



STATE BUDGET OFFICE

EDUCATION OMNIBUS BUDGET EXECUTIVE BUDGET FISCAL YEAR 2014 AND 2015

Presented February 7, 2013

The Executive Budget for fiscal year 2014 contains one budget bill for all government agencies and one for education. The education omnibus budget bill supports the state's education system at all levels from preschool to higher education. The Executive Budget for education totals slightly more than \$15 billion - \$13.2 billion for public schools, \$336 million for community colleges and over \$1.4 billion for higher education.

Highlights of the Education Omnibus Budget Bill

- In total, the education omnibus bill is increased by \$363.7 million, or 2.5%, from fiscal year 2013 enacted levels - \$290.5 million in public schools, \$41.8 million in community colleges and \$31.4 million in higher education.

FY2014 Education Omnibus Budget Summary of Appropriations (in millions)

Revenue Sources	K-12 School Aid	Community Colleges	Higher Education	Total
School Aid Fund Revenues	\$11,090.8	\$197.6	\$200.5	\$11,488.9
MPERS Reserve Fund	\$150.0	\$0.0	\$0.0	\$150.0
General Fund	\$230.0	\$138.4	\$1,133.0	\$1,501.3
Other State Restricted	\$0.0	\$0.0	\$0.1	\$0.1
Federal Funds	<u>\$1,764.4</u>	<u>\$0.0</u>	<u>\$97.0</u>	<u>\$1,861.4</u>
Total Appropriations	\$13,235.2	\$336.0	\$1,430.6	\$15,001.8

- Nearly \$600 million of the education budget supports Michigan Public School Employees Retirement System (MPERS) costs. As part of recent MPERS reforms, a cap of 20.96% of salary and wages was placed on the share of retirement costs that school districts, community colleges and libraries are obligated to pay. The state is required to pay the rest, estimated at an additional 4.56%, or \$436 million, in fiscal year 2014.

**FY2014 Education Omnibus Budget
 MPSERS Appropriations
 (in millions)**

	State share over cap	Total
Community Colleges	\$31.4	\$33.1
Higher Education	\$0.0	\$0.4
School Aid	\$403.3	\$558.3
Libraries	<u>\$1.3</u>	<u>\$1.3</u>
Total Appropriations	\$436.0	\$593.1

- The Executive Budget Recommendation continues to include best practices and performance-based funding for districts, best practices for intermediate school districts, best practices and performance-based funding for public community colleges and universities, and best practices for private colleges and universities.