

**SENATE FISCAL AGENCY  
MEMORANDUM**



**DATE:** September 21, 2021  
**TO:** Members of the Senate  
**FROM:** Christopher Harkins, Director  
**RE:** Summary of the FY 2021-22 Appropriations Conference Reports

The Conference Committees for the Senate and House passed omnibus Conference Reports for the fiscal year (FY) 2021-22 State budget on September 21. This memo provides a summary of those reports. The Legislature previously acted on the FY 2021-22 School Aid budget, which is Public Act (PA) 48 of 2021, and will now consider the Conference Reports for the remaining State budget.

The General omnibus budget is contained in Senate Bill (SB) 82 (S-3) CR-1. The SB 82 Conference Report includes FY 2021-22 Gross appropriations of \$50.7 billion and General Fund/General Purpose (GF/GP) appropriations of \$10.4 billion for State departments and budget areas. Funding for higher education and community colleges is included in the Conference Report for House Bill (HB) 4400 (H-2) (CR-1) which includes FY 2021-22 Gross appropriations of \$2.2 billion and GF/GP appropriations of \$1.3 billion. When combined with the enacted school aid appropriations in PA 48 of 2021, the FY 2021-22 Gross appropriations for the entire State budget are \$4.0 billion, or 5.3%, below the FY 2020-21 year-to-date amount (using a year-to-date spend as of August 1, 2021), while the GF/GP appropriations are \$793.6 million, or 7.2%, above the FY 2020-21 year-to-date amount. The decline in Gross spending is due primarily to one-time Federal funds being appropriated in FY 2020-21 that were not continued into FY 2021-22.

The Conference Reports are based on the consensus revenue assumptions determined in May 2021 and do not include assumptions related to any monthly revenue adjustments reported since that time.

Table 1 lists the FY 2021-22 Gross appropriation amounts by budget area for each of the Conference Reports. Table 2 lists the FY 2021-22 GF/GP appropriation amounts by budget area for the two Conference Reports. Included in the General omnibus, SB 82 CR-1, are FY 2020-21 supplemental appropriations for various State budget areas. The Conference Report for HB 4400 also includes an FY 2020-21 supplemental for universities and community colleges. Table 3 summarizes the FY 2020-21 supplemental appropriations.

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

The FY 2020-21 and FY 2021-22 GF/GP balance sheet is outlined in Table 4 and is based on the May 2021 consensus revenue estimate of \$11.3 billion for FY 2020-21 (which is \$1.0 billion more than the January 2021 consensus estimate), and \$11.7 billion for FY 2021-22 (which is \$776.0million more than the January 2021 consensus estimate). For FY 2020-21, ongoing discretionary State revenue sharing payments reduce GF/GP revenue by \$490.1 million. The FY 2021-22 balance sheet increases ongoing State revenue sharing payments by 2.0% resulting in an additional GF/GP revenue reduction of \$9.8 million, bringing discretionary State revenue sharing payments to a total of \$500.3 million. Additionally, the FY 2021-22 balance sheet assumes \$75.0 million from the continued repurchasing of Venture Michigan II vouchers. Based on these assumptions and including the \$2.4 billion estimated beginning balance, total FY 2021-22 estimated GF/GP revenue is \$13.6 billion.

On the expenditure side of the FY 2021-22 GF/GP balance sheet, the \$11.8 billion of appropriations in the Conference Reports and PA 48 of 2021 represents an increase of \$793.6 million, or 7.2%, above current FY 2020-21 GF/GP appropriations (excluding appropriations for the Budget Stabilization Fund and proposed FY 2020-21 supplementals). If the FY 2020-21 supplementals included in the Conference Reports, and the additional \$500.0 million Budget Stabilization Fund deposit are taken into account, comparing FY 2021-22 estimated GF/GP revenue to FY 2021-22 estimated GF/GP expenditures shows an FY 2021-22 projected year-end GF/GP balance of \$1.7 billion which is available to carry forward into subsequent fiscal years.



**Table 1**  
**FY 2020-21 and FY 2021-22 Gross Appropriations**  
**(includes both ongoing and one-time appropriations)**

Department/Budget Area	FY 2020-21 Year-to-Date	FY 2021-22 Conference Reports	FY 2021-22 Conference Change to FY 21 YTD	
			\$	%
Agriculture and Rural Development.....	\$121,795,000	\$155,560,300	\$33,765,300	27.7
Attorney General.....	106,828,600	108,398,800	1,570,200	1.5
Capital Outlay .....	1,000	0	(1,000)	(100.0)
Civil Rights .....	18,037,400	17,834,100	(203,300)	(1.1)
Community Colleges.....	425,667,600	431,917,000	6,249,400	1.5
Corrections.....	2,060,788,400	2,065,873,000	5,084,600	0.2
Education .....	556,695,700	1,912,027,900	1,355,332,200	243.5
Environment, Great Lakes and Energy.....	511,359,200	689,770,700	178,411,500	34.9
Executive.....	7,114,300	7,318,600	204,300	2.9
Health and Human Services .....	31,903,978,600	31,667,058,000	(236,920,600)	(0.7)
Higher Education .....	1,699,925,400	1,808,251,200	108,325,800	6.4
Insurance and Financial Services.....	98,315,700	72,987,600	(25,328,100)	(25.8)
Judiciary .....	313,641,200	320,463,100	6,821,900	2.2
Labor and Economic Opportunity .....	2,345,270,900	2,073,829,100	(271,441,800)	(11.6)
Legislature .....	202,453,800	213,762,800	11,309,000	5.6
Licensing and Regulatory Affairs .....	484,389,600	517,236,400	32,846,800	6.8
Military and Veterans Affairs.....	234,412,500	220,852,600	(13,559,900)	(5.8)
Natural Resources .....	469,594,100	464,341,400	(5,252,700)	(1.1)
Natural Resources (Trust Fund) .....	39,189,600	0	(39,189,600)	(100.0)
School Aid.....	21,720,040,700	16,978,110,700	(4,741,930,000)	(21.8)
State.....	254,297,500	252,164,300	(2,133,200)	(0.8)
State Police.....	845,182,500	829,457,700	(15,724,800)	(1.9)
Technology, Management, and Budget.....	1,695,955,000	1,701,869,800	5,914,800	0.3
Transportation.....	5,107,470,600	5,236,619,200	129,148,600	2.5
Treasury-Debt Service .....	113,735,000	99,064,000	(14,671,000)	(12.9)
Treasury-Operations .....	1,109,629,500	667,235,900	(442,393,600)	(39.9)
Treasury-Revenue Sharing.....	1,430,784,600	1,412,735,300	(18,049,300)	(1.3)
<b>Total Appropriations.....</b>	<b>\$73,876,554,000</b>	<b>\$69,924,739,500</b>	<b>(\$3,951,814,500)</b>	<b>(5.3%)</b>

**Table 2**  
**FY 2020-21 and FY 2021-22 GF/GP Appropriations**  
**(includes both ongoing and one-time appropriations)**

Department/Budget Area	FY 2020-21 Year-to-Date	FY 2021-22 Conference Reports	FY 2021-22 Conference	
			Change to FY 21 YTD	%
			\$	%
Agriculture and Rural Development.....	\$63,616,800	\$97,366,900	\$33,750,100	53.1%
Attorney General.....	41,148,400	43,056,000	1,907,600	4.6
Capital Outlay .....	1,000	0	(1,000)	(100.0)
Civil Rights .....	14,792,200	14,607,300	(184,900)	(1.2)
Community Colleges.....	0	0	0	-
Corrections.....	1,809,258,400	2,005,369,400	196,111,000	10.8
Education .....	90,067,100	96,508,100	6,441,000	7.2
Environment, Great Lakes and Energy.....	59,443,900	153,375,500	93,931,600	158.0
Executive.....	7,114,300	7,318,600	204,300	2.9
Health and Human Services .....	5,279,838,900	5,422,425,000	142,586,100	2.7
Higher Education .....	1,217,835,700	1,318,321,500	100,485,800	8.3
Insurance and Financial Services.....	25,000,000	0	(25,000,000)	(100.0)
Judiciary .....	201,934,300	209,280,900	7,346,600	3.6
Labor and Economic Opportunity .....	251,367,600	496,044,600	244,677,000	97.3
Legislature .....	189,026,600	200,134,300	11,107,700	5.9
Licensing and Regulatory Affairs .....	149,605,600	184,195,900	34,590,300	23.1
Military and Veterans Affairs .....	84,280,200	78,758,800	(5,521,400)	(6.6)
Natural Resources .....	50,697,300	48,612,500	(2,084,800)	(4.1)
Natural Resources (Trust Fund) .....	0	0	0	-
School Aid.....	54,464,600	85,400,000	30,935,400	56.8
State.....	12,597,500	12,435,600	(161,900)	(1.3)
State Police.....	449,376,600	527,822,500	78,445,900	17.5
Technology, Management, and Budget.....	537,326,100	516,045,100	(21,281,000)	(4.0)
Transportation.....	0	0	0	-
Treasury-Debt Service.....	113,735,000	99,064,000	(14,671,000)	(12.9)
Treasury-Operations.....	286,432,200	166,014,200	(120,418,000)	(42.0)
Treasury-Revenue Sharing.....	0	433,000	433,000	-
<b>Total Appropriations.....</b>	<b>\$10,988,960,300</b>	<b>\$11,782,589,700</b>	<b>\$793,629,400</b>	<b>7.2%</b>

Table 3

<b>Senate Bill 82 (S-3) CR-1 and House Bill 4400 (H-2) CR-1 FY 2020-21 Supplemental Appropriations</b>			
<b>Department/Budget Area</b>	<b>FY 2020-21 Gross Appropriation</b>	<b>FY 2020-21 Federal Appropriation</b>	<b>FY 2020-21 GF/GP Appropriation</b>
Agriculture and Rural Dev't	\$3,100,000	\$3,100,000	\$1,277,000
Attorney General	150,000	0	0
Community Colleges	12,696,000	0	150,000
Corrections	0	0	0
Education	4,171,600	4,171,600	0
Environment, Great Lakes, & Energy	173,000,000	140,000,000	0
Health and Human Services	1,096,339,700	1,735,305,900	0
Higher Education	57,304,000	0	(618,553,600)
Judiciary	305,000	260,000	57,304,000
Labor and Economic Opportunity	322,464,600	322,406,200	0
Military and Veterans Affairs	25,827,300	25,777,300	58,400
State Police	25,706,000	(144,000)	0
Technology, Mgmt., and Budget	3,645,700	0	5,100,000
Transportation	390,883,100	390,883,100	3,645,700
Treasury	500,000	0	0
<b>Supplemental Total</b>	<b>\$2,116,093,000</b>	<b>\$2,621,760,100</b>	<b>(\$551,795,500)</b>

Note: The Conference Reports also include \$46.1 million in supplemental appropriations from fund sources other than Federal and GF/GP, which may be found in detail in individual department highlight sheets.

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

Table 5 provides the FY 2020-21 and FY 2021-22 School Aid Fund (SAF) balance sheet using the May 2021 consensus revenue estimate of \$15.0 billion for FY 2020-21 (which is \$1.0 billion above the January 2021 consensus estimate), and \$15.1 billion for FY 2021-22 (which is \$707.3 million above the January 2021 consensus estimate). The balance sheet outlined in Table 5 reflects the SAF with enacted appropriations from PA 48 of 2021 as well as Conference Reports for higher education and community colleges included in HB 4400 (H-2) CR-1. For FY 2021-22, other SAF revenue adjustments include: a \$73.9 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, revenues include \$202.0 million in Federal stimulus and \$11.5 million of GF/GP to support Detroit Public School Community District costs in excess of the Community District Education Trust Fund. On the expenditure side of the FY 2021-22 SAF balance sheet, there are \$16.4 billion of ongoing K-12 appropriations, \$539.9 million of one-time K-12 and community college appropriations, and total SAF appropriations of \$428.8 million and \$361.4 million for community colleges and universities, respectively. In addition, on the balance sheet is a \$131.5 million expense for the SFA's estimate of a maintenance of effort cost associated with Federal stimulus dollars; that amount has not yet been included in an appropriation bill.

Comparing estimated FY 2021-22 SAF revenue to estimated FY 2021-22 SAF expenditures shows an FY 2021-22 projected year-end SAF balance of \$1.1 billion.

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

	<b>Conference FY 2020-21</b>	<b>Conference FY 2021-22</b>
<b>Revenue:</b>		
Beginning Balance .....	\$2,363.0	\$2,350.4
<u>Ongoing Revenue:</u>		
Consensus Revenue Estimate (January 2021) .....	\$10,237.5	\$10,897.1
Consensus Revenue Estimate Change .....	1,039.3	776.0
Consensus Revenue Estimate (May 2021) .....	\$11,276.8	\$11,673.1
<u>Other Revenue Adjustments:</u>		
Revenue Sharing Payments .....	(\$490.1)	(\$500.3)
Shift VMF II to Voucher Purchase.....	0.0	75.0
Subtotal Ongoing Revenue .....	\$10,786.7	\$11,247.8
<u>Non-Ongoing Revenue:</u>		
Reimbursement for Implementation of Recreational Marijuana .....	\$5.7	\$0.0
Legal Settlements/Redirection of Restricted Revenue .....	(2.6)	(2.6)
GF Equivalent Restricted Revenue.....	0.8	0.0
Increase Unassigned Fund Balance - Inventory; Amount Reduced in FY 20	155.9	0.0
Subtotal Non-Ongoing Revenue .....	159.8	(2.6)
<b>Total Estimated GF/GP Revenue .....</b>	<b>\$13,309.6</b>	<b>\$13,595.6</b>
<b>Expenditures:</b>		
<u>Ongoing Appropriations:</u>		
Initial Appropriations.....	\$10,329.9	\$11,074.1
Subtotal Ongoing Appropriations .....	\$10,329.9	\$11,074.1
<u>One-Time and Other Appropriations:</u>		
Estimated One-Time Appropriations .....	\$272.3	\$623.1
Enacted Appropriation to Budget Stabilization Fund .....	35.0	0.0
SB 82 (CR-1) Appropriation to Budget Stabilization Fund.....	500.0	0.0
Enacted Supplementals .....	386.8	0.0
Restricted Fund Reduction .....	(13.0)	0.0
SB 82 (CR-1) and HB 4400 (CR-1) Supplementals.....	(551.8)	0.0
Boilerplate Appropriations.....	0.0	10.0
Reimbursement of Federal Disallowed Psych DSH .....	0.0	62.8
Subtotal One-Time and Other Appropriations .....	629.3	781.3
<b>Total Estimated GF/GP Expenditures .....</b>	<b>\$10,959.2</b>	<b>\$11,855.4</b>
<b>PROJECTED YEAR-END GF/GP BALANCE .....</b>	<b>\$2,350.4</b>	<b>\$1,740.2</b>

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

	<b>Conference FY 2020-21</b>	<b>Conference FY 2021-22</b>
<b>Revenue:</b>		
Beginning Balance .....	\$1,190.5	\$1,705.3
<u>Ongoing Revenue:</u>		
Consensus Revenue Estimate (January 2021) .....	\$14,030.2	\$14,423.7
Consensus Revenue Estimate Change .....	<u>1,002.2</u>	<u>707.3</u>
Consensus Revenue Estimate (May 2021) .....	\$15,032.4	\$15,131.0
<u>Other Revenue Adjustments:</u>		
General Fund/General Purpose (GF/GP) Grant .....	\$54.5	\$73.9
Community District Education Trust Fund .....	79.8	72.0
Federal Ongoing Aid .....	<u>1,806.9</u>	<u>1,822.5</u>
Subtotal Ongoing Revenue .....	\$16,973.6	\$17,099.4
<u>Non-Ongoing Revenue:</u>		
Federal Stimulus .....	\$6,055.7	\$202.0
GF/GP for DPSCD Add'l Cost Exceeding CDTF \$72m/yr .....	<u>0.0</u>	<u>11.5</u>
Subtotal Non-Ongoing Revenue .....	\$6,055.7	\$213.5
<b>Total Estimated School Aid Fund Revenue.....</b>	<b>\$24,219.8</b>	<b>\$19,018.2</b>
<b>Expenditures:</b>		
<u>Ongoing Appropriations:</u>		
Initial Ongoing K-12 Appropriations .....	\$15,430.2	\$16,441.3
Enacted Supplementals .....	5,183.3	0.0
Fund Community Colleges with SAF .....	425.7	428.8
Partially Fund Higher Education with SAF .....	<u>356.1</u>	<u>361.4</u>
Subtotal Ongoing Appropriations .....	\$21,395.2	\$17,231.5
<u>One-Time and Other Appropriations:</u>		
Initial One-Time K-12 Appropriations .....	\$95.0	\$536.8
Initial One-Time Community Colleges Appropriations .....	12.7	3.1
Estimated Maintenance of Effort for Postsecondary Education .....	0.0	131.5
Enacted Supplementals .....	1,011.5	0.0
Estimated Lapses/Year End Change .....	<u>0.0</u>	<u>0.0</u>
Subtotal One-Time and Other Appropriations .....	1,119.2	671.4
<b>Total Estimated School Aid Fund Expenditures.....</b>	<b>\$22,514.5</b>	<b>\$17,902.9</b>
<b>PROJECTED YEAR-END SCHOOL AID FUND BALANCE.....</b>	<b>\$1,705.3</b>	<b>\$1,115.3</b>
<b>GF/GP and School Aid Combined Balance .....</b>	<b>\$4,055.8</b>	<b>\$2,855.5</b>

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 2021-22 appropriations after the Governor signs the budget into law. In the meantime, if you have any questions, please contact me at 373-2768 or [charkins@senate.michigan.gov](mailto:charkins@senate.michigan.gov).

/lms

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