

**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
TOTAL GENERAL GOVERNMENT**



**Analysts: Viola Bay Wild and Michael Cnossen**

|              | FY 2023-24<br>Enacted<br>as of 2/7/24 | FY 2024-25<br>Executive | Difference: FY 2024-25<br>vs. FY 2023-24 |              |
|--------------|---------------------------------------|-------------------------|--|--------------|
|              |                                       |                         | Amount                                   | %            |
| IDG/IDT      | \$1,156,861,300                       | \$1,190,502,300         | \$33,641,000                             | 2.9          |
| Federal      | 44,035,500                            | 44,147,200              | 111,700                                  | 0.3          |
| Local        | 17,372,800                            | 17,541,100              | 168,300                                  | 1.0          |
| Private      | 684,800                               | 762,300                 | 77,500                                   | 11.3         |
| Restricted   | 2,629,280,600                         | 2,695,500,600           | 66,220,000                               | 2.5          |
| GF/GP        | 1,559,208,500                         | 1,237,310,700           | (321,897,800)                            | (20.6)       |
| <b>Gross</b> | <b>\$5,407,443,500</b>                | <b>\$5,185,764,200</b>  | <b>(\$221,679,300)</b>                   | <b>(4.1)</b> |
| FTEs         | 7,732.1                               | 7,813.4                 | 81.3                                     | 1.1          |

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service. **Budget issues are listed by department on the following pages.**

**Major Boilerplate Changes from FY 2023-24**

**Sec. 207. Disciplinary Action Against State Employees – DELETED**

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. (Governor deemed this section unenforceable in FY 2023-24.)

**Sec. 212. Transparency Website – DELETED**

Requires departments and agencies to provide data necessary for DTMB to maintain a searchable website that is accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates.

**Sec. 213. State Restricted Funds Report – DELETED**

Requires department and State Budget Office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures.

**Sec. 214. Performance Metrics Website – DELETED**

Requires departments and agencies to maintain a publicly accessible website that identifies and tracks its performance against key metrics used to monitor and improve its performance.

**Sec. 217. FTE Vacancies and Remote Work Report – REVISED**

Requires departments and agencies to provide quarterly report on FTE counts by classification and actual FTE position counts compared to authorized FTE position counts; requires detailed accounting of vacant positions. Revises to delete reporting requirement of a detailed accounting of vacant positions.

**Sec. 218. Prioritization of In-person Work for State Workforce – DELETED**

States intent of legislature is to maximize efficiency of state workforce and, where possible, prioritize in-person work; requires department to post its in-person, remote, or hybrid work policy on its website.

## **Major Boilerplate Changes from FY 2023-24**

### **Sec. 219. State Administrative Board Transfers – DELETED**

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. *(Governor deemed this section unenforceable in FY 2023-24.)*

### **Sec. 221. Receipt and Retention of Required Reports – DELETED**

Requires departments and agencies to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines.

### **Sec. 222. Reporting Requirement on Policy Changes – DELETED**

Requires departments and agencies to report on policy changes made in order to implement enacted legislation.

### **Sec. 223. Severance Pay Report – DELETED**

Requires departments and agencies to report name and any amount of severance pay given to high-ranking department officials; requires department and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay".

### **Sec. 224. Access to State and Local Services – DELETED**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government programs; requires local governments to report on actions that attempt to restrict duties of local health officers.

### **Sec. 225. Work Project Expenditures – DELETED**

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. *(Governor deemed this section unenforceable in FY 2023-24.)*

### **Sec. 226. Fund Sourcing Priorities – DELETED**

Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure.

### **Sec. 228. Initiatives and Recommendations Related to Savings Identified in Audit Reports – DELETED**

Requires departments and agencies to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports; authorizes the auditor general to perform and charge for a subsequent audit to ensure that the initiatives related to savings and efficiencies have been implemented if the required report is not received within 6 months of the release of the audit. *(Governor deemed this section unenforceable in FY 2023-24.)*

### **Sec. 229. Grant and Project Funding Transparency – DELETED**

Requires departments and agencies to follow procurement statutes for any grant program or project, created for a public purpose, unless it can fully validate specific organization or local unit of government that will receive funds and how funds will be administered and expended; provides list of required verifying and application activities departments must perform to administer public grants or projects; requires identification of sponsoring legislator or department of a grant and certain activities for approval of grant agreement; requires all grant funding to be expended by close of FY 2027-28; requires information on each grant or project to be posted on public website, including receiving entity and grant sponsor.

**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
DEPARTMENT OF ATTORNEY GENERAL**



**Analyst: Michael Cossen**

|                   | FY 2023-24              | FY 2024-25           | Difference: FY 2024-25 |               |
|-------------------|-------------------------|----------------------|------------------------|---------------|
|                   | Enacted<br>as of 2/7/24 | Executive            | Amount                 | %             |
| <b>IDG/IDT</b>    | \$36,235,500            | \$39,465,600         | \$3,230,100            | 8.9           |
| <b>Federal</b>    | 10,063,800              | 10,391,600           | 327,800                | 3.3           |
| <b>Local</b>      | 0                       | 0                    | 0                      | --            |
| <b>Private</b>    | 0                       | 0                    | 0                      | --            |
| <b>Restricted</b> | 20,773,100              | 22,283,400           | 1,510,300              | 7.3           |
| <b>GF/GP</b>      | 75,726,000              | 56,409,100           | (19,316,900)           | (25.5)        |
| <b>Gross</b>      | <b>\$142,798,400</b>    | <b>\$128,549,700</b> | <b>(\$14,248,700)</b>  | <b>(10.0)</b> |
| <b>FTEs</b>       | 611.4                   | 626.4                | 15.0                   | 2.5           |

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The attorney general serves as legal counsel for state departments, agencies, boards, and commissions, and their officers; brings actions and intervenes in cases on the state's behalf; and represents legislators and judges who may be sued while acting in their official capacities. The attorney general issues opinions on questions of law submitted by members of legislature and others, serves as chief law enforcement officer of the state, issues legal opinions that have the force of law until reversed by legislative or judicial action, and has supervisory powers over all local prosecuting attorneys.

**Major Budget Changes from FY 2023-24 Enacted Appropriations**

|  | FY 2023-24<br>Enacted<br>(as of 2/7/24) | Executive<br>Change from<br>Enacted |
|--|---|-------------------------------------|
| <b>1. Utility Consumer Representation Fund</b>   |   |                                     |
| FTE  | NA                                      | 1.0                                 |
| <b>Gross</b>   | <b>\$900,000</b>                        | <b>\$900,000</b>                    |
| Restricted   | 900,000                                 | 900,000                             |
| GF/GP  | \$0                                     | \$0                                 |
| Includes \$900,000 of state restricted revenue and authorization for 1.0 FTE position for participation in administrative and judicial proceedings in various utility rate oversight cases. The increased amount reflects the department's share of the increased assessment to certain electric and gas utilities, authorized under 2023 PA 231, and deposited into the Utility Consumer Representation Fund. The total assessment increased from \$900,000 to \$1.8 million under the act. |   |                                     |
| <b>2. Michigan State Housing Development Authority (MSHDA)<br/>COVID Funds Fraud Recovery (One-Time)</b>   |   |                                     |
| <b>Gross</b>   | <b>NA</b>                               | <b>\$850,000</b>                    |
| IDG  | NA                                      | 850,000                             |
| GF/GP  | NA                                      | \$0                                 |
| Includes \$850,000 in IDG funding to provide legal support to MSHDA in prosecuting cases of fraudulently obtained COVID relief funds and to recover those funds. Efforts will focus on funding received through the COVID Emergency Rental Assistance program (CERA) which received over 300,000 applications and provided nearly \$1.0 billion to assist individuals and landlords with unpaid back rent due to financial hardship.   |   |                                     |
| <b>3. Cannabis Regulatory Agency Legal Services</b>  |   |                                     |
| FTE  | NA                                      | 5.0                                 |
| <b>Gross</b>   | <b>\$1,681,400</b>                      | <b>\$780,500</b>                    |
| IDG  | 1,681,400                               | 780,500                             |
| GF/GP  | \$0                                     | \$0                                 |
| Includes \$780,500 in IDG funding and authorization for 5.0 FTE positions to provide additional legal services to the Cannabis Regulatory Agency within the Department of Licensing and Regulatory Affairs in response to increased caseloads related to marijuana sales.  |   |                                     |

|   |              | <b>FY 2023-24<br/>Enacted<br/>(as of 2/7/24)</b> | <b>Executive<br/>Change from<br/>Enacted</b> |
|---|--------------|--|--|
| <b><u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u></b>   |              |  |  |
| <b>4. Department of Lifelong Education, Advancement, and Potential (MiLEAP) Legal Services</b>  | FTE          | NA   | 4.0  |
|   | <b>Gross</b> | <b>\$253,000</b>                                 | <b>\$740,000</b>                             |
| Includes \$740,000 in IDG funding and authorization for 4.0 FTE positions to provide legal services to the newly created department MiLEAP as part of the Department of Attorney General's role of serving as legal counsel for state departments.  | IDG          | 253,000  | 740,000                                      |
|   | GF/GP        | \$0  | \$0  |
| <b>5. Criminal Trials Services</b>  | FTE          | NA   | 3.0  |
|   | <b>Gross</b> | <b>NA</b>  | <b>\$515,000</b>                             |
| Provides \$515,000 GF/GP and authorization for 3.0 FTE positions for additional staffing resources for various criminal law programs and units, including the address confidentiality program, special prosecutor assignments, unemployment benefits fraud, the hate crimes unit, and cold case homicide investigations and prosecutions. | GF/GP        | NA   | \$515,000                                    |
| <b>6. Child Support Enforcement</b>   | FTE          | 25.0   | 1.0  |
|   | <b>Gross</b> | <b>\$3,733,400</b>                               | <b>\$200,000</b>                             |
| Provides \$200,000 Gross (\$67,900 GF/GP) and authorization for 1.0 FTE position for the investigation and prosecution of non-payment of court ordered child support from parents who are financially able.   | Federal      | 2,803,100  | 132,100                                      |
|   | GF/GP        | \$930,300  | \$67,900                                     |
| <b>7. Prisoner Reimbursements</b>   | FTE          | NA   | 1.0  |
|   | <b>Gross</b> | <b>\$562,400</b>                                 | <b>\$200,000</b>                             |
| Provides \$200,000 in state restricted revenue and authorization for 1.0 FTE position to investigate whether prisoners have assets that can be secured to reimburse the state for costs of care while at a correctional facility and for the cost of investigating.   | Restricted   | 562,400  | 200,000                                      |
|   | GF/GP        | \$0  | \$0  |
| <b>8. Removal of FY 2023-24 One-Time Appropriations</b>   | <b>Gross</b> | <b>\$21,400,000</b>                              | <b>(\$21,400,000)</b>                        |
| Removes \$21.4 million of one-time GF/GP funding that was included in the FY 2023-24 budget to support the following:   | GF/GP        | \$21,400,000                                     | (\$21,400,000)                               |
| <ul style="list-style-type: none"> <li>\$10.0 million GF/GP for prosecutorial assistance to Detroit and Wayne County for gun case backlogs</li> <li>\$10.0 million GF/GP for local prosecutors NextGen case management system</li> <li>\$1.4 million GF/GP for sexual assault cases and victim advocacy.</li> </ul>                       |              |  |  |
| <b>9. Economic Adjustments</b>  | <b>Gross</b> | <b>NA</b>  | <b>\$2,965,800</b>                           |
| Reflects increased costs of \$3.0 million Gross (\$1.5 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.   | IDG          | NA   | 859,600                                      |
|   | Federal      | NA   | 195,700                                      |
|   | Restricted   | NA   | 410,300                                      |
|   | GF/GP        | NA   | \$1,500,200                                  |

**Major Boilerplate Changes from FY 2023-24**

**Sec. 309. Prisoner Reimbursement Revenue – REVISED**

Authorizes AG to spend prisoner reimbursement revenue on activities related to State Correctional Facilities Reimbursement Act; allows up to \$1.0 million of collections in excess of \$1.131 million to be spent on representation of Department of Corrections; requires report on dollar amount of reimbursements and descriptions of expenditures made from reimbursements. Revises to delete reporting requirement but requires information to be made available upon request.

**Sec. 311. Center for Civil Justice – DELETED**

Requires department to provide \$500,000 to the Center for Civil Justice to provide legal and technical assistance to low-income individuals and to pursue impact litigation that protects low-income and marginalized populations.

**Sec. 314. Lawsuit Settlement Proceeds Fund – DELETED**

Allows department to use up to \$2.6 million of lawsuit settlement proceeds for associated expenses with Flint Declaration of Emergency due to drinking water contamination; requires quarterly expenditure report detailing how funds related to Flint Declaration of Emergency were spent by case, purpose, hourly rate of retained attorney, and department involved; caps hourly rate of attorneys retained for investigation at \$250 if reporting requirements are not fulfilled. (Governor deemed capping hourly rate of attorneys retained for investigation unenforceable in FY 2023-24.)

**Major Boilerplate Changes from FY 2023-24**

**Sec. 320. Lawsuit Settlement Notification and Adherence to State Laws – DELETED**

Requires notification of lawsuit settlements with a fiscal impact for the state of \$200,000 or more; prohibits department from entering into a lawsuit that is contrary to state laws.

**Sec. 322. Department Initiatives Quarterly Expenditure Report – DELETED**

Requires department to submit quarterly expenditure reports by line item and fund source for the following initiatives and activities: Catholic Church Investigation, Elder Abuse Task Force, Conviction Integrity Unit, Opioid Litigation, Hate Crimes Unit, Payroll Fraud Enforcement Unit, PFAS contamination, Human Trafficking, Robocall Enforcement, Job Court, Organized Retail Crime Unit, reducing utility rate increases, and Boy Scouts of America investigation.

**Sec. 324. Payroll Fraud Enforcement Unit Report – DELETED**

Requires department to report on its website activities and findings of Payroll Fraud Enforcement Unit, including a listing of each complaint received, the unit's finding on validity of each complaint, any enforcement action taken, and what complaints were not subject to action by the department; requires department to request findings of investigations conducted by other departments and agencies to comply with this section.

**Sec. 330. Detroit and Wayne County Gun Case Backlog – DELETED**

Requires department to provide \$3.0 million to Detroit and \$7.0 million to Wayne County to assist prosecutors' offices with reducing backlogs of criminal gun cases.

**Supplemental Recommendations for FY 2023-24 Appropriations**

**FY 2023-24  
Recommendation**

**1. Employee Lump Sum Payments**

Includes \$563,000 GF/GP to cover costs of one-time lump sum payments for eligible state employees. The Civil Service Commission approved payments of \$2,250 for staff employed full-time as of December 23, 2023.

|              |                  |
|--------------|------------------|
| <b>Gross</b> | <b>\$563,000</b> |
| <b>GF/GP</b> | <b>\$563,000</b> |

**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
DEPARTMENT OF CIVIL RIGHTS**



**Analyst: Michael Cossen**

|              | FY 2023-24<br>Year-to-Date<br>as of 2/7/24 | FY 2024-25<br>Executive | Difference: FY 2024-25<br>vs. FY 2023-24 |            |
|--------------|--|-------------------------|--|------------|
|              |  |                         | Amount                                   | %          |
| IDG/IDT      | \$0  | \$0                     | \$0                                      | --         |
| Federal      | 2,890,900                                  | 2,890,900               | 0  | 0.0        |
| Local        | 0  | 0                       | 0  | --         |
| Private      | 18,700                                     | 18,700                  | 0  | 0.0        |
| Restricted   | 58,500                                     | 58,500                  | 0  | 0.0        |
| GF/GP        | 28,741,900                                 | 29,352,400              | 610,500                                  | 2.1        |
| <b>Gross</b> | <b>\$31,710,000</b>                        | <b>\$32,320,500</b>     | <b>\$610,500</b>                         | <b>1.9</b> |
| FTEs         | 166.0                                      | 195.0                   | 29.0                                     | 17.5       |

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

**Major Budget Changes from FY 2023-24 Enacted Appropriations**

**1. Complaint Investigation and Enforcement Staffing**

Provides \$5.0 million GF/GP and authorization for 29.0 FTE positions to establish 3 additional enforcement teams to assist in reducing a backlog of discrimination complaint cases that accrued following the pandemic, to keep up with increasing new complaint cases from expansion of the Elliott-Larsen Civil Rights Act in 2023, and to reduce the average complaint investigation completion time to 6 to 9 months on an ongoing basis. From these amounts, \$534,600 and 2.0 FTE positions would go to the Executive Office.

|              | FY 2023-24<br>Enacted<br>(as of 2/7/24) | Executive<br>Change from<br>Enacted |
|--------------|---|-------------------------------------|
| FTE          | 113.0                                   | 29.0                                |
| <b>Gross</b> | <b>\$16,872,200</b>                     | <b>\$5,000,000</b>                  |
| Federal      | 2,875,900                               | 0                                   |
| Restricted   | 58,500                                  | 0                                   |
| GF/GP        | \$13,937,800                            | \$5,000,000                         |

**2. Removal of FY 2023-24 One-Time Appropriations**

Removes \$5.0 million of one-time GF/GP funding that was included in the FY 2023-24 budget to support the following:

- \$2.8 million GF/GP for digital accessibility compliance training
- \$2.0 million GF/GP for expenses related to expansion of the Elliott-Larsen Civil Rights Act in 2023.
- \$250,000 for outreach, community engagement, and training.

|              |                    |                      |
|--------------|--------------------|----------------------|
| <b>Gross</b> | <b>\$5,000,000</b> | <b>(\$5,000,000)</b> |
| GF/GP        | \$5,000,000        | (\$5,000,000)        |

**3. Economic Adjustments**

Reflects increased costs of \$610,500 GF/GP for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

|              |           |                  |
|--------------|-----------|------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$610,500</b> |
| GF/GP        | NA        | \$610,500        |

**Major Boilerplate Changes from FY 2023-24**

**Sec. 405. Federal Complaint Report – DELETED**

Requires department to notify legislature and State Budget Office prior to submitting report or complaint to U.S. Commission on Civil Rights or other federal department. *(Governor deemed this section unenforceable in FY 2023-24.)*

**Sec. 406. Native American Boarding School Study – DELETED**

Requires status update report on Native American boarding school study funded in the Department of Civil Rights in 2022 PA 166 to provide information on activities, costs, and anticipated completion date of study.

**Sec. 420. Elliot-Larsen Civil Rights Act Expansion – DELETED**

Requires funds for ELCRA expansion to be used to cover expenses incurred in implementing 2023 PA 6 and lists eligible uses including information technology system or software updates, complaints investigation, complaint defendant hearings and litigation, and community outreach, education, and training; authorizes up to an additional 12.0 limited-term employees; authorizes unexpended one-time funding as a work project.

| <b><u>Supplemental Recommendations for FY 2023-24 Appropriations</u></b>  | <b><u>FY 2023-24 Recommendation</u></b> |                  |
|---|---|------------------|
| <b>1. Employee Lump Sum Payments</b>  | <b>Gross</b>                            | <b>\$209,300</b> |
| Includes \$209,300 GF/GP to cover costs of one-time lump sum payments for eligible state employees. The Civil Service Commission approved payments of \$2,250 for staff employed full-time as of December 23, 2023. | GF/GP                                   | \$209,300        |

**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
EXECUTIVE OFFICE**



Analyst: Viola Bay Wild

|              | FY 2023-24<br>Enacted<br>as of 2/7/24 | FY 2024-25<br>Executive | Difference: FY 2024-25<br>vs. FY 2023-24 |            |
|--------------|---------------------------------------|-------------------------|--|------------|
|              |                                       |                         | Amount                                   | %          |
| IDG/IDT      | \$0                                   | \$0                     | \$0                                      | --         |
| Federal      | 0                                     | 0                       | 0  | --         |
| Local        | 0                                     | 0                       | 0  | --         |
| Private      | 0                                     | 0                       | 0  | --         |
| Restricted   | 0                                     | 0                       | 0  | --         |
| GF/GP        | 8,905,400                             | 9,337,100               | 431,700                                  | 4.8        |
| <b>Gross</b> | <b>\$8,905,400</b>                    | <b>\$9,337,100</b>      | <b>\$431,700</b>                         | <b>4.8</b> |
| FTEs         | 96.2                                  | 96.2                    | 0.0                                      | 0.0        |

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Executive Office budget provides funding for the governor, the lieutenant governor, and their staffs. Major constitutionally specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the executive budget.

| <u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u>                               | FY 2023-24<br>Enacted<br>(as of 2/7/24) | Executive<br>Change from<br>Enacted |
|--|---|-------------------------------------|
| <b>1. Executive Office Operations</b>  | <b>Gross</b>                            | <b>NA</b>                           |
| Reflects increased costs of \$431,700 GF/GP for Executive Office staff and for other operations. | GF/GP                                   | \$431,700                           |

**Major Boilerplate Changes from FY 2023-24**

There is no boilerplate for the Executive Office.

| <u>Supplemental Recommendations for FY 2023-24 Appropriations</u>   | FY 2023-24<br>Recommendation |
|---|------------------------------|
| <b>1. Employee Lump Sum Payments</b>  | <b>Gross</b>                 |
| Includes \$167,900 GF/GP to cover costs of one-time lump sum payments for eligible state employees. The Civil Service Commission approved payments of \$2,250 for staff employed full-time as of December 23, 2023. | GF/GP                        |
|   | \$167,900                    |



**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
LEGISLATURE**



**Analyst: Viola Bay Wild**

|              | FY 2023-24              | FY 2024-25           | Difference: FY 2024-25 |            |
|--------------|-------------------------|----------------------|------------------------|------------|
|              | Enacted<br>as of 2/7/24 | Executive            | Amount                 | %          |
| IDG/IDT      | \$0                     | \$0                  | \$0                    | --         |
| Federal      | 0                       | 0                    | 0                      | --         |
| Local        | 0                       | 0                    | 0                      | --         |
| Private      | 445,400                 | 467,700              | 22,300                 | 5.0        |
| Restricted   | 5,164,300               | 5,422,500            | 258,200                | 5.0        |
| GF/GP        | 186,734,100             | 194,613,400          | 7,879,300              | 4.2        |
| <b>Gross</b> | <b>\$192,343,800</b>    | <b>\$200,503,600</b> | <b>\$8,159,800</b>     | <b>4.2</b> |
| FTEs         | 0.0                     | 0.0                  | 0.0                    | --         |

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for support of public institutions and administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Cora Anderson House of Representatives Office Building and the Binsfield Senate Office Building. The Michigan State Capitol Historic Site includes the Capitol Building, its grounds and parking lot, and the Michigan State Capitol Commission.

**Major Budget Changes from FY 2023-24 Enacted Appropriations**

|  |              | FY 2023-24<br>Enacted<br>(as of 2/7/24) | Executive<br>Change from<br>Enacted |
|--|--------------|---|-------------------------------------|
| <b>1. Legislature Operations Adjustment</b>  | <b>Gross</b> | <b>NA</b>                               | <b>\$9,388,300</b>                  |
| Reflects increased costs of \$9.4 million Gross (\$9.1 million GF/GP) for legislative employees, operations, and property management. The following is detail by budget area:  | Private      | NA                                      | 22,300                              |
|  | Restricted   | NA                                      | 258,200                             |
|  | GF/GP        | NA                                      | \$9,107,800                         |
| <ul style="list-style-type: none"> <li>Legislature \$6.7 million GF/GP</li> <li>Legislative Council \$1.1 million GF/GP</li> <li>Legislative Retirement \$299,200 Gross (\$229,600 GF/GP)</li> <li>Property Management \$794,800 GF/GP</li> <li>State Capitol Historic Site \$501,700 Gross (\$290,800 GF/GP)</li> </ul> |              |   |                                     |
| <b>2. House/Senate Census Tracking/Reapportionment</b>   | <b>Gross</b> | <b>\$250,000</b>                        | <b>(\$250,000)</b>                  |
| Eliminates funding for House (\$125,000 GF/GP) and Senate (\$125,000 GF/GP) census tracking/reapportionment.   | GF/GP        | \$250,000                               | (\$250,000)                         |
| <b>3. Sentencing Commission</b>  | <b>Gross</b> | <b>\$1,000,000</b>                      | <b>(\$999,900)</b>                  |
| Reduces funding for the Sentencing Commission by \$999,900 GF/GP, leaving a \$100 placeholder.   | GF/GP        | \$1,000,000                             | (\$999,900)                         |
| <b>4. Independent Citizens Redistricting Commission (ICRC)</b>   | <b>Gross</b> | <b>\$3,331,200</b>                      | <b>\$21,400</b>                     |
| Includes \$21,400 GF/GP to cover additional costs of the ICRC.   | GF/GP        | \$3,331,200                             | \$21,400                            |

**Major Boilerplate Changes from FY 2023-24**

***Sec. 609. Senate Census Tracking/Reapportionment – DELETED***

Requires unexpended funding for Senate census tracking/reapportionment to be designated as a work project appropriation; the purpose of the project is to purchase equipment, services, and supplies needed for tracking and reporting census and reapportionment information for the state.

***Sec. 610. House Census Tracking/Reapportionment – DELETED***

Requires unexpended funding for House census tracking/reapportionment to be designated as a work project appropriation; the purpose of the project is to purchase equipment, services, and supplies needed for tracking and reporting census and reapportionment information for the state.

***Sec. 612. Independent Citizens Redistricting Commission (ICRC) – DELETED***

Expresses legislative intent that the appropriation for ICRC is to comply with the legislature's obligation to fulfill the ICRC's request to cover additional legal costs; expresses legislative intent that the appropriation is contingent upon the ICRC submitting quarterly expenditure reports; requires unexpended funding to be returned to the state treasury within 6 months after the end of FY 2023-24.

**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
LEGISLATIVE AUDITOR GENERAL**



**Analyst: Viola Bay Wild**

|                   | FY 2023-24              | FY 2024-25          | Difference: FY 2024-25 |               |
|-------------------|-------------------------|---------------------|------------------------|---------------|
|                   | Enacted<br>as of 2/7/24 |                     | Executive              | Amount        |
| <b>IDG/IDT</b>    | \$6,921,900             | \$0                 | (\$6,921,900)          | (100.0)       |
| <b>Federal</b>    | 0                       | 0                   | 0                      | --            |
| <b>Local</b>      | 0                       | 0                   | 0                      | --            |
| <b>Private</b>    | 0                       | 0                   | 0                      | --            |
| <b>Restricted</b> | 2,421,600               | 100                 | (2,421,500)            | (100.0)       |
| <b>GF/GP</b>      | 20,406,700              | 21,427,000          | 1,020,300              | 5.0           |
| <b>Gross</b>      | <b>\$29,750,200</b>     | <b>\$21,427,100</b> | <b>(\$8,323,100)</b>   | <b>(28.0)</b> |
| <b>FTEs</b>       | 0.0                     | 0.0                 | 0.0                    | --            |

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The legislative auditor general is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the legislative auditor general is to improve accounting and financial reporting practices and to promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

|  | FY 2023-24<br>Enacted<br>(as of 2/7/24) | Executive<br>Change from<br>Enacted |
|--|---|-------------------------------------|
| <b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>   |   |                                     |
| <b>1. Legislative Auditor General Operations</b>   | <b>Gross</b>                            | <b>NA</b>                           |
| Reflects increased costs of \$1.0 million GF/GP for staff of the Office of Auditor General and for other operations. | GF/GP                                   | NA                                  |
|  |   | <b>\$1,020,300</b>                  |
| <b>2. Auditor General Fund Source Adjustment</b>   | <b>Gross</b>                            | <b>NA</b>                           |
| Reduces Gross funding by \$9.3 million, IDG funding by \$6.9 million, and state restricted funding by \$2.4 million. | IDG/IDT                                 | NA                                  |
|  | Restricted                              | NA                                  |
|  | GF/GP                                   | NA                                  |
|  |   | <b>(\$9,343,400)</b>                |

**Major Boilerplate Changes from FY 2023-24**

**Sec. 623. Legislative Requests for Audits – DELETED**

Requires audits, reviews, or investigations requested of the auditor general by the legislature to include an estimate of additional costs; requires the legislature to provide supplemental funding when costs exceed \$50,000; authorizes the auditor general to decide whether to perform such activities in keeping with Operations Manual Policy No. 2-26.

**Sec. 625. Access to Confidential Information – DELETED**

States the auditor general is not to be denied access to examine confidential information of any branch, department, office, board, commission, agency, authority, or institution of the state. (Governor deemed this section unenforceable in FY 2023-24.)

**Sec. 627. Operations Work Project Language – DELETED**

Designates unexpended Field Operations funds as a work project appropriation; the purpose of the project is to conduct the State of Michigan Comprehensive Annual Financial Report.

**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
DEPARTMENT OF STATE**



**Analyst: Michael Cossen**

|              | FY 2023-24<br>Enacted<br>as of 2/7/24 | FY 2024-25<br>Executive | Difference: FY 2024-25<br>vs. FY 2023-24 |              |
|--------------|---------------------------------------|-------------------------|--|--------------|
|              |                                       |                         | Amount                                   | %            |
| IDG/IDT      | \$20,000,000                          | \$20,000,000            | \$0                                      | 0.0          |
| Federal      | 1,460,000                             | 1,460,000               | 0  | 0.0          |
| Local        | 0                                     | 0                       | 0  | --           |
| Private      | 50,100                                | 50,100                  | 0  | 0.0          |
| Restricted   | 269,374,700                           | 256,919,700             | (12,455,000)                             | (4.6)        |
| GF/GP        | 13,324,700                            | 13,410,100              | 85,400                                   | 0.6          |
| <b>Gross</b> | <b>\$304,209,500</b>                  | <b>\$291,839,900</b>    | <b>(\$12,369,600)</b>                    | <b>(4.1)</b> |
| FTEs         | 1,625.0                               | 1,635.0                 | 10.0                                     | 0.6          |

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of State (DOS) is the oldest department in Michigan state government. It is administered by the secretary of state, an elected official who serves a four-year term of office and has constitutional and statutory duties. Services provided by the department include registering and titling automobiles, watercraft, and recreational vehicles; regulating automobile dealers and repair facilities; registering voters and administering elections; and streamlining the collection of revenue. The department operates programs designed to enhance driver safety, protect automotive consumers, and ensure the integrity of both the motor vehicle administration system and the statewide elections process.

**Major Budget Changes from FY 2023-24 Enacted Appropriations**

**1. Legal Services Operations Staffing**

Provides \$2.5 million in state restricted funding and authorization for 18.0 FTE positions for the following:

- 7.0 FTE positions for the Office of Hearings and Administrative Oversight to improve response times to customer case-related inquiries
- 5.0 FTE positions for the Business Compliance and Regulation Division to reduce case review times of auto-related business licensing to address findings of a December 2022 OAG audit
- 6.0 FTE positions for the Enforcement Division to improve detection and prevention of fraud cases.

|              | FY 2023-24<br>Enacted<br>(as of 2/7/24) | Executive<br>Change from<br>Enacted |
|--------------|---|-------------------------------------|
| FTE          | 161.0                                   | 18.0                                |
| <b>Gross</b> | <b>\$22,120,900</b>                     | <b>\$2,520,000</b>                  |
| Restricted   | 20,713,300                              | 2,520,000                           |
| GF/GP        | \$1,407,600                             | \$0                                 |

**2. Branch Operations Staffing**

Provides \$1.5 million in state restricted funding and reduces GF/GP by \$669,300 for a net \$841,200 Gross increase. Reduces FTE position authorization by 23.0 positions to reflect transfer to other line items. Funding would be used to hire 8.0 staff at secretary of state branch offices to improve in-person services at certain locations.

|              |                     |                  |
|--------------|---------------------|------------------|
| FTE          | 926.0               | (23.0)           |
| <b>Gross</b> | <b>\$94,328,400</b> | <b>\$841,200</b> |
| IDG          | 20,000,000          | 0                |
| Restricted   | 72,881,900          | 1,510,500        |
| GF/GP        | \$1,446,500         | (\$669,300)      |

**3. Election Administration and Support Staffing**

Provides \$669,300 GF/GP and authorization for 5.0 FTE positions to help respond to a nearly 800% increase in Freedom of Information Act requests since 2021 and to help with election help desk tasks and more timely review and processing of petitions.

|              |                     |                  |
|--------------|---------------------|------------------|
| FTE          | 65.0                | 5.0              |
| <b>Gross</b> | <b>\$26,331,500</b> | <b>\$669,300</b> |
| Restricted   | 19,108,900          | 0                |
| GF/GP        | \$7,222,600         | \$669,300        |

|  |              | <b>FY 2023-24<br/>Enacted<br/>(as of 2/7/24)</b> | <b>Executive<br/>Change from<br/>Enacted</b> |
|--|--------------|--|--|
| <b><u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u></b>  |              |  |  |
| <b>4. Department Services Operations Staffing</b>  | FTE          | 100.0  | 0.0  |
| Provides \$599,100 in state restricted funding for 4.0 FTE positions to be allocated as follows:   | <b>Gross</b> | <b>\$25,028,300</b>                              | <b>\$599,100</b>                             |
|  | Restricted   | 25,028,000                                       | 599,100                                      |
|  | GF/GP        | \$300  | \$0  |
| <ul style="list-style-type: none"> <li>3.0 for the Bureau of Financial Services to help process reimbursement requests from local units of government as well as to expand inclusive contracting efforts of the procurement division</li> <li>1.0 for a Human resources training specialist to develop and deliver training in a timelier manner.</li> </ul>   |              |  |  |
| <b>5. Central Operations Staffing</b>  | FTE          | 335.0  | 0.0  |
| Provides \$439,800 in state restricted funding for 4.0 FTE positions to reduce Information Center caller wait time and to implement computer programming changes to the CARS vehicle and driver information system in a timelier manner.   | <b>Gross</b> | <b>\$50,501,100</b>                              | <b>\$439,800</b>                             |
|  | Federal      | 1,160,000  | 0  |
|  | Restricted   | 48,993,800                                       | 439,800                                      |
|  | GF/GP        | \$347,300  | \$0  |
| <b>6. Executive Direction Staffing</b>   | FTE          | 30.0   | 0.0  |
| Provides \$264,600 in state restricted funding for 2.0 FTE positions to support timelier community outreach and customer service with partnering organizations.  | <b>Gross</b> | <b>\$4,813,600</b>                               | <b>\$264,600</b>                             |
|  | Restricted   | 4,793,600  | 264,600                                      |
|  | GF/GP        | \$20,000   | \$0  |
| <b>7. Licensing Plate Purchasing Agreement</b>   | <b>Gross</b> | <b>NA</b>  | <b>\$1,146,500</b>                           |
| Includes \$1.1 million in state restricted funding to reflect a shift in spending authorization from boilerplate to the Central Operations line item to continue the purchasing agreement with the Department of Corrections for manufacturing vehicle license plates.   | Restricted   | NA   | 1,146,500                                    |
|  | GF/GP        | NA   | \$0  |
| <b>8. Proposal 22-1 Financial Disclosure Reporting Implementation</b>  | FTE          | 65.0   | 8.0  |
| Provides \$1.1 million GF/GP and authorization for 8.0 FTE positions to oversee and implement the Public Officers Financial Disclosure Act, 2023 PA 281, and the Candidate for Office Financial Disclosure Act, 2023 PA 282. These acts codify the Michigan Constitution as amended by Ballot Proposal 22-1 and require financial disclosure reporting by current elected officials and candidates for elected office. | <b>Gross</b> | <b>\$26,331,500</b>                              | <b>\$1,145,000</b>                           |
|  | Restricted   | 19,108,900                                       | 0  |
|  | GF/GP        | \$7,222,600                                      | \$1,145,000                                  |
| <b>9. Automatic Voter Registration</b>   | FTE          | NA   | 2.0  |
| Provides \$296,000 GF/GP and authorization for 2.0 FTE positions to implement modifications to automatic voter registration procedures as enacted by 2023 PAs 206-262, and 268. New responsibilities include contacting individuals to confirm their voter registration preference, compiling and submitting monthly reports, and other data management responsibilities.  | <b>Gross</b> | <b>NA</b>  | <b>\$296,000</b>                             |
|  | GF/GP        | NA   | \$296,000                                    |
| <b>10. Restricted Fund Replacement of GF/GP</b>  | <b>Gross</b> | <b>NA</b>  | <b>\$0</b>                                   |
| Replaces \$1.4 million GF/GP with a corresponding increase of state restricted revenue from the Transportation Administration Collection Fund for a net \$0 Gross change. The reduction in GF/GP corresponds to the GF/GP increases to Election Administration and Support in item numbers 8 and 9 for a \$0 net GF/GP increase for the department.  | Restricted   | NA   | 1,441,000                                    |
|  | GF/GP        | NA   | (\$1,441,000)                                |
| <b>11. Postal and Mailing Service Rate Increase</b>  | <b>Gross</b> | <b>NA</b>  | <b>\$1,115,000</b>                           |
| Provides \$1.1 million of state restricted revenue from the Transportation Administration Support Fund to cover anticipated postage and mailing rate increases.  | Restricted   | NA   | 1,115,000                                    |
|  | GF/GP        | NA   | \$0  |
| <b>12. Central Operations Contractual Increase</b>   | <b>Gross</b> | <b>NA</b>  | <b>\$650,000</b>                             |
| Provides \$650,000 in state restricted funding to cover increased contract costs to produce vehicle tabs, decals, and forms.   | Restricted   | NA   | 650,000                                      |
|  | GF/GP        | NA   | \$0  |

| <b><u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u></b>   |              | <b><u>FY 2023-24 Enacted (as of 2/7/24)</u></b> | <b><u>Executive Change from Enacted</u></b> |
|---|--------------|---|---|
| <b>13. Federal and State Restricted Fund Source Alignment</b>   | <b>Gross</b> | <b>NA</b>                                       | <b>\$0</b>                                  |
| Shifts \$1.5 million in federal and state restricted funding authorization across 4 line items based on expected expenditures and available revenues attributable to impacts such as the Clean Slate Driving Laws and increasing demand for the benefits that enhanced driver's license and personal identification cards offer residents for a net \$0 Gross change. Total fund shifts result in a reduction of \$6,100 in federal funding and a corresponding increase to state restricted funding. | Federal      | NA  | (6,100)                                     |
|   | Restricted   | NA  | 6,100                                       |
|   | GF/GP        | NA  | \$0   |
| <b>14. Removal of FY 2023-24 One-Time Appropriations</b>  | <b>Gross</b> | <b>\$27,309,200</b>                             | <b>(\$27,309,200)</b>                       |
| Removes \$27.3 million of one-time GF/GP funding that was included in the FY 2023-24 budget to support the following:   | Restricted   | 27,209,200                                      | (27,209,200)                                |
| <ul style="list-style-type: none"> <li>\$27.2 million GF/GP for implementation of Ballot Proposal 22-2</li> <li>\$100,000 GF/GP for organ donor registration.</li> </ul>  | GF/GP        | \$100,000                                       | (\$100,000)                                 |
| <b>15. Economic Adjustments</b>   | <b>Gross</b> | <b>NA</b>                                       | <b>\$5,253,100</b>                          |
| Reflects increased costs of \$5.3 million Gross (\$185,400 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.   | Federal      | NA  | 6,100                                       |
|   | Restricted   | NA  | 5,061,600                                   |
|   | GF/GP        | NA  | \$185,400                                   |

### **Major Boilerplate Changes from FY 2023-24**

#### **Sec. 701. Legislative Contingency Transfer Authorization – REVISED**

Allows for the legislative transfer process to increase federal authorization by up to \$500,000, state restricted authorization by up to \$500,000, local authorization by up to \$25,000, and private authorization by up to \$50,000. Revises to increase maximum amounts of contingency authorizations up to \$2.0 million in federal, \$7.5 million in state restricted, \$50,000 in local, and \$100,000 in private.

#### **Sec. 703. Commercial Look-Up Fees – DELETED**

Authorizes DOS to sell copies of records for various conveyances and to use revenue to finance expenses; sets fee for record look-up services to \$15 per record sold; requires revenue balance at fiscal year-end to be credited to Transportation Administration Collection Fund; requires department to provide quarterly report on number of records sold and revenue collected.

#### **Sec. 704. Manufacture of License Plates – DELETED**

Authorizes DOS to enter into agreements with Department of Corrections to manufacture vehicle registration plates 15 months before registration year in which plates will be used.

#### **Sec. 705. Department Publications – REVISED**

Authorizes DOS to accept gifts and grants to underwrite publications pertaining to the vehicle code, and authorizes DOS to approve paid advertising in such publications; authorizes unexpended funds to be carried forward into the next fiscal year; requires annual report on details of gifts received under this subsection, expenditures made from those gifts, and other details. Revises to delete reporting requirement.

#### **Sec. 713. Organ Donor Program Public Information Campaign – REVISED**

Provides for receipt and expenditure of funds for a public information campaign for organ donor program; authorizes revenues from gifts and grants to be carried forward; requires annual report on amount of revenue collected, purpose of each expenditure, and amount of revenue carried forward. Revises to delete reporting requirement.

#### **Sec. 714. Branch Office Closings or Consolidations – DELETED**

Requires legislature to be notified in writing at least 180 days prior to closing a branch office or 60 days prior to relocating a branch outside of its current local unit of government; notification to include analyses of branch transactions and revenue, citizen impact, and savings and costs. *(Governor deemed this section unenforceable in FY 2023-24.)*

#### **Sec. 717. Gifts to Support Department Activities – REVISED**

Authorizes DOS to accept non-monetary gifts of a de minimus value to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report. Revises to delete reporting requirement.

**Major Boilerplate Changes from FY 2023-24**

**Sec. 719. State HAVA Grant Report – DELETED**

Requires a report on reimbursements to counties, cities, and townships from department's election security grant program funded by federal Help America Vote Act funding.

**Sec. 722. Legacy Mainframes System Modernization – DELETED**

Requires expense report by fund source on Customer and Automotive Records System (CARS) including projected expenses in current and next fiscal years.

**Sec. 723. County Clerk Training – DELETED**

Requires funds appropriated for county clerk education and training to be used only for costs associated with training local clerks in preparation for elections.

**Sec. 750. Proposals 22-1 and 22-2 Implementation – DELETED**

Requires funds to be used to support costs related to implementing Proposal 22-1 and 22-2 and lists eligible costs; requires up to \$30.0 million to be used for incentive grants to counties to coordinate implementation of early voting by local governments within their jurisdiction and to incentivize multijurisdictional coordination that provides for efficient election administration; authorizes unexpended funds as work project.

**Sec. 751. Organ Donor Registry – DELETED**

Requires department to facilitate growth of donor registry of state anatomical gift donor registry program in accordance with methods of giving authorized under the Revised Uniform Anatomical Gift Law of the Public Health Code, 1978 PA 368.

| <b><u>Supplemental Recommendations for FY 2023-24 Appropriations</u></b>   | <b><u>FY 2023-24 Recommendation</u></b> |                    |
|--|---|--------------------|
| <b>1. Help America Vote Act (HAVA) Election Security Grants</b>  | <b>Gross</b>                            | <b>\$5,720,000</b> |
| Provides \$5.7 million in federal funding to authorize expenditure for two Election Security grants of \$1.8 million each authorized under the Consolidated Appropriations Act of 2022 and Consolidated Appropriations Act of 2023, as well as \$2.2 million of interest accrued from past and current HAVA fund balances. Funding would support local election website domain migration, election day equipment upgrades, voting system security and testing procedures, and the development and distribution of information materials to local election officials. | Federal                                 | 5,720,000          |
|  | GF/GP                                   | \$0                |
| <b>2. Proposal 22-1 Financial Disclosure Reporting Implementation</b>  | FTE                                     | 8.0                |
| Provides \$831,900 GF/GP and authorization for 8.0 FTE positions to oversee and implement the Public Officers Financial Disclosure Act, 2023 PA 281, and the Candidate for Office Financial Disclosure Act, 2023 PA 282. These acts require financial disclosure reporting by current elected officials and candidates for elected office by April 15, 2024 and codify the Michigan Constitution as amended by Ballot Proposal 22-1.   | <b>Gross</b>                            | <b>\$831,900</b>   |
|  | GF/GP                                   | \$831,900          |
| <b>3. Department of Corrections Vehicle License Plate Manufacturing</b>  | <b>Gross</b>                            | <b>\$1,146,500</b> |
| Includes \$1.1 million in state restricted funding to reflect a shift in spending authorization from boilerplate to the Central Operations line item to continue the purchasing agreement with the Department of Corrections for manufacturing vehicle license plates.   | Restricted                              | 1,146,500          |
|  | GF/GP                                   | \$0                |
| <b>4. Employee Lump Sum Payments</b>   | <b>Gross</b>                            | <b>\$110,400</b>   |
| Includes \$110,400 GF/GP to cover costs of one-time lump sum payments for eligible state employees. The Civil Service Commission approved payments of \$2,250 for staff employed full-time as of December 23, 2023.  | GF/GP                                   | \$110,400          |

**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
TECHNOLOGY, MANAGEMENT, AND BUDGET**



**Analyst: Michael Crossen**

|                   | FY 2023-24<br>Enacted<br>as of 2/7/24 | FY 2024-25<br>Executive | Difference: FY 2024-25<br>vs. FY 2023-24 |              |
|-------------------|---------------------------------------|-------------------------|--|--------------|
|                   |                                       |                         | Amount                                   | %            |
| <b>IDG</b>        | \$1,082,606,600                       | \$1,119,848,200         | \$37,241,600                             | 3.4          |
| <b>Federal</b>    | 4,699,000                             | 4,393,300               | (305,700)                                | (6.5)        |
| <b>Local</b>      | 2,334,700                             | 2,334,000               | (700)                                    | 0.0          |
| <b>Private</b>    | 137,400                               | 189,200                 | 51,800                                   | 37.7         |
| <b>Restricted</b> | 134,180,400                           | 130,096,500             | (4,083,900)                              | (3.0)        |
| <b>GF/GP</b>      | 832,699,500                           | 600,315,000             | (232,384,500)                            | (27.9)       |
| <b>Gross</b>      | <b>\$2,056,657,600</b>                | <b>\$1,857,176,200</b>  | <b>(\$199,481,400)</b>                   | <b>(9.7)</b> |
| <b>FTEs</b>       | 3,220.0                               | 3,249.5                 | 29.5                                     | 0.9          |

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Technology, Management, and Budget (DTMB) is the centralized service agency for the executive branch. Its responsibilities include information technology services and project support for state departments and agencies; state facility and lease management; the state motor vehicle fleet; state purchasing and procurement; state retirement systems; internal audit; state budget development and monitoring; and state accounting and financial control systems. Autonomous units within DTMB include the following: State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Administrative Board, and the Office of Children's Ombudsman.

**Major Budget Changes from FY 2023-24 Enacted Appropriations**

**1. State Employee Flexible Spending Account Dependent Care Match (One-Time)**

Provides \$31.5 million GF/GP to provide state employees a one-to-one match, up to \$2,500, with employee contributions of payroll deducted pre-tax dollars to pay for dependent care through flexible spending accounts (FSAs). The program would be established to help recruit and retain state employees and would run from January 2025 through December 2027. Approximately 1,200 state employees currently use a dependent care FSA.

|              | FY 2023-24<br>Enacted<br>(as of 2/7/24) | Executive<br>Change from<br>Enacted |
|--------------|---|-------------------------------------|
| <b>Gross</b> | <b>\$0</b>                              | <b>\$31,500,000</b>                 |
| <b>GF/GP</b> | <b>\$0</b>                              | <b>\$31,500,000</b>                 |

**2. Make it in Michigan Competitive Fund (One-Time)**

Provides \$25.0 million GF/GP for deposit into the Make it in Michigan Competitiveness Fund to set aside funds to leverage major funding opportunities available from recent federal legislation including, but not limited to, the Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and the Inflation Reduction Act. This is a decrease of \$261.8 million from a FY 2023-24 one-time appropriation of \$286.8 million for the same purpose. An interagency evaluation committee formed by the Michigan Infrastructure Office in collaboration with the state budget director recommends how to distribute funds to the legislature. Funds in the Make it in Michigan Competitive Fund are subject to appropriation or administrative transfer for expenditure.

|              |                      |                        |
|--------------|----------------------|------------------------|
| <b>Gross</b> | <b>\$286,805,700</b> | <b>(\$261,805,700)</b> |
| <b>GF/GP</b> | <b>\$286,805,700</b> | <b>(\$261,805,700)</b> |



| <b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>  |  | <b>FY 2023-24<br/>Enacted<br/>(as of 2/7/24)</b> | <b>Executive<br/>Change from<br/>Enacted</b> |                       |
|---|--|--|--|-----------------------|
| <b>3. Make it in Michigan Transfer Placeholders</b>   |  | <b>Gross</b>                                     | <b>NA</b>                                    | <b>\$400</b>          |
| Includes 4 \$100 placeholders to facilitate the potential administrative transfer of federal, state restricted, local, and private funds, should they become available for Make it in Michigan Competitiveness Fund projects as described in item number two.   |  | Federal  | NA   | 100                   |
|   |  | Local  | NA   | 100                   |
|   |  | Private  | NA   | 100                   |
|   |  | Restricted                                       | NA   | 100                   |
|   |  | GF/GP  | NA   | \$0                   |
| <b>4. Annual IT IDG Baseline Adjustment</b>   |  | <b>Gross</b>                                     | <b>NA</b>                                    | <b>\$20,022,000</b>   |
| Increases IDG funding from Technology User Fee revenue by \$20.0 million to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget.                      |  | IDG  | NA   | 20,022,000            |
|   |  | GF/GP  | NA   | \$0                   |
| <b>5. State Property Self Insurance Fund (One-Time)</b>   |  | <b>Gross</b>                                     | <b>\$0</b>                                   | <b>\$10,000,000</b>   |
| Provides \$10.0 million GF/GP to create a self-sustaining fund to self-insure property and building contents at state-owned facilities against damages. The fund would provide the state with reserve funding to draw from to help counter rising insurance premiums. Savings from decreased property insurance rates charged to state agencies would be deposited into the fund.                 |  | GF/GP  | \$0  | \$10,000,000          |
| <b>6. MPSCS Lifecycle Replacement Maintenance</b>   |  | FTE  | 137.0  | 0.0                   |
| Provides \$10.0 million GF/GP to provide ongoing funding for lifecycle replacements and maintenance of the quickly growing statewide emergency communication system that serves over 2,200 public safety agencies.  |  | <b>Gross</b>                                     | <b>\$48,894,800</b>                          | <b>\$10,000,000</b>   |
|   |  | Local  | 2,277,800                                    | 0                     |
|   |  | GF/GP  | \$46,617,000                                 | \$10,000,000          |
| <b>7. State Building Authority Capital Outlay Debt Financing</b>  |  | <b>Gross</b>                                     | <b>\$236,570,600</b>                         | <b>\$9,600,000</b>    |
| Provides \$9.6 million GF/GP to the annual amount set aside for payments on debt for capital construction projects financed through the State Building Authority to reflect a projected increase in payments due on bonds following recent increases in state capital outlay projects.  |  | GF/GP  | \$236,570,600                                | \$9,600,000           |
| <b>8. State Facilities Maintenance (One-Time)</b>   |  | <b>Gross</b>                                     | <b>\$25,000,000</b>                          | <b>(\$17,000,000)</b> |
| Provides \$8.0 million GF/GP for maintenance, demolition, and infrastructure projects for 800 buildings and 5,000 state-owned structures. This is a decrease of \$17.0 million from a FY 2023-24 one-time appropriation of \$25.0 million for the same purpose. With \$28.0 million GF/GP in ongoing base, a total of \$36.0 million will be available for deferred special maintenance projects. |  | GF/GP  | \$25,000,000                                 | (\$17,000,000)        |
| <b>9. Fleet Vehicle Travel Services Rate Increase</b>   |  | <b>Gross</b>                                     | <b>\$87,709,000</b>                          | <b>\$7,900,000</b>    |
| Provides \$7.9 million in IDG funding from the Motor Transport Fund to align IDG authorization with increased travel services rates charged to departments to reflect higher projected gasoline prices.   |  | IDG  | 87,709,000                                   | 7,900,000             |
|   |  | GF/GP  | \$0  | \$0                   |
| <b>10. Office of Retirement Services IT and Administrative Costs</b>  |  | <b>Gross</b>                                     | <b>NA</b>                                    | <b>\$5,618,300</b>    |
| Provides \$5.6 million in state restricted Pension Trust Fund revenues to support higher information technology (IT) and administrative costs that support Defined Contribution retirement plants. Of the total, \$3.8 million would support IT costs and \$1.8 million would support administrative costs.   |  | Restricted                                       | NA   | 5,618,300             |
|   |  | GF/GP  | NA   | \$0                   |

| <b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>  |              | <b>FY 2023-24<br/>Enacted<br/>(as of 2/7/24)</b> | <b>Executive<br/>Change from<br/>Enacted</b> |
|---|--------------|--|--|
| <b>11. Michigan.gov Language Accessibility</b>  | FTE          | NA   | 3.0  |
| Provides \$2.4 million GF/GP and authorization for 3.0 FTE positions to upgrade the Michigan.gov website to translate content in multiple languages to reduce barriers to accessing state services and information. An additional \$820,000 GF/GP is recommended for this project within the ongoing Information Technology Investment Fund (ITIF) to implement a statewide multi-lingual chatbot technology. | <b>Gross</b> | <b>NA</b>  | <b>\$2,360,000</b>                           |
|   | GF/GP        | NA   | \$2,360,000                                  |
| <b>12. State Fleet Electric Vehicle Transition (One-Time)</b>   | <b>Gross</b> | <b>\$1,000,000</b>                               | <b>\$2,000,000</b>                           |
| Provides \$2.0 million GF/GP towards ongoing efforts to transition the state's motor vehicle fleet to electric vehicles (EV) by 2040 in accordance with Executive Directive 2023-5. Funding would supplement \$1.0 million in recommended ongoing FY 2024-25 funding and would support the purchase of EVs as well as changes to motor pool operations and updated mechanic repair training.                  | GF/GP        | \$1,000,000                                      | \$2,000,000                                  |
| <b>13. MiLEAP Reorganization – State Archives of Michigan\</b>  | FTE          | NA   | 14.5   |
| Transfers \$1.9 million GF/GP and authorization for 14.5 FTE positions from the Department of Natural Resources to reflect the move of the State Archives of Michigan program for a net \$0 enterprise change. The transfer is in accordance with Executive Order 2023-6 which created the Department of Lifelong Education, Advancement, and Potential (MiLEAP).   | <b>Gross</b> | <b>NA</b>  | <b>\$1,915,300</b>                           |
|   | GF/GP        | NA   | \$1,915,300                                  |
| <b>14. Office of Retirement Services Customer Relations</b>   | FTE          | 167.0  | 10.0   |
| Provides \$1.6 million in state restricted Pension Trust Funds and authorization for 10.0 FTE positions to improve employer reporting functions and customer relations through customer meeting, training, and outreach.  | <b>Gross</b> | <b>\$26,139,500</b>                              | <b>\$1,600,000</b>                           |
|   | Restricted   | 26,046,500                                       | 1,600,000                                    |
|   | GF/GP        | \$93,000   | \$0  |
| <b>15. Utility Rate Increase</b>  | <b>Gross</b> | <b>NA</b>  | <b>\$1,301,000</b>                           |
| Provides \$1.3 million in IDG funding from building occupancy charges to agencies to reflect increasing utility rate costs.   | IDG          | NA   | 1,301,000                                    |
|   | GF/GP        | NA   | \$0  |
| <b>16. Geographically-Disadvantaged Business Procurement</b>  | <b>Gross</b> | <b>NA</b>  | <b>\$1,300,000</b>                           |
| Provides \$1.3 million in state restricted revenue to maintain current procurement service levels in Central Procurement Services and support inclusive state contracting and geographically-disadvantaged business enterprises in accordance with Executive Directives 2023-1.   | Restricted   | NA   | 1,300,000                                    |
|   | GF/GP        | NA   | \$0  |
| <b>17. State Police Secondary Complex Expansion</b>   | <b>Gross</b> | <b>NA</b>  | <b>\$758,000</b>                             |
| Provides \$758,000 in IDG funding for the Building Operations Division to renovate the Michigan State Police Secondary Complex in Dimondale.  | IDG          | NA   | 758,000                                      |
|   | GF/GP        | NA   | \$0  |
| <b>18. Vendor Risk Management Information System</b>  | FTE          | 0.0  | 2.0  |
| Provides \$279,900 in state restricted revenues and authorization for 2.0 FTE positions to administer a Risk Management Information System to assess vendor insurance risk and compliance for contracts that are delegated to state agencies.   | <b>Gross</b> | <b>\$0</b>                                       | <b>\$279,900</b>                             |
|   | Restricted   | 0  | 279,900                                      |
|   | GF/GP        | \$0  | \$0  |
| <b>19. Automated External Defibrillator Accessibility (One-Time)</b>  | <b>Gross</b> | <b>NA</b>  | <b>\$251,000</b>                             |
| Provides \$251,000 GF/GP to expand the accessibility of Automated External Defibrillator machines in department-owned and managed facilities.   | GF/GP        | NA   | \$251,000                                    |
| <b>20. SWCAP Adjustment</b>   | <b>Gross</b> | <b>NA</b>  | <b>\$0</b>                                   |
| Reallocates fund sourcing associated with the annual Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and increase of \$2.3 million GF/GP.  | IDG          | NA   | 521,800                                      |
|   | Restricted   | NA   | (2,866,700)                                  |
|   | GF/GP        | NA   | \$2,344,900                                  |

| <u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u>   |              | <u>FY 2023-24 Enacted (as of 2/7/24)</u> | <u>Executive Change from Enacted</u> |
|--|--------------|--|--------------------------------------|
| <b>21. DMVA Accounting Services</b>  | <b>Gross</b> | <b>NA</b>                                | <b>\$146,100</b>                     |
| Provides \$146,100 in IDG funding to align departmental accounting service center funding support with funding from the Department of Military and Veterans Affairs and the Michigan Veterans' Facility Authority.   | IDG          | NA                                       | 146,100                              |
|  | GF/GP        | NA                                       | \$0                                  |
| <b>22. Central Procurement Staff Development</b>   | <b>Gross</b> | <b>NA</b>                                | <b>\$50,000</b>                      |
| Provides \$50,000 in private funding to recognize support for staff development, training, and student intern opportunities in CPS.  | Private      | NA                                       | 50,000                               |
|  | GF/GP        | NA                                       | \$0                                  |
| <b>23. Center for Data and Analytics Federal Funding</b>   | FTE          | 44.0                                     | 0.0                                  |
| Removes \$400,000 in federal funding to align authorization with available revenue for the Michigan Center for Data and Analytics.   | <b>Gross</b> | <b>\$7,480,200</b>                       | <b>(\$400,000)</b>                   |
|  | Federal      | 4,505,400                                | (400,000)                            |
|  | Local        | 35,000                                   | 0                                    |
|  | Private      | 100                                      | 0                                    |
|  | GF/GP        | \$2,939,700                              | \$0                                  |
| <b>24. Removal of FY 2023-24 One-Time Appropriations</b>   | <b>Gross</b> | <b>\$46,192,100</b>                      | <b>(\$38,692,100)</b>                |
| Removes \$38.7 million Gross (\$26.9 million GF/GP) of one-time funding that was included in the FY 2023-24 budget to support the following:   | Restricted   | 11,800,100                               | (11,800,100)                         |
| <ul style="list-style-type: none"> <li>\$17.9 million GF/GP for Information Technology Investment Fund</li> <li>\$11.8 million state restricted for retirement IT system modernization</li> <li>\$5.0 million GF/GP for Civil Service management training</li> <li>\$4.0 million GF/GP for state vendor cybersecurity</li> <li>\$100 state restricted for Make it in Michigan placeholder</li> </ul> | GF/GP        | \$34,392,000                             | (\$26,892,000)                       |
| <b>25. Economic Adjustments</b>  | <b>Gross</b> | <b>NA</b>                                | <b>\$11,814,400</b>                  |
| Reflects increased costs of \$11.8 million Gross (\$3.3 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.   | IDG          | NA                                       | 6,592,700                            |
|  | Federal      | NA                                       | 94,200                               |
|  | Local        | NA                                       | (800)                                |
|  | Private      | NA                                       | 1,700                                |
|  | Restricted   | NA                                       | 1,784,600                            |
|  | GF/GP        | NA                                       | \$3,342,000                          |

### Major Boilerplate Changes from FY 2023-24

#### **Sec. 809. Computer Contracts – DELETED**

Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than \$500,000, individually or in aggregate.

#### **Sec. 822. Report on Unclassified Salaries – DELETED**

Requires report on individual appointee and unclassified employee salaries, rounded to the nearest thousand dollars, by January 1.

#### **Sec. 822d. Fees and Rates Charged to State Agencies – DELETED**

Requires report on fees and rates charged to state agencies, along with justification for any increases from prior year.

#### **Sec. 822f. Request for Proposals Website – DELETED**

Requires DTMB to establish a request for proposals (RFP) website searchable by department and agency.

#### **Sec. 822g. Supplier Risk Assessment Program – DELETED**

Requires not more than an additional \$300,000 appropriated to Business Support Services line item to be used to maintain a comprehensive supplier risk and information subscription used for pre-contract risk assessment.

#### **Sec. 822i. Testing Laboratories Consolidation Prohibition – DELETED**

Prohibits use of funds for consolidating testing laboratories for Department of Agriculture and Rural Development or Department of Natural Resources. (*Governor deemed this section unenforceable in FY 2023-24.*)

#### **Sec. 825. Access to SIGMA and MAIN Data – DELETED**

Requires legislature and all state departments to have access to historical and current data in SIGMA and MAIN.

## **Major Boilerplate Changes from FY 2023-24**

### ***Sec. 826. Definition of Information Technology Services – DELETED***

Defines "information technology services" as services involving all aspects of managing and processing information, including certain IT management and support items and services.

### ***Sec. 827. Michigan Public Safety Communications System (MPSCS) – REVISED***

Provides for assessment of fees and expenditure of revenues pertaining to MPSCS; requires approval of a spending plan by the state budget director before expenditure of funds; authorizes unencumbered funds to be carried forward. Revises to eliminate requirement of approval of spending plan before use of funds.

### ***Sec. 828. IT-Related Appropriations and Expenditures – DELETED***

Requires detailed annual report on funding and expenditures for IT services and projects.

### ***Sec. 831. Information Technology Services Billing – DELETED***

Requires DTMB to submit information technology services-related invoices to departments and agencies no later than 60 days after receiving approval from departments to pay vendor invoices.

### ***Sec. 832. Child Support Enforcement System – DELETED***

Requires DTMB to notify legislature of potential or actual penalties for failure of Michigan Child Support Enforcement System to achieve federal certification; requires additional reporting in event of penalties being imposed.

### ***Sec. 839. Federal and State Restricted Revenue for ITIF – NEW***

Appropriates additional federal and state restricted revenue for the Enterprisewide Information Technology Investments line item up to amounts earned based on initiatives undertaken with the General Fund appropriation.

### ***Sec. 862. Required Reports – DELETED***

Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies with status of each planning or construction project financed by SBA.

### ***Sec. 867. Special Maintenance, Remodeling, and Additions for State Agencies – NEW***

Appropriates federal and restricted funds earned based on initiatives undertaken with funds appropriated for Special Maintenance, Remodeling, and Additions for State Agencies; requires the state budget director to determine the appropriate manner for implementing this section.

### ***Sec. 890. Vendor Cybersecurity Monitoring – DELETED***

Requires department to contract with vendor to provide software that provides cybersecurity vulnerability information about companies that state does business with and state's vendor ecosystem; lists eligibility requirements for software vendor; lists metrics that contracted software must provide.

### ***Sec. 891. Make it in Michigan Competitiveness Fund – REVISED***

Creates Make it in Michigan Competitiveness Fund in Treasury; deposits funding appropriated in part 1 in fund; prohibits expenditures from fund without appropriation or legislative transfer; provides guidance and restrictions regarding transfers from fund; states that fund is to be used to leverage major funding opportunities available from recent federal legislation including, but not limited to, Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and Inflation Reduction Act; directs formation of interagency evaluation committee to recommend appropriations or transfers; establishes reporting requirements to legislature. Revises to move to ongoing boilerplate sections and appropriates \$325.0 million for state restricted contingency funds.

### ***Sec. 892. Risk Management Internal Service Fund – NEW***

Creates the Risk Management Internal Service Fund to self-insure property in state-owned and managed buildings; appropriates revenues recovered from rates charged to state agencies for property insurance to pay loss or damage claims to be deposited into the fund; authorizes deposits into the fund to remain in the fund and not lapse to the general fund.

### ***Sec. 893. Dependent Care Flexible Spending Account – NEW***

Requires funds to be available to fund an employer matching payment up to \$2,500 for the dependent care flexible spending account plan; authorizes the Civil Service Commission to take action if resources are being expended at a rate that would exhaust resources before December 31, 2027, including suspending or altering the match benefit; appropriates up to 3% of funding for administrative costs; designates unexpended funds as a work project through FY 2027-28.

**Supplemental Recommendations for FY 2023-24 Appropriations**

**FY 2023-24  
Recommendation**

**1. *Make it in Michigan Contingency Placeholders***

Includes 3 \$100 GF/GP placeholders for federal, local, and private funding sources to facilitate an administrative transfer process to recognize a federal award or other complementary local and/or private revenues in support of projects financed from the Make it in Michigan Competitiveness Fund.

|              |              |
|--------------|--------------|
| <b>Gross</b> | <b>\$300</b> |
| Federal      | 100          |
| Local        | 100          |
| Private      | 100          |
| GF/GP        | \$0          |

**2. *Employee Lump Sum Payments***

Includes \$1.3 million GF/GP to cover costs of one-time lump sum payments for eligible state employees. The Civil Service Commission approved payments of \$2,250 for staff employed full-time as of December 23, 2023.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$1,265,600</b> |
| GF/GP        | \$1,265,600        |

**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
TREASURY**



**Analyst: Viola Bay Wild**

|                   | FY 2023-24              | FY 2024-25             | Difference: FY 2024-25 |            |
|-------------------|-------------------------|------------------------|------------------------|------------|
|                   | Enacted<br>as of 2/7/24 | Executive              | Amount                 | %          |
| <b>IDG/IDT</b>    | \$11,097,300            | \$11,188,500           | \$91,200               | 0.8        |
| <b>Federal</b>    | 24,921,800              | 25,011,400             | 89,600                 | 0.4        |
| <b>Local</b>      | 15,038,100              | 15,207,100             | 169,000                | 1.1        |
| <b>Private</b>    | 33,200                  | 36,600                 | 3,400                  | 10.2       |
| <b>Restricted</b> | 2,197,308,000           | 2,280,719,900          | 83,411,900             | 3.8        |
| <b>GF/GP</b>      | 392,670,200             | 312,446,600            | (80,223,600)           | (20.4)     |
| <b>Gross</b>      | <b>\$2,641,068,600</b>  | <b>\$2,644,610,100</b> | <b>\$3,541,500</b>     | <b>0.1</b> |
| <b>FTEs</b>       | 2,013.5                 | 2,011.5                | (2.0)                  | (0.1)      |

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the governor on tax and fiscal policy issues. The department's mission is to collect state taxes; to invest, control, and disburse state monies; and to protect the state's credit rating and that of its cities. The department manages one of the nation's largest pension funds, administers revenue sharing, and administers student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues, and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), and the State Building Authority (SBA) are autonomous agencies housed within the department.

|  |              | FY 2023-24<br>Enacted<br>(as of 2/7/24) | Executive<br>Change from<br>Enacted |
|--|--------------|---|-------------------------------------|
| <b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>   |              |   |                                     |
| <b>1. Constitutional Revenue Sharing</b>   |              |   |                                     |
| Includes an increase of \$5.4 million in additional state restricted Sales Tax revenue for constitutional revenue sharing grants.  | <b>Gross</b> | <b>\$1,100,663,100</b>                  | <b>\$5,436,500</b>                  |
|  | Restricted   | 1,100,663,100                           | 5,436,500                           |
|  | GF/GP        | \$0                                     | \$0                                 |
| <b>2. City, Village, and Township (CVT) Revenue Sharing</b>  |              |   |                                     |
| Includes a net increase of \$23.8 million in additional state restricted Sales Tax revenue for CVT revenue sharing. The net increase reflects the removal of \$5.6 million that was considered one-time funding in FY 2023-24. Of the proposed FY 2024-25 appropriation of \$29.4 million, \$14.7 million would support a 5.0% ongoing increase and \$14.7 million would support a 5.0% one-time increase (10% total). The 5.0% one-time payment includes the following: | <b>Gross</b> | <b>\$299,126,400</b>                    | <b>\$23,762,400</b>                 |
|  | Restricted   | 299,126,400                             | 23,762,400                          |
|  | GF/GP        | \$0                                     | \$0                                 |
| <ul style="list-style-type: none"> <li>2.0% one-time payment for local public safety initiatives, such as public safety employee recruitment, retention and training, and equipment and infrastructure improvements</li> <li>3.0% one-time payment for local units that certify they have fully obligated their federal ARP - local fiscal recovery funds by October 1, 2024.</li> </ul>   |              |   |                                     |

| <b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>  |  | <b>FY 2023-24<br/>Enacted<br/>(as of 2/7/24)</b> | <b>Executive<br/>Change from<br/>Enacted</b> |
|---|--|--|--|
| <b>3. County Revenue Sharing</b>  |  | <b>Gross</b>                                     | <b>\$217,489,800</b>                         |
| Includes a net increase of \$20.7 million in additional state restricted Sales Tax revenue for county revenue sharing. The net increase reflects the removal of \$4.9 million that was considered one-time funding in FY 2023-24. Of the proposed FY 2024-25 appropriation of \$25.6 million, \$12.8 million would support a 5.0% ongoing increase and \$12.8 million would support a 5.0% one-time increase (10% total). The 5.0% one-time payment includes the following: |  | Restricted                                       | 217,489,800                                  |
| <ul style="list-style-type: none"> <li>2.0% one-time payment for local public safety initiatives, such as public safety employee recruitment, retention and training, and equipment and infrastructure improvements</li> <li>3.0% one-time payment for local units that certify they have fully obligated their federal ARP – local fiscal recovery funds by October 1, 2024.</li> </ul>  |  | GF/GP  | \$0  |
|   |  |  | <b>\$20,749,400</b>                          |
|   |  |  | 20,749,400                                   |
|   |  |  | \$0  |
|   |  |  | \$0  |
| <b>4. MI Vehicle Rebate Program</b>   |  | <b>Gross</b>                                     | <b>\$0</b>                                   |
| Includes \$25.0 million in one-time GF/GP for the MI Vehicle Rebate Program that provides point-of-sale consumer rebates for battery electric, plug-in hybrid, and internal combustion vehicles on a first come first serve basis. Rebates of \$1,000 would be provided for internal combustion vehicles and rebates of \$2,000 would be provided for electric vehicles. An additional \$500 rebate would be provided for union-assembled vehicles.                         |  | GF/GP  | \$0  |
|   |  |  | <b>\$25,000,000</b>                          |
|   |  |  | \$25,000,000                                 |
| <b>5. Recreational Marihuana Grants to Locals</b>   |  | <b>Gross</b>                                     | <b>\$71,670,000</b>                          |
| Includes \$24.7 million in state restricted Marihuana Regulatory Fund revenue to align grant payments to municipalities and counties with the expected increase in revenue.   |  | Restricted                                       | 71,670,000                                   |
|   |  | GF/GP  | \$0  |
|   |  |  | <b>\$24,710,000</b>                          |
|   |  |  | 24,710,000                                   |
|   |  |  | \$0  |
|   |  |  | \$0  |
| <b>6. Marihuana Retailers Excise Tax Form Process Change</b>  |  | FTE  | NA   |
| Includes \$261,700 of state restricted Marihuana Regulatory Fund revenue to support 2.0 FTE positions that would process marihuana retailer attestation forms in a timelier manner. The attestation process was modified by LARA and required reviews are now more time sensitive.  |  | <b>Gross</b>                                     | <b>NA</b>                                    |
|   |  | Restricted                                       | NA   |
|   |  | GF/GP  | NA   |
|   |  |  | <b>\$261,700</b>                             |
|   |  |  | 261,700                                      |
|   |  |  | \$0  |
| <b>7. Transfers to MiLEAP</b>   |  | FTE  | NA   |
| Reflects the transfer of \$8.9 million Gross (\$7.7 million GF/GP) and 33.0 FTE positions from Treasury to the new MiLEAP department. Of the total, \$5.9 million Gross (\$4.7 million GF/GP) and the 33.0 FTE positions are associated with the Student Financial Assistance program and \$3.0 million Gross (\$3.0 million GF/GP) is for Dual Enrollment Payments.  |  | <b>Gross</b>                                     | <b>NA</b>                                    |
|   |  | Restricted                                       | NA   |
|   |  | GF/GP  | NA   |
|   |  |  | <b>(\$8,924,600)</b>                         |
|   |  |  | (1,253,100)                                  |
|   |  |  | (\$7,671,500)                                |
| <b>8. Debt Service Adjustments</b>  |  | <b>Gross</b>                                     | <b>\$100,084,100</b>                         |
| Reduces the budget by \$5.0 million GF/GP based on existing debt service schedules and projected new debt service issues for Clean Michigan Initiative, Quality of Life Bonds, and Great Lakes Water Quality Bonds.   |  | GF/GP  | \$100,084,100                                |
|   |  |  | <b>(\$4,997,100)</b>                         |
|   |  |  | (\$4,997,100)                                |
| <b>9. Secure Retirement for Small Businesses</b>  |  | <b>Gross</b>                                     | <b>\$0</b>                                   |
| Includes \$3.0 million in one-time GF/GP to establish a state-managed retirement plan marketplace that will allow small businesses with fewer than 100 employees to provide optional retirement savings plans.  |  | GF/GP  | \$0  |
|   |  |  | <b>\$3,000,000</b>                           |
|   |  |  | \$3,000,000                                  |
| <b>10. Michigan's Achieving a Better Life Experience (MiABLE) Program</b>   |  | <b>Gross</b>                                     | <b>\$0</b>                                   |
| Includes \$3.0 million in one-time GF/GP to allow for promotion and education of the MiABLE program that allows disabled individuals to create accounts for disability-related expenses without impacting their eligibility for public benefits.  |  | GF/GP  | \$0  |
|   |  |  | <b>\$3,000,000</b>                           |
|   |  |  | \$3,000,000                                  |

| <b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>   |              | <b>FY 2023-24<br/>Enacted<br/>(as of 2/7/24)</b> | <b>Executive<br/>Change from<br/>Enacted</b> |
|--|--------------|--|--|
| <b>11. Payment in Lieu of Taxes (PILT)</b>   | <b>Gross</b> | <b>\$32,288,100</b>                              | <b>\$2,868,700</b>                           |
| Includes \$2.9 million Gross (\$2.2 million GF/GP) for increased PILT payments to local units of government for state lands owned by the Department of Natural Resources. Funding will align payments with current property tax estimates.   | Private      | 33,200   | 3,400  |
|  | Restricted   | 6,647,900  | 664,900                                      |
|  | GF/GP        | \$25,607,000                                     | \$2,200,400                                  |
| <b>12. Tax Processing Services</b>   | FTE          | 355.0  | 7.0  |
| Authorizes \$800,000 in state restricted Delinquent Tax Collection revenue to be used to support 7.0 new FTE positions that would be charged with increasing tax processing efficiency, increasing the efficiency of collections, improving response times, and improving communication between taxpayers and the department.  | <b>Gross</b> | <b>\$44,645,800</b>                              | <b>\$800,000</b>                             |
|  | Restricted   | 44,645,800                                       | 800,000                                      |
|  | GF/GP        | \$0  | \$0  |
| <b>13. Unclaimed Property Compliance Responsibilities</b>  | FTE          | 28.0   | 4.0  |
| Includes \$517,100 in state restricted Escheats Fund revenue to support 4.0 new FTE positions that would work to ensure the Unclaimed Property Division is able to process claims and responses within the 90-day statutory time frame.  | <b>Gross</b> | <b>\$5,070,600</b>                               | <b>\$517,100</b>                             |
|  | Restricted   | 5,070,600  | 517,100                                      |
|  | GF/GP        | \$0  | \$0  |
| <b>14. Treasury Information Technology</b>   | <b>Gross</b> | <b>NA</b>  | <b>\$420,800</b>                             |
| Includes \$420,800 GF/GP to support increased licensing costs associated with the department's information technology systems.   | GF/GP        | NA   | \$420,800                                    |
| <b>15. Gaming Control – Internet Gaming and Sports Betting</b>   | FTE          | <b>NA</b>  | 14.0   |
| Includes \$1.9 million in state restricted funding to support an additional 14.0 FTE positions that would perform auditing, licensing and investigations, and gaming laboratory functions, ultimately expanding the agency's regulatory capacity and protections against illegal activity. Additional staff are needed because of increasing work volumes from the popularity of internet gaming and sports betting.   | <b>Gross</b> | <b>NA</b>  | <b>\$1,942,300</b>                           |
|  | Restricted   | NA   | 1,942,300                                    |
|  | GF/GP        | NA   | \$0  |
| <b>16. Gaming Control – Increased Funding Authorization</b>  | <b>Gross</b> | <b>NA</b>  | <b>\$795,100</b>                             |
| Authorizes an additional \$795,100 in state restricted State Services Fee Fund revenue to be used for gaming-related enforcement services.   | Restricted   | NA   | 795,100                                      |
|  | GF/GP        | NA   | \$0  |
|  |              | NA   |  |
| <b>17. iLottery Website and Application Design</b>   | FTE          | <b>NA</b>  | 4.0  |
| Includes \$1.1 million in state restricted State Lottery Fund revenue to support 4.0 new FTE positions that would work on Lottery IT projects. Of the total, \$510,000 would be ongoing funding that would support the new positions, ongoing maintenance costs, and costs for improving the iLottery app and website; and \$592,000 would be one-time funding used for development of disaster recovery and document management programs, one-time iLottery improvements, and network switch replacement. | <b>Gross</b> | <b>NA</b>  | <b>\$1,102,000</b>                           |
|  | Restricted   | NA   | 1,102,000                                    |
|  | GF/GP        | NA   | \$0  |
| <b>18. Michigan State Lottery</b>  | <b>Gross</b> | <b>NA</b>  | <b>\$1,000,000</b>                           |
| Includes \$1.0 million in State Lottery Fund revenue to support efforts to sell and promote Lottery products through online and retail outlets.  | Restricted   | NA   | 1,000,000                                    |
|  | GF/GP        | NA   | \$0  |
| <b>19. Election Administration Support Fund</b>  | <b>Gross</b> | <b>\$27,209,200</b>                              | <b>(\$27,209,200)</b>                        |
| (a) Reflects removal of \$27.2 million in one-time funding that was appropriated in FY 2023-24.  | GF/GP        | \$27,209,200                                     | (\$27,209,200)                               |
| (b) Includes \$49,100 GF/GP to support counties with implementation costs associated with Proposals 1 and 2 of 2022.   | <b>Gross</b> | <b>\$18,765,400</b>                              | <b>\$49,100</b>                              |
|  | GF/GP        | \$18,765,400                                     | \$49,100                                     |



| <b><u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u></b>  |              | <b><u>FY 2023-24 Enacted (as of 2/7/24)</u></b> | <b><u>Executive Change from Enacted</u></b> |
|--|--------------|---|---|
| <b>20. Removal of Other FY 2023-24 One-Time Appropriations</b>   | <b>Gross</b> | <b>\$77,150,000</b>                             | <b>(\$77,150,000)</b>                       |
| Removes \$77.2 million Gross (\$75.2 million GF/GP) of other one-time funding that was included in the FY 2023-24 budget to support the following: | Restricted   | 2,000,000                                       | (2,000,000)                                 |
|  | GF/GP        | \$75,150,000                                    | (\$75,150,000)                              |

- Beverage Container Distributor Grants (\$8.0 million GF/GP)
  - Gaming Control Information Technology (\$2.0 million restricted)
  - High Crime Community Support (\$12.0 million GF/GP)
  - Local Unit Municipal Retirement Health Care (\$35.0 million GF/GP)
  - Organ Donor Registry (\$150,000 GF/GP)
  - Presidential Primary (\$20.0 million GF/GP)
- (Three other one-time grants are discussed elsewhere in this summary document.)

|  |              |           |                    |
|--|--------------|-----------|--------------------|
| <b>21. Economic Adjustments</b>  | <b>Gross</b> | <b>NA</b> | <b>\$6,407,300</b> |
| Reflects a net increase in costs of \$6.4 million Gross (\$1.1 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), overtime, longevity, insurances, actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. | IDG/IDT      | NA        | 91,200             |
|  | Federal      | NA        | 89,600             |
|  | Local        | NA        | 169,000            |
|  | Restricted   | NA        | 4,923,600          |
|  | GF/GP        | NA        | \$1,133,900        |

### **Major Boilerplate Changes from FY 2023-24**

#### **TREASURY**

##### ***Sec. 902a. Notification of Bond Refunding or Restructuring – DELETED***

Requires Treasury to report, not more than 30 days after a refunding or restructuring bond issue is sold, on the annual debt service changes, the change in principal and interest over the duration of the debt, and the projected change in the present value of the debt service due to the refinancing and restructuring.

##### ***Sec. 934. Expending of Authority Revenues – REVISED***

Authorizes Treasury to expend revenues under various authorities for operation expenses and grants to the Civil Service Commission and the State Employee's Retirement Fund; requires a report on expenditures over \$250,000. Executive revises to delete reporting requirement.

##### ***Sec. 935. Dual Enrollment Payments – DELETED***

Requires dual enrollment payments to be distributed as provided under the Postsecondary Enrollment Options Act, 1996 PA 160, and the Career and Technical Preparation Act, 2000 PA 258, as determined by the department. (Dual Enrollment Payments program was transferred to MiLEAP.)

##### ***Sec. 947. Financial Independence Teams – DELETED***

Expresses legislative intent that financial independence teams cooperate with the Financial Responsibility Section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts. *(Governor deemed this section unenforceable in FY 2023-24.)*

##### ***Sec. 949n. Fostering Futures Scholarship – NEW***

Authorizes Treasury to issue payments in compliance with the Fostering Futures Scholarship Trust Fund Act.

#### **CASINO GAMING**

##### ***Sec. 971. Compulsive Gaming Prevention and First Responder Presumed Coverage Fund Allocations – REVISED***

Allocates \$2.0 million of annual assessment revenue collected by MGCB, \$500,000 of Internet Sports Betting Fund revenue, and \$500,000 of Internet Gaming Fund revenue to the Compulsive Gaming Prevention Fund; allocates \$2.0 million of Internet Sports Betting Fund revenue and \$2.0 million of Internet Gaming Fund revenue to the First Responder Presumed Coverage Fund. Executive revises \$500,000 of Internet Sports Betting Fund revenue and \$500,000 of Internet Gaming Fund revenue to the Compulsive Gaming Prevention Fund to \$1.0 million and \$3.0 million, respectively.

**Major Boilerplate Changes from FY 2023-24**

**Sec. 973. Local Revenue Sharing Boards – REVISED**

Authorizes funds for local government programs to assist local revenue sharing boards; requires boards to comply with Open Meetings and Freedom of Information acts; authorizes county treasurers to receive and administer revenue on behalf of boards; authorizes directors of State Police and MGCB to help local boards allocate funds to local public safety organizations; requires local revenue sharing boards to comply with all applicable provisions of any agreement authorized by the Indian Gaming Regulatory Act, Public Law 100-497; requires MGCB to report on revenue receipt and distribution. Executive revises to delete reporting requirement.

**Sec. 978. Racing Commission Regulatory Changes – REVISED**

Requires MGCB to determine actual regulatory costs of conducting race dates; limits reimbursement to MGCB to actual expenses; requires funds received in excess of actual expenses to remain in the Equine Development Fund to be used to fund subsequent race dates; specifies that in the case of reduced revenues, race dates can be reduced, after notifying certified horsemen's organizations and providing an opportunity for those organizations to respond with alternatives; requires report. (Governor deemed this section unenforceable in FY 2023-24.) Executive revises to delete requirement that funds received in excess of actual expenses are to remain in the Equine Development Fund and that in the case of reduced revenues, race dates can be reduced, after notifying certified horsemen's organizations.

**Sec. 979. Millionaire Party Regulation – REVISED**

Authorizes receipt and expenditure of Internet Gaming Fund revenue in an amount not to exceed the amount appropriated to MGCB to support regulation and licensing of millionaire parties; requires a report. Executive revises to delete reporting requirement.

**ONE-TIME APPROPRIATIONS**

**Sec. 990. Local Unit Municipal Retirement Pension and Health Care Benefit Premium Payment Grants – DELETED**

Requires Treasury to establish and operate a grant program that provides relief to local governments with the greatest burden from qualified pension and retirement health benefit systems; requires Treasury to consult with relevant stakeholders to develop a method of distribution and program requirements.

**Sec. 991. High-Crime Community Support – DELETED**

Requires funding to be used for grants to county prosecutors in 6 specific communities to address caseload backlogs; requires reports from county prosecutors receiving grants.

**Sec. 993. Beverage Container Distributor Grants – DELETED**

Requires funding to be used for grants to licensed distributors for costs associated with the beverage container deposit program; requires grants to equal 1/2 of 1 cent per returnable container for beer, ale, other malt drinks, mixed wine drinks, or mixed spirit drinks.

**Sec. 1200. MI Vehicle Rebate Program – NEW**

Requires appropriation to be used to provide rebate vouchers to participating auto dealers on new vehicle purchases for eligible individuals at point-of-sale; specifies rebate guidelines by category; requires a report on the number of rebates issued for each category; requires Treasury to develop guidelines and definitions for implementation of the program.

**Sec. 1201. Secure Retirement for Small Businesses – NEW**

Requires appropriation to be used to create a state-managed retirement plan marketplace that small businesses with fewer than 100 employees may voluntarily enroll in as a means to provide retirement plan options to their employees; authorizes Treasury to receive and expend private funds for development and operation of the marketplace; requires a report on the number of participating employers, employees, and financial services firms; requires Treasury to develop guidelines and definitions for implementation of the program.

| <b><u>Supplemental Recommendations for FY 2023-24 Appropriations</u></b>  | <b><u>FY 2023-24 Recommendation</u></b> |                  |
|---|---|------------------|
| <b>1. Special Election Costs</b>  | <b>Gross</b>                            | <b>\$750,000</b> |
| Includes \$750,000 GF/GP for special election costs. Funding would be used to reimburse local clerks in Warren and Westland for expenses associated with conducting special elections to fill vacancies in the 13th and 25th state House districts. | GF/GP                                   | \$750,000        |

**Supplemental Recommendations for FY 2023-24 Appropriations**

**FY 2023-24  
Recommendation**

**2. Lottery Operations**

Includes \$540,800 in restricted funding for Lottery operations. Of that amount, \$405,800 would be used to support sales and promotion of Lottery games online and in retail locations, and \$135,000 would be used for building and security improvements for the Lottery headquarters building located in downtown Lansing.

|              |                  |
|--------------|------------------|
| <b>Gross</b> | <b>\$540,800</b> |
| Restricted   | 540,800          |
| GF/GP        | \$0              |

**3. Employee Lump Sum Payments**

Includes \$1.2 million Gross (\$641,200 GF/GP) to cover costs of one-time lump sum payments for eligible state employees. Of that amount, \$641,200 would support payments for Treasury employees and \$569,200 would support payments for Bureau of State Lottery employees. The Civil Service Commission approved payments of \$2,250 for staff employed full-time as of December 23, 2023.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$1,210,400</b> |
| Restricted   | 569,200            |
| GF/GP        | \$641,200          |