

SENATE FISCAL AGENCY  
MEMORANDUM



**DATE:** July 6, 2022  
**TO:** Members of the Michigan Senate  
**FROM:** Kathryn R. Summers, Director  
**RE:** Summary of the FY 2022-23 Appropriations Conference Reports

The Conference Committees for the Senate- and House-passed omnibus Conference Reports for the fiscal year (FY) 2022-23 State budget on June 30 and the early morning of July 1. This memo provides a summary of those reports.

The General omnibus budget is contained in House Bill (HB) 5783 (H-2) CR-1. The HB 5783 Conference Report includes FY 2022-23 Gross appropriations of \$54.8 billion and General Fund/General Purpose (GF/GP) appropriations of \$13.6 billion for State departments and budget areas. Funding for school aid, higher education, and community colleges is included in the Conference Report for Senate Bill (SB) 845 (H-1) (CR-1) which includes FY 2022-23 Gross appropriations of \$22.2 billion and GF/GP appropriations of \$1.7 billion. Combined, the FY 2022-23 Gross appropriations for the entire State budget are \$77.0 billion, or \$1.4 billion (1.8%), below the FY 2021-22 year-to-date amount (using a year-to-date spend as of April 12, 2022), while the combined GF/GP appropriations are \$15.3 billion, or \$1.8 billion (13.0%), above the FY 2021-22 year-to-date amount. The decline in Gross spending is due primarily to one-time Federal funds being appropriated in FY 2021-22 that were not continued into FY 2022-23.

The Conference Reports are based on the consensus revenue assumptions determined in May 2022 and do not include assumptions related to any monthly revenue adjustments reported since that time.

Table 1 lists the FY 2022-23 Gross appropriation amounts by budget area for each of the Conference Reports. Table 2 lists the FY 2022-23 GF/GP appropriation amounts by budget area for the two Conference Reports. Included in the General omnibus, HB 5783, are FY 2021-22 supplemental appropriations for various State budget areas. The Conference Report for SB 845 also includes an FY 2021-22 supplemental for school aid and universities. Table 3 summarizes the FY 2021-22 supplemental appropriations.

**Estimated Year-End Balances: General Fund/General Purpose (GF/GP)**

The FY 2021-22 and FY 2022-23 GF/GP balance sheet is outlined in Table 4 and is based on the May 2022 consensus revenue estimate of \$14.2 billion for FY 2021-22 (which is \$1.7 billion more than the January 2022 consensus estimate), and \$14.0 billion for FY 2022-23 (which is \$1.1 billion more than the January 2022 consensus estimate). For FY 2021-22, ongoing discretionary State revenue sharing payments reduce GF/GP revenue by \$500.3 million. The FY 2022-23 balance sheet increases ongoing State revenue sharing payments by 5.0% resulting in an additional GF/GP revenue reduction of \$24.7 million, bringing discretionary State revenue sharing payments to a total of \$525.0 million. Additionally, the FY 2022-23 balance sheet assumes ongoing funding for holding local units of government harmless from increases in personal property tax exemptions (\$75.0 million) and an earmark of \$15.0 million for secondary road patrol, along with other smaller adjustments. Based on these assumptions and including the \$5.8 billion estimated beginning balance, total FY 2022-23 estimated GF/GP revenue is \$19.2 billion.

On the expenditure side of the FY 2022-23 GF/GP balance sheet, the \$15.4 billion of spending in the Conference Reports (which also includes GF/GP boilerplate appropriations in Treasury and a deposit in the School Aid budget for teacher recruitment, neither of which are reflected in Tables 1 or 2) represents an increase of \$1.5 billion, or 12.5%, above current FY 2021-22 GF/GP appropriations (excluding appropriations for the Budget Stabilization Fund and proposed FY 2021-22 supplementals). If the FY 2021-22 supplementals included in the Conference Reports, and the additional \$180.0 million Budget Stabilization Fund deposit are taken into account, comparing FY 2022-23 estimated GF/GP revenue to

FY 2022-23 estimated GF/GP expenditures shows an FY 2022-23 projected year-end GF/GP balance of \$3.8 billion (\$1.4 billion ongoing, \$2.4 billion one-time) which is available to carry forward into subsequent fiscal years.

**Table 1**  
**FY 2021-22 and FY 2022-23 Gross Appropriations**  
**(includes both ongoing and one-time appropriations)**

Department/Budget Area	FY 2021-22 Year-to-Date	FY 2022-23 Conference Reports	FY 2022-23 Conference Change to FY 22 YTD	
			\$	%
Agriculture and Rural Development.....	\$155,685,300	\$187,715,100	\$32,029,800	20.6%
Attorney General.....	112,468,800	118,273,000	5,804,200	5.2
Capital Outlay .....	10,000,000	487,400,000	477,400,000	4,774.0
Civil Rights .....	17,834,100	21,601,600	3,767,500	21.1
Community Colleges.....	431,417,000	530,258,000	98,841,000	22.9
Corrections.....	2,065,873,000	2,125,068,000	59,195,000	2.9
Education .....	1,928,277,900	420,581,000	(1,507,696,900)	(78.2)
Environment, Great Lakes, and Energy.....	2,644,068,500	728,654,300	(1,915,414,200)	(72.4)
Executive.....	7,318,600	8,533,600	1,215,000	16.6
Health and Human Services .....	33,183,378,600	33,387,315,600	203,937,000	0.6
Higher Education .....	1,807,751,200	2,022,135,700	214,384,500	11.9
Insurance and Financial Services.....	72,987,600	74,335,500	1,347,900	1.8
Judiciary .....	320,463,100	483,505,700	163,042,600	50.9
Labor and Economic Opportunity .....	4,426,922,600	2,900,346,000	(1,526,576,600)	(34.5)
Legislature .....	213,762,800	215,282,900	1,520,100	0.7
Licensing and Regulatory Affairs .....	542,236,400	539,834,400	(2,402,000)	(0.4)
Military and Veterans Affairs .....	220,852,600	347,366,000	126,513,400	57.3
Natural Resources .....	914,341,400	535,482,800	(378,858,600)	(41.4)
Natural Resources (Trust Fund) .....	0	0	0	-
School Aid.....	17,015,438,700	19,602,716,400	2,587,277,700	15.2
State.....	252,164,300	255,196,700	3,032,400	1.2
State Police.....	861,146,100	823,705,800	(37,440,300)	(4.3)
Technology, Management, and Budget.....	1,738,669,800	1,835,139,700	96,469,900	5.5
Transportation.....	6,074,601,700	6,104,448,900	29,847,200	0.5
Treasury-Debt Service .....	99,064,000	100,084,100	1,020,100	1.0
Treasury-Operations .....	1,358,035,900	1,579,358,500	221,322,600	16.3
Treasury-Revenue Sharing.....	1,917,298,600	1,567,121,100	(350,177,500)	(18.3)
<b>Total Appropriations.....</b>	<b>\$78,392,058,600</b>	<b>\$77,001,460,400</b>	<b>(\$1,390,598,200)</b>	<b>(1.8%)</b>

**Table 2**  
**FY 2021-22 and FY 2022-23 GF/GP Appropriations**  
**(includes both ongoing and one-time appropriations)**

Department/Budget Area	FY 2021-22 Year-to-Date	FY 2022-23 Conference Reports	FY 2022-23 Conference	
			Change to FY 22 YTD	
			\$	%
Agriculture and Rural Development.....	\$97,366,900	\$122,989,800	\$25,622,900	26.3%
Attorney General.....	47,126,000	51,429,800	4,303,800	9.1
Capital Outlay .....	0	109,000,000	109,000,000	-
Civil Rights .....	14,607,300	18,633,500	4,026,200	27.6
Community Colleges.....	0	0	0	-
Corrections.....	2,005,369,400	2,080,208,300	74,838,900	3.7
Education .....	102,508,100	99,591,500	(2,916,600)	(2.8)
Environment, Great Lakes, and Energy.....	292,945,200	98,835,800	(194,109,400)	(66.3)
Executive.....	7,318,600	8,533,600	1,215,000	16.6
Health and Human Services .....	5,448,429,200	6,190,678,600	742,249,400	13.6
Higher Education .....	1,317,821,500	1,545,721,000	227,899,500	17.3
Insurance and Financial Services.....	0	0	0	-
Judiciary .....	209,280,900	370,774,900	161,494,000	77.2
Labor and Economic Opportunity .....	1,614,115,800	1,411,699,900	(202,415,900)	(12.5)
Legislature .....	200,134,300	200,904,800	770,500	0.4
Licensing and Regulatory Affairs .....	209,195,900	213,822,400	4,626,500	2.2
Military and Veterans Affairs .....	78,758,800	127,465,000	48,706,200	61.8
Natural Resources .....	48,612,500	94,404,000	45,791,500	94.2
Natural Resources (Trust Fund) .....	0	0	0	-
School Aid.....	91,650,000	112,000,000	20,350,000	22.2
State.....	12,435,600	12,679,300	243,700	2.0
State Police .....	527,822,500	552,709,200	24,886,700	4.7
Technology, Management, and Budget.....	517,745,100	657,109,000	139,363,900	26.9
Transportation.....	88,100,000	66,250,000	(21,850,000)	(24.8)
Treasury-Debt Service .....	99,064,000	100,084,100	1,020,100	1.0
Treasury-Operations .....	447,814,200	1,036,440,500	588,626,300	131.4
Treasury-Revenue Sharing.....	46,433,000	0	(46,433,000)	(100.0)
<b>Total Appropriations.....</b>	<b>\$13,524,654,800</b>	<b>\$15,281,965,000</b>	<b>\$1,757,310,200</b>	<b>13.0%</b>

Table 3

**Article 15: FY 2021-22 Supplemental Appropriations from House Bill 5783 (H-2) CR-1 and Supplemental Appropriations from Senate Bill 845 (H-1) CR-1 for Higher Education and School Aid**

Department/Budget Area	FY 2021-22				
	FY 2021-22 Gross Appropriation	FY 2021-22 Federal Non-SFRF Appropriations	FY 2021-22 Federal SFRF Appropriation	FY 2021-22 Other Appropriation	FY 2021-22 GF/GP Appropriation
Capital Outlay (SFRF)	\$260,000,000	\$0	\$260,000,000	\$0	\$0
Civil Rights	500,000	0	0	0	500,000
Corrections	0	0	883,000,000	0	(883,000,000)
Education	11,600,000	10,300,000	0	1,300,000	0
Environment, Great Lakes, and Energy	6,500,000	0	0	6,500,000	0
Health and Human Services	1,741,063,300	2,403,946,600	0	31,271,500	(694,154,800)
Higher Education (SB 845)	300,000,000	0	0	300,000,000	0
Judiciary	7,000,000	(55,000)	7,000,000	0	55,000
Labor and Economic Opportunity	43,840,400	27,340,400	0	0	16,500,000
Legislature	2,200,000	0	0	0	2,200,000
Licensing and Regulatory Affairs	1,125,000	625,000	0	0	500,000
Military and Veterans Affairs	251,400	0	0	0	251,400
Natural Resources	14,864,900	7,756,300	0	6,263,200	845,400
School Aid	65,330,000	426,756,000	(6,000,000)	(361,895,400)	6,469,400
State	600,000	0	0	0	600,000
State Police	79,441,800	7,000,000	23,000,000	1,575,000	47,866,800
Technology, Management, and Budget	18,984,000	0	0	3,184,000	15,800,000
Transportation	12,350,000	0	0	350,000	12,000,000
Treasury	14,500,000	0	0	0	14,500,000
<b>Total Supplemental</b>	<b>\$2,580,150,800</b>	<b>\$2,883,669,300</b>	<b>\$1,167,000,000</b>	<b>(\$11,451,700)</b>	<b>(\$1,459,066,800)</b>

**Estimated Year-End Balances: School Aid Fund (SAF)**

Table 5 provides the FY 2021-22 and FY 2022-23 SAF balance sheet using the May 2022 consensus revenue estimate of \$17.3 billion for FY 2021-22 (which is \$1.3 billion above the January 2022 consensus estimate), and \$17.2 billion for FY 2022-23 (which is \$948.7 million above the January 2022 consensus estimate). The balance sheet outlined in Table 5 reflects the Conference Report for school aid, higher education, and community colleges included in SB 845 (H-1) CR-1. For FY 2022-23, other ongoing SAF revenue adjustments include a \$47.5 million GF/GP grant; \$72.0 million from the Community District Education Trust Fund to pay the additional foundation allowance costs while the Detroit Public Schools' existing 18-mill property tax levy is diverted to pay off debt; and \$1.8 billion of Federal aid. Additionally, revenue includes \$414.2 million in Federal stimulus, \$19.5 million of GF/GP to support Detroit Public School Community District costs in excess of the Community District Education Trust Fund, additional Federal funds of \$359.0 million, additional GF/GP one-time funds of \$95.0 million, and Michigan Public School Employees' Retirement System (MPSERS) reserve funds of \$140.4 million.

On the expenditure side of the FY 2022-23 SAF balance sheet, there are \$17.2 billion of ongoing K-12 appropriations (including State plus Federal), \$2.4 billion in one-time K-12 appropriations, \$531.2 million of one-time and ongoing community college appropriations, and appropriations of \$347.9 million for universities.

In addition, for FY 2021-22, \$300.0 million SAF is appropriated for higher education MPSERS retirement costs, which will assist with maintenance of effort costs associated with Federal stimulus dollars.

Comparing estimated FY 2022-23 SAF revenue to estimated FY 2022-23 SAF expenditures shows an FY 2022-23 projected year-end SAF balance of \$3.2 billion (\$1.1 billion ongoing, \$2.1 billion one-time).

**Table 4**  
**General Fund/General Purpose (GF/GP)**  
**Revenue, Expenditures, and Year-End Balance Estimates**  
**(millions of dollars)**

	Conference FY 2021-22	Conference FY 2022-23
<b>Revenue:</b>		
Beginning Balance .....	\$4,362.8	\$5,800.1
<u>Ongoing Revenue:</u>		
Consensus Revenue Estimate (January 2022) .....	\$12,449.7	\$12,892.1
Consensus Revenue Estimate Change (May 2022) .....	1,730.0	1,081.4
Consensus Revenue Estimate (May 2022) .....	\$14,179.7	\$13,973.5
<u>Other Revenue Adjustments:</u>		
Adjustments (PPT hold harmless, Secondary Road Patrol) .....	\$0.0	(\$90.0)
Revenue Sharing Payments .....	(500.3)	(525.0)
Subtotal Ongoing Revenue .....	\$13,679.4	\$13,358.5
<u>Non-Ongoing Revenue:</u>		
Legal Settlements/Redirection of Restricted Revenue .....	(\$2.6)	(\$2.6)
Revenue Sharing One-Time Payments .....	0.0	(5.0)
Subtotal Non-Ongoing Revenue .....	(\$2.6)	(\$7.6)
<b>Total Estimated GF/GP Revenue .....</b>	<b>\$18,039.6</b>	<b>\$19,151.0</b>
<b>Expenditures:</b>		
<u>Ongoing Appropriations:</u>		
Initial Appropriations/Senate-Passed Appropriations .....	\$10,910.9	\$11,943.3
Subtotal Ongoing Appropriations .....	\$10,910.9	\$11,943.3
<u>One-Time and Other Appropriations:</u>		
Estimated One-Time Appropriations .....	\$736.2	\$3,288.6
BSF Deposit .....	180.0	0.0
Enacted FY 2021-22 Supplementals .....	1,741.0	0.0
DHHS CREC Caseloads .....	(781.1)	0.0
Additional HB 5783 supplemental spending (on top of DHHS) .....	(684.1)	0.0
Treasury boilerplate appropriation .....	0.0	50.0
Ongoing GF Contribution to K-12 .....	70.9	50.0
Additional K-12 GF / GF Deposit for Teacher Recruitment .....	14.5	45.0
Additional GF for K-12 / GF .....	6.2	0.0
Flint Settlement Debt Service .....	35.0	0.0
PA 87 of 2021 Boilerplate Appropriations (EGLE) .....	10.0	0.0
Subtotal One-Time and Other Appropriations .....	\$1,328.6	\$3,433.6
<b>Total Estimated GF/GP Expenditures .....</b>	<b>\$12,239.5</b>	<b>\$15,377.0</b>
<b>Projected Year-End GF/GP Balance (Total) .....</b>	<b>\$5,800.1</b>	<b>\$3,774.0</b>
<b>Projected Year-End GF/GP Balance (Ongoing) .....</b>		<b>\$1,365.2</b>
<b>Projected Year-End GF/GP Balance (One-time) .....</b>		<b>\$2,408.9</b>

**Table 5**  
**School Aid Fund (SAF)**  
**Revenue, Expenditures, and Year-End Balance Estimates**  
**(millions of dollars)**

	<b>Conference FY 2021-22</b>	<b>Conference FY 2022-23</b>
<b>Revenue:</b>		
Beginning Balance .....	\$2,922.3	\$3,524.6
<u>Ongoing Revenue:</u>		
Consensus Revenue Estimate (January 2022) .....	\$16,078.2	\$16,246.6
Consensus Revenue Estimate Change (May 2022) .....	1,262.4	948.7
Consensus Revenue Estimate (May 2022) .....	\$17,340.6	\$17,195.3
<u>Other Revenue Adjustments:</u>		
Adjustments .....	\$0.0	\$0.0
General Fund/General Purpose (GF/GP) Grant .....	77.1	47.5
Community District Education Trust Fund .....	72.0	72.0
Federal Ongoing Aid .....	1,822.5	1,832.2
Subtotal Ongoing Revenue .....	\$19,312.2	\$19,147.0
<u>Non-Ongoing Revenue:</u>		
Federal Stimulus .....	\$202.0	\$414.2
Additional Federal Funds .....	427.2	359.0
MPERS Reserve Fund .....	0.0	140.4
Additional GF/GP .....	0.0	95.0
GF/GP for DPSCD Additional Cost Exceeding CDTF \$72m/year .....	14.5	19.5
Subtotal Non-Ongoing Revenue .....	643.7	1,028.1
<b>Total Estimated School Aid Fund Revenue.....</b>	<b>\$22,878.2</b>	<b>\$23,699.7</b>
<b>Expenditures:</b>		
<u>Ongoing Appropriations:</u>		
Initial Ongoing K-12 Appropriations .....	\$14,528.5	\$15,029.1
School Aid Federal Funds.....	2,024.5	2,191.2
State Funds Cost Adjustments (May 2022) .....	(355.7)	0.0
Federal Funds Cost Adjustments (May 2022) .....	368.7	0.0
Fund Community Colleges with SAF .....	428.2	449.1
Partially Fund Higher Education with SAF .....	361.4	347.9
Subtotal Ongoing Appropriations .....	\$17,355.6	\$18,017.3
<u>One-Time and Other Appropriations:</u>		
Initial One-Time K-12 Appropriations .....	\$425.1	\$2,382.4
Initial One-Time Community Colleges Appropriations .....	3.2	81.2
Fund deposits (MPERS, Consolidation, Teacher Recruitment) .....	1,180.0	0.0
University MPERS .....	300.0	0.0
FY 22 Supplementals .....	89.7	0.0
Subtotal One-Time and Other Appropriations .....	\$1,998.1	\$2,463.6
<b>Total Estimated School Aid Fund Expenditures.....</b>	<b>\$19,353.6</b>	<b>\$20,480.9</b>
<b>Projected Year-End SAF Balance (Total)</b>	<b>\$3,524.6</b>	<b>\$3,218.8</b>
<b>Projected Year-End SAF Balance (Ongoing)</b>		\$1,129.7
<b>Projected Year-End SAF Balance (One-time)</b>		\$2,089.1

The Senate Fiscal Agency website (<http://www.senate.michigan.gov/sfa/>) includes detailed decision documents for each budget area, and the Agency will publish a comprehensive report on the initial FY 2022-23 appropriations after the Governor signs the budget into law. In the meantime, if you have any questions, please contact me at 373-2768 or [ksummers@senate.michigan.gov](mailto:ksummers@senate.michigan.gov).

/lms

c: Tom Davis, Senate Majority Policy Office  
 David Ettinger, Senate Democratic Office  
 Senate Fiscal Agency Fiscal Analysts