



Presentation, budget book, accompanying documents located at:

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Social: #MIBudget



STATE OF MICHIGAN
EXECUTIVE
BUDGET



- 01. *Balancing Michigan's Budget and Cutting Red Tape***
- 02. *Lowering Costs***
- 03. *Reducing Crime and Keeping Michigan Healthy***
- 04. *A Better More Affordable Education***
- 05. *Make It in Michigan***
- 06. *A More Fair, Equitable Michigan***



BALANCED, *Fiscally Responsible* BUDGET

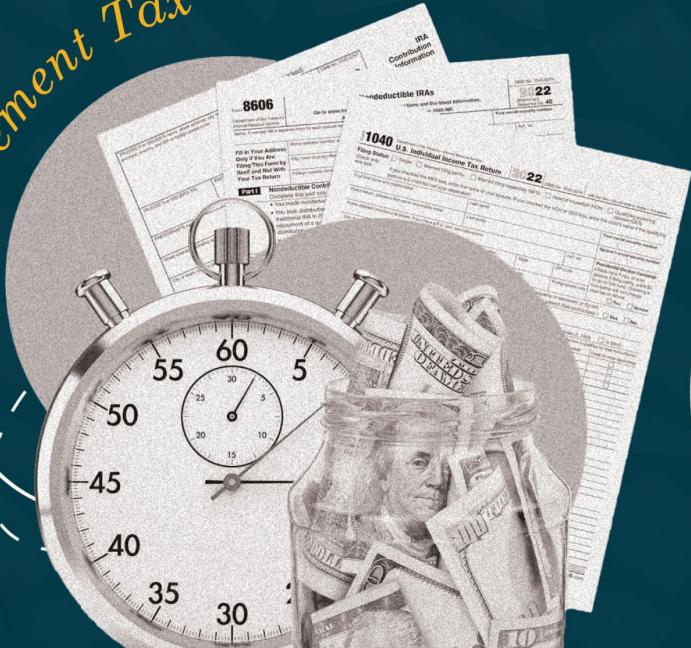


**“WILL BRING
TOTAL DEBT PAYMENTS
TO *\$21 BILLION.*”**

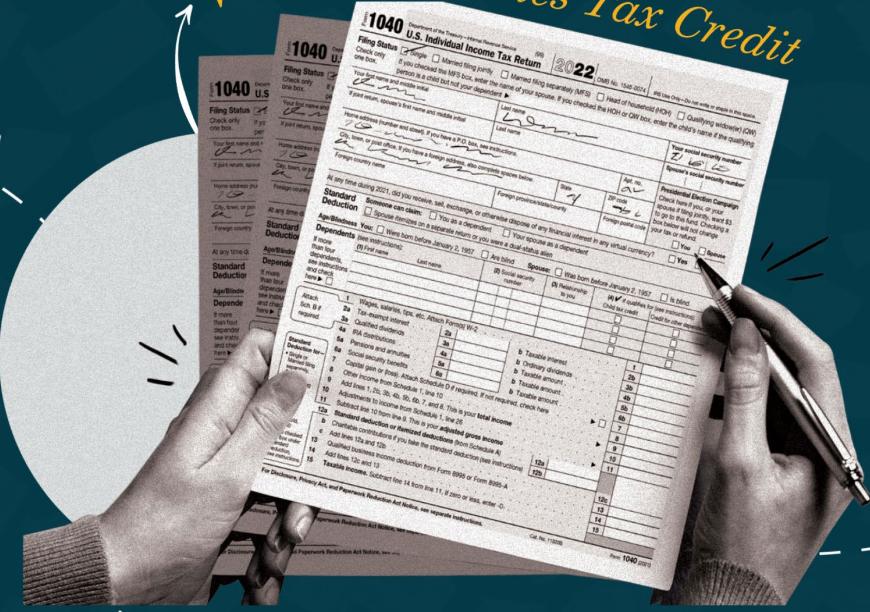


“IN FACT, WE DELIVERED \$1 billion OF TAX RELIEF.”

Retirement Tax



Working Families Tax Credit



700,000 families



LOWERING *Costs*



→ Let's work together to make life more affordable by *lowering costs* on the biggest expenses in people's budgets: *housing, transportation, health care, education, utilities, and food.*



**"WE'VE BEEN
HEADED IN THE
Right Direction
ON HOUSING."**



**"WE'VE BEEN
HEADED IN THE
Right Direction
ON HOUSING."**

KEEP MICHIGAN *Healthy*



→ *Caring for MI Family Tax Credit*
would save Michiganders up to
\$5,000 on their taxes.

KEEP MICHIGAN *Healthy*



→ We're ***saving*** parents money and
ensuring ***every Michigan kid***
can get help when they're
sick or hurt.

THE MICHIGAN *Guarantee*



→ Every child in Michigan deserves a
high-quality, public education
from pre-K through postsecondary.

**"IT STARTS WITH Pre-K. KIDS WHO GO TO
PRE-K ARRIVE AT KINDERGARTEN BETTER
PREPARED TO LEARN AND GO ON TO
graduate at higher rates
AND EARN MORE MONEY."**



"IN ADDITION TO
Pre-K for all
LET'S EXPAND
QUALITY,
affordable
CHILD CARE ."



THE MICHIGAN *Guarantee*



→ Let's keep feeding our kids free breakfast and lunch at school saving parents over **\$850 a year.**

MAKE IT
IN MICHIGAN

INFRASTRUCTURE



→ We will keep *fixing the damn roads*,
bridges, pipes, and everything
in between.

*Over \$1 Billion to
fix the damn roads*

REDUCING *Crime*



- No matter what kind of community you live in, you deserve to *be safe* as you go to work, drop your kids off at school, and run errands.



"LET'S KEEP
Prioritizing
**PUBLIC SAFETY
AND BUILD A
SAFER, MORE
JUST STATE
FOR ALL."**



STATE OF MICHIGAN
EXECUTIVE
BUDGET





FY 2025 EXECUTIVE BUDGET

State Budget Director, Jen Flood

FY25 Budget Recommendation Focuses on:



Helping kids learn and providing a guaranteed free education from pre-K through an associate degree



Lowering costs so families can spend more time with their loved ones without worrying about how they are going to pay the bills



Powering economic development to support small businesses, create good-paying jobs, and spark innovation and investment



Reducing crime and keeping kids safe by investing in our communities, supporting police and fire, and expanding access to health care



Fixing our roads and bridges so we have safe and reliable infrastructure for years to come



Fiscally responsible budgeting that pays down debt, saves for a rainy day, and doesn't raise taxes

Debt Payoff & Budget Restructuring

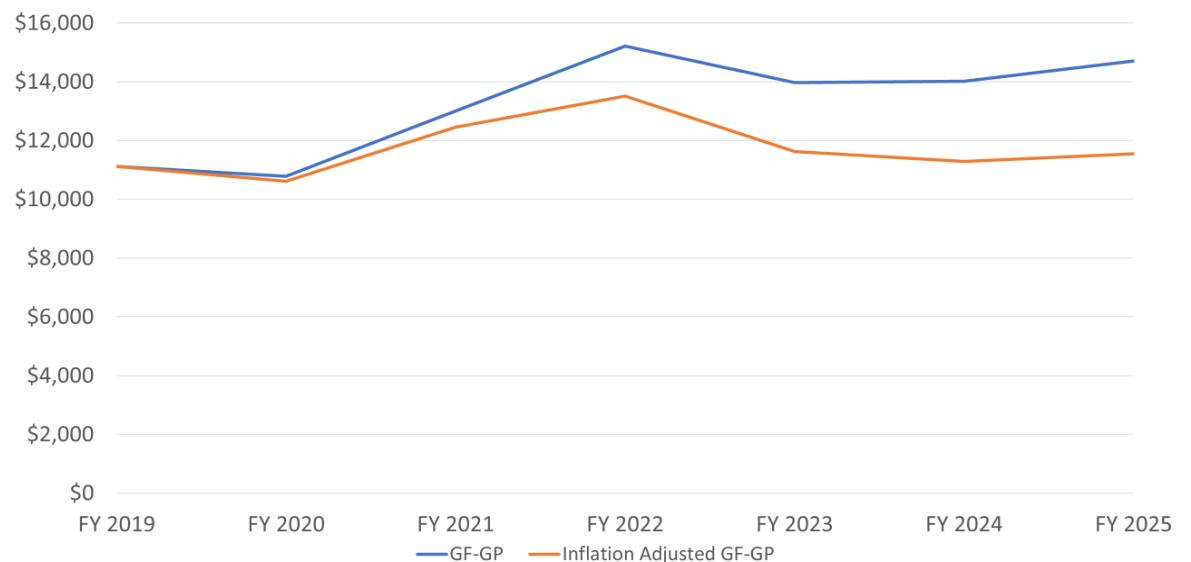
- Dedicated future funding for additional K-12 support: school meals, before and after school programming, literacy, and weighted foundation allowance
- More money in classrooms to help kids learn
- A guarantee to all kids and families of free education from pre-K through an associate degree
- Lowered costs for families, and bigger paychecks, through a path to a better paying job with a free certificate or degree
- New dedicated revenue stream for child care
- Resources for families who need it most



GF Adjusted for Inflation

The fiscal year 2025 Executive Budget Recommendation sees a return to normal from previous budget cycles that were heavily focused on pandemic resources and investments

Inflation Adjusted GF-GP Increases 3.9 Percent from FY 2019-FY 2025 (millions)

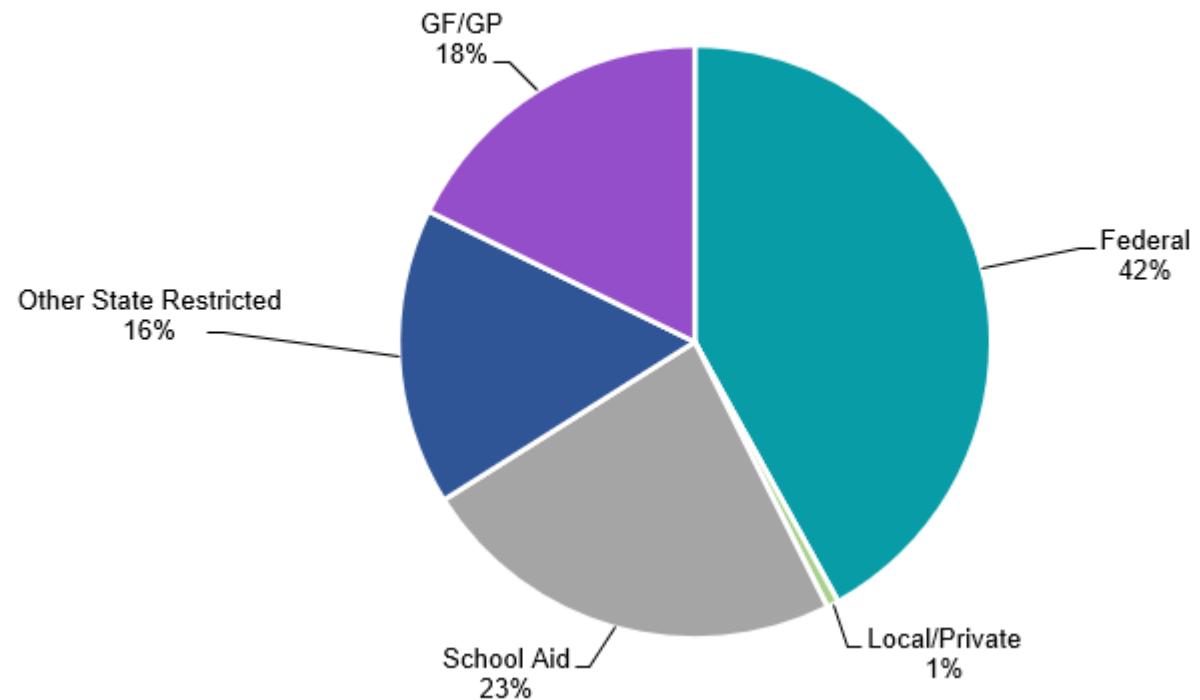


Balancing the Budget

FY 2025 Budget

- Total budget \$80.7B
- General Fund \$14.3B
- School Aid Fund \$18.9B

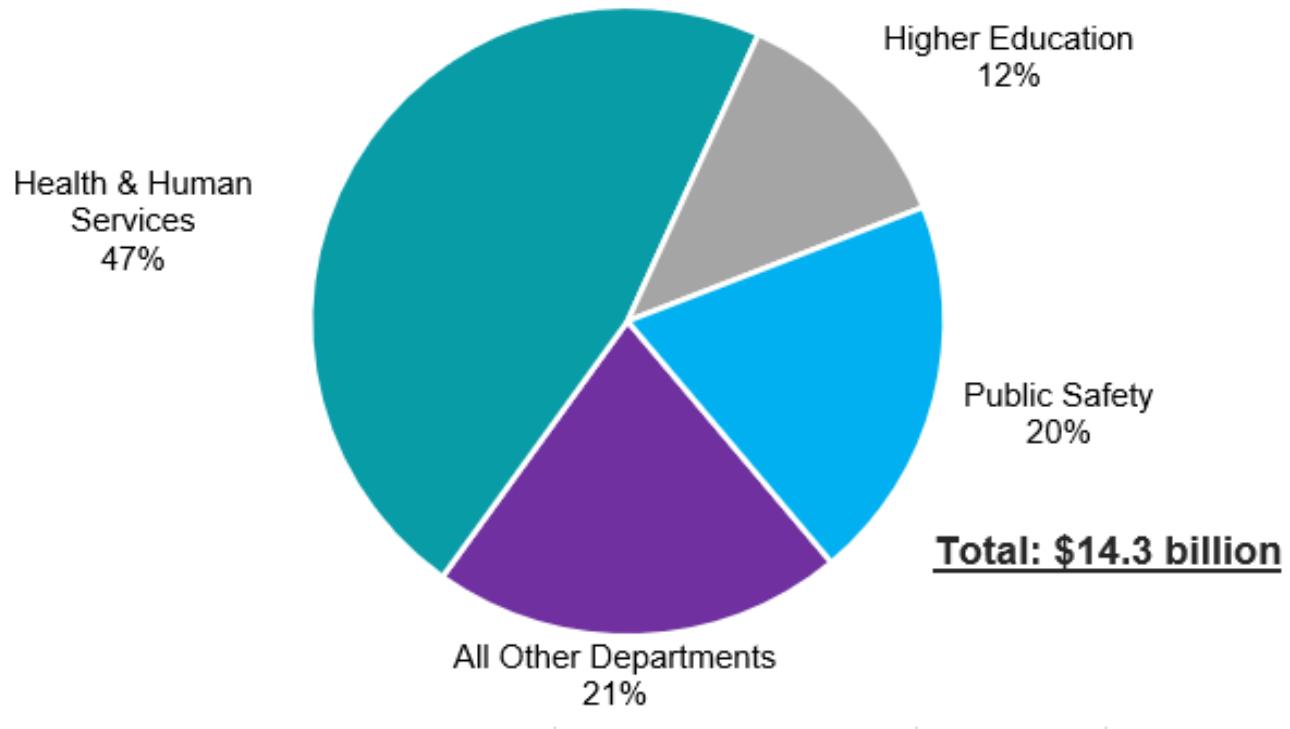
Total Budget by Source



General Fund Budget

More than 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



Investing in Talent

Going Pro, \$54.75M ongoing, \$20M one-time

- Provides training in professional trades and showcases opportunities in a variety of rewarding careers
- Since the program's inception, Going Pro has assisted in training 115,000 incumbent workers, 60,000 new hires, and 11,000 apprentices

Reconnect, \$62M ongoing

- Reconnect has grown to over 32,000 enrolled students
- Continued funding allows eligible Michigan residents 21 years and older to earn a degree or skills certificate, tuition-free

Michigan Achievement Scholarship, \$30M increase ongoing

- Expands scholarship with Michigan College Guarantee, saving families up to \$4,820 by providing an estimated 18,000 high school seniors the opportunity to obtain an associate degree or skilled certificate for free
- Saves eligible families up to \$27,500 to obtain a four-year degree



Supporting Small Businesses

Secure retirement for employees of small businesses, \$3M one-time

- Provides over 275,000 small businesses with less than 100 employees the option to enroll their workers in a state managed retirement plan
- Expands retirement savings options to more than 800,000 Michiganders at no cost to employer

Michigan Innovation Fund, \$60M one-time

- Public-private fund will support high-growth, high-wage, scalable startups in innovative areas like green tech and healthcare, while diversifying the economy and contributing to a growth entrepreneurship eco-system
- Funds use an evergreen structure that ensures returns support startups in the future

MI Contracting Revolving Loan Fund, \$5M GF ongoing

- Helps small and disadvantaged businesses secure equipment and insurance needed to be eligible state contractors



Giving Families a Helping Hand

Family Independence Program changes, \$46M gross ongoing

- Increase base monthly payment to recipients, the first meaningful increase since the 1990s, to help families who need a hand up during hard times

Housing and Community Development Fund, \$50M gross ongoing

- Continues funding to address affordable housing needs and the revitalization of neighborhoods in communities across the state
- Builds on existing MSHDA loan dollars and bond money investing \$1.4B to build or rehabilitate almost 10,000 homes, the biggest investment to build housing in Michigan history

Vehicle rebates, \$25M GF one-time

- Saves families \$2,500 on a new battery electric or hybrid vehicle manufactured in union shop, \$2,000 on a new battery electric or hybrid vehicle, \$1,500 on a new internal combustion vehicle in union shop, \$1,000 on all other new internal combustion vehicles



Leveling the Playing Field

Racial Disparities Taskforce, \$10M GF ongoing, \$25M gross one-time

- Increases state support for community-based health clinics and mobile health units in areas with high social vulnerability and disparities in health access

Qualified interpreters, \$800,000 GF ongoing

- State certification, credentialing, and endorsement of approximately 1,000 interpreters serving Deaf, DeafBlind, and Hard of Hearing community

Language Access Services for Michigan.gov, \$2.4M GF ongoing, \$500,000 one-time

- Provides translation services so residents can access information in a variety of languages



Healthy and Safe Kids

Healthy Moms, Healthy Babies, \$15.7M gross, \$10.4M GF

- Funds perinatal care, doula services, CenteringPregnancy sites, and hospital maternal health incentives
- Continued family planning coverage through Plan First, which served almost 13,000 beneficiaries since July 2023

Healthy meals for all, \$200M SAF and \$500,000 GF for summer

- Continues free school meals for nearly 1.4 million Michigan students and \$108M federal EBT summer food program, ensuring children have access to nutritional food

Student mental health and safety, \$300M

- Provides per-pupil funding to districts to be spent on mental health or safety needs as identified by district

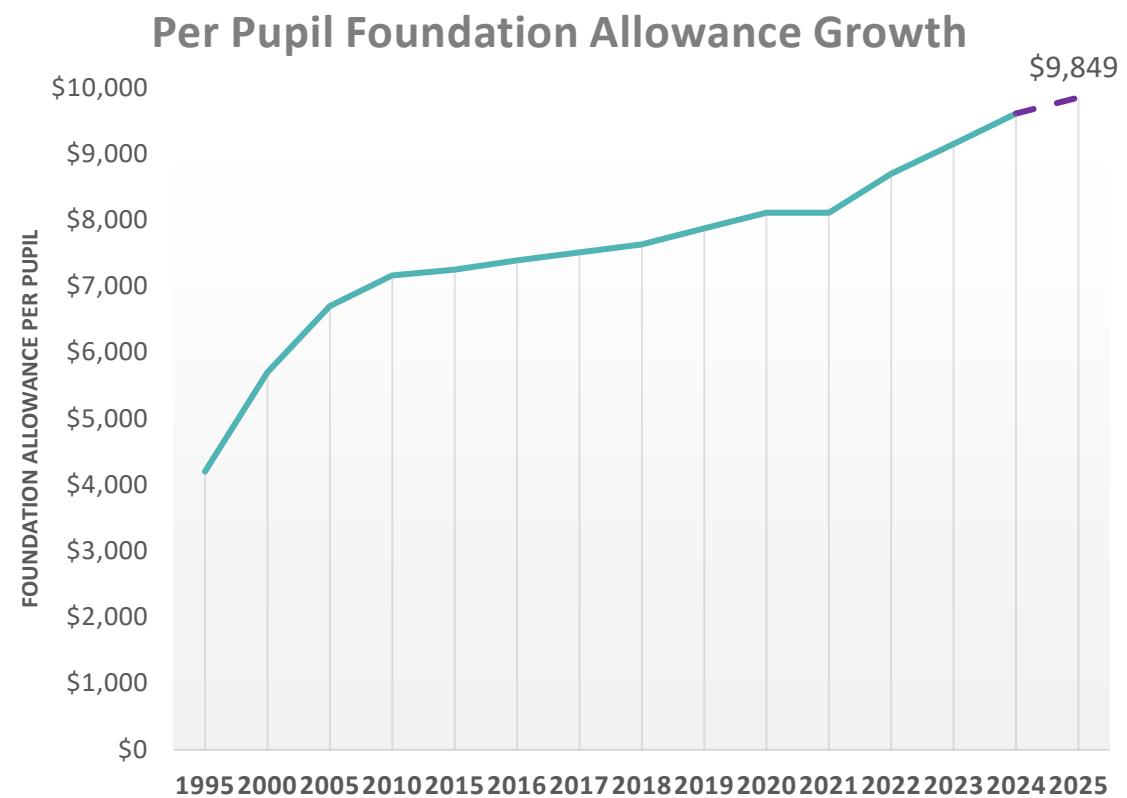
Safe drinking water for child care centers, \$500,000 GF ongoing

- Provides supplies to test water at child care facilities, helping ensure safe and accessible drinking water



Increased School Operations Funding

- Foundation allowance and weighted funding, \$370M ongoing
- Increases base per-pupil funding to districts up to \$9,849 (a 2.5% increase, \$241 per pupil), \$316M and \$54M to provide 2.5% increases to the weights
 - Brings operations funding increase to a cumulative 25.1% more under this administration
 - Fully funds special education foundations at 100%
- Additional weighted increases, \$125M ongoing
 - \$90M for high poverty students
 - Increase English Language Learners (ELL), Great Start Readiness Program (GSRP), Career & Technical Education (CTE), Rural/Isolated by 5% in addition to 2.5% increase above





FY 2025 EXECUTIVE BUDGET

Deputy State Budget Director, Kyle Guerrant



Lifelong Learning

Pre-K and Early Childhood

Great Start Readiness Program (GSRP) expansion, \$63.5M ongoing, total appropriation of \$650M

- Expansion makes all 4-year-olds in the state eligible by removing the income eligibility thresholds and funds an estimated 6,800 additional kids

Before and after school programs, \$50M ongoing

- Helps bridge care and meet additional educational needs between the classroom and home

Early On, \$1M ongoing, 4.5% increase, total funding of \$23.3M

- Program provides early intervention services for children with special needs

Home visits, \$1M ongoing, total funding \$4.5M

- Home visitations provide early identification and interventions for developmental delays in young children

Literacy

Literacy curriculum and innovative practices, \$165M one-time

- Supports research-evaluated curriculum implementation, professional development, incentive payments, and payments to districts that implement successful, innovating literacy instruction programs

Literacy professional development, \$10M one-time

- Provides training to teachers to improve literacy success in the classroom

Literacy coaches, \$3M ongoing

- Provides an additional coach for 26 Intermediate School Districts

Michigan Reading Corps, \$5M ongoing

- Continues support for the Michigan Reading Corps, which places AmeriCorps volunteers as literacy tutors in schools

Higher Education



University Operations, \$42.5M, 2.5% increase

Community College Operations, \$8.9M ongoing, 2.5% increase

College access and scholarship programs

- **Community College Guarantee through Michigan Achievement Scholarship**
 - Provides pathway for graduating seniors to receive an associate degree or skilled certificate through a community college for free
- **Postsecondary Scholarship Fund, \$30M GF ongoing, total of \$330M**
 - Postsecondary Scholarship Fund to support the Michigan Achievement Scholarship

Make it in Michigan



Growing our Economy

Strategic Outreach Attraction Reserve (SOAR), \$500M gross

- Continues Michigan's premier business attraction tool to create jobs, diversify the economy, and support companies locating and growing in Michigan

Research and Development Tax Credit, \$100M

- Save costs for businesses while spurring innovation for the new economy

Business Attraction and Community Revitalization, \$20M GF one-time

- Increases funding for business development and community revitalization projects across the state

Build Ready Sites, \$25M GF one-time

- Creates a statewide inventory of development-ready sites to attract and promote investment in Michigan

Rural Prosperity Grants, \$2.5M GF one-time

- Expands outreach and grant funding for economic development in rural communities

Farm to Family program, \$4M ongoing

- Creates a "Farm to Family" program with a holistic approach to support regenerative farming, supply chain investment, and promote Michigan food products while generating direct economic impacts

Talent and Skilled Workforce

Key industries apprenticeship pilot, \$20M one-time

- Program will encourage partnerships with unions, organized trade associations, and employers to offer paid apprenticeships in key industries for eligible high schoolers, helping to keep our young people in state

Talent solutions, \$20M GF one-time

- Funding will train and place thousands of workers by maximizing the state's ability to collaboratively address employer workforce needs

Global talent and retention, \$4M GF one-time

- Improves efforts to welcome and integrate international talent through building connections between universities and employers, and reducing barriers to licensing and certifications

Marketing Michigan



Michigan marketing initiatives, \$20M total, \$5M GF ongoing, \$15M GF one-time

- Supports the *You Can in Michigan* talent and population attraction program through the Pure Michigan campaign

Community and Worker Economic Transition Office, \$5M ongoing

- New office to support communities and businesses in navigating economic trends to assist and connect transitioning workers to the resources they need to succeed

Michigan Growth Office, \$4M GF one-time

- Continues focus on increasing the population of the state by providing growth marketing, consulting, and pilot projects focused on expanding our population

Rebuilding Michigan's Infrastructure



Road and bridge investments, \$397.6M

- State and local road infrastructure improvements, \$247.6M gross
 - Improves roads, highways, and bridges across the state
- Road and bridge projects, \$150M GF
 - Supports local bridge and culvert improvements and ensures state fully matches federal highway aid made available through IIJA

Transit and rail programs, \$75M gross

- Supports federal transit capital grants, marine passenger services, rail operations, and transit capital matching funds

Transit Innovation Grants, \$30M GF

- Grant assistance for local transit agencies to spur innovation to connect Michiganders with new public transportation options that link communities

Rebuilding Michigan's Infrastructure

State park maintenance and access, \$17.1M gross

- Reduces backlog of maintenance projects with new revenue generated by making the Recreation Passport opt-out. More Michiganders will be able to experience the natural wonders of Michigan's state park system, while granting free access to veterans

Water infrastructure replacement and upgrades, \$35M one-time, \$5M ongoing GF

- Builds on major FY24 investments to keep replacing lead service lines

Climate mitigation through green infrastructure, \$5M ongoing GF, \$10M one-time GF

- Creates grant program to fund climate change adaptation projects that will divert stormwater through the use of natural processes, urban forestry and vegetation, and water reuse programs; improving community resiliency to handle severe weather events

Environmental permitting public outreach, \$4.4M GF ongoing

- Increases public outreach for the permit application process to improve turnaround time for issuing permits

Protecting Air, Land, and Water

Contaminated site cleanup, \$80M ongoing

- Adjusts the state's tipping fee to bring Michigan in line with other Midwest states to reduce out-of-state waste influx, reduce waste emissions, and prolong the lifespan of Michigan landfills
- Tipping fee adjustment will reduce the amount of landfill debris coming into the state, help remediate contaminated sites, increase recycling programs, and expand brownfield redevelopment

Clean fuel charging infrastructure, \$25M GF one-time

- Provides for the installation of EV and hydrogen charging stations for vehicle fleets and multifamily complexes

MI Clean Fleet, \$20M GF one-time

- Creates grants to transition medium and heavy-duty fleet vehicles to emission free technologies

State fleet transition to electric, \$2M GF one-time

- Aids transition of the state fleet to electric vehicles by bringing funding to \$3M

Building Strong Communities



Total Revenue Sharing Increase of \$60.4M gross

- Revenue sharing provides funding and resources to Michigan's local units of government

Constitutional Revenue Sharing, \$5.4M gross

Statutory Revenue Sharing, \$55M gross

- General: 5% increase, \$27.5M ongoing
- Public Safety: 2% increase, \$11M one-time
- Federal Recovery Fund Obligation Incentive: 3% increase, \$16.5M one-time

Creating Vibrant Communities



Revitalization and Placemaking, \$50M gross

- Continues this time-limited investment in revitalization and placemaking projects that add vitality to communities

Michigan Arts and Culture Council, \$5M GF one-time

- Provides additional boost to existing grant program to enhance livable communities and spur economic activity

Community and Neighborhood Initiatives, \$5M GF one-time

- Grant funds for local support services and amenities to foster strong communities



Family Health and Care

Keeping Michigan Healthy

Certified community behavioral health clinic expansion, \$35.6M GF, \$193.3M gross ongoing

- Funds roughly a dozen new clinics, providing access to thousands of additional patients seeking care

Behavioral health workforce, \$3M GF, \$11.8M gross ongoing; \$3M gross one-time

- Attracts and retains behavioral health care workers by supporting students and current professionals interested in advancing their careers through continuing education, scholarship expansion, and more

Medicaid behavioral health provider rate increase, \$10.2M GF, \$36.1M gross ongoing

- Improves equity in Medicaid reimbursement between physical health and behavioral health services

Home health care authority, \$1M GF one-time

- Establishes a home care public authority to help protect and serve patients and care professionals

Keeping Michigan Healthy

First responder and public safety mental health, \$2.5M GF one-time

- Provides mental health services to public safety and first responders to treat symptoms of post-traumatic stress disorder and other behavioral health concerns

Michigan Crisis and Access Line, \$8.3M GF, \$7.3M gross ongoing

- Provides emergency support to residents experiencing a mental health crisis

MIHealthy Life, Medicaid Health Plan procurement improvement, \$7.6M GF, \$20M gross ongoing

- Establishes incentives to address food insecurity in the Medicaid program

Sexual assault victim services, \$2M GF ongoing

- Supports revenue for sexual assault treatment services, expands services into new counties, and supports training and outreach activities

Recognizes elimination of MIChild premium payment requirement, \$1.8M GF ongoing

- Saves families \$120 per year, per child enrolled in MIChild health care coverage

Caring for Families

Caring for MI Family Tax Credit, \$59M

- Tax credit for qualified caregiving expenses so families have more money to spend on necessities

MIChoice structured family caregiving, \$1.7M GF ongoing, \$5M gross ongoing

- Supports new services for vulnerable adults, and those who care for them, including a stipend for live-in family member caregivers and support and training for informal caregivers

Provide free child care to child care workers, \$60M one-time

- Funding to provide up to 3 years of child care support at no cost to people working in child care facilities

Child care rate increase, \$37.9M ongoing

- 10% rate increase for child care providers to ensure enough capacity to meet the needs of Michigan families

Improving the efficiency of child care facility inspections, \$4.8M ongoing

- Adds 30 new staff to ensure child care facilities receive timely inspections

Child care for state workers, \$31.5M one-time

- Helps state employees stretch contributions to their flexible spending dependent care accounts further with a dollar-for-dollar state match, up to \$2,500 per family



Fair & Equitable

A More Fair, Equitable Michigan

Residential child welfare facilities, \$38M gross, \$30.3M GF

- Increases the number of beds available to children by restructuring residential contracts to better meet demand

Expectant parent support, \$24M gross

- Provides new funds to communities that identify innovative approaches to support expectant parents and newborns

End Medicaid Birth Recovery Program, \$13.7M gross, \$4.8 GF

- Discontinues mandated payments made by fathers of children born out-of-marriage, allowing resources to stay with young families with infant children

MISEP Strategy Funds, \$10M GF ongoing

- New funding to improvement placement permanency for children in state care

A More Fair, Equitable Michigan

State Emergency Relief, \$30M gross ongoing

- Provides eligible low-income families greater access to emergency financial assistance such as relocation costs, emergency home repairs, and utility assistance

Michigan Energy Assistance Program, \$15M GF ongoing

- Increases funding for support to low-income households struggling to pay energy bills. This is the first increase in this program in over a decade

Immigration and legal services, \$8M GF one-time

- Supports immigrant populations not covered by the federal refugee resettlement programs by providing needed services in case management, transportation, language access, digital literacy, and more



Reduce Crime

Reducing Crime

Community Violence Intervention, \$5M gross one-time, \$500,000 GF ongoing

- One-time funding will support grants to reduce violence and save lives
- Ongoing funding supports resources at DHHS to further CVI community-based efforts

Michigan Public Safety Communications System, \$10M GF ongoing

- Improves Michigan's safety communication system equipment and security over a 5-year lifecycle replacement and network refresh, ensuring this critical infrastructure works for the public and emergency personnel

Protect and Serve



Hires and trains 120 Michigan State Police Troopers, including additional investment in:

- **Trooper Recruit School, \$5.5M**
 - Provides funding to support 50 troopers included in the 145th trooper recruit school
- **Law enforcement training, recruitment, and retention grants, \$5M**
 - Establishes grants to local law enforcement agencies

Support for unhoused veterans, \$1.5M GF one-time

- Support unhoused veterans, including funding for temporary housing options, and support for construction or renovation of affordable housing units that cater to the needs of veterans and their families

Statutory revenue sharing for public safety, \$11M one-time

- Local government revenue sharing including 2% increase to public safety

Juvenile justice reform implementation, \$11.9M gross, \$5.7M GF ongoing, \$5M GF one-time

- Implements improvements based on recommendations of the Task Force on Juvenile Justice Reform

Michigan Department of Civil Rights expansion, \$5M GF ongoing

- Funds additional enforcement teams to address complaints of unlawful discrimination from underserved communities

Michigan Indigent Defense Commission – supporting compliance with existing standards and newly approved standards 6 and 7, \$37.4M GF ongoing

- Funding for 120 local trial courts to continue implementation of requirements for effective and fair assistance of counsel for indigent criminal defendants across the state

Appellate Indigent Defense workload standards, \$3.3M ongoing

- Provides additional staff for phased implementation of caseload standards

Reducing Recidivism

Medicaid enrollment for prisoners pending release, \$5.6M GF, \$30.5M gross

- Enrolls prisoners in limited Medicaid 90 days before release, ensuring they are set up for medical coverage upon reentry into communities

Thumb Correctional Facility University and Vocational Center, \$3.9M gross

- Expands educational programming at the Thumb Correctional Facility providing prisoners the opportunity to participate in educational programming, helping to reduce recidivism

In-reach services expansion, \$900,000 GF

- Provides more resources to reach parolees before they leave prison to improve their success once released

Peer-led reentry, \$1.5M GF

- Increases peer-led reentry service into existing Offender Success Program



Better Government

Making Government Work Better



State Property Self-Insurance Fund, \$10M GF one-time

- Reduces risk and liability for state managed facilities

Statewide Case Management System, \$4.6M GF ongoing

- Continues multi-year support for moving trial courts to the state case management system

Elevator inspections, \$4.4M gross ongoing

- Funding will hire additional elevator inspectors to improve inspection times and safety requirements

Online gaming regulation, \$1.9M ongoing

- Supports the growing online gaming and sports betting industry by providing additional resources to the Online Gaming and Licensing & Investigations Division of MGCB

Improved customer service for state and public school retirees, \$1.6M gross

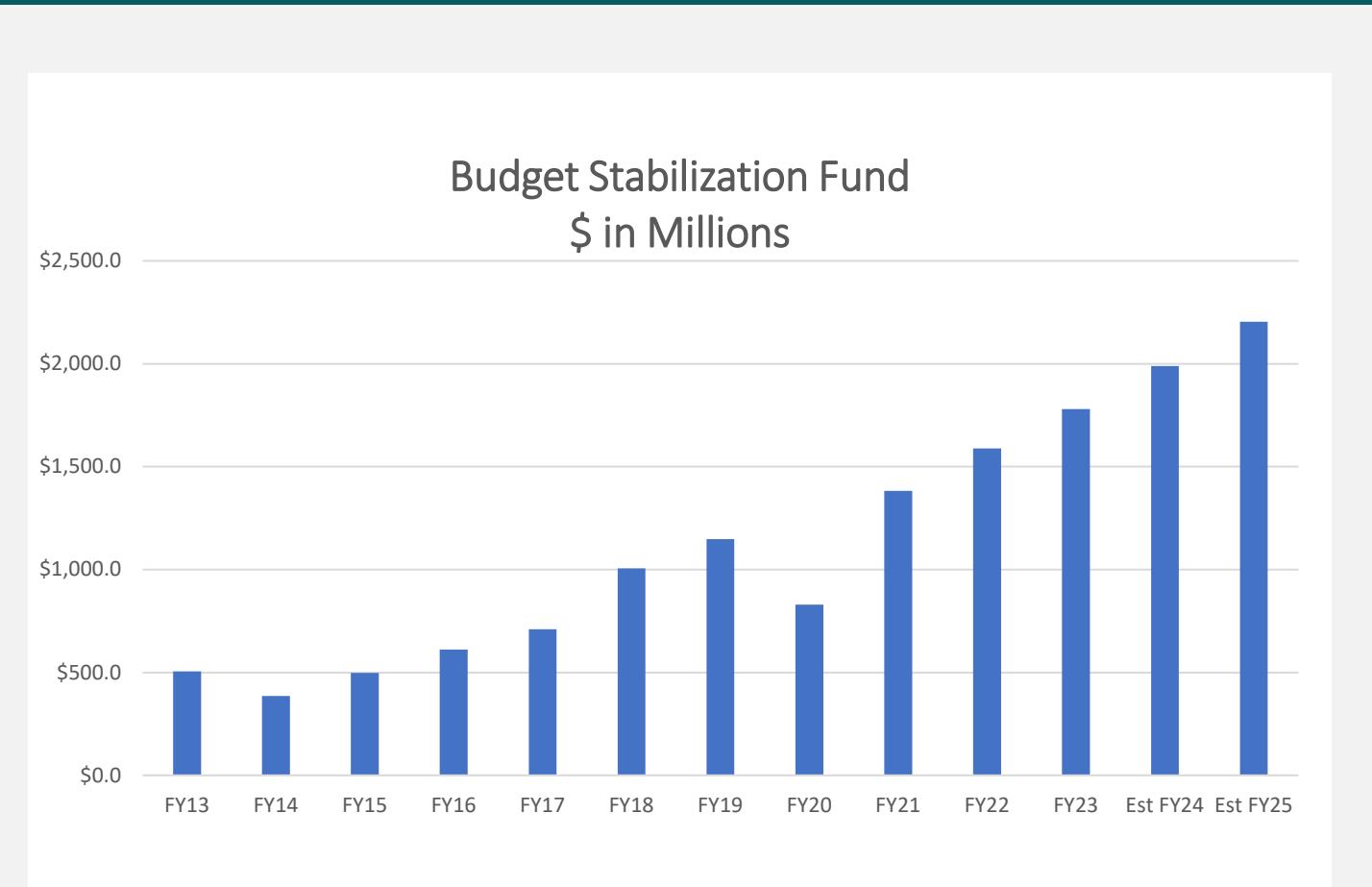
- Provides additional customer support for over 598,000 customers who need assistance through Michigan Office of Retirement Services

Professional licensing improvements, \$1.5M gross ongoing

- Provides funding to improve licensing processes for professional licenses

Fiscal Responsibility

\$100M Budget Stabilization
Fund deposit
Brings total to \$2.2B in FY25



Questions