The projections forecast that the state will see a 15.9% dip in General Fund revenues ($1.7 billion) and a 4% dip in the state's School Aid Fund (-$550 million). Combined, those changes represent a $2.6 billion falloff for the year. Even more concerning are projections for FY2021, currently estimated as impacting the State Budget by $3-$5 billion.

Governor Whitmer, along with other governors, is advocating to use the $3.8 billion from our federal government for COVID-19 related challenges to help mitigate the loss of revenues that states and local units of government are sure to feel, but to date, this has not been approved. There is also conversation of utilizing the $1.2 billion in Michigan’s “Rainy Day Fund” to shore up the state budget during this fiscal year and next. It is important to note that only 25% of these funds can be used in any given year and accordingly will only be used as a last resort to the budget challenges.

On April 22, roughly 2,900 state employees who have been dubbed non-essential were laid off as part of a workforce-thinning in advance of athe projected $2.6B state revenue shortfall. Most, if not all state departments are being impacted by the layoffs, which will involve non-critical infrastructure workers working remotely and working at lower-than-normal levels. These layoffs could produce up to $5 million in savings over the course of the next 10-20 days. The Library of Michigan staff has reported that three individuals have been laid off as they were considered level four, non-critical.