



Budget Briefing: Legislature

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Briefing Topics

- Funding Sources
- Appropriations Areas

Legislature

- Michigan's Legislature is a sovereign and independent branch of state government:
 - House of Representatives: 110 members elected for two-year terms with a max of three terms
 - Senate: 38 members elected for four-year terms with a max of two terms
 - Legislative Council: Maintains bill drafting, research, and other services (commissions and ombudsman positions)
 - State Capitol Historic Site: Maintains and restores State Capitol Building
- Enacts laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government
- Initiates and considers amendments to the State Constitution, considers legislation proposed by petitions signed by voters, and considers proposed amendments to the U.S. Constitution
- Exercises oversight over the Executive branch of government through the administrative rules and audit processes and through committees and the budget

Key Budget Terms

Fiscal Year: The state's fiscal year (FY) runs from October to September. FY 2016-17 is October 1, 2016 through September 30, 2017.

Appropriation: Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the Legislature.

Line Item: Specific appropriation amount in a budget bill which establishes spending authorization for a particular program or function.

Boilerplate: Specific language sections in a budget bill which direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

Lapse: Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

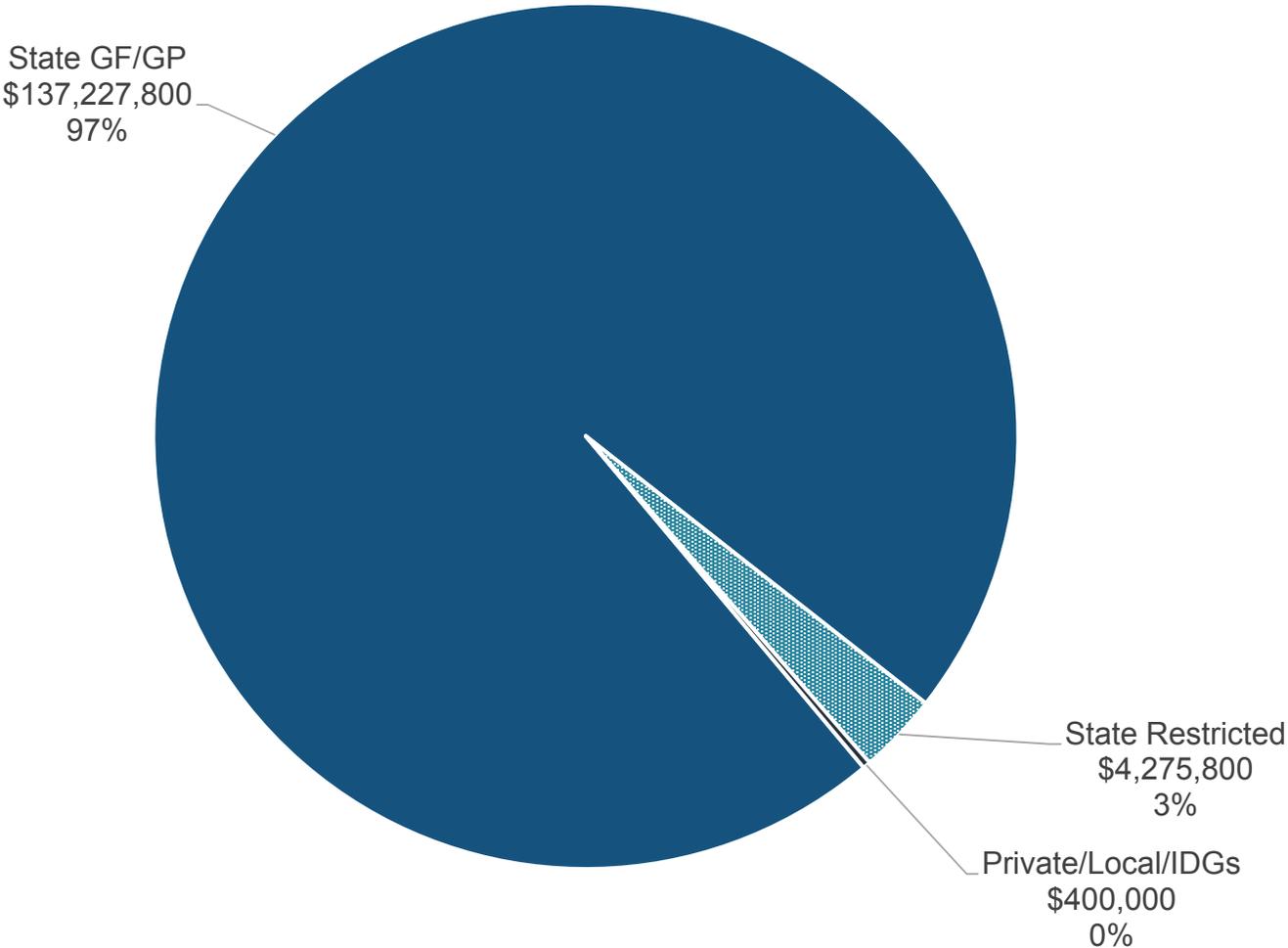
Funding Sources

FY 2016-17 Legislature Budget

Fund Source	Funding	Description
Gross Appropriations	\$141,903,600	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	0	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	\$141,903,600	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	0	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	0	Revenue received from local units of government for state services
Private Revenue	400,000	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	4,275,800	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	\$137,227,800	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the Legislature

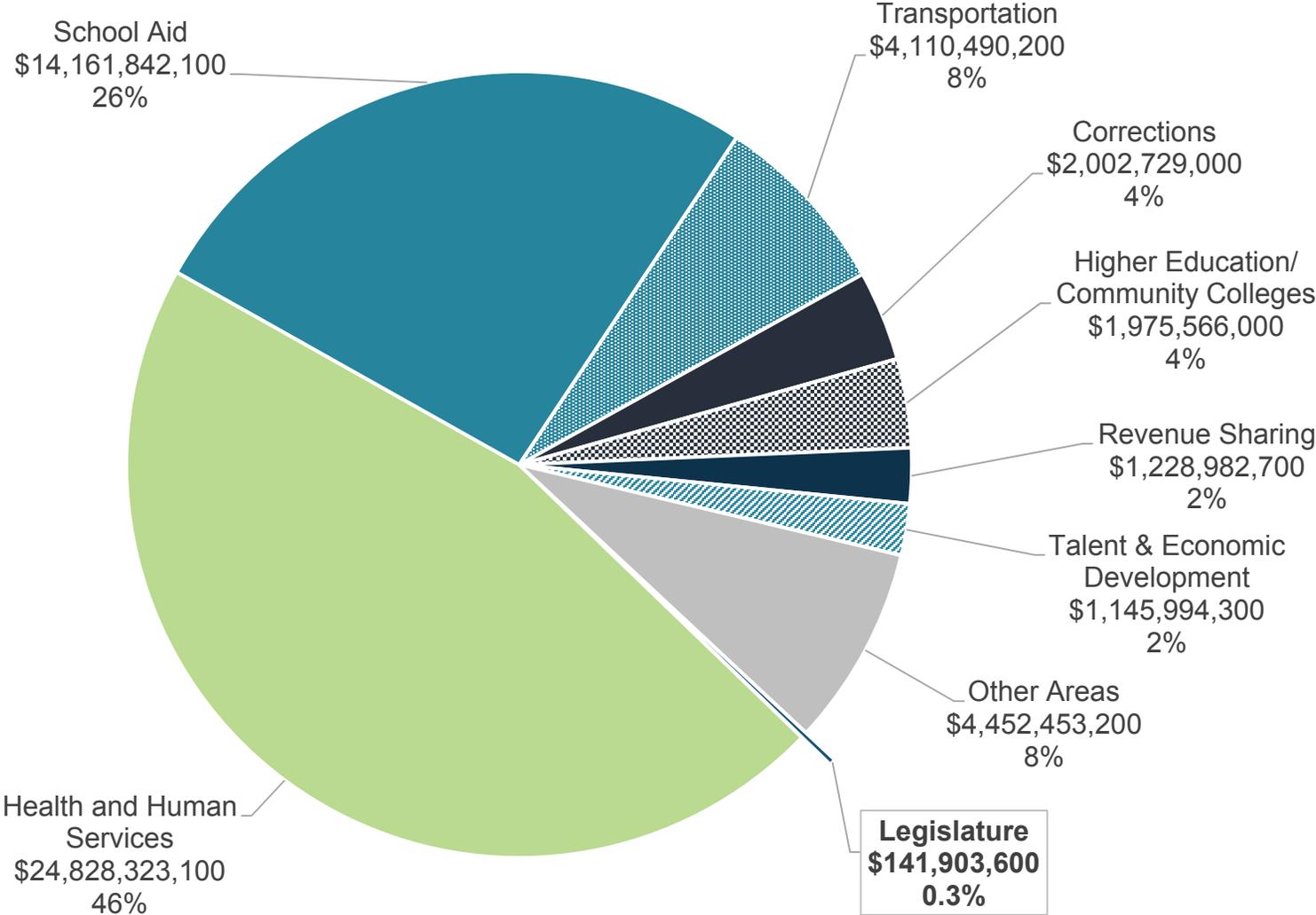
FY 2016-17 Fund Sources

Over 97% of the \$141.9 million Legislature budget is funded by General Fund revenue.



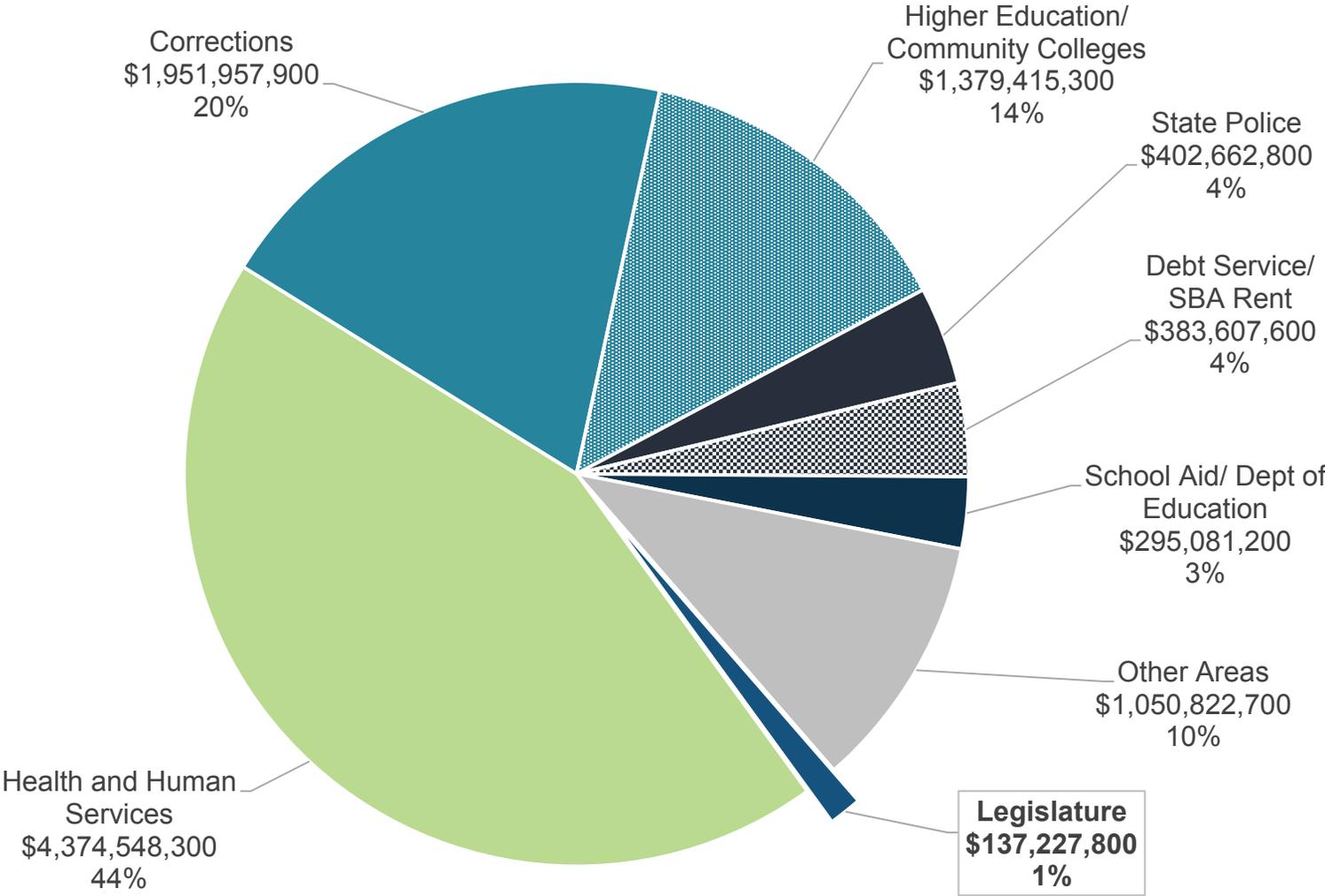
Legislature Share of Total State Budget

The Legislature budget represents approximately 0.3% of the \$54.0 billion state budget (adjusted gross) for FY 2016-17.



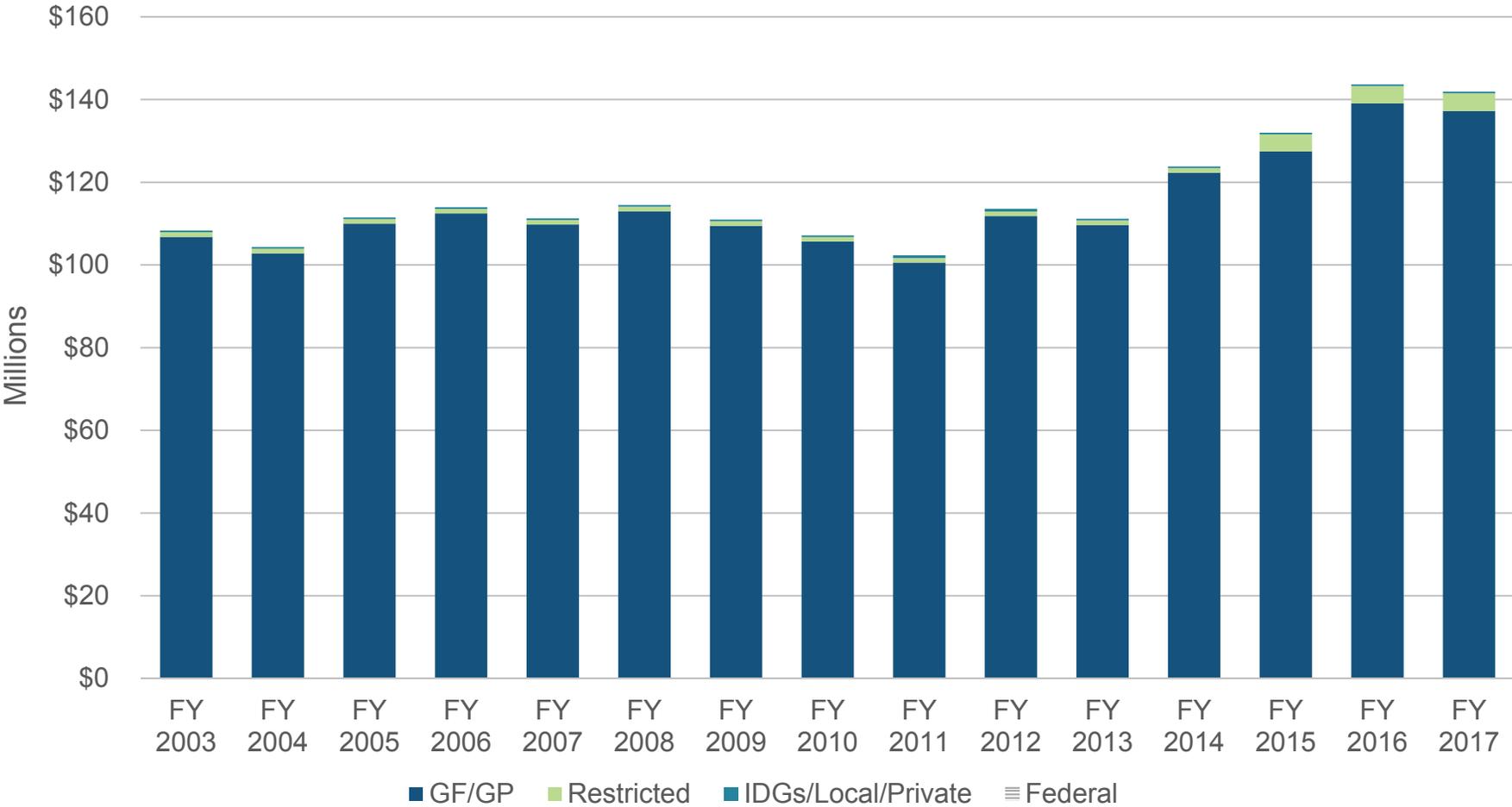
Legislature Share of Total GF/GP Budget

The Legislature budget also represents approximately 1.4% of the state's \$10.0 billion GF/GP budget for FY 2016-17.



Legislature Funding History

Funding for the Legislature has grown by 31% since FY 2002-03, driven mainly by economics adjustments, prefunding retiree healthcare, and the creation of a State Capitol Historic Site renovation and maintenance fund.



Note: FY 2017 reduction due to one-time \$7.2 million GF/GP appropriation for Capitol Historic Site renovations in FY 2016

Appropriation Areas

Legislature Appropriation Areas

Legislature: House of Representatives operations, House Fiscal Agency, House Automated Data Processing, Senate operations, Senate Fiscal Agency, and Senate Automated Data Processing

Legislative Council: Maintains bill drafting, research, and other services; worker's compensation; National Association Dues; Legislative Corrections Ombudsman; Michigan Veterans' Facility Ombudsman

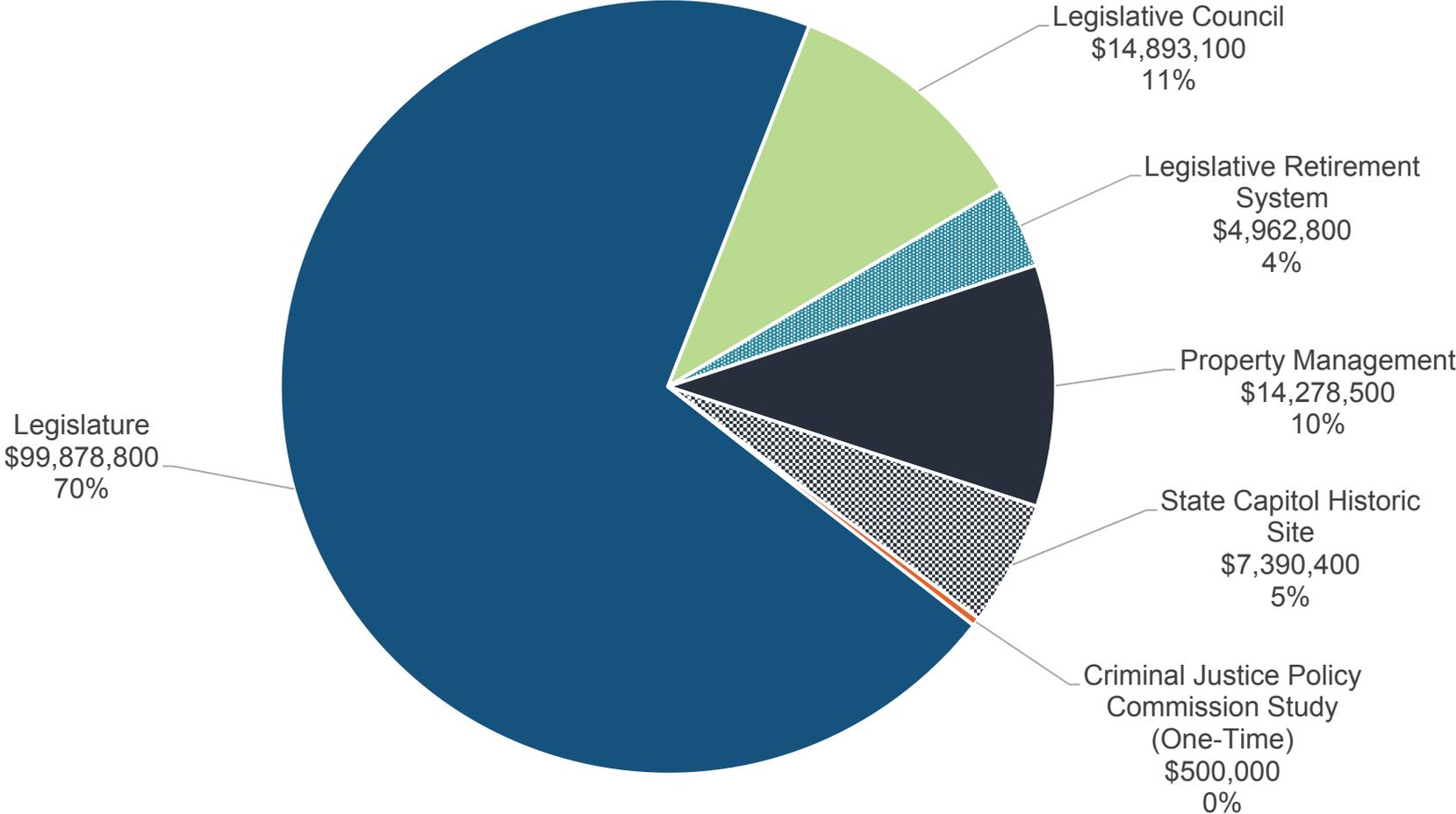
Legislative Retirement System: Provides funding for the Michigan Legislative Retirement System, a single-employer, public employee, defined benefit retirement plan and post-employment healthcare plan governed by the State of Michigan and established by 1957 PA 261

Property Management: Funding for lease costs, maintenance, utilities, janitorial services, supplies, taxes, and insurance of the Cora Anderson Building and Farnum Building and other Senate office space.

State Capitol Historic Site: Management and operation of the Michigan State Capitol Historic Site; funds maintenance, repair, and restoration of the Michigan State Capitol Historic Site

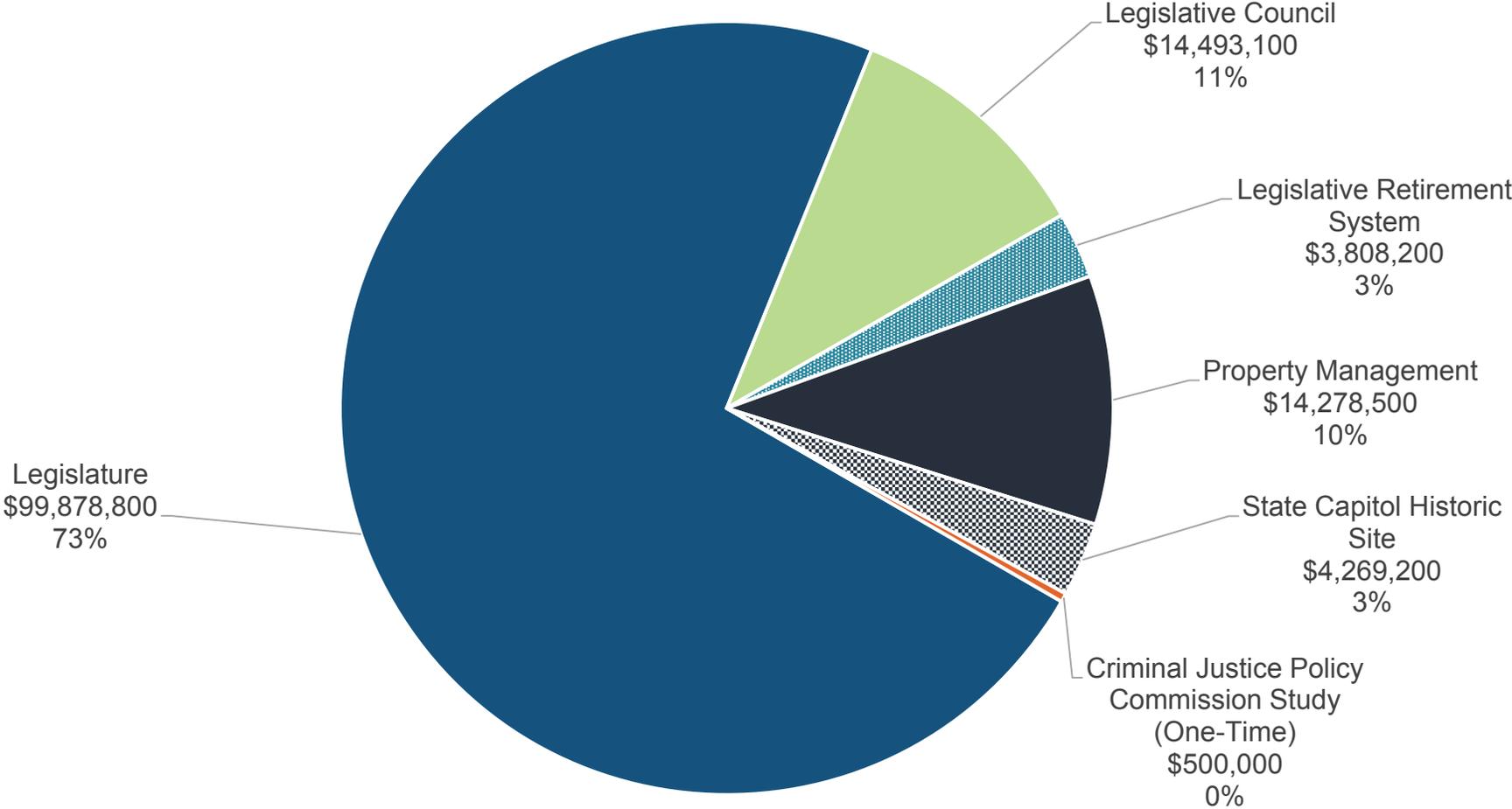
FY 2016-17 Gross Appropriations

Approximately 70% of the \$141.9 million Legislature budget supports staff and administration of the Legislature, which is funded entirely from General Fund revenues.



FY 2016-17 GF/GP Appropriations

GF/GP funds (totaling \$137.2 million) fund the majority of all Legislative appropriation areas.



For more information about the Legislature budget:

HFA Resources

<http://www.house.mi.gov/hfa/GeneralGovernment.asp>

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