

**Summary: Executive Budget Recommendation
for Fiscal Years 2013-14 and 2014-15
SCHOOL AID**



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	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	1,701,041,400	1,764,421,300	63,379,900	3.7	1,764,421,300	\$0	0.0
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	10,961,245,600	11,240,813,500	279,567,900	2.6	11,493,154,500	252,341,000	2.2
GF/GP	282,400,000	230,000,000	(52,400,000)	(18.6)	233,000,000	3,000,000	1.3
Gross	\$12,944,687,000	\$13,235,234,800	\$290,547,800	2.2	\$13,490,575,800	\$255,341,000	1.9

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Overview

The School Aid budget makes appropriations to the state's 549 local school districts, 277 public school academies, the Education Achievement System, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 YTD (as of 2/7/13)	Executive Changes	
			FY 2012-13 to FY 2013-14	FY 2013-14 to FY 2014-15
1. Foundation Allowances (Secs. 22a and 22b)	Gross	\$8,864,300,000	(\$2,300,000)	(\$15,000,000)
Decreases by \$2.3 million from the current YTD for FY 2013-14 to incorporate consensus estimates for taxable values and pupil estimates. Decreases by an additional \$15.0 million due to taxable value changes and further pupil declines estimated for FY 2014-15. Includes funding for small class size adjustments reduced from \$13.0 million to \$9.0 million for FY 2013-14. (See Major Boilerplate Changes below for discussion of proposed changes to Small Class Size Adjustments.)	Restricted	8,599,110,200	57,012,400	(23,000,000)
	GF/GP	\$265,189,800	(\$59,312,400)	\$8,000,000
2. One-Time Foundation Equity Payment (Sec. 22c)	Gross	\$0	\$24,000,000	(\$24,000,000)
Provides \$24.0 million in one-time funding for an equity payment of up to \$34 per pupil to districts with foundation allowances below \$7,000. The current minimum foundation allowance is \$6,966 and the state maximum guaranteed foundation allowance is \$8,019.	Restricted	0	24,000,000	(24,000,000)
3. MPSERS - Cost Offset (Sec. 147a)	Gross	\$155,000,000	\$0	\$0
Maintains current funding levels to offset a share of MPSERS costs for districts for both FYs 2013-14 and 2014-15.	Restricted	155,000,000	0	0
4. MPSERS - Reserve Fund (Sec. 147b)	Gross	\$41,000,000	(\$41,000,000)	\$0
Eliminates transfer of funds to the MPSERS reserve fund. After deposits in FYs 2011-12 and 2012-13, the fund balance totals \$174.0 million, and \$150.0 million of it is used as a restricted fund source in Section 147c for FY 2013-14.	Restricted	41,000,000	(41,000,000)	0

Major Budget Changes From FY 2012-13 YTD Appropriations		Executive Changes			
		FY 2012-13 YTD (as of 2/7/13)	FY 2012-13 to FY 2013-14	FY 2013-14 to FY 2014-15	
5. MPSERS - State Share of Unfunded Liabilities (Sec. 147c)		Gross	\$130,000,000	\$273,300,000	\$245,900,000
Increases funding for the state's share of Michigan Public School Employees' Retirement System (MPSERS) costs as required by PA 300 of 2012. PA 300 caps the employer share of MPSERS contributions for unfunded liabilities at 20.96% of payroll and requires the state to pay the balance. Total appropriations increase to \$403.3 million in FY 2013-14 and to \$649.2 million in FY 2014-15. (See Major Boilerplate Changes below for discussion of other proposed changes.)		Restricted	130,000,000	273,300,000	245,900,000
6. Great Start Readiness Program (GSRP) (Sec. 32d)		Gross	\$109,575,000	\$65,000,000	\$65,000,000
Increases funding for preschool programs by \$65.0 million each year to \$174.6 million in FY 2013-14 and to \$239.6 million in FY 2014-15. Additional funding increases the current allocation for each half-day slot from \$3,400 to \$3,625 and provides up to 16,000 more half-day slots in FY 2013-14 and another 18,000 half-day slots in FY 2014-15, more than doubling the current number of funded slots over the next two years. ISDs may use two half-day slots to provide a child with a full-day program. (See Major Boilerplate Changes below for discussion of other proposed changes.)		Restricted	109,275,000	65,000,000	65,000,000
		GF/GP	\$300,000	\$0	\$0
7. Best Practices Incentive Grants (Sec. 22f)		Gross	\$80,000,000	(\$55,000,000)	(\$25,000,000)
Decreases funding to \$25.0 million in FY 2013-14 and eliminates funding in FY 2014-15. The award would decrease from \$52 per pupil to \$16 per pupil to districts that meet 7 out of 8 best practices criteria. (See Major Boilerplate Changes below for discussion of proposed changes to the 8 criteria.)		Restricted	80,000,000	(55,000,000)	(25,000,000)
8. Technology Infrastructure Improvement (Sec. 22i)		Gross	\$50,000,000	(\$36,500,000)	(\$13,500,000)
Reduces funding to \$13.5 million for FY 2013-14 and eliminates funding in FY 2014-15. Funds may be used for the development or improvement of technology infrastructure in preparation for the planned implementation of FY 2014-15 online growth assessments. (See Major Boilerplate Changes below for discussion of proposed changes.)		Restricted	50,000,000	(36,500,000)	(13,500,000)
9. District Performance Funding (Sec. 22j)		Gross	\$30,000,000	\$0	\$0
Maintains current funding levels for awards to districts up to a maximum of \$100 per pupil: \$30 per pupil for academic growth in grades 3-8 math, \$30 per pupil for academic growth in grades 3-8 reading, and \$40 per pupil for academic growth in all high school tested subjects.		Restricted	30,000,000	0	0
10. Consolidation Innovation Grants (Sec. 22g)		Gross	\$10,000,000	(\$10,000,000)	\$0
Eliminates one-time competitive funding awarded to districts and ISDs to support both full consolidation and consolidation of services.		Restricted	10,000,000	(10,000,000)	0
11. Competitive Student-Centric (Sec. 22k)		Gross	\$0	\$8,000,000	(\$8,000,000)
Provides \$8.0 million in one-time funding in FY 2013-14 for competitive grants to districts that align instruction with individual student learning styles and pace and advance students based on individual mastery of each subject area.		Restricted	0	8,000,000	(8,000,000)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 YTD (as of 2/7/13)	Executive Changes	
			FY 2012-13 to FY 2013-14	FY 2013-14 to FY 2014-15
12. Michigan Virtual University (MVU) (Sec. 98)	Gross	\$4,387,500	\$10,000,000	(\$5,000,000)
Increases funding to \$14.4 million in FY 2013-14 for MVU to operate the Michigan Virtual School and the Michigan Virtual Learning Research Institute. Reduces the appropriation to \$9.4 million in FY 2014-15. (See Major Boilerplate Changes below for discussion of other proposed changes.)	GF/GP	\$4,387,500	\$10,000,000	(\$5,000,000)
13. Special Education Funding (Secs. 51a, 51c, 51d, 53a, 56)	Gross	\$1,435,269,100	(\$10,700,000)	\$24,300,000
Decreases by \$10.7 million from the current YTD appropriation for FY 2013-14 and increases by \$24.3 million for FY 2014-15 to adjust for consensus estimates for the growth in special education reimbursement costs.	Federal	439,000,000	5,000,000	0
	Restricted	996,269,100	(15,700,000)	24,300,000
14. At-Risk Programs (Sec. 31a)	Gross	\$317,695,500	\$0	\$0
Maintains current year funding levels for at-risk programs, school-based health centers, and hearing and vision screening.	Restricted	317,695,500	0	0
15. School Lunch Programs (Sec. 31d)	Gross	\$425,001,100	\$60,694,000	\$0
Increases funding to \$485.7 million to recognize increased available federal funding for the national school lunch program.	Federal	402,506,000	60,694,000	0
	Restricted	22,495,100	0	0
16. School Breakfast Programs (Sec. 31f)	Gross	\$9,625,000	(\$4,000,000)	\$0
Decreases funding by \$4.0 million to \$5.6 million to reflect actual prior-year expenditure levels.	Restricted	9,625,000	(4,000,000)	0
17. School Bond Redemption Fund (Sec. 11j)	Gross	\$120,390,000	\$11,270,000	\$8,240,000
Increases by \$11.3 million to a total of \$131.7 million in FY 2013-14 and by another \$8.2 million to a total of \$139.9 million in FY 2014-15 to pay for increased interest payments associated with loans to districts participating in the School Bond Loan Program.	Restricted	120,390,000	11,270,000	8,240,000
18. Cash Flow Borrowing Costs (Sec. 11m)	Gross	\$3,200,000	\$2,800,000	\$2,000,000
Increases costs to \$6.0 million in FY 2013-14 to reflect anticipated higher interest rates for short-term borrowing costs related to the School Aid Fund. FY 2014-15 costs are adjusted to \$8.0 million for anticipated increases.	Restricted	3,200,000	2,800,000	2,000,000
19. Renaissance Zone Reimbursements (Sec. 26a)	Gross	\$27,800,000	(\$1,500,000)	\$0
Transfers renaissance zone reimbursements to libraries from the School Aid budget to the Department of Education budget.	Restricted	26,300,000	0	0
	GF/GP	\$1,500,000	(\$1,500,000)	\$0
20. Payments In Lieu of Taxes (PILT) (Sec. 26b)	Gross	\$3,328,000	\$681,500	\$401,000
Increases funding to \$4.0 million in FY 2013-14 and \$4.4 million in FY 2014-15 to recognize increased PILT reimbursements to districts, ISDs, and community colleges as required under PAs 603 and 604 of 2012.	Restricted	3,328,000	681,500	401,000
21. State Aid to Libraries - MeLCat (Sec. 93)	Gross	\$1,304,300	(\$1,304,300)	\$0
Transfers funding supporting the Michigan eLibrary Catalog (MeLCat) from the School Aid budget to the Department of Education budget.	GF/GP	\$1,304,300	(\$1,304,300)	\$0
22. Principal Educator Evaluation Training (Sec. 95)	Gross	\$1,750,000	(\$1,250,000)	\$0
Reduces to \$500,000 in FY 2013-14 for grants to districts to support professional development for principals and assistant principals in a department-approved training program on implementing educator evaluation programs.	Restricted	1,750,000	(1,250,000)	0

Major Boilerplate Changes From FY 2012-13

Sec. 6(6). Counting Nonresident Pupils for Online Courses – REVISED

Adds to the conditions under which a district may count a pupil in membership without the approval of his or her resident district: a pupil who enrolls in an online program in another district as allowed under the newly proposed Section 21f.

Sec. 18a. Public School Academy (PSA) Dissolution – REVISED

Current law requires that PSA property acquired substantially with public funds be transferred to the state if a PSA's contract is revoked or not reissued, or if the PSA is ineligible for state aid funding for 18 consecutive months. Executive recommendation adds that a PSA corporation must initiate a dissolution process within 30 days after its contract expires.

Sec. 20(14). Small Class Size Adjustments to Foundation Allowances – REVISED

Foundation allowance adjustments for districts that received a small class size grant in 2001-2002. Currently funded in FY 2012-13 at 68.5% of FY 2010-11 levels at a total cost of \$13.0 million (funded under Sec. 22b). Executive recommendation continues adjustments into FY 2013-14, reduces to a total cost of \$9.0 million by capping adjustments as follows:

- not to exceed \$100 per pupil for districts with foundation allowances less than \$7,500.
- not to exceed \$50 per pupil for districts with foundation allowances greater than \$7,500.

Sec. 21f. Online Courses – NEW

Allows pupils in grades 5 to 12 to enroll in online courses as provided in this section (does not apply to cyber schools). Requires that a district allow a pupil to enroll in up to 2 online courses per term, semester, or trimester with the consent of the pupil's parent or legal guardian. If a pupil has demonstrated previous success in online courses, and the district and parent or guardian determine it is in the pupil's best interest, a pupil may enroll in more than 2 online courses per term, semester, or trimester. Allows pupil to enroll in online courses published in the district's catalog of online courses or the statewide catalog of online courses maintained by MVU pursuant to Sec. 98. Allows educating district to prohibit enrollment in an online course under certain circumstances, but provides the pupil an opportunity to appeal that decision to the ISD. Requires a district, if offering an online course, to provide MVU with the course syllabus for inclusion in the statewide catalog and provide links to the catalog on the district's website.

Sec. 22f. Best Practices – REVISED

Reduces per-pupil awards from \$52 per pupil to \$16 per pupil for districts complying with 7 out of 8 best practices. 4 out of the 8 best practices include revisions under the Executive recommendation:

- Acts as policyholder for insurance - Adds that a district with a voluntary employee beneficiary association (VEBA) that pays no more than the maximum allowed under PA 152 of 2011 is considered to have met this requirement.
- Competitively bid at least one non-instructional service - Adds that the unfunded liability costs for retirement must be excluded from district costs when comparing competitive bids.
- Provide online learning opportunities - Adds that a district must publish syllabi for offered online courses, as required under Sec. 21f.
- Provide a dashboard to parents and the community - Adds additional required dashboard items including revenue and expenditure projections, list of all debt service obligations by project including anticipated payments for FY 2013-14, and total outstanding debt.

The 4 other best practices remain the same and include participating in schools of choice, measuring student growth twice annually, providing dual enrollment, and provide physical or health education that meet State Board of Education standards.

Sec. 22i. Technology Infrastructure Grants – REVISED

With remaining \$13.5 million appropriated for FY 2013-14, adds instructional practices and shared service consolidation of technology and data as allowable uses of funding and changes the grant process from a competitive bid process to a process in which all eligible districts and ISDs may participate.

Sec. 32d. Great Start Readiness Program – REVISED

Proposes significant funding increases, but also includes several major policy changes including:

- Revises to align with new kindergarten age requirements, phased in over 3 years, to move the eligibility age cutoff date from December 1 to September 1.
- Eliminates former Parents Involved in Education (PIE) programs as an allowable use of funds.
- Distributes 100% of the funding through the Section 39 formula and requires all entities including ISDs, districts, public or private for-profit and nonprofit entities receiving funding to comply with Sections 32d and 39 rather than continuing a separate competitive application for public or private for-profit and nonprofit entities.
- Requires that a program receiving funds under this section must participate in the state's Great Start to Quality Process, the Tiered Quality Rating Improvement System (TQRIS), with a rating of at least 3 stars.
- Increases the minimum percentage of participating children who must live in families with income less than 300% of federal poverty level from at least 75% to at least 90%.
- Requires an ISD to contract with eligible public and private for-profit and nonprofit community-based providers for at least 20% of its total allocated slots. Requires notification to department if ISD is unable to meet this requirement.

Major Boilerplate Changes From FY 2012-13

Sec. 56. Special Education Millage Equalization – REVISED

FY 2012-13 allocations were frozen at prior year levels, but Executive recommendation reverts back to the formula, which guarantees a minimum taxable value per pupil for special education millages. For FY 2013-14 the per-pupil taxable value equalization amount is \$166,000.

Sec. 62. Vocational Education Millage Equalization – REVISED

FY 2012-13 allocations were frozen at prior year levels, but Executive recommendation reverts back to the formula, which guarantees a minimum taxable value per pupil for vocational education millages. For FY 2013-14 the per-pupil taxable value equalization amount is \$185,300.

Sec. 81(6). ISD Best Practices – REVISED

Maintains \$2.0 million allocation for ISD best practices, but revises to require 5 out of 6 best practices:

- Develop a consolidation plan - Adds for an ISD that developed a plan in FY 2012-13, it must implement that plan to qualify in FY 2013-14.
- Obtain competitive bids on at least 1 non-instructional service valued at \$50,000 or more for itself or its constituent districts - Adds that the unfunded liability costs for retirement must be excluded from costs when comparing competitive bids.
- Develop a technology plan - Adds for an ISD that developed a plan in FY 2012-13, it must implement that plan to qualify in FY 2013-14.
- Provide a dashboard to parents and the community - Adds additional, required dashboard items including revenue and expenditure projections, list of all debt service obligations by project including anticipated payments for FY 2013-14, and total outstanding debt.
- Work in a consortium with other ISDs to develop system requirements and bid specifications for a statewide model information system - Adds working with CEPI and changes focus to developing local systems that result in a recommended model information system that supports interoperability to ensure linkage and connectivity in a manner that facilitates the efficient exchange of data between districts, ISDs, and CEPI.
- New requirement that ISD act as policyholder for health care services benefits. An ISD that does not directly employ its staff or an ISD with a voluntary employee beneficiary association (VEBA) that pays no more than the maximum allowed under PA 152 of 2011 is considered to have met this requirement.

Sec. 98. Michigan Virtual University – REVISED

Renames the Center for Online Learning and Innovation, which was established in FY 2012-13, as the Michigan Virtual Learning Research Institute. Requires that the Institute do the following: provide professional development to at least 1,000 education personnel on integrating digital learning, provide up to \$2.2 million in competitive grants to ISDs to expand integration of online and blended learning, work with higher education faculty on a new digital learning teacher endorsement, and create a statewide catalog of all online courses at all public schools including course syllabi and a review of each course.

Sec. 147. MPSERS Contribution Rates – REVISED

Employer contribution rates for defined benefit pension and retiree health benefits are now broken out for seven different subgroups based on hire date and benefit and contribution choices made under PA 300 of 2012. For FY 2013-14, rates are based on a 25-year amortization period, and they range from 20.96% to 24.79% of MPSERS payroll. Employer rates do not include contributions into employee defined contribution accounts.

Sec. 147b. MPSERS Reserve Fund – REVISED

Makes no appropriation into the MPSERS reserve fund, and instead begins to use available funds as a source of revenue under Sec. 147c. Adds new language, which would direct the funds collected in FY 2010-11 and FY 2011-12 for the employee 3% contributions for retiree health care, currently being held in escrow pursuant to a court injunction, to be deposited into the MPSERS reserve fund for the purposes of funding health care unfunded liabilities if the injunction is lifted.

Sec. 147c. MPSERS State Share for Health Care Unfunded Accrued Liabilities – REVISED

Rather than paying the MPSERS funds directly to the MPSERS system, funding would be distributed to districts and ISDs based on their proportional share of MPSERS payroll. Then districts and ISDs would be required to pay the exact amount back to the MPSERS system.

Supplemental Recommendations for FY 2012-13 Appropriations

**FY 2012-13
Recommendation**

1. Foundation Allowances (Secs. 22a and 22b)

Supplemental Request 2013-5 would reduce the two lines, which combined fund foundation allowances at a total \$8.9 billion, by \$16.3 million to recognize consensus cost estimates based on updated pupil estimates and taxable value information.

Gross (\$16,300,000)
Restricted (16,300,000)

2. Special Education Funding (Secs. 51a and 51c)

Supplemental Request 2013-5 would decrease funding for special education, which currently totals \$1.4 billion, by \$41.7 million to adjust for updated cost estimates based on actual year-end FY 2011-12 costs which were lower than anticipated.

Gross (\$41,700,000)
Restricted (41,700,000)

3. MPERS - State Share of Unfunded Liabilities (Sec. 147c)

Supplemental Request 2013-5 would increase funding for the state's share of Michigan Public School Employees' Retirement System (MPERS) costs as required by PA 300 of 2012. PA 300 capped the employer share of MPERS contributions, requiring the state to pay the balance. However, it was not enacted until after the FY 2012-13 budget was enacted, and changes adopted in both PA 300 and subsequent revisions in PA 359 of 2012 increased anticipated costs for FY 2012-13.

Gross \$30,500,000
Restricted 30,500,000

4. ISD General Operations Support (Sec. 81)

Sec. 81(4) of the School Aid Act provides \$3,500 for each participating ISD for three years if multiple ISDs merge. In 2012, Mason-Lake ISD and Oceana ISD merged to form West Shore ISD, thus requiring an additional payment of \$7,000 for FYs 2012-13, 2013-14, and 2014-15. However, overall Sec. 81 appropriations were not increased to recognize the additional payment, and payments to all ISDs will be prorated accordingly absent the increase as requested in Supplemental Request 2013-5.

Gross \$7,000
Federal 7,000

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2012-13		
		Year-to-Date	Executive Supplemental 2013-5	Revised
11g	Durant - Debt Service	\$39,000,000		\$39,000,000
11j	School Bond Redemption Fund	\$120,390,000		\$120,390,000
11m	Cash Flow Borrowing Costs	\$3,200,000		\$3,200,000
22a	Foundations: Proposal A Obligation Payment	\$5,712,000,000	(\$81,000,000)	\$5,631,000,000
22b	Foundations: Discretionary Payment	\$3,152,300,000	\$64,700,000	\$3,217,000,000
22c	Foundations: Equity Payment	\$0		\$0
22d	Isolated District Funding	\$2,025,000		\$2,025,000
22f	Best Practices	\$80,000,000		\$80,000,000
22g	Consolidation Innovation Grants	\$10,000,000		\$10,000,000
22i	Technology Infrastructure Improvement Grants	\$50,000,000		\$50,000,000
22j	District Performance Funding	\$30,000,000		\$30,000,000
22k	Competitive Student-Centric Grants - NEW	\$0		\$0
24	Court-Placed Pupils	\$8,000,000		\$8,000,000
24a	Juvenile Detention Facility Programs	\$2,135,800		\$2,135,800
24c	Youth Challenge Program	\$1,500,000		\$1,500,000
26a	Renaissance Zone Reimbursement	\$27,800,000		\$27,800,000
26b	PILT Reimbursement	\$3,328,000		\$3,328,000
26c	Promise Zone Funding -	\$347,800		\$347,800
31a	"At Risk" Pupil Support	\$308,988,200		\$308,988,200
31a(6)	School Based Health Centers	\$3,557,300		\$3,557,300
31a(7)	Hearing and Vision Screening	\$5,150,000		\$5,150,000
31d	State School Lunch Programs	\$22,495,100		\$22,495,100
31d	Federal School Lunch Programs	\$402,506,000		\$402,506,000
31f	School Breakfast Program	\$9,625,000		\$9,625,000
32d	Great Start School Readiness	\$109,575,000		\$109,575,000
32p	Early Childhood Block Grants	\$10,900,000		\$10,900,000
39a1	Federal "No Child Left Behind"	\$812,328,500		\$812,328,500
39a2	Other Federal Funding	\$33,514,100		\$33,514,100
51a(1)	Special Education - Federal Reimbursement	\$365,000,000		\$365,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$257,400,000	(\$6,700,000)	\$250,700,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,000,000		\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$5,600,000		\$5,600,000
51c	Special Ed Headlee Obligation (Durant)	\$678,000,000	(\$35,000,000)	\$643,000,000
51d	Special Education - Other Federal Grants	\$74,000,000		\$74,000,000
53a	Special Ed for Court Placed Pupils	\$13,500,000		\$13,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000
56	Special Ed ISD Millage Equalization	\$36,881,100		\$36,881,100
61a	Vocational-Technical Education Programs	\$26,611,300		\$26,611,300
62	ISD Vocational Education Millage Equalization	\$9,000,000		\$9,000,000
74	Bus Driver Safety Instruction	\$1,625,000		\$1,625,000
74	School Bus Inspections	\$1,634,900		\$1,634,900
81	ISD General Operations Support	\$64,108,000	\$7,000	\$64,115,000
93	State Aid to Libraries for MeL/Cat Support	\$1,304,300		\$1,304,300
94a	Center for Educational Performance	\$9,218,400		\$9,218,400
94a	Center for Educational Performance - Federal	\$193,500		\$193,500
95	Principal Educator Evaluation Training	\$1,750,000		\$1,750,000
98	Michigan Virtual School	\$4,387,500		\$4,387,500
99	Math and Science Centers - State	\$2,725,000		\$2,725,000
99	Math and Science Centers - Federal	\$5,249,300		\$5,249,300
104	MEAP Testing - State	\$26,694,400		\$26,694,400
104	MEAP Testing - Federal	\$8,250,000		\$8,250,000

FY 2013-14		
Change from FY 2012-13 YTD	Change from FY 2012-13 Revised	Executive Recommendation
\$500,000	\$500,000	\$39,500,000
\$11,270,000	\$11,270,000	\$131,660,000
\$2,800,000	\$2,800,000	\$6,000,000
(\$154,000,000)	(\$73,000,000)	\$5,558,000,000
\$151,700,000	\$87,000,000	\$3,304,000,000
\$24,000,000	\$24,000,000	\$24,000,000
		\$2,025,000
(\$55,000,000)	(\$55,000,000)	\$25,000,000
(\$10,000,000)	(\$10,000,000)	\$0
(\$36,500,000)	(\$36,500,000)	\$13,500,000
		\$30,000,000
\$8,000,000	\$8,000,000	\$8,000,000
		\$8,000,000
\$31,700	\$31,700	\$2,167,500
		\$1,500,000
(\$1,500,000)	(\$1,500,000)	\$26,300,000
\$681,500	\$681,500	\$4,009,500
(\$123,800)	(\$123,800)	\$224,000
		\$308,988,200
		\$3,557,300
		\$5,150,000
		\$22,495,100
\$60,694,000	\$60,694,000	\$463,200,000
(\$4,000,000)	(\$4,000,000)	\$5,625,000
\$65,000,000	\$65,000,000	\$174,575,000
		\$10,900,000
(\$500,000)	(\$500,000)	\$811,828,500
(\$1,814,100)	(\$1,814,100)	\$31,700,000
\$5,000,000	\$5,000,000	\$370,000,000
\$900,000	\$7,600,000	\$258,300,000
		\$1,000,000
		\$2,200,000
(\$1,100,000)	(\$1,100,000)	\$4,500,000
(\$15,500,000)	\$19,500,000	\$662,500,000
		\$74,000,000
		\$13,500,000
		\$1,688,000
		\$36,881,100
		\$26,611,300
		\$9,000,000
		\$1,625,000
\$39,100	\$39,100	\$1,674,000
\$7,000		\$64,115,000
(\$1,304,300)	(\$1,304,300)	\$0
\$216,700	\$216,700	\$9,435,100
		\$193,500
(\$1,250,000)	(\$1,250,000)	\$500,000
\$10,000,000	\$10,000,000	\$14,387,500
		\$2,725,000
		\$5,249,300
		\$26,694,400
		\$8,250,000

FY 2014-15	
Change from FY 2013-14 YTD	Executive Recommendation
	\$39,500,000
\$8,240,000	\$139,900,000
\$2,000,000	\$8,000,000
(\$94,000,000)	\$5,464,000,000
\$79,000,000	\$3,383,000,000
(\$24,000,000)	\$0
	\$2,025,000
(\$25,000,000)	\$0
	\$0
(\$13,500,000)	\$0
	\$30,000,000
(\$8,000,000)	\$0
	\$8,000,000
	\$8,000,000
	\$2,167,500
	\$1,500,000
	\$26,300,000
\$401,000	\$4,410,500
	\$224,000
	\$308,988,200
	\$3,557,300
	\$5,150,000
	\$22,495,100
	\$463,200,000
	\$5,625,000
\$65,000,000	\$239,575,000
	\$10,900,000
	\$811,828,500
	\$31,700,000
	\$370,000,000
\$4,700,000	\$263,000,000
	\$1,000,000
	\$2,200,000
\$100,000	\$4,600,000
\$19,500,000	\$682,000,000
	\$74,000,000
	\$13,500,000
	\$1,688,000
	\$36,881,100
	\$26,611,300
	\$9,000,000
	\$1,625,000
	\$1,674,000
	\$64,115,000
	\$0
	\$9,435,100
	\$193,500
	\$500,000
(\$5,000,000)	\$9,387,500
	\$2,725,000
	\$5,249,300
	\$26,694,400
	\$8,250,000

SCHOOL AID LINE ITEM SUMMARY



		FY 2012-13		
		Year-to-Date	Executive Supplemental 2013-5	Revised
107	Adult Education	\$22,000,000		\$22,000,000
147a	MPERS Cost Offset	\$155,000,000		\$155,000,000
147b	MPERS Reserve for Retirement Obligation Reform	\$41,000,000		\$41,000,000
147c	MPERS Prefunding - Unfunded Liability Payments	\$130,000,000	\$30,500,000	\$160,500,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500
TOTAL APPROPRIATIONS		\$12,944,687,000	(\$27,493,000)	\$12,917,194,000

FY 2013-14		
Change from FY 2012-13 YTD	Change from FY 2012-13 Revised	Executive Recommendation
		\$22,000,000
		\$155,000,000
(\$41,000,000)	(\$41,000,000)	\$0
\$273,300,000	\$242,800,000	\$403,300,000
		\$38,000,500
\$290,547,800	\$318,040,800	\$13,235,234,800

FY 2014-15	
Change from FY 2013-14 YTD	Executive Recommendation
	\$22,000,000
	\$155,000,000
	\$0
\$245,900,000	\$649,200,000
	\$38,000,500
\$255,341,000	\$13,490,575,800

REVENUE BY SOURCE			
Federal Aid	\$1,701,041,400	\$0	\$1,701,041,400
School Aid Fund	\$10,961,245,600	(\$27,493,000)	\$10,933,752,600
MPERS Reserve Fund	\$0	\$0	\$0
General Fund/General Purpose	\$282,400,000	\$0	\$282,400,000
TOTAL REVENUE	\$12,944,687,000	(\$27,493,000)	\$12,917,194,000

\$63,379,900	\$63,379,900	\$1,764,421,300
\$129,567,900	\$157,060,900	\$11,090,813,500
\$150,000,000	\$150,000,000	\$150,000,000
(\$52,400,000)	(\$52,400,000)	\$230,000,000
\$290,547,800	\$318,040,800	\$13,235,234,800

\$0	\$1,764,421,300
\$302,341,000	\$11,393,154,500
(\$50,000,000)	\$100,000,000
\$3,000,000	\$233,000,000
\$255,341,000	\$13,490,575,800

SCHOOL AID FUND BALANCE SHEET
Executive Recommendation: FYs 13, 14, and 15
(Dollars in Millions)

	<u>YTD</u> <u>FY 2012-13</u>	<u>Executive</u> <u>Recommendation</u> <u>FY 2013-14</u>	<u>Executive</u> <u>Recommendation</u> <u>FY 2014-15</u>
ESTIMATES OF REVENUE			
SCHOOL AID FUND (SAF) REVENUE			
Beginning Balance	\$254.1	\$49.9	\$1.3
iLottery	\$0.0	\$7.8	\$23.4
Revenue Estimate (FYs 13 and 14 Jan 2013 CREC)	<u>11,127.7</u>	<u>11,432.5</u>	<u>11,768.8</u>
Subtotal: SAF Revenue	\$11,381.8	\$11,490.2	\$11,793.5
OTHER REVENUE ADJUSTMENTS			
General Fund/General Purpose (GF/GP) Grant	\$282.4	\$230.0	\$233.0
MPSERS Reform Reserve Fund	0.0	150.0	100.0
Federal Aid	<u>1,701.0</u>	<u>1,764.4</u>	<u>1,764.4</u>
Subtotal: Other Revenue	\$1,983.4	\$2,144.4	\$2,097.4
TOTAL REVENUE	\$13,365.2	\$13,634.6	\$13,890.9
ESTIMATED EXPENDITURES			
ESTIMATED K-12 EXPENDITURES			
FY 2012-13 YTD and FYs 2013-14 and 2014-15 Exec Rec	\$12,944.7	\$13,235.2	\$13,490.6
FY 2012-13 Supplemental Request 2013-5	<u>(\$27.5)</u>	<u>\$0.0</u>	<u>\$0.0</u>
Subtotal: K-12 EXPENDITURES	\$12,917.2	\$13,235.2	\$13,490.6
Community Colleges	\$197.6	\$197.6	\$197.6
Higher Education	<u>\$200.5</u>	<u>\$200.5</u>	<u>\$200.5</u>
Subtotal: Post Secondary Expenditures	\$398.1	\$398.1	\$398.1
TOTAL EXPENDITURES	\$13,315.3	\$13,633.3	\$13,888.7
SAF ENDING BALANCE	\$49.9	\$1.3	\$2.2
MPSERS Reserve Balance	\$174.0	\$24.0	\$0.0
MPSERS 3% Health Care Contribution Escrow Fund Balance	\$508.0	\$508.0	\$432.0