



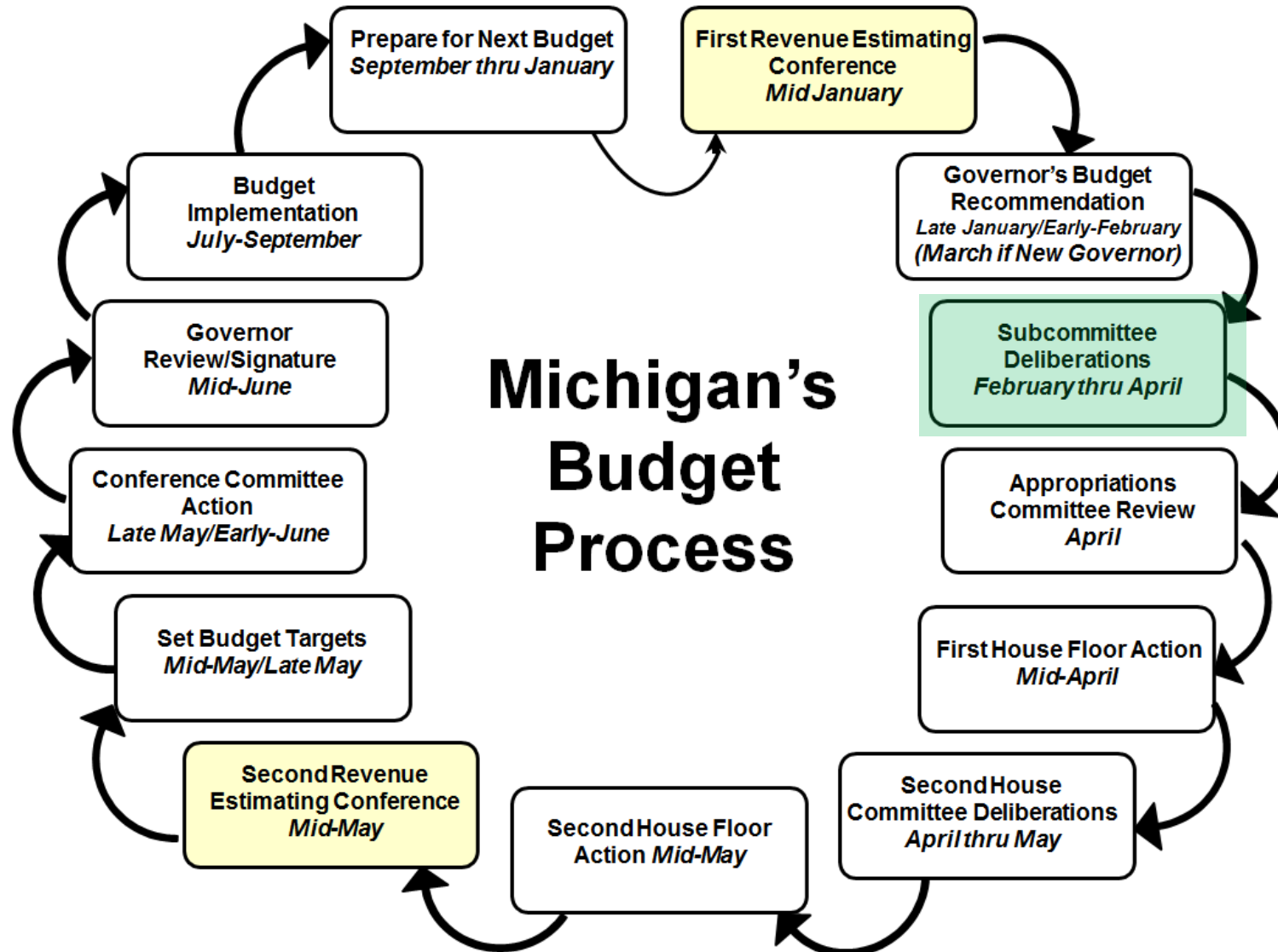
MICHIGAN SCHOOL BUSINESS OFFICIALS

MPAAA Budget Update

**Grand Traverse Resort
May 9, 2018**

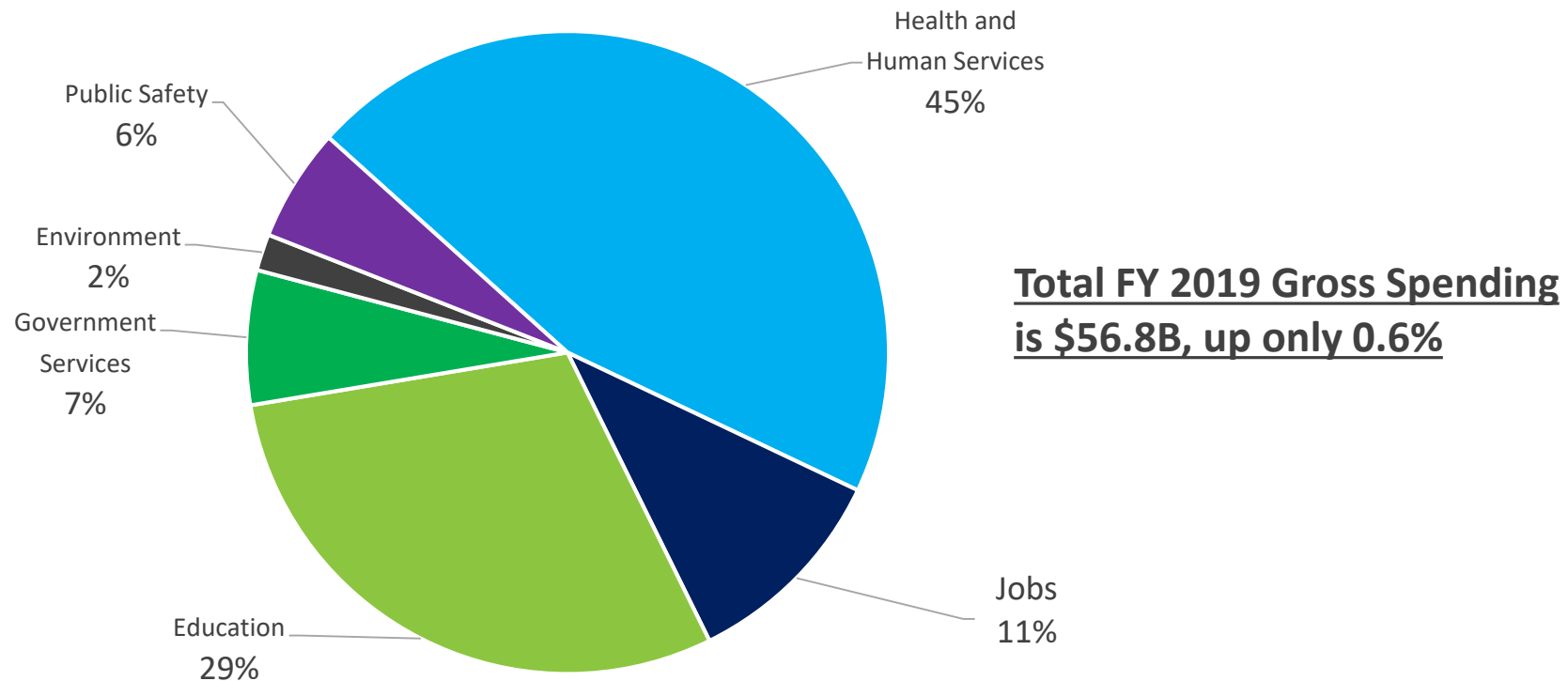
Governor, Senate & House Budget Recommendations

Budget Process

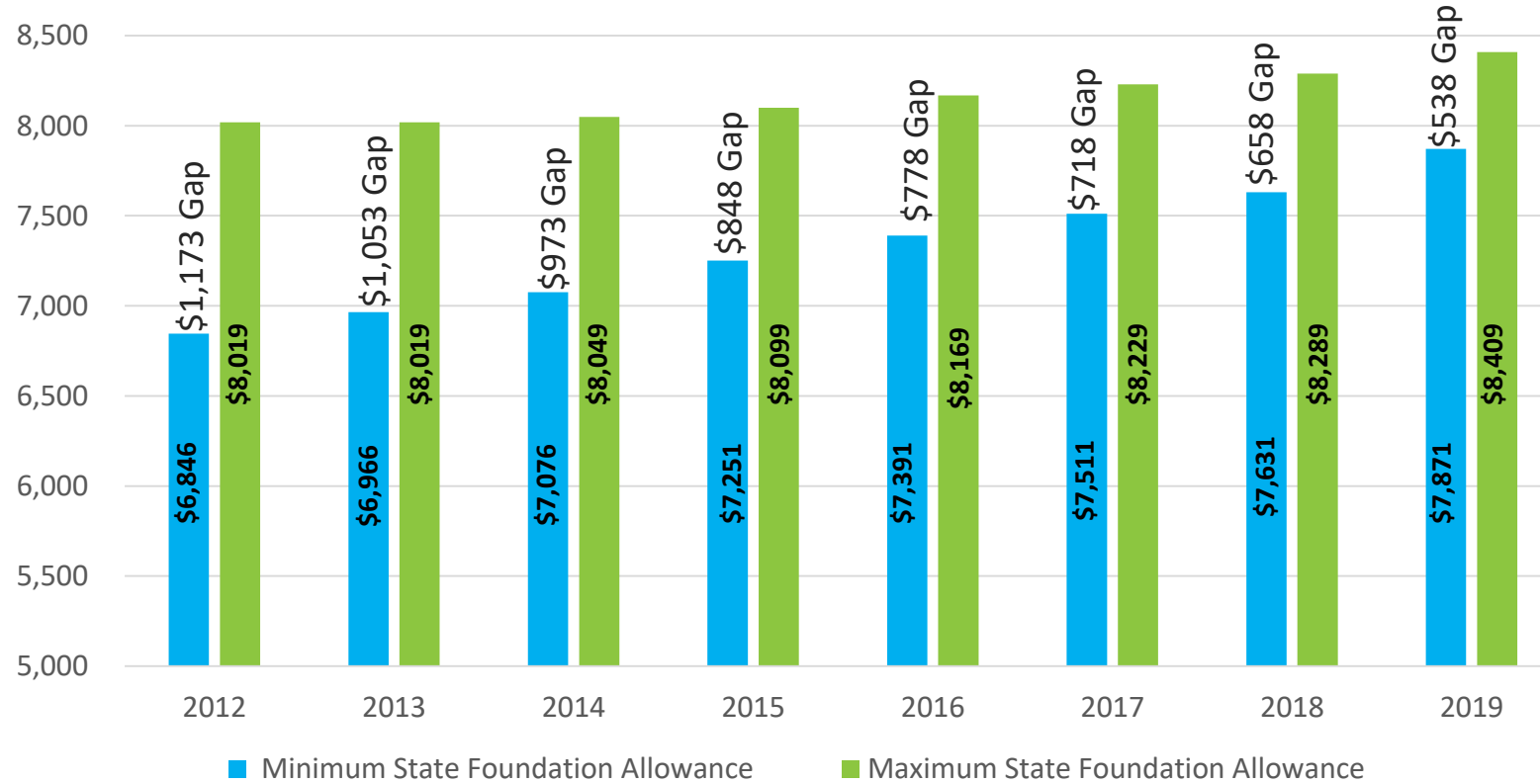


FY18 Budget Plan

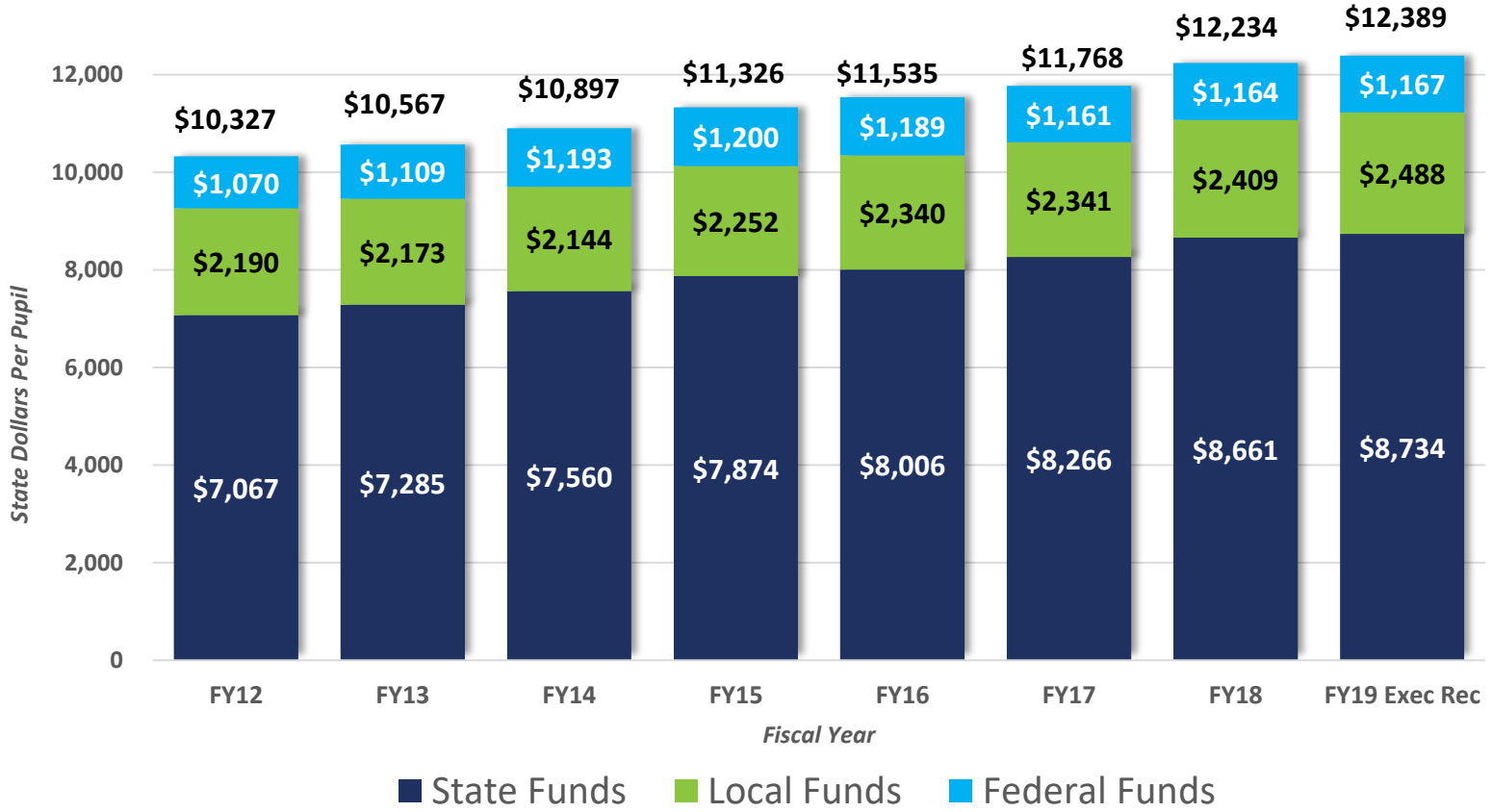
Almost three quarters of the total spending is dedicated to education and health and human services.



Foundation Allowance



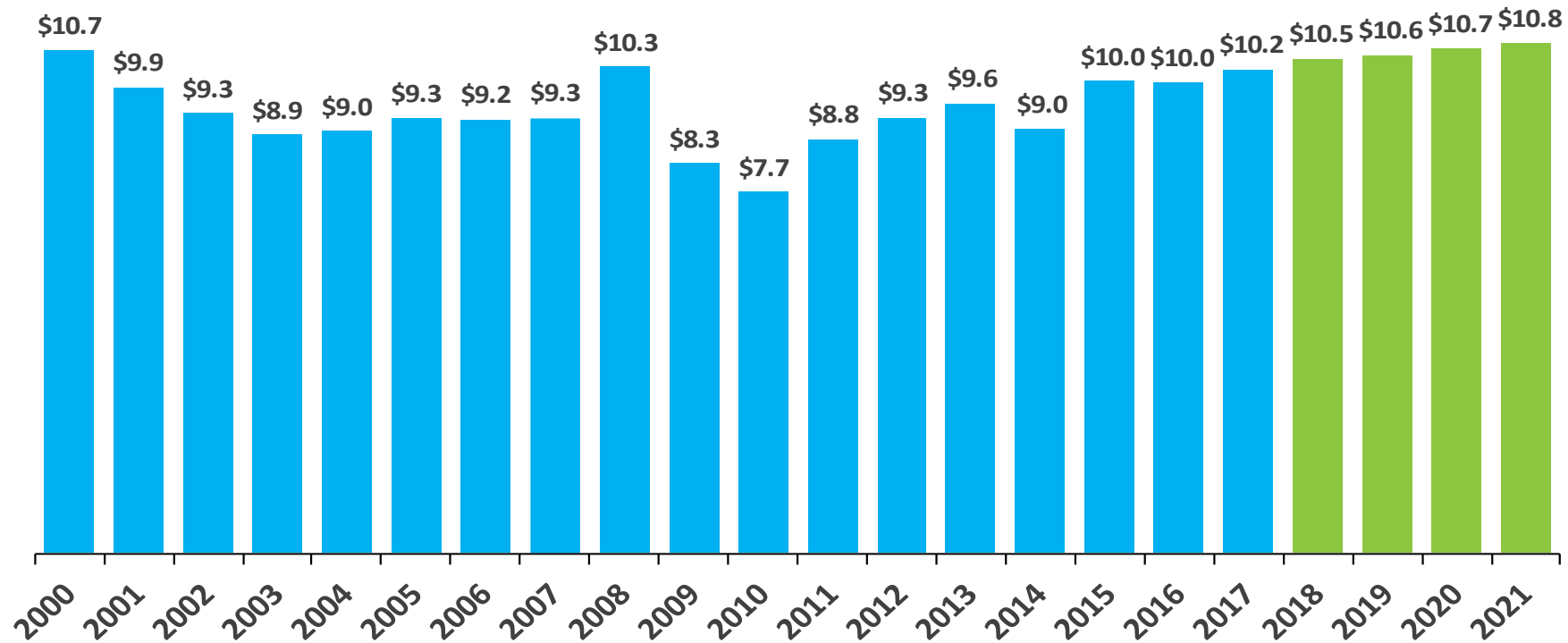
Education Funding – Revenue Source



General Fund Revenue – Growth?

General Fund - General Purpose Revenue Remains Under \$11 Billion

(Graph in billions of dollars)



Consensus
Estimates

Source: FY 2000 – FY 2015, Treasury Department, final revenue from ongoing revenue on same basis used in consensus process. FY 2016, Preliminary final revenue. 2017-2019 estimates, 1/12/17 Consensus Estimates. 1/12/17.

Proposed Foundation Allowance – Sec. 20



Governor's Budget

\$120 - \$240 per pupil; utilizing 2X formula.



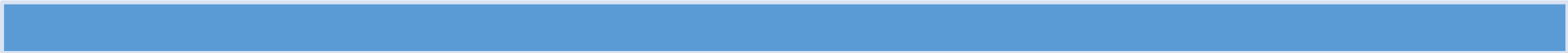
House Budget

\$120 - \$240 per pupil; utilizing 2X formula.



Senate Budget

\$115 - \$230 per pupil; utilizing 2X formula.



At-Risk Pupil Support – Sec. 31a



Governor's Budget

Maintains current funding level at \$499 million. Makes adjustments to “accountability” language.



House Budget

Maintains current funding level at \$499 million. Makes alternative program revisions.



Senate Budget

Maintains current funding level at \$499 million. Uses current year accountability language.

MPERS Cost Offset – Sec. 147a



Governor's Budget

Increases funding by \$88.49 million to account for lowering the Assumed Rate of Return for the retirement system.



House Budget

Increases funding by \$88.49 million to account for lowering the Assumed Rate of Return for the retirement system.



Senate Budget

Concurs with Governor. Adds \$5 million for ISDs who were previously not included in Sec. 147a.

Shared Time Pupils – Sec. 23F



Governor's Budget

Eliminates shared-time for kindergarten. Caps enrollment at 5% of district enrollment.



House Budget

Maintains current law for shared time. Revision to requirement that program offering available to the full-time students in the district to publishing the offering in district or web.



Senate Budget

Eliminates shared-time for kindergarten. Does not concur with Governor on enrollment cap. Instead goes with FTE cap of .67

High School Per Pupil Bonus – Sec. 22N



Governor's Budget

Retains High School Bonus of \$25 per pupil.



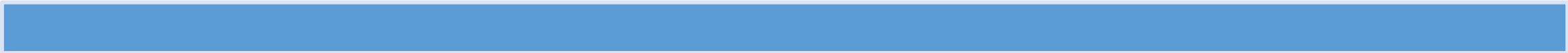
House Budget

Concurs with Governor.



Senate Budget

Concurs with Governor.



Cyber School Foundation Reduction – Sec 20(6)



Governor's Budget

Establishes an 75% limit on Foundation Allowance for a school of excellence that is a cyber-school.



House Budget

Maintains current law.



Senate Budget

Does not concur with the Governor.

Private School Mandate Funding– Sec. 152b



Governor's Budget

Language not included; repeals section.



House Budget

Maintains Current Law.

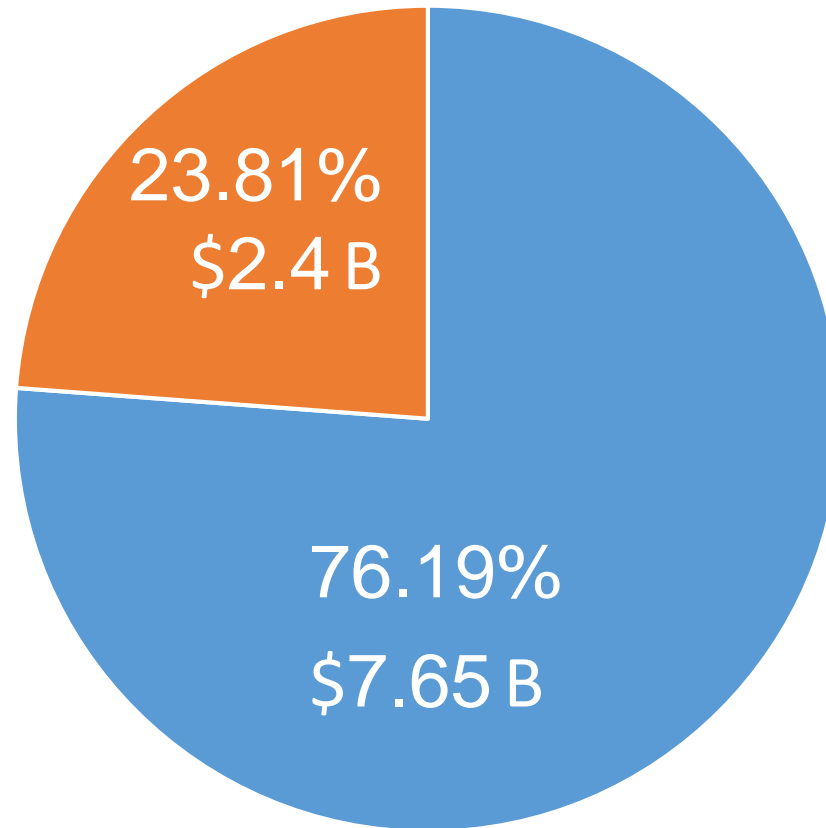


Senate Budget

Concurs with the Governor.

Income Tax “Net” vs. “Growth”

Income tax
refunds totaled
\$1.8 billion in
2017



If “refunds” were
split between SAF
and GF it’s a \$429
million hit.

■ General Fund ■ School Aid Fund

Governor Snyder's 7 Budgets

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Difference
Foundation	\$8,828,000,000	\$8,864,300,000	\$8,907,700,000	\$8,817,000,000	\$9,009,700,000	\$9,105,000,000	\$9,219,300,000	\$391,300,000
At-risk	\$308,988,200	\$308,988,200	\$308,988,200	\$308,988,200	\$378,988,200	\$378,988,200	\$499,000,000	\$190,011,800
Spec ed	\$648,700,000	\$678,000,000	\$662,200,000	\$597,300,000	\$610,000,000	\$644,500,000	\$635,300,000	-\$13,400,000
147c	\$288,000,000	\$326,000,000	\$504,600,000	\$796,534,500	\$993,500,000	\$1,082,800,000	\$1,332,853,000	\$1,044,853,000
Total	\$12,746,884,600	\$12,944,528,500	\$13,361,803,600	\$13,673,960,100	\$13,896,329,300	\$14,161,842,100	\$14,580,173,900	\$1,833,289,300
% of total	79%	79%	78%	77%	79%	79%	80%	88%

MPSERS Off-set

MPSERS Appropriations in K-12

(Dollars in Millions)

K-12	Sec. 147c	Sec. 147a(1)	Sec. 147a(2)	Sec. 147d/c	Sec. 147e	K-12
	<u>Rate Cap</u>	<u>Cost Offset</u>	<u>Add'l AROR</u>	<u>Add'l Liability</u>	<u>SB 401 Reforms</u>	<u>Total by Year</u>
2012	\$ -	\$ 155.0		\$ -		\$ 155.0
2013	\$ 160.5	\$ 155.0		\$ -		\$ 315.5
2014	\$ 405.5	\$ 100.0		\$ -		\$ 505.5
2015	\$ 676.4	\$ 100.0		\$ 19.6		\$ 796.0
2016	\$ 892.9	\$ 100.0		\$ -		\$ 992.9
2017	\$ 982.2	\$ 100.0		\$ -		\$ 1,082.2
2018	\$ 960.1	\$ 100.0	\$ 48.9	\$ 200.0	\$ 23.1	\$ 1,332.2

Another nearly \$84.0 million is appropriated to support MPSERS costs for Community Colleges, Universities, and Libraries.

The End.