



CITIZENS RESEARCH COUNCIL OF MICHIGAN



FEDERAL EXPENDITURES IN MICHIGAN

MARCH 2008

REPORT 348

**CELEBRATING 91 YEARS OF INDEPENDENT, NONPARTISAN
PUBLIC POLICY RESEARCH IN MICHIGAN**

BOARD OF DIRECTORS

Chairman
Kent J. Vana

Vice Chairman
Eugene A. Gargaro, Jr.

Treasurer
Jeffrey D. Bergeron

Jeffrey D. Bergeron
Ernst & Young LLP

J. Edward Berry
General Motors Corporation

Beth Chappell
Detroit Economic Club

Rick DiBartolomeo
Rehmann Group

Terence M. Donnelly
Dickinson Wright PLLC

Randall W. Eberts
W. E. Upjohn Institute

David O. Egner
Hudson-Webber Foundation

W. Frank Fountain
Chrysler LLC

Eugene A. Gargaro, Jr.
Masco Corporation

Ingrid A. Gregg
Earhart Foundation

Marybeth S. Howe
National City Bank of Michigan

Nick A. Khouri
DTE Energy Company

Daniel T. Lis
Kelly Services, Inc.

Aleksandra A. Miziolek
Dykema

Paul Obermeyer
Comerica Bank

Irving Rose
Edward Rose & Sons

Jerry E. Rush
ArvinMeritor, Inc.

Terence Thomas
St. John Health

Amanda Van Dusen
Miller, Canfield, Paddock
& Stone PLC

Kent J. Vana
Varnum, Riddering, Schmidt
& Howlett LLP

Jeffrey K. Willemain
Deloitte.

ADVISORY DIRECTOR

Louis Betanzos

BOARD OF TRUSTEES

Chairman
Patrick J. Ledwidge

Vice Chairman
Mark A. Murray

Terence E. Adderley
Kelly Services, Inc.

Judith I. Bailey

Jeffrey D. Bergeron
Ernst & Young LLP

Stephanie W. Bergeron
Walsh College

Rebecca M. Blank
University of Michigan

David P. Boyle
National City Bank

Beth Chappell
Detroit Economic Club

Mary Sue Coleman
University of Michigan

Keith E. Crain
Crain Communications Inc

Tarik Daoud
Al Long Ford

Stephen R. D'Arcy
PricewaterhouseCoopers LLP

James N. De Boer, Jr.
Varnum, Riddering, Schmidt
& Howlett LLP

John M. Dunn
Western Michigan University

David O. Egner
Hudson-Webber Foundation

David L. Eisler
Ferris State University

John A. Fallon III

Gerald D. Fitzgerald
Oakwood Healthcare Inc.

W. Frank Fountain
Chrysler LLC

David G. Frey
Frey Foundation

Mark T. Gaffney
Michigan State AFL-CIO

Eugene A. Gargaro, Jr.
Masco Corporation

Ralph J. Gerson
Guardian Industries Corporation

Eric R. Gilbertson
Saginaw Valley State University

Roderick D. Gillum
General Motors Corporation

Allan D. Gilmour
Ford Motor Company, Retired.

Alfred R. Glancy III
Unico Investment Company

Thomas J. Haas
Grand Valley State University

Frank M. Hennessey
Hennessey Capital, LLC

Paul C. Hillegonds
DTE Energy Company

Mark A. Hoppe

David L. Hunke
Detroit Free Press

Dorothy A. Johnson
Ahlburg Company

F. Martin Johnson
JSJ Corporation

Elliot Joseph
St. John Health

Daniel J. Kelly
Deloitte. Retired.

David B. Kennedy
Earhart Foundation

Patrick J. Ledwidge
Dickinson Wright PLLC

Edward C. Levy, Jr.
Edw. C. Levy Co.

Daniel Little
University of Michigan-Dearborn

Sam Logan
Michigan Chronicle

Arend D. Lubbers
Grand Valley State University

Alphonse S. Lucarelli
William L. Matthews
Plante & Moran PLLC

Kenneth J. Matzick
Beaumont Hospitals

Paul W. McCracken
University of Michigan

Glenn D. Mroz
Michigan Technological University

Mark A. Murray
Meijer Inc.

Donald R. Parfet
Apjohn Group LLC

Philip H. Power
The Center for Michigan

Keith A. Pretty
Northwood University

Michael Rao
Central Michigan University

Douglas B. Roberts
IPPSR- Michigan State University

Irving Rose
Edward Rose & Sons

Gary D. Russi
Oakland University

Lloyd A. Semple
Dykema

Lou Anna K. Simon
Michigan State University

S. Martin Taylor

Amanda Van Dusen
Miller, Canfield, Paddock and
Stone PLC

Kent J. Vana
Varnum, Riddering, Schmidt &
Howlett LLP

Gail L. Warden
Henry Ford Health System

Jeffrey K. Willemain
Deloitte.

Leslie E. Wong
Northern Michigan University

Betty J. Youngblood



CITIZENS RESEARCH COUNCIL OF MICHIGAN



FEDERAL EXPENDITURES IN MICHIGAN

MARCH 2008

REPORT 348

CITIZENS RESEARCH COUNCIL OF MICHIGAN

MAIN OFFICE 38777 West Six Mile Road, Suite 208 • Livonia, MI 48152-3974 • 734-542-8001 • Fax 734-542-8004

LANSING OFFICE 124 West Allegan, Suite 1502 • Lansing, MI 48933 • 517-485-9444 • Fax 517-485-0423

CRCMICH.ORG



FEDERAL EXPENDITURES IN MICHIGAN

Every year, the federal government makes payments of various kinds to individuals, private companies, non-profit organizations, and state and local governments. From Medicare and Social Security payments to retirees, to military procurement contracts for Michigan businesses, to salaries for Post Office employees, to food stamp payments to struggling families, to grants to local governments, these federal payments represent a crucial part of Michigan's economy. In federal fiscal year 2005 (FFY2005), U.S. government expenditures in Michigan totaled \$64.8 billion, 2.8 percent of federal expenditures of \$2.3 trillion (this figure excludes interest on the federal debt and international payments).

<u>Payment Category</u>	<u>Expenditures in MI in Millions</u>	<u>% of Federal Expenditures</u>
Retirement and disability payments	\$24,369	3.5%
Other direct payments	17,533	3.5
Grants	13,313	2.8
Procurement contracts	5,849	1.5
Salaries and wages	3,722	1.6

In addition, the federal government provided \$6.1 billion in direct and guaranteed loans and \$4.4 billion in insurance coverage to individuals and organizations in Michigan.

In FFY2005, Federal government grants and other payments to Michigan state and local governments totaled \$12.1 billion. These grants and payments were made from the federal agencies in the following table.

<u>Federal Agency</u>	<u>Payments to MI Governments in Millions</u>	<u>% of Federal Payments to State & Local Governments</u>
Health and Human Services	\$7,447	3.1%
Education	1,234	3.6
Transportation	1,169	2.8
Housing and Urban Development	753	2.6
Agriculture	617	2.6
Labor	353	4.2
Justice	167	4.0
Environmental Protection Agency	121	3.6
All Other	252	1.4

If Michigan had received payments equal to this state's 3.4 percent of the nation's population, an additional \$13 billion would have been transferred in Michigan. On a per capita basis, Michigan ranked 43rd of 50 states in the value of federal expenditures made in the state.

This analysis suggests that more could be done to maximize potential payments from existing federal programs and to refine existing, or shape new federal programs to better meet Michigan needs.

FEDERAL EXPENDITURES IN MICHIGAN

CONTENTS

Federal Expenditures and Obligations to Individuals, Businesses, and Government, by State	2
Retirement and Disability	5
Other Direct Payments	6
Grants	7
Procurement Contracts	8
Salaries and Wages	10
Direct Loans and Guaranteed Loans	11
Insurance	12
Federal Aid to States and Local Governments	13
Federal Programs that Benefit Michigan Governments	14
The Largest Federal Programs	16
Federal Programs that Do Not Benefit Michigan	17
Conclusion	19

FEDERAL EXPENDITURES IN MICHIGAN

TABLES

1	Federal Government Expenditures to Individuals, Businesses, and State and Local Governments, by Major Agency, FFY2005	2
2	Federal Government Expenditures by Category, FFY2005	2
3	Federal Government Expenditures, 2005	4
4	Federal Retirement and Disability Payments, FFY2005	5
5	Federal Direct Payments to Individuals for Retirement and Disability, FFY 2005	5
6	Other Federal Direct Payments, FFY2005	6
7	Federal Direct Payments Other Than for Retirement and Disability, FFY2005	6
8	Federal Grants, FFY2005	7
9	Federal Expenditures for Grants, FFY2005	7
10	Federal Procurement Contracts, FFY2005	8
11	Federal Expenditures for Procurement Contracts, FFY2005	8
12	Defense Department Procurement Contracts, FFY2005	9
13	Federal Salaries and Wages, FFY2005	10
14	Federal Expenditures for Salaries and Wages, FFY2005	10
15	Direct Loans and Guaranteed Loans, FFY2005	11
16	Federal Expenditures for Direct Loans and Guaranteed Loan Programs, FFY2005	11
17	Federal Insurance Programs, FFY2005	12
18	Federal Expenditures for Insurance Programs-Volume of Coverage Provided, FFY2005	12
19	Federal Grants and Payments to All States and Local Governments, FFY2005	13
20	Federal Aid to State and Local Governments, FFY2005	13
21	Federal Government Programs Which Paid Michigan More Than 5 Percent, FFY2005	14
22	Federal Government Programs That Paid Michigan Between 4 and 5 Percent, FFY2005	15
23	Federal Government Grant and Other Payments Programs Exceeding \$4 Billion, FFY2005	16
24	Federal Programs from Which Michigan Received No Payments, FFY2005	17
25	Proportion of Total Federal Grants and Payments, by Program, Received by Michigan State and Local Governments, FFY2005	18
26	Federal Programs to State and Local Governments from which Michigan Receives Less Than the State's Proportion of the Total Population	20

FEDERAL EXPENDITURES IN MICHIGAN

In Michigan, the restructuring of the domestic automobile industry has compounded the economic problems created by the collapse of the subprime mortgage industry, the tightening of credit markets, and the volatile stock market. With an economy defined by negative employment growth, rising unemployment, declining housing values and plunging housing starts, and declining consumer spending, state and local governments must carefully analyze all sources of revenues that support resident individuals and organizations, as well as public services. The quantity and categories of federal aid flowing to Michigan's state and local governments, school districts, non-profit and for-profit organizations, and families is an important factor in this very challenging economic environment.

In federal fiscal year 2005 (FFY2005), the most recent year for which data are available, Michigan ranked 43rd in receipt of total federal payments to both governmental and nongovernmental recipients, on a per capita basis. In the same year, Michigan ranked 36th of the 50 states in the dollar value of federal outlays to state and local governments on a per capita basis. (It must be noted that 2005 was the most active hurricane season in recorded history, with hurricanes Den-

nis, Katrina, Rita, and Wilma causing significant damage in the U.S. Louisiana and Florida were struck twice, while Mississippi and Texas were struck once.)

This report provides information from two sets of data, both compiled by the Bureau of the Census under the auspices of the U.S. Office of Management and Budget from reports by federal departments and agencies. *Consolidated Federal Funds Report for Fiscal 2005: State and County Areas* (www.census.gov/prod/2007pubs/cffr-05.pdf) reports expenditures and obligations (which may not be expenditures in that year), to state and local governments and to nongovernmental recipients including salaries, wages, retirement, disability, other direct payments, procurement contracts, loans, grants, guarantees and insurance. *Federal Aid to States for Fiscal Year 2005* (www.census.gov/prod/2007pubs/fas-05.pdf) reports actual expenditures of the federal government for grants and other payments to state and local governments.

Because Michigan ranks relatively low in receipt of federal funding on a per capita basis, there may be targeted opportunities to increase the flow of federal funds to this state.

Federal Expenditures and Obligations to Individuals, Businesses, and Government, by State

In FFY2005, the federal government provided \$2.3 trillion to individuals, for-profit and nonprofit organizations, and state and local governments. In addition to direct payments, various agencies of the federal government also provide insurance and direct loans, and

guarantee and insure loans. **Table 1** excludes federal expenditures for interest on the federal debt, travel expenses not paid under procurement contracts, international payments and foreign aid, but does include actual expenditures and obligated funds:

Table 1
Federal Government Expenditures to Individuals, Businesses, and State and Local Governments, by Major Agency, FFY2005

<u>Agency</u>	<u>Amount</u>	<u>Percent</u>
Health and Human Services	\$580.0 billion	25.3%
Social Security Administration	568.4	24.9
Defense	374.2	16.4
Agriculture	88.4	3.9
Postal Service	73.7	3.2
Office of Personnel Management	71.3	3.1
Veterans Affairs	63.9	2.8
Other Agencies	<u>464.9</u>	20.4
Total	\$2,284.8 billion	100.0%

Payments made to individuals, businesses, non-profits, and state and local governments can be categorized as summarized in **Table 2**.

Table 2
Federal Government Expenditures by Category, FFY2005
(Dollars in Billions)

<u>Category</u>	<u>United States</u>		<u>Michigan</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Retirement and Disability	\$702.8	30.7%	\$24.4	37.6%
Grant Awards	469.6	20.6	13.3	20.5
Procurement Contracts	381.0	16.7	5.8	9.0
Salaries and Wages	231.5	10.1	3.7	5.8
Other Direct Payments	<u>499.9</u>	21.9	<u>17.5</u>	27.1
Total	\$2,284.8	100.0%	\$64.8	100.0%

FEDERAL EXPENDITURES IN MICHIGAN

The populous state of California received the largest amount of federal government expenditures, followed by Texas, New York, and Florida. Expenditures in the District of Columbia totaled \$379 billion. Michigan was one of 20 states that received a smaller percentage of federal expenditures than its percentage of the U.S. population (Michigan had 3.4 percent of the population and received 2.8 percent of federal payments). Seventeen states and the District of Columbia received a larger percentage of federal expenditures than their percentage of population (those states are listed in bold print in **Table 3**). States with large favorable ratios include Virginia and Maryland, both with proximity to the nation's capital, and New Mexico, Alabama, Massachusetts, and Pennsylvania. The remaining 13 states received federal expenditures proportional to population (those states are italicized in **Table 3**). With only 663,253 residents, Alaska surpassed all other states in receipt of federal payments on a per capita basis. While Alaska ranked 50th in receipt of retirement and disability payments and 48th in receipt of other direct payments on a per capita basis, it was first in grants and salaries and wages, and third in procure-

ment payments.

States are ranked according to per capita receipts from federal sources in **Table 3** (on page 4).

Of the eight Great Lakes states (states that touch the Great Lakes), only Pennsylvania received a larger proportion of federal payments than its proportion of population. New York, Ohio, Indiana, Michigan, Illinois, Wisconsin, and Minnesota were all donor states and each received less on a per capita basis than the national average

Between 1996 and 2005, the proportion of federal payments flowing to Michigan remained remarkably constant, varying between a low of 2.80 percent in 2004 and a high of 2.89 percent in 2002. In FFY2005, Michigan received 2.84 percent of federal government expenditures. If Michigan recipients had obtained 3.41 percent (the Michigan population as a percent of the U.S. population) of federal expenditures, those recipients would have obtained \$13.0 billion more than the \$64.8 billion that was received by Michigan entities.

CRC REPORT

Table 3, Federal Government Expenditures, 2005 (Dollars in Millions)

Rank		Total Amount	Per Capita Amount	Percent of U.S. Population	Percent of Expenditures
	United States	\$2,284,760	\$7,567.85	100.0%	100.0%
	District of Columbia	\$37,859	\$65,044.63	.2%	1.7%
1	Alaska	9,230	13,915.75	.2	.4
2	Virginia	95,097	12,571.83	2.5	4.2
3	Maryland	66,720	11,936.47	1.9	2.9
4	New Mexico	20,604	10,697.88	.6	.9
5	North Dakota	6,608	10,412.83	.2	.3
6	Hawaii	12,699	9,973.72	.4	.6
7	<i>South Dakota</i>	7,481	9,654.69	.3	.3
8	<i>Wyoming</i>	4,782	9,399.02	.2	.2
9	Alabama	42,061	9,247.55	1.5	1.8
10	Mississippi	26,181	9,001.47	1.0	1.1
11	West Virginia	16,087	8,868.07	.6	.7
12	Louisiana	39,628	8,791.94	1.5	1.7
13	Connecticut	30,774	8,790.67	1.2	1.3
14	Massachusetts	55,830	8,678.17	2.1	2.4
15	Maine	11,356	8,614.55	.4	.5
16	<i>Montana</i>	7,814	8,359.11	.3	.3
17	Missouri	48,273	8,326.24	1.9	2.1
18	Kentucky	34,653	8,304.85	1.4	1.5
19	Tennessee	48,288	8,107.72	2.0	2.1
20	Pennsylvania	99,503	8,020.94	4.1	4.4
21	<i>Rhode Island</i>	8,423	7,846.07	.4	.4
22	<i>Oklahoma</i>	27,637	7,799.37	1.2	1.2
23	<i>Florida</i>	134,544	7,572.16	5.9	5.9
24	<i>South Carolina</i>	32,044	7,545.10	1.4	1.4
25	<i>New York</i>	144,876	7,500.42	6.4	6.3
26	<i>Arizona</i>	44,639	7,498.49	2.0	2.0
27	<i>Vermont</i>	4,645	7,462.63	.2	.2
28	<i>Kansas</i>	20,492	7,456.72	.9	.9
29	<i>Washington</i>	46,338	7,364.77	2.1	2.0
30	<i>Arkansas</i>	20,387	7,344.76	.9	.9
31	<i>Nebraska</i>	12,785	7,272.04	.6	.6
32	<i>Iowa</i>	20,345	6,860.47	1.0	.9
33	<i>North Carolina</i>	59,162	6,821.87	2.9	2.6
34	<i>Ohio</i>	77,881	6,789.55	3.8	3.4
35	<i>Indiana</i>	42,347	6,758.14	2.1	1.9
36	<i>New Jersey</i>	58,617	6,735.11	2.9	2.6
37	<i>Idaho</i>	9,598	6,714.69	.5	.4
38	<i>California</i>	242,023	6,694.20	12.0	10.6
39	<i>Colorado</i>	31,173	6,684.69	1.5	1.4
40	<i>Georgia</i>	59,846	6,553.09	3.0	2.6
41	<i>Delaware</i>	5,495	6,527.79	.3	.2
42	<i>Texas</i>	148,683	6,484.63	7.6	6.5
43	<i>Michigan</i>	64,787	6,414.02	3.4	2.8
44	<i>New Hampshire</i>	8,331	6,374.82	.4	.4
45	<i>Illinois</i>	80,778	6,327.91	4.2	3.5
46	<i>Oregon</i>	22,792	6,263.47	1.2	1.0
47	<i>Wisconsin</i>	33,749	6,105.47	1.8	1.5
48	<i>Minnesota</i>	31,067	6,059.76	1.7	1.4
49	<i>Utah</i>	14,823	5,952.33	.8	.6
50	<i>Nevada</i>	14,089	5,840.47	.8	.6

States in **bold** print received a percentage of federal expenditures larger than their percentage of population.
States in *italics* received a percentage of federal expenditures equal to their percentage of population.
States in normal print received a percentage of federal expenditures less than their percentage of population.

FEDERAL EXPENDITURES IN MICHIGAN

Retirement and Disability

The largest category of federal payments in FFY2005 was direct payments to individuals for retirement and disability, which includes federal employee retirement and disability benefits, social security payments of all types, selected Veterans Administration programs, and

selected other federal programs. Of this \$702.8 billion, the populous states of California, Florida, Texas, and New York received the highest dollar payments. On a per capita basis, the District of Columbia (at \$3,515.49) led the nation, while West Virginia and Alabama led the states (See **Table 4**).

Table 4
Federal Retirement and Disability Payments, FFY2005

<u>Highest Dollar Amounts</u>		<u>Highest Per Capita Amounts</u>	
<u>State</u>	<u>Dollars in Millions</u>	<u>State</u>	<u>Dollars Per Capita</u>
1 California	\$67,208	1 West Virginia	\$3,416.69
2 Florida	50,477	2 Alabama	3,002.75
3 Texas	44,113	3 Virginia	2,869.36
4 New York	43,459	4 Maine	2,856.64
5 Pennsylvania	34,732	5 Florida	2,840.87
8 Michigan	24,369	28 Michigan	2,412.61

Michigan ranked eighth in dollar outlays and received \$24.4 billion (3.47 percent of the total, or \$2,412.61 on a per capita basis) of these payments, obtaining relatively larger proportional outlays for social security and much smaller outlays for federal employee retire-

ment benefits (See **Table 5**).

Michigan ranked 28th of the 50 states in per capita receipts of federal retirement and disability payments.

Table 5
Federal Direct Payments to Individuals for Retirement and Disability, FFY2005
(Dollars in Thousands)

<u>Payment Type</u>	<u>United States</u>	<u>Michigan</u>	<u>MI as a Percent of the U.S.</u>
Social Security Retirement Insurance	\$331,266,392	\$12,800,382	3.86%
Social Security Survivors Insurance	101,286,605	4,099,863	4.05
Social Security Disability Insurance	90,179,029	3,611,742	4.01
Supplementary Security Income (SSI)	40,946,687	1,403,181	3.43
Federal Retirement & Disability-Civilian	55,936,825	929,755	1.66
Veterans Benefit-Service Connected	24,295,874	531,370	2.18
Federal Retirement & Disability-Military	35,780,634	383,489	1.07
Veterans Other Benefit Payments	7,528,238	176,787	2.35
Other Direct Payments to Individuals	<u>15,537,431</u>	<u>432,780</u>	2.79
Total	\$702,757,714	\$24,369,349	3.47%

Other Direct Payments

The federal government also makes other direct payments to individuals, non-profit and for-profit organizations, and governments. In FFY2005 these payments

totaled \$499.9 billion, of which \$17.5 billion flowed to Michigan. Michigan ranked eighth in dollars received and 24th on a per capita basis, with \$1,735.84 for each of the state's 10.1 million residents (See **Table 6**).

Table 6
Other Federal Direct Payments, FFY2005

<u>Highest Dollar Amounts</u>			<u>Highest Per Capita Amounts</u>		
<u>State</u>	<u>Dollars in Millions</u>		<u>State</u>	<u>Dollars Per Capita</u>	
1 California	\$	53,841	1 North Dakota	\$	3,311.90
2 New York		36,590	2 South Dakota		3,127.40
3 Florida		36,557	3 Pennsylvania		2,238.09
4 Texas		32,394	4 Louisiana		2,184.40
5 Pennsylvania		27,764	5 Nebraska		2,183.25
8 Michigan		17,533	24 Michigan		1,735.84

Michigan's 3.51 percent of "other direct payments" included 5.81 percent of federal unemployment compensation payments: Michigan began FFY2005 with an unemployment rate of 6.6 percent in October, 2004 (the U.S. rate was 5.5 percent) and ended FFY2005 with an unemployment rate of 6.4 percent in September,

2005, (the U.S. rate was 5.1 percent) according to the Bureau of Labor Statistics (www.bls.gov/schedule/archives/laus_nr.htm#BM2005). Michigan recipients obtained comparatively little from federal housing assistance, agricultural assistance, or federal employees life and health insurance (See **Table 7**).

Table 7
Federal Direct Payments Other Than for Retirement and Disability, FFY2005
(Dollars in Thousands)

<u>Payment Type</u>	<u>United States</u>	<u>Michigan</u>	<u>MI as a Percent of the U.S.</u>
Medicare Hospital Insurance	\$184,605,158	\$6,606,612	3.58%
Medicare Supplementary Medical Insurance	151,309,351	5,893,000	3.89
Unemployment Compensation	29,325,902	1,704,703	5.81
Food Stamp Payments	28,645,047	1,098,818	3.84
Excess Earned Income Tax Credits	35,918,795	1,034,496	2.88
Agricultural Assistance	20,710,763	353,117	1.70
Federal Employees Life and Health Insurance	19,200,234	266,306	1.39
Housing Assistance	4,559,221	68,261	1.50
Other	<u>25,653,293</u>	<u>508,083</u>	1.98
Total	\$499,927,763	\$17,533,398	3.51%

FEDERAL EXPENDITURES IN MICHIGAN

Grants

The federal government makes block grants, formula grants, and project grants to state and local government, for-profit and nonprofit organizations, and individuals through a host of programs. In FFY2005,

those grants totaled \$469.6 billion, of which \$13.3 billion (2.84 percent) flowed to Michigan. Michigan ranked ninth of the 50 states in dollars received and 39th in per capita receipts (\$1,318.03) (See **Table 8**).

Table 8
Federal Grants, FFY2005

<u>Highest Dollar Amounts</u>			<u>Highest Per Capita Amounts</u>		
<u>State</u>	<u>Dollars in Millions</u>		<u>State</u>	<u>Dollars Per Capita</u>	
1 California	\$55,334		1 Alaska	\$4,720.98	
2 New York	45,631		2 Wyoming	3,732.24	
3 Texas	28,912		3 North Dakota	2,625.71	
4 Florida	22,552		4 Louisiana	2,526.70	
5 Pennsylvania	19,869		5 New Mexico	2,369.87	
9 Michigan	13,313		39 Michigan	1,318.03	

Michigan public and private entities were comparatively successful in the competition for grants from the Departments of Energy and Labor and from the Environmental Protection Agency. While Michigan received significant dollar amounts from the Depart-

ments of Agriculture and Justice, the proportion of those departments' grant outlays that flowed to this state was comparatively low. **Table 9** reflects those federal granting agencies from which Michigan entities received in excess of \$50 million:

Table 9
Federal Expenditures for Grants, FFY2005
(Dollars in Thousands)

<u>Payment Type</u>	<u>United States</u>	<u>Michigan</u>	<u>MI as a Percent of the U.S.</u>
Health and Human Services	\$276,352,384	\$8,220,031	2.97%
Transportation	41,146,849	1,185,101	2.88
Education	38,053,238	1,168,870	3.07
Housing and Urban Development	33,786,246	882,237	2.61
Agriculture	29,106,572	691,840	2.38
Labor	7,852,666	351,787	4.48
Environmental Protection Agency	3,972,392	166,638	4.19
National Science Foundation	4,978,417	166,046	3.34
Justice	6,074,154	148,169	2.44
Energy	2,271,238	117,557	5.18
Other Grants	<u>25,984,873</u>	<u>214,930</u>	0.83
Total	\$469,579,029	\$13,313,206	2.84%

The federal E-Grants Initiative established Grants.gov (www.grants.gov) as an accessible storehouse for information on over 1,000 federal grant programs. The website contains descriptions of grant programs including eligibility, applications, and fiscal reports; provides access to approximately \$400 billion in annual

awards; eliminates the need for grant seekers to learn and comply with multiple agency systems and requirements; and allows grant seekers to register for automatic grant e-mail alerts. In FFY2007, grants.gov received 180,659 electronic submissions for federal grant.

Procurement Contracts

Federal government agencies obtain goods and services through procurement contracts. In FFY2005, the federal government spent \$381.0 billion on procurement contracts; \$5.8 billion (1.54 percent) of that flowed to Michigan businesses. Michigan ranked 22nd of the 50 states in the dollar value of federal procure-

ment contract outlays and obligations and 40th on a per capita basis (\$579.06 per capita). Businesses located in the District of Columbia received \$13.3 billion through procurement contracts (\$22,891.87 per capita). States with the highest receipts from this source are displayed in **Table 10**.

Table 10
Federal Procurement Contracts, FFY2005

<u>Highest Dollar Amounts</u>			<u>Highest Per Capita Amounts</u>		
<u>State</u>	<u>Dollars in Millions</u>		<u>State</u>	<u>Dollars Per Capita</u>	
1 California	\$43,267		1 Virginia	\$5,104.21	
2 Virginia	38,610		2 Maryland	3,907.72	
3 Texas	28,117		3 Alaska	3,636.58	
4 Maryland	21,843		4 New Mexico	3,324.25	
5 Florida	14,296		5 Connecticut	2,674.87	
22 Michigan	5,849		40 Michigan	579.06	

Table II reflects those federal contracting agencies from which Michigan businesses received more than \$50 million in outlays and obligations:

Table II
Federal Expenditures for Procurement Contracts, FFY2005
(Dollars in Thousands)

<u>Payment Type</u>	<u>United States</u>	<u>Michigan</u>	<u>MI as a Percent of the U.S.</u>
Department of Defense	\$245,471,507	\$3,963,876	1.61%
General Services Administration	13,699,241	828,303	6.05
Postal Service	14,351,999	504,022	3.51
Health and Human Services	8,559,750	167,642	1.96
Veterans Affairs	14,936,364	93,800	0.63
Agriculture	4,065,500	64,596	1.59
Other Procurement Contracts	<u>79,900,088</u>	<u>226,795</u>	0.28
Total	\$380,984,449	\$5,849,034	1.54%

FEDERAL EXPENDITURES IN MICHIGAN

In FFY2005, Michigan businesses were relatively successful in obtaining procurement contract payments

from the Army, but much less so from other divisions within the Department of Defense (See **Table 12**).

Table 12
Defense Department Procurement Contracts, FFY2005
(Dollars in Thousands)

<u>Payment Type</u>	<u>United States</u>	<u>Michigan</u>	<u>MI as a Percent of the U.S.</u>
Army	\$78,450,018	\$3,174,476	4.05%
Navy	64,796,209	158,632	0.24
Air Force	53,479,275	158,019	0.30
Other Defense	<u>48,746,005</u>	<u>472,750</u>	0.97
Department of Defense Total	\$245,471,507	\$3,963,876	1.61%

Michigan obtained 1.61 percent of the \$245.5 billion of Defense procurement contract outlays and obligations and 1.39 percent of the \$135.5 billion of non-

defense procurement contract outlays and obligations.

Salaries and Wages

The federal government paid \$231.5 billion for salaries and wages in 2005. Payments are allocated to states based on place of employment, such as a military duty station, rather than to home residence. Michigan ranked 17th of the 50 states in the amount

received from the federal government for salaries and wages (\$3,721,995,000, 1.61 percent of the total paid) and 49th in per capita receipts (only Wisconsin's \$353.39 per capita was less than the \$368.48 per capita received by Michigan).

Table 13
Federal Salaries and Wages, FFY2005

<u>Highest Dollar Amounts</u>			<u>Highest Per Capita Amounts</u>		
<u>State</u>	<u>Dollars in Millions</u>		<u>State</u>	<u>Dollars Per Capita</u>	
1 California	\$22,373		1 Alaska	\$2,786.27	
2 Virginia	16,001		2 Hawaii	2,543.32	
3 Texas	15,146		3 Virginia	2,115.28	
4 Maryland	10,794		4 Maryland	1,931.14	
5 Florida	10,662		5 North Dakota	1,269.50	
17 Michigan	3,722		49 Michigan	368.48	

Individuals in California received \$22.4 billion, or 9.66 percent, of the total spent by the federal government for salaries and wages, while those in Texas received \$15.1 billion. Federal employees in Virginia received \$16.0 billion, those in the District of Columbia received

\$15.8 billion (\$27,163.83 on a per capita basis), and those in Maryland received \$10.8 billion. Federal agencies that paid more than \$50 million in salaries and wages to individuals in Michigan are shown in **Table 14**.

Table 14
Federal Expenditures for Salaries and Wages, FFY2005
(Dollars in Thousands)

<u>Payment Type</u>	<u>United States</u>	<u>Michigan</u>	<u>MI as a Percent of the U.S.</u>
U.S. Postal Service	\$53,931,998	\$1,894,017	3.51%
Defense	89,789,166	641,256	0.71
Veterans Affairs	13,421,328	326,696	2.43
Homeland Security	9,127,682	185,361	2.03
Treasury	6,992,934	137,208	1.96
Justice	10,791,471	114,610	1.06
Social Security Administration	4,113,888	85,146	2.07
Agriculture	5,893,836	78,224	1.33
Transportation	5,648,765	76,050	1.35
Other	<u>31,800,331</u>	<u>183,427</u>	0.58
Total	\$231,511,399	\$3,721,995	1.61%

FEDERAL EXPENDITURES IN MICHIGAN

Direct Loans and Guaranteed Loans

The federal government makes direct loans, defined as “financial assistance provided through the lending of federal monies for a specific period of time, with a reasonable expectation of repayment.” The federal government also guarantees loans, defined as “pro-

grams in which the federal government makes an arrangement to indemnify a lender against part or all of any defaults by those responsible for the repayment of loans.” In FFY2005, the federal government reported \$28.7 billion in direct loans, with \$1.3 billion of that going to Michigan (See **Table 15**).

Table 15
Direct Loans and Guaranteed Loans, FFY2005
(Dollars in Millions)

<u>Direct Loans</u>			<u>Guaranteed Loans</u>		
1	California	\$2,588	1	Texas	\$14,918
2	Florida	2,515	2	California	10,159
3	Mississippi	2,253	3	Florida	8,741
4	Texas	1,432	4	New York	7,699
5	Ohio	1,397	5	Georgia	6,954
6	Michigan	1,261	13	Michigan	4,828

Michigan ranked sixth of the 50 states in the dollar amount of direct loan payments. This state’s robust system of community colleges, colleges, and universities is reflected in its successful competition for federal student loans to undergraduate and graduate post secondary school students. Recipients in only 22 states received commodity loans-price supports through the

U.S. Department of Agriculture, however, and Michigan was not among those states (See **Table 16**).

In FFY2005, the federal government provided \$164.6 billion in loan guarantees. Michigan received \$4.8 billion of federally guaranteed loans and ranked 13th of the 50 states in the amount received.

Table 16
Federal Expenditures for Direct Loans and Guaranteed Loan Programs, FFY2005
(Dollars in Thousands)

<u>Payment Type</u>	<u>United States</u>	<u>Michigan</u>	<u>MI as a Percent of the U.S.</u>
Direct Loans			
Federal Direct Student Loans	\$16,681,396	\$1,097,047	6.58%
Commodity Loans-Price Supports	4,484,663	-	0.00
Other Department of Agriculture	4,879,844	156,711	3.21
Other Direct Loans	<u>2,657,510</u>	<u>7,673</u>	0.29
Direct Loan Total	\$ 28,703,414	\$ 1,261,431	4.39%
Guaranteed Loan Programs			
Mortgage Insurance for Homes	\$58,779,680	\$2,177,923	3.71%
Federal Family Education Loan Program	49,955,994	1,336,850	2.68
Small Business Loans	16,094,555	416,846	2.59
U.S.D.A. Guaranteed Loans	11,717,814	409,569	3.50
Veterans Housing Guaranteed and Insured			
Loans-VA Home Loans	22,544,000	375,710	1.67
Mortgage Insurance-Condominiums	3,690,816	111,540	3.02
Other	<u>1,848,731</u>	<u>-</u>	0.00
Guaranteed Loan Total	\$164,631,590	\$4,828,438	2.93%

Insurance

Federal government insurance program coverage provided in FFY2005 totaled \$859.3 billion. These insurance programs assure reimbursement for losses sustained under specific conditions; the amounts

guaranteed do not necessarily represent future outlays. Coverage may be provided directly by the federal government or through private carriers and may or may not involve the payment of premiums.

Table 17
Federal Insurance Programs, FFY2005

<u>Highest Dollar Amounts</u>		<u>Highest Per Capita Amounts</u>	
<u>State</u>	<u>Dollars in Millions</u>	<u>State</u>	<u>Dollars Per Capita</u>
1 Florida	\$351,202	1 Florida	\$19,765.79
2 Texas	93,636	2 Louisiana	12,844.54
3 Louisiana	57,895	3 South Carolina	7,465.13
4 California	54,636	4 Hawaii	5,635.45
5 New Jersey	35,882	5 North Dakota	4,310.41
26 Michigan	4,387	49 Michigan	434.32

Michigan received less than \$4.4 billion, or 0.51 percent, which ranked 26th of the 50 states. On a per capita basis, Michigan received \$434.32 in federal in-

surance outlays; only Utah received less than Michigan on this metric.

Table 18
Federal Expenditures for Insurance Programs-Volume of Coverage Provided, FFY2005
(Dollars in Thousands)

<u>Payment Type</u>	<u>United States</u>	<u>Michigan</u>	<u>MI as a Percent of the U.S.</u>
Flood Insurance	\$811,733,695	\$3,405,675	0.42%
Crop Insurance	44,061,624	925,955	2.10
Life Insurance for Veterans	1,807,696	49,199	2.72
Foreign Investment Insurance	1,275,066	119	0.01
Other	401,346	6,087	1.52
Total	\$859,279,427	\$4,387,035	0.51%

Federal Aid to States and Local Governments

Federal payments to state and local governments are included in the data presented in the first section, but can be identified with greater specificity. The fiscal distress afflicting both the State of Michigan and local governments in the state argues for an analysis of federal aid that leads to maximizing benefits from exist-

ing federal programs and perhaps new or modified programs that better address Michigan’s needs.

In FFY2005, federal grants to all states and local governments totaled \$403.7 billion for the major programs highlighted in **Table 19**.

Table 19
Federal Grants and Payments to All States and Local Governments, FFY2005
 (Dollars in Billions)

<u>Major Program Area</u>	<u>Amount</u>	<u>Percent</u>
Medical Assistance Programs	\$186.0	46.0%
Highway Trust Fund	29.8	7.4
Temporary Assistance for Needy Families	16.4	4.1
Child Nutrition Programs	11.7	2.9
Housing Certificate Programs	11.1	2.7
Education-Title I Programs	10.5	2.6
Special Education Programs	8.7	2.2
Other Programs	<u>129.5</u>	32.1
Total	\$403.7	100.0%

State and local governments in Michigan received over \$12.1 billion from federal departments and agencies in the form of direct cash grants, payments for grants-in-kind, payments passed through nongovernmental entities, payments redistributed through regional commissions and organizations, and federal shared revenues. This does not include payments to individu-

als, for profit or nonprofit institutions, and payments for services rendered, all of which were included in the previous section of this report. Michigan state and local governments received 3.00 percent of all grant and payment outlays from 144 federal programs. Michigan ranked eighth of all states in the amount of federal funds received.

Table 20
Federal Aid to State and Local Governments, FFY2005

<u>Highest Dollar Amounts</u>			<u>Highest Per Capita Amounts</u>		
<u>State</u>	<u>Dollars in Millions</u>		<u>State</u>	<u>Dollars Per Capita</u>	
1 California	\$46,029		1 Wyoming	\$4,407.69	
2 New York	43,438		2 Alaska	4,026.80	
3 Texas	25,622		3 New York	2,248.84	
4 Florida	19,046		4 North Dakota	2,196.53	
5 Pennsylvania	18,103		5 Montana	2,162.29	
8 Michigan	12,113		37 Michigan	1,199.18	

CRC REPORT

As has been the case for many years, the per capita amount received by Michigan state and local governments was less than the national per capita amount: \$1,361.38 for the U.S. average versus \$1,199.18 for Michigan (Michigan ranked 37th of the 50 states in the

amount received on a per capita basis). The difference between the amount that Michigan state and local governments actually received in FFY2005 and the amount that they would have received at the per capita national average, is in excess of \$1.6 billion.

Federal Programs that Benefit Michigan Governments

Of 144 individual federal grant and payment programs reported by the Census Bureau, Michigan state and local governments received more than five percent of

total distributions in 16 programs, and more than ten percent of three programs (See **Table 2I**).

Table 2I
Federal Government Programs Which Paid Michigan More Than 5 Percent, FFY2005
 (Dollars in Thousands)

	United States <u>Total</u>	<u>Michigan Receipts</u> <u>Amount</u>	<u>as Percent</u> <u>of the U.S.</u>
Department of Agriculture			
Agricultural Marketing Service	\$451,542	\$22,883	5.07%
Commodity Assistance Programs	187,581	9,912	5.28
Forest Service-Other	6,526	430	6.59
Department of Defense			
U.S. Army National Guard Construction	\$364,520	\$20,228	5.55%
Department of Education			
International Education Programs	\$57,383	\$5,317	9.27%
Department of Energy			
Energy Conservation Programs	\$290,269	\$15,485	5.33%
Department of Health and Human Services			
Temporary Assistance to Needy Families	\$16,350,712	\$851,051	5.20%
Low Income Home Energy Assistance	1,860,417	115,617	6.21
Department of Justice			
Corrections, Probation, and Parole	\$342,333	\$49,979	14.60%
Juvenile Justice Programs	331,708	32,175	9.70
Office of Asset Forfeiture	261,411	13,130	5.02
Office of Justice Programs-Other	127,234	6,552	5.15
Department of Labor			
Employment and Training Administration- Other	\$1,179,833	\$64,500	5.47%
Occupational Health and Safety Administration	95,042	9,591	10.09
State Justice Institute			
	2,070	297	14.35
Department of Transportation			
Federal Railroad Administration	\$3,238	\$1,534	47.35%

FEDERAL EXPENDITURES IN MICHIGAN

Michigan received \$851.1 million from Temporary Assistance to Needy Families (TANF), which is the successor to Aid to Families with Dependent Children (AFDC). Created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, TANF authorizes federal block grants to states and grants wide flexibility to states to develop and implement their own programs to move families from welfare to work. TANF includes a lifetime maximum of 60 months of benefits and requires maintenance of effort in state spending. The program requires that each recipient state maintain expenditures of state funds at 75 percent of the amount historically spent for low-income programs. The 1996 act expired in 2006 but was reauthorized for five years under the Deficit Re-

duction Act of 2005.

In percentage terms, the state was outstandingly successful in obtaining 474 percent of Federal Railroad Administration grants, although the total dollar amount of those grants was comparatively very small. Approximately half of the grant amount was used in a joint effort with Norfolk Southern Railroad to evaluate and make minor repairs to railroad crossings; the remainder was intended for a railroad project in the Upper Peninsula that has not materialized.

Michigan state and local governments received between four and five percent of all federal grant and payment program distributions in eight other programs (See **Table 22**).

Table 22
Federal Government Programs That Paid Michigan Between 4 and 5 Percent, FFY2005
 (Dollars in Thousands)

	United States <u>Total</u>	<u>Michigan Receipts</u>	
		<u>Amount</u>	<u>as Percent of the U.S.</u>
Department of Agriculture			
Water Systems and Waste Disposal Systems	\$632,947	\$28,953	4.57%
Department of Education			
Office of Special Education Programs	\$8,692,679	\$385,416	4.43%
No Child Left Behind Act	4,888,241	211,033	4.32
Vocational Technical Education Programs	1,028,563	45,272	4.40
Department of Homeland Security			
Coast Guard	\$61,065	\$3,011	4.93%
Department of the Interior			
Bureau of Indian Affairs	\$464,590	\$20,098	4.33%
National Park Service-Other	85,689	3,592	4.19
Department of Labor			
State Unemployment Insurance and Employment Service	\$3,468,076	\$144,103	4.16%

The Largest Federal Programs

In 2005, there were 17 federal programs that each distributed more than \$4 billion to state and local governments nationwide. Michigan state and local governments received more than five percent of distributions from only one of these very large programs, Temporary Assistance to Needy Families.

Michigan receives between four and five percent of distributions from two of the largest federal programs: Office of Special Education Programs and No Child Left Behind. The U.S. Department of Education's Office of Special Education Programs provides support to parents and individuals, school districts, and states in the areas of special education, vocational rehabili-

tation, and research. Programs serve infants, toddlers, children, and adults with disabilities. The Individuals with Disabilities Education Improvement Act was adopted in 2004.

The No Child Left Behind Act, adopted in 2001, reauthorized a number of federal programs designed to improve the performance of primary and secondary schools by increasing the accountability of schools and providing more flexibility for parents in choosing which schools their children attend. Among other requirements, the act requires states to develop tests to be given to all students in certain grades, to insure that all teachers are highly qualified, and to use scientifically based strategies in the classroom, in order to receive federal funding for schools.

Table 23
Federal Government Grant and Other Payments Programs Exceeding \$4 Billion, FFY2005
(Dollars in Thousands)

	United States <u>Total</u>	<u>Michigan Receipts</u>	
		<u>Amount</u>	<u>as Percent of the U.S.</u>
Department of Agriculture			
Child Nutrition Programs	\$11,680,721	\$301,278	2.58%
Special Supplemental Food Program (WIC)	4,985,450	126,900	2.55
Food Stamp Program	4,256,285	96,136	2.26
Department of Education			
Title I Programs	\$10,499,709	\$415,908	3.96%
Office of Special Education Programs	8,692,679	385,416	4.43
No Child Left Behind	4,888,241	211,033	4.32
Department of Health and Human Services			
Centers for Medicare and Medicaid Services	\$185,979,519	\$5,316,509	2.86%
Temporary Assistance to Needy Families (TANF)	16,350,712	851,051	5.20
Child and Family Services (Headstart)	8,423,638	296,505	3.52
Foster Care and Adoption Assistance	6,407,007	226,024	3.53
Child Care and Development	4,850,351	142,872	2.95
Health Resources and Services Administration	5,321,337	120,245	2.26
Department of Homeland Security			
Disaster Relief	\$4,944,147	\$8,868	0.18%
Department of Housing and Urban Development			
Housing Certificate Programs	\$11,095,632	\$330,370	2.98%
Community Development Block Grant	4,990,753	172,384	3.45
Department of Transportation			
Highway Trust Fund	\$29,849,459	\$948,190	3.18%
Federal Transit Administration	8,350,368	103,972	1.25

FEDERAL EXPENDITURES IN MICHIGAN

In 2005, Michigan's population was 3.41 percent of the U.S. total. Michigan state and local governments received more than 3.41 percent of distributions from

seven of the 17 largest federal grant and payments programs.

Federal Programs that Do Not Benefit Michigan

While every state participates in the vast majority of the federal programs, some programs are targeted to specific problems that do not exist in all states. For example, outlays from the Department of Energy's Nuclear Waste Disposal Program go only to California, Nevada, and New Mexico; Office of Insular Affairs payments support Hawaii, American Samoa, Micronesia, Guam, the Marshall Islands, Northern Marianas, Palau, and the Virgin Islands (A small amount is paid to Georgia). In FFY2005, Michigan was one of

13 states that received funding from the Forest Services Rural Community and Emergency Fire Fighting Program (\$7,000 out of \$5.2 million distributed), one of 19 states that received funding from the Department of Energy's Environmental and Other Defense Programs (\$391,000 of \$48.8 million distributed), and one of six states that received funding from the Federal Railroad Administration (\$1,534,000 of \$3.2 million distributed). But in that same year, Michigan state and local governments received no revenues at all from 13 federal programs (See **Table 24**).

Table 24
Federal Programs from Which Michigan Received No Payments, FFY2005
 (Dollars in Thousands)

	<u>U.S. Total Outlay</u>	<u>Number of States Receiving Payments</u>
Department of Agriculture		
Food Safety and Inspection Service	\$44,760	31
Appalachian Regional Commission	\$34,191	25
Department of Commerce		
International Trade Administration	\$9,890	3
Department of Defense		
U.S. Army Corps of Engineers-Civilian Construction Program	\$8,681	37
Department of Energy		
Nuclear Waste Disposal	\$12,619	3
Other Programs	10,735	19
Department of the Interior		
Office of Insular Affairs	\$428,787	2
Bureau of Land Management Shared Revenues	354,880	16
Abandoned Mine Reclamation	167,731	24
Bureau of Reclamation	112,891	20
Office of Surface Mining, Reclamation, and Enforcement-Other	56,137	24
Department of Justice		
Federal Prison System	\$7,785	18
Tennessee Valley Authority-Payments in Lieu of Taxes		
	\$64,897	8

In addition to the 13 programs from which Michigan received no revenues, there were 23 federal programs from which Michigan received less than one percent of the total amount distributed. Michigan received less

than three percent of distributions from 86 of the 144 federal programs (59.7 percent). At the other extreme, Michigan received more than five percent of the total distribution from 16 of the 144 programs (See **Table 25**).

Table 25
Proportion of Total Federal Grants and Payments, by Program,
Received by Michigan State and Local Governments, FFY2005

<u>Percent</u>	<u>Number of Programs</u>
0 - .99	36
1 - 1.99	21
2 - 2.99	29
3 - 3.99	34
4 - 4.99	8
5 - 5.99	8
6 - 6.99	2
7 - 9.99	2
10+	4

Conclusion

The economic distress that Michigan families, businesses, and governments have experienced in the past several years argues for more aggressive efforts to shape federal programs that address the issues facing this state. In FFY2005, when Michigan had 3.41 percent of the nation's population, Michigan governmental and non governmental entities received 2.84 percent of all federal expenditures and obligations and Michigan state and local governments received 3.00 percent of outlays from 144 federal grant and payments programs. If Michigan governmental and non-governmental recipients had received 3.41 percent of federal expenditures, an additional \$13.0 billion would have flowed into this state. If Michigan state and local governments had received 3.41 percent of all federal government grants and payments, an additional \$1.6 billion would have supported governmental units in this state.

While some of these federal programs were targeted to problems that Michigan is fortunate not to have, others may represent opportunities for more aggressive competition within existing programs or for modifying existing, or initiating new, federal programs to better recognize the problems in Michigan. **Table 26** (on page 20) identifies selected federal programs that provide payments to state and local governments, from which Michigan receives less than this state's proportion of the total population, and which could be considered for more focused attention.

Michigan families, business, and governments benefit from a variety of federal programs, but overall, we receive less proportionally than the size of our population would suggest. The economic challenges facing Michigan argue for scrutinizing every possible opportunity to increase the flow of federal funds to this state.

Table 26
Federal Programs to State and Local Governments from which Michigan
Receives Less Than the State's Proportion of the Total Population

<u>Federal Program</u>	<u>Michigan as a</u> <u>Percent of the U.S.</u>	<u>Gap</u> <u>(in Millions)</u>
Department of Agriculture		
Child Nutrition Programs	2.58%	\$96.6
Food Stamp Program	2.26	48.9
Supplemental Food Program (WIC)	2.55	42.9
Cooperative State Research Education and Extension Services	2.17	11.5
Forest Service Payments to States and Counties	0.73	10.2
Corporation for Public Broadcasting	2.10%	\$5.4
Department of Education		
Rehabilitation Services and Disability Research Programs	0.24%	\$48.2
Office of Elementary and Secondary Education Impact Aid	0.36	32.4
Adult Education and Literacy Programs	0.10	16.7
Higher Education Programs-Other	2.11	15.5
Office of English Language Acquisition	1.72	10.1
Office of Educational Research and Improvement	1.29	10.1
Department of Health and Human Services		
Centers for Medicare and Medicaid Services	2.86%	\$1,019.1
Health Resources and Services Administration	2.26	61.0
Child Care and Development	2.95	22.4
Centers for Disease Control and Prevention	2.71	5.5
Department of Homeland Security		
Domestic Preparedness and Anti-terrorism Programs	2.22%	\$34.1
Department of Housing and Urban Development		
Housing Opportunities for Persons with AIDS	0.12%	\$91.9
Low Rent Housing Assistance	1.48	69.8
Public Housing Capital Programs	1.35	64.9
Housing Certificate Program	2.98	47.6
Neighborhood Revitalization	0.32	21.4
Housing for Special Populations	2.05	12.3
Department of Justice		
Crime Victims Programs	0.16%	\$20.1
Violence Against Women and Children Programs	1.62	5.7
Department of Transportation		
Federal Transit Administration	1.25%	\$180.5
Highway Trust Fund	3.18	68.7
Federal Highway Administration Other	0.29	13.4
Federal Highway Administration Demonstration Programs	0.34	6.9
National Highway Traffic Safety Administration	2.07	6.5