

EXECUTIVE



GRETCHEN WHITMER, Governor

BUDGET

STATE OF MICHIGAN : FISCAL YEAR 2023

Presentation, budget book, accompanying documents located at:

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Executive Budget Recommendation

FY 2023

Christopher M. Harkins
State Budget Director



Putting Michigan First: Priorities for FY23



Education: Putting Students First

Strategic investments that put students first and make strong investments in state education



Road, Bridge, and Infrastructure Improvement

Improves all facets of Michigan's Infrastructure with once in a lifetime investment dollars



Workforce and Economic Development

Provides strategic investments in a wide range of economic projects and workforce programs to get Michigan back on track from the pandemic



Healthy Families

Improves access to care for families with health and behavioral health needs

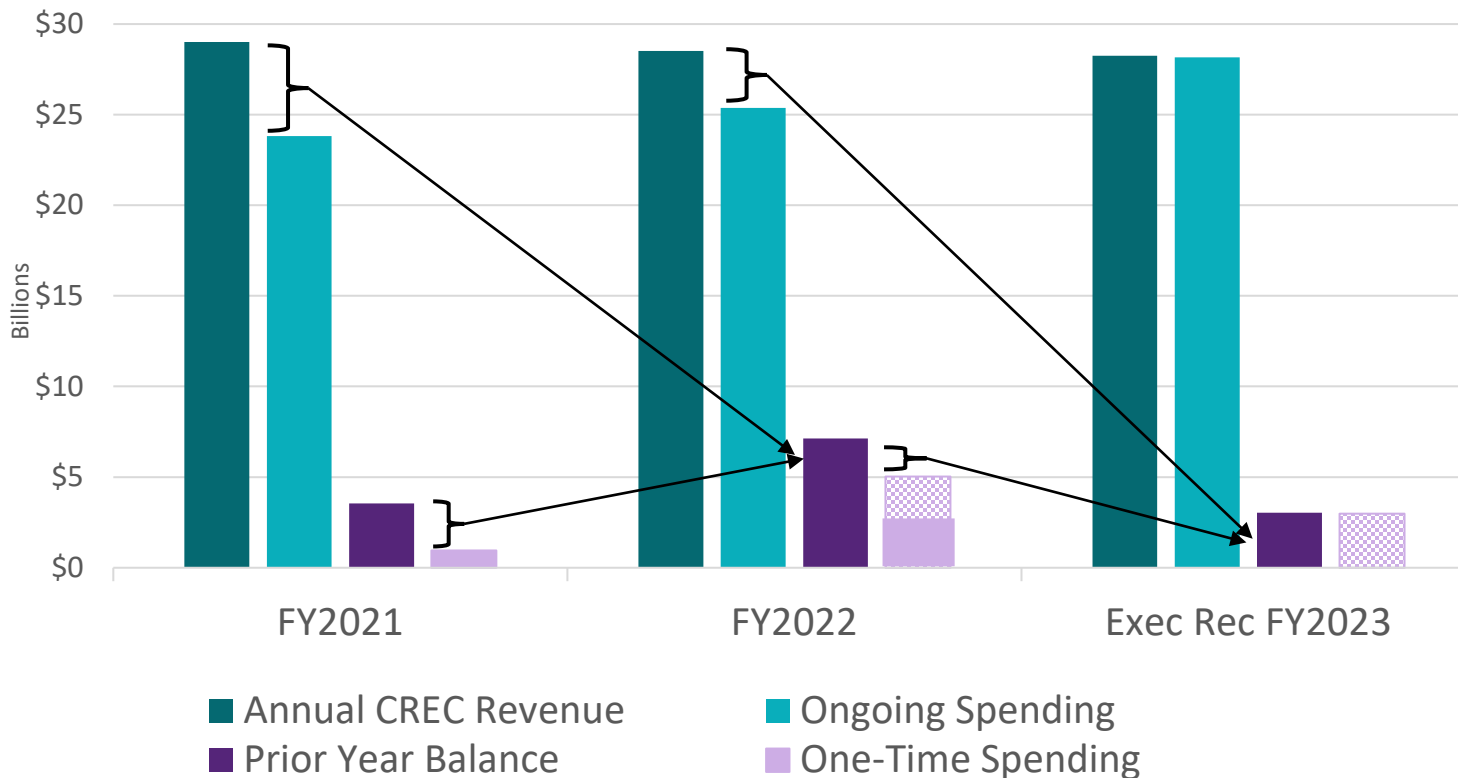


Safe Communities

Creates a full-circle investment plan to keep our communities safe and our IT infrastructure secure

Ongoing vs One-time Funding

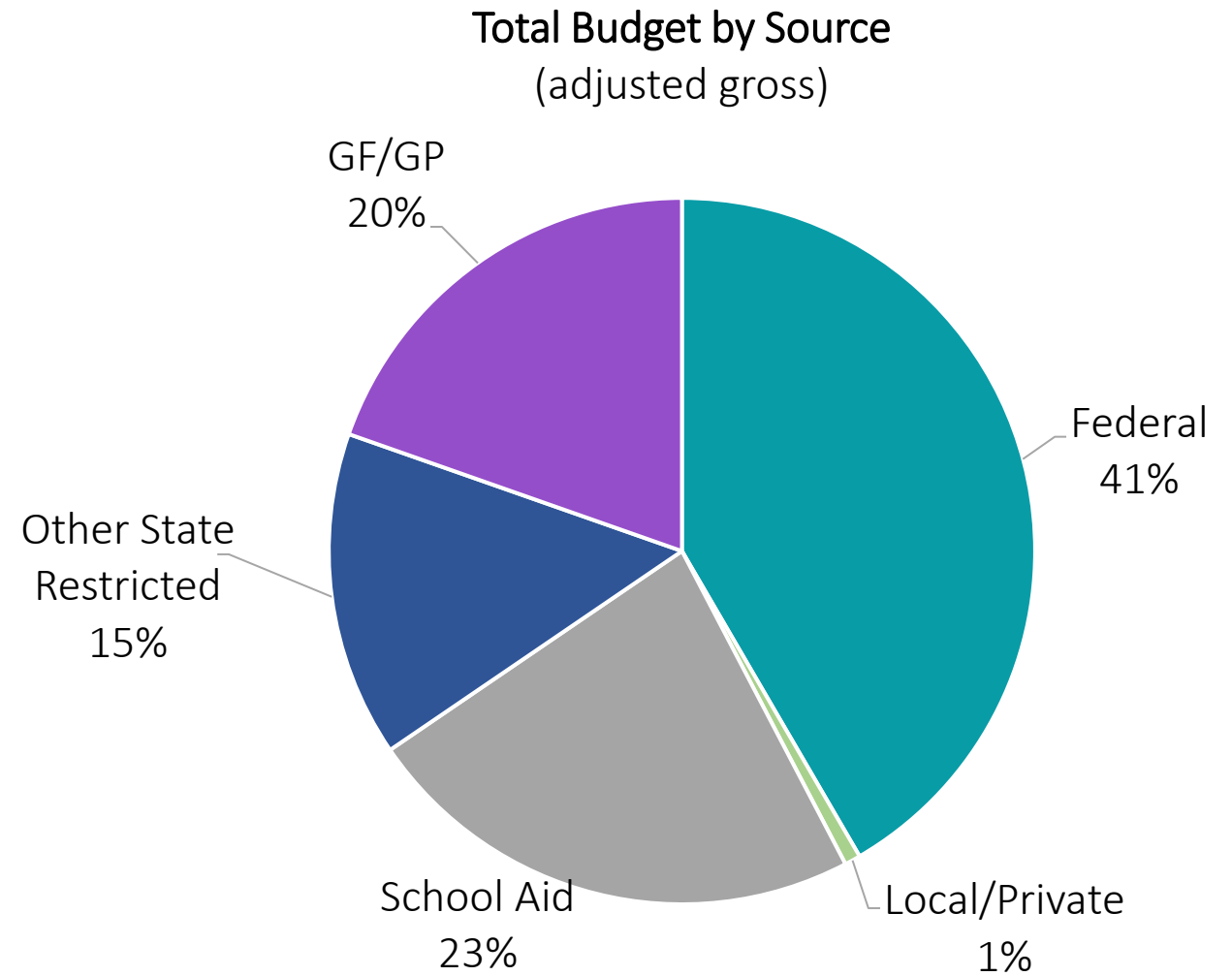
**Combined GF and SAF Ongoing and One-Time Revenues vs
Ongoing and One-time Spending**



- To maintain structural balance, ongoing spending should live within ongoing annual revenue
- FY21 began with \$3b+ balance after over-solving for FY20 anticipated pandemic shortfall that never materialized
- Unspent balances carried forward into the next fiscal year are one-time funds and should be spent on one-time costs
- FY21 revenues far exceeded the estimates the FY21 budget was built on, creating an even larger \$7b+ balance to carry into FY22
- Exec Budget proposes spending that one-time balance in FY22 supplemental and in one-time funds in FY 23 on one-time expenditures or deposits to spend down over next few years
- Exec FY23 budget is structurally balanced and assumes reduced ongoing revenue associated with proposed EITC and retirement tax changes

FY 2023 Budget

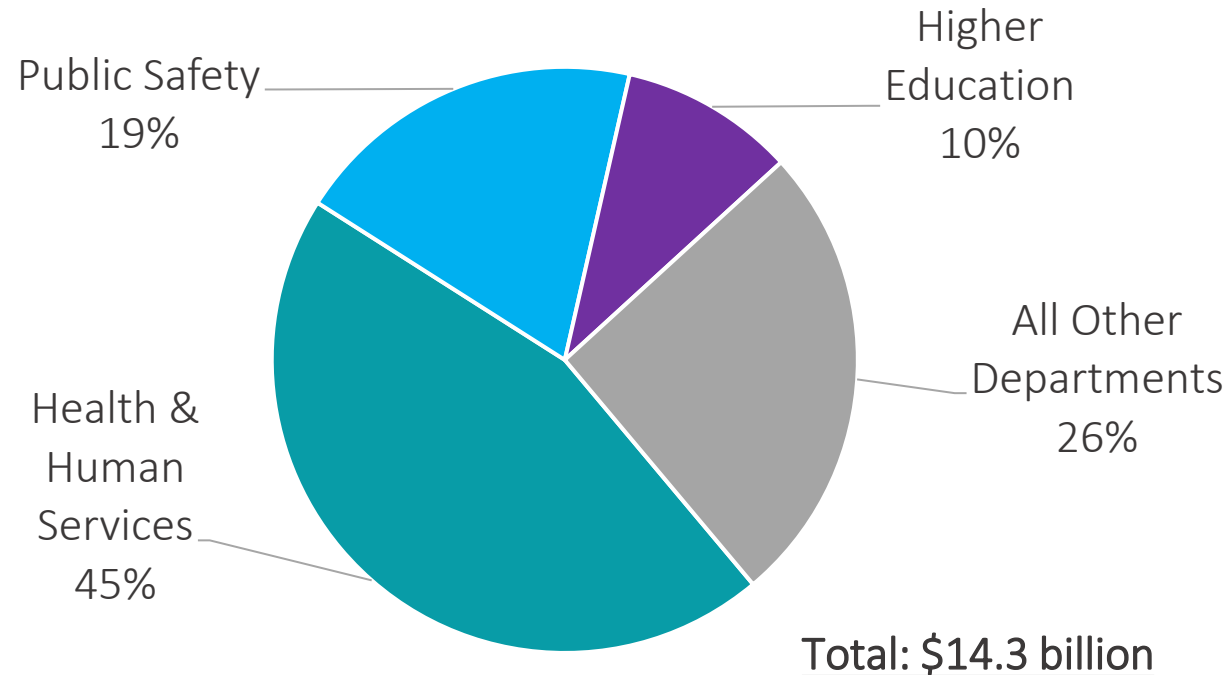
- Total budget \$74.1b
- General Fund \$14.3b
- School Aid Fund \$16.6b



General Fund Budget

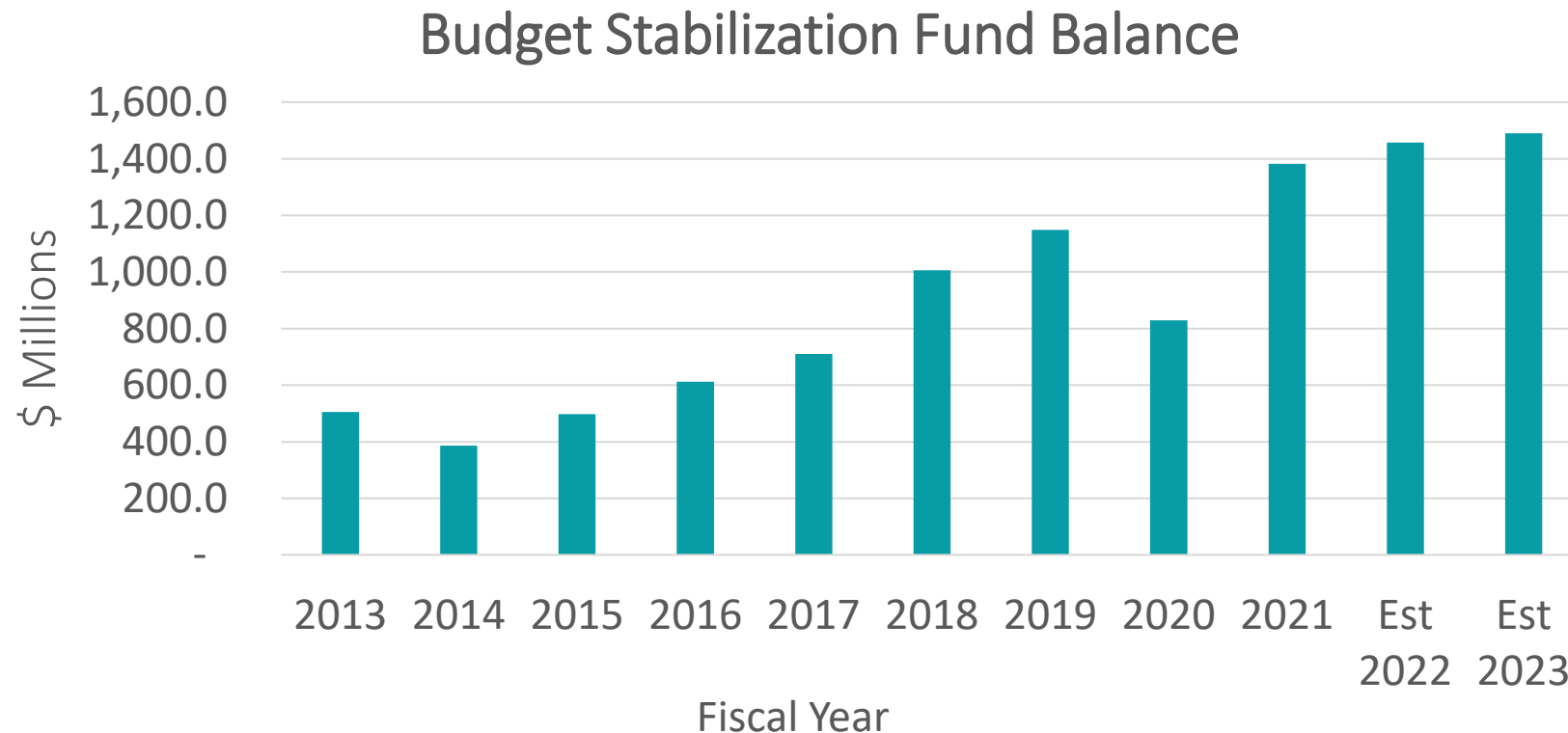
General Fund: Nearly three quarters of GF/GP appropriations fund health care, the protection of vulnerable children and adults, public safety, and education.

Total General Fund by Category



Budget Stabilization Fund

Budget Stabilization Fund Deposit: \$51.8m, brings balance to nearly \$1.5 billion and meets goal of at least 5% of combined SAF and GF revenues



Putting Money Back in Pockets

- **Earned Income Tax Credit (EITC)**
 - Increase the state's earned income tax credit from 6 percent to 20 percent of the federal credit
 - The EITC provides substantial support to low-income working families
 - Michigan enacted a state EITC equal to 20 percent of the federal credit in 2006, but it was reduced to 6 percent in 2011. This restores the credit to its prior level
 - Nearly 750,000 Michigan families would receive an average of over \$300 more over the current credit
 - This change costs \$262m in FY23

Putting Money Back in Pockets

- **Retirement Tax Elimination**

- Rolling back this tax on retirement income would save half a million households on average \$1,000 a year
- Phase in over 4 years, full cost by FY2025 is about \$500 million a year

Proposed Phase-out of Taxing Retirement Income				
Tax Year	2022	2023	2024	2025
Eligibility by Year of Birth	65 and older Born before 1958	62 and older Born before 1962	59 and older Born before 1966	All eligible
Portion of Retirement Income Exempt	25%	50%	75%	100%
Estimated GF Revenue Impact by Fiscal Year	\$13 million	\$107 million	\$285 million	\$495 million

A person is sitting on a white bed, wearing a grey sweater and light blue jeans with a large tear at the knee. They are surrounded by school supplies: a calendar for August and September, a pen, a green sticky note, a laptop, a tablet, and several open books. The person's hands are resting on the books.

Putting Michigan Students First

How We're Getting Kids Back on Track

Strategic investments that put students first and make strong investments in state education. Investments focus on:

Historic, Equitable Funding

- Ongoing investments ensure kids have the staff and support they need to thrive
- Investments connect resources with the students who need them most

Talent In Schools

- Excellent educators drive student learning
- Investments target staffing shortages with focus on teacher recruitment and retention

Mental Health and Safe Schools

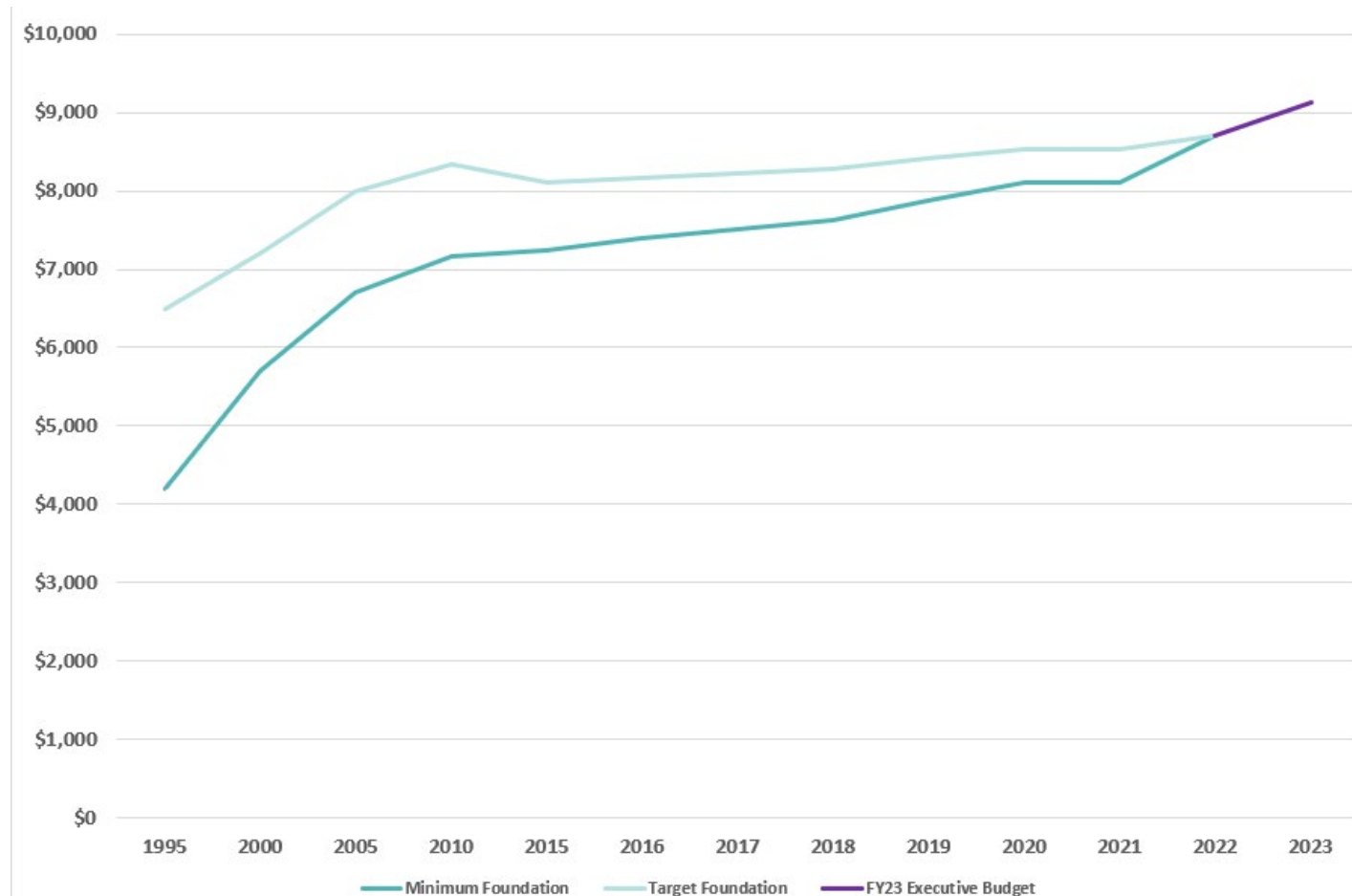
- Kids that are stressed and anxious struggle to learn
- Investments focus on trained, supportive adults and safe schools for every kid

Historic, Equitable Funding

Classroom Support

- Last year, Governor Whitmer and the legislature worked together to close the funding gap between schools
- This budget will invest \$988m to continue building a weighted funding model that includes a base per-pupil amount plus additional funding for students with more costly educational needs
- Increases base per-pupil funding to districts up to \$9,135 (a 5 percent increase, \$435 per pupil), \$580m

Per-Pupil Funding



Historic, Equitable Funding

Classroom Support

- Michigan serves a diverse population of students, with some children needing additional assistance or resources to help them thrive in an educational environment:
 - **Economically disadvantaged students, \$222m** – Fully funds an additional 11.5 percent of the base per-pupil amount per student, fully funding this categorical for all students in every district, increasing total to \$746.5m
 - **Special education students, \$150m** - Provides an additional 5 percentage point reimbursement of costs for special education students. This brings the state reimbursement of costs from 31 percent to 36 percent
 - **Career and Technical Education (CTE), \$30.8m** - Includes an increase in state reimbursed costs, additional funding for equipment purchases, and additional funding for millage equalization payments
 - **English Language Learners, \$1.3m** - 5 percent increase to funding to support ELL students
 - **Intermediate School District Operations, \$3.6m** – 5 percent increase for operational funding to ISDs
 - **Rural and Isolated Districts, \$421,000** – Increase added funding for small, rural, and isolated districts by 5 percent. Increases appropriation to \$8.8m

Historic, Equitable Funding

Early Childhood

- **Early Childhood Interventions**
 - Increase funding by 50 percent for Early On program which supports early identification and intervention services for younger children, \$7.1m
 - Expand home visitation and early childhood collaboratives effort, \$9.5m
- **Great State Readiness Program (GSRP)** provides free preschool for income-eligible 4-year-olds
 - **Slot Allocation, \$21m** to increase the full-day allocation from \$8,700 to \$9,135 per student, a 5 percent increase
 - **Home-Based GSRP Pilot, \$5m** to pilot 2-year home-based GSRP model operated by licensed family and group home childcare providers
 - **GSRP Startup Grants, \$30m** to provide startup grants to GSRP programs (\$15m) as well as funding to expand existing classrooms (\$15m)



Educator Retention, \$1.6b

- Investments make sure our educators have the supports they need and the recognition they deserve for the work they do. Funding for these programs is recommended for appropriation in fiscal year 2022 and will be spent over the next 3 to 5 years:
 - **Retention bonuses, \$1.5b**
 - Retention bonuses will support all Pre-K through 12 educators who stay in their school for three years:
 - Years 1 and 2: \$2,000 bonus for every educator, administrator, paraprofessional and noninstructional staff
 - Year 3: \$3,000 for teachers and certified professionals; Year 4: \$4,000 for teachers and certified professionals
 - **Teacher onboarding, induction, and mentoring, \$50m FY22, \$50m FY23**
 - Teachers receive consistent, high-quality mentoring and support with the support of Universities. The experience would be free of charge to students and earns them graduate credits
 - Provide payments to districts to offset cost of allowing senior teachers fewer hours teaching and more hours mentoring
 - **Regional innovation grants, \$75m**
 - Provides grants to local and regional partnerships that identify a clear community need and offer ambitious plans with a focus on recruitment and retention efforts

Talent in Schools

Educator Recruitment, \$600m

- **Michigan Future Educator Fellowship, \$250m (\$150m one-time, \$100m ongoing)**
 - Creates a competitive scholarship available to eligible first-time degree seekers and career changers to lower the cost of becoming a K-12 teacher
 - Provides funding for potentially 12,500 new educators
- **School leaders, \$50m**
 - Create a second track of the Michigan Future Educator Fellowship for aspiring school leaders and mental health professionals
- **Stipends for student teachers, \$150m**
 - Provides a flat stipend for student teachers, with funding prioritized toward Pell-eligible students that meet criteria to offset a portion of costs of paying tuition while student teaching
- **Grow your own programs, \$150m**
 - Provides grants to local districts and regional partnerships that offer plans to recruit, train, and retain teachers from within their own communities

Mental Health and Safe Schools

Mental Health, \$361m

- **Statewide Expansion of the Transforming Research into Action to Improve the Lives of Students (TRAILS) program, \$150m**
 - Builds capacity in school buildings for teachers and school leaders to help students manage stress, build healthy relationships, and manage their own mental health, funding is over three years
- **Universal mental health screenings, \$25m**
 - Collaborates with universities to develop and deploy a Michigan-survey in schools which will collect, analyze, and report on mental health data
- **School-based mental health professionals, \$120m**
 - Provides funding for additional mental health professionals and counselors in schools, could allow for up to 425 staff over the three years
- **Strengthen school-based mental & physical health, \$50m ongoing**
 - Increases existing appropriations for mental health grants from \$37.8m to \$87.8m
- **Expand school-based health clinics, \$11m**
 - Open 40 new school-based health clinics and serve 20,000 more kids ages 5-21
- **Expand specialized service for children with severe mental health needs, \$5m**
 - Connects local mental health professionals with psychiatry support as they treat children with significant needs. This helps expand access to psychiatric services and build capacity in local communities

Mental Health and Safe Schools

School Safety

- **Strengthen school-based mental and physical health, \$15m**
 - Create model that will expand services for youth threatening violence. Identify and implement cross-sector approaches to prevent mass violence through partnership with schools, public safety, mental health professionals, and communities
- **School safety grants, \$50m**
 - Expands allowable uses to include personnel (including trained school resource officers) and training for new and existing staff

Additional Education Investments

- Infrastructure Modernization Fund, \$1b deposit and \$170m for grants in FY23
- Detroit literacy payments, \$94.4m
- Before and after school programs, \$50m (\$25m one-time, \$25m ongoing)
 - These programs help students with unfinished learning needs, ensure a safe place outside of school hours, provide the extracurricular activities that foster academic success, and accelerate academic recovery

Investment in Higher Education

- **Universities**
 - **Operations**
 - \$76.3m ongoing, \$76.3m one-time, 5 percent
 - **University per-student funding floor, \$12.7m**
 - Investment will establish floor up to \$4,500 over the course of four years to ensure that state resources are allocated more equitably on a per-student basis
 - Year one will see a \$12.7m investment, and raise the floor to over \$3,500
- **Community Colleges**
 - **Operations**
 - \$16.2m ongoing, \$16.2m one-time, 5 percent
- **Infrastructure, Technology, Equipment, and Maintenance (ITEM) funding, \$200m (FY22)**
 - Assist community colleges and universities with improving existing facilities, infrastructure, and technology
 - \$58.5m Community Colleges and \$141.5 Universities



Roads and Infrastructure

Transportation Infrastructure

- **Infrastructure Investment and Jobs Act (IIJA), \$578m**
 - New federal funding of \$578M for roads, bridges, airports, local and intercity transit, and rail programs.
 - Of this amount, \$377.8m is new funding for road and bridge construction:
 - \$283.4m for state roads and bridges
 - \$94.4m for local roads and bridges
- **Additional state restricted funding for roads and bridges, \$111m**
- **Economically critical road improvement projects, \$150m**
 - Supports projects that are economically critical, carry high traffic volumes, increase the useful life of key roads, or will be completed in conjunction with bridge replacement projects



Infrastructure Safety

- Generators for pump stations, \$66m
 - Provides reliable generator backup power to all 164 state-owned pumping stations across Michigan
 - Addresses the significant freeway flooding events that have impacted Michigan communities and disrupted important economic corridors in that region during recent storm events
 - Protects public safety and well-being in our communities as global climate change continues to increase severe weather events

Transportation Infrastructure

- **Rail grade separation, \$60m**
 - Supports projects at key congested local rail crossings that impede efficient movement of commercial and passenger vehicles and jeopardize timely public safety response in an emergency
- **Infrastructure Office, \$5m**
 - New office will serve as an interagency coordinating body across state government, working with each of the primary state agencies and stakeholders to ensure federal resources are effectively, efficiently, and optimally implemented
- **Michigan Automated Weather Observation System replacement plan, \$3.9m**
 - Increase public safety by replacing 32 automated weather observation stations, many of which are 30 years old

Infrastructure (ARP)

- **Broadband, \$250m Capital Projects Fund (FY22 Supplemental)**
 - Improve access and adoption of broadband to ensure all Michigan residents and businesses can compete in a 21st century economy.
- **Water infrastructure improvements, \$500m**
 - Expand the MI Clean Water Plan grant program to support lead service line replacements, consolidation of failing septic systems, and contamination risk reduction



Workforce and Economic Development

Front-Line Workers

Strategic investments put front-line Michiganders first by helping deliver the support and resources they need so they can focus on their work instead of how they will pay the bills:

- \$500m in Hero Pay for front-line workers
- \$135m for our behavioral health workers
- \$60m for nursing home non-direct care workers
- \$1.5b for teacher retention
- \$30m GF plus \$20m previously requested for ARP support for law enforcement and first responders

In addition, the following investments help ensure that all workers across the state have the opportunities and resources to thrive, while also making sure communities and businesses are connected with the right employees to do the job.

Workforce Development

- Talent Retention and Expansion, \$20m GF
 - Support development and operation of employer-led collaboratives and sector strategies to fill identified talent gaps
- Going Pro, \$40m, Reconnect, \$55m
 - Continue the Going Pro and Reconnect programs at FY22 levels



Workforce Development

- **Young Professionals Plus, \$15m**
 - Prepares young people for self-sustaining employment by providing them with career exploration, preparation, and placement, to build career skills and increase opportunities for success in the labor market
- **Removal of employment barriers, \$15m**
 - Remove barriers to employment for low-income, poor, and working poor residents
- **Homeownership and Workforce Development, \$11m**
 - Supports the acquisition, renovation and resale of homes in land bank inventories, while partnering with local workforce development partners to utilize paid apprenticeships on the job site for renovations
- **Statewide Pre-Apprenticeship Program, \$10m**
 - Expands Michigan's talent pool and prepare individuals for entry into federally registered apprenticeships
- **MI Local Heroes Marketing Campaign, \$10m**
 - Conducts a comprehensive statewide marketing campaign that highlights the benefits of public sector employment and attracts more individuals to critical jobs like nurses, teachers, police and firefighters
- **Job Court, \$5m**
 - A prosecutorial diversion program affording eligible pretrial defendants an opportunity to obtain and maintain gainful, full-time employment with an eligible employer for a year

Workforce Development (ARP)

- **Workforce training and scholarship programs, \$670m**
 - Includes additional investments in Going Pro, Reconnect, new scholarships, second chances training programs for returning citizens, improving connection between community colleges curricula and industry jobs, and increased funding for apprenticeship programs
- **Michigan Nonprofit Relief and Activation program, \$50m**
 - Provides financial assistance to non-profits to strengthen the ecosystem of support for families struggling to make ends meet in service categories of housing, childcare, broadband, and employment
- **Start-Up Resiliency initiative, \$200m**
 - Provide targeted small business support through equity investments (\$140M), grants (\$50M), in-kind services, and technical assistance to start-ups (\$10M), specifically targeted to those disproportionately impacted by COVID-19
- **Retraining & Retooling Fund, \$100m**
 - Supports workers and businesses by providing funding to reactivate and retrain workforce that will provide matching grants, targeted technical assistance, and support for the credentialing of workers

Economic Development

- **Strategic Outreach and Attraction Reserve (SOAR) Fund, \$500m (FY22)**
 - Supports companies investing in the state and its shift to attract electric vehicle (EV), battery, semiconductor, and software and hardware development
- **Transformational education infrastructure, \$230m**
 - Funding to support projects that will improve medical education and health sciences, and electric vehicle teaching, training, and development
- **Mobility Futures initiative, \$25m (FY22) one-time and \$4m ongoing**
 - Supports statewide effort advancing Michigan's position in the rapidly evolving mobility sphere. These efforts aim to transition and grow the state's mobility workforce and industry, provide safer, greener, and more accessible mobility services, and position Michigan to lead the nation in mobility innovation
- **Rebates for electric vehicle purchase, \$50m**
 - Provides \$2,500 state rebate (\$2,000 point-of-sale and \$500 charging equipment) to accelerate electric vehicle purchases over two years in addition to federal and other incentives

Community Development

- **Michigan Regional Empowerment program, \$200m one-time**
 - Provides matching funds for regional empowerment programs that support the development and resilience of regional economies across the state
- **Nature, Sciences and Cultural Experiences program, \$75m one-time**
 - A competitive grant program for projects that bring art, science, nature, history, and culture to residents and preserve and celebrate Michigan's cultural diversity and natural beauty
- **Local community transition support, \$40m one-time**
 - Aid to communities that have experienced significant economic impacts from the departure or disinvestment of large-scale employers and workforces from their communities

Community Development (ARP)

- **Michigan Mainstreet initiative, \$300m**
 - Provide support to businesses and microenterprises through direct grants and loans (\$225M) and small business SmartZones (\$75m)
 - Program could leverage and build off activities supported through the federal State Small Business Credit Initiative
- **Regional Recovery Fund, \$250m**
 - Support regional efforts to address the impacts of the pandemic by leveraging existing local institutions to create “Regional Recovery Councils” consisting of public and private stakeholders which will develop regional economic recovery plans to address localized impacts of the pandemic
- **Brownfield Bridge Fund, \$200m**
 - Provides bridge funding for brownfield projects while waiting for tax capture revenue to accrue, allowing for more investment, specifically for the creation of workforce housing and industrial spec space
- **Residential clean energy improvements, \$50m**
 - Invests in grants and/or a Green Bank to provide affordable financing for clean energy improvements and pre-qualification investments for low-income families

Agriculture

- **Economic development for food and agriculture industries, \$30m one-time**
 - Supports agriculture processes including supply chain, infrastructure, and workforce resources that have been affected due to the pandemic, reduces environmental risks in processing facilities and supports marketing
- **Rural development engagement and support, \$10m one-time**
 - Assists local communities meet workforce development, infrastructure, education, and broadband demands
- **Climate action and reforestation in northern Michigan, \$5.4m**
 - Plants 5 million hardwood and conifer trees on private and state land in lower peninsula.
- **Food and agriculture preparedness, readiness, and response, \$1.6m**
 - Addresses gaps identified during pandemic that helps create and maintain disease response plans
- **Buy Michigan campaign, \$1m one-time**
 - Creates a buy local marketing campaign for Michigan grown and raised products
- **Community supported agriculture program, \$500,000, one-time**
 - Brings fresh fruits and vegetables to families facing food insecurity from Michigan farms working in conjunction with the statewide Supplemental Nutrition Assistance Program.



Clean and Sustainable Environment

- **Infrastructure Investment and Jobs Act Water investments, \$214m, \$36.4m state match**
 - Lead service line replacement
 - Water treatment facility upgrades and modernization
 - Stormwater system planning, restructuring, and development
- **Community technical assistance grants for lead line replacement, \$48m**
 - Provides grants for technical, managerial, and financial assistance to communities throughout the state to ensure that projects are implemented effectively and efficiently. Grants will prioritize disadvantaged communities.
- **Home plumbing grants, \$40m one-time**
 - Increase the number of people with structurally sound homes with safe, clean water.
- **High water infrastructure, \$34m**
 - Provides grants to local units of government for high water level and climate resiliency planning and infrastructure needs, focused on addressing flooding, coastline erosion, transportation networks, urban heat, and storm water management

Environment

- Contaminated site clean-up, \$69m
 - Provides resources for revitalizing and redeveloping sites of historic and industrial contamination
 - Supports a rapid response fund to deploy resources for sites outside the scope of normal contamination clean-up efforts



Picture: Workers at Spartan Chemical Company Superfund site where contaminated soil will be excavated in 2022

- **State fleet conversion to electrical vehicles, \$10m**
 - Provides resources to begin the transition of the state's 7,000 vehicle fleet to electric vehicles
- **Infrastructure Investment and Jobs Act Energy Investments, \$54m**
 - Orphan Oil and Gas Well Remediation, \$31m
 - State Energy Program, \$15.8m
 - Energy Efficiency Revolving Loan Grant Program, \$3.2m
 - Energy Efficiency and Conservation Block Grant Program, \$4m
- **Energy Efficiency Revolving Fund (EERF), \$5m**
 - Builds on initial EERF capitalization to expand support for energy and renewable energy projects at state-owned facilities
- **Michigan Saves Green Bank, \$5m**
 - To continue to leverage private loan investments in clean energy improvements for homeowners

Natural Resources

- State fish hatchery improvements, \$30m
 - Refreshes outdated equipment, improves biosecurity and fish disease control and health, and addresses other infrastructure needs across all hatchery facilities, and includes upgrading Wolf Lake Hatchery to cool water production for walleye and muskellunge
- Off Road Vehicle (ORV) trail improvements, \$3.1m
 - Provides grant funding for off road vehicle trail maintenance and expansion and increases trail monitoring



Picture: Students at Wolf Lake Fish Hatchery

Environment (ARP)

- **Michigan Electric Vehicle (EV) Friendliness Program - \$40m**
 - Funds deployment of EV infrastructure (charging stations) across the state, emphasizing the Lake Michigan Electric Vehicle Circuit, state parks, and on reservations
 - Encourage EV innovation through testing site leadership and the implementation of programs that will accelerate consumer and fleet EV adoption
- **MI Clean Water Community Support Expansion, \$500m**
 - Supports lead action level exceedance community support program and impaired community water relief program
 - Support lead service line replacements, consolidation of failing septic systems, and contamination risk reduction
- **Modernize State Parks and Trails, \$250m**
 - Michigan has 103 state parks, 1,300 boating access sites, and 13,000 miles of motorized and non-motorized trails
- **Local Recreation Grants - \$150m**
 - Grants allow communities to identify their unique place-based recreation priorities and attract new residents and tourists



Healthy Communities

Healthy Communities



Improving Access to Medicaid Dental Services



Behavioral Health Structural Reform



Increasing Capacity for Children and Families in the Child Welfare System



Expanding Supports and Financial Supports for Families with Young Children



Reducing Racial and Economic Disparities in Michigan's Healthcare System

Healthy Communities

- **Increased access to dental services for Medicaid enrollees, \$243.3m**
 - This will replicate the success of the Healthy Kids Dental program by procuring Healthy Kids Dental, HMP dental, and fee-for-service adult dental services through a single combined managed care contract, bringing better dental access to over 3 million Michiganders
- **Dental procedure reimbursement rate, \$4.3m**
 - Increases Medicaid reimbursement for outpatient hospital and ambulatory surgical centers for dental services that require the use of general anesthesia

Healthy Communities

- **Immediate behavioral health access and capacity**
 - Increase availability of inpatient mental health services by 48 adults and 12 children, FY22 \$14.8m, FY23 \$29.7m
 - Support renovation, opening, and operating costs related for new units at the Hawthorn Center that will serve 28 more kids, FY22 \$15.2m, FY23 \$10.5m
 - Fund improvements, opening, and operation of two new Center for Forensic Psychiatry units at satellite facility which will support an additional 28 beds, FY22 \$20.7m, FY23 \$11.5m
- **New state psychiatric facility complex, \$325m**
 - Funds construction, on a single campus, of replacement facilities for the Hawthorn Center and Walter Reuther Hospital to increase inpatient capacity and improve efficiency of services provided
- **Student loan reimbursement for Behavioral Health Providers, \$25m**
 - Expands the Michigan essential healthcare provider program by providing loan repayment assistance to eligible behavioral health practitioners who work in federally designated shortage areas
- **Jail Diversion Fund, \$15m, one-time**
 - Grants to local entities to establish and expand jail diversion programs ensuring that individuals with mental illness receive appropriate treatment services

Healthy Communities

- **Child welfare services rate increase, \$10.5m**
 - Increases state rates to residential child caring institutions serving foster children, as well as adoptive and foster parents, by 5 percent and private residential juvenile justice providers by 12 percent
- **Provide ongoing increase to Family Independence payments, \$8.3m**
 - \$100 per month per child ages five and under to assist low-income families with the unique costs of caring for very young children
- **Racial Disparities Task Force, \$15m one-time**
 - Expands Centering Pregnancy sites to improve prenatal care, support and education; creates racial disparities incentive pool for Medicaid health plans; provides training and education addressing disparities in birth outcomes; diversifies healthcare workers; and raises awareness of uterine fibroid disproportionate affect on women of color

Healthy Communities

- **Statewide Nutrition and Food Bank Support, \$50m**
 - One-time grant funding would be provided to support infrastructure improvements to more efficiently distribute food to families in need of assistance. These funds would support:
 - Creation of an emergency stockpile of food in each food bank warehouse
 - Creation of a needed distribution center to more efficiently serve northern Michigan
 - Resources to help the Food Bank Council address supply chain problems, transportation deficiencies, and data and research needs





Public Safety and Crime Prevention

Strong and Safe Communities

- **Constitutional state revenue sharing payments, \$964.6m**
 - Payments to cities, villages, and townships required under Article IX, Section 10 of the Michigan Constitution
- **Cities, villages, and townships, total statutory funding, \$292.9m**
 - 5 percent ongoing increase and a 5 percent one-time payment, \$26.6m
 - Hold harmless for retroactive census clawback, \$50m
 - Support to cities, villages, and townships that lost population in the 2020 United States Census to counteract negative adjustments to constitutional payments
- **Counties, total statutory funding, \$255.1m**
 - 5 percent ongoing increase and a 5 percent one-time payment, \$23.2m
 - **County Revenue Sharing and the County Incentive program, \$376,000**
 - Provides payments to Emmet County, the last county to re-enter the state revenue sharing program, and Leelanau County that returned in FY22

Public Safety and Crime Prevention

- **First responder retention, \$50m (FY22 supplemental)**
 - Supplemental funding recommended in FY22 to provide payments to state and local law enforcement and public safety personnel. When combined with \$20m ARP as part of the Governor's proposed MI Safe Communities framework will provide for total payments of \$50m
- **Trooper recruit school, \$9.2m**
 - Graduate 50 new troopers in addition to the 120 troopers that are anticipated to be hired and trained using existing attrition savings
- **Trooper recruitment, \$1m**
 - Helps to broaden the racial, ethnic, and gender makeup of the Michigan State Police to make it more representative of the communities it serves

Public Safety and Crime Prevention

- **Judicial case management, \$175m**
 - Create a single statewide case management system to better track and process court cases
- **Unemployment fraud detection and prevention, \$88m**
 - \$75m to modernize the UIA IT system and deliver better results for Michigan residents
 - \$13m for Department of Attorney General and UIA to investigate fraud (FY22 supplemental)
- **Consumer protection unit, \$1m**
 - Will focus on the prevention of price gouging/fixing of goods and services
- **Criminal division expansion, \$1.1m**
 - Expansion will fund a dedicated Organized Retail Fraud Unit
- **Victim advocates, \$1.8m**
 - Provides support to victims of crime early in their interaction with the criminal justice system.
- **Intelligence operations division expansion, \$1.1m**
 - Increases amount of digital forensic analysts that will detect, prevent, and investigate cybercrimes in the state
- **Cyber security and infrastructure protection, \$3m**
 - Modernize and increase mitigation against cybersecurity vulnerabilities and threats

Public Safety and Crime Prevention (ARP)

- **MI Safe Communities, \$55m**
 - Reduces crime and keeps families safe by tackling court backlog, expanding resources available to law enforcement, and uplifting communities by making investments in jobs programs, counseling, and education
 - Law Enforcement Training and Resources, \$32m

Military and Veterans

- **Modernize National Guard armories, \$115m**
 - Provides equitable accommodations for soldiers and to address other facilities needs of armories throughout the state
- **Selfridge Air National Guard Base, \$6.1m**
 - Land/property acquisition to support future basing requirements for the next generation of aircraft
- **Veteran suicide prevention, \$1.2m**
 - As part of the Substance Abuse and Mental Health Services- Veterans Challenge, this investment would support outreach campaigns to increase veterans suicide awareness
- **Michigan National Guard State Tuition Assistance program, \$5m**
 - Allows the transfer of tuition benefit to dependent children of National Guard members, providing increased financial support for the soldiers and their families

Strategic and Purposeful Investments

- This budget makes strategic and fiscally responsible investments for Michigan's future. Together we can:
 - Put students and teachers first
 - Improve our roads and infrastructure
 - Drive economic and community development
 - Support healthy and safe communities
 - Use one-time funding for one-time investments
- We look forward to working with our legislative partners to appropriate the remaining federal funding and implement the fiscal year 2023 budget

EXECUTIVE



GRETCHEN WHITMER, Governor

BUDGET

STATE OF MICHIGAN : FISCAL YEAR 2023

Questions