

# State Budget Update

**Jacqueline Mullen, Senior Fiscal Analyst**  
**Emily Hatch, Fiscal Analyst**  
**House Fiscal Agency**

**June 9, 2022**



# Revenue Update

---

# May 2022 Consensus Revenue Estimates

(Dollars in Millions)

	FY 2021-22				FY 2022-23			
	Total	\$ Chg from Jan 22	\$ Chg from FY 21	%Chg from FY 21	Total	\$ Chg from Jan 22	\$ Chg from FY 22	%Chg from FY 22
School Aid Fund	\$17,340.6	\$1,262.4	\$1,284.2	8.0%	\$17,195.3	\$948.7	(\$145.3)	(0.8%)
General Fund/ General Purpose (GF/GP)	<u>\$14,179.7</u>	<u>\$1,730.0</u>	<u>\$1,176.0</u>	<u>9.0%</u>	<u>\$13,973.5</u>	<u>\$1,081.4</u>	<u>(\$206.2)</u>	<u>(1.5%)</u>
Total Revenue	\$31,520.3	\$2,992.4	\$2,460.2	8.5%	\$31,168.8	\$2,031.1	(\$351.5)	(1.1%)

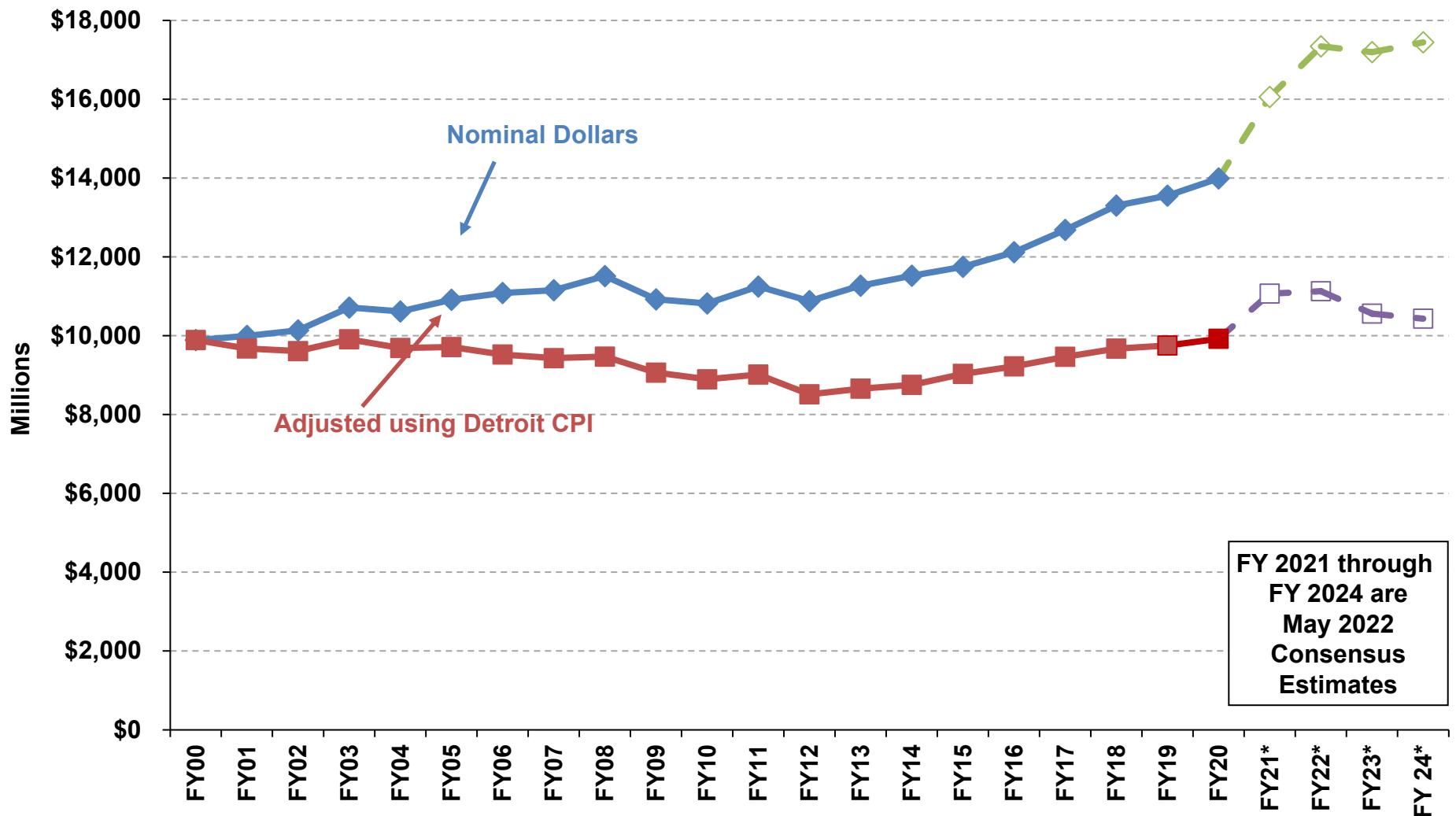
# May 2022 Consensus Revenue Estimates

(Dollars in Millions)

	Total	FY 2023-24		
		\$ Chg from Jan 22	\$ Chg from FY 23	%Chg from FY 23
School Aid Fund	\$17,444.9	\$887.2	\$249.6	1.5%
General Fund/ General Purpose (GF/GP)	<u>\$14,228.9</u>	<u>\$914.6</u>	<u>\$255.4</u>	<u>1.8%</u>
Total Revenue	\$31,673.8	\$1,801.8	\$505.0	1.6%

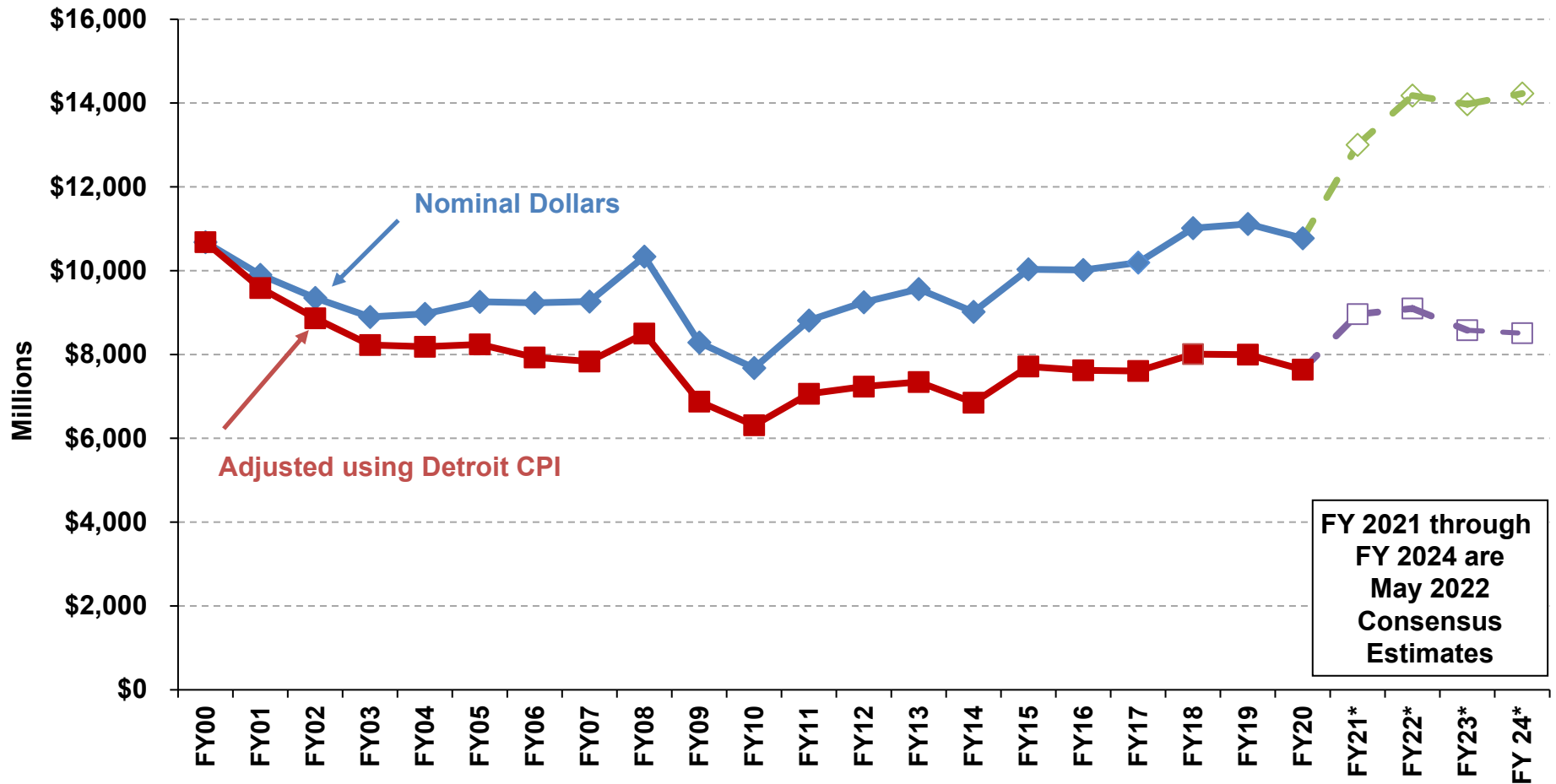
# May 2022 CREC: School Aid Fund Net Revenue

Since January CREC, nominal SAF revenue for FY 2022 is up \$1.3 billion from \$16.1 billion to \$17.3 billion. Nominal SAF revenue is expected to increase to \$17.4 billion by FY 2024.



# May 2022 CREC: GF/GP Net Revenue

Nominal GF/GP revenue was previously expected to decline in FY 2022 to \$12.4 billion. May CREC revises to continue the increase in FY 2022 to \$14.2 billion.



Note: For consistency, revenue figures for years prior to FY 2010-11 have been adjusted to include sales tax revenue previously designated for statutory revenue sharing.

# Balance Sheets

---

## May 2022 CREC: School Aid Fund Balance Sheet

	FY 2021-22	Baseline FY 2022-23
<b>BEGINNING BALANCE</b>	<b>\$2,922.3</b>	<b>\$5,050.3</b>
<b>REVENUE</b>		
School Aid Fund (SAF) Revenue: Jan. 2022 CREC	\$16,078.2	\$16,246.6
SAF Revenue: May 2022 CREC Adjustment	\$1,262.4	\$948.7
General Fund/General Purpose (GF/GP)	\$91.4	\$50.0
Other Restricted Funds	\$86.5	\$91.5
<u>Federal Funds</u>	<u>\$2,393.2</u>	<u>\$2,274.2</u>
<b>TOTAL REVENUE</b>	<b>\$19,911.7</b>	<b>\$19,611.0</b>
<b>EXPENDITURES</b>		
School Aid (Adj for lapses/consensus revisions)	\$16,990.9	\$16,458.3
Community Colleges	\$431.4	\$432.7
<u>Higher Ed</u>	<u>\$361.4</u>	<u>\$347.9</u>
<b>TOTAL EXPENDITURES</b>	<b>\$17,783.7</b>	<b>\$17,238.9</b>
<b>TOTAL ENDING BALANCE</b>	<b>\$5,050.3</b>	<b>\$7,422.4</b>



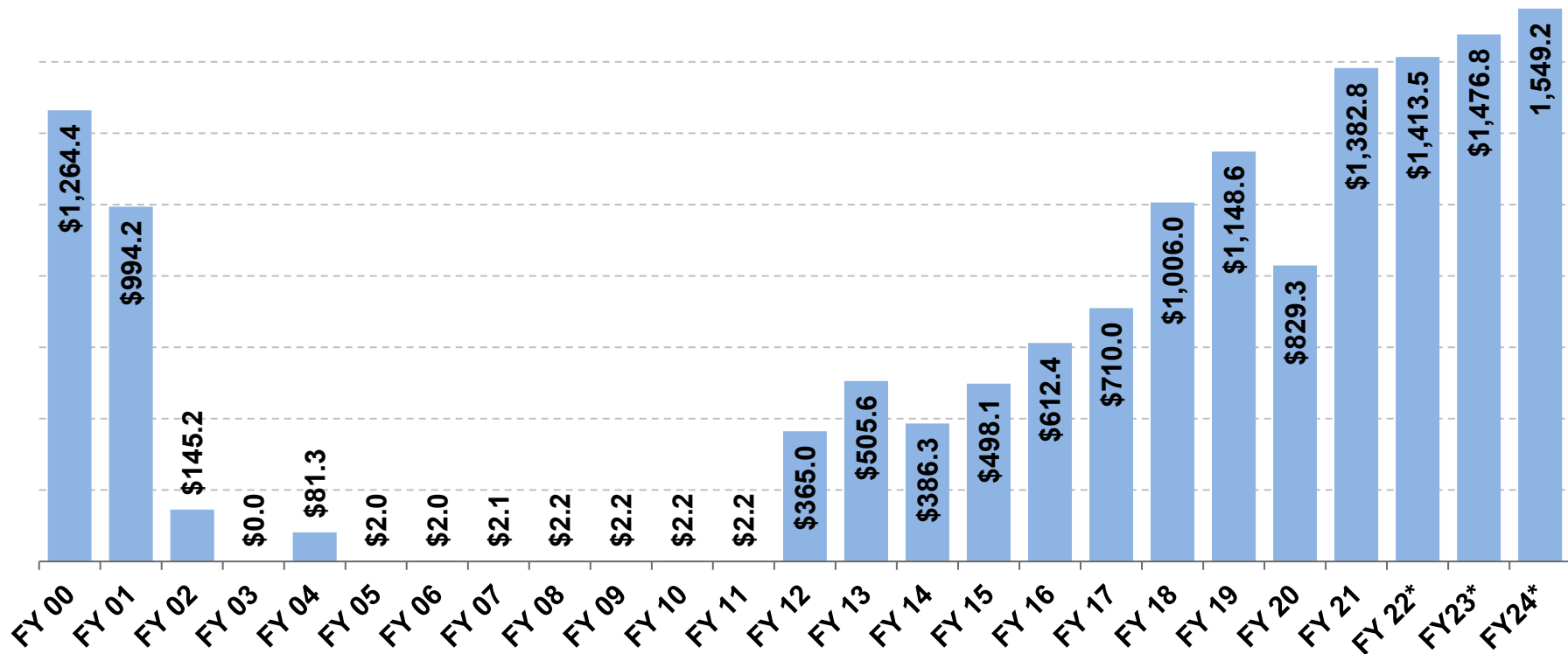
## May 2022 CREC: General Fund Balance Sheet

	FY 2021-22	Baseline FY 2022-23
<b>BEGINNING BALANCE</b>	<b>\$4,362.8</b>	<b>\$5,213.1</b>
<b>REVENUE</b>		
General Fund (GF/GP) Revenue: Jan. 2022 CREC	\$12,449.7	\$12,892.1
GF/GP Revenue: May 2022 CREC Adjustment	\$1,730.0	\$1,081.4
Revenue Sharing	<u>(\$500.3)</u>	<u>(\$490.5)</u>
<u>Other</u>	<u>(\$2.6)</u>	<u>(\$2.6)</u>
<b>TOTAL REVENUE</b>	<b>\$13,676.8</b>	<b>\$13,480.4</b>
<b>EXPENDITURES</b>		
Initial Ongoing/Baseline Est.	\$10,953.0	\$11,466.7
One-time Appropriations	\$723.1	\$0.0
Economics/Caseload	<u>(\$309.9)</u>	<u>(\$208.2)</u>
GF/GP to School Aid	\$91.4	\$50.0
<u>Supplementals/Other</u>	<u>\$1,368.9</u>	<u>\$19.5</u>
<b>TOTAL EXPENDITURES</b>	<b>\$12,826.6</b>	<b>\$11,328.0</b>
<b>TOTAL ENDING BALANCE</b>	<b>\$5,213.1</b>	<b>\$7,365.5</b>

# May 22 CREC: Budget Stabilization Fund (BSF) Balance

FY 2021 included two deposits of \$35.0 million and \$500.0 million into the BSF. From FY 2021 to FY 2024, the BSF is projected to grow through accumulated interest and statutorily required deposits of tobacco settlement revenue tied to the Detroit Bankruptcy.

Millions of Dollars



\* HFA Estimate

# FY 2022-23 Major Funding Increases

---

## Teacher Recruitment/Retention Plan

	Exec Rec	House	Senate
Retention Bonus	\$1.5 billion	N/A	N/A
Scholarships	\$300.0 million	\$71.0 million	N/A
Student Teachers	\$150.0 million	\$150.0 million	\$25.0 million
Grow Your Own	\$150.0 million	\$214.0 million	N/A
New Teacher Programs	\$100.0 million	N/A	N/A
Innovation Grants	\$75.0 million	N/A	N/A
Troops to Teachers	N/A	\$50.0 million	N/A
CTE Recruitment	N/A	\$14.0 million	N/A
Teach for America	N/A	\$20.0 million	N/A
<b>TOTAL</b>	<b>\$2.3 billion</b>	<b>\$519.0 million</b>	<b>\$25.0 million</b>

## Mental Health Plan

	Exec Rec	House	Senate
TRAILS	\$150.0 million	N/A	\$10.0 million
Wraparound Services	\$120.0 million	\$30.0 million	N/A
ISD Mental Health Services	\$50.0 million	\$40.0 million	N/A
Screening Tools	\$25.0 million	\$10.0 million	N/A
Capacity Building	\$5.0 million	\$5.0 million	N/A
School-Based Health Centers	\$11.0 million	\$30.0 million	\$15.0 million
SMART Internship	N/A	\$20.0 million	\$15.0 million
<b>TOTAL</b>	<b>\$361.0 million</b>	<b>\$135.0 million</b>	<b>\$40.0 million</b>

# School Safety Plan

	Exec Rec	House	Senate
School Safety Grants	\$51.0 million	\$227.5 million	\$10.0 million
Cross-System Intervention	\$15.0 million	N/A	N/A
School Resource Officers	N/A	\$50.0 million	N/A
Risk Assessments	N/A	\$16.0 million	\$15.0 million
ISD Coordinators	N/A	\$8.4 million	N/A
Health/Safety Commission	N/A	\$2.0 million	N/A
Navigate 360	N/A	\$1.9 million	\$1.9 million
Critical Incidence Mapping	N/A	N/A	\$10.0 million
<b>TOTAL</b>	<b>\$66.0 million</b>	<b>\$305.8 million</b>	<b>\$36.9 million</b>

## Other Proposed Increases (pre-May CREC)

	Exec Rec	House	Senate
Foundation Allowance	\$9,135 (\$580.0 million)	\$9,000 (\$408.0 million)	\$9,150 (\$630.3 million)
At-Risk	\$222.0 million	N/A	N/A
Special Education	\$150.0 million	\$210.0 million	N/A
GSRP	\$68.0 million	\$26.5 million	N/A
Before/After School Programs	\$50.0 million	\$50.0 million	N/A
School Infrastructure	\$1.0 billion deposit	N/A	N/A
MPERS UAAL Additional Payment	N/A	\$1.7 billion	N/A
MPERS Reserve Fund	N/A	\$425.0 million deposit	N/A

## Other Proposed Increases (cont.)

	Exec Rec	House	Senate
Learning Pods	N/A	\$56.2 million	N/A
Rural Transportation	N/A	\$50.0 million	N/A
Consolidated District Debt	N/A	N/A	\$500.0 million
Learning Loss	\$285.0 million (supplemental request from June 1, 2022)	N/A	\$70.0 million





**[house.mi.gov/hfa/schoolaid.asp](https://house.mi.gov/hfa/schoolaid.asp)**