

# Grand Valley School Business Officials

Chris Glass – West Michigan Talent Triangle



## The True Cost of Educating a Child in Michigan

# Final Recommendations

**Table 9.10**  
**Final Recommendation**

Final Recommendation	
Base	\$9,590
Size Adjustment	Adjusted by Formula
Poverty Weight	0.35
ELL	
WIDA 1-2	0.70
WIDA 3-4	0.50
WIDA 5-6/FELS	0.35
Special Education	
Mild	0.70
Moderate	1.15
Severe	State Reimbursement
Preschool	14,155
Isolation	0.04

\*Base does not include transportation, food service, or adult education.  
It includes 4.6% retirement costs.

# West Ottawa Public Schools - Example

**School Finance Research Collaborative Final Recommendation**

	Base Funding & Weight Adjustments	Student Count Info	Per Student Amount	Total Funding
Base	\$9,590	6,826	\$9,590	\$65,457,504
Size Adjustment	Adjusted by Formula	N/A	N/A	\$0
Poverty Weight	0.35	3,776	\$3,357	\$12,674,144
ELL:				
WIDA 1-2	0.70	104	\$6,713	\$698,152
WIDA 3-4	0.50	551	\$4,795	\$2,642,045
WIDA 5-6/ FELS	0.35	503	\$3,357	\$1,688,320
Special Education:				
Mild	0.70	71.33	\$6,713	\$478,838
Moderate	1.15	8.78	\$11,029	\$96,830
Severe	State Reimbursement	0	\$0	\$1,131,950
Preschool	\$14,155	192	\$14,155	\$2,717,760
Isolation	0.04	0	\$384	\$0
Transportation*	\$973	3,717	\$973	\$3,616,641
Retirement	0.3548	N/A	N/A	\$13,462,341
			Per Pupil	Total
			\$10,586	\$ 72,256,019
			\$10,338	\$ 70,561,779
			Recommended Funding (Adjusted)	\$ 104,664,525
			Amount Underfunded	\$ 32,408,506

# School Aid Fund?

## School Aid Programs Formerly Funded from the General Fund and GF Program Transfers from Other Departments

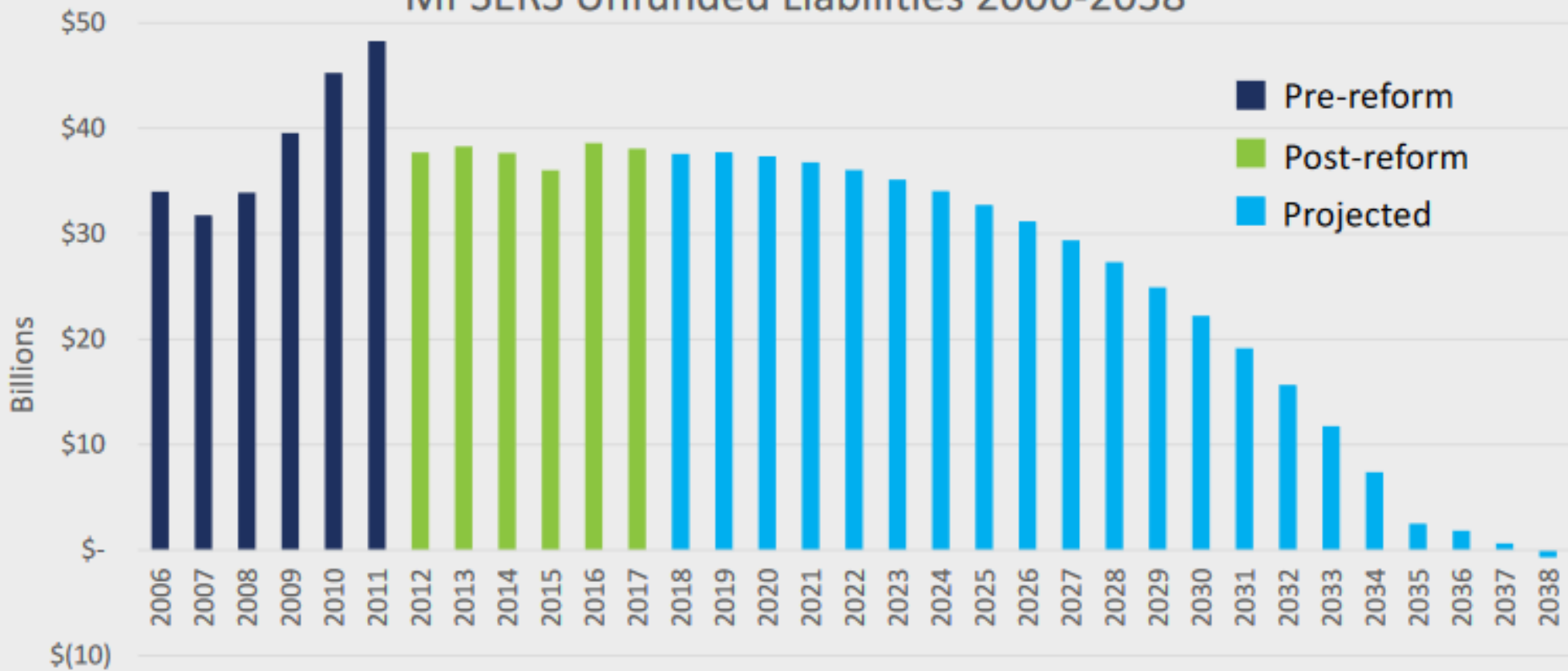
<u>Program</u>	<u>FY 2009-10</u> <u>YTD</u>	<u>FY 2010-11</u> <u>YTD</u>	<u>FY 2011-12</u> <u>YTD</u>	<u>FY 2012-13</u> <u>YTD</u>	<u>FY 2013-14</u> <u>YTD</u>	<u>FY 2014-15</u> <u>YTD</u>	<u>FY 2015-16</u> <u>YTD</u>	<u>FY 2016-17</u> <u>YTD</u>	<u>FY 2017-18</u> <u>Revised</u>	<u>FY 2018-19</u> <u>Revised</u>	<u>Fiscal Year</u> <u>Program</u> <u>Transferred</u>
Durant - Debt Service	\$39,000,000	\$39,000,000	\$39,000,000	\$39,000,000	\$39,500,000	\$39,500,000	\$0	\$0	\$0	\$0	2006-07
School Bond Redemption Fund	\$40,000,000	\$5,167,800	\$93,575,300	\$120,390,000	\$131,660,000	\$126,000,000	\$10,500,000	\$126,500,000	\$125,500,000	\$125,500,000	2002-03
Cash Flow Borrowing Costs	\$12,000,000	\$15,000,000	\$2,100,000	\$3,200,000	\$4,000,000	\$4,000,000	\$1,000,000	\$5,500,000	\$18,000,000	\$24,000,000	2007-08
Juvenile Detention Facility	\$1,751,300	\$1,440,000	\$2,114,800	\$2,135,800	\$2,167,500	\$2,195,500	\$1,301,000	\$1,328,100	\$1,339,000	\$1,355,700	2006-07
Challenge Program	\$642,300	\$742,300	\$765,600	\$1,500,000	\$1,500,000	\$1,500,000	\$1,497,400	\$1,632,400	\$1,528,400	\$1,545,400	2006-07
Renaissance Zone Costs	\$35,500,000	\$26,300,000	\$25,137,500	\$27,800,000	\$26,300,000	\$26,300,000	\$20,000,000	\$17,000,000	\$15,000,000	\$15,000,000	2005-06
PILT Reimbursement	\$2,400,000	\$2,400,000	\$3,000,500	\$3,169,500	\$4,009,500	\$4,210,000	\$4,276,800	\$4,405,100	\$4,405,100	\$4,405,100	2005-06
Adolescent Health Centers	\$3,557,300	\$3,557,300	\$3,557,300	\$3,557,300	\$3,557,300	\$3,557,300	\$5,557,300	\$5,557,300	\$6,057,000	\$6,057,000	2005-06
Hearing and Vision Screening	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000	2006-07
School Breakfast Program	\$9,625,000	\$9,625,000	\$9,625,000	\$9,625,000	\$5,625,000	\$5,625,000	\$2,500,000	\$4,500,000	\$4,500,000	\$4,500,000	2006-07
School Readiness - Competitive	\$7,575,000	\$7,575,000	\$8,875,000	\$8,875,000	\$0	\$0	\$0	\$0	\$0	\$0	2009-10
Precollege Engineering Grants	\$905,100	\$905,100	\$0	\$0	\$0	\$0	\$340,000	\$340,000			2006-07; 2015-16
School Bus Inspections	\$1,403,500	\$433,800	\$1,608,900	\$1,634,900	\$1,674,000	\$1,691,500	\$1,690,700	\$1,695,700	\$1,705,300	\$1,729,900	2006-07
MEAP Tests - State only	\$26,630,700	\$40,194,400	\$35,194,400	\$26,694,400	\$26,694,400	\$41,394,400	\$43,994,400	\$33,894,400	\$34,709,400	\$31,009,400	2006-07
Community Colleges	\$208,400,000	\$0	\$195,880,500	\$197,614,100	\$197,614,100	\$364,724,900	\$256,714,800	\$260,414,800	\$398,300,000	\$405,000,000	2009-10
Higher Education	\$0	\$0	\$200,219,500	\$200,565,700	\$200,565,700	\$204,565,700	\$205,179,500	\$237,109,500	\$238,300,000	\$385,600,000	2011-12
	<b>\$394,540,200</b>	<b>\$157,490,700</b>	<b>\$625,804,300</b>	<b>\$650,911,700</b>	<b>\$650,017,500</b>	<b>\$830,414,300</b>	<b>\$559,701,900</b>	<b>\$705,027,300</b>	<b>\$854,494,200</b>	<b>\$1,010,852,500</b>	

# School Aid Fund?

<b>GF/GP Appropriated in School Aid Budget</b>	
1994-95	\$664,900,000
1995-96	\$596,400,000
1996-97	\$277,900,000
1997-98	\$376,000,000
1998-99	\$420,613,500
1999-2000	\$420,613,500
2000-01	\$385,613,500
2001-02	\$198,400,000
2002-03	\$249,413,500
2003-04	\$377,800,000
2004-05	\$165,200,000
2005-06	\$62,714,000
2006-07	\$35,000,000
2007-08	\$34,909,600
2008-09	\$78,000,000
2009-10	\$30,206,200
2010-11	\$18,642,400
2011-12	\$78,642,400
2012-13	\$282,400,000
2013-14	\$234,900,000
2014-15	\$33,700,000
2015-16	\$55,100,000
2016-17	\$179,040,000
2017-18 Exec Revised	\$78,000,000
2018-19 Exec	\$45,000,000



## MPSERS Unfunded Liabilities 2006-2038



\*Uptick in 2016 is the result of lowering assumed rate of return to 7.5%, thereby lowering long-term risk.



# Foundation Grant Increase

- \$240 - \$120 per pupil distributed via 2X
  - Minimum Foundation = \$7,871
  - Maximum Foundation = \$8,409
- At-Risk – Continued funding at \$499 million. No change to eligibility from last year. Accountability metrics have changed, however wouldn't take effect until 2020-21
- \$25 per pupil for High School Students (\$11 million)
- \$25 per pupil for those enrolled in CTE and an additional \$25 per pupil for CTE in high-demand areas where there are talent shortfalls (\$5 million)
- Early literacy funded at \$26.9 million

# Caution Lies Ahead

- School Aid Fund had \$553 million between lapsed funds and growth
- \$137 million taken to fund roads through supplemental.
- Governor calls for \$150 million in SAF to go to Universities
- \$385 million (Univ.) + \$398 (CC's) = \$783 million (\$522 per pupil)
- Foundation increase built on shared-time (\$68 million) reduction and cyber school (\$25 million) reduction - \$93 million (\$62 per pupil)

# Caution Lies Ahead

## 17. *Eliminated Categorical Grants*

Reduces by \$23.4 million by eliminating the following:

- Sec. 21j – Competency-Based Education Grants (\$500,000)
- Sec. 31b – Year-round Instruction Grants (\$1.5 million)
- Sec. 31j – Local Produce in School Meals (\$375,000)
- Sec. 32q – Early Learning Cooperative (\$175,000)
- Sec. 35a(6) – Early Literacy – Michigan Education Corps (\$2.5 million)
- Sec. 55 – Conductive Learning Study (\$150,000)
- Sec. 61a(4) – CTE Restaurant Curriculum (79,000)
- Sec. 61a(5) & (6) – CTE Counselors (1,160,000)
- Sec. 64d – Information Technology Certifications (\$2.3 million)
- Sec. 65 – Detroit Area PreCollege Engineering Program (\$340,000)
- Sec. 67a – Online Career Preparation Tool (\$1.0 million)
- Sec. 95b – Statewide Evaluation Tool (\$2.5 million)
- Sec. 99k – Cyber Security Competitions (\$500,000)
- Sec. 99t – Online Algebra Tool (\$1.1 million)
- Sec. 99u – Online Mathematics Tool (\$1.0 million)
- Sec. 102d – Financial Data Analysis Tools (\$1.5 million)
- Sec. 104d – Computer Adaptive Tests (\$4.0 million)
- Sec. 104e – Digital Learning Preparation (\$250,000)
- Sec. 152b – Nonpublic School Reimbursement (\$2.5 million)

<b>Gross</b>	<b>\$23,429,000</b>	<b>(\$23,429,000)</b>
Restricted	8,985,000	(8,985,000)
GF/GP	\$14,444,000	(\$14,444,000)

# Governor Snyder's Marshall Plan

<b>Michigan's Marshall Plan for Talent</b>	
<b>Program Creation and Expansion</b>	<b>\$48,600,000</b>
Competency-Based Education	<i>\$31,000,000</i>
Equipment Grants	<i>\$11,600,000</i>
University Partnerships	<i>\$4,000,000</i>
Cybersecurity Competitions	<i>\$2,000,000</i>
<b>Career Exploration and Awareness</b>	<b>\$19,600,000</b>
Career Facilitators	<i>\$10,100,000</i>
MI Bright Future	<i>\$4,000,000</i>
Awareness and Outreach	<i>\$5,500,000</i>
<b>Investing in Students and Teachers</b>	<b>\$31,800,000</b>
Tuition for Tomorrow	<i>\$25,500,000</i>
Michigan Innovative Teacher Corps	<i>\$4,800,000</i>
Teacher Shortage Relief	<i>\$1,500,000</i>
<b>Total</b>	<b>\$100,000,000</b>

# Inside Baseball – Budget Talks

- Shared-time and cyber funding will be restored.
- If all programs are restored it leaves funding for \$75-\$150 distributed via 2X.
- Rumors of additional General Fund contribution although funding hasn't been identified yet.

# Funding for the Marshall Plan

Funding for these programs is available through the Student Loan Operating Fund (SLOF),

Has generated excess cash through the purchase and refinancing of student loans.

The fund has sufficient cash to cover existing liabilities and an appropriate reserve level after \$100 million is repurposed for the plan.

# Program Creation & Expansion (\$48.6 million)

\$31.0 million for competency-based education. Curriculum development (\$6.1 million); staffing, equipment, and professional development grants (\$21.9 million); and pilot program grants (\$3.0 million).

\$11.6 million in state-of-the-art equipment and technology for the purchase of CTE equipment. Grants will be distributed on a matching basis, up to \$150,000, to ensure that schools are partnering with local businesses.

\$2 million for the continuation of team-based cybersecurity competitions for students.

# Career Exploration and Awareness (\$19.6 million)

\$10.1 million for grants to districts to hire career development facilitators. Grants would be provided over a 3-year period and districts would be expected to maintain funding for their facilitator after the grant funding has ended.

\$4 million for statewide implementation of the MI Bright Future and Career Cruising platforms.

\$5.5 million for outreach and awareness campaigns to grow, retain, and attract talent.



# Investing in Students and Teachers (\$31.8 million)

To help low income and underserved Michiganders obtain the skills necessary for success in a 21st century workforce, the plan includes \$25.5 million for scholarships toward the completion of certifications in high-salary, high-demand careers, based on recommendations of the Michigan Future Talent Council

\$4.8 million for the Michigan Innovative Teacher Corps.

\$1.5 million to incentivize teachers to gain credentials in critical shortage fields.

Questions?