



# Budget Areas Synopses Fiscal Year 2010-11

Prepared for:  
New Member Training

November 8, 2010



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## Overview

### *Budget Information*

- Total FY 2010-11 Gross appropriations from all funding sources—including federal and restricted sources—are **\$47,540.2 million**
- Removing appropriations representing transfers between/within departments (adjusted gross), total FY 2010-11 state budget is **\$46,785.4 million**
- Appropriations from General Fund/General Purpose (GF/GP) revenue, state funds not subject to federal/statutory restrictions, total **\$8,301.8 million** (17.7% of total)
- School Aid budget, funded mainly from state restricted revenues, has total FY 2010-11 appropriations of **\$12,888.2 million** (27.5% of total budget)

### *Other Considerations*

- Annual appropriations are made to 15 state departments, governor's office, legislative and judicial branches, K-12 school districts, and higher education institutions
- Appropriations for Community Health, Corrections, Human Services, State Police, Higher Education and Community Colleges, and debt service payments account for 92.1% of total GF/GP budget
- Remaining GF/GP appropriations—which fund 11 state departments and executive/legislative/judicial agencies—total **\$654.7 million**
- Estimated 56.9% of state-source appropriations (GF/GP plus state restricted) will be paid to local units of government in FY 2010-11



November 2010

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# EDUCATION



## Community Colleges

### *Major Roles*

- Provides operational support for 28 locally-governed community colleges, which provide programs in basic skills, traditional transfer to four-year institutions, technical training, and customized training

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$295.9 million**
- FY 2010-11 GF/GP appropriation: **\$295.9 million** (100% of total)
- All but **\$3.2 million** (At-Risk Student Program) is appropriated for college operations

### *Other Considerations*

- In fall 2009, 254,042 students were taking at least one course creditable toward a degree—an increase of 32.5% over fall 2000
- State funding provides about 20% of total college operating revenue (down from 35% in 1990s), with tuition/fees and property tax revenue each contributing nearly 40%. Distribution of revenue sources varies among schools.
- The state constitution allows School Aid Fund revenue to be used for community colleges. FY 2009-10 budget included mid-year adjustment replacing **\$208.4 million** GF/GP for colleges with SAF revenue to help balance General Fund budget.



## Department of Education

### *Major Roles*

- Administrative arm of the State Board of Education, an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. State Superintendent of Public Instruction is chosen by the board and heads the department.
- Administers \$13.1 billion School Aid budget, distributing state and federal funds to school districts and ISDs and monitoring the use of those funds
- Develops K-12 and early childhood instructional programs, curricula, and assessments
- Develops and administers certification and professional development of teachers

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$127.0 million**
- FY 2010-11 GF/GP appropriation: **\$21.9 million** (17.2% of total)
- Largest GF/GP program is Library Operations & State Aid to Libraries: **\$9.6 million**
- Federal funds equal 69% of the total department budget: **\$87.8 million**

### *Other Considerations*

- Total department budget equates to less than 1% of School Aid budget, providing for administration of all state and federally mandated education requirements



## Higher Education

### *Major Roles*

- Provides operational support to state's 15 public universities
- Funds financial aid programs for Michigan students attending either public or private colleges/universities in the state
- Supports several other higher education-related programs, including Michigan State University's Agricultural Experiment Station and Extension Service

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$1,578.3 million**
- FY 2010-11 GF/GP appropriation: **\$1,543.4 million** (97.8% of total)
- Appropriations for public university operations make up 90.0% of budget, ranging from **\$12.7 million** (Lake Superior State) to **\$316.3 million** (University of Michigan-Ann Arbor)
- Total state funding for student financial aid is **\$88.6 million**, down from over \$200 million in FY 2008-09; remaining programs are largely need-based

### *Other Considerations*

- Autonomy granted to universities under state constitution limits ability of Legislature to set higher education policy: Michigan is only state without executive higher education office/agency
- State appropriations now constitute approximately 30% of total university General Fund revenues—versus 50% in 1990s. Tuition makes up bulk of remaining revenue



## School Aid

### *Major Roles*

- Provides funding for 551 local school districts, 247 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs (special education, etc.)
- State Constitution requires School Aid Fund (SAF) to be used exclusively for schools, higher education, and school employee retirement benefits

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$12,888.2 million**
- FY 2010-11 GF/GP appropriation: **\$18.6 million** (0.1% of total)
- FY 2010-11 SAF appropriation: **\$10,932.2 million** (84.8% of total)
- 73.0% of budget is appropriated to fund the per-pupil foundation allowance

### *Other Considerations*

- FY 2010-11 includes **\$254.3 million** in Federal ARRA Funds (State Fiscal Stabilization Funds and Ed Jobs Funds) to maintain FY 2008-09 appropriation level; additional **\$246.0 million** from Federal Ed Jobs Funds is available for appropriation
- Federal ARRA Funds will no longer be available in FY 2011-12
- GF/GP contribution to SAF has fallen from roughly **\$400 million** early in decade
- In FY 2009-10, **\$208.4 million** utilized to replace GF/GP funds for Community Colleges to help balance GF/GP budget. First use of SAF revenue for postsecondary education.



# GENERAL GOVERNMENT



## Attorney General

### *Major Roles*

- Serves as chief law enforcer of the state
- Serves as legal counsel for state departments, agencies, etc.
- Defends the state and state programs in court
- Brings actions and intervenes in cases on the state's behalf
- Represents legislators/judges who may be sued while acting in their official capacities
- Issues opinions on questions of law submitted by legislators and others

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$73.4 million**
- FY 2010-11 GF/GP appropriation: **\$28.6 million** (38.9% of total)
- Large portion of budget (29%) is funded through interdepartmental grants for services performed for other departments
- 86% of budget is personnel-related costs: assistant attorney generals, investigators, paralegals, clerical personnel

### *Other Considerations*

- Overall staff level has decreased by 11.6% from FY 1999-2000 to FY 2008-09—from 559 to 494 positions



## Department of Civil Rights

### *Major Roles*

- Enforces the state's civil rights laws
- Provides educational programs and activities that promote voluntary compliance with civil rights laws
- Investigates and resolves discrimination complaints in the areas of employment, public accommodations and service, education, housing, and law enforcement
- Provides information and services to businesses on diversity initiatives, equal employment law, and procurement opportunities

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$12.8 million**
- FY 2010-11 GF/GP appropriation: **\$11.0 million** (85.9% of total)
- 13.3% of budget is funded with federal revenue received from U.S. Department of Housing and Urban Development (HUD) and U.S. Equal Employment Opportunity Commission (EEOC) for intake and resolution of housing and employment-related discrimination cases
- 90.9% of budget is personnel-related costs: salaries, wages, travel, and rent

### *Other Considerations*

- Overall staff level has decreased by 39% from FY 2002-03 to FY 2009-10—from 158.5 to 114.0 positions



## Executive Office

### *Major Roles*

- Governor provides executive program and policy direction for state, submits annual budget to Legislature, reviews and recommends statutory changes, appoints members of state boards and commissions, and appoints directors of departments that are not headed by elected officials or commissions
- Lieutenant Governor performs gubernatorial functions in Governor's absence, serves as President of the Michigan Senate and as a State Administrative Board member, and represents Governor and state at local, state, and national meetings
- Divisions within office facilitate day-to-day operations

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$4.6 million**
- FY 2010-11 GF/GP appropriation: **\$4.6 million** (100% of total)
- Approximately 90% of budget is personnel-related costs

### *Other Considerations*

- Approximately 10% of budget consists of fixed costs which are required to be paid pursuant to the Constitution: salaries, wages, and expense allowances for Governor and Lt. Governor



## Legislature

### *Major Roles*

- Enacts laws of Michigan, levies taxes, and appropriates funding from revenue collected for the operation of state government and support of other public institutions
- 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 legislative oversight over the Executive branch of government through the administrative rules and audit processes and through committee hearings and the annual budget process

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$102.3 million**
- FY 2010-11 GF/GP appropriation: **\$100.6 million** (98.3% of total)
- Approximately 95% of budget is personnel-related costs

### *Other Considerations*

- Approximately 18% of budget (**\$17.2 million**) consists of fixed costs which are required to be paid pursuant to the Constitution: salaries, wages, expense allowances for members of the Legislature. Reduction of 10% in legislative salary levels will be implemented in January 2011.



## Legislative Auditor General

### *Major Roles*

- Seeks to improve accountability of public funds and improve operations of state government
- Conducts financial and performance audits of state government operations
- Conducts single audits
- Meets specific audit requirements in conformance with constitutional mandate
- Completes individual projects and reports in response to legislative requests

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$15.0 million**
- FY 2010-11 GF/GP appropriation: **\$11.2 million** (74.4% of total)
- 25.6% of budget is funded through interdepartmental grants and state restricted revenues that are charged for services performed for other departments
- Over 90% of budget is personnel-related costs

### *Other Considerations*

- Overall staff level has decreased by 29% from FY 1999-2000 to FY 2008-09—from 178 to 138 positions
- There has been an increase in mandated/required audits—from 24 in FY 1982-83 to 69 in FY 2008-09



## Department of State

### *Major Roles*

- Licenses drivers; titles/registers automobiles, watercraft, recreational vehicles
- Tests drivers for ability and monitor license status
- Inspects, licenses, and regulates auto dealers and repair facilities
- Regulates and administers state's electoral process

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$213.5 million**
- FY 2010-11 GF/GP appropriation: **\$13.9 million** (7.2% of total)
- Largest GF/GP program is Election Administration and Services (**\$5.2 million**)
- In last decade, large amount of GF/GP funding replaced with restricted funds, which now make up over 80% of department's budget. Transportation Administration Collection Fund (vehicle registration and title application service fees) provided **\$114.7 million** in FY 2009-10.

### *Other Considerations*

- Number and location of branch offices is controlled by statute. Number of branches offices has been reduced by 16.1% since FY 2000-01
- Elections conducted pursuant to federal/state standards



## Department of Technology, Management, and Budget

### *Major Roles*

- Central service and management element of the Executive branch
- Ensures proper financial record keeping and executes purchasing programs
- Supervises state's motor vehicle fleet and administers travel policies
- Manages capital outlay projects, state property, and state's retirement systems
- Provides unified management of state information and technology resources
- Civil Service Commission oversees classified civil service employment system

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$974.4 million**
- FY 2010-11 GF/GP appropriation: **\$299.7 million** (30.8% of total)
- **\$241.9 million** (81%) of GF/GP appropriation is for State Building Authority (SBA) rent payments, fixed costs for debt-financed capital projects
- Large portion of budget (60.2%) is funded through interdepartmental grants for information technology services performed for other departments
- **\$65.5 million** Gross appropriation for Civil Service Commission, partially funded from constitutional 1.0% charge to other departments; 85% is personnel-related costs

### *Other Considerations*

- See *Capital Outlay* section for more information on SBA rent appropriation



## Department of Treasury: Operations/Debt Service

### *Major Roles*

- Chief fiscal agency of state; advisor to Governor on tax and fiscal policy issues
- Collects state taxes; invests, controls, and disburses state monies
- Operations segment of budget include funding for debt service payments on environmental program general obligation debt
- Also includes Michigan State Housing Development Authority (MSHDA), State Lottery, and gaming operations

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$714.5 million**
- FY 2010-11 GF/GP appropriation: **\$98.2 million** (13.7% of total)
- For FY 2010-11, debt service is projected to account for 44.3% of GF/GP appropriations (**\$42.1 million**)
- Approximately 1/3 of total operations budget is federal/restricted funding for MSHDA.

### *Other Considerations*

- Debt service payments will increase over next 5 years due to a planned 5-year refunding of the FY 2010-11 debt service restructuring that saved **\$77.3 million** GF/GP



## Department of Treasury: Michigan Strategic Fund

### *Major Roles*

- Michigan Economic Development Corporation (MEDC) administers Michigan Strategic Fund programs:
  - Works with businesses and communities to retain and expand jobs through coordination of business assistance services
  - Builds partnerships with local/state/federal economic development agencies and business community to coordinate resources, improve state's business climate
  - Promotes state as a travel/economic destination through advertising campaigns

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$155.8 million**
- FY 2010-11 GF/GP appropriation: **\$22.8 million** (14.6% of total)
- Michigan Promotion Program (advertising campaigns) funded at **\$5.4 million** GF/GP
- The 21<sup>st</sup> Century Jobs Program, which funds economic diversification investments, funded at the full statutory authorization of **\$75.0 million** in FY 2010-11

### *Other Considerations*

- 21<sup>st</sup> Century Jobs Trust Fund appropriations (funded from tobacco settlement revenue) have been reduced in the past to offset General Fund budget shortfalls
- Michigan Promotion Program has received supplemental funding in prior years
- MEDC receives corporate funding from dedicated gaming revenue and investment/other income not subject to state appropriation: **\$35.6 million (\$31.1 million** in gaming revenue) in FY 2009-10



## Department of Treasury: Revenue Sharing

### *Major Roles*

- Provides funding for revenue sharing payments made to more than 1,800 local units of government, pursuant to the State Constitution and statute
- Constitutional share fixed at 15.0% of sales tax revenue at 4.0% rate
- Statutory share defined as 21.3% of sales tax revenue at 4.0% rate
- County revenue sharing payments increasing as counties exhaust revenue sharing reserve funds created by property tax payment shift beginning in 2005

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$1,055.3 million**
- All funding comes from sales tax revenue. No GF/GP funding.
- FY 2010-11 revenue sharing payments to cities, villages, and townships were, at minimum, maintained at overall FY 2009-10 levels (constitutional plus statutory)
- State-level county revenue sharing costs increased as more counties became eligible: **\$114.7 million** in FY 2010-11

### *Other Considerations*

- Constitutional revenue sharing payments to cities, villages, and townships, are set by the Constitution and cannot be altered
- Statutory revenue sharing payments have been reduced in the past to offset general fund budget shortfalls; currently providing roughly **\$500 million** in ongoing General Fund revenue
- Of remaining statutory revenue sharing of **\$307.1 million** to cities, villages, and townships, estimated 58.1% paid to City of Detroit and 38.3% paid to other cities



# HEALTH, HUMAN SERVICES, AND CORRECTIONS



## Department of Community Health

### *Major Roles*

- Health policy development, including Medicaid policy
- Management of Michigan's publicly-funded health care systems including mental health, substance abuse, public health, maternal and child health, aging, and medical services to low-income persons
- Implementation of safe health care services through regulation and licensure of health care facilities and professionals

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$14,124.1 million**
- FY 2010-11 GF/GP appropriation: **\$2,421.5 million** (17.1% of total)
- Community Health is now the largest state budget area
- Slightly more than 67% (**\$9,474.0 million**) of DCH revenue is from federal sources, primarily Medicaid matching funds and temporary Medicaid funding received under the American Recovery and Reinvestment Act (ARRA)
- FY 2010-11 is final year of ARRA-enhanced federal FMAP match rate, which is providing **\$627.3 million** of GF/GP savings in the current fiscal year
- 13.1% (**\$1,851.3 million**) of funding is from state restricted sources, including provider quality assurance assessments, Merit Award Trust Fund, Medicaid Benefits Trust Fund, Healthy Michigan Fund, licensing fees, and other sources
- Medicaid mental health, substance abuse, and medical services appropriations are approximately **\$11,513.7 million** Gross, **\$1,588.4 million** GF/GP



## Department of Community Health (Continued)

### *Mental Health and Substance Abuse Services Budget Component*

- FY 2010-11 Gross appropriation: **\$3,013.7 million**
- FY 2010-11 GF/GP appropriation: **\$1,074.5 million** (35.7% of Mental Health/Substance Abuse total)
- Gross appropriation includes funding for Medicaid and non-Medicaid Mental Health and Substance Abuse Services
- Delivery of services primarily through 46 local community mental services programs (CMHSPs), 18 prepaid inpatient health plans (PIHPs), and 16 coordinating agencies (CAs)

### *Public Health & Maternal and Child Health Budget Component*

- FY 2010-11 Gross appropriation: **\$634.4 million**
- FY 2010-11 GF/GP appropriation: **\$62.3 million** (9.8% of Public Health total)
- Key services in this area are provided by local health departments

### *Medical Services Budget Component*

- FY 2010-11 Gross appropriation: **\$10,167.3 million**
- FY 2010-11 GF/GP appropriation: **\$1,190.1 million** (11.8% of Medical Services total)
- Medical services are delivered through the fee-for-service and Medicaid managed care systems



## Department of Community Health (Continued)

### *Other Considerations: Mental Health and Medicaid*

- Changes in Mental Health spending may have potential long-term impacts on Corrections spending
- Medicaid provides medical assistance to low-income individuals and individuals with disabilities; federal and state government jointly fund and administer program
- Medicaid enrollment continues to increase due to economic pressures. Average monthly eligibles of 1.86 million in July 2010; up 16% since 2008, up 70% since 2000.
- Three broad options for reducing state Medicaid costs:
  - *Reduce eligibility*: Federal health care reform now prevents reducing eligibility without endangering federal funding from expansion of Medicaid in 2014
  - *Reduce provider rates*: Michigan has established several health care provider assessment programs (Quality Assurance Assessment Programs, or QAAP) as a means to increase, or maintain, Medicaid rates for hospitals and nursing homes, leveraging the assessment for additional federal Medicaid matching funds
  - *Reduce services provided*: State spending for major optional services totals roughly **\$900.0 million**. Largest estimated spending amounts are for mental health services and pharmaceuticals. Changes subject to federal approval.
- Reduction of \$1 in state Medicaid match spending results in loss of nearly \$2 in federal funds received and associated health care spending in state
- Reductions in Medicaid spending can have large indirect impacts: reducing number of providers and accessibility, creating costs in other areas of state budget or larger health care system (e.g., higher emergency room costs), etc.



## Corrections

### *Major Roles*

- Operates and sets policy for the state's prison system
- Supervises prisoners released from the prison system on parole
- Supervises individuals convicted of a felony who are placed on probation
- Facilitates and evaluates grants to local governments for community corrections programs and administers county jail reimbursement program
- Administers Michigan Prisoner Re-Entry Initiative (MPRI) to assist with prisoner transition back into the community

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$2,007.4 million**
- FY 2010-11 GF/GP appropriation: **\$1,917.9 million** (95.5% of total)
- Prison operations and prisoner health care account for around 78% of the budget (**\$1,570.0 million**)
- Almost 75% of the overall budget represents personnel-related costs

### *Other Considerations*

- Since FY 2004-05, the state has closed eight prisons and ten prison camps as prison population fell from a peak of 51,454 (Dec 2006) to 44,092 (Sept 2010)
- GF/GP appropriations for Corrections up 40.1% since FY 1998-99 (not adjusted for inflation), but down 3.9% over last three years (FY 2007-08 to FY 2010-11)



## Department of Human Services

### *Major Roles*

- Administers financial programs and services to assist vulnerable families
- Protects children and assists families by administering foster care, adoption, family preservation, child support, and juvenile justice
- Responsible for licensing child care, adult foster care, and child welfare agencies

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$6,948.9 million**
- FY 2010-11 GF/GP appropriation: **\$924.0 million** (13.3% of total)
- Largest GF/GP appropriation supports child welfare programs and their administration (**\$361.1 million**)
- 51.6% of Gross appropriation (**\$3,587.1 million**) funds Food Assistance Program (FAP) benefits (formerly known as food stamps), which are 100% federally funded
- Almost **\$240.0 million** in one-time federal funds are appropriated in FY 2010-11

### *Other Considerations*

- Federal lawsuit settlement agreement between Children's Rights, a national nonprofit group, and state mandates specific child welfare program improvements/outcomes
- Michigan receives **\$775.4 million** in federal TANF revenue for programs to help low-income families; TANF program has associated maintenance-of-effort requirements



# PUBLIC SAFETY



## Department of Military and Veterans Affairs

### *Major Roles*

- Primary mission: Support and maintain readiness of National Guard troops
- Operates the Grand Rapids and D.J. Jacobetti (Marquette) Veterans Homes
- Administers the Veterans Trust Fund to provide emergency assistance grants to veterans and provides other general veterans assistance services
- Operates Challenge Program: a boot camp-type program for high school dropouts

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$150.0 million**
- FY 2010-11 GF/GP appropriation: **\$36.4 million** (24.3% of total)
- Approximately half of budget (51.1%) is appropriated for services to veterans. Total GF/GP funding for two veterans homes is **\$19.8 million**.

### *Other Considerations*

- Five primary training sites (Fort Custer, Camp Grayling, Battle Creek Air National Guard Base, Selfridge Air National Guard Base, and Alpena Combat Readiness Training Center) operate primarily based on federal funding for operations and maintenance



## Department of State Police

### *Major Roles*

- Provides road patrol services throughout the state
- Emergency Management Division responsible for statewide disaster assistance
- Forensic Science Division provides laboratory services to all law enforcement agencies in state
- Provides other specialized services to local agencies (criminal investigations, etc.)
- Michigan Commission on Law Enforcement Standards (MCOLES) supports training of all law enforcement officers in the state

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$529.2 million**
- FY 2010-11 GF/GP appropriation: **\$260.4 million** (49.2% of total)
- Largest GF/GP expenditure is for At-Post Troopers (**\$93.2 million**); current trooper strength of 960 is lowest level since 1970
- Increase of **\$87.2 million** in restricted fund appropriations since FY 2000-01: vehicle registration fee, traffic citation assessments, etc.

### *Other Considerations*

- Recently received three-year federal COPS grant (**\$5.8 million**) to hire 21 troopers
- Need exists for hiring and training forensic scientists to deal with the closure of the Detroit Crime Lab previously operated by the city



## OTHER BUDGET AREAS



## Agriculture

### *Major Roles*

- Ensures food safety and security through licensing/inspection programs
- Conducts motor fuel quality/quantity inspection; enforces product labeling laws
- Protects livestock industry through animal health programs
- Supports agriculture through Migrant labor housing inspection, Right to Farm program, Intercounty drain program, grain dealer inspection, agriculture promotion
- Responsible for environmental protection efforts in agriculture-related areas
- Seeks to control plant pests and invasive species

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$76.4 million**
- FY 2010-11 GF/GP appropriation: **\$30.3 million** (39.6% of total)
- Large portion of budget (40.1%) is funded with restricted revenue from various licensing and regulatory fees
- 68% of budget, excluding horse-racing and farmland preservation programs, represents personnel-related costs

### *Other Considerations*

- GF/GP support has fallen from \$62.9 million in FY 1999-2000
- Staffing also decreased from FY 1999-2000 to FY 2010-11—from 605 to 458 positions



## Capital Outlay

### *Major Roles*

- Budgetary and administrative functions devoted to planning and financing acquisition, construction, renovation, and maintenance of facilities used by state agencies, public universities, and community colleges
- State Building Authority (SBA) serves as financial intermediary for capital projects, issuing bonds to finance projects and leasing facilities to state

### *Budget Information*

- Statutory limit on total outstanding SBA debt at any time of \$2.7 billion (“bond cap”)
- Annual rent payments appropriated to SBA, used to retire debt obligations: **\$241.9 million** GF/GP in FY 2010-11 (appropriation in DTMB budget)
- Since FY 1991-92, the Legislature has authorized 151 SBA-funded projects for higher education institutions with total construction authorizations of \$3.1 billion; typically universities finance 25% of project costs, community colleges finance 50%
- Funding from Natural Resources Trust Fund for acquisition of publicly-protected land and development of public recreation sites appropriated on annual basis
- Maintenance funds now appropriated in individual department budgets

### *Other Considerations*

- Weighing benefits of proposed projects against the SBA bond cap and the state's ability to appropriate GF/GP funds for rent payments to the SBA in future years



## Department of Energy, Labor, and Economic Growth

### *Major Roles*

- Business Regulation: Utilities, liquor, occupations, financial and insurance sector
- Worker Programs: Workers and unemployment compensation, occupational safety
- Workforce Development: No Worker Left Behind, JET (Jobs, Education, and Training), Vocational Rehabilitation
- Centralized state office of administrative hearings and rules and Tax Tribunal
- Bureau of Energy Systems

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$1,277.8 million**
- FY 2010-11 GF/GP appropriation: **\$47.6 million** (3.7% of total)
- Majority of GF/GP funding (76.4%) is used as maintenance of effort (MOE) or matching funds for federal programs
- Majority of overall budget (66.1%) is funded with federal funds for workforce development and worker-related issues
- Large portion of budget (27.4%) funded from restricted funds for regulatory activities

### *Other Considerations*

- While unemployment benefits are "off-budget", interest on federal loans to Unemployment Trust Fund creates potential budget liability for state



## Department of Natural Resources and Environment

### *Major Roles*

- Manage the state's wildlife and fisheries environments, habitats and populations
- Administer and develop the state park system and state boating programs
- Manage state land and timber resources and provide state-wide wildfire protection
- Regulate the development of Michigan's oil, gas, and mineral resources
- Provide law enforcement for game and fish laws and for environmental protection
- Monitor air pollution emissions and regulate through issuance of air quality permits
- Administer the cleanup and reuse of contaminated properties
- Protect and monitor the water quality of surface waters and local water supplies

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$719.0 million**
- FY 2010-11 GF/GP appropriation: **\$41.3 million** (5.8% of total)
- 55.5% of funding is from state restricted revenue (mainly license and permit fees)
- In FY 2010-11, 32.1% of restricted funding (**\$128.1 million**) is appropriated from funds that have constitutional restrictions on their use

### *Other Considerations*

- GF/GP funding has decreased by roughly 75% from FY 1999-2000 to FY 2010-11 — from \$174.0 million to \$41.3 million
- Federal requirements for use of federal funds and state game and fish funds



## Judiciary

### *Major Roles*

- Judiciary budget funds operational costs of state Supreme Court and Court of Appeals and distributes state-level funding to local trial courts.
- State Court Administrative Office (SCAO) is administrative arm of Supreme Court: collects data; provides technical assistance to courts; offers legislative policy changes; oversees court child welfare issues; and issues statewide judicial policies
- Criminal indigent defense services provided through Appellate Public Defender Program and Appellate Assigned Counsel Administration

### *Budget Information*

- FY 2010-11 Gross appropriation: **\$260.4 million**
- FY 2010-11 GF/GP appropriation: **\$152.1 million** (58.4% of total)
- **\$88.2 million** (or 58.0%) of GF/GP total is dedicated for justices' and judges' salaries, which are protected by the state constitution and statute
- Approximately **\$64.8 million** (mainly restricted funds; \$10.4 million GF/GP) is used for Court Equity Fund payments to counties for trial court operations

### *Other Considerations*

- Number of judgeships in relation to caseloads. In 2009, Judicial Resources Recommendations suggested the possible elimination of 4 Court of Appeals judges and 14 trial court judges
- Changes in judgeships require statutory changes by Legislature

