

Michigan Association of Counties
April 25, 2023

Budget Director Christopher M. Harkins

Fiscal Year 2024
State of Michigan Executive Budget



FY2024 EXECUTIVE BUDGET



Lowens Costs for Families



Grows Our Economy

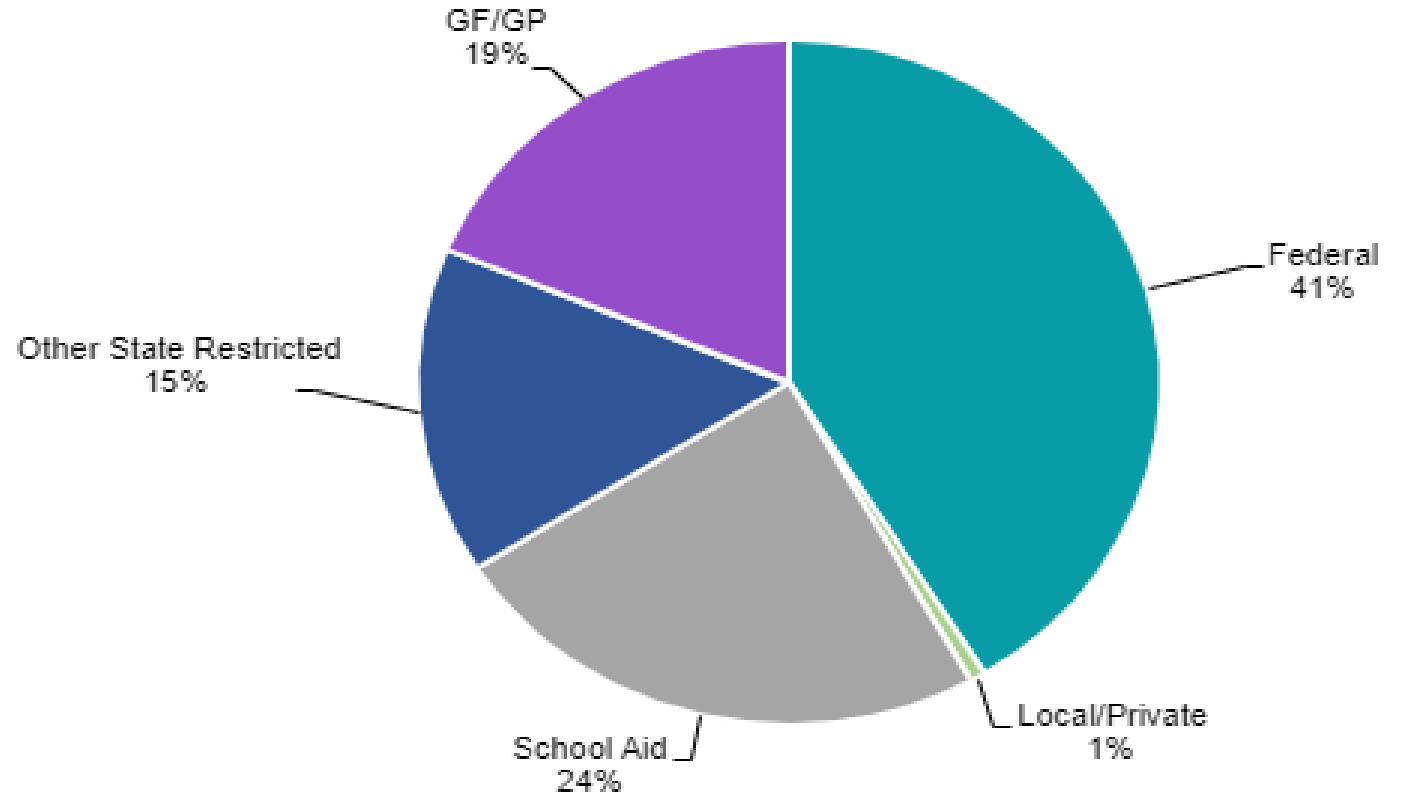


Builds a Brighter Future

FY 2024 Budget

- Total budget \$79b
- General Fund \$15b
- School Aid Fund \$19b

Total Budget by Source



LOWERING MI COSTS

Roll Back the Retirement Tax

- Saves half a million households \$1,000 a year

Boost Working Families Tax Credit

- Delivers nearly \$3,200 refunds to 700,000 families, benefiting almost 1 million kids

Deliver Pre-K for All

- To be implemented by the end of the Governor's second term
- Saves families an average of \$10,000 a year and ensures all 110,000 4-year-olds in Michigan get a great start



EDUCATION

Highest Per Student Funding Ever

- Invests \$718m that includes a base per-pupil amount plus additional funding for students with more costly educational needs

Per Pupil

- Increases base per pupil funding to districts up to \$9,608 (a 5% increase, \$458 per pupil), \$614m

Extra Supports

- Economically disadvantaged students, \$65m
- Special education students, \$80m
- Career and Technical Education (CTE), \$25m
- English language learners, \$1m
- Rural and isolated districts, Increases appropriation to \$9m



EDUCATION

Path to Universal Pre-K

- Expansion of the Great State Readiness Program (GSRP) will get Michigan on course to have universal pre-k by the end of the Governor's term, \$244m

Additional Early Education Investments

- Early childhood education workforce, \$50m
- Early childhood interventions, \$11m
- Free books for kids, \$4m



EDUCATION

Getting Kids Back on Track

- MI Kids Back on Track, \$300m over 2 years (FY23 Supplemental)
- Partnership districts, \$36m over 3 years
- Math supports, \$30m
- Before and after school programs, \$25m (ARP Funding)

Literacy Supports

- Early literacy hubs, \$1m ongoing
- Family/community engagement, \$482,000 one-time, \$5m ongoing
- Early literacy grants to districts, \$15m increase, ongoing
- Early literacy coaches, \$11m increase, ongoing
- Professional development/curriculum, \$300m over 2 years
- Adult literacy, \$30m



EDUCATION

Teacher Supports

- Statewide teacher mentoring and induction, \$25m
- Rural educator credentialing hub, \$15m
- MI Future Educator Fellowship, \$25m in continued support
- Student teacher stipends, \$50m in continued support

Safe and Healthy Schools

- Discretionary mental health supports, \$300m over 2 years
- Universal access to school breakfast and lunch, \$160m
 - Ensures all 1.4 million public school students have access to school meals, potentially saving families \$850 a year
- Discretionary school safety supports, \$318m over 2 years



HIGHER EDUCATION

Universities Operations

- \$64m ongoing increase, 4%
- University per-student funding floor, \$7m

Community Colleges Operations

- \$14m ongoing increase, 4%

Additional Supports

- Infrastructure, Technology, Equipment, and Maintenance (ITEM) funding, \$200m (FY23 Supplemental)
- Post-secondary Scholarship Fund, \$50m ongoing, \$50m one-time
- Student Wellness Fund, \$55m (FY23 Supplemental)



HIGHER EDUCATION

Michigan Reconnect

- Reconnect, \$140m (FY23 ARP Supplemental)
- Temporarily changes eligible age from 25 to 21, providing tuition-free associates degrees or skills training to 350,000 more participants who were impacted by the pandemic
- Reconnect Bachelor's Degree Pathway, \$75m (FY23 ARP Supplemental)

Michigan Achievement Scholarship, \$350m

- Lower the cost of college up to \$8,250 over 3 years for community colleges, \$20,000 over 5 years for private colleges, or \$27,500 over 5 years at public universities
- Covers 4 out of every 5 college students in Michigan



WORKFORCE

Going Pro, \$55m ongoing (FY24 Executive Budget), \$35m (FY23 ARP Supplemental)

- Provides job training grants to businesses to support training for current and new employees in high-demand, skilled trades industries

College Success Fund, \$25m one-time

- Incentive payments to colleges intended to improve retention and completion rates

Expansion of Employer-Led Collaboratives, \$20m

- Support employer-led collaboratives to fill identified talent gaps and other workforce issues through training and education



WORKFORCE

Additional Workforce Supports

- Jobs for Michigan Graduates, \$1m, \$6m total ongoing for program
- Pure Michigan Talent Connect improvements, \$6m (ITIF in DTMB Budget in FY24)
- Retraining and Retooling Fund, \$35m (FY23 ARP Supplemental)
- Removal of employment barriers, \$15m (PA 1 of 2023)
- State apprenticeship expansion, \$25m (PA 1 of 2023)
- Student wrap around services and need based support, \$30m
- Digital workforce development partnership, \$5m
- Statewide student record data system, \$2m



ECONOMIC DEVELOPMENT

Community and Business Supports

- Strategic Outreach Attraction Reserve (SOAR) Deposit: \$950m GF (FY22 deposit, \$800m; PA 1 of 2023, \$150m)
- Revitalization and Placemaking (RAP) Grants, \$100m (PA 1 of 2023)
- Onshoring Clean Energy Supply Chain Tax Credit, \$200m over 10 years
- Regional Empowerment Grants, \$200m
- Community Downtown Economic Development Grants, \$100m
- Michigan Main Street initiative, \$135m
- Small business Smartzones/business accelerators, \$75m, PA 1 of 2023)
- Pure Michigan, \$15m (FY23 ARP supplemental)



COMMUNITY

Constitutional Revenue Sharing, \$1b

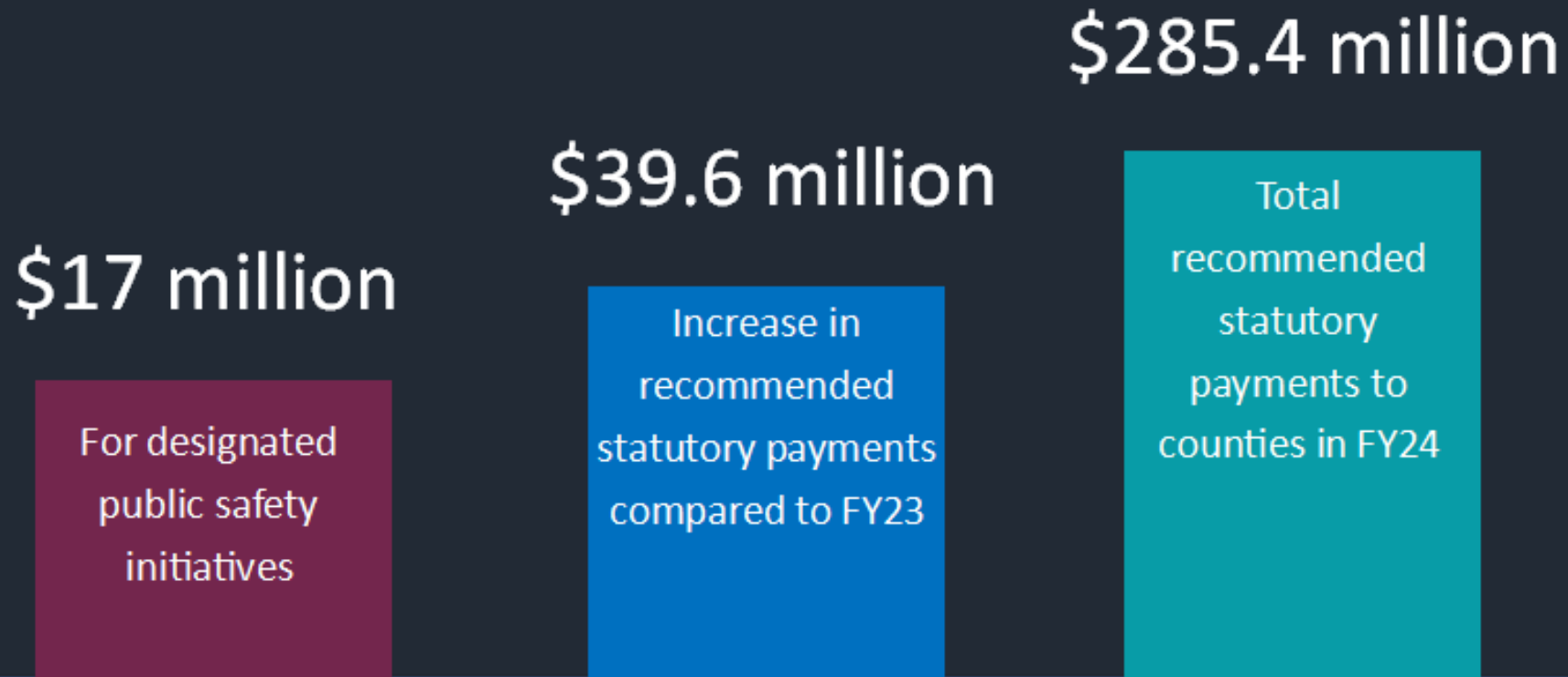
- Payments made to cities, villages, and townships (CVTs)
- Represents a \$62m increase over FY23 enacted appropriation

Statutory Revenue Sharing payments, \$89m increase (17%)

- 10% increase (5% ongoing/5% one-time) in general statutory revenue sharing
- 7% increase (2% ongoing/5% one-time) specifically designated for local public safety initiatives for both counties and CVTs
 - Initiatives include public safety employee recruitment, retention, training, equipment, and infrastructure improvements



Statutory Payments to Counties

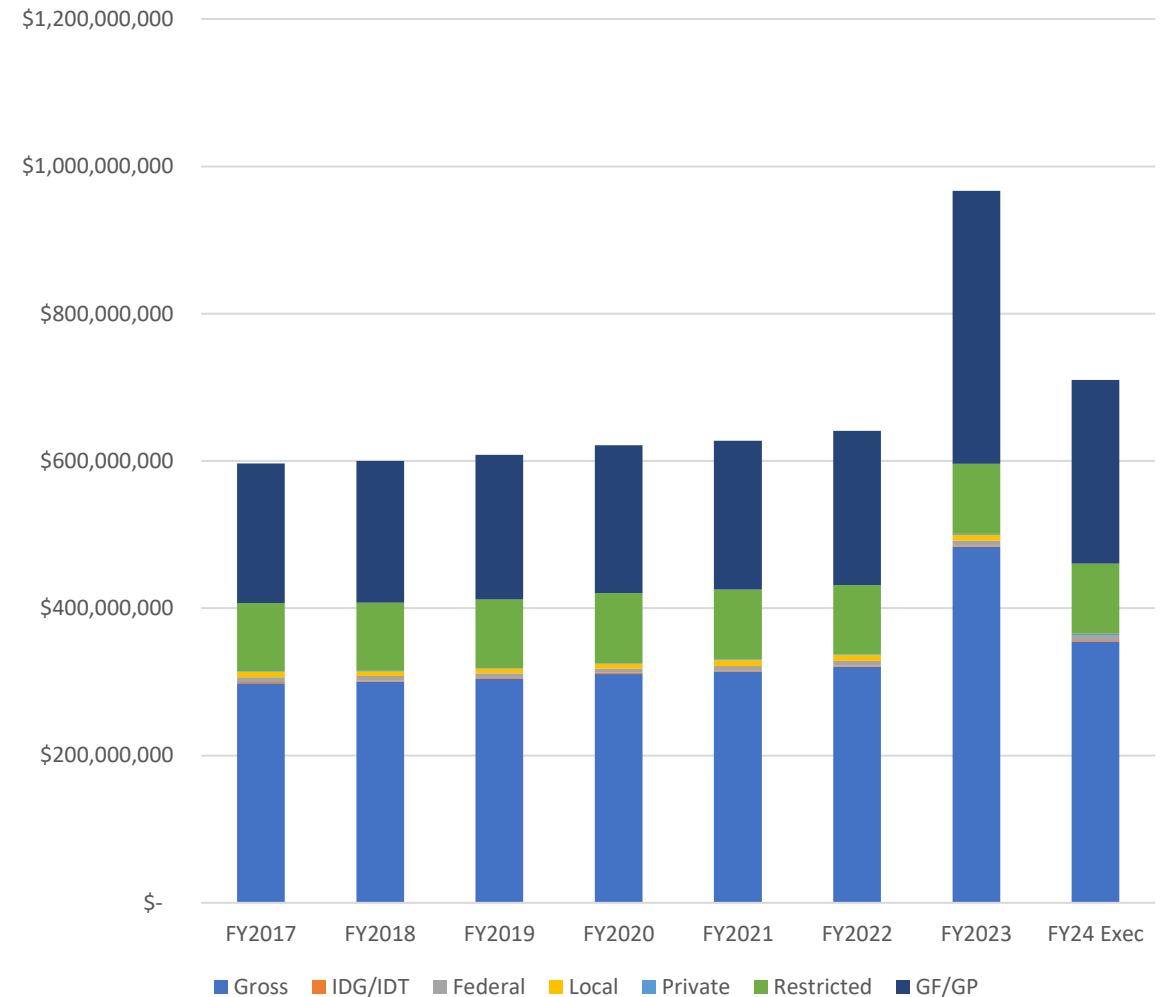


COMMUNITY

The state's judicial branch has been continuously working to position the court system and broader criminal justice system for the future

- **Michigan Trial Court Funding Commission** recommended the state provide all technology costs for trial courts, including case and document management systems
- **Joint Task Force on Jail and Pretrial Incarceration** issued a series of recommendations aimed at improving the efficiency and effectiveness of our criminal justice system and reducing our jail population
- **The Task Force on Juvenile Justice Reform** issued a series of recommendations to increase the safety and well-being of youth in the juvenile justice system, including reducing the use of detention, improving efficiency and efficacy of state and local oversight, etc.

Judiciary Appropriations By Source

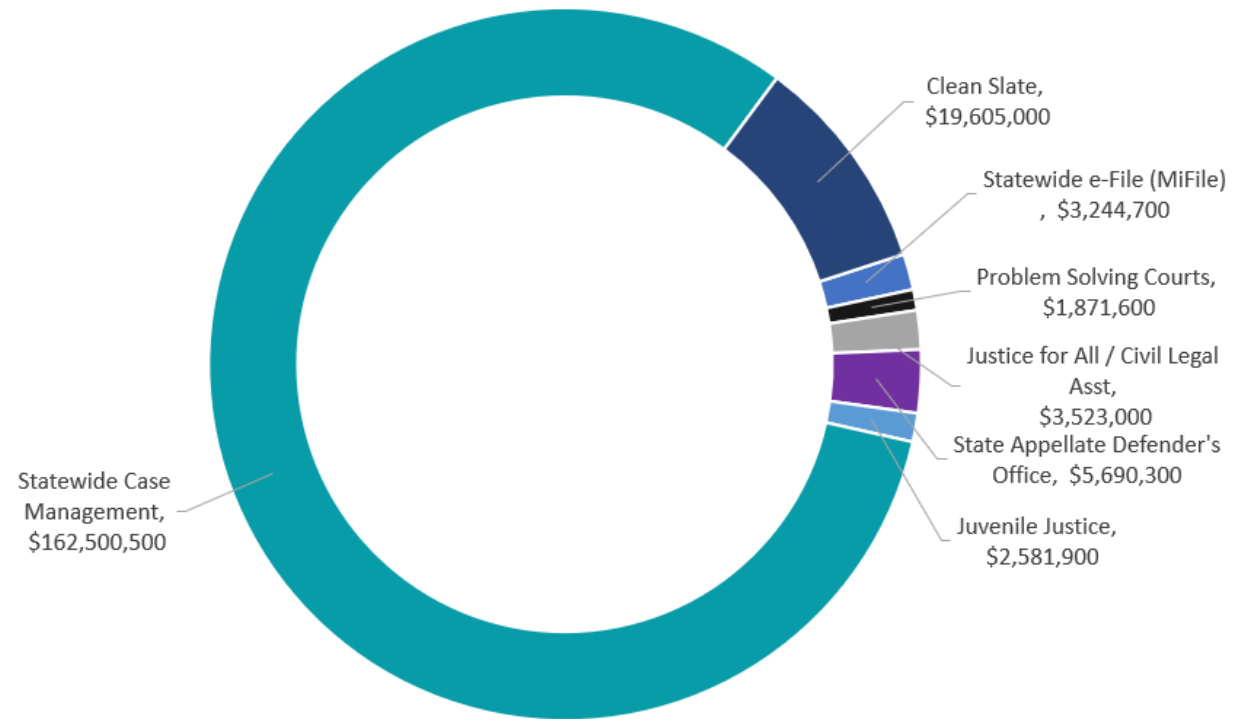


COMMUNITY

Governor Whitmer has worked to back up judicial branch recommendations by supporting legislation and appropriating funding, resulting in increased support for local government and trial courts in a number of areas, including:

- New funding to counties to increase the pay of appointed public defenders in appeals cases
- Continued implementation of Mi-File electronic filing system
- Increased support for Problem Solving Courts to address behavioral health and substance use
- Increased support to improve access to county legal Self-Help Centers
- Creation of a new division to improve the delivery of juvenile justice services
- Development of a statewide case management system for our trial courts

Judicial Branch
Ongoing and One-Time Budget Investments
FY2020 - FY2024 Exec Rec



JUSTICE

FY24 Executive Recommendation Justice Supports

- Indigent Defense Grants, including new Standard 8 related to attorney compensation, \$72m ongoing
- Job courts for disadvantaged offenders, \$5m
- Victim support program, \$2m ongoing
- Conviction Integrity Unit, \$1m

Juvenile Justice

- DHHS juvenile justice programming reimbursements, \$32m
- Judiciary Juvenile Lifer Unit expansion, \$2m
- Judiciary Juvenile Justice Taskforce, \$5m



PUBLIC SAFETY

First Responder Supports

- In-service training for law enforcement officers, \$18m ongoing
- Strategic training initiatives at State Police Training Academy, \$50m
- Trooper Recruit School – anticipated to graduate 50 new troopers, \$4m ongoing; \$5m one-time

Community Violence Intervention

- Office of Community Violence Intervention Services, \$6m GF, \$11m gross
- Gun violence prevention, \$2m

Safe Prisons

- Medication assisted treatment, \$16m
- Special investigative division, \$3m
- Body cameras for MDOC officers, \$7m



MILITARY

Selfridge Air National Guard Base, \$10m

- Provides funding for needed maintenance for facilities and increases base staffing up to authorized federal levels
- Investment is part of Governor's ongoing commitment to support the National Security Strategy, which focuses on investing, modernizing, and strengthening our military

Michigan Defense Center support, \$5m

Arsenal of Innovation Fund, \$2m

- Funds research and development for future mobility technologies with defense applications

Veteran Suicide Prevention, \$1m ongoing



HEALTH

Health Access

- Nursing facility Medicaid rate reform transition, \$102m GF, \$110m gross over two years
- Direct care workers, \$75m GF/\$210m gross, ongoing, a \$1.50/hour increase
- Essential local public health services, \$30m ongoing
- Adult protective services, state hospitals, juvenile justice facilities, and Office of Recipient Rights resources, \$7m GF, \$10m gross

Insulin Access and Manufacturing, \$150m

- Supports funding that will help decrease the cost of insulin



HEALTH

Healthy Moms, Healthy Babies, \$31m GF, \$62m gross

- Program provides at-home visitation, doula services, and other support for new moms

Plan First! Program, \$1m GF, \$6m gross

- Expands access to family planning services, STI/cancer screenings, and lab services to 25,000 people, saving them \$2,000 a year

Additional Supports

- In-home assistance for water quality, \$100m one-time, \$23m ongoing
- Medicaid health access and equity, \$38m GF, \$130m gross ongoing
 - Medicare recuperative care, \$2m GF, \$5m gross
- Racial Disparities Task Force recommendations, \$53m GF, \$58m gross



FAMILY

Support for Child Care Workers and Foster Parents

- Child Care Educators Tax Credit, \$24m ongoing
- Increased child care worker reimbursement rates, \$5m (FY23 ARP supplemental), \$74m ongoing
- Child care licensing, \$2m ongoing, \$200,000 one-time
- Foster care payments, \$8m GF ongoing, \$19m gross
- Foster parent support, \$15m ongoing

Support for Families

- Fair Food Network Double Up Food Bucks, \$16m (FY23 supplemental)
- Local water utility affordability, \$40m (FY23 ARP Supplemental)
- Energy efficiency point of sale rebates, \$212m (FY23 Supplemental)
- Home weatherization supports, \$75m (FY23 ARP Supplemental)



ENVIRONMENT

Lead Line Replacement, \$200m one-time, \$26m ongoing

Renewable Ready Communities, \$40m

- Accelerates the deployment of renewable energy

Environmental Justice Contaminated Site Cleanup, \$100m

- Remediates/redevelops contaminated sites and expands air pollution controls in disadvantaged and underrepresented communities

Orphan Wells Remediation, \$5m GF, \$10m gross IJA

Restoring Michigan Waterways, \$25m

- Funds safety initiatives and dam removal projects across the state



ENVIRONMENT

Environmental Permitting Improvements, \$15m

- Modernize and automates the MiEnviro permitting system (ITIF in DTMB budget), streamlining the permitting process, \$8m
- Increase permitting staff to decrease application process times, \$7m

Groundwater Data Collection Improvements, \$31m ITIF

- Creates a groundwater data management system, \$7m ITIF
- Data management and permitting, \$24m one-time, \$300,000 ongoing

Additional Supports

- Critical mineral recycling research hub, \$15m one-time
- Michigan Saves energy improvements, \$5m



NATURAL RESOURCES

Climate and Land Management

- Climate and carbon sequestration, \$2m
- Forest land management, \$3m
- Emergency response and fire management, \$4m
- Invasive Species and Habitat Strike Team, \$12m
- Aquatic invasive species prevention, \$64m (FY23 Supplemental)

Outdoor Access

- Increased state park support, \$8m
- Belle Isle State Park infrastructure improvements, \$43m
- Broadening Access to the Outdoors, \$2m
- Nature Awaits, \$4m



MOBILITY

Electric Vehicle (EV) Investments

- EV charging stations, \$65m (FY23 ARP Supplemental)
- Electric Vehicle Sales and Use Tax Exemption, \$48m over 2 years
- State fleet electric vehicle transition, \$10m
- Clean Fleet Initiative, \$45m (FY23 ARP Supplemental)
- Electric vehicle buses, \$150m



INFRASTRUCTURE

Funding for Federal Infrastructure Match, \$350m (FY23 supplemental)

- Reserve fund enabling the state to more nimbly match IIJA and other federal infrastructure match dollars

Improve our Bridges, \$200m

- Investments will bring dozens of state and locally-owned bridges to a good state of repair

Intermodal Capital Investment Grants program, \$160m

- Supports capital investments in rail, bus, and marine transit service expansions



INFRASTRUCTURE

School Infrastructure

- School infrastructure projects deposit, \$500m (FY23 Supplemental)
- School health/safety infrastructure grants, \$300m (FY23 Supplemental)

Housing Infrastructure

- Housing gap financing and affordable housing, \$150m (PA 1 of 2023)
- Blight Elimination/Land Bank Housing, \$75m (PA 1 of 2023)
- Missing Middle Housing, \$50m (PA 1 of 2023)
- Migratory Agriculture Worker Housing, \$15m (FY23 ARP supplemental)

IT Infrastructure

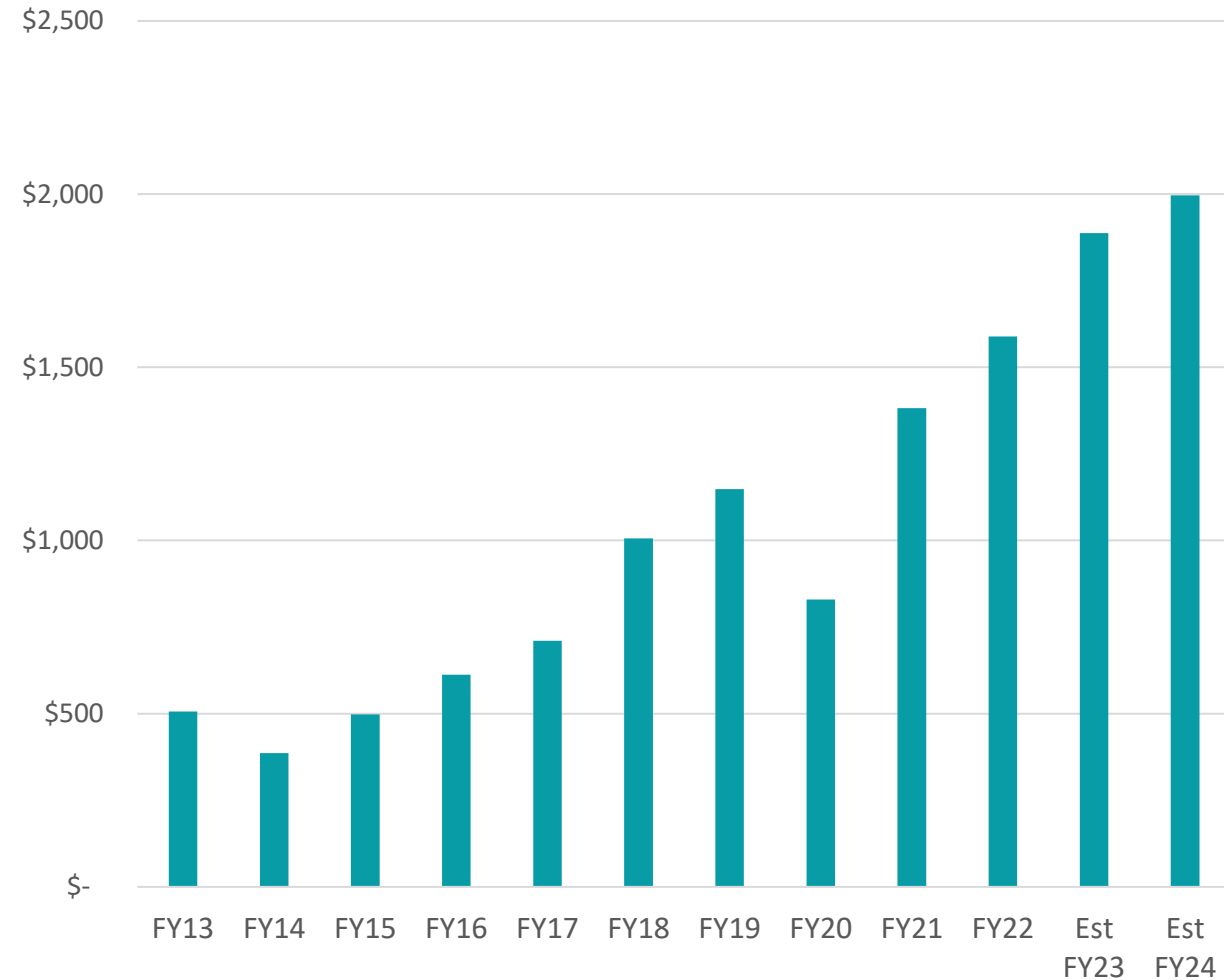
- ITIF Investments for various agencies, \$41m increase over FY23
- Broadband expansion, \$5m
- Statewide court data transparency project, \$5m



FISCAL RESPONSIBILITY

- \$1.1b Budget Stabilization Fund deposits
 - BSF \$200m (FY23 Supplemental); bringing our total to nearly \$2b
 - New School Aid Rainy Day Fund, \$900m
- MPSERS Reserve Fund Deposit
 - Deposits \$500m into the MPSERS Reserve Fund in anticipation of higher cost in subsequent years due to the negative market conditions during FY22
- MPSERS payroll growth assumption payment, \$202m
- Continued focus on one-time revenues and ongoing resource

Budget Stabilization Fund
\$ in Millions





QUESTIONS

