

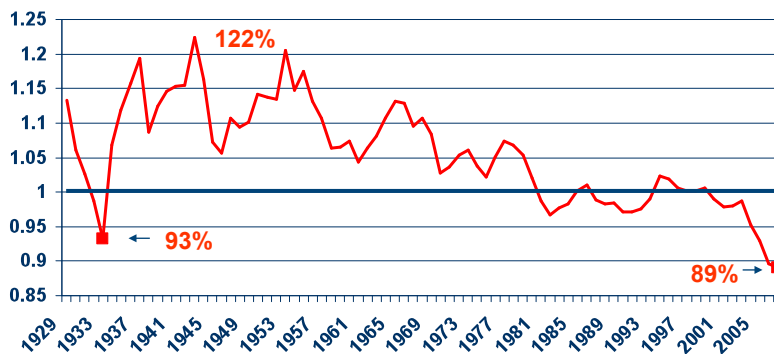
## Presentation to: Michigan League for Human Services State ARRA Spending

Charles Overbey, Director  
Office of Health & Human  
Services  
State Budget Office

October 29, 2009

## Michigan Personal Income Falling Relative to U.S.

Michigan per Capita Income as a Percent of U.S. Per Capita Income



Source: Department of Treasury calculations from Bureau of Economic Analysis data.

2

## FY 2009 State Budget General Fund/General Purpose

**Projected Shortfall**  
(\$1,465,200,000)

**Solutions:**

Executive Orders to Reduce Spending	\$ 438,400,000
Federal ARRA Stimulus Funds	\$1,183,400,000
Projected Balance	<b>\$ 156,600,000</b>

3

## FY 2010 State Budget General Fund/General Purpose

Beginning Balance, October 1, 2009	\$ 156,600,000
Total FY Resources Available for Expenditure	\$ 7,713,000,000
FY 2010 Estimated Expenditures (includes \$506 million in Executive recommended reductions)	\$ 9,522,500,000
<b>Projected Shortfall</b>	<b>(\$1,809,500,000)</b>
<b>Solutions</b>	
Spending Reductions	\$ 708,300,000
Federal ARRA Stimulus Funds	\$ 1,101,200,000
<b>Projected Balance</b>	<b>\$ 28,500,000</b>

4

## The Potential FY 2011 “Cliff” General Fund/General Purpose

Estimated Revenues	\$ 8,058,000,000
Estimated Expenditures \$10,179,500,000	
Projected Shortfall	\$ 2,121,500,000
Potential Solutions:	
Continue FY 2010 Reductions	\$ 650,000,000
Federal ARRA Stimulus Funds	\$ 210,000,000
Projected Ending Balance	(\$1,261,500,000)

5

## \$5 Billion into State Budget from American Recovery and Reinvestment Act Fiscal Year 2009

<b>Flexible Funds - \$1.3 Billion</b>	
State Fiscal Stabilization Fund	\$ 0.3 B
Enhanced FMAP	\$ 1.0 B
<b>Targeted Funding - \$3.8 Billion</b>	
Education	\$ 1.6 B
Transportation	\$ 0.9 B
Weatherization/Food Stamp Assistance	\$ 0.5 B
Workforce Training/Re-Employment	\$ 0.3 B
Other Programs	\$ 0.4 B

6

## **Fiscal Year 2009: ARRA State Fiscal Stabilization Fund: \$300 M**

- Use to support existing services and programs
- Planning now for specific programs and expenditures

7

## **Fiscal Year 2009: ARRA Enhanced FMAP: \$ 1.0 Billion**

- ❖ Medicaid
- ❖ Foster Care

8

## **Fiscal Year 2009: ARRA Education: \$ 1.6 Billion**

- K-12
- Higher Education
- Special Education
- School Improvements

9

## **Fiscal Year 2009: ARRA Transportation: \$ 900 Million**

### Capitol projects

1. Road construction/repair
2. Bridges

10

**Fiscal Year 2009: ARRA  
Weatherization/Food Stamp  
Assistance: \$ 500 Million**

---

- Weatherization Assistance
- Increase in Food Stamp benefits

11

**Fiscal Year 2009: ARRA  
Workforce Training / Re employment  
\$ 300 Million**

---

- ❖ Job training and employment services
- ❖ Vocational rehabilitation

12

## **Fiscal Year 2009: ARRA Other Programs: \$ 400 Million**

- Crime prevention/control
- Wastewater/drinking water infrastructure
- Day care services
- Child support enforcement
- Senior nutrition
- Domestic violence prevention/treatment
- Internet crimes against children
- Arts projects