

SENATE FISCAL AGENCY
MEMORANDUM



DATE: June 27, 2024
TO: Members of the Michigan Senate
FROM: Kathryn R. Summers, Director
RE: Summary of the FY 2024-25 Appropriations Conference Reports

The Conference Committees for the Senate- and House-passed omnibus Conference Reports for the fiscal year (FY) 2024-25 State budget met on June 27, 2024. This memo provides a summary of those reports.

General Omnibus (Excluding School Aid, Higher Education, Community Colleges)

The General omnibus budget is contained in Senate Bill (SB) 747 CR-1. The SB 747 Conference Report includes FY 2024-25 Gross appropriations of \$59.1 billion and General Fund/General Purpose (GF/GP) appropriations of \$12.9 billion for State departments and budget areas. Funding for school aid, higher education, and community colleges is included in the Conference Report for House Bill (HB) 5507 CR-1, which includes FY 2024-25 Gross appropriations of \$23.4 billion and GF/GP appropriations of \$1.9 billion. Combined, the FY 2024-25 Gross appropriations for the entire State budget are \$82.5 billion, or \$858.4 million (1.1%), above the FY 2023-24 year-to-date amount (using a year-to-date spending level as of February 7, 2024, when the Executive budget was released). The combined GF/GP appropriations are \$14.9 billion, or \$309.9 million (2.0%), below the FY 2023-24 year-to-date amount (as of 2/7/24).

The Conference Reports are based on the consensus revenue assumptions determined in May 2024 and do not include assumptions related to any monthly revenue adjustments reported since that time.

Table 1 lists the FY 2024-25 Gross appropriation amounts by budget area for the two Conference Reports. Table 2 lists the FY 2024-25 GF/GP appropriation amounts by budget area for the two Conference Reports. Included in the General omnibus, SB 747, are FY 2023-24 supplemental appropriations for various State budget areas and Capital Outlay. The Conference Report for HB 5507 also includes an FY 2023-24 supplemental for school aid and community colleges. Table 3 summarizes the FY 2023-24 supplemental appropriations.

Estimated Year-End Balances: General Fund/General Purpose

The FY 2023-24 and FY 2024-25 GF/GP balance sheet is outlined in Table 4 and is based on the May 2024 consensus revenue estimates. If the FY 2023-24 supplementals included in the Conference Reports are accounted for, comparing FY 2024-25 estimated GF/GP revenue to FY 2024-25 estimated GF/GP expenditures shows an FY 2024-25 projected year-end GF/GP balance of \$319.3 million, which would be available to carry forward into subsequent fiscal years.

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

Table 5 provides the FY 2023-24 and FY 2024-25 SAF balance sheet using the May 2024 consensus revenue estimates. The balance sheet outlined in Table 5 reflects the Conference Report for school aid, higher education, and community colleges included in HB 5507 CR-1.

Comparing estimated FY 2024-25 SAF revenue to estimated FY 2024-25 SAF expenditures shows an FY 2024-25 projected year-end SAF balance of \$30.8 million.



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 2024-25 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.

/lms

c: Lori Dey, Senate Majority Staff
Tom Davis, Senate Republican Staff
Senate Fiscal Agency Fiscal Analysts

Table 1
FY 2023-24 and FY 2024-25 Gross Appropriations
(includes both ongoing and one-time appropriations)

Department/Budget Area	FY 2023-24 Year-to-Date*	FY 2024-25 Conference Reports	FY 2024-25 Conference Change to FY 2023-24 YTD	
			Dollars	Percent
Agriculture and Rural Development.....	\$168,612,700	\$156,938,900	(\$11,673,800)	(6.9%)
Attorney General.....	142,798,400	129,746,700	(13,051,700)	(9.1)
Capital Outlay	0	0	0	0.0
Civil Rights	31,710,000	29,163,500	(2,546,500)	(8.0)
Community Colleges.....	544,517,500	462,220,800	(82,296,700)	(15.1)
Corrections.....	2,086,250,000	2,147,379,000	61,129,000	2.9
Education	647,380,900	164,975,100	(482,405,800)	(74.5)
Environment, Great Lakes, and Energy.....	1,051,611,900	1,039,098,600	(12,513,300)	(1.2)
Executive.....	8,905,400	9,337,100	431,700	4.8
Health and Human Services	35,734,583,000	37,646,231,100	1,911,648,100	5.3
Higher Education	2,291,048,800	2,324,292,600	33,243,800	1.5
Insurance and Financial Services.....	74,147,900	78,621,400	4,473,500	6.0
Judiciary	355,928,200	373,441,400	17,513,200	4.9
Labor and Economic Opportunity	2,867,264,800	2,429,969,500	(437,295,300)	(15.3)
Legislature	222,094,000	231,881,000	9,787,000	4.4
Licensing and Regulatory Affairs	627,940,900	648,739,000	20,798,100	3.3
Lifelong Educ., Adv., and Potential.....	0	643,994,200	643,994,200	0.0
Military and Veterans Affairs.....	248,340,400	275,904,100	27,563,700	11.1
Natural Resources	572,248,100	534,579,800	(37,668,300)	(6.6)
Natural Resources (Trust Fund)	0	0	0	0.0
School Aid.....	21,459,651,300	20,644,275,400	(815,375,900)	(3.8)
State.....	304,209,500	291,839,900	(12,369,600)	(4.1)
State Police	893,341,100	953,108,500	59,767,400	6.7
Technology, Management, and Budget.....	2,056,657,600	1,796,825,200	(259,832,400)	(12.6)
Transportation	6,626,549,900	6,807,900,300	181,350,400	2.7
Treasury-Debt Service	100,084,100	95,087,000	(4,997,100)	(5.0)
Treasury-Operations	877,625,300	832,673,100	(44,952,200)	(5.1)
Treasury-Revenue Sharing.....	1,671,783,800	1,775,490,100	103,706,300	6.2
Total Gross Appropriations	\$81,665,285,500	\$82,523,713,300	\$858,427,800	1.1%

*Year-to-Date: As of February 7, 2024

Table 2
FY 2023-24 and FY 2024-25 GF/GP Appropriations
(includes both ongoing and one-time appropriations)

Department/Budget Area	FY 2023-24 Year-to-Date*	FY 2024-25 Conference Reports	FY 2024-25 Conference Change to FY 2023-24 YTD	
			Dollars	Percent
Agriculture and Rural Development.....	\$92,781,800	\$89,056,400	(\$3,725,400)	(4.0%)
Attorney General.....	75,726,000	57,409,100	(18,316,900)	(24.2)
Capital Outlay	0	0	0	0.0
Civil Rights	28,741,900	26,195,400	(2,546,500)	(8.9)
Community Colleges.....	0	500,000	500,000	0.0
Corrections.....	2,029,495,900	2,097,010,100	67,514,200	3.3
Education	130,652,500	63,896,100	(66,756,400)	(51.1)
Environment, Great Lakes, and Energy.....	245,952,100	260,710,300	14,758,200	6.0
Executive.....	8,905,400	9,337,100	431,700	4.8
Health and Human Services	6,464,135,400	6,717,231,000	253,095,600	3.9
Higher Education	1,677,754,100	1,859,424,300	181,670,200	10.8
Insurance and Financial Services.....	0	0	0	0.0
Judiciary	250,218,100	266,113,900	15,895,800	6.4
Labor and Economic Opportunity	1,301,508,000	801,744,400	(499,763,600)	(38.4)
Legislature	207,140,800	216,180,100	9,039,300	4.4
Licensing and Regulatory Affairs	271,331,100	308,605,700	37,274,600	13.7
Lifelong Educ., Adv., and Potential.....	0	136,489,300	136,489,300	0.0
Military and Veterans Affairs	98,889,300	117,694,100	18,804,800	19.0
Natural Resources	88,054,500	76,757,000	(11,297,500)	(12.8)
Natural Resources (Trust Fund)	0	0	0	0.0
School Aid.....	87,900,000	78,830,600	(9,069,400)	(10.3)
State.....	13,324,700	11,969,100	(1,355,600)	(10.2)
State Police.....	607,564,000	646,861,000	39,297,000	6.5
Technology, Management, and Budget.....	832,699,500	539,964,000	(292,735,500)	(35.2)
Transportation.....	288,100,000	193,000,000	(95,100,000)	(33.0)
Treasury-Debt Service	100,084,100	95,087,000	(4,997,100)	(5.0)
Treasury-Operations	292,586,100	213,568,700	(79,017,400)	(27.0)
Treasury-Revenue Sharing.....	0	0	0	0.0
Total GF/GP Appropriations	\$15,193,545,300	\$14,883,634,700	(\$309,910,600)	(2.0%)

*Year-to-Date: As of February 7, 2024

Table 3

Article 16: FY 2023-24 Supplemental Appropriations Senate Bill 747 (CR-1)					
Department/Budget Area	FY 2023-24				
	FY 2023-24 Gross Appropriation	Federal Non-SFRF Appropriations	FY 2023-24 Federal SFRF Appropriation	FY 2023-24 Other Appropriation	FY 2023-24 GF/GP Appropriation
Agriculture and Rural Dev.	\$5,780,100	\$5,000,000	\$0	\$0	\$780,100
Attorney General	563,000	0	0	0	563,000
Capital Outlay	500	0	0	0	500
Civil Rights	209,300	0	0	0	209,300
Corrections	12,077,000	0	36,000,000	0	(23,923,000)
Education	35,121,200	34,812,000	0	0	309,200
Env., Great Lakes, and Energy	195,133,100	192,794,200	0	1,336,000	1,002,900
Executive	167,900	0	0	0	167,900
Health and Human Services	1,582,699,400	533,329,900	0	833,743,000	215,626,500
Judiciary	2,071,400	0	0	0	2,071,400
Labor and Economic Opportunity	543,159,400	66,650,500	160,000,000	154,582,000	161,926,900
Legislature	3,331,200	0	0	0	3,331,200
Licensing and Regulatory Affairs	511,200	0	0	0	511,200
Military and Veterans Affairs	3,796,700	750,000	0	0	3,046,700
Natural Resources	6,461,900	0	0	3,600,000	2,861,900
State	7,808,800	5,720,000	0	1,146,500	942,300
State Police	23,744,000	0	0	8,000,000	15,744,000
Tech., Management, and Budget	4,265,900	100	0	200	4,265,600
Transportation	8,373,600	0	0	0	8,373,600
Treasury	60,001,200	0	0	1,110,000	58,891,200
Total Supplemental	\$2,495,276,800	\$839,056,700	\$196,000,000	\$1,003,517,700	\$456,702,400

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

	Enacted/ Projected FY 2023-24	Conf. Report 6/26/2024 FY 2024-25
Revenue:		
Beginning Balance.....	\$3,925.2	\$1,698.7
<u>Ongoing Revenue:</u>		
CREC Forecast May 2024.....	\$13,948.8	\$14,257.8
SFA Adjustments: Restore temp. revenue losses to baseline (May 2024)	778.4	550.0
Adjusted CREC Forecast Ongoing Revenue Estimate (May 2024).....	\$14,727.2	\$14,807.8
<u>Other Ongoing Revenue Adjustments:</u>		
Ongoing Revenue Adjustment (settlement agreement)	(\$25.0)	(\$25.0)
Public Safety Trust Fund	0.0	(75.0)
Revenue Sharing Payments + FDCVT.....	(552.2)	(627.2)
Subtotal Ongoing Revenue	\$14,150.0	\$14,080.6
<u>Non-Ongoing Revenue:</u>		
Redirection of Restricted Revenue.....	(\$2.6)	(\$2.6)
Lapses and VMF	398.1	65.0
Three-year RAP earmark	(50.0)	(50.0)
Three-year CIT SOAR earmark.....	(500.0)	(500.0)
Income tax reduction (ie, trigger) - 1-year impact.....	(228.4)	0.0
Revenue Sharing One-Time Payments.....	(10.5)	0.0
Subtotal Non-Ongoing Revenue.....	(\$393.4)	(\$487.6)
Total Estimated GF/GP Revenue Including Beginning Balance	\$17,681.8	\$15,291.7
Total Estimated GF/GP Revenue Excluding Beginning Balance.....	\$13,756.6	\$13,593.0
Expenditures:		
<u>Ongoing Appropriations:</u>		
Initial/Baseline Appropriations	\$12,757.6	\$13,605.7
Potential Policy Bill Discussions	0.0	20.0
Ongoing Community District Trust Fund GF payment	33.7	70.2
Subtotal Ongoing Appropriations.....	\$12,791.3	\$13,695.9
<u>One-Time and Other Appropriations:</u>		
One-Time Appropriations	\$2,436.0	\$1,276.5
BSF Deposit*	100.0	0.0*
Reserve for Federal Reimbursement (UIA).....	142.0	0.0
Supplemental PA 321 of 2023.....	103.7	0.0
Estimated Lapses of Items being Reappropriated in PA 321.....	(36.5)	0.0
Additional Proposed Supplemental Spending in SB 747	446.7	0.0
Subtotal One-Time and Other Appropriations	\$3,191.9	\$1,276.5
Total Estimated GF/GP Expenditures.....	\$15,983.2	\$14,972.3
Projected Year-End GF/GP Balance	\$1,698.7	\$319.3

*The first \$50.0 million of FY 2023-24 GF/GP lapses will be deposited into the BSF for FY 2024-25.

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

	Enacted/ Projected FY 2023-24	Conf. Report 6/26/2024 FY 2024-25
Revenue:		
Beginning Balance	\$2,192.5	\$405.7
<u>Ongoing Revenue:</u>		
CREC Forecast May 2024	\$17,783.6	\$18,146.9
SFA Adjustments: Remove temp. revenue gains from baseline (May 2024)	(9.7)	0.0
Adjusted CREC Forecast Ongoing Revenue Estimate (May 2024)	\$17,773.9	\$18,146.9
<u>Other Revenue Adjustments:</u>		
General Fund/General Purpose (GF/GP) Grant	\$49.6	\$50.1
Community District Education Trust Fund	72.0	41.0
Federal Ongoing Aid	2,204.8	2,272.8
Subtotal Ongoing Revenue	\$20,100.3	\$20,510.8
<u>Non-Ongoing Revenue:</u>		
Income tax reduction (ie, trigger)	\$9.7	\$0.0
MPSERS Reserve Fund	240.7	334.1
SAF BSF Deposit	0.0	(25.0)
Infrastructure and Consolidation Fund	248.0	0.0
Transportation Reserve Fund	125.0	125.0
School Meals Reserve Fund	60.0	0.0
Additional Meals Reserve	30.0	30.0
Enrollment Stability Reserve Fund	71.0	71.0
GSRP Reserve Fund	18.0	18.0
Educator Fellowship Public Provider Fund	0.0	30.0
Additional One-Time GF/GP	38.5	28.7
Proposed Repurposing of GEER	14.3	0.0
GF/GP for DPSCD Additional Cost Exceeding CDTF \$72m/year	33.7	70.2
Subtotal Non-Ongoing Revenue	\$888.8	\$682.0
Total Estimated SAF Revenue Including Beginning Balance	\$23,181.6	\$21,598.5
Total Estimated SAF Revenue Excluding Beginning Balance	\$20,989.1	\$21,192.8
Expenditures:		
<u>Ongoing Appropriations:</u>		
Initial Ongoing K-12 Appropriations	\$16,934.8	\$17,187.6
School Aid Federal Funds	2,204.8	2,272.8
State Funds Cost Adjustments	51.0	0.0
Community Colleges	496.2	456.7
Higher Education	452.3	451.7
Subtotal Ongoing Appropriations	\$20,139.0	\$20,368.7
<u>One-Time and Other Appropriations:</u>		
Initial One-Time K-12 SAF Appropriations	\$2,324.1	\$1,183.9
Initial One-Time Community Colleges Appropriations	48.4	5.1
Initial One-Time University Appropriations	30.0	10.0
Michigan School for the Deaf	40.0	0.0
Enacted Supplemental SB 174	122.1	0.0
Supplemental in HB 5507	72.4	0.0
Subtotal One-Time and Other Appropriations	\$2,636.9	\$1,199.0
Total Estimated School Aid Fund Expenditures	\$22,776.0	\$21,567.7
Projected Year-End SAF Balance	\$405.7	\$30.8