

# FY 2021-22 Executive Education Budget Overview

**Mary Ann Cleary, Director  
House Fiscal Agency**

**House Appropriations Committee  
February 24, 2021**



# School Aid Fund - Beginning Balances

(Dollars in Millions)

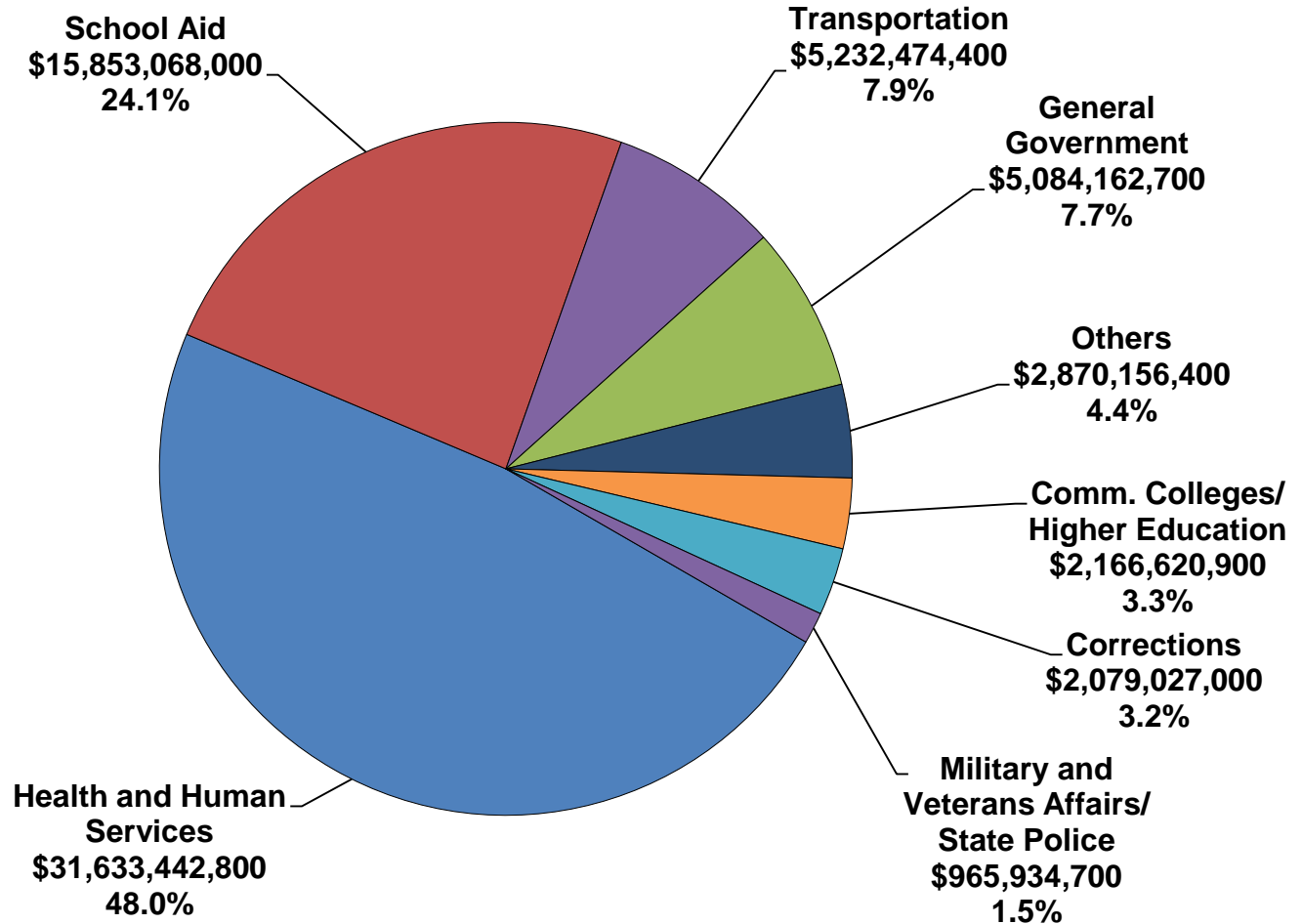
	FY 2020-21	FY 2021-22
SAF	\$1,151.6	\$1,003.1

## Large Fund Balances – Contributing Factors

- Revised revenue adjustments from January CREC
- Revised cost adjustments from January CREC

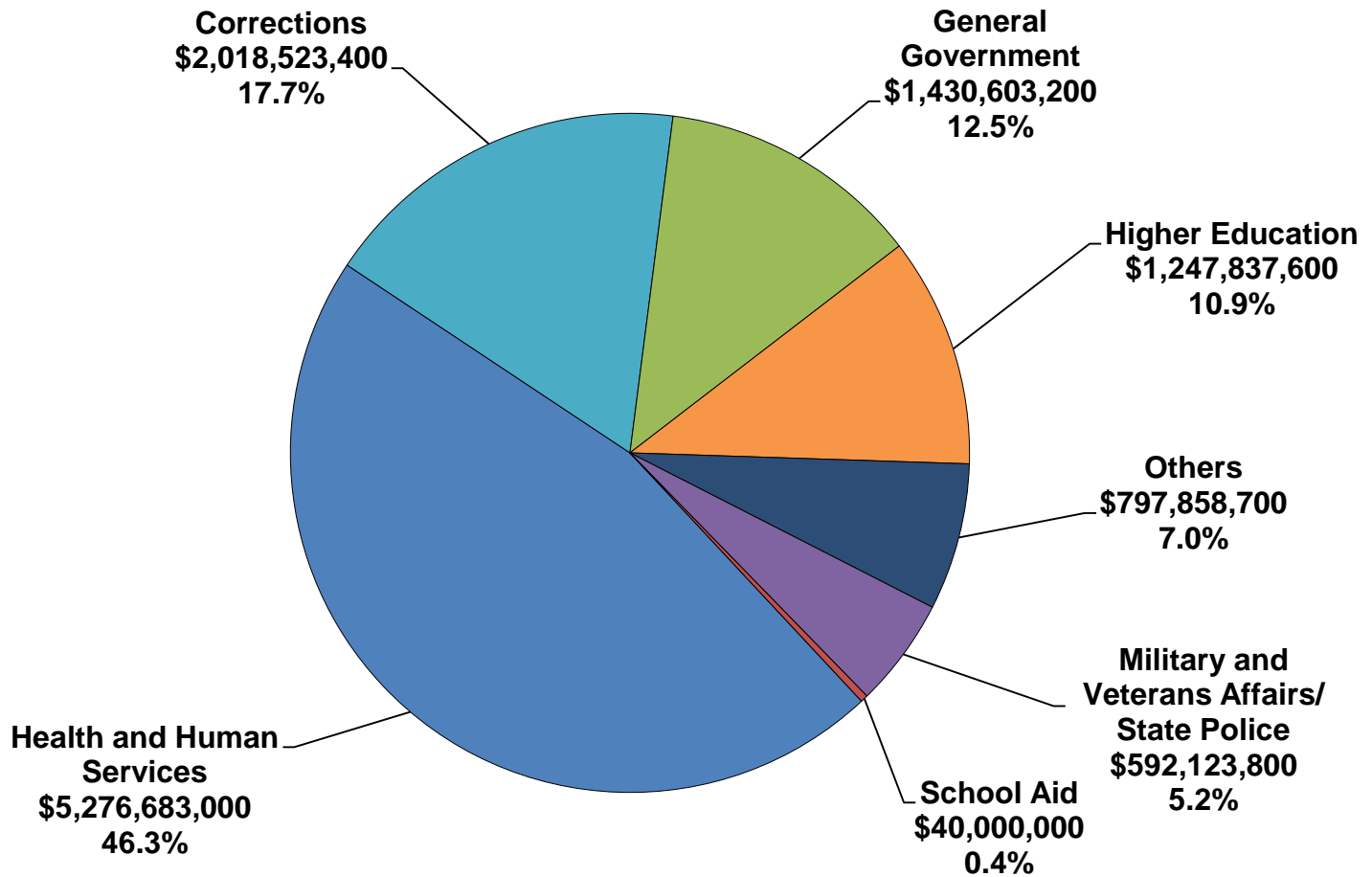
# FY 2021-22 Executive Recommendation

**Adjusted Gross = \$65,884,886,900**



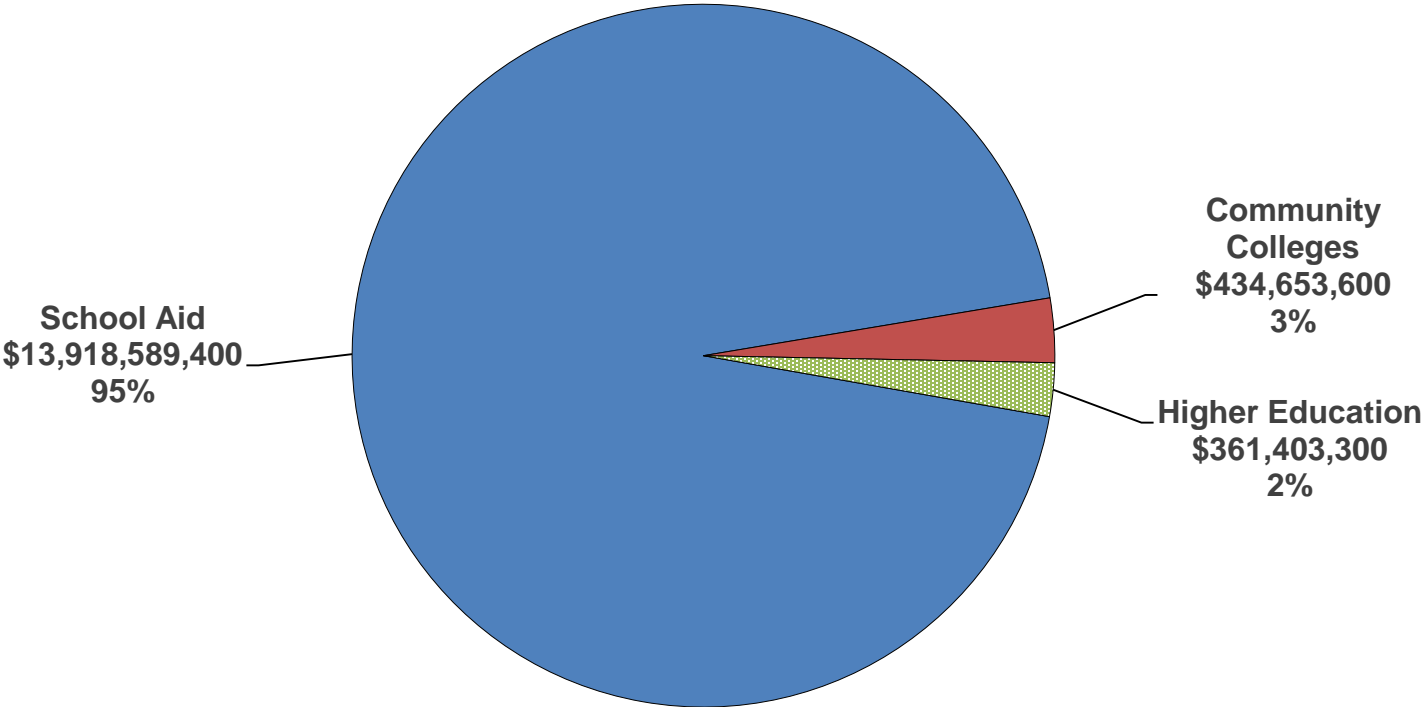
# FY 2021-22 Executive Recommendation

**General Fund/General Purpose (GF/GP) = \$11,403,629,700**



# FY 2021-22 Executive Recommendation

School Aid Fund (SAF) = \$14,714,646,300



# FY 2021-22 Executive Budget Appropriation Changes

(Dollars in Millions)

	Year-to-Date	Executive Rec.	Change	
	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>Dollar</u>	<u>Percent</u>
General Fund/General Purpose	\$10,845.5	\$11,403.6	\$558.1	5.1%
School Aid Fund	14,153.7	14,714.6	560.9	4.0%
Other State Restricted	<u>10,607.0</u>	<u>10,896.0</u>	<u>289.0</u>	2.7%
<b>Total State-Source Appropriations</b>	<b>\$35,606.2</b>	<b>\$37,014.2</b>	<b>\$1,408.0</b>	<b>4.0%</b>
Federal	\$25,825.7	\$28,358.3	\$2,532.6	9.8%
Local	296.6	297.7	1.1	0.4%
Private	204.8	214.7	10.0	4.9%
<b>Total Adjusted Gross</b>	<b>\$61,933.3</b>	<b>\$65,884.9</b>	<b>\$3,951.6</b>	<b>6.4%</b>

*Numbers may not add due to rounding*

# Education Supplemental 2021-6

**FY 2020-21 education supplemental totals \$560.7 million Gross (\$317.7 million SAF and \$117.3 million GF/GP)**

- School Aid:
  - Student Recovery program (\$250.0 million SAF)
  - Governor's Emergency Education Relief (GEER) federal funds
    - Emergency Assistance to Nonpublic Schools (EANS) (\$86.8 million)
    - 10 programs related to the pandemic response including mental health supports, early childhood programs, and college completion (\$38.9 million)
  - Out-of-School Learning Opportunities (\$60.0 million GF/GP)
  - Drinking water fixtures (\$55.0 million SAF)
- Community College and Higher Education:
  - CARES Act maintenance of effort (MOE) payments for community colleges (\$12.7 million) and universities (\$57.3 million)

# School Aid Allocations

## Major FY 2021-22 School Aid program changes include:

- \$203.0 million SAF for increases to district foundation allowances ranging from \$82 to \$164 per pupil based on 2x formula (percentages range from 1.0% to 2.0%).
- \$200.0 million SAF increase for declining enrollment payments.
- \$60.0 million SAF for out-of-school learning opportunities (also proposed in the supplemental.)
- \$32.0 million SAF increase to the Great Start Readiness Program (GSRP) for school readiness preschool programs.
- \$12.5 million SAF increase for academically at-risk and economically disadvantaged students.
- Savings of \$30.2 million SAF from reducing cyber school foundation allowances to 80% of the minimum foundation allowance.



# Community Colleges and Higher Education

## Major FY 2021-22 program changes for Community Colleges and Higher Education include:

- \$30.5 million GF/GP (one-time) for a 2.0% increase in public university operations, MSU Extension program and MSU AgBioResearch program.
- \$6.5 million SAF (one-time) for a 2.0% increase in community college operations.
- \$3.3 million federal TANF decrease in the Tuition Incentive Program (TIP).

# MPERS Retirement Changes

## State share of MPERS UAAL and Normal Cost increases

- School Aid \$145.4 million
- Universities \$5.4 million (seven universities)
- Community Colleges \$2.6 million

# School Aid Fund Balance Sheet

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# Executive Recommendation School Aid Fund Balance Sheet

(Dollars in Millions)

	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>Baseline FY 2022-23</u>
<b>RESOURCES</b>			
Beginning Balance	\$1,151.6	\$306.6	\$8.5
Consensus Revenue Estimates: January 2021	14,030.2	14,423.7	14,730.4
GF/GP Grant	111.0	40.0	40.0
Detroit Public Schools Trust Fund	79.8	72.0	72.0
Lapse Revenue/Revenue Adjustment	39.0	(7.0)	(7.0)
Federal Aid	<u>1,937.1</u>	<u>1,822.5</u>	<u>1,822.5</u>
<b>TOTAL RESOURCES</b>	<b>\$17,348.7</b>	<b>\$16,657.8</b>	<b>\$16,666.4</b>
<b>EXPENDITURES</b>			
School Aid: Ongoing	\$15,340.1	\$15,279.9	\$15,367.6
School Aid: Net Baseline Adj	(60.3)	87.8	64.8
School Aid: Investments	--	254.7	254.7
School Aid: Reductions	--	(30.2)	(30.2)
School Aid: One-time	185.0	261.0	--
School Aid: Supplementals	782.8	--	--
Community College	438.4	434.7	440.8
Higher Education	356.1	361.4	362.6
<b><u>TOTAL EXPENDITURES</u></b>	<b>\$17,042.1</b>	<b>\$16,649.3</b>	<b>\$16,460.3</b>
<b>PROJECTED ENDING BALANCE / (SHORTFALL)</b>	<b>\$306.6</b>	<b>\$8.5</b>	<b>\$206.1</b>

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