000 GF/GP and 4.0 FTE positions to continue oversight of charter schools in the state following the elimination of the cap on the number of charter schools as provided in 2011 PA 277 (SB 618).

Michigan Electronic Library (MeL) Database

Provides \$800,000 GF/GP to expand MeL databases and online resources for entrepreneurs and small business owners.

Michigan College Access Network

Provides \$2.0 million GF/GP (replacing lost federal funds) for the Michigan College Access Grant program, providing assistance to families in planning for college and the placement of college advisors in urban and rural schools.

Early Childhood Investment Corporation (ECIC)

Provides \$1.9 million Gross (\$1.2 million GF/GP) to the ECIC to support early childhood education improvements through the 54 Great Start Collaboratives (supplementing State School Aid funds), Children's Healthcare Access Program (CHAP) planning grants, and the state's Tiered Quality Rating Improvement System (TQRIS).

Economic Adjustments

Reflects increased costs of \$3.8 million Gross (\$730,500 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution and other economic adjustments. Additional increase of \$1.5 million Gross (\$0.3 million GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriations designated as one-time of \$624,300 Gross (\$114,100 GF/GP) for negotiated one-time lump sum payments to state employees.

Higher Education

Analyst: Kyle I. Jen

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	98,326,400	97,026,400	(1,300,000)	(1.3)	97,026,400	0	0.0
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	200,219,500	200,565,700	346,200	0.2	200,565,700	0	0.0
GF/GP	1,065,632,500	1,102,389,400	36,756,900	3.4	1,105,097,200	2,707,800	0.2
Gross	\$1,364,178,400	\$1,399,981,500	\$35,803,100	2.6	\$1,402,689,300	\$2,707,800	0.2

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

University Performance Funding

Includes increase of \$36.2 million GF/GP (3.0%) to be distributed to the 15 public universities through four performance funding components of \$9.0 million each:

- Degree completion component: Based on three-year average of growth in total undergraduate degree completions.
- Critical skills area component: Based on three-year average of number of weighted undergraduate degree completions in critical skills areas.
- Pell Grant component: Based on three-year average of students receiving federal Pell Grants (need-based).
- Tuition restraint component: Universities holding resident undergraduate tuition/fee rate increase at or below 4.0% would receive funds proportional to percentage held below 4.1%.

Under first three components, funding increases for universities range from 0.9% to 7.6% (average of 2.25%). Some or all universities would receive additional funds under tuition restraint component. Maintains \$200.0 million in School Aid Fund revenue appropriated for university operations.

Retiree Health Care Funding

Includes \$446,200 (School Aid Fund) to be distributed to the seven universities with employees in the Michigan Public School Employees Retirement System (MPERS) in proportion to retiree health care costs.

Facility for Rare Isotope Beams

Continues FY 2011-12 funding designated as one-time appropriation for Facility for Rare Isotope Beams at Michigan State University, increasing appropriation amount from \$1.0 million to \$2.3 million GF/GP. Projected funding amount of FY 2013-14 is \$5.0 million. (Remaining one-time FY 2011-12 funding of \$700,000 GF/GP is removed for FY 2012-13.)

State Competitive Scholarships

Increases appropriation by \$2.0 million, to \$20.4 million (TANF), based on a projected increase in eligible students. Program provides merit/need-based awards to students at public/independent institutions. Maximum scholarship to be maintained at \$575.

Tuition Grants

Reduces appropriation by \$1.0 million, to \$30.7 million (TANF), based on a projected decline in eligible students. Program provides need-based awards to students at independent colleges. Maximum grant to be maintained at \$1,512. Performance reporting requirements added for independent colleges to participate in program.

Tuition Incentive Program

Reduces appropriation by \$1.0 million, to \$42.8 million (TANF), due to lower program cost growth since FY 2010-11. Program pays associate's degree tuition costs for Medicaid-eligible middle- and high-school students who go on to graduate from high school and enroll in college.

Other Financial Aid Changes

Removes \$1.3 million in federal funding for Robert C. Byrd Honors Scholarship due to funding elimination at federal level. Replaces \$100,000 in restricted revenue with \$100,000 GF/GP to reflect lower income tax check-off contributions for Children of Veterans Tuition Grant Program.

School Aid

Analysts: Bethany Wicksall and Mark Wolf

	FY 2011-12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
	Year-to-Date as of 2/9/12		Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	1,653,331,800	1,701,041,400	47,709,600	2.9	1,701,041,400	0	0.0
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	10,887,098,700	10,785,973,400	(101,125,300)	(0.9)	10,883,951,000	97,977,600	0.9
GF/GP	118,642,400	200,000,000	81,357,600	68.6	18,642,400	(181,357,600)	(90.7)
Gross	\$12,659,072,900	\$12,687,014,800	\$27,941,900	0.2	\$12,603,634,800	(\$83,380,000)	(0.7)

Notes: (1) FY 2011-12 appropriation figures include mid-year budget adjustments through February 9, 2012. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard appropriations and appropriations designated as one-time. (3) FY 2013-14 figures are projected or proposed budget amounts only and would not be legally-binding appropriations.

Foundation Allowances

The Executive budget recommendations for FY 2012-13 and FY 2013-14 do not include any changes to the current per pupil foundation allowance levels. It maintains the requirement that beginning in FY 2012-13, to receive a full foundation for a kindergarten pupil, a district must provide the same hours of instruction as required in other grades.

Best Practices Incentive Grants

The Executive budget increases the current appropriation from \$154.0 million to \$190.0 million in FY 2012-13 but decreases it to \$100.0 million in FY 2013-14. The budget also recommends significant changes to the grant criteria. Currently districts receive \$100 per pupil if they satisfy 4 out of 5 criteria regarding non-instructional costs. The Governor proposes to create 2 different awards. The first would be a maximum of \$100 per pupil based on student academic performance. Districts would receive a portion or all of the following:

- \$30 per pupil for meeting proficiency growth in mathematics for grades 3 to 8.
- \$30 per pupil for meeting proficiency growth in reading for grades 3 to 8.
- \$40 per pupil for meeting proficiency growth over 4 years for high school students in all subject areas.

Any remaining funding left after the performance funding is awarded would be distributed on an equal per pupil basis to districts that meet 5 out of 6 revised best practices criteria:

- Participate in Schools of Choice programs under Section 105 and Section 105c. (NEW)
- Measure student growth at least twice annually and report of that growth to parents. (NEW)
- Provide dual enrollment and other opportunities for postsecondary coursework. (NEW)
- Provide online learning opportunities. (NEW)
- Act as policy holder for health care services benefits.
- Provide a dashboard to parents and members of the community.

Intermediate School District (ISD) Best Practices

Additionally, the Executive set aside 5% of the existing Section 81 ISD general operations funding for best practices associated with service consolidation, IT consolidation, IT integration into the classroom, competitive bidding, and dashboards. ISDs would have to satisfy 4 out of the 5 criteria to earn that 5% back and maintain their current funding.

Competitive Assistance Grants

The Executive budget adds \$10.0 million for one-time competitive assistance grants to help defray transition costs associated with the consolidation of operations or services among districts and ISDs.

Michigan Public School Employees' Retirement System (MPERS) Employer Contribution Rates

The Executive budget maintains the MPERS rates for FY 2012-13 at approximately 27%, as originally published in the FY 2011-12 budget, and publishes the rates for FY 2013-14 at approximately 31%. The continued increases are due to increasing unfunded liabilities associated with investment losses in 2008 and 2009 and a decline in total MPERS payroll.

MPERS Cost Offset

The Executive budget increases the current appropriation of \$155.0 million to \$179.0 million for both FY 2012-13 and FY 2013-14. This would reimburse school districts (excluding ISDs) by approximately 2% of their MPERS payroll, effectively decreasing their contribution rates from 27% to 25% for FY 2012-13.

BUDGET CATEGORY GENERAL GOVERNMENT

All General Government

Analyst: Robin R. Risko and Ben Gielczyk

	FY 2011-12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
	Year-to-Date as of 2/9/12		Amount	%		Amount	%
IDG/IDT	\$689,218,400	\$692,338,500	\$3,120,100	0.5	\$693,650,700	\$1,312,200	0.2
Federal	769,753,400	722,234,100	(47,519,300)	(6.2)	723,894,900	1,660,800	0.2
Local	8,109,500	8,007,000	(102,500)	(1.3)	8,058,600	51,600	0.6
Private	985,600	5,989,000	5,003,400	507.7	5,989,000	0	0.0
Restricted	1,773,984,000	1,868,956,100	94,972,100	5.4	1,883,865,300	14,909,200	0.8
GF/GP	875,464,100	943,746,200	68,282,100	7.8	924,882,900	(18,863,300)	(2.0)
Gross	\$4,117,515,000	\$4,241,270,900	\$123,755,900	3.0	\$4,240,341,400	(\$929,500)	0.0
FTEs	8,159.2	7,783.7	(375.5)	(4.6)	7,783.7	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Summary pages for individual department/agency budgets contained within the current FY 2011-12 General Government appropriations bill follow this page.

Attorney General

Analyst: Robin R. Risko

	FY 2011-12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
	Year-to-Date as of 2/9/12		Amount	%		Amount	%
IDG/IDT	\$23,007,400	\$24,082,100	\$1,074,700	4.7	\$24,400,100	\$318,000	1.3
Federal	9,299,900	9,932,600	632,700	6.8	10,070,400	137,800	1.4
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	16,282,700	17,242,000	959,300	5.9	17,430,900	188,900	1.1
GF/GP	29,836,300	33,690,500	3,854,200	12.9	34,042,500	352,000	1.0
Gross	\$78,426,300	\$84,947,200	\$6,520,900	8.3	\$85,943,900	\$996,700	1.2
FTEs	520.0	513.0	(7.0)	(1.3)	513.0	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Public Safety Initiative - Cities in Distress

Includes \$900,000 GF/GP for additional prosecutorial services to reduce backlogs for outstanding warrants in high crime areas of the state and increase prosecutions and incarceration of offenders.

Tobacco Tax Enforcement

Includes an additional 5.0 FTE positions and \$500,000 GF/GP to support enforcement of tobacco tax laws and enforcement of the multi-state tobacco settlement agreement.

Information Technology

Includes \$500,000 GF/GP to cover deficits in information technology appropriations which have existed for the past six fiscal years.

Contingency Plan Removal

Reflects a reduction of \$1.3 million Gross (\$40,000 GF/GP) due to the elimination of 12.0 funded vacant FTE positions as part of the FY 2011-12 contingency reduction plan.

Additional Attorney for Casino Regulation

Includes \$164,800 Gross (State Casino Gaming Fund) revenue for an additional attorney to assist the illegal gambling task force with legal matters relating to the identification and investigation of illegal gambling operations.

Eliminate Funding for Redistricting

Eliminates \$250,000 GF/GP that was included in the FY 2011-12 budget for legal activities associated with redistricting.

Economic Adjustments

Reflects increased costs of \$5.0 million Gross (\$1.9 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$2.0 million Gross (\$745,300 GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes an FY 2012-13 boilerplate appropriation of \$1.0 million Gross (\$393,300 GF/GP) designated as one-time for negotiated one-time lump sum payments to state employees.

Civil Rights

Analyst: Robin R. Risko

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$144,500	\$0	(\$144,500)	(100.0)	\$0	\$0	--
Federal	2,880,600	2,641,300	(239,300)	(8.3)	2,678,400	37,100	1.4
Local	0	0	0	--	0	0	--
Private	18,700	18,700	0	0.0	18,700	0	0.0
Restricted	151,900	151,900	0	0.0	151,900	0	0.0
GF/GP	11,187,100	11,520,700	333,600	3.0	11,675,000	154,300	1.3
Gross	\$14,382,800	\$14,332,600	(\$50,200)	(0.3)	\$14,524,000	\$191,400	1.3
FTEs	126.0	121.0	(5.0)	(4.0)	121.0	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Elimination of Federal Funding/Offset with Additional GF/GP

Reduces federal funding authorization for the Division on Deaf and Hard of Hearing by \$667,400 in order to reflect federal funding that is actually received. Increases GF/GP by \$120,000 in an effort to partially offset the lost federal revenue.

Contingency Plan Removal

Reflects a reduction of \$260,900 GF/GP due to the elimination of 6.0 funded vacant FTE positions as part of the FY 2011-12 contingency reduction plan.

Asian Pacific American Affairs Commission

Includes 1.0 FTE position and \$100,000 GF/GP for the Asian Pacific American Affairs Commission which was transferred in the FY 2011-12 budget from DLARA, but without FTE authorization or funding.

Increased Enforcement

Includes an additional \$287,800 Gross (\$115,000 GF/GP) for increased enforcement activities to reduce the average processing time for discrimination complaints.

Economic Adjustments

Reflects increased costs of \$241,400 Gross (\$155,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$320,300 Gross (\$258,600 GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes an FY 2012-13 boilerplate appropriation of \$128,900 Gross (\$104,300 GF/GP) designated as one-time for negotiated one-time lump sum payments to state employees.

Executive Office

Analyst: Robin R. Risko

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	0	0	0	--	0	0	--
GF/GP	4,599,200	4,887,900	288,700	6.3	4,829,200	(58,700)	(1.2)
Gross	\$4,599,200	\$4,887,900	\$288,700	6.3	\$4,829,200	(\$58,700)	(1.2)
FTEs	84.2	84.2	0.0	0.0	84.2	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Economic Adjustments

Reflects increased costs of \$230,000 GF/GP for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments.

Boilerplate Appropriations

Includes an FY 2012-13 boilerplate appropriation of \$58,700 GF/GP designated as one-time for negotiated one-time lump sum payments to state employees.

Legislative Auditor General

Analyst: Robin R. Risko

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$3,767,500	\$3,792,100	\$24,600	0.7	\$3,842,500	\$50,400	1.3
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	1,574,800	1,890,700	315,900	20.1	1,918,300	27,600	1.5
GF/GP	11,624,100	13,004,900	1,380,800	11.9	13,157,100	152,200	1.2
Gross	\$16,966,400	\$18,687,700	\$1,721,300	10.1	\$18,917,900	\$230,200	1.2

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

FY 2011-12 Base Adjustment

Includes an additional \$511,000 Gross (\$219,400 GF/GP) to correct understated appropriations in the FY 2011-12 budget for economics.

Fund Source Shifts as a Result of the Statewide Single Audit

Reduces IDG revenue by \$500,000, increases state restricted by \$160,000, and increases GF/GP by \$340,000 to accurately reflect costs associated with converting to a statewide single audit.

Economic Adjustments

Reflects increased costs of \$939,400 Gross (\$636,600 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$501,100 Gross (\$337,000 GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes an FY 2012-13 boilerplate appropriation of \$270,900 Gross (\$184,800 GF/GP) designated as one-time for negotiated one-time lump sum payments to state employees.

Note: The Legislative Auditor General budget is rolled in with the Legislature budget in the FY 2011-12 budget and FY 2012-13 and 2013-14 Executive budget recommendations.

Legislature

Analyst: Robin R. Risko

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$250,000	\$0	(\$250,000)	(100.0)	\$0	\$0	--
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	400,000	400,000	0	0.0	400,000	0	0.0
Restricted	1,109,800	1,109,800	0	0.0	1,109,800	0	0.0
GF/GP	102,884,800	108,012,700	5,127,900	5.0	108,012,700	0	0.0
Gross	\$104,644,600	\$109,522,500	\$4,877,900	4.7	\$109,522,500	\$0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Economic Adjustments

Includes an increase of \$4.9 million GF/GP for economic adjustments.

Legislative Corrections Ombudsman

Includes an increase of \$250,000 GF/GP for the Legislative Corrections Ombudsman to replace IDG funding that previously came from the Department of Corrections.

State

Analyst: Ben Gielczyk

	FY 2011-12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
	Year-to-Date as of 2/9/12		Amount	%		Amount	%
IDG/IDT	\$26,312,700	\$20,000,000	(\$6,312,700)	(24.0)	\$20,000,000	\$0	0.0
Federal	1,810,000	1,810,000	0	0.0	1,810,000	0	0.0
Local	0	0	0	--	0	0	--
Private	100	100	0	0.0	100	0	0.0
Restricted	179,884,700	184,971,100	5,086,400	2.8	187,481,100	2,510,000	1.4
GF/GP	11,750,600	14,041,300	2,290,700	19.5	13,841,200	(200,100)	(1.4)
Gross	\$219,758,100	\$220,822,500	\$1,064,400	0.5	\$223,132,400	\$2,309,900	1.0
FTEs	1,815.0	1,698.0	(117.0)	(6.4)	1,698.0	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Credit and Debit Card Assessment Fees

Reflects appropriation authorization increase of \$4.0 million in Gross to accommodate the increase in credit and debit card fee collection increase due to the increase in online transactions. No changes recommended for FY 2013-14.

Contingency Plan Adjustment

Reflects reduction of \$965,800 Gross (\$103,900 GF/GP) due to the elimination of 11.0 FTE positions (funded, vacant) provided as part of the FY 2011-12 employee concession contingency plan. No changes recommended for FY 2013-14.

Transportation Administration Collection (TAC) Fund Adjustments

Reduction of \$8.0 million Gross to adjust TAC Fund appropriation authorization to actual revenues. Eliminates 113.0 FTE positions (unfilled and unfunded) associated with TAC Fund appropriation. No changes recommended for FY 2013-14.

Commercial Driver License (CDL) Group Fee Increase

Reflects an increase of \$1.0 million Gross in appropriation authorization for Commercial Driver License Information System (CDLIS) program. Funding would be supported by a fee increase of \$10 (from \$25 to \$35) on CDL original and renewal group fee. Requires statutory change. No changes recommended for FY 2013-14.

Economic Adjustments

Reflects increased costs of \$3.3 million Gross (\$291,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$4.0 million Gross (\$234,800 GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$1.5 million Gross (\$284,900 GF/GP) for negotiated one-time lump sum payments to state employees.
- \$150,000 GF/GP for marketing costs associated with ExpressSOS.

Technology, Management, and Budget

Analyst: Ben Gielczyk

	FY 2011-12	FY 2012-13	Difference: FY 2012-13		FY 2013-14	Difference: FY 2013-14	
	Year-to-Date as of 2/9/12		Executive	Vs. FY 2011-12		Executive	Vs. FY 2012-13
			Amount	%		Amount	%
IDG/IDT	\$620,917,600	\$635,564,900	\$14,647,300	2.4	\$636,402,800	\$837,900	0.1
Federal	10,653,700	9,464,300	(1,189,400)	(11.2)	10,409,700	945,400	10.0
Local	1,520,800	1,320,800	(200,000)	(13.2)	1,320,800	0	0.0
Private	186,800	190,200	3,400	1.8	190,200	0	0.0
Restricted	89,828,500	90,517,200	688,700	0.8	90,838,900	321,700	0.4
GF/GP	374,553,100	401,914,400	27,361,300	7.3	387,504,100	(14,410,300)	(3.6)
Gross	\$1,097,660,500	\$1,138,971,800	\$41,311,300	3.8	\$1,126,666,500	(\$12,305,300)	(1.1)
FTEs	3,038.5	2,814.0	(224.5)	(7.4)	2,814.0	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Information Technology Development Projects

Includes \$50.0 million GF/GP for statewide IT initiatives targeting technology upgrades and automation opportunities. No changes recommended for FY 2013-14.

Building Maintenance Fund

Includes \$15.0 million GF/GP (additional \$10.0 million designated as one-time boilerplate appropriation) to address deterioration and maintenance issues at state-owned buildings. No changes recommended for FY 2013-14.

Contingency Plan Adjustment

Reflects reduction of \$806,300 Gross (\$567,100 GF/GP) due to the elimination of 9.0 FTEs (funded vacant positions). These positions were offered as part of the FY 2011-12 employee concession contingency plan. No changes recommended for FY 2013-14.

Military Retirement Program Transfer

Transfers \$4.0 million GF/GP from the Department of Military and Veterans Affairs (DMVA) to the Office of Retirement Services for the costs associated with the Military Retirement Program. No changes recommended for FY 2013-14.

Information Technology Adjustments

Includes \$4.3 million Gross for various department and agency technology services adjustments. No changes recommended for FY 2013-14.

Economic Adjustments

Reflects increased costs of \$15.0 million Gross (\$2.4 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$9.4 million Gross (\$3.4 million GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Discontinues FY 2011-12 boilerplate appropriations of \$61.3 million GF/GP for other postemployment benefits and asbestos abatement at the former state police headquarters. Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$4.7 million Gross (\$792,200 GF/GP) for negotiated one-time lump sum payments to state employees.
- \$10.0 million GF/GP as additional funding for the Building Maintenance Fund.
- \$7.0 million GF/GP for a statewide Office Consolidation Fund.

Treasury

Analyst: Ben Gielczyk

	FY 2011-12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
	Year-to-Date as of 2/9/12		Amount	%		Amount	%
IDG/IDT	\$14,818,700	\$8,899,400	(\$5,919,300)	(39.9)	\$9,005,300	\$105,900	1.2
Federal	745,109,200	698,385,900	(46,723,300)	(6.3)	698,926,400	540,500	0.1
Local	6,588,700	6,686,200	97,500	1.5	6,737,800	51,600	0.8
Private	380,000	5,380,000	5,000,000	1,315.8	5,380,000	0	0.0
Restricted	1,485,151,600	1,573,073,400	87,921,800	5.9	1,584,934,400	11,861,000	0.8
GF/GP	329,028,900	356,673,800	27,644,900	8.4	351,821,100	(4,852,700)	(1.4)
Gross	\$2,581,077,100	\$2,649,098,700	\$68,021,600	2.6	\$2,656,805,000	\$7,706,300	0.3
FTEs	2,575.5	2,553.5	(22.0)	(0.9)	2,553.5	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Local Government Payment Programs

Recommends the following local government payment program changes (revenue sharing, incentive program payments, and payments in lieu of taxes (PILT)):

- Includes \$13.6 million Gross (2.0%) increase to adjust for constitutional revenue sharing payments in FY 2012-13 based on January Consensus Revenue Estimating Conference (CREC). Projected increase of \$19.5 million for FY 2013-14.
- Restructures county revenue sharing as an incentive program. Increases county payments by \$10.6 million Gross (75.0% of full funding). Projected increase of \$9.5 million for FY 2013-14. Includes \$15.0 million for County Incentive Program as an on-going funding increase (previously a one-time boilerplate appropriation in FY 2011-12 budget).
- Includes \$15.0 million for the Economic Vitality Incentive Program (EVIP) as an on-going funding increase (previously a one-time boilerplate appropriation in FY 2011-12). There is no change to overall funding for EVIP from the total appropriated amount in FY 2011-12. No changes recommended for FY 2013-14.
- Increases Payments in Lieu of Taxes (PILT) by \$1.8 million Gross (reduction of \$349,400 GF/GP) to reflect legislative change requiring the Michigan Natural Resource Trust Fund (MNRTF) to make MNRTF Purchased Land payments in full. No changes recommended for FY 2013-14.

Contingency Plan Adjustment

Reflects reduction of \$3.1 million Gross (\$993,700 GF/GP) due to the elimination of 43.0 FTEs (funded, vacant positions). These positions were offered as part of the FY 2011-12 employee concession contingency plan. No changes recommended for FY 2013-14.

Debt Service Fund Shift

Includes \$10.0 million GF/GP to replace corresponding amount of Refined Petroleum Fund in Debt Service.

Program Administration Adjustments

Includes \$4.5 million GF/GP to assist at-risk local units of government facing financial emergencies. Includes \$1.5 million GF/GP (13.0 FTEs) for administration of the Tobacco Tax Enforcement Program (removes \$3.0 million in restricted funds in FY 2011-12 budget). Includes \$1.9 million Gross to administer Health Insurance Claims Assessment Program. No changes recommended for FY 2013-14 for any of the programs.

Michigan Strategic Fund Adjustments

Includes \$15.0 million GF/GP for new Talent Fund for job training and skills development targeting the structurally unemployed in distressed cities. Increases Arts and Cultural Grants by \$3.6 million GF/GP. Includes \$5.0 million Gross in private revenue authority in anticipation of foundation grants awarded to the Workforce Development Agency. Removes \$50.0 million Gross in federal Workforce Investment Act appropriations to reflect a reduction in available federal funds. No changes recommended for FY 2013-14.

Economic Adjustments (Treasury Operations and Michigan Strategic Fund)

Reflects increased costs of \$15.2 million Gross (\$2.0 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$8.2 million Gross (\$1.2 million GF/GP) projected for FY 2013-14.

Boilerplate Appropriations (Treasury Operations and Michigan Strategic Fund)

Moves FY 2011-12 boilerplate appropriations of \$50.0 million GF/GP for Business Attraction and Economic Gardening and \$30.0 million from sales tax revenue for EVIP and County Revenue Sharing into line items. Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$3.8 million Gross (\$452,400 GF/GP) for negotiated one-time lump sum payments to state employees.
- \$25.0 million GF/GP for Film Incentive Grants.
- \$20.0 million Gross (sales tax revenue) to supplement the Competitive Grant Assistance Program.

BUDGET CATEGORY HEALTH AND HUMAN SERVICES

Community Health

Analysts: Margaret Alston, Susan Frey, and Steve Stauff

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$7,241,200	\$10,023,800	\$2,782,600	38.4	\$10,004,100	(\$19,700)	(0.2)
Federal	9,274,293,000	9,740,485,300	466,192,300	5.0	9,974,147,200	233,661,900	2.4
Local	257,851,000	257,280,100	(570,900)	(0.2)	257,129,700	(150,400)	(0.1)
Private	96,499,200	93,264,000	(3,235,200)	(3.4)	93,263,200	(800)	0.0
Restricted	2,031,475,500	2,146,562,200	115,086,700	5.7	2,132,264,300	(14,297,900)	(0.7)
GF/GP	2,975,227,400	2,847,864,700	(127,362,700)	(4.3)	2,994,360,700	146,496,000	5.1
Gross	\$14,642,587,300	\$15,095,480,100	\$452,892,800	3.1	\$15,461,169,200	\$365,689,100	2.4
FTEs	3,640.2	3,613.9	(26.3)	(0.7)	3,613.9	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Economic Adjustments

Reflects increased costs of \$18.6 million Gross (\$7.2 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$11.0 million Gross (\$6.7 million GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Discontinues FY 2011-12 boilerplate appropriations of \$52.3 million Gross (\$22.1 million GF/GP) for mental health services for special populations, Healthy Michigan fund programs, primary care services - island health clinics, hospital services and therapy - graduate medical education, and hospital services and therapy - rural and sole community hospitals. Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$4.3 million Gross (\$2.6 million GF/GP) for negotiated one-time lump sum payments to state employees.
- \$40.0 million Gross (\$4.0 million GF/GP) for the community health automated Medicaid processing system (CHAMPS).
- \$200,000 GF/GP for state laboratory equipment and supplies.
- \$5.0 million GF/GP for health and wellness initiatives, continuing funding of FY 2011-12 one-time funded projects, and additional funding for new wellness 4x4 initiative and maternal and infant health.
- \$250,000 GF/GP for elder abuse prevention and training initiatives.

FY 2011-12 Contingency Plan Savings

Recognizes FY 2011-12 contingency plan savings of \$12.2 million Gross (\$6.1 million GF/GP) which was achieved by eliminating 88.3 funded and vacant FTE positions throughout the Department, reducing travel costs, and eliminating contracts.

Community Health Automated Medicaid Processing System (CHAMPS)

Includes full-year funding of \$13.4 million Gross (\$5.9 million GF/GP) for CHAMPS which is offset by savings of \$8.9 million Gross (\$1.2 million GF/GP) due to the completion of the federal Health Insurance Portability and Affordability Act (HIPAA) 5010 project which required enhancements related to the Medicaid claims processing system.

Children with Serious Emotional Disturbance Waiver

Increases funding for children with serious emotional disturbance waiver by \$4.5 million Gross (\$0 GF/GP) enabling the Department to serve additional children eligible for the federal waiver program in which CMHSPs provide home and community-based mental health services. Currently, 12 CMHSPs in eighteen counties provide services to up to 357 children.

Family Support Subsidy Program

Removes excess FY 2011-12 TANF revenue authorization of \$500,000 from the Family Support Subsidy Program which provides \$222.11 monthly payment to an average of 7,159 income eligible families with a child under age 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic. The reduction for this program is offset with an increase of \$190,500 in TANF revenue anticipating a 1.0% caseload increase in FY 2012-13.

Health and Wellness Initiative and Healthy Michigan Prevention Funding

Provides \$1.0 million GF/GP for new wellness 4x4 initiative presented in the Governor's September 2011 Special Message on Health and Wellness, increases Healthy Michigan Fund prevention project appropriations by \$146,600 to a total of \$5.1 million, and combines in renamed "Health and Wellness Initiatives" line item (see also Boilerplate Appropriations).

Bioterrorism Preparedness

Reflects decline in funding from two federal grants for public health and hospital preparedness and response for bioterrorism with a reduction of \$14.5 million. Funding recommendation is \$35.2 million Gross (\$0 GF/GP), including economics adjustments.

Aging Services to Support Community Living

Increases funding by \$850,000 GF/GP for senior community services, including \$500,000 to expand community living options counseling, \$100,000 to expand elder abuse prevention programs (see also Boilerplate Appropriations), and \$250,000 for community support for persons providing care for family members with dementia.

Medicaid Cost Increases

Includes an increase for FY 2012-13 of \$263.3 million Gross (\$93.2 million GF/GP) to cover Medicaid caseload, utilization and inflation changes within Medical Services, Mental Health/Substance Abuse, Children's Special Health Care Services and Federal Medicare Prescription programs. Also recognized is a FY 2011-12 Medicaid caseload, utilization and inflation adjustment reducing various Medicaid appropriation lines by \$148.0 million Gross (\$47.5 million GF/GP). The increase for FY 2013-14 Medicaid caseload, utilization and inflation is projected to be \$379.4 million Gross (\$128.3 million GF/GP). To meet the federal requirement that the Medicaid HMOs and PIHPs remain actuarially sound the Governor's budget includes an increase of \$75.2 million Gross (\$25.3 million GF/GP) for FY 2012-13.

Use Tax Adjustment

Reverses the FY 2011-12 supplemental PA 278 of 2011 that provided Use Tax (GF/GP) funding, which corrected authorization necessary to implement the State's final Health Insurance Claim Assessment (HICA) legislation. The Department budget is reduced \$201.1 million Gross (\$167.3 million GF/GP).

Healthy Kids Dental Expansion

Includes a plan to phase-in statewide coverage for the Healthy Kids Dental program by increasing the budget \$25.0 million Gross (\$8.4 million GF/GP). The expansion would include, but is not limited to, parts of several large urban counties including Kent, Oakland, Macomb and Wayne. Areas with the greatest dental services need would be the highest priority for the program expansion.

Autism Spectrum Disorder Coverage

Increases the Department's budget by \$34.1 million Gross (\$10.1 million GF/GP) to fund autism spectrum disorder treatment for an estimated 2,000 Medicaid and MICHild eligible children under the age of six. In anticipation of the possibility of a private insurance coverage mandate for autism, \$15.0 million GF/GP is included in the available balance on the FY 2012-13 State balance sheet for potential insurer costs.

Graduate Medical Education

Continues the reduction of \$31.8 million Gross made to the Graduate Medical Education (GME) program in FY 2011-12, but does not continue the FY 2011-12 Sec. 1901 "one-time basis only" funding for GME of \$17.1 million. The program would be funded in FY 2012-13 at approximately \$136.3 million Gross in the Executive Recommendation.

Medicaid Home- and Community-Based Services Waiver Increase

Projects a need of \$7.5 million Gross (\$3.4 million GF/GP) to fund additional nursing home transitions and to reduce the number of those individuals on the waiting list who are eligible for the MIChoice program.

Primary Care Physician Rate Increase

Recognizes an increase of \$281.8 million of federal funds that will be available to provide an increase in the reimbursement rates for primary care doctors, family doctors and pediatricians up to 100% of Medicare rates. Not included in the rate increase are nurse practitioners, physician assistants and OB/GYNs. This reimbursement level change is a requirement of the Affordable Care Act of 2010 and is entirely federally funded.

Human Services

Analyst: Kevin Koorstra

	FY 2011-12	FY 2012-13	Difference: FY 2012-13		FY 2013-14	Difference: FY 2013-14	
	Year-to-Date as of 2/9/12		Executive	Vs. FY 2011-12		Vs. FY 2012-13	Executive
			Amount	%		Amount	%
IDG/IDT	\$35,821,900	\$31,241,700	(\$4,580,200)	(12.8)	\$31,241,700	\$0	0.0
Federal	5,496,420,500	5,394,076,700	(102,343,800)	(1.9)	5,390,125,100	(3,951,600)	(0.1)
Local	28,679,500	33,549,200	4,869,700	17.0	33,549,200	0	0.0
Private	16,136,400	16,375,800	239,400	1.5	16,375,800	0	0.0
Restricted	123,701,000	88,847,000	(34,854,000)	(28.2)	88,847,000	0	0.0
GF/GP	1,047,330,500	1,028,796,400	(18,534,100)	(1.8)	1,033,695,300	4,898,900	0.5
Gross	\$6,748,089,800	\$6,592,886,800	(\$155,203,000)	(2.3)	\$6,593,834,100	\$947,300	0.0
FTEs	11,546.5	11,208.5	(338.0)	(2.9)	11,208.5	0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Child Welfare and Family Preservation Adjustments

Increases child welfare and family preservation programs by a net \$12.6 million Gross (\$5.7 million GF/GP). Increases include \$11.3 million Gross (\$6.3 million GF/GP) to increase the foster parent daily rate by \$3.00; \$3.0 million Gross for family preservation programs; \$1.9 million Gross to increase staff assisting youth aging out of foster care; and \$559,100 Gross for psychotropic oversight contracts. Decreases include \$2.7 million Gross in Strong Family/Safe Children one-time funding appropriated in FY 2011-12 and \$1.4 million Gross (\$600,000 GF/GP) from consolidating drug testing contracts into a single statewide contract.

Local Office and Staffing Adjustments

Reduces local office and staffing by a net \$29.4 million Gross (\$17.4 million GF/GP). Staffing is reduced by 182.0 FTEs as part of the FY 2011-12 employee contingency plan resulting in \$34.2 million Gross (\$19.8 million GF/GP) reduction. Local office increases include 41.0 FTEs for additional Adult Services field staff at \$2.9 million Gross (\$924,700 GF/GP); \$1.2 million Gross for additional case management for cash assistance (FIP) clients with the most barriers to self-sufficiency; \$495,000 Gross (\$352,700 GF/GP) for increased local office security; and \$225,700 Gross (\$58,700 GF/GP) to increase the mileage rate for volunteers. There is also a Mobile Worker Initiative to purchase smartphones for field staff that is offset by reducing rent costs.

Energy Services

Increases federal low income energy assistance grant authorization (LIHEAP) by \$58.5 million to align appropriations with anticipated federal grant. Removes \$35.0 million in state restricted revenue for state emergency relief - energy services; instead, \$60 million in state restricted revenue is appropriated in LARA budget for energy services.

Other Adjustments

Increases Bridges automation costs \$2.2 million Gross (\$865,300 GF/GP). Increases \$1.8 million Gross (\$612,000 GF/GP) to provide for paternity testing at birth. Reduces \$300,000 GF/GP by automating payment distribution for State Supplementation.

Caseload Adjustments

Reflects reduced caseload costs of \$124.3 million Gross (\$19.8 million GF/GP). The programs included in this adjustment are Food Assistance Program, Family Independence Program, State Disability Assistance, State Supplementation, Foster Care, Adoption Subsidies, County Child Care Fund, and Guardianship Assistance. FY 2013-14 caseload costs fall by \$14.7 million Gross but increase by \$629,900 GF/GP.

Economic Adjustments

Reflects increased costs of \$10.9 million Gross (\$5.6 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$31.9 million Gross (\$12.2 million GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$10.5 million Gross (\$3.9 million GF/GP) for negotiated one-time lump sum payments to state employees.
- \$5.7 million Gross (\$4.0 million GF/GP) for child welfare enhancements.

BUDGET CATEGORY RESOURCE PROTECTION

Agriculture and Rural Development

Analyst: William E. Hamilton

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$437,700	\$319,300	(\$118,400)	-27.1%	\$316,900	(\$2,400)	-0.8%
Federal	14,587,700	11,199,600	(3,388,100)	-23.2%	11,488,500	288,900	2.6%
Local	0	0	0	--	0	0	--
Private	178,400	175,800	(\$2,600)	-1.5%	174,300	(1,500)	-0.9%
Restricted	29,600,500	28,659,400	(941,100)	-3.2%	28,813,300	153,900	0.5%
GF/GP	29,878,700	34,160,500	4,281,800	14.3%	32,607,800	(1,552,700)	-4.5%
Gross	\$74,683,000	\$74,514,600	(\$168,400)	-0.2%	\$73,400,800	(\$1,113,800)	-1.5%
FTEs	443.0	424.0	-19.0	-4.3%	424.0	0.0	0.0%

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Michigan Agriculture Environmental Assurance Program (MAEAP)

Provides additional \$1.0 million GF/GP in baseline funding with the aim of achieving goal of 5,000 MAEAP verifications by 2015. MAEAP is a voluntary program for designed to promote natural resources conservation through education, technical assistance, and verification of agri-systems. Program first established in FY 2000-01 budget; established in statute through 2011 PA 1, and 2011 PA 2.

Migrant Labor Housing Inspections

Includes \$400,000 additional GF/GP funding for program which helps ensure safe housing for seasonal farm workers. The department currently conducts pre-season inspections at 850 licensed migrant labor camps in Michigan. Increased funding would support 3.0 additional FTE positions in order to also provide in-season inspections.

Agriculture Development

Proposes \$600,000 GF/GP increase to support 5.0 FTE positions to assist with local and regional economic development activities, including promotion of agricultural exports.

Economic Adjustments

Reflects increased costs of \$1.2 million Gross (\$716,400 GF/GP) for negotiated salary and wage increases, increases for actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$1.4 million Gross (\$682,600 GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$470,300 Gross (\$235,300 GF/GP) for negotiated one-time lump sum payments to state employees.
- \$500,000 GF/GP for Private Forestry Initiative program, to provide assistance to private land owners in managing forest land. This program formerly existed as the Cooperative Resources Management Initiative, will be carried out through grants to local conservation districts.
- \$1.5 million GF/GP for Healthy Food program, intended to help support the development of regional “food hubs.”

Environmental Quality

Analyst: Viola Bay Wild

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$12,615,200	\$9,021,200	(\$3,594,000)	(28.5)	\$8,972,400	(\$48,800)	(0.5)
Federal	160,757,400	161,687,500	930,100	0.6	161,271,800	(415,700)	(0.3)
Local	0	0	0	--	0	0	--
Private	725,800	533,200	(192,600)	(26.5)	529,000	(4,200)	(0.8)
Restricted	226,510,400	230,881,300	4,370,900	1.9	231,952,300	1,071,000	0.5
GF/GP	28,378,300	29,405,000	1,026,700	3.6	25,735,300	(3,669,700)	(12.5)
Gross	\$428,987,100	\$431,528,200	\$2,541,100	0.6	\$428,460,800	(\$3,067,400)	(0.7)
FTEs	1340.5	1,347.8	7.3	0.5	1,347.8	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Funding Authorization Reductions

Reduces federal funding authorization by \$1.6 million, restricted funding by \$7.5 million, private funding by \$200,000, and IDG authorization by \$380,000 to align with anticipated revenues.

Wetlands Funding

Eliminates Environmental Protection Fund funding of \$2.0 million because funds are no longer available and replaces funding with \$500,000 federal support and a one-time \$1.5 million GF/GP boilerplate appropriation (see below).

Leaking Underground Storage Tanks (LUST) Cleanups

Includes additional \$10.0 million Refined Petroleum Fund (RPF) revenue for cleanup work at LUST sites. Funding is available by replacing \$10.0 million of RPF revenues currently used for debt service in Treasury with GF/GP funding.

MiWaters Data System Project

Provides \$2.0 million restricted funding to upgrade the National Pollutant Discharge Elimination Management System and combine it with the Coastal and Inland Waters Permit Information System (CIWPIS) to form a new MiWaters data system. Eliminates \$3.2 million one-time restricted funding for CIWPIS.

Drinking Water Revolving Fund (DWRP) Program

Includes \$2.5 million GF/GP to DWRP program to provide state match to secure federal funding for infrastructure loans for public water facilities. An additional \$2.5 million GF/GP is provided by boilerplate appropriation (see below).

State Revolving Fund Program Staff

Includes \$725,000 restricted funding and 5.0 FTE positions for new cleanup program for sewer improvement projects.

Water Withdrawal Fee

Includes \$428,900 restricted funding to be realized through a 25% increase in the water withdrawal fee and the application of the fee to the agricultural sector. Revenue would replace \$325,000 in CMI funding no longer available.

Boilerplate Appropriations

Discontinues FY 2011-12 boilerplate appropriation of \$6.0 million GF/GP for the Muskegon cleanup site. Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$1.5 million Gross (\$160,100 GF/GP) for negotiated one-time lump sum payments to state employees.
- \$2.5 million GF/GP for Drinking Water Revolving Fund state match program.
- \$1.5 million GF/GP for Wetlands Program.

Economic Adjustments

Reflects increased costs of \$2.0 million Gross (\$398,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$4.5 million Gross (\$490,400 GF/GP) projected for FY 2013-14.

Natural Resources

Analyst: Viola Bay Wild

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$6,587,500	\$2,027,200	(\$4,560,300)	(69.2)	\$2,015,900	(\$11,300)	(0.6)
Federal	69,356,200	66,603,000	(2,753,200)	(4.0)	66,342,500	(260,500)	(0.4)
Local	0	0	0	--	0	0	--
Private	2,931,600	7,239,200	4,307,600	146.9	7,223,700	(15,500)	(0.2)
Restricted	246,939,100	244,254,800	(2,684,300)	(1.1)	244,532,200	277,400	0.1
GF/GP	18,326,700	21,637,900	3,311,200	18.1	19,844,200	(1,793,700)	(8.3)
Gross	\$344,141,100	\$341,762,100	(\$2,379,000)	(0.7)	\$339,958,500	(\$1,803,600)	(0.5)
FTEs	2,179.4	2,152.5	-26.9	(1.2%)	2,152.5	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Funding and FTE Authorization Adjustments

Reduces restricted funding authorization by \$10.1 million and private funding by \$260,100 to align with anticipated revenues. Includes a net federal funding authorization increase of \$1.6 million to align with anticipated federal funding; reduces FTE authorizations by 24.0 positions through the elimination of unfilled and unfunded positions.

Dam Management Grant Program

Includes \$500,000 GF/GP funding and 1.0 FTE position for competitive grants to facilitate dam removal or maintenance from private and state-owned land; additional one-time GF/GP funding of \$2.0 million appropriated in boilerplate (see below).

Summer Youth Initiative

Appropriates \$5.0 million GF/GP funding for a new summer employment program for youth in urban areas.

Off Road Vehicle (ORV) License Fee Increase

Includes \$2.5 million additional restricted funding to be realized through an increase in the ORV license from the current annual fee of \$16.25 to a \$35.00 annual fee.

Duplicate Recreational Safety Certificate Fee / Shooting Range Fees

Includes additional \$70,400 in restricted funding to be realized through a new fee charged for duplicate safety certificates such as boating, hunter, snowmobile, or ORV safety certificates; fee for replacement certificates would be \$11.00. Increases restricted funding by \$50,000 in anticipation of a statutory change that would allow the DNR to charge a \$5.00 daily fee at all staffed shooting ranges on state-owned land; currently range fees can only be charged at state parks.

Economic Adjustments

Reflects increased costs of \$5.4 million Gross (\$79,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$5.5 million Gross (\$302,500 GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Discontinues FY 2011-12 boilerplate appropriation of \$4.0 million GF/GP for Grand Marais harbor capital outlay project. Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$1.9 million Gross (\$96,200 GF/GP) for negotiated one-time lump sum payments to state employees.
- \$2.0 million GF/GP for Dam Management Grant Program.

Capital Outlay Projects

Decreases funding for capital outlay projects in FY 2012-13 by \$6.7 million. Restricted funding for state parks and forest area projects is changed to state parks repair and maintenance projects and decreased by \$3.3 million; restricted funding for waterways boating projects is reduced by \$979,400 and federal funding is reduced by \$2.5 million. For FY 2013-14, proposed funding for waterways boating projects includes a \$3.4 million reduction.

BUDGET CATEGORY PUBLIC SAFETY AND DEFENSE

Corrections

Analyst: Bob Schneider

	FY 2011-12	FY 2012-13	Difference: FY 2012-13		FY 2013-14	Difference: FY 2013-14	
	Year-to-Date as of 2/9/12		Executive	Vs. FY 2011-12		Vs. FY 2012-13	Executive
			Amount	%		Amount	%
IDG/IDT	\$974,700	\$992,100	\$17,400	1.8	\$1,002,600	\$10,500	1.1
Federal	8,259,500	8,784,400	524,900	6.4	8,931,900	147,500	1.7
Local	455,800	264,300	(191,500)	(42.0)	267,800	3,500	1.3
Private	0	0	0	--	0	0	--
Restricted	53,870,300	72,271,500	18,401,200	34.2	63,838,000	(8,433,500)	(11.7)
GF/GP	1,950,939,100	1,982,185,600	31,246,500	1.6	2,011,206,500	29,020,900	1.5
Gross	\$2,014,499,400	\$2,064,497,900	\$49,998,500	2.5	\$2,085,246,800	\$20,748,900	1.0
FTEs	15,568.8	14,879.2	689.6	4.4	14,879.2	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Adjustment to FY 2011-12 Budgeted Prison Operations Savings

The FY 2011-12 enacted budget included net GF/GP savings of \$31.3 million to be achieved through contracting for cost-effective housing of prisoners and through other prison operations savings/efficiencies. Governor's proposal replaces the general \$31.3 million in required savings with \$20.9 million in GF/GP savings to be achieved through various specific savings proposals, including \$13.2 million GF/GP from reducing alert response vehicle assignments to patrol prison perimeters (reduction of 114.4 FTE positions), \$2.2 million GF/GP from the usage of trained prisoners rather than custody staff for direct and continuous observation duties for prisoners who display a self-injury or suicide risk, \$2.4 million GF/GP from the elimination of 32.8 FTE positions across various prison facilities, \$2.0 million GF/GP in computer and IT-related savings, and \$1.1 million GF/GP from reducing the provision of state-issued clothing to prisoners. \$10.4 million GF/GP is added back to the budget to cover the remaining unrealized savings.

Full-Year Savings from Announced Contingency Plan

Includes \$55.3 million GF/GP in full-year savings anticipated from the contingency plan issued in September 2011 by the State Budget Office to achieve GF/GP savings in lieu of state employee concessions that did not materialize. This includes \$32.5 million from the Mound Correctional Facility closure, \$10.0 million from eliminating 115 parole/probation positions given reduced offender caseloads, \$9.8 million in savings from competitively bidding out prisoner health care and mental health services currently provided by state staff, and \$1.3 million from competitively bidding for the operation of the Woodland Correctional Facility which houses prisoners with serious mental illness.

Special Equipment Fund - Prisoner Telephone Fees

Appropriates \$19.7 million in new restricted Special Equipment Fund revenues from prisoner telephone fees. Revenue from the new fees initiated last year supports \$13.9 million in capital outlay spending for security cameras at the Michigan Reformatory and personal protection system replacement equipment in various prison facilities, \$5.3 million for other special security equipment to allow for cell phone detection and jamming, and \$500,000 to offset GF/GP spending within the Operations Support Administration.

Other Funding Increases

Provides \$5.4 million GF/GP to adjust for increased costs at the Central Michigan, Brooks, Pugsley, and Macomb Correctional Facilities to account for additional beds opened in response to recent prison closures, \$5.0 million to cover an increase in settlement payments arising from a lawsuit brought by female inmates alleging sexual harassment within MDOC facilities during the 1990s, \$4.5 million for the training of new custody staff, and \$3.5 million to cover maintenance and demolition costs related to closed correctional facilities and camps.

Public Safety Initiative for Cities in Distress

Includes \$4.5 million GF/GP to assist local law enforcement in high crime areas to purchase jail beds in neighboring counties to address immediate jail bed needs. Additional details are expected to be provided in the Governor's planned message to the Legislature on public safety in March.

Economic Adjustments

Reflects increased costs of \$37.3 million Gross (\$36.3 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$44.4 million Gross (\$43.5 million GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$13.2 million Gross (\$12.9 million GF/GP) for negotiated one-time lump sum payments to state employees.
- \$1.1 million GF/GP for computerized document imaging equipment and the utilization of DTMB's File Net system for the digitization of prisoner files.

Military and Veterans Affairs

Analyst: Robin R. Risko

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$2,782,600	\$1,166,500	(\$1,616,100)	(58.1)	\$1,165,800	(\$700)	(0.1)
Federal	89,058,600	99,239,400	10,180,800	11.4	91,692,900	(7,546,500)	(7.6)
Local	765,600	769,200	3,600	0.5	765,600	(3,600)	(0.5)
Private	1,448,000	1,503,700	55,700	3.8	1,499,500	(4,200)	(0.3)
Restricted	28,506,400	30,427,000	1,920,600	6.7	27,291,000	(3,136,000)	(10.3)
GF/GP	33,983,700	34,733,400	749,700	2.2	32,713,100	(2,020,300)	(5.8)
Gross	\$156,544,900	\$167,839,200	\$11,294,300	7.2	\$155,127,900	(\$12,711,300)	(7.6)
FTEs	826.0	826.0	0.0	0.0	826.0	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Replace Flint Armory

Includes \$12.0 million Gross (\$9.0 million federal and \$3.0 million state restricted) to replace the 87 year-old armory in Flint.

Armory Maintenance

Includes \$2.4 million GF/GP for special maintenance projects at the state's 43 armories.

Transfer Military Retirement

Transfers \$4.0 million GF/GP to the Office of Retirement Services within the Department of Technology, Management, and Budget for costs associated with the Military Retirement program.

Grand Rapids Veterans' Home Restricted Funding

Reduces the budget by \$2.0 million Gross (state restricted) to more accurately reflect the amount of Income and Assessment revenue received at the Grand Rapids Veterans' Home.

Remove One-Time Capital Outlay Funding

Removes \$1.7 million Gross (federal) that was appropriated in FY 2011-12 for construction of a light demolition range at Camp Grayling.

Contingency Plan Removal

Reflects a reduction of \$921,300 GF/GP due to the elimination of funded vacant FTE positions as part of the FY 2011-12 contingency reduction plan.

Economic Adjustments

Reflects increased costs of \$1.6 million Gross (\$546,800 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$2.4 million Gross (\$535,600 GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$707,900 Gross (\$155,900 GF/GP) for negotiated one-time lump sum payments to state employees.
- \$2.4 million GF/GP for special maintenance projects at the state's 43 armories.

State Police

Analyst: Robin R. Risko

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$26,111,100	\$25,235,000	(\$876,100)	(3.4)	\$25,555,200	\$320,200	1.3
Federal	106,072,200	104,911,000	(1,161,200)	(1.1)	105,698,300	787,300	0.8
Local	6,699,800	6,869,400	169,600	2.5	6,862,200	(7,200)	(0.1)
Private	220,900	231,300	10,400	4.7	236,400	5,100	2.2
Restricted	124,470,300	119,005,700	(5,464,600)	(4.4)	120,284,300	1,278,600	1.1
GF/GP	270,166,000	316,891,400	46,725,400	17.3	320,624,200	3,732,800	1.2
Gross	\$533,740,300	\$573,143,800	\$39,403,500	7.4	\$579,260,600	\$6,116,800	1.1
FTEs	2,753.0	2,674.0	(79.0)	(2.9)	2,674.0	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Law Enforcement Enhancement

Includes \$15.0 million GF/GP for law enforcement enhancement. Details are not available at this time, but will be made available in the Governor's upcoming March 2012 Special Message on Public Safety.

Replace Federal and State Restricted Revenues with GF/GP

Includes \$9.1 million in GF/GP to replace various federal and state restricted revenues which are no longer available to the department.

Forensic Sciences Staffing

Includes an additional 20.0 FTE positions and \$3.2 million GF/GP for laboratory operations and forensic sciences.

Public Safety Initiative - Cities in Distress

Includes \$2.8 million GF/GP to provide law enforcement assistance in high crime areas of the state.

Fleet Leasing

Includes \$2.7 million GF/GP to cover increased fuel costs.

Regional Policing Plan

Includes \$1.3 million GF/GP to cover support, server hosting, and storage costs associated with mobile computers/offices and costs for cell phones and blackberry devices for staff that are utilizing mobile offices.

Replace Outdated Equipment

Includes \$1.1 million GF/GP to replace outdated mobile radios and mobile data computers.

Economic Adjustments

Reflects increased costs of \$13.8 million Gross (\$8.9 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$11.7 million Gross (\$8.2 million GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$3.2 million Gross (\$2.1 million GF/GP) for negotiated one-time lump sum payments to state employees.
- \$1.6 million GF/GP to replace outdated equipment.
- \$750,000 GF/GP to cover lease costs at the Collins Road facility.

BUDGET CATEGORY ALL OTHER

Capital Outlay

Analyst: Robin R. Risko

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	0	0	0	--	0	0	--
GF/GP	0	1,800	1,800	100.0	0	(1,800)	(100.0)
Gross	\$0	\$1,800	\$1,800	100.0	\$0	(\$1,800)	(100.0)

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Capital Outlay Projects for Universities and Community Colleges

Recommends 18 university and community college capital outlay projects that were previously authorized for planning in Public Act 329 of 2010. The total cost of the projects is \$613.1 million (\$308.6 university/community college share; \$304.5 million state share). An \$1,800 GF/GP appropriation is included in one generic line item in the Department of Technology, Management, and Budget budget. This appropriation would authorize construction and the State Building Authority lease.

Capital Outlay Process Reform

Proposes reforms to the current Capital Outlay process by consolidating the three separate legislative actions (planning, construction, and SBA lease) into one. Recommends that the Legislature make one appropriation authorizing construction and the SBA lease (eliminating the planning authorization step of the process).

Other Capital Outlay Items

FY 2012-13 appropriations for Capital Outlay are recommended for state agency projects for the Departments of Agriculture and Rural Development, Corrections, Military and Veterans Affairs, Natural Resources, Technology, Management, and Budget, and Transportation. The appropriations for these projects are included in the respective operating budget bills.

Judiciary

Analyst: Erik Jonasson

	FY 2011-12	FY 2012-13	Difference: FY 2012-13		FY 2013-14	Difference: FY 2013-14	
	Year-to-Date as of 2/9/12		Executive	Amount		%	Executive
IDG/IDT	\$3,602,700	\$2,638,200	(\$964,500)	(26.8)	\$2,631,700	(\$6,500)	(0.2)
Federal	5,694,800	6,017,100	322,300	5.7	6,005,600	(11,500)	(0.2)
Local	6,560,700	7,049,300	488,600	7.4	7,035,700	(13,600)	(0.2)
Private	869,700	921,800	52,100	6.0	919,700	(2,100)	(0.2)
Restricted	88,319,000	88,582,200	263,200	0.3	88,555,900	(26,300)	0.0
GF/GP	154,740,300	161,016,400	6,276,100	4.1	161,857,100	840,700	0.5
Gross	\$259,787,200	\$266,225,000	\$6,437,800	2.5	\$267,005,700	\$780,700	0.3
FTEs	491.0	472.0	(19.0)	(3.9)	472.0	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Mental Health Courts

Adds funding of \$1.0 million GF/GP for the continuance and expansion of eight existing mental health courts as work project funding expires. \$550,000 maintains services currently in place, with \$450,000 providing for additional mental health court expansions and 1.0 FTE to conduct evaluations. No additional changes recommended for FY 2012-13.

Swift and Sure Funding

Includes \$1.0 million GF/GP for swift-and-sure sanctions court program. GF/GP increase replaces a \$1.0 million IDG from the Department of Corrections in the FY 2011-12 Judiciary budget. No additional changes recommended for FY 2012-13.

State Appellate Defender Office (SADO) Staff Increase

Adds funding of \$225,000 GF/GP for 3.0 FTEs to work to meet the statutory requirement that SADO handle 25% of indigent appellate defense cases.

Technical Adjustments

Reduces the number of listed FTEs by 25.0 to align statutory number with current employment numbers. Adjusts restricted fund revenue to reflect estimated revenues for FY 2012-13.

Economic Adjustments

Reflects increased costs of \$4.2 million Gross (\$3.3 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$1.6 million Gross (\$1.5 million GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriations of \$827,000 Gross (\$636,900 GF/GP) designated as one-time for negotiated one-time lump sum payments to state employees.

Licensing and Regulatory Affairs

Analyst: Paul Holland

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$14,870,100	\$13,496,900	(\$1,373,200)	(9.2)	\$13,773,700	\$276,800	2.1
Federal	377,515,600	390,840,600	13,325,000	3.5	395,184,100	4,343,500	1.1
Local	7,859,900	7,159,900	(700,000)	(8.9)	7,159,900	0	0.0
Private	4,727,800	5,427,800	700,000	14.8	5,427,800	0	0.0
Restricted	411,820,500	380,017,500	(31,803,000)	(7.7)	382,510,900	2,493,400	0.7
GF/GP	42,024,100	35,570,900	(6,453,200)	(15.4)	35,949,400	378,500	1.1
Gross	\$858,818,000	\$832,513,600	(\$26,304,400)	(3.1)	\$840,005,800	\$7,492,200	0.9
FTEs	4,378.3	4,419.8	41.5	0.9	4,419.8	0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Home Heating Assistance for the Vulnerable (HHAV)

Assumes the Legislature establishes the HHAV program and appropriates \$60.0 million from a HHAV state restricted fund to replace the Low Income Energy Efficiency Fund (LIEEF) program that was invalidated by the Court of Appeals in July 2011. The Legislature created the Vulnerable Household Assistance (VHWA) program and fund with 2011 PA 275 to replace the LIEEF program and approved a one-time appropriation for FY 2011-12. Like the LIEEF and VHWA programs, the HHAV program would be administered by the Public Service Commission (PSC), which would award grants to organizations capable of providing home heating assistance (shut-off protection) but not for energy efficiency purposes. Unlike the LIEEF and VHWA programs, the HHAV program would be supported by a flat fee based on retail rates collected from all regulated and non-regulated electric and natural gas utilities in the state. The PSC would determine the fee required to generate \$60.0 million within the HHAV fund to be appropriated each fiscal year. The \$95.0 million appropriation of state restricted funds for the LIEEF program and the \$23.0 million appropriation of state restricted (\$13.0 million) and GF/GP (\$10.0 million) for the VHWA program would be eliminated.

Centers for Independent Living (CILs)

Appropriates \$1.5 million in GF/GP grants administered by Michigan Rehabilitation Services (MRS) to support the administration of regional CILs, which provide training, assistance, and advocacy to promote independence for individuals with disabilities throughout the state. In FY 2009-10, the CILs voluntarily exchanged \$1.5 million in GF/GP with the MRS (who used it to gain a 4-to-1 federal match) for approximately \$3.8 million of MRS' Social Security Administration (SSA) reimbursements. In FY 2011-12, the amount of SSA reimbursements transferred from the MRS to the CILs is anticipated to decline by approximately \$1.5 million. This appropriation would restore the \$1.5 million in GF/GP that CILs received prior to FY 2009-10 and make a technical adjustment to reduce the appropriation of SSA reimbursements to more accurately reflect actual SSA reimbursements received by MRS.

Fire Service Fees

Increases the fees collected by the Bureau of Fire Service (BFS) for the operation and maintenance inspection of hospitals and plan review and construction inspection for schools and hospitals as required by 1941 PA 207, fees are stipulated in Sec. 302 of Boilerplate. The fees would be increased within the range of approximately 25% to 30% in order to generate an amount more closely resembling the appropriation from the fees. In FY 2010-11, \$2.1 million was collected in fire service fees while \$3.2 million was appropriation from the fees.

Fireworks Safety Fees

Appropriates \$600,000 to the Bureau of Fire Services (BFS) from the Fireworks Safety Fund that was established by 2011 PA 256, which expanded the types of fireworks that may be legally sold, regulated, and taxed in the state. The appropriation would support 6.0 FTEs to administer new regulatory responsibilities under 2011 PA 256. The Fireworks Safety Fund will receive money from the issuance of certificates to retailers of fireworks and a tax on the sale of consumer fireworks.

Bureau of Health Systems (BHS)

Increases appropriation for the BHS by \$1.5 million with \$740,000 from Medicaid Title XVIII funds and \$840,000 from state restricted Health System Fees. The increased appropriation would more closely resemble the amount of funds available to the BHS to support inspections and program costs and would not be a result of fee increases.

Background Check Program

Adjusts the funding sources that support criminal background checks provided by the Bureau of Health Professions (BHP) of individuals seeking employment at adult foster care facilities (AFC) or homes for the aged (HFA) as required by 2008 PAs 442 and 444. AFCs and HFAs are regulated under the Department of Human Services (DHS) and in FY 2011-12 the background check program was partially supported with a \$1.0 million IDG between DHS and LARA and \$28,000 in Liquor Purchase Revolving Fund (LPRF) revenue. This adjustment would replace the IDG from DHS and the LPRF revenue with GF/GP; the IDG was supported with GF/GP within DHS and LPRF revenue is fungible with GF/GP since excess money in the LPRF lapses into the GF/GP at close of fiscal year.

Eliminate Sunsets of Various Fee Increases

Assumes the elimination by the Legislature of the sunsets on various past fee increases, set to expire on September 30, 2012. These include corporate and business filing fees collected under the Bureau of Commercial Services and numerous occupational registration and licensing fees collected under the Bureaus of Commercial Services and Construction Codes and the Office of Financial and Insurance Regulation.

Economic Adjustments

Reflects increased costs of \$25.2 million Gross (\$912,000 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$12.5 million Gross (\$556,000 GF/GP) projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriation of \$5.0 million Gross (\$177,500 GF/GP) designated as one-time for negotiated one-time lump sum payments to state employees.

Transportation

Analyst: William E. Hamilton

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$19,917,800	\$3,531,900	(\$16,385,900)	-82.3	\$3,558,300	\$26,400	0.7
Federal	1,241,195,200	1,221,830,100	(19,365,100)	-1.6	1,221,830,100	0	0.0
Local	53,968,500	52,080,200	(1,888,300)	-3.5	52,080,200	0	0.0
Private	0	100,000	100,000	--	100,000	0	0.0
Restricted	2,029,355,700	2,055,548,100	26,192,400	1.3	2,044,410,600	(11,137,500)	(0.5)
GF/GP	500,000	119,000,000	118,500,000	23,700.0	0	(119,000,000)	(100.0)
Gross	\$3,344,937,200	\$3,452,090,300	\$107,153,100	3.2	\$3,321,979,200	(\$130,111,100)	-3.8
FTEs	3,049.6	2,918.3	(131.3)	-4.3	2,918.3	0.0	-0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as one-time. (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations.

Debt Service

Reduces debt service appropriation by \$47.2 million to reflect anticipated debt service schedules. Current year budget included \$40.0 million to account for repayment of short-term notes to be issued to match federal aid in FY 2010-11. Short-term notes were not issued; instead, in December 2011 the department issued long-term bonds, the repayment of which will be made over a 20-year period.

Interdepartmental Grants to Other State Departments

Decreases baseline appropriation by \$6.7 million, including \$6.2 million baseline reduction in the Michigan Transportation Fund appropriation to the Michigan Department of Treasury.

State Trunkline Road and Bridge Construction Program

Includes \$841.1 million for the state trunkline capital construction/reconstruction program, including \$742.1 million in anticipated federal-aid highway funds. The state would be able to match all available federal funds as a result of the appropriation, designated as one-time, of \$96.0 million in state GF/GP revenue, described below.

Office of Rail

Budget reflects department reorganization, including the creation of a new Office of Rail, funded at \$5.8 million with 36.5 FTE positions. Budget includes \$11.0 million, designated as one-time, of state GF/GP revenue, for matching federal railroad grants. See below.

Transit Capital

Provides additional \$16.9 million from the Comprehensive Transportation Fund; \$8.7 million designated to match federal transit grants; \$9.2 million designated to match federal rapid transit grants. Budget also includes \$12.0 million, designated as one-time, to match federal transit grants. See below.

Economic Adjustments

Reflects increased costs of \$13.1 million Gross for negotiated salary and wage increases, increases for actuarially-required retirement rate increases, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$9.2 million Gross projected for FY 2013-14.

Boilerplate Appropriations

Includes FY 2012-13 boilerplate appropriations designated as one-time:

- \$96.0 million GF/GP to match all available federal funds for state trunkline capital construction program.
- \$12.0 million GF/GP to match all available federal transit program grants.
- \$11.0 million GF/GP to match federal railroad infrastructure grants.
- \$3.2 million state restricted for negotiated state employee lump-sum payments.



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