

**Summary: Executive Budget Recommendation
for Fiscal Year 2017-18
SCHOOL AID**



**Analysts: Bethany Wicksall
Samuel Christensen**

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	1,818,632,700	1,726,943,500	(91,689,200)	(5.0)
Local	0	0	0	--
Private	0	0	0	--
Restricted	12,124,309,400	12,360,145,300	235,835,900	1.9
GF/GP	218,900,000	215,000,000	(3,900,000)	(1.8)
Gross	\$14,161,842,100	\$14,302,088,800	\$140,246,700	1.0

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The School Aid budget makes appropriations to the state's 536 local school districts, 300 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 2016-17 Year-to-Date (YTD) Appropriations	FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
1. Foundation Allowance - Increase (Secs. 22a and 22b)	Gross \$9,105,000,000	\$128,000,000
Increases foundation allowances from \$50 to \$100 using the 2x formula. The minimum foundation allowance would increase from \$7,511 to \$7,611 and the state maximum guaranteed foundation allowance would increase from \$8,229 to \$8,279.	Restricted 8,932,597,200	128,000,000
	GF/GP \$172,402,800	\$0
2. Foundation Allowance - Cost Revisions (Secs. 22a and 22b)	Gross \$9,105,000,000	(\$45,000,000)
Reduces the state share of foundation allowance costs to reflect estimated increases in the local share due to increased taxable values and estimated decreases in pupils.	Restricted 8,932,597,200	(45,000,000)
	GF/GP \$172,402,800	\$0
3. Foundation Allowance – Cyber Schools (Secs. 22a and 22b)	Gross \$80,000,000	(\$16,000,000)
Reduces foundation allowances of cyber schools to 80% of the minimum foundation allowance after the school's first year of operation.	Restricted 80,000,000	(16,000,000)
	GF/GP \$0	\$0
4. At-Risk (Sec. 31a)	Gross \$378,988,200	\$150,000,000
Increases by \$150.0 million to a total of \$529.0 million. Expands to include hold harmless and out-of-formula districts that are currently excluded. Also revises the distribution formula from	Restricted 378,988,200	150,000,000
	GF/GP \$0	\$0
<ul style="list-style-type: none"> • 11.5% x District Foundation x Free Lunch Eligible Pupils to • 11.5% x Statewide Weighted Average Foundation x Economically Disadvantaged Pupils. 		

Economically disadvantaged pupils are currently collected and reported by CEPI to the US Department of Education and include pupils who are eligible for both free and reduced-price lunch, Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), or are homeless, migrant, or in foster care. The expanded definition is estimated to increase the number of pupils for whom districts receive funding by 131,000.

However, total funding would not fully fund the expanded formula, so payments would be prorated on a per-pupil basis. The per-pupil allocation received is expected to increase from a current average of \$673 to \$778.

Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations		FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
5. High School Per Pupil Bonus (Sec. 22n) - NEW	Gross	\$0	\$22,000,000
Includes \$22.0 million to provide districts with an additional \$50 per pupil for each pupil in grades 9 to 12 to reflect the higher costs of high school instruction.	Restricted	0	22,000,000
	GF/GP	\$0	\$0
6. Shared-time Instruction for Nonpublic and Homeschool Pupils (Sec. 22m)	Gross	\$115,000,000	(\$55,000,000)
Revises state support for shared-time instruction programs where districts provide nonessential courses to nonpublic and home-schooled students from a per pupil foundation allowance to a categorical funding program. Caps total funding at \$60.0 million which is estimated to be a \$55.0 million reduction from current-year shared-time costs. Districts would receive prorated funding if total funding requests exceeded the appropriation.	Restricted	115,000,000	(55,000,000)
	GF/GP	\$0	\$0
7. MPSERS Assumed Rate of Return (AROR) – Unfunded Liability State Share (Sec. 147c)	Gross	\$982,800,000	(\$22,016,000)
Proposes a 2-year phase-in to reduce the MPSERS AROR from 8.0% to 7.5% at a cost of \$90.8 million FY 2017-18 and double that in FY 2018-19. The FY 2017-18 cost increase is offset by savings due to improved health care cost experience and higher rates of investment returns during the most recent 5-year actuarial smoothing period. Overall costs for the State Share are reduced by \$22.0 million to a total of \$960.8 million for FY 2017-18.	Restricted	982,200,000	(22,099,000)
	GF/GP	\$600,000	\$83,000
8. MPSERS Assumed Rate of Return (AROR) – Employer Normal Cost Increase Offset (Sec. 147a(2))	Gross	\$0	\$48,969,000
Reimburses districts and ISDs for the employer normal cost increases related to the AROR reduction from 8.0% to 7.5% at a cost of \$48.9 million for FY 2017-18 and a total of \$97.8 million in FY 2018-19.	Restricted	0	48,940,000
	GF/GP	\$0	\$29,000
9. Career and Technical Education (CTE) – Equipment Upgrades (Sec. 61c)	Gross	\$3,200,000	\$16,800,000
Increases by \$16.8 million to expand the CTE equipment grant program begun in FY 2016-17. Eliminates the \$200,000 earmark to the Hudson School District Mechatronics program. Revises from a formula allocation to regional career education planning districts and replaces it with a competitive grant program for districts or ISDs administered by both MDE and the department of Talent and Economic Development (TED). Grants could be between \$250,000 and \$1,000,000.	Restricted	3,200,000	16,800,000
	GF/GP	\$0	\$0
10. Declining Enrollment (Sec. 29) - NEW	Gross	\$0	\$7,000,000
Includes \$7.0 million to districts that have experienced enrollment declines of more than 5% over the last 2 years. Funding would equal 1/3 of a district's foundation allowance multiplied by the difference between a 2-year average pupil membership blend and the district's actual membership blend. A district would be eligible for this funding for 2 years.	Restricted	0	7,000,000
	GF/GP	\$0	\$0
11. Educator Evaluations (Sec. 95a)	Gross	\$0	\$7,000,000
Includes \$7.0 million to fund professional development and training for teachers and administrators in implementing educator evaluations as required under PA 173 of 2015. Initial funding of \$14.8 million was provided in the FY 2015-16 budget, but carried forward as a work project into the current year. This would represent the cost of training the remaining evaluators.	Restricted	0	7,000,000
	GF/GP	\$0	\$0
12. Statewide School Drinking Water Quality Program (Sec. 78) - NEW	Gross	\$0	\$4,500,000
Transfers this program, begun in FY 2016-17, from the MDE budget to the School Aid budget. Reimburses districts and nonpublic schools with up to \$950 per school building for the costs of voluntary water testing.	Restricted	0	0
	GF/GP	\$0	\$4,500,000
13. Partnership Model Districts (Sec. 21h) - NEW	Gross	\$0	\$3,000,000
Provides \$3.0 million (along with \$641,800 and 4.0 FTEs in the MDE budget) for interventions in districts identified as needing additional academic supports. Target districts would be districts not yet under the authority of the School Reform Office.	Restricted	0	3,000,000
	GF/GP	\$0	\$0
14. Early Literacy Teacher Coaches (Sec. 35a(4))	Gross	\$3,000,000	\$3,000,000
Increases the funding to \$6.0 million to increase the cap on the 50% state match for early literacy coaches from \$37,500 to \$75,000. All ISDs would remain eligible for funding to support half the cost of at least 1 coach, and remaining funds would be allocated for additional coaches to ISDs based on the concentration of poverty in grades K to 3.	Restricted	3,000,000	3,000,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations		FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
15. Technology Regional Data Hubs (Sec. 22m) - NEW	Gross	\$0	\$2,200,000
Provides \$2.2 million to support the Michigan Data Hub Network which was begun with former Sec. 22i Technology Readiness Infrastructure grants. The regional data hubs are designed to improve the efficiency of local school data collection and create common data reporting as required under Sec. 19.	Restricted	0	2,200,000
	GF/GP	\$0	\$0
16. Year-Round Instruction Programs (Sec. 31b)	Gross	\$1,500,000	\$1,500,000
Increases the total for year-round, balanced-calendar instruction grants to \$3.0 million. Grants support districts with funds for building modifications or other nonrecurring costs related to the transition to a balanced-calendar.	Restricted	1,500,000	1,500,000
	GF/GP	\$0	\$0
17. MiSTEM Grants (Sec. 99s)	Gross	\$9,549,300	\$950,700
Increases by nearly \$1.0 million but adds \$1.5 million in additional state funds which are offset by a loss of \$549,300 in federal funds. Significantly revises the funding allocations as follows:	Federal	5,249,300	(549,300)
	Restricted	3,000,000	2,500,000
	GF/GP	\$1,300,000	(\$1,000,000)
<ul style="list-style-type: none"> \$50,000 for MiSTEM Advisory Council Administration (No Change). \$3.0 million for MiSTEM Advisory Council grants (increase of \$2.0 million). \$7.5 million for the MiSTEM Centers Network which would replace 33 existing MathScience Centers with 10 regional MiSTEM Centers (decrease of \$549,300). Eliminates \$250,000 for Science Olympiad. Eliminates \$250,000 for VanAndel Education Institute. 			
18. Cyber Security Competition Grants (Sec. 99k) - NEW	Gross	\$0	\$500,000
Adds \$500,000 for competitive grants to districts to support teams of pupils in grades 6-12 participating in cybersecurity competitive events through either the Michigan High School Cyber Challenge or CyberPatriot.	Restricted	0	500,000
	GF/GP	\$0	\$0
19. Michigan Behavior and Learning Support Initiative (MiBLSI) (Sec. 54b)	Gross	\$1,125,000	\$475,000
Increases by \$475,000 to a total \$1.6 million to continue to pilot the implementation of positive behavioral intervention and supports and to support a statewide structure to support local initiatives for an integrated behavior and reading program.	Restricted	1,125,000	475,000
	GF/GP	\$0	\$0
20. Flint Water Emergency Funds (Sec. 11s)	Gross	\$10,142,600	(\$1,412,500)
Reduces funding by \$1.4 million to Flint School District and Genesee ISD related to providing additional services for early childhood and supplemental school services, bringing the total to \$8.7 million for FY 2017-18. Funds would be allocated to expanded Great Start Readiness Program (GSRP) eligibility (\$3.0 million), school nurses and social workers (\$2.6 million) in Flint schools, ISD support to Flint residents that attend districts other than Flint (\$2.5 million), and nutrition programs (\$605,000).	Restricted	0	0
	GF/GP	\$10,142,600	(\$1,412,500)
21. Program Eliminations	Gross	\$21,904,000	(\$21,904,000)
Eliminates 18 categorical programs including the following:	Restricted	15,435,000	(15,435,000)
<ul style="list-style-type: none"> Sec. 20g – Dissolved District Transition Grants (\$1.9 million) Sec. 21g – Competency Based Funding Pilot (\$500,000) Sec. 22g – Consolidation Incentive Grants (\$3.0 million) Sec. 25f – Strict Discipline Academy Added Costs (\$750,000) Sec. 25g – Dropout Recovery Programs (\$750,000) Sec. 31c – Gang Prevention Programs (\$3.0 million) Sec. 31h – Cooperative Education (Marshall/Albion) (\$300,000) Sec. 31j – Local Produce in School Meals (\$250,000) Sec. 32q – Early Learning Cooperative (\$175,000) Sec. 35a(6) – Michigan Education Corps (\$1.0 million) Sec. 55 – Conductive Learning Study (\$150,000) Sec. 61a(4) – CTE Restaurant Curriculum (\$79,000) Sec. 63 – ISD Health Department Partnership for CTE/Health (\$250,000) Sec. 65 – Detroit PreCollege Engineering Program (\$340,000) Sec. 99t – Online Algebra Tool (\$1.5 million) Sec. 102d – Financial Data Analysis Tools (\$1.5 million) Sec. 104d – Computer Adaptive Tests (\$4.0 million) Sec. 152b – Nonpublic School Reimbursement (\$2.5 million) 	GF/GP	\$6,469,000	(\$6,469,000)

Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations		FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
22. Center for Educational Performance and Information (CEPI) (Sec. 94a)	Gross	\$12,336,700	\$4,042,800
Provides an additional \$4.0 million in ongoing support for CEPI to replace Federal funds that have been available through work projects for several years which are used for the support of longitudinal data collection and a web-based school data portal.	Federal	193,500	0
	GF/GP	\$12,173,200	\$4,042,800
23. School Breakfast and Lunch Programs (Sec. 31d and 31f)	Gross	\$538,195,100	\$12,000,000
Increases by a total of \$12.0 million including \$10.0 million additional Federal funds for the school lunch program and an additional \$2.0 million SAF for the school breakfast program to reflect updated reimbursement cost estimates.	Federal	513,200,000	10,000,000
	Restricted	24,995,100	2,000,000
	GF/GP	\$0	\$0
24. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)	Gross	\$1,414,016,100	(\$19,900,000)
Updated to reflect revised consensus cost estimates based on actual FY 2015-16 year-end special education cost data.	Federal	441,000,000	(10,000,000)
	Restricted	973,046,100	(9,900,000)
	GF/GP	\$0	\$0
25. Federal Grant Reductions (Sec. 39a)	Gross	\$852,739,900	(\$91,139,900)
Reduces Federal grants estimated under the Every Student Succeeds Act (ESSA) to reflect revised estimates for anticipated federal funds, the majority of which are being reduced for FY 2016-17 as well. (See Supplemental Recommendations below.)	Federal	852,739,900	(91,139,900)
	GF/GP	\$0	\$0
26. Other Major Cost Adjustments	Gross	N/A	\$1,000,000
Revises the following to reflect updated cost estimates:	Restricted	N/A	1,000,000
Sec 11j – School Bond Redemption Fund reduced by \$1.0 million to \$125.5 million.	GF/GP	N/A	\$0
Sec. 11m – Cash Flow Borrowing Costs increased by \$3.5 million to \$6.5 million.			
Sec. 26a – Renaissance Zone Reimbursements decreased by \$2.0 million to \$18.0 million.			
Sec. 26c – Promise Zone Funding increased by \$500,000 to \$1.5 million.			

Major Boilerplate Changes From FY 2016-17

Secs. 3(1)(2) and 4((1). Achievement Authority, Achievement School, Education Achievement System – DELETED

Deletes definitions and references throughout the budget to the Education Achievement Authority, as it will be dissolved at the end of the current fiscal year.

Sec. 8b(3). Cyber Public School Academies (PSAs) – Assignment of District Codes – REVISED

Provides that for a cyber PSA that does not provide instruction at a specific location, and is authorized by a non-statewide entity, the ISD of assignment shall be the ISD that would normally provide programs and services to the resident school district in which the administrative office of the cyber PSA is located. Also provides that the ISD required to provide programs and services remains the same for as long as the cyber PSA is operating.

Sec. 31a. At-Risk – REVISED

- (1) Expands the goals of the program from A) English Language Arts (ELA) proficiency in grade 3 and B) college and career ready high school graduates to include C) Math proficiency in grade 8 and D) pupils attending school regularly.
- (2) Deletes the prohibition of funding to hold harmless or out-of-formula districts.
- (3) Expands the requirement that the district uses a multi-tiered systems of supports (MTSS) from K-3 to K-8.
- (4) Revises to base the district allocation formula on economically disadvantaged pupils rather than free lunch eligible pupils. Economically disadvantaged pupils are currently collected and reported by CEPI to the US Department of Education and include pupils who are eligible for both free and reduced-price lunch, Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), or are homeless, migrant, or in foster care. The expanded definition is estimated to increase the number of pupils for whom districts receive funding by 131,000.
- (5) Revises to base the district allocation formula on 11.5% times a statewide weighted average foundation allowance rather than each district's foundation allowance to eliminate the variation in per pupil funding among districts.
- (6) Requires a district to use at-risk funds for 4 goals or metrics that will be used to measure a district's success beginning in FY 2021 including chronic absenteeism rates, ELA proficiency in grade 3, Math proficiency in grade 8 and that at least 65% of high school pupils enroll in CTE, advanced placement, international baccalaureate, or dual-enrollment programs and that at least 80% of those pupils have successfully completed the courses.
- (7) Allows a district to use up to 5% of its funds for professional development related to MTSS and improving the goal metrics.
- (8) Revises the definition of at-risk pupil for the provision of services to pupils who are economically disadvantaged or English language learners and who failed or is at risk of failing to be proficient in grade 3 ELA or grade 8 math or is chronically absent.
- (9) Requires that MDE identify districts that do not meet the goal metrics by FY 2021 and partner with the district to review and revise district programs and practices.

Major Boilerplate Changes From FY 2016-17

Sec 32d. Great Start Readiness Program (GSRP) – REVISED

Revises to require that 100% rather than 90% of GSRP participants meet the income eligibility of family income less than 250% of the federal poverty level. Deletes provision that allows a program to serve children in families with income up to 300% of the federal poverty level if all of the eligible children under 250% are served.

Sec. 39. Great Start Readiness Program (GSRP) Formula Allocation – REVISED

Eliminates the process whereby ISDs individually estimate the number of children eligible for the program and replaces it with an estimate provided by the MDE based on American Community Survey Census data.

Revises the formula allocation from being based on a half-day slot to number of children served in a school day program. The allocation for a child in a school day program would remain \$7,250 per day, or \$3,625 if in blended GSRP/Head Start program. An ISD would be allocated under the initial round of funding an amount equal to the amount they received in the prior year or an amount necessary to fund their available capacity if it is less than the prior year. Creates a statewide benchmark of the percent of eligible children that were served by the program in previous year, currently at 60%. If funds remain after the initial allocations, remaining funding would be distributed to ISDs based on their proportional share of children unserved if they are below the state benchmark.

Sec 56 and 62. Special Education and Vocational Education Millage Equalization – REVISED

Revises the equalization formula based on updated taxable values estimates for 2017. Adjusts the formula to reflect the amount an ISD receives from the Local Community Stabilization Authority for reimbursement due to the loss of personal property tax revenue so that an ISD's allocation under these sections does not reimburse for a loss that is being reimbursed under by the Authority.

Supplemental Recommendations for FY 2016-17 Appropriations		FY 2016-17 Recommendation
1. Cash Flow Borrowing (Sec. 11m)	Gross	\$2,500,000
Increases by \$2.5 million to a total of \$5.5 million to reflect updated cost estimates for the interest costs of inter-fund borrowing between the School Aid Fund and the General Fund to balance the timing of revenue collections and required state aid payments.	Restricted	2,500,000
	GF/GP	\$0
2. Distressed Districts Emergency Grant Fund (Sec. 11r)	Gross	\$0
Revises to lapse the remaining \$1.0 million in the fund to the School Aid Fund.	Restricted	0
	GF/GP	\$0
3. Flint Declaration of Emergency (Sec. 11s)	Gross	\$0
Reduces the pupil count for an eligible district from 5,000 to 4,500 to reflect the drop in Flint School District pupil membership to 4,945. Revises such that payments may be distributed in a manner other than the 11 monthly state aid payments as required under Sec. 17b.	Restricted	0
	GF/GP	\$0
4. Foundation Allowances (Secs. 22a and 22b)	Gross	\$10,000,000
Increases by \$10.0 million to a total of \$9,115.0 million to reflect updated consensus cost estimates for pupil membership counts and taxable values. Also provides technical revisions to shift the reimbursement for the Detroit Community School District's absence of local school operating revenue with revenue from the Community District Education Trust Fund from Sec. 22a to Sec. 22b to align with the requirements of PA 193 of 2016	Restricted	10,000,000
	GF/GP	\$0
5. Renaissance Zone Reimbursements (Sec. 26a)	Gross	(\$2,000,000)
Reduces reimbursement payments by \$2.0 million to a total of \$18.0 million to reflect the reduction in required payments due to both expiring renaissance zones and the impact of reimbursements for personal property tax reductions through the Local Community Stabilization Authority under PA 86 of 2014.	Restricted	(2,000,000)
	GF/GP	\$0
6. School Breakfast Programs (Sec. 31f)	Gross	\$2,000,000
Increases by \$2.0 million to a total of \$4.5 million to reflect actual FY 2015-16 costs. The initial FY 2016-17 appropriation had been reduced based on a one-time decline in required reimbursements in FY 2014-15.	Restricted	2,000,000
	GF/GP	\$0
7. Federal ESSA Grants (Sec. 39a)	Gross	(\$77,900,000)
Reduces Federal grants estimated under the Every Student Succeeds Act (ESSA) to reflect the following revised estimates for anticipated federal funds:	Federal	(77,900,000)
<ul style="list-style-type: none"> • \$30.0 million reduction in anticipated Title 1 grant funding bringing it to \$535.0 million. • \$6.6 million reduction in anticipated School Improvement Grants (SIG) to \$18.0 million. • \$40.5 million reduction in the Student Support and Academic Enrichment grants, which were newly added to the FY 2016-17 budget, down to a total of \$15.4 million. 	GF/GP	\$0

Major Boilerplate Changes From FY 2016-17

8. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)

Reduces by a total of \$38.0 million to reflect revised consensus cost estimates based on actual FY 2015-16 year-end special education cost data. Total estimated special education costs for FY 2016-17 are \$1.4 billion (\$945.0 million SAF, \$431.0 million Federal).

Gross	(\$38,000,000)
Federal	(10,000,000)
Restricted	(28,000,000)
GF/GP	\$0

9. Special Education Millage Equalization (Sec. 56)

Revises the equalization formula based on updated taxable values estimates. The special education millage equalization guarantee level is increased from \$179,600 to \$180,700.

Gross	\$0
Federal	0
Restricted	0
GF/GP	\$0

10. Vocational Education Millage Equalization (Sec. 62)

Revises the equalization formula based on updated taxable values estimates. The vocational education millage equalization guarantee level is increased from \$196,300 to \$198,400.

Gross	\$0
Federal	0
Restricted	0
GF/GP	\$0

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2016-17			FY 2017-18		FY 2018-19	
		SB 801 (PA 249) Enacted	Change from FY17 YTD	Revised Supplemental	Change from FY17 YTD	Exec Rec	Change from FY17 YTD	Exec Rec
11j	School Bond Redemption Fund	\$126,500,000		\$126,500,000	(\$1,000,000)	\$125,500,000		\$125,500,000
11m	Cash Flow Borrowing Costs	\$3,000,000	\$2,500,000	\$5,500,000	\$3,500,000	\$6,500,000	\$1,000,000	\$7,500,000
11s	Flint Declaration of Emergency	\$10,142,600		\$10,142,600	(\$1,412,500)	\$8,730,100	(\$8,730,100)	\$0
20f	Categorical Offset Payments	\$18,000,000		\$18,000,000		\$18,000,000		\$18,000,000
20g	Dissolved District Transition Grants	\$1,860,000		\$1,860,000	(\$1,860,000)	\$0		\$0
21	State School Reform/Redesign	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000
21g	Competency Based Funding Pilot	\$500,000		\$500,000	(\$500,000)	\$0		\$0
21h	Partnership Model Districts - NEW	\$0		\$0	\$3,000,000	\$3,000,000		\$3,000,000
22a	Foundations: Proposal A Obligation Payment	\$5,205,000,000	(\$6,000,000)	\$5,199,000,000	(\$98,000,000)	\$5,107,000,000	(\$77,000,000)	\$5,030,000,000
22b	Foundations: Discretionary Payment	\$3,900,000,000	\$16,000,000	\$3,916,000,000	\$50,000,000	\$3,950,000,000	(\$3,000,000)	\$3,947,000,000
22d	Isolated District Funding	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000
22g	Consolidation Innovation Grants	\$3,000,000		\$3,000,000	(\$3,000,000)	\$0		\$0
22m	Technology Regional Data Hubs - NEW	\$0		\$0	\$2,200,000	\$2,200,000		\$2,200,000
22n	High School Per Pupil Bonus - NEW	\$0		\$0	\$22,000,000	\$22,000,000		\$22,000,000
23f	Shared Time Pupils - NEW	\$0		\$0	\$60,000,000	\$60,000,000		\$60,000,000
24	Court-Placed Pupils	\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000
24a	Juvenile Detention Facility Programs	\$1,328,100		\$1,328,100	\$10,900	\$1,339,000		\$1,339,000
24c	Youth ChalleNGe Program	\$1,632,400		\$1,632,400	(\$104,000)	\$1,528,400		\$1,528,400
25f	Strict Discipline Academy	\$750,000		\$750,000	(\$750,000)	\$0		\$0
25g	Dropout Recovery Programs	\$750,000		\$750,000	(\$750,000)	\$0		\$0
26a	Renaissance Zone Reimbursement	\$20,000,000	(\$2,000,000)	\$18,000,000	(\$2,000,000)	\$18,000,000		\$18,000,000
26b	PILT Reimbursement	\$4,405,100		\$4,405,100		\$4,405,100		\$4,405,100
26c	Promise Zone Funding	\$1,000,000		\$1,000,000	\$500,000	\$1,500,000	\$1,000,000	\$2,500,000
29	Declining Enrollment Support - NEW	\$0		\$0	\$7,000,000	\$7,000,000	(\$7,000,000)	\$0
31a	"At Risk" Pupil Support	\$378,988,200		\$378,988,200	\$150,000,000	\$528,988,200		\$528,988,200
31a(7)	School Based Health Centers	\$5,557,300		\$5,557,300		\$5,557,300		\$5,557,300
31a(8)	Hearing and Vision Screening	\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000
31b	Year-round Instruction Grants	\$1,500,000		\$1,500,000	\$1,500,000	\$3,000,000	(\$3,000,000)	\$0
31c	Gang Prevention and Intervention Programs	\$3,000,000		\$3,000,000	(\$3,000,000)	\$0		\$0
31d	State School Lunch Programs	\$22,495,100		\$22,495,100		\$22,495,100		\$22,495,100
31d	Federal School Lunch Programs	\$513,200,000		\$513,200,000	\$10,000,000	\$523,200,000		\$523,200,000
31f	School Breakfast Program	\$2,500,000	\$2,000,000	\$4,500,000	\$2,000,000	\$4,500,000		\$4,500,000
31h	Cooperative Education Grant	\$300,000		\$300,000	(\$300,000)	\$0		\$0
31j	Local Produce in School Meals	\$250,000		\$250,000	(\$250,000)	\$0		\$0
32d	Great Start Readiness Program	\$243,900,000		\$243,900,000		\$243,900,000		\$243,900,000
32p	Early Childhood Block Grants	\$13,400,000		\$13,400,000		\$13,400,000		\$13,400,000
32q	Early Learning Cooperative	\$175,000		\$175,000	(\$175,000)	\$0		\$0
35	Early Literacy Implementation	\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000
35a(2)	Early Literacy Professional Development	\$950,000		\$950,000		\$950,000		\$950,000
35a(3)	Early Literacy Diagnostic Tools	\$1,450,000		\$1,450,000		\$1,450,000		\$1,450,000
35a(4)	Early Literacy Teacher Coaches	\$3,000,000		\$3,000,000	\$3,000,000	\$6,000,000		\$6,000,000
35a(5)	Early Literacy Added Instructional Time	\$17,500,000		\$17,500,000		\$17,500,000		\$17,500,000
35a(6)	Early Literacy - Michigan Education Corps	\$1,000,000		\$1,000,000	(\$1,000,000)	\$0		\$0
39a(1)	Federal NCLB/ESSA Grant Funds	\$821,939,900	(\$77,900,000)	\$744,039,900	(\$90,339,900)	\$731,600,000		\$731,600,000
39a(2)	Other Federal Funding	\$30,800,000		\$30,800,000	(\$800,000)	\$30,000,000		\$30,000,000
41	Bilingual Education Grants	\$1,200,000		\$1,200,000		\$1,200,000		\$1,200,000
51a(1)	Special Education - Federal Reimbursement	\$370,000,000		\$370,000,000		\$370,000,000		\$370,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$271,600,000	(\$10,200,000)	\$261,400,000	(\$5,600,000)	\$266,000,000	\$4,500,000	\$270,500,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,100,000	(\$100,000)	\$1,000,000	(\$100,000)	\$1,000,000		\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$3,700,000	(\$100,000)	\$3,600,000	(\$100,000)	\$3,600,000		\$3,600,000
51c	Special Ed Headlee Obligation (Durant)	\$644,500,000	(\$17,600,000)	\$626,900,000	(\$4,100,000)	\$640,400,000	\$12,500,000	\$652,900,000
51d	Special Education - Other Federal Grants	\$71,000,000	(\$10,000,000)	\$61,000,000	(\$10,000,000)	\$61,000,000		\$61,000,000
53a	Special Ed for Court Placed Pupils	\$10,500,000		\$10,500,000		\$10,500,000		\$10,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000

SCHOOL AID LINE ITEM SUMMARY



		FY 2016-17			FY 2017-18		FY 2018-19	
		SB 801 (PA 249) Enacted	Change from FY17 YTD	Revised Supplemental	Change from FY17 YTD	Exec Rec	Change from FY17 YTD	Exec Rec
54b	Special Education Task Force Reforms (MiBLSI)	\$1,125,000		\$1,125,000	\$475,000	\$1,600,000		\$1,600,000
55	Conductive Learning Study	\$150,000		\$150,000	(\$150,000)	\$0		\$0
56	Special Ed ISD Millage Equalization	\$37,758,100		\$37,758,100		\$37,758,100		\$37,758,100
61a	Career & Tech Ed Programs	\$36,690,300		\$36,690,300	(\$79,000)	\$36,611,300		\$36,611,300
61b	Career & Tech Ed Early/Middle College	\$9,000,000		\$9,000,000		\$9,000,000		\$9,000,000
61c	Career & Tech Ed Equipment Upgrades	\$3,200,000		\$3,200,000	\$16,800,000	\$20,000,000	(\$20,000,000)	\$0
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000
63	ISD/Health Department Partnership for CTE/Health	\$250,000		\$250,000	(\$250,000)	\$0		\$0
64b	Dual Enrollment Incentive Payments	\$1,750,000		\$1,750,000		\$1,750,000		\$1,750,000
65	Detroit PreCollege Engineering	\$340,000		\$340,000	(\$340,000)	\$0		\$0
67	Career and College Readiness Tools	\$3,050,000		\$3,050,000	(\$50,000)	\$3,000,000		\$3,000,000
74	School Bus Driver Safety Instruction	\$1,625,000		\$1,625,000		\$1,625,000		\$1,625,000
74	School Bus Inspections	\$1,695,600		\$1,695,600	\$9,700	\$1,705,300		\$1,705,300
78	Statewide School Drinking Water Quality Program - NEW	\$0		\$0	\$4,500,000	\$4,500,000	(\$4,500,000)	\$0
81	ISD General Operations Support	\$67,108,000		\$67,108,000		\$67,108,000		\$67,108,000
94	Advanced Placement (AP) Incentive Program	\$250,000		\$250,000		\$250,000		\$250,000
94a	Center for Educational Performance and Information	\$12,173,200		\$12,173,200	\$4,042,800	\$16,216,000		\$16,216,000
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500		\$193,500		\$193,500
95a	Educator and Administrator Evaluations	\$0		\$0	\$7,000,000	\$7,000,000	(\$7,000,000)	\$0
98	Michigan Virtual University	\$7,387,500		\$7,387,500		\$7,387,500		\$7,387,500
99h	FIRST Robotics	\$2,500,000		\$2,500,000		\$2,500,000		\$2,500,000
99k	Cyber Security Competitions - NEW	\$0		\$0	\$500,000	\$500,000	(\$500,000)	\$0
99s(2)	MiSTEM Grants - Council	\$1,050,000		\$1,050,000	\$2,000,000	\$3,050,000		\$3,050,000
99s(4)	MiSTEM Grants - Math and Science Centers - State	\$2,750,000		\$2,750,000		\$2,750,000		\$2,750,000
99s(4)	MiSTEM Grants - Math and Science Centers - Federal	\$5,249,300		\$5,249,300	(\$549,300)	\$4,700,000		\$4,700,000
99s(5)	MiSTEM Grants - Science Olympiad	\$250,000		\$250,000	(\$250,000)	\$0		\$0
99s(6)	MiSTEM Grants - Van Andel Education Institute	\$250,000		\$250,000	(\$250,000)	\$0		\$0
99t	Online Algebra Tool	\$1,500,000		\$1,500,000	(\$1,500,000)	\$0		\$0
102d	Financial Data Analysis Tools	\$1,500,000		\$1,500,000	(\$1,500,000)	\$0		\$0
104	Education Assessments - State	\$33,894,400		\$33,894,400	(\$185,000)	\$33,709,400		\$33,709,400
104	Education Assessments - Federal	\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000
104d	Computer Adaptive Test	\$4,000,000		\$4,000,000	(\$4,000,000)	\$0		\$0
107	Adult Education	\$25,000,000		\$25,000,000		\$25,000,000		\$25,000,000
147a	MPSERS Cost Offset	\$100,000,000		\$100,000,000		\$100,000,000		\$100,000,000
147a(2)	MPSERS Normal Cost Offset - NEW	\$0		\$0	\$48,969,000	\$48,969,000	\$48,968,000	\$97,937,000
147c	MPSERS State Share of Unfunded Liability Payments	\$982,800,000		\$982,800,000	(\$22,016,000)	\$960,784,000	\$62,904,000	\$1,023,688,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500
152b	Nonpublic School Reimbursement	\$2,500,000		\$2,500,000	(\$2,500,000)	\$0		\$0
TOTAL APPROPRIATIONS		\$14,161,842,100	(\$103,400,000)	\$14,058,442,100	\$140,246,700	\$14,302,088,800	\$141,900	\$14,302,230,700
REVENUE BY SOURCE								
Federal Aid		\$1,818,632,700	(\$87,900,000)	\$1,730,732,700	(\$91,689,200)	\$1,726,943,500		\$1,726,943,500
School Aid Fund		\$12,052,309,300	(\$15,500,000)	\$12,036,809,300	\$235,835,900	\$12,288,145,200	\$70,142,000	\$12,358,287,200
Community District Trust Fund/Other Restricted Fund		\$72,000,100		\$72,000,100		\$72,000,100	(\$100)	\$72,000,000
General Fund/General Purpose		\$218,900,000		\$218,900,000	(\$3,900,000)	\$215,000,000	(\$70,000,000)	\$145,000,000
TOTAL REVENUE		\$14,161,842,100	(\$103,400,000)	\$14,058,442,100	\$140,246,700	\$14,302,088,800	\$141,900	\$14,302,230,700

SCHOOL AID FUND (SAF) BALANCE SHEET
FY 18 and FY 19 - Exec Rec
(Dollars in Millions)

	Exec Revised FY 2016-17	Exec FY 2017-18	Exec FY 2018-19
TOTAL BEGINNING BALANCE	\$168.1	\$143.4	\$7.6
ESTIMATED REVENUE			
SCHOOL AID FUND (SAF) REVENUE			
Revenue Estimates (Jan 2017 CREC)	\$12,457.0	\$12,783.1	\$13,131.5
HMO Use Tax	\$52.6	\$0.0	\$0.0
Work Project Lapses	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
Subtotal: SAF Revenue	\$12,509.6	\$12,783.1	\$13,131.5
OTHER REVENUE ADJUSTMENTS			
General Fund/General Purpose (GF/GP) Grant	\$218.9	\$215.0	\$145.0
Detroit Public Schools Trust Fund	\$72.0	\$72.0	\$72.0
Federal Aid	\$1,730.7	\$1,726.9	\$1,726.9
Prior Year Adjustments	\$0.0	\$0.0	\$0.0
Subtotal: Other Revenue	\$2,021.6	\$2,013.9	\$1,943.9
TOTAL REVENUE	\$14,531.2	\$14,797.0	\$15,075.4
ESTIMATED EXPENDITURES			
ESTIMATED SCHOOL AID EXPENDITURES			
Ongoing Baseline	\$14,119.8	\$14,202.4	\$14,204.3
Expenditures funded with One-time Revenue	\$42.0	\$99.7	\$97.9
2017 Federal funding reductions	(\$87.9)	\$0.0	\$0.0
2017 Other Supplemental Cost Revisions	(\$15.5)	<u>\$0.0</u>	<u>\$0.0</u>
Subtotal: SCHOOL AID EXPENDITURES	\$14,058.4	\$14,302.1	\$14,302.2
Community Colleges	\$260.4	\$395.1	\$403.4
Higher Education	\$237.1	\$235.6	\$238.5
Subtotal: Post Secondary Expenditures	\$497.5	\$630.7	\$641.9
TOTAL EXPENDITURES	\$14,555.9	\$14,932.8	\$14,944.1
Current Year: Revenues - Expenditures	(\$24.7)	(\$135.8)	\$131.3
TOTAL ENDING BALANCE	\$143.4	\$7.6	\$138.9