

**SENATE FISCAL AGENCY  
 MEMORANDUM**

**DATE:** May 4, 2018  
**TO:** Members of the Senate  
**FROM:** Ellen Jeffries, Director  
**RE:** FY 2018-19 State Budget: Senate-Passed Appropriations

The Senate passed all of the fiscal year (FY) 2018-19 individual budget bills on May 3, 2018. The Senate-passed budget bills propose \$56.7 billion of total FY 2018-19 Gross appropriations and \$10.0 billion of State General Fund/General Purpose (GF/GP) appropriations for State budget areas, with no new appropriations for the Budget Stabilization Fund. The Senate Fiscal Agency (SFA) estimates that the Budget Stabilization Fund will have an FY 2018-19 year-end balance of \$922.0 million. The FY 2018-19 Senate-passed Gross appropriations represent a \$175.7 million or 0.3% decrease from FY 2017-18, while FY 2018-19 Senate-passed GF/GP appropriations are \$304.7 million or 3.0% below those of FY 2017-18.

Table 1 lists the FY 2017-18 year-to-date Gross appropriations (as of May 3, 2018) as well as the FY 2018-19 Gross appropriation recommendations of the Governor, the House, and the Senate. The Governor's FY 2018-19 budget proposal includes \$100.0 million for a "Michigan Marshall Plan for Talent" to be funded with State Restricted revenue from a new Talent Investment Fund (proposed to be financed with existing Student Loan Operating Fund revenue). If the \$100.0 million recommended by the Governor and the House for the "Marshall Plan" is excluded from the calculations, then the Senate Gross recommendation is \$39.2 million below the Governor's revised recommendation, while the House proposal is \$130.7 million Gross below the Governor's. The Senate bills provide \$91.4 million more in Gross appropriations for State budget areas than the House bills, if "Marshall Plan" funding is excluded.

Table 2 outlines the FY 2017-18 year-to-date GF/GP appropriations (as of May 3, 2018) as well as the FY 2018-19 GF/GP recommendations of the Governor, the House, and the Senate. The Senate GF/GP recommendation for State budget areas is \$8.0 million below the Governor's revised recommendation, while the House GF/GP proposal is \$157.2 million below the Governor's. The Senate bills would spend \$149.2 million more in GF/GP revenue for State budget areas than the House bills.

The largest GF/GP difference between the Governor's revised recommendation and the Senate Appropriations Committee's recommendation is the Senate's redirection of some of the Governor's proposed GF/GP spending in various State departments to provide over \$90.0 million in additional GF/GP revenue in the K-12 School Aid budget.

The appropriations in Tables 1 and 2 include both ongoing and one-time appropriations, and summarize the dollar differences among the Governor, House, and Senate at this point in the appropriations process. Funding for the "Marshall Plan" is excluded from the calculations because the Senate has not yet deliberated on that issue. Tables 3 and 4 provide preliminary balance sheets for the GF/GP and School Aid Fund budgets, respectively, based on the Senate-passed appropriation recommendations.

For more details regarding the dollar changes in the individual budgets, please see the Senate Fiscal Agency budget highlight sheets at these links:

- S.B. 850: [Department of Agriculture and Rural Development](#)
- S.B. 851: [Community Colleges](#)
- S.B. 852: [Department of Corrections](#)
- S.B. 853: [Department of Education](#)
  
- S.B. 854: [Department of Environmental Quality](#)
- S.B. 855: [General Government](#)
- S.B. 856: [Department of Health and Human Services](#)
- S.B. 857: [Higher Education](#)
  
- S.B. 858: [Department of Insurance and Financial Services](#)
- S.B. 859: [Judiciary](#)
- S.B. 860: [Department of Licensing and Regulatory Affairs](#)
- S.B. 861: [Department of Military and Veterans Affairs](#)
  
- S.B. 862: [Department of Natural Resources](#)
- S.B. 863: [School Aid](#)
- S.B. 864: [Department of State Police](#)
- S.B. 865: [Department of Transportation](#)

The next Consensus Revenue Estimating Conference will be convened on May 16, 2018, and the resulting revenue estimates will be used to finalize the FY 2018-19 GF/GP appropriation target amounts for each State budget area. In the meantime, if you have any questions about any of the FY 2018-19 appropriation recommendations, please contact me.

/lms

Attachments

c: Fiscal Analysts

**Table 1**  
**FY 2017-18 and FY 2018-19 Gross Appropriations**  
(includes both ongoing and one-time appropriations)

<b>Department/Budget Area</b>	<b>FY 2017-18 Year-to-Date</b>	<b>FY 2018-19 Governor's Revised Rec.</b>	<b>FY 2018-19 House Passed</b>	<b>FY 2018-19 Senate Passed</b>	<b>FY 2018-19 Senate Chg. to FY 18 YTD</b>	<b>Sen. % Chg.</b>	<b>FY 2018-19 Senate Chg. To Governor</b>	<b>FY 2018-19 Senate Chg. To House</b>
Agriculture and Rural Development	\$115,078,600	\$102,888,100	\$102,968,000	\$108,618,100	(\$6,460,500)	-5.6%	\$5,730,000	\$5,650,100
Attorney General	102,798,800	102,028,900	104,148,900	103,328,900	530,100	0.5%	1,300,000	(820,000)
Capital Outlay	800	0	0	0	(800)	-100.0%	0	0
Civil Rights	16,249,600	16,201,100	16,201,100	16,201,100	(48,500)	-0.3%	0	0
Community Colleges	399,326,500	405,015,500	408,215,500	408,206,000	8,879,500	2.2%	3,190,500	(9,500)
Corrections	2,001,919,200	2,035,125,100	2,017,125,100	2,010,125,100	8,205,900	0.4%	(25,000,000)	(7,000,000)
Education	352,181,200	357,107,300	357,107,300	432,557,400	80,376,200	22.8%	75,450,100	75,450,100
Environmental Quality	551,505,200	494,588,000	445,702,600	420,822,600	(130,682,600)	-23.7%	(73,765,400)	(24,880,000)
Executive	6,848,500	6,980,100	6,980,100	6,980,100	131,600	1.9%	0	0
Health and Human Services	25,510,667,400	25,240,354,300	25,137,624,300	25,117,902,400	(392,765,000)	-1.5%	(122,451,900)	(19,721,900)
Higher Education	1,629,224,400	1,658,932,600	1,650,317,500	1,680,147,700	50,923,300	3.1%	21,215,100	29,830,200
Insurance and Financial Services	66,741,400	67,571,900	67,971,900	67,971,900	1,230,500	1.8%	400,000	0
Judiciary	300,043,000	302,483,300	303,983,300	303,483,300	3,440,300	1.1%	1,000,000	(500,000)
Legislative Auditor General	24,286,200	24,938,000	25,688,000	24,938,000	651,800	2.7%	0	(750,000)
Legislature	155,274,800	157,281,800	157,281,800	157,512,600	2,237,800	1.4%	230,800	230,800
Licensing and Regulatory Affairs	434,672,000	491,962,100	491,962,100	479,662,200	44,990,200	10.4%	(12,299,900)	(12,299,900)
Military and Veterans Affairs	179,504,400	189,089,300	189,977,600	191,166,100	11,661,700	6.5%	2,076,800	1,188,500
Natural Resources	414,292,200	436,705,300	436,105,300	438,075,400	23,783,200	5.7%	1,370,100	1,970,100
School Aid	14,584,313,900	14,635,968,800	14,725,189,100	14,732,850,300	148,536,400	1.0%	96,881,500	7,661,200
State	258,358,500	254,662,800	247,662,800	255,662,800	(2,695,700)	-1.0%	1,000,000	8,000,000
State Police	704,363,400	711,814,700	762,714,500	717,384,600	13,021,200	1.8%	5,569,900	(45,329,900)
Talent and Economic Development	1,179,421,800	1,118,945,600	1,107,565,700	1,116,065,700	(63,356,100)	-5.4%	(2,879,900)	8,500,000
Technology, Management, and Budget	1,412,643,200	1,433,670,400	1,328,661,000	1,368,911,200	(43,732,000)	-3.1%	(64,759,200)	40,250,200
Transportation	4,524,443,000	4,530,089,900	4,543,089,900	4,540,089,900	15,646,900	0.3%	10,000,000	(3,000,000)
Treasury-Debt Service	107,580,000	107,580,000	107,580,000	107,080,000	(500,000)	-0.5%	(500,000)	(500,000)
Treasury-Operations	522,929,800	525,354,200	526,454,100	552,075,300	29,145,500	5.6%	26,721,100	25,621,200
Treasury-Revenue Sharing	1,287,738,200	1,298,609,300	1,307,009,400	1,308,889,900	21,151,700	1.6%	10,280,600	1,880,500
<b>Subtotal Gross Appropriations</b>	<b>\$56,842,406,000</b>	<b>\$56,705,948,400</b>	<b>\$56,575,286,900</b>	<b>\$56,666,708,600</b>	<b>(\$175,697,400)</b>	<b>-0.3%</b>	<b>(\$39,239,800)</b>	<b>\$91,421,700</b>
Marshall Plan	\$0	\$100,000,000	\$100,000,000	\$0	\$0	na	(\$100,000,000)	(\$100,000,000)
<b>Total Gross Appropriations</b>	<b>\$56,842,406,000</b>	<b>\$56,805,948,400</b>	<b>\$56,675,286,900</b>	<b>\$56,666,708,600</b>	<b>(\$175,697,400)</b>	<b>-0.3%</b>	<b>(\$139,239,800)</b>	<b>(\$8,578,300)</b>

**Table 2**  
**FY 2017-18 and FY 2018-19 General Fund/General Purpose (GF/GP) Appropriations**  
**(includes both ongoing and one-time appropriations)**

<b>Department/Budget Area</b>	<b>FY 2017-18 Year-to-Date</b>	<b>FY 2018-19 Governor's Revised Rec.</b>	<b>FY 2018-19 House Passed</b>	<b>FY 2018-19 Senate Passed</b>	<b>FY 2018-19 Senate Chg. to FY 18 YTD</b>	<b>Sen. % Chg.</b>	<b>FY 2018-19 Senate Chg. To Governor</b>	<b>FY 2018-19 Senate Chg. To House</b>
Agriculture and Rural Development	\$66,251,800	\$53,705,200	\$53,705,100	\$59,355,200	(\$6,896,600)	-10.4%	\$5,650,000	\$5,650,100
Attorney General	41,248,600	40,106,800	42,406,800	40,706,800	(541,800)	-1.3%	600,000	(1,700,000)
Capital Outlay	800	0	0	0	(800)	-100.0%	0	0
Civil Rights	13,006,600	13,022,100	13,022,100	13,022,100	15,500	0.1%	0	0
Community Colleges	1,025,000	0	0	3,190,500	2,165,500	211.3%	3,190,500	3,190,500
Corrections	1,946,633,600	1,979,910,200	1,961,910,200	1,954,910,200	8,276,600	0.4%	(25,000,000)	(7,000,000)
Education	81,677,400	85,183,700	85,183,700	85,183,900	3,506,500	4.3%	200	200
Environmental Quality	63,081,500	46,946,500	71,946,500	47,066,500	(16,015,000)	-25.4%	120,000	(24,880,000)
Executive	6,848,500	6,980,100	6,980,100	6,980,100	131,600	1.9%	0	0
Health and Human Services	4,380,531,400	4,542,525,600	4,508,901,800	4,518,090,900	137,559,500	3.1%	(24,434,700)	9,189,100
Higher Education	1,279,254,500	1,160,217,900	1,145,602,800	1,175,433,000	(103,821,500)	-8.1%	15,215,100	29,830,200
Insurance and Financial Services	150,000	150,000	150,000	150,000	0	0.0%	0	0
Judiciary	192,574,400	194,483,700	195,983,700	195,483,700	2,909,300	1.5%	1,000,000	(500,000)
Legislative Auditor General	16,607,600	17,105,800	17,855,800	17,105,800	498,200	3.0%	0	(750,000)
Legislature	150,597,100	152,487,500	152,487,500	152,718,300	2,121,200	1.4%	230,800	230,800
Licensing and Regulatory Affairs	44,416,600	88,820,300	88,820,300	88,820,300	44,403,700	100.0%	0	0
Military and Veterans Affairs	62,567,500	65,362,400	66,250,700	67,439,200	4,871,700	7.8%	2,076,800	1,188,500
Natural Resources	57,971,100	47,344,300	46,744,300	47,714,400	(10,256,700)	-17.7%	370,100	970,100
School Aid	215,000,000	60,000,000	47,400,000	150,500,000	(64,500,000)	-30.0%	90,500,000	103,100,000
State	24,139,000	18,466,300	19,466,300	18,466,300	(5,672,700)	-23.5%	0	(1,000,000)
State Police	442,001,700	454,902,800	480,302,800	459,972,900	17,971,200	4.1%	5,070,100	(20,329,900)
Talent and Economic Development	205,099,400	166,745,800	133,465,900	138,865,900	(66,233,500)	-32.3%	(27,879,900)	5,400,000
Technology, Management, and Budget	579,855,200	559,931,300	454,921,900	495,172,100	(84,683,100)	-14.6%	(64,759,200)	40,250,200
Transportation	175,000,000	0	0	0	(175,000,000)	-100.0%	0	0
Treasury-Debt Service	107,580,000	107,580,000	107,580,000	107,080,000	(500,000)	-0.5%	(500,000)	(500,000)
Treasury-Operations	98,368,400	101,213,300	101,813,200	101,482,400	3,114,000	3.2%	269,100	(330,800)
Treasury-Revenue Sharing	8,379,200	0	3,100,100	10,280,600	1,901,400	22.7%	10,280,600	7,180,500
<b>Total GF/GP Appropriations</b>	<b>\$10,259,866,900</b>	<b>\$9,963,191,600</b>	<b>\$9,806,001,600</b>	<b>\$9,955,191,100</b>	<b>(\$304,675,800)</b>	<b>-3.0%</b>	<b>(\$8,000,500)</b>	<b>\$149,189,500</b>

**Table 3**

**SENATE PASSED GENERAL FUND/GENERAL PURPOSE (GF/GP)  
REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES  
(millions of dollars)**

	<b>Estimate FY 2017-18</b>	<b>FY 2018-19 Senate Passed</b>
<b>Revenue:</b>		
Beginning Balance .....	\$622.5	\$113.3
<u>Ongoing Revenue:</u>		
Consensus Revenue Estimate (January 2018) .....	\$10,307.7	\$10,339.6
Revenue Sharing Payments .....	(465.9)	(466.3)
Redirection of Transportation Economic Development Fund revenue to GF ....	0.0	3.0
Federal Tax Cuts/Jobs Act Revenue .....	7.2	74.9
Income Tax, Sales Tax, Driver Responsibility Fee Adjustments .....	<u>(27.0)</u>	<u>(86.1)</u>
Subtotal Ongoing Revenue .....	\$9,822.0	\$9,865.1
<u>Non-ongoing Revenue:</u>		
One-Time Appropriation for Revenue Sharing .....	(\$5.8)	\$0.0
Redirection of Restricted Revenue to GF .....	<u>(6.4)</u>	<u>0.0</u>
Subtotal Non-Ongoing Revenue .....	(\$12.2)	\$0.0
<b>Total Estimated GF/GP Revenue .....</b>	<b>\$10,432.3</b>	<b>\$9,978.4</b>
<b>Expenditures:</b>		
<u>Ongoing and One-Time Appropriations:</u>		
Current Year Initial/Governor's Revised Recommendation .....	\$10,041.7	\$9,963.2
<u>Other Appropriations:</u>		
Appropriation to Budget Stabilization Fund .....	\$150.0	\$0.0
Enacted Supplementals .....	218.1	0.0
Pending Supplemental Requests (Requests #2018-3 and #2018-5) .....	(89.8)	0.0
Senate Budget Priorities Adjustments .....	0.0	(8.0)
Lapse Prior Year Department of Education Work Project .....	<u>(1.0)</u>	<u>0.0</u>
Subtotal One-Time and Other Appropriations .....	\$277.3	(\$8.0)
<b>Total Estimated GF/GP Expenditures .....</b>	<b>\$10,319.0</b>	<b>\$9,955.2</b>
<b>PROJECTED YEAR-END GF/GP BALANCE .....</b>	<b>\$113.3</b>	<b>\$23.2</b>

**Table 4**

**SENATE PASSED SCHOOL AID FUND (SAF)  
REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES  
(millions of dollars)**

	<b>Estimate FY 2017-18</b>	<b>FY 2018-19 Senate Passed</b>
<b>Revenue:</b>		
Beginning Balance .....	\$377.4	\$96.1
<b>Ongoing Revenue:</b>		
Consensus Revenue Estimate (January 2018) .....	\$13,084.5	\$13,464.0
General Fund/General Purpose Grant .....	78.0	150.5
Community District Trust Fund .....	72.0	72.0
Federal Tax Cuts/Jobs Act Revenue .....	0.8	5.1
Income Tax and Sales Tax Adjustments .....	(1.8)	(17.2)
Federal Ongoing Aid .....	<u>1,726.9</u>	<u>1,724.7</u>
Subtotal Ongoing Revenue .....	\$14,960.4	\$15,399.1
<b>Non-ongoing Revenue:</b>		
SAF Deposit Into MPSERS Reserve .....	(\$55.0)	\$0.0
MPSERS Reserve Fund .....	<u>23.1</u>	<u>31.9</u>
Subtotal Non-Ongoing Revenue .....	(\$31.9)	\$31.9
<b>Total Estimated School Aid Fund Revenue .....</b>	<b>\$15,305.9</b>	<b>\$15,527.2</b>
<b>Expenditures:</b>		
<b>Ongoing Appropriations:</b>		
Current Year Initial/Governor's Recommendation .....	\$14,266.5	\$14,542.6
Pending Supplemental Request #2018-5 (cost adjustments) .....	(11.2)	0.0
Senate Budget Priorities Adjustments .....	0.0	98.9
Fund Community Colleges with School Aid Fund .....	394.7	398.6
Partially Fund Higher Education with School Aid Fund .....	<u>237.9</u>	<u>384.9</u>
Subtotal Ongoing Appropriations .....	\$14,887.9	\$15,425.0
<b>One-Time and Other Appropriations:</b>		
Initial One-Time K-12 Appropriations .....	\$89.3	\$91.4
Initial One-Time Community College Appropriations .....	3.6	6.4
Initial One-Time Higher Education Appropriations .....	0.4	0.7
Enacted Supplementals .....	5.5	0.0
MPSERS K-12 Reform Costs .....	<u>223.1</u>	<u>0.0</u>
Subtotal One-Time and Other Appropriations .....	\$321.9	\$98.5
<b>Total Estimated School Aid Fund Expenditures .....</b>	<b>\$15,209.8</b>	<b>\$15,523.5</b>
<b>PROJECTED YEAR-END SCHOOL AID FUND BALANCE .....</b>	<b>\$96.1</b>	<b>\$3.6</b>