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Executive Budget Recommendation

FY2024

Governor Gretchen Whitmer
Budget Director Christopher M. Harkins



FY2024 EXECUTIVE BUDGET



Lowens Costs for Families



Grows Our Economy



Builds a Brighter Future

LOWERING MI COSTS

Roll Back the Retirement Tax

- Saves half a million households \$1,000 a year

Boost Working Families Tax Credit

- Delivers nearly \$3,200 refunds to 700,000 families, benefiting almost 1 million kids

Deliver Pre-K for All

- Saves families an average of \$10,000 a year and ensures all 110,000 4-year-olds in Michigan get a great start



LOWERING MI COSTS

Child Care Educators Tax Credit

- Up to \$3,000 for child care and preschool teachers

Electric Vehicle Sales Tax Cut

- Cuts the state sales tax on the first \$40,000 of an electric vehicle purchase, saving up to \$2,400 in taxes



EDUCATION

Highest Per-Student Funding Ever

- Provides additional support for special education, at risk students, English language learners, and those in rural and isolated districts

Free Breakfast and Lunch

- Ensures all 1.4 million public school students have access to school meals, potentially saving families \$850 a year

Mental Health and School Safety Resources

- Provides dedicated resources per student

Literacy Support from Cradle to Career

- Literacy development and curriculum for children and adults



EDUCATION

Nature Awaits

- Sends every 4th grader to a state park for a firsthand Pure Michigan experience

Healthy School Grants

- \$300 million to improve air and water quality in schools and lower energy costs

Electric School Buses

- Funding to help districts buy 500 electric school buses to provide health benefits for students and long-term savings



TEACHERS

MI Future Educator Fellowship

- Continues to put over 2,200 Michiganders on tuition-free paths to the classroom

Student Teacher Stipends

- Continues stipends to set students on the path to full-time teaching

Teacher Supports:

- Teacher-to-teacher mentorships
- Rural teacher workforce development
- Talent Together initiative to recruit and train more educators



HIGHER EDUCATION

Michigan Reconnect

- Temporarily changes eligible age from 25 to 21, providing tuition-free associates degrees or skills training to 350,000 more participants who were impacted by the pandemic

Michigan Achievement Scholarship

- Lower the cost of college up to \$8,250 over 3 years for community colleges, \$20,000 over 5 years for private colleges, or \$27,500 over 5 years at public universities
- Covers 4 out of every 5 college students in Michigan



HEALTH

Insulin Access and Manufacturing

- Supports funding that will help decrease the cost of insulin

Healthy Moms, Healthy Babies

- Program provides at-home visitation, doula services, and other support for new moms

Plan First! Program

- Expands access to family planning services, STI/cancer screenings, and lab services to 25,000 people, saving them \$2,000 a year

Community Health Supports

- Additional funding for local health departments, pay increases for direct care workers, recruitment for behavioral health workers, and to reduce racial disparities in healthcare



SAFETY

First Responder Supports

- Provides training and mental health services for officers
- Supports locals through dedicated revenue sharing for first responders

Community Violence Intervention

- Tackles root causes of community violence and builds on criminal justice reform



INFRASTRUCTURE

Improve our Bridges

- Investments will bring dozens of state and locally-owned bridges to a good state of repair

Grants for Local Infrastructure Projects

- Provides grants to improve rail, marine, intercity, and local transit

Funding for Federal Infrastructure Match

- Reserve fund enabling the state to more nimbly match federal infrastructure match dollars, like those provide for in the Infrastructure Investment and Jobs Act (IIJA)



INFRASTRUCTURE

Safe and Affordable Housing

- Builds hundreds of affordable housing units, helps address migrant housing needs, and fights blight

Lead Service Lines

- Replaces thousands of lead service lines throughout the state

Clean Energy

- EV Friendliness Program expands charger access
- Supports to help families and small businesses switch to clean energy

State Park and Environmental Permitting

- Improves state parks and outdoor recreation industry
- Streamlines permitting to increase transparency and application times



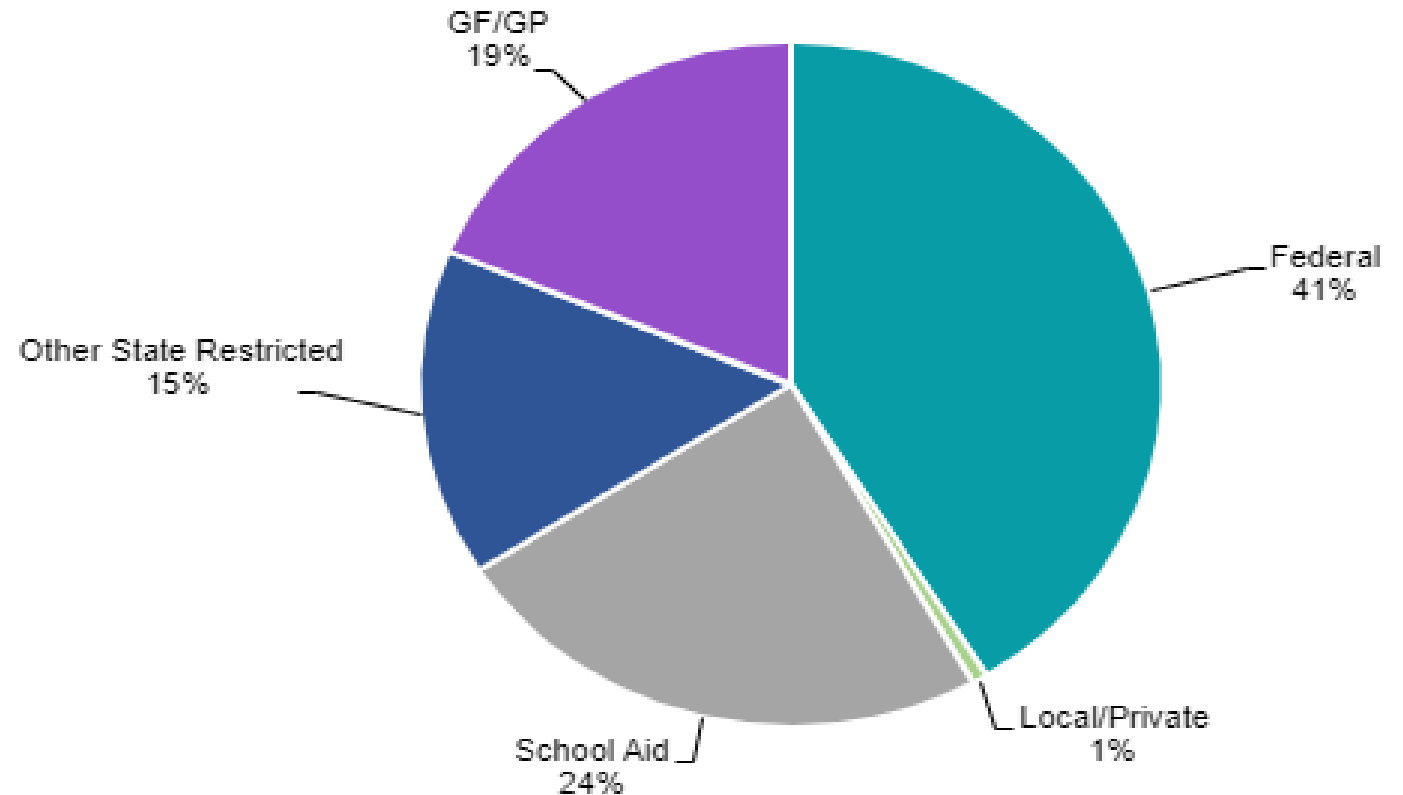


FY2024 EXECUTIVE BUDGET

FY 2024 Budget

- Total budget \$79b
- General Fund \$15b
- School Aid Fund \$19b

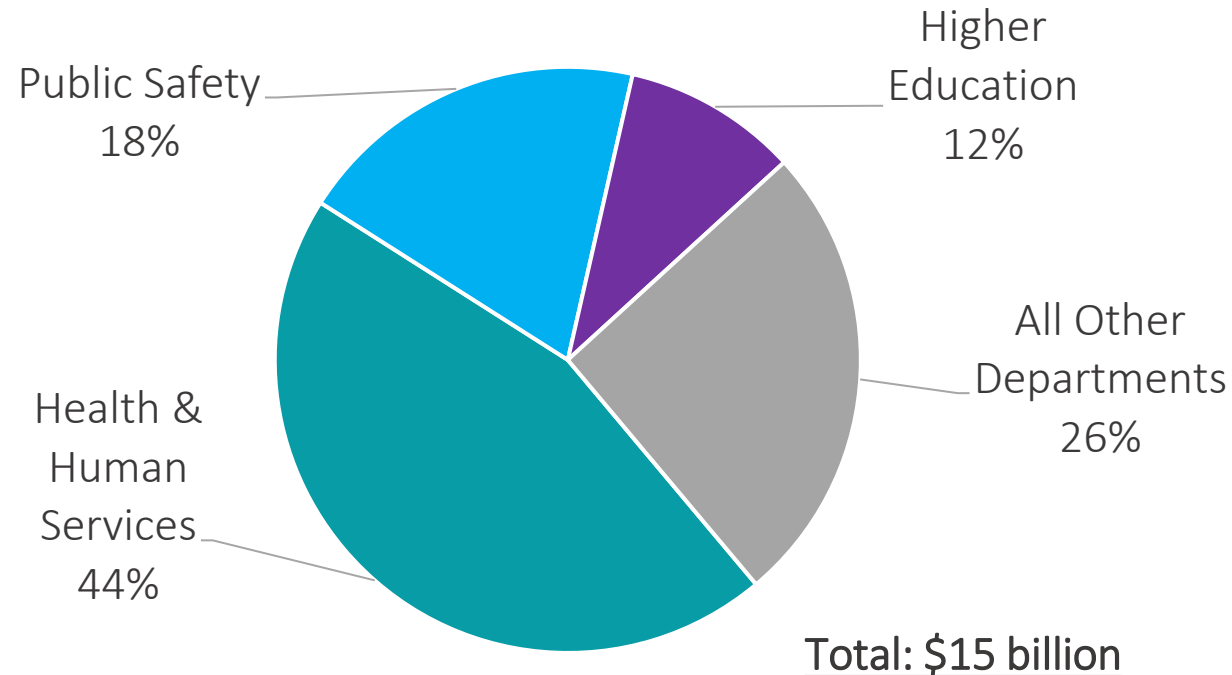
Total Budget by Source



General Fund Budget

General Fund: Nearly three quarters of GF/GP appropriations fund health care, the protection of vulnerable children and adults, public safety, and education.

Total General Fund by Category



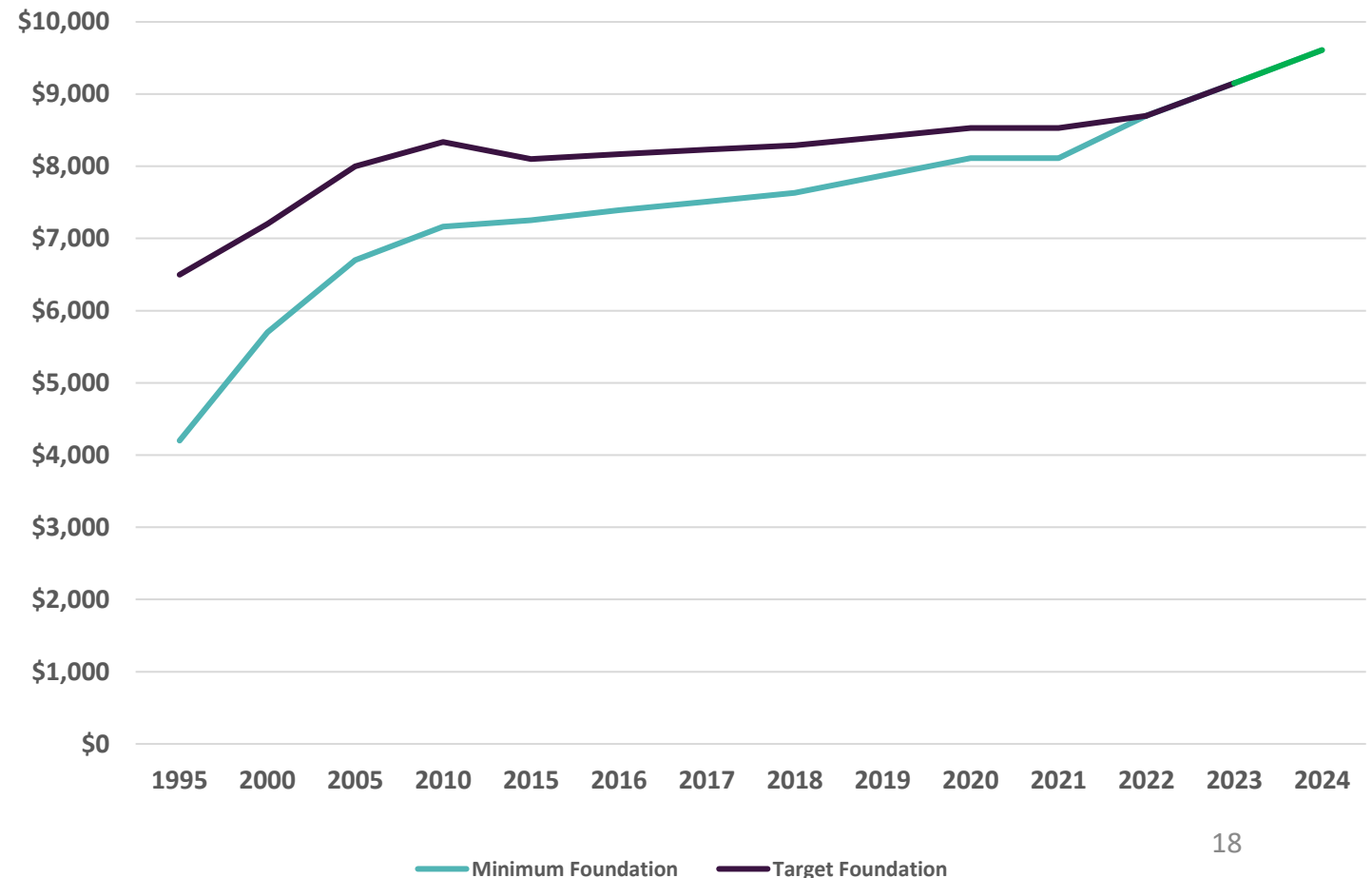


➤ Getting Kids Back on Track

Student Funding

- This budget will invest \$718m to continue building a weighted funding model that includes a base per-pupil amount plus additional funding for students with more costly educational needs
- Increases base per-pupil funding to districts up to \$9,608 (a 5% increase, \$458 per pupil), \$614m

Per Pupil Funding



Student Funding

- Michigan serves a diverse population of students, with some children needing additional assistance or resources to help them thrive in an educational environment:
 - Economically disadvantaged students, \$65m
 - Special education students, \$80m
 - Career and Technical Education (CTE), \$25m
 - Reimbursements, \$10m
 - Equipment, \$15m
 - English language learners, \$1m
 - Rural and isolated districts, \$443,000, 5%, increases appropriation to \$9m

Universal Pre-K

- Universal Pre-K, to be implemented by the end of the Governor's second term, will provide preschool for all, saving families an average of \$10,000 a year and enabling all 4-year-olds in Michigan get a great start
- This gets kids on the path to a bright future while helping parents go back to work knowing their kids are safe and cared for. Preschool helps employers too, which is why so many businesses support it
- Data shows that children who go to preschool are more likely to graduate, earn a certificate or degree, and get a good-paying job
- Great State Readiness Program (GSRP) expansion, \$244m
 - GSRP transportation, \$18m increase, bringing total to \$28m
 - GSRP start up and expansion grants, \$50m (FY23 Supplemental)
 - Expanded GSRP programing to 5 days a week and marketing, \$85m (FY23 ARP Supplemental)
 - Pilot to expand GSRP to 3-year-olds, \$18m (ARP funding)
 - Slot allocation and eligibility, \$73m to increase full-day allocation from \$9,150 per student to \$9,608, a 5% increase, expanding the coverage from 250% to 300% of the federal poverty level

Early Childhood Education

- Early childhood education workforce, \$50m
 - Funding to assess the needs of the early childhood workforce
 - Expands pathways to recruit people interested in being part of the early education workforce
 - Ensures education and credentialing of people align with early childhood workforce needs
 - Pilot projects that support the recruitment and retention of early learning professionals
- Early childhood interventions, \$11m
 - Early On program which supports early identification and intervention services for younger children, \$1m
 - Expand home visitation and early childhood collaboratives effort, \$10m
- Free books for kids, \$4m
 - Funding to enroll children in the Dolly Parton Imagination Library, which provides free books by mail to families, ensuring children have access to reading materials at home

Getting Students Back on Track

- MI Kids Back on Track/tutoring, \$300m (FY23 Supplemental)
 - Provides approximately \$214 per pupil for tutoring and academic catch-up services per year
- Partnership districts, \$36m over 3 years
 - The number of districts in need of state support increased during the pandemic. Through increased collaboration and positive relationships, we reduce barriers and identify appropriate resources to help expedite the district's academic achievement for all students
 - This triples funding for 3 years (\$12m each year for 3 years) to provide interventions necessary to get districts back on track
- Mathematic instruction supports, \$30m over two years
 - Purchase and implement math recovery curriculum and tools, support instruction in non-traditional mathematics pathways, and support statewide math recovery specialists at ISDs
- Before and after school programs, \$25m (ARP funding)

Educator Supports

- MI Future Educator Fellowship, \$25m in continued support
- Student teacher stipends, \$50m in continued support
- Statewide teacher mentoring and induction, \$25m
 - Program will link new teachers with experienced mentors to both strengthen the practice and increase teacher retention rates
- Rural educator credentialing hub, \$15m
 - Program addresses the need to fill teaching positions in rural areas of the state
- Training on special education, \$5m
 - Administrator training on special education service requirements, evaluations, and supports

Healthy and Safe Schools

- School Lunch
 - Universal access to school breakfast and lunch, \$160m
 - School meal debt forgiveness, \$1m
- School Safety
 - Discretionary school safety supports, \$318m over 2 years
 - OK2SAY school safety program expansion, \$379,000
- Mental Health
 - Discretionary mental health supports, \$300m over 2 years
 - Other mental health supports, \$4m, ongoing



Literacy Investments

- K-12 literacy
 - Early literacy hubs, \$1m ongoing
 - Funding will support 10 regional early literacy network hubs to continue to build an equitable and aligned statewide early childhood literacy support network for children birth to five and their families
 - Family and community engagement, \$482,000 one-time, \$5m ongoing
 - Early literacy grants to districts, \$15m increase, ongoing
 - Early literacy coaches, \$11m increase, ongoing
 - Michigan Learning Channel, \$5m one-time
 - Professional development, curriculum, and supports, \$300m over two years
 - Literacy initiative for Detroit as a result of *Gary B v. Whitmer*, \$94m one-time

Higher Education

- University Operations
 - \$64m ongoing increase, 4%
 - University per-student funding floor, \$7m
 - Continued funding toward a \$4,500 per student funding floor
- Community Colleges Operations
 - \$14m ongoing increase, 4%
- Infrastructure, Technology, Equipment, and Maintenance (ITEM) funding, \$200m one-time (FY23 Supplemental)
 - Assist community colleges and universities with improving existing facilities, infrastructure, and technology
 - Community Colleges, \$59m
 - Universities, \$141m

Higher Education Student Support

- Post-secondary Scholarship Fund deposit, \$50m ongoing, \$50m one-time
 - Provides additional investment to assist in full implementation costs of the Michigan Achievement Scholarship
- Student Wellness Fund, \$55m, one-time, (FY23 Supplemental)
 - Provide community colleges and public universities one-time wellness funding to assess, evaluate, and improve student wellness resources on campus
 - Community Colleges: \$16m
 - Public Universities: \$39m
- Adult literacy, \$30m
 - Adult Education funding increase, \$15m ongoing
 - Adult Education additional supports, \$15m



➤ Expanding Opportunity

Workforce Education and Support

- Reconnect, \$140m (FY23 ARP Supplemental)
 - Extends Reconnect to students ages 21-24 temporarily through 2026 to support students who were impacted by the pandemic
- Reconnect Bachelor's Degree Pathway, \$75m (FY23 ARP Supplemental)
 - Provides college affordability grants to students who are 30 credits or less from completion of a credential or degree, or who have sufficient credits but failed to earn the credential or degree due to barriers or other challenges to completion
- Going Pro, \$55m ongoing (FY24 Executive Budget), \$35m (FY23 ARP Supplemental)
 - Provides job training grants to businesses to support training for current and new employees in high-demand, skilled trades industries
- College Success Fund, \$25m one-time
 - Incentive payments to colleges intended to improve retention and completion rates
- Expansion of employer-led collaboratives, \$20m
 - Support employer-led collaboratives to fill identified talent gaps and other workforce issues through training and education

Workforce Education and Support

- Retraining and Retooling Fund, \$35m (FY23 ARP Supplemental)
 - Support for small manufacturers to reactivate and retrain workforce in transitioning industries
- Removal of employment barriers, \$15m (PA 1 of 2023)
 - Remove barriers to employment for low-income, poor, and working poor residents
- Jobs for Michigan Graduates, \$1m, \$6m total ongoing for program
 - Aids students in making career connections and soft-skill development to prepare them for the workforce
- Pure Michigan Talent Connect improvements, \$6m (ITIF in DTMB Budget in FY24)
 - Improves the current legacy system to ensure employers can effectively post job openings and seekers can efficiently search and apply for jobs

Workforce Education and Support

- Michigan Achievement Scholarship, \$50m one-time, \$50m ongoing, for a total of \$350m
 - Scholarship amounts reduce the cost of college for students by:
 - \$8,250 over 3 years for community colleges
 - \$20,000 over 5 years for private colleges
 - \$27,500 over 5 years for public universities
- State Apprenticeship Expansion, \$25m (PA 1 of 2023)
 - Expands statewide apprenticeship activities to support occupations critical to Michigan's economical growth
- State Digital Equity Planning Grant, \$1m (FY23 Supplemental)
 - Provides for the development of state digital equity plans which will leverage additional federal resources to promote digital equity and build capacity for adoption of broadband

Workforce Education and Support

- Student wrap around services and need based support, \$30m
 - Creates single stop model at universities and community colleges to connect students to public benefits and provides grants to address student housing and food insecurity
- Digital Workforce Development partnership, \$5m
 - Develops the Digital Workforce Development platform - a digital tool for career exploration and skill development between prospective employees and employers
- Statewide student record data system planning, \$2m
 - Initiates planning for a statewide student record data system to help identify gaps and barriers for degree attainment

Economic Development

- Strategic Outreach Attraction Reserve (SOAR) Deposit: \$950m GF (FY22 deposit, \$800m; PA 1 of 2023, \$150m)
 - Corporate Income Tax revenues greater than \$1.2b ongoing, beginning in FY23 ongoing: First \$50m to Housing and Community Development Fund, Second \$50m to Revitalization and Placemaking (RAP), Next \$500m to SOAR
 - UP Economic Development project, \$200m (PA 1 of 2023)
 - Revitalization and Placemaking (RAP) Grants, \$100m (PA 1 of 2023)
- Insulin manufacturing, \$150m
 - Insulin prices have tripled in the last decade and this investment will lower costs for Michiganders
 - Manufacturing insulin in the state will create jobs and diversify industry
- Onshoring Clean Energy Supply Chain Tax Credit, \$200m over 10 years
 - Encourages businesses to invest in clean manufacturing and industrial decarbonization projects in Michigan

Community Development

- Regional Empowerment Grants, \$200m
 - Competitive grants to support the growth, development, and diversification of the state's regional and local economies
- Community Downtown Economic Development Grants, \$100m
 - Supports local economic development and placemaking efforts with the focus on downtowns and social centers of communities
- Michigan Main Street initiative, \$135m
 - Provides supports to start, grow, and expand small and micro businesses
- Small business Smartzones and business accelerators (\$75m, PA 1 of 2023)
- MI outdoor recreation business supports, \$10m
- Pure Michigan, \$15m (FY23 ARP supplemental)





➤ Keeping Communities Safe

- Office of Community Violence Intervention Services, \$6m GF, \$11m gross
 - Establishes office to pilot community violence intervention and gun violence prevention grants
- In-service training for licensed law enforcement officers, \$18m ongoing
 - Funding builds on the \$20m included in Public Act 1 of 2023 for in-service training and focuses on supporting continuing education for law enforcement on an ongoing basis
- Strategic training initiatives, \$50m
 - Leverages the State Police Training Academy to serve as a criminal justice training hub that will support realistic, multi-disciplinary training opportunities for law enforcement agencies across the state
- Gun violence prevention, \$2m
 - Expands law enforcement's capacity to collect information and intelligence on gun crimes
- Trooper Recruit School, \$4m ongoing; \$5m one-time
 - Supports the anticipated graduation of 50 new recruits through the trooper recruit school

- Indigent Defense Grants, including new Standard 8 related to attorney compensation, \$72m ongoing
 - Implements Standard 8 for the effective and fair assistance of counsel for indigent criminal defendants
- DHHS juvenile justice programming reimbursements, \$32m
 - Provides reimbursement through the Michigan Child Care Fund for evidence-based community programming for juvenile justice as identified by local units of government
- Juvenile Lifer Unit expansion, \$2m
 - Provides resources to adjust for new resentencing guidelines
- Other Juvenile Justice Taskforce recommendations
 - Creation of the Juvenile Justice Services Division, \$2m ongoing
 - Office of Child Advocate juvenile justice services, \$2m ongoing
 - Creation of a State Appellate Defender Office to support juvenile justice cases, \$557,000 ongoing

Public Safety

- Victim support program, \$2m ongoing
 - Supports a victim support program with two full-time victim advocates assigned to each state district
- Conviction Integrity Unit, \$1m
 - Investigates claims of innocence with possibility of overturning convictions
- Job courts for disadvantaged offenders, \$5m
 - Diverts offenders from criminal justice system by providing jobs and services

Safe Prisons

- Medication assisted treatment, \$16m
 - Recommendation from Opioid Task Force to increase medication assisted treatment for incarcerated population
- Special investigative division, \$3m
 - Focuses on investigations of alleged harassment, assault, and retaliation within prison system
- Body cameras for MDOC officers, \$7m

Military and Veterans

- Selfridge Air National Guard Base, \$10m
 - Provides funding for needed maintenance for facilities and increases base staffing up to authorized federal levels
 - Investment is part of Governor's ongoing commitment to support the National Security Strategy, which focuses on investing, modernizing, and strengthening our military
- Michigan Defense Center support, \$5m
 - Leverages federal contracting opportunities and bolsters the defense industry in Michigan
- Arsenal of Innovation Fund, \$2m
 - Funds research and development for future mobility technologies with defense applications
- Veteran suicide prevention, \$1m ongoing
 - Provides continuing support for suicide prevention outreach targeting service members, veterans, and their families

Strong and Safe Communities

- Constitutional Revenue Sharing, \$1b
 - Payments made to cities, villages, and townships (CVTs). Represents a \$62m increase over FY23 enacted appropriation
- Statutory Revenue Sharing payments, \$89m total increase
 - An overall 17% increase compared to FY23 ongoing enacted appropriations
 - Statutory revenue sharing totals represent the following:
 - 10% increase (5% ongoing and 5% one-time) in general statutory revenue sharing as compared to FY23 ongoing enacted appropriations
 - 7% increase (2% ongoing and 5% one-time) specifically designated for local public safety initiatives for both counties and CVTs as compared to FY23 ongoing enacted appropriations. Initiatives include public safety employee recruitment, retention, training, equipment, and infrastructure improvements



Strengthening Families

Health Access

- Nursing facility Medicaid rate reform, \$102m GF one-time, \$110m gross
 - Funds a 2-year transition to a new Medicaid nursing facility reimbursement model
 - Investment permits facilities to offset financial losses, become familiarized with the new system, and adjust business practices to new structure
- Healthcare workforce:
 - Direct care workers, \$75m GF ongoing, \$210m gross, ongoing, a \$1.50hr increase
 - Non-direct care workers to align with direct care workers, \$32m GF ongoing, \$90m gross
- Essential local public health services, \$30m ongoing
 - Support local public health departments with services related to drinking water safety, infectious disease control, food protection, and disease control and prevention
- Adult protective services, state hospitals, juvenile justice facilities, and Office of Recipient Rights resources, \$7m GF, \$10m gross
 - Provides additional staff to improve deficiencies discovered through state audit

Health Access

- Healthy Moms/Healthy Babies, \$31m, \$62m gross ongoing
 - Provides grants that will improve maternity supports and expand access to Medicaid pregnancy and young child services
- Expanded Medicaid coverage for family planning services, \$1m GF, \$6m gross
 - Expands coverage for family planning services through the Plan First! program under Medicaid
- In-home assistance for water quality, \$100m one-time, \$23m ongoing
 - Supports efforts to investigate and abate lead contamination to create cleaner drinking water for residents



Health Access

- Medicaid health access and equity, \$38m GF, \$130m gross ongoing
 - Improve enrollee access to Medicaid service by improving persistently low reimbursement rates, list service, expanded CSHCS
 - Medicaid recuperative care for homeless population, \$2m GF ongoing, \$5m gross
- Racial Disparities Task Force recommendations, \$53m GF, \$58 gross
 - Equity impact assessment, DEI and staffing, \$2m GF, \$2m gross, both ongoing
 - Neighborhood health grants, \$15m ongoing, \$4m one-time
 - Mobile health units, \$6m ongoing
 - Sickle cell support, \$3m
 - Local Healthy Community Zones, \$17m ongoing, \$1m one-time
 - IT and data collection process improvement, \$10m one-time

- Child Care Educators Tax Credit, \$24m ongoing
 - Creates a refundable tax credit for professionals working at licensed childcare facilities
- Increased child care worker reimbursement rates, \$5m (FY23 ARP supplemental), \$74 ongoing
 - Ensures access to high quality child care programs for low-income families across the state
- Child care licensing, \$2m ongoing, \$200,000 one-time
 - Helps ensure health, safety, and welfare of children in child care, while also helping to lessen financial burdens on providers by supporting background check costs
- Foster care payments, \$8m GF ongoing, \$19m gross
 - Funds an 8 percent increase in the foster care maintenance rate
- Foster parent support, \$15m ongoing
 - Creates new foster care respite care program to provide temporary, occasional relief to existing foster parents that aims to keep licensed foster homes open

Human Services

- Fair Food Network Double Up Food Bucks, \$16m (FY23 supplemental)
 - Allows Double Up Food Bucks to continue for 5 years
- Local water utility affordability, \$40m (FY23 ARP Supplemental)
- Home energy updates/weatherization:
 - Energy efficiency point of sale rebates, \$212m (FY23 Supplemental)
 - Home weatherization supports, \$75m (FY23 ARP Supplemental)



➤ Healthy Environment

- Lead service line replacement, \$200m one-time, \$26m ongoing
 - Will continue to remove and replace lead lines across the state
- Renewable ready communities, \$40m
 - Accelerate the deployment of renewable energy; build resilient infrastructure
- Environmental Justice Contaminated Site Cleanup Fund, \$100m
 - Remediates and redevelops contaminated sites and expands air pollution controls in historically disadvantaged and underrepresented communities
- Orphan wells remediation, \$5m GF, \$10m gross IJA
 - Will finish remediation on all known orphan wells within the next 5 years
- Restoring Michigan waterways, \$25m
 - Provides one-time support to implement safety initiatives and fund dam removal projects across the state

- Environmental permitting improvements, \$15m
 - Modernizes and expands the MiEnviro permitting system (ITIF in DTMB budget), streamlining the permitting process, \$8m
 - Increase permitting staff to decrease application process times, \$7m
- Groundwater data collection improvements, \$31m
 - Creates a groundwater data management system to improve data collection and decision-making, \$7m, ITIF
 - Provides resources for data management and permitting, \$24m one-time, \$300,000 ongoing
- Critical mineral recycling research hub, \$15m one-time
 - Conducts research into recycling processes for minerals essential to the modern electronic and industrial economy
- Michigan Saves energy improvements, \$5m
 - Michigan Saves supports private lending for green building and energy efficiency improvements for commercial facilities and residential homes, leveraging \$150m in private capital

- Climate Smart Farming program education and implementation, \$10m
 - Promotes the USDA "Climate Smart Farming" approach to minimize soil disturbance, maximize crop diversity, and integrate livestock to reduce sediment and nutrient runoff, keeping water and soil resources safe
- Research and respond to emerging contaminants in food and agriculture sector, \$8m (FY23 Supplemental), \$6m
 - To research, test, analyze, and respond to dioxins, PFAS, and other chemical contaminants in agriculture practices and food
- Supply chain investments in cold storage and other technology for agriculture industry, \$38m
 - Investment will tackle issues such as a lack of accessible cold storage, distribution and processing facilities, and help with the implementation of advancing technology
- Michigan herd protection, \$5m
 - Invests in infrastructure to protect herds and other wildlife populations

Natural Resources

- Climate and carbon sequestration, \$2m
 - Expands carbon credit program that sells carbon sequestration credits to Michigan companies for the preservation of vital carbon sequestering ecosystems and lands
- Forest land management, \$3m
 - Expands and purchases equipment for forest management operations, improving habitat preservation
- Invasive Species and Habitat Strike Team, \$12m
 - Creates an invasive species response task force that will lead and accelerate efforts to prevent the intrusion of new, and contain current, invasive species in Michigan
- Aquatic invasive species prevention, \$64m (FY23 Supplemental)
 - Provides required match for the construction of the Brandon Locks to prevent the desolation of the Great Lakes ecosystem by invasive carp and other aquatic nuisance species
- Emergency response and fire management, \$4m
 - Expands and equips the state firefighting force to meet increased foreset fire and emergency response demands stemming from the changing climate

Outdoor Access

- Increased state park support
 - Provide additional park rangers and essential resources to state parks. This program will improve state park experiences for the public in response to their increased use over recent years, \$8m
 - Belle Isle State Park infrastructure improvements, \$43m
- Broadening Access to the Outdoors, \$2m
 - Provides community engagement and outreach to increase disadvantaged communities participation and representation in the state park and cultural museum systems
- Nature Awaits, \$4m
 - Enables every fourth-grade class in Michigan to experience the state's park system where their teachers can educate them with the support and resources of the Department of Natural Resources

MI Future Mobility Plan

- Intermodal Capital Investment Grants program, \$160m
 - Supports capital investments in rail, bus, and marine transit service expansions
- EV charging stations, \$65m (FY23 ARP Supplemental)
 - EV Friendliness Program to expand public, at-home, and commercial charger infrastructure and access
- Electric Vehicle Sales and Use Tax Exemption, \$48m over 2 years
 - Temporary tax incentive that lowers the cost of electric vehicles
- State fleet electric vehicle transition, \$10m
- Clean Fleet Initiative, \$45m (FY23 ARP Supplemental)
 - Supports local governments and businesses transitioning vehicle fleet to electric vehicles and clean fuels
- Electric vehicle buses, \$150m
 - Funding will help school districts buy 500 electric school buses



Infrastructure

Infrastructure

- Federal IIJA, IRA, CHIP Statewide Match Lump Sum, \$350m (FY23 supplemental)
 - Reserve fund enabling the state to more nimbly match federal infrastructure match dollars
- Enterprise special maintenance for state facilities, \$100m
 - Supports special maintenance projects at state-owned facilities
- Michigan bridge bundling for state and local bridge projects, \$200m
 - Investments will bring dozens of bridges into good repair
- Broadband expansion, \$5m
 - Supports the expansion of broadband by reimbursing up to 10% of out-of-pocket costs for applicants approved for funding through the E-rate program

School Infrastructure

- School infrastructure projects deposit, \$500m (FY23 Supplemental)
 - Provides for a variety of projects of which will be determined upon completion of a statewide study that will determine areas of greatest need
- School health and safety infrastructure grants, \$300m (FY23 Supplemental)
 - Eligible uses for these dollars include:
 - Indoor air quality improvements like HVAC and air conditioning needs
 - Energy enhancements, including energy efficiencies, on-site renewable energy production, and facility electrification
 - Toxin remediation, including the removal of lead and asbestos
 - Drinking water system upgrades, including the installation of hydration stations

Housing Infrastructure

- Housing gap financing and affordable housing, \$150m (PA 1 of 2023)
- Blight elimination/Land Bank housing redevelopment, \$75m (PA 1 of 2023)
 - Provides competitive grants to communities to address vacant and blighted properties
- Housing and Community Development Fund, \$50 ongoing beginning in FY23
- Missing Middle Housing, \$50m (PA 1 of 2023)
 - Builds new attainable housing, and repair and upgrade existing homes
- Migratory agriculture worker housing, \$15m (FY23 ARP supplemental)
 - Addresses workforce housing needs in the food and agriculture industry by providing grants to improve living conditions and housing options
- Attainable housing and apprenticeship, \$10m (FY23 ARP Supplemental)
 - Provides for an attainable homeownership program emphasizing use of skilled trades apprentices to renovate existing houses

IT Infrastructure

- Information Technology Investment Fund (ITIF) investments, \$41m increase over FY23
 - Funds 10 agency information technology projects to modernize legacy systems, enhance security and support improved customer experiences
- Investigation and enforcement, \$5m ongoing
 - Funds 3 teams to investigate complaints
- Statewide court data transparency project, \$5m
 - Improves the quality, consistency, and scope of Michigan court data



Fiscal Responsibility

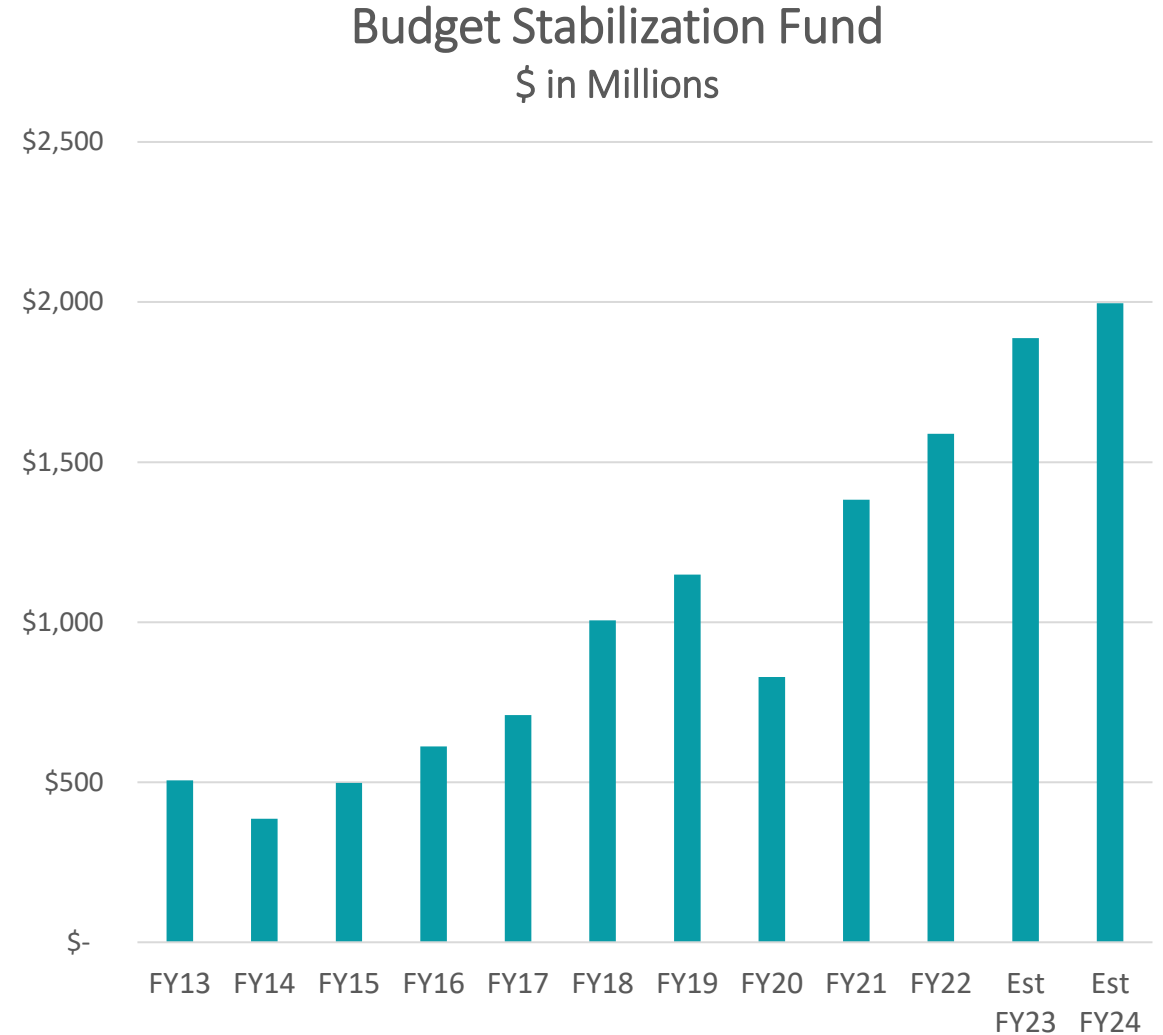
Credit Rating

- In June 2022, Fitch Ratings boosted the state's credit rating from AA to AA+ with a "stable outlook"
- First Fitch credit rating upgrade in nearly 10 years



Fiscal responsibility

- \$1.1b Budget Stabilization Fund deposits
 - BSF \$200m (FY23 Supplemental); bringing our total to nearly \$2b
 - New School Aid Rainy Day Fund, \$900m
- MPSERS Reserve Fund Deposit
 - Deposits \$500m into the MPSERS Reserve Fund in anticipation of higher cost in subsequent years due to the negative market conditions during FY22
- MPSERS payroll growth assumption payment, \$202m
- Continued focus on one-time revenues and ongoing resources





Questions