



CMSBO Regional Update

Holt P/S

Zoom

Nov 8, 2024





Agenda

- State Revenues
- SAF Budget
- MSBO Update

SAF Budget
FY2024-25

THANK
YOU!





State Revenues

JAN
2024

January 2024 Consensus Forecast (millions)

	Net Revenue Estimates							
	FY 2023	FY 2024			FY 2025			FY 2026
	Preliminary	May 2023 Consensus	Jan 2024 Consensus	Change From Consensus	May 2023 Consensus	Jan 2024 Consensus	Change From Consensus	Jan 2024 Consensus
Net GF-GP Revenue	\$13,965.9	\$13,238.3	\$13,597.4	\$359.1	\$13,916.4	\$14,022.2	\$105.8	\$14,707.6
Percent Growth	-8.2%	-4.0%	-2.6%		5.1%	3.1%		4.9%
Dollar Growth			(\$368.6)			\$424.9		\$685.4
Net SAF Revenue	\$17,859.4	\$17,888.1	\$17,946.9	\$58.8	\$18,265.9	\$18,307.0	\$41.1	\$18,706.0
Percent Growth	-0.1%	0.8%	0.5%		2.1%	2.0%		2.2%
Dollar Growth			\$87.6			\$360.0		\$399.0
Combined	\$31,825.3	\$31,126.4	\$31,544.3	\$417.9	\$32,182.3	\$32,329.2	\$146.9	\$33,413.6
Percent Growth	-3.8%	-1.3%	-0.9%		3.7%	2.5%		3.4%
Dollar Growth			(\$281.0)			\$784.9		\$1,084.4



State Revenues

**MAY
2024**

Table 2
May 2024 Consensus Forecast
(millions)

	Net Revenue Estimates								
	FY 2024			FY 2025			FY 2026		
	Jan 2024 Consensus	May 2024 Consensus	Change From Consensus	Jan 2024 Consensus	May 2024 Consensus	Change From Consensus	Jan 2024 Consensus	May 2024 Consensus	Change From Consensus
Net GF-GP Revenue	\$13,597.4	\$13,948.8	\$351.4	\$14,022.2	\$14,257.8	\$235.6	\$14,707.6	\$14,886.5	\$178.9
Percent Growth	-2.6%	-0.1%		3.1%	2.2%		4.9%	4.4%	
Dollar Growth		(\$18.0)			\$309.0			\$628.7	
Net SAF Revenue	\$17,946.9	\$17,783.6	(\$163.3)	\$18,307.0	\$18,146.9	(\$160.1)	\$18,706.0	\$18,572.5	(\$133.5)
Percent Growth	0.5%	-0.4%		2.0%	2.0%		2.2%	2.3%	
Dollar Growth		(\$76.4)			\$363.3			\$425.6	
Combined	\$31,544.3	\$31,732.4	\$188.1	\$32,329.2	\$32,404.7	\$75.5	\$33,413.6	\$33,459.0	\$45.4
Percent Growth	-0.9%	-0.3%		2.5%	2.1%		3.4%	3.3%	
Dollar Growth		(\$94.4)			\$672.3			\$1,054.3	



State Revenues

MAY
2024

Long Term Revenue Trend

	FY 2027	FY 2028
Net GF-GP Revenue	\$15,240.0	\$15,707.3
Growth	2.4%	3.1%
Net SAF Revenue	\$19,071.5	\$19,567.8
Growth	2.7%	2.6%
Combined GF-GP/SAF	\$34,311.5	\$35,275.1
Growth	2.5%	2.8%

Income Tax Rate Under MCL 206.51(1)

Fiscal Year	Total GF/GP Revenue ⁽¹⁾	Consumer Price Index ⁽²⁾
2022	\$15,309.1	287.723
2023	\$14,033.6	302.289
Percentage Change	-8.33%	5.06%

(1) MCL 206.51(1)(c)(ii)

(2) MCL 206.51(10)(b)

In accordance with Section 51(1)(c) of the Income Tax Act, it has been determined that a formulary reduction to the rate for tax year 2024 is not required.

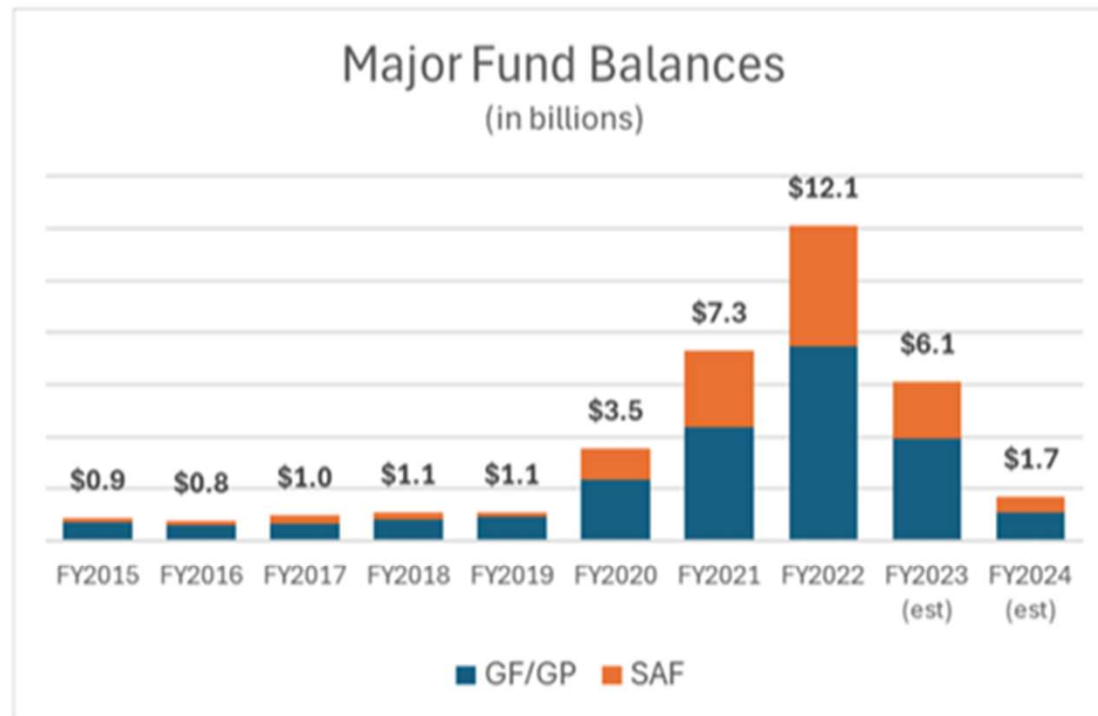
School Aid Index

	FY 2025	FY 2026
Revenue Adjustment Factor	1.0132	1.0245
Pupil Membership Factor	1.0045	1.0048
School Aid Index	1.0178	1.0294

Budget Stabilization Fund Calculation

FY 2024 Calculations	NO PAY-IN OR PAY-OUT
FY 2025 Calculations	NO PAY-IN OR PAY-OUT
FY 2026 Calculations	PAY-IN \$15.7

State's "Money in the Bank" Has Fallen



Both GF/GP and SAF projected year-end balances are down from the unprecedented levels realized over the previous four fiscal years.

FY24 Year-End Balance Estimates:

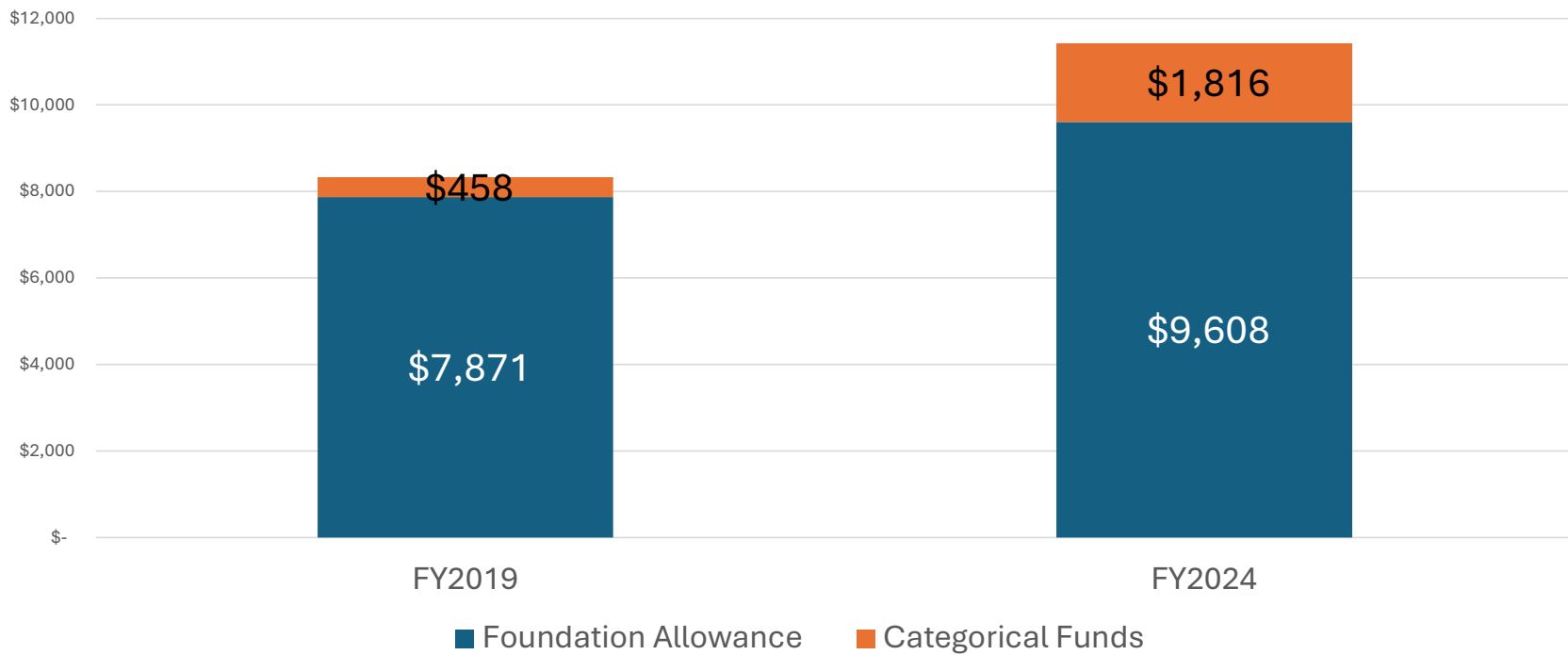
- GF/GP: \$1.1B
- SAF: \$564M

Source: State of Michigan Comprehensive Annual Financial Reports and House Fiscal Agency projections..



SAF Budget FY2023-24

State Funding per pupil - FY2019 v. FY2024



Source: Saginaw ISD budget analysis



SAF Budget FY2023-24

One-Time Categoricals

- In FY 2023-24, a record number of categoricals were funded for a single fiscal year. There are **93** sections that include one-time funding, totaling **\$2.3 billion**.
- Major sections include:
 - **\$328.0 million** for Per-Pupil Mental Health and Safety Grants
 - **\$245.0 million** for Consolidation Grants
 - **\$225.0 million** for a Student Loan Repayment Pilot
 - **\$140.0 million** for Early Literacy Instruction
 - **\$125.0 million** for MI Clean School Bus Grants
 - **\$125.0 million** for School Transportation Costs
 - **\$63.8 million** for an Educator Compensation Program
 - **\$50.0 million** for Mentoring Grants



FY2023-24

Time Categorical

Sec.	APPROPRIATIONS (in thousands):
11j	School Bond Loan Redemption Fund
11m	School Aid Fund Borrowing Costs
11s	Flint Declaration of Emergency
11bb	GEER Fund Reallocation
12c	Consolidation Incentive Payments
20f	Categorical Offset Payments
21h	Partnership Model Districts
22a	Proposal A Obligation Payment
22b	Discretionary Payment
22c	Foundation Allowance - Equity Payment
22d	Isolated Districts
22i	Transportation Costs
22m	Data Hub Network
23g	MI Kids Back on Track
23h	Mathematics Pathways
23i	Friends of the Children - Detroit
24	Court-Placed Children
24a	Juvenile Detention Facility Programs
25f	Strict Discipline Academies Pupil Transfers
25g	Dropout, Recovery Program Pupil Transfers
25k	Covenant House Academy
25i	Student Success Strategies
25m	Additional Weighted Funding for High Poverty Students
26a	Renaissance Zone Reimbursement
26b	PILT Reimbursement
26c	Promise Zone Payments
26d	Brownfield Redevelopment Reimbursements
27a	MI Future Educator Fellowship
27b	Grow Your Own Supports
27c	MI Future Educator Student Teacher Stipends
27h	Statewide Teacher Mentoring and Induction
27i	Rural Educator Credentialing Hub
27j	Administrator/Principal training on special education
27k	Student loan repayment assistance pilot
27l	Salary incentive pilot program / One-Time Foundation
27m	National Board Certification fund
27n	SVSU Saginaw grow your own
27o	Learner Wallet
27q	Instructional coaches for Hamtramck
29	Enrollment Stability Supports
30d	Expanded Breakfast/Lunch Programs
31a	At-Risk Programs
31a	Adolescent Teen Health Centers
31a	Vision/Hearing Screening + Dental
31d	School Lunch - State
31d	School Lunch - Federal
31f	School Breakfast
31j	Local Produce
31n	Mental Health Grants and Admin
31p	TRAILS
31r	Novi Schools Wellness Center
31aa	Mental Health and School Safety Per Pupil Payments
31ff	SMART

32d	Great Start Readiness
32d	Great Start Readiness Startup Grants
32n	Before and After School Programs
32p	Great Start Early Childhood Block Grants
32p(6)	Improving Access to Books
32t	Pilot Program for 3-year-olds
32w	Goal Line
32x	Levin Center/Wayne State civics education
33	K-5 Music Instruction
35a	Early Literacy Teacher Coaches
35a	Early Literacy District Grants
35a	Literacy and Math Essentials
35a	Reading Corps
35a	Professional Learning Early Literacy
35d	Dyslexia Tool
35f	Chaldean Community Foundation
35i	MI Family Engagement Centers
35i(5)	Literacy Marketing
35j	Professional Development Supports
35k	Detroit Parent Network
35l	Lake Shore early childhood center
35m	Literacy Supports
35n	READ Innovation Competition

1.0 million for Early Literacy

5.0 million for MI Clean Sch

5.0 million for School Trans

8 million for an Educator C

0 million for Mentoring Gra

Sec.	APPROPRIATIONS (in thousands):
39a1	Federal Grant Funds
39a2	Other Federal Funding
41	Bilingual Education
41b	KEYS Academy (Refugees)
51a	Special Education - Federal IDEA
51a2	Special Education Foundations & Sped
51a3	Special Ed Hold Harmless Pmt. To ISDs
51a6	Special Ed Rule Change
51a11	Special Ed Non Sec 52 to ISDs
51c	Special Education Headlee
51d	Special Education - Other Federal
51e	Special Education Foundations
51g	Special Education Supports - Learning Library
53a	Court Placed Special Ed FTE
54	MI School for Deaf and Blind
54b	Michigan's MTSS Technical Assistance Center
54d	Early On
56	Special Ed Millage Equalization
61a	Vocational Education
61b	CTE Middle College Program
61c	CTE Equipment Upgrades
61d	CTE Incentive Payment
61j	Downriver career and technical consortium
61k	Mott Bilingual Center
61l	Schoolcraft early/middle college expansion
61m	Beecher schools
61n	Waverly High School
61o	DPS Coleman Young Elementary infrastructure
61p	DPS Foreign Language
61q	Michigan Training Innovation Center
61r	Lansing Schools Hill Center Track
61s	Future Farmers of America
61t	Harper Woods CTE Center
61u	Romulus CTE
61v	Key Industries Pilot
62	ISD Vocational Ed Millage Reimbursement
65	Detroit Pre-College K-12 Engineering Program
67	Michigan College Access Network (MCAN)
67c	Developer Academy
67f	FAFSA Completion Challenge
67g	Ready Rosie
74	Bus Driver Safety
74	School Bus Inspection Program
74b	Electric Bus Grants
81	ISD General Operations
94	AP, IB, CLEP Assessments
94a	CEPI - State
94a	CEPI - Federal
94e	MERI Partnership
95b	EVAAS
97a	Navigate 360
97e	School Safety Commission
97g	Statewide Security Operations Center
97i	Zero Eyes
97j	Student Safety Early Interventions
97k	Student Advocacy Hotline
97l	Dearborn cybersecurity

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97j	Student Safety Early Interventions
97k	Student Advocacy Hotline
97l	Dearborn cybersecurity
97j	Peer Mentoring
98	Michigan Virtual University
98d	Michigan Learning Channel
99a	Heroes Circle
99b	Code.org / Project Lead the Way
99d	Teaching diverse histories pilot
99e	Brilliant Detroit
99f	Godfrey district roof
99g	Helping women period pilot
99h	First Robotics
99m	Shiawasee RESA CTE
99n	Lansing CTE center
99s	MI-STEM Council Grants
99s	MI-STEM Network Regions
99l	Algebra Nation
99u	Imagine Learning
99x	Teach for America
99aa	Project SEARCH
99ee	Hispanic Collaborative
99ff	Junior Achievement - NEW
99gg	Boys and Girls Club SE MI
99hh	City Year fellowship
99ii	Wayne-Westland Drivers training grants
99ii	Dearborn Drivers training grants
99kk	Boys and Girls Club of Grand Rapids

Sec.	APPROPRIATIONS (in thousands):
99ii	Eastpointe high school pool
104	Student Assessments - State
104	Student Assessments - Federal
104f	Digital Literacy Program
104h	Benchmark Assessments
107	Adult Education
107a	Adult Education Pilots
147a	MPERS Cost Offset
147a(2)	MPERS Normal Cost Offset
147a(3)	MPERS Cost Offset - ISDs and District Libraries
147a(4)	MPERS Cost Offset - 20.00% Rate Cap Offset
147c	MPERS UAAL Rate Stabilization Payment
147e	MPERS Transition Costs
147f	MPERS One-Time Payment
152a	Data Collection and Reporting Costs
152b	Nonpublic School Reimbursements

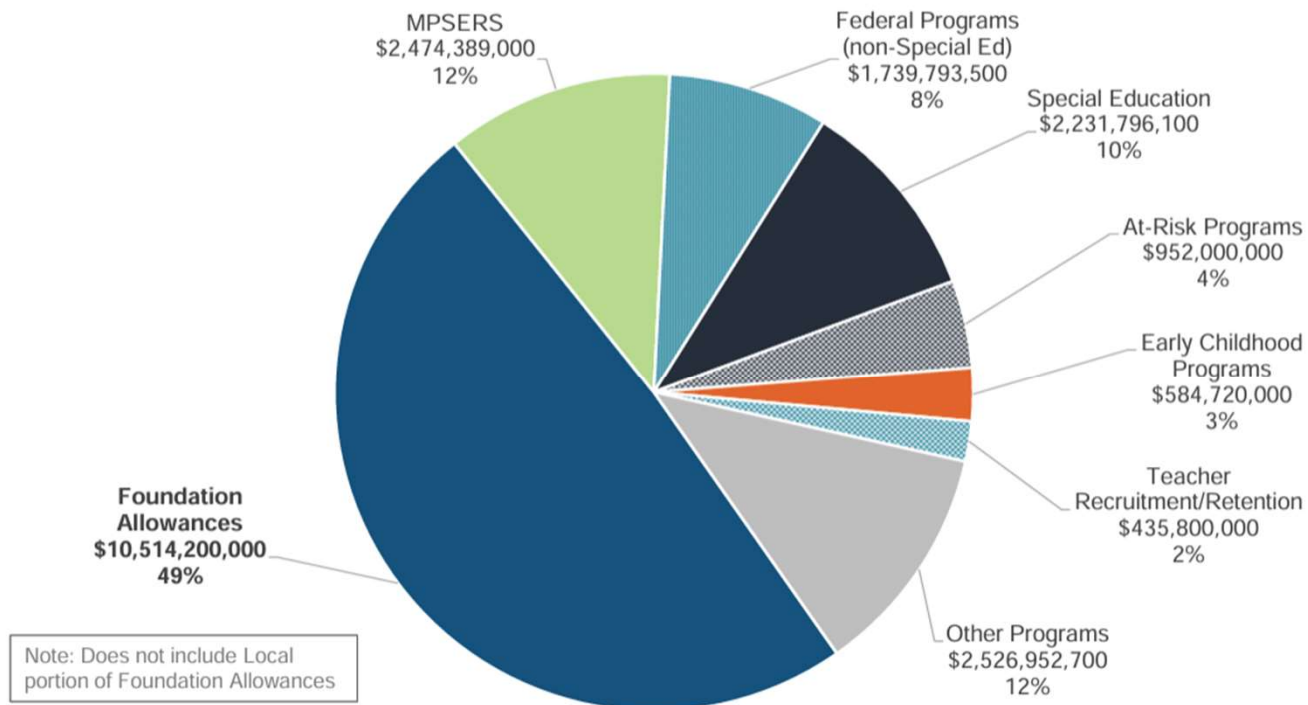
Source: Hou
Agency, Jan





SAF Budget FY2023-24

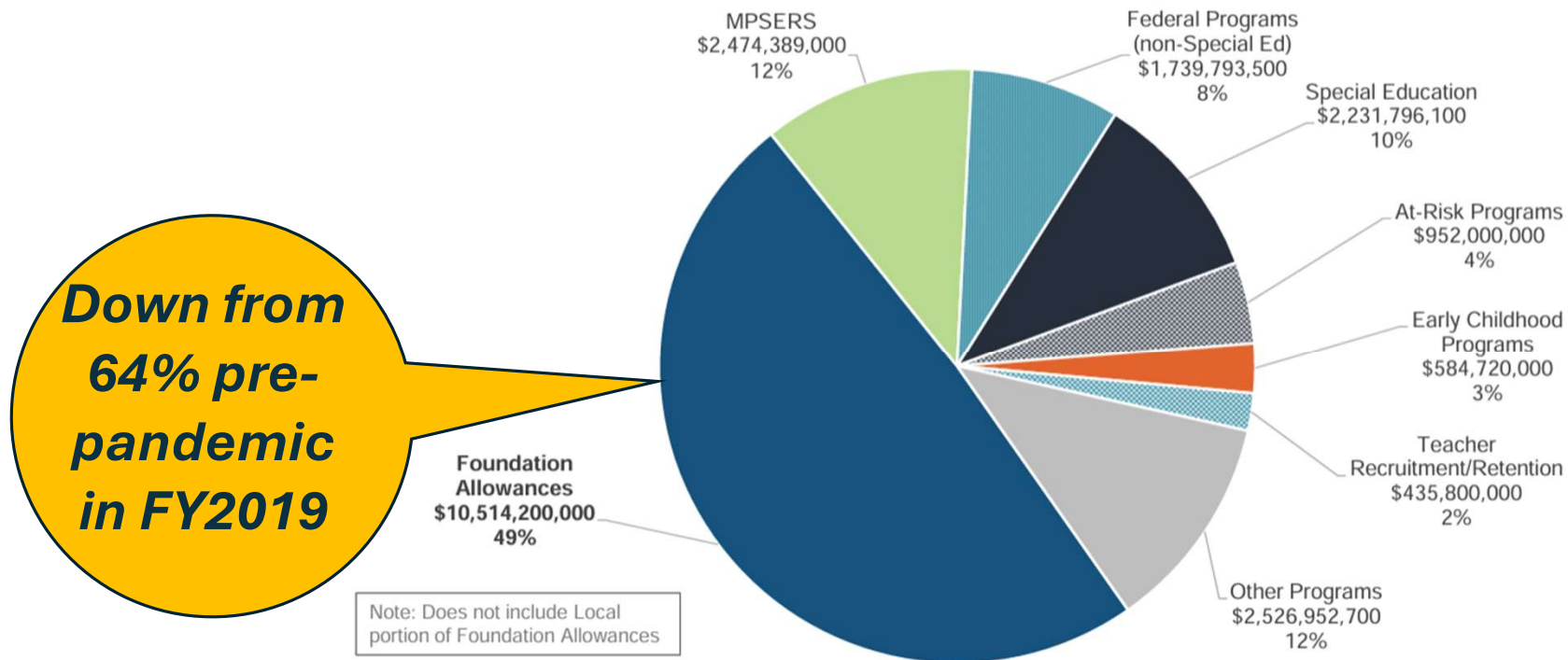
About **49%** of the **\$21.5 billion** School Aid budget supports per-pupil foundation allowances used for school district general operations.





SAF Budget FY2023-24

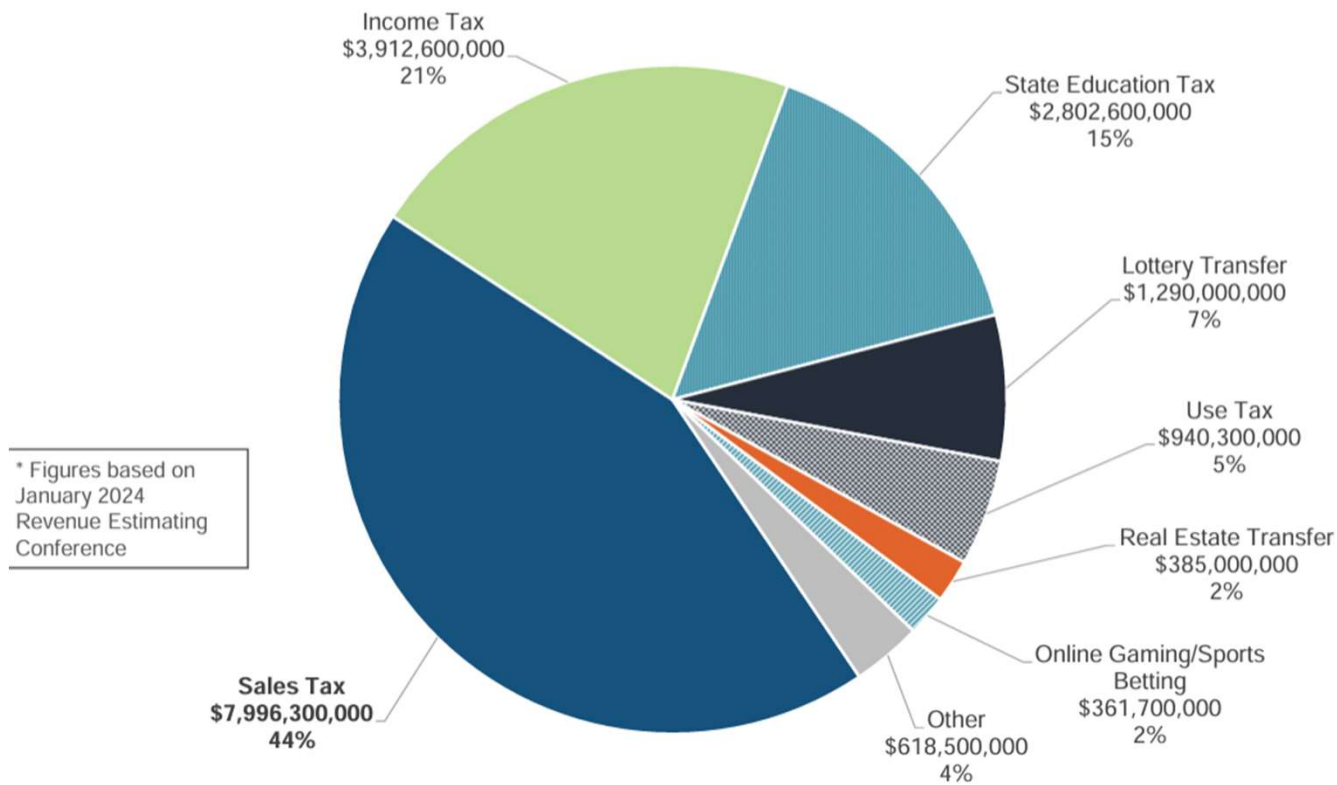
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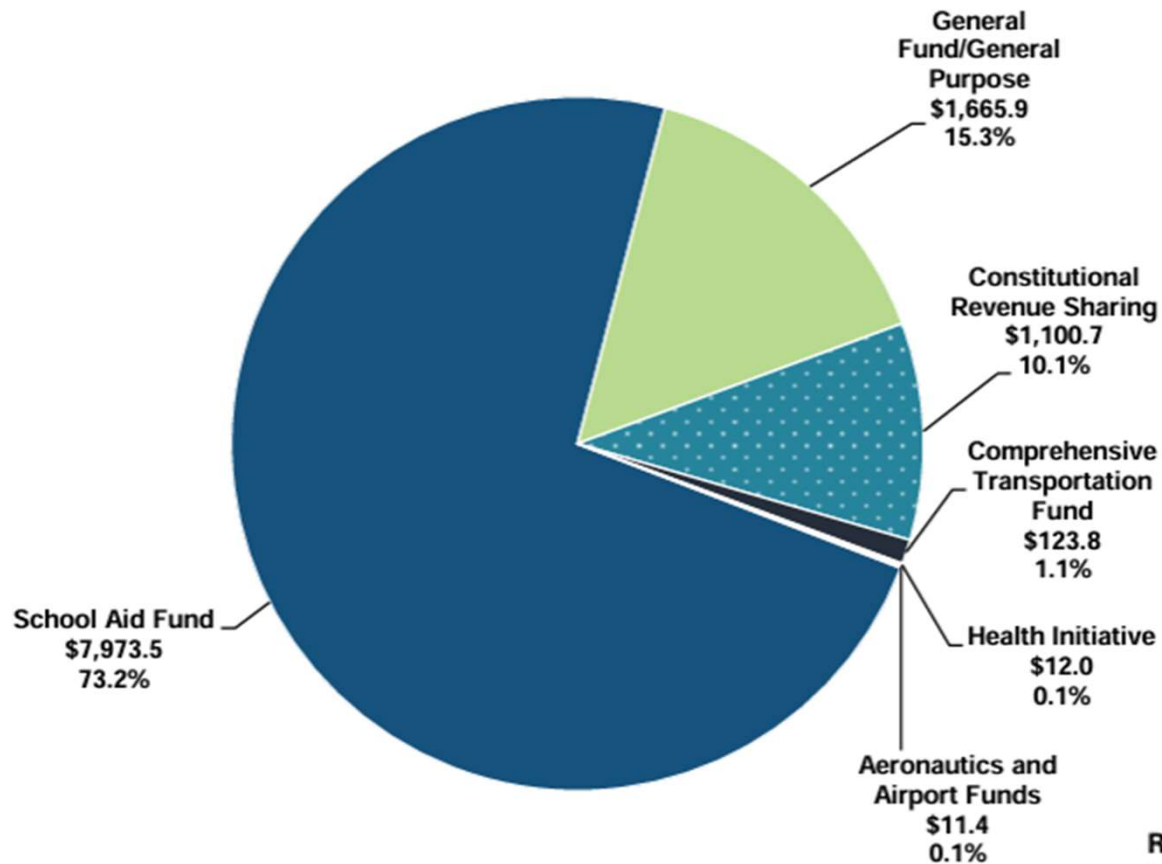
SAF Budget FY2023-24

Sales tax is the largest revenue source, contributing nearly half of the **\$18.3 billion** in total estimated SAF revenue for FY 2024-25.





SAF Budget FY2023-24



STATE OF MICHIGAN SALES TAX REVENUE DISTRIBUTION ESTIMATED FY 2023-24

TOTAL RESOURCES: \$10,887.3 MILLION

(Chart dollars in millions)

***SCHOOL AID FUND
RECEIVES THE MAJORITY
OF SALES TAX REVENUE***

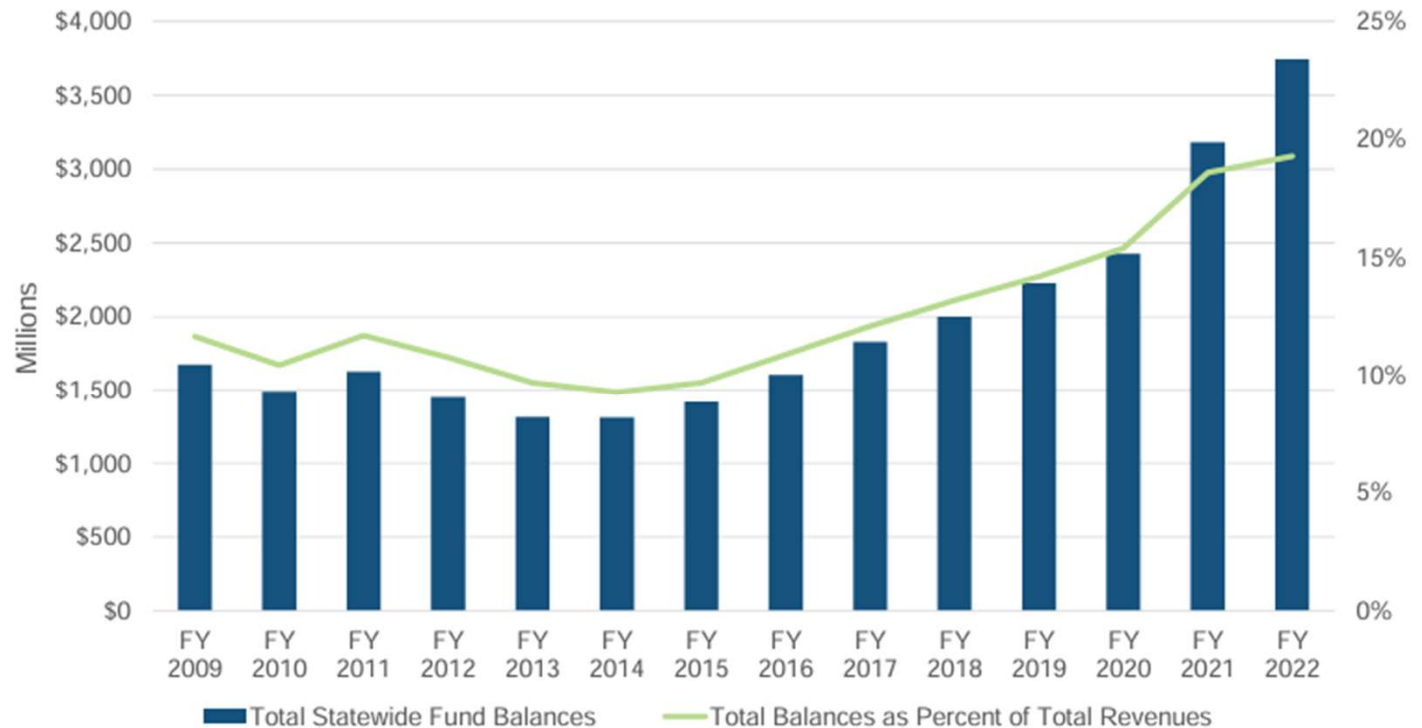
REVENUE SOURCE AND DISTRIBUTION
House Fiscal Agency

September 2023



District Fund Balance

As pupils and funding declined, districts used their fund balances to replace lost revenue. However, fund balances have been growing since FY 2013-14, and at the end of FY 2021-22, totaled **\$4.1 billion**. The average statewide total fund balance as a percent of revenues is now at **19.3%** in FY 2021-22.



Source: House Fiscal Agency, Jan 2024

Note: Figures exclude Detroit Public Schools, for which policy changes have significantly altered fund balance information.



Federal Funds Timeline

ARP
draws to
a close –
have your
ducks in
a row!

ARP Grant Timelines		
ARP Grant Obligation Period Concludes	Monday, September 30, 2024	<p>All ARP funds must be obligated by Monday, September 30, 2024, with no exceptions. This means that:</p> <ul style="list-style-type: none">All equipment, supplies, services, and assistance under the ARP program must be provided (services), or ordered/requested from the vendor by Monday, September 30, 2024, and approved by MDE in the application/budget.
ARP Grant Performance Period Concludes	Friday, November 29, 2024	<p>The ARP Program Period of Performance concludes on Friday, November 29, 2024. This means that:</p> <ul style="list-style-type: none">ARP recipients must be in receipt of all equipment and supplies of validly obligated (MDE approved) purchases that will be submitted for possible payment by Friday, November 29, 2024.Final Expenditure Report (FER) is due by November 29, 2024.Note that services are obligated on the day they are performance, which means that all services provided must end by Monday, September 30, 2024.
ARP Grant Liquidation Period Concludes	Monday, December 30, 2024	<p>All requests for payment must be submitted on or before Monday, December 30, 2024, to be considered for payment using ARP funding.</p>
ARP Grant Close Out	Wednesday, January 29, 2025	<p>MDE, as the SEA, must fully liquidate and close out ARP funding.</p>

Source: MDE, Sept 2024

Federal Funds Timeline

ARP
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Current Status in Michigan – ARP Grants

- As of September 4, 2024:

- ARP ESSER III: \$346.7M remains not drawn (10.4%)
- ARP Sec. 11f: \$27.9M remains not drawn (7.8%)
- Sec. 11bb: Application Open in MEGS+

- Unbudgeted/Unapproved is most concerning with September 30, 2024, deadline to obligate

Federal Funds Timeline

ARP
draws to
a close –
have your
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a row!

Grant Closeout– ARP Grants

- **Entities should ask themselves:**

- Is funding fully spent?
- Have we reconciled ARP expense ledger to reflect actual costs?
- Do expenses align with allowable expenses?
- Have we filed our Final Expenditure Report (FER)?
- Are we prepared for financial and programmatic monitoring?
- Do we have all relevant documentation to support expenditures?
- Do we have policies/practices in place to support financial/programmatic items



SAF Budget FY2024-25

- **3 big issues in the June 2024 budget deal**
 - Foundation Allowance
 - MPERS rates and Sec. 147 funding
 - Sec. 31aa – School Safety and Mental Health



SAF Budget FY2024-25

Budget Recommendations

Ranged from
**2.25% -
3.1%**
increase
(Recall **5%**
each of the
past two
years)

■ Total Appropriations

- ❖ Exec – \$21.56 billion including \$87.9 million in GF/GP
- ❖ Senate – \$20.3 billion including \$59.7 million in GF/GP
- ❖ House – \$21.55 billion including \$88.4 million in GF/GP

■ Foundation Allowance Increase

- ❖ Exec – 2.5% increase of \$241 to \$9,849 per pupil
- ❖ Senate – 3.1% increase of \$302 to \$9,910 per pupil
- ❖ House – 2.1% increase of \$217 to \$9,825 per pupil

■ Cyber School Foundation Allowance

- ❖ Exec – reduced to 80% of allowance to \$7,879 per pupil
- ❖ Senate – reduced to 80% of Senate proposed allowance to \$7,928 per pupil
- ❖ House – leaves at current amount of \$9,150

**MAIN ISSUE #1
FOUNDATION
ALLOWANCE**

SAF Budget FY2024-25

Ranged from
**2.25% -
3.1%**
increase
(Recall **5%**
each of the
past two
years)

Budget Recommendations

■ Total App

❖ Exec – \$2

❖ C

■ Fou

❖ Exec

■ Cyb

❖

\$7,920 p

❖ House –

RESULT: **\$0 increase** -
\$9,608 for FY2024-25

**PSA's get one-time
increase of 3.9%** through
Sec. 22e – est. **\$9,983** for
FY2024-25

proposed allowance to

at current amount of \$9,150

SAF Budget FY2024-25

Ranged from
2.25% –
3.1%
 increase
 (Recall 5%
 each of the
 past two
 years)



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Source:
 Michigan
 Executive Office
 of the Governor,
 email release
 July 1, 2024

SAF Budget FY2024-25

- Source: *Oakland Schools analysis, June 2024*

THIS SWITCH FROM THE STATE HAS A WIDE RANGE OF IMPACTS DEPENDING ON YOUR DISTRICT'S DEMOGRAPHICS, BUDGET PRIORITIES, PAY LEVELS, ETC...

NOT A 4.2% ACROSS THE BOARD INCREASE!

State of Michigan School Funding 2024-25 School Aid

	2023-24 Membership	Sec. 147a(4) UAAL Offset	Per Pupil Increase	2023-24 Foundation	2024-25 % Increase
County Average			\$ 438.43		4.56%
Ad Hills Schools	5,105.93	\$ 3,370,064	\$ 660.03	\$ 9,608	6.87%
Am Public Schools	7,313.37	\$ 4,235,780	\$ 579.18	\$ 9,608	6.03%
n District Public Schools	876.34	\$ 461,289	\$ 526.38	\$ 9,608	5.48%
Park School District	2,954.21	\$ 1,533,052	\$ 518.94	\$ 9,608	5.40%
field Public School District	4,783.67	\$ 2,382,878	\$ 498.13	\$ 9,608	5.18%
erford School District	6,863.35	\$ 3,395,181	\$ 494.68	\$ 9,608	5.15%
nington Public School District	9,082.24	\$ 4,468,492	\$ 492.00	\$ 9,608	5.12%
nphere Public Schools	2,384.72	\$ 1,129,768	\$ 473.75	\$ 9,608	4.93%
wson Public Schools	1,200.66	\$ 542,156	\$ 451.55	\$ 9,608	4.70%
ak Park School District	3,055.35	\$ 1,368,208	\$ 447.81	\$ 9,608	4.66%
est Bloomfield School District	4,853.37	\$ 2,172,529	\$ 447.63	\$ 9,608	4.66%
ontiac City School District	3,621.07	\$ 1,609,019	\$ 444.35	\$ 9,608	4.62%
ake Orion Community Schools	7,044.77	\$ 2,998,747	\$ 425.67	\$ 9,608	4.43%
uron Valley Schools	7,808.68	\$ 3,309,703	\$ 423.85	\$ 9,608	4.41%
roy School District	12,370.44	\$ 5,185,783	\$ 419.21	\$ 9,608	4.36%
oyal Oak Schools	4,854.14	\$ 2,022,731	\$ 416.70	\$ 9,608	4.34%
ovi Community School District	6,715.98	\$ 2,748,543	\$ 409.25	\$ 9,608	4.26%
alled Lake Consolidated Schools	12,118.43	\$ 4,937,872	\$ 407.47	\$ 9,608	4.24%
arkston Community School District	8,774.65	\$ 3,524,467	\$ 401.66	\$ 9,608	4.18%
ith Lyon Community Schools	8,341.45	\$ 3,350,044	\$ 401.61	\$ 9,608	4.18%
hester Community School District	14,887.55	\$ 5,867,513	\$ 394.12	\$ 9,608	4.10%
ley School District	5,691.25	\$ 2,212,521	\$ 388.76	\$ 9,608	4.05%
riceville School District	1,659.02	\$ 638,469	\$ 384.85	\$ 9,608	4.01%
ale Public Schools	3,130.72	\$ 1,172,978	\$ 374.67	\$ 9,608	3.90%
ra School District	3,124.51	\$ 1,120,450	\$ 358.60	\$ 9,608	3.73%
Community Schools	7,397.44	\$ 2,625,733	\$ 354.95	\$ 9,608	3.69%
chool District	2,097.28	\$ 719,128	\$ 342.89	\$ 9,608	3.57%
chool District	4,854.38	\$ 1,636,916	\$ 337.20	\$ 9,608	3.51%

SAF Budget FY2024-25

State of Michigan School Funding 2024-25 School Aid

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				\$ 9,608	5.15%
					5.12%
					4.93%
					4.70%
					4.66%
					4.66%
					4.62%
					4.43%
					4.41%
					4.36%
					4.34%
					4.26%
					4.24%
					4.18%
					4.18%
					4.10%
					4.05%
					4.01%
					3.90%
					3.73%
Community Schools	7,397.44	\$ 2,625,733	\$ 354.95	\$ 9,608	3.69%
School District	2,097.28	\$ 719,128	\$ 342.89	\$ 9,608	3.57%
School District	4,854.38	\$ 1,636,916	\$ 337.20	\$ 9,608	3.51%

RECOMMENDATIONS:

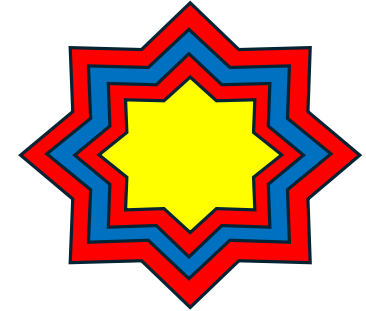
- Understand your district's budget assumptions & quantify the difference
- Gauge impact on any CBA formulas
- Update multi-year projections

• Source
analysis

THIS SW
A WIDE R
DEPEND
DEMOGR
PRIORIT

NOT A 4.2
INCREASE!

SAF Budget FY2024-25



- **MAIN ISSUE #2: MPSERS funds**
- MPSERS has different “buckets” of liabilities...
- OPEB is > 100% funded once the next valuation comes out
- This budget resource for FY2024-25 requires a statutory change...
- BUT....
- It sounds like the State will have a question to deal with in either FY2024-25 or FY2025-26

SAF Budget FY2024-25



- **MAIN ISSUE #2: MPSERS funds**
- **So where do we stand as of Nov 1, 2024?**
- HB 5803 passed last month – will go into effect Oct 1, **2025**
- Sec. 147g **3% employee reimbursement** will go into effect...*but when?*
- Sorting out what rates to use and when...**Oct 1 is past!**
- \$598 million pumped in was larger than any of the 3 budget proposals...did it come at cost of Foundation Allowance increase?
- Didn't get the net district cost reduction hoped for...**Executive budget proposal approach won out**



SAF Budget FY2024-25

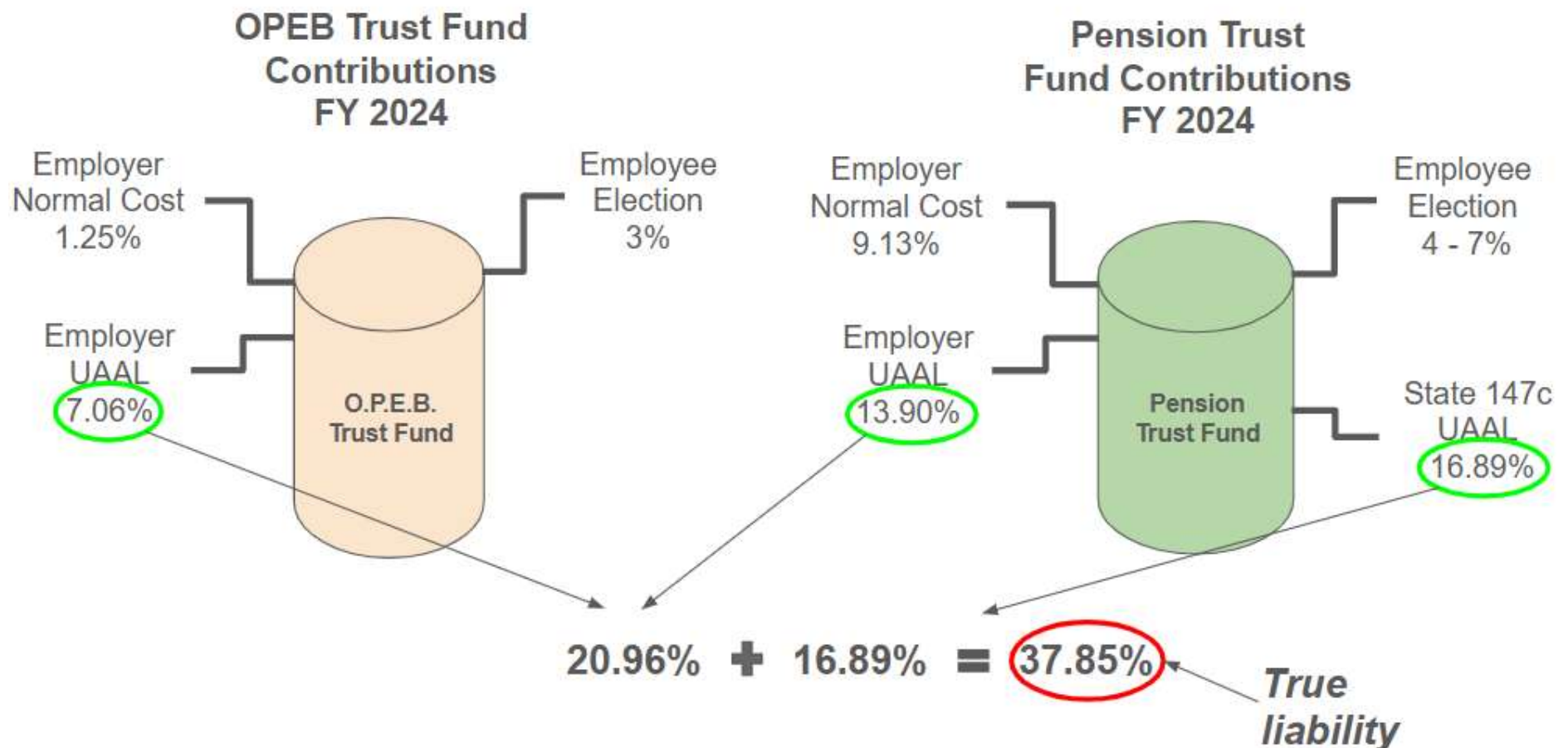
Retirement Act Amendments

- Beginning October 1, 2025, the maximum liability rate (UAAL rate) a school district can be charged is 15.21% of that school district's payroll (reduced from the current 20.96%)
- Beginning October 1, 2025, employees hired prior to September 4, 2012, will no longer be required to pay three percent (3%) of their wage for retiree health insurance
- The floor funding provision is removed
- The reimbursement plan for 2024-25 is unchanged





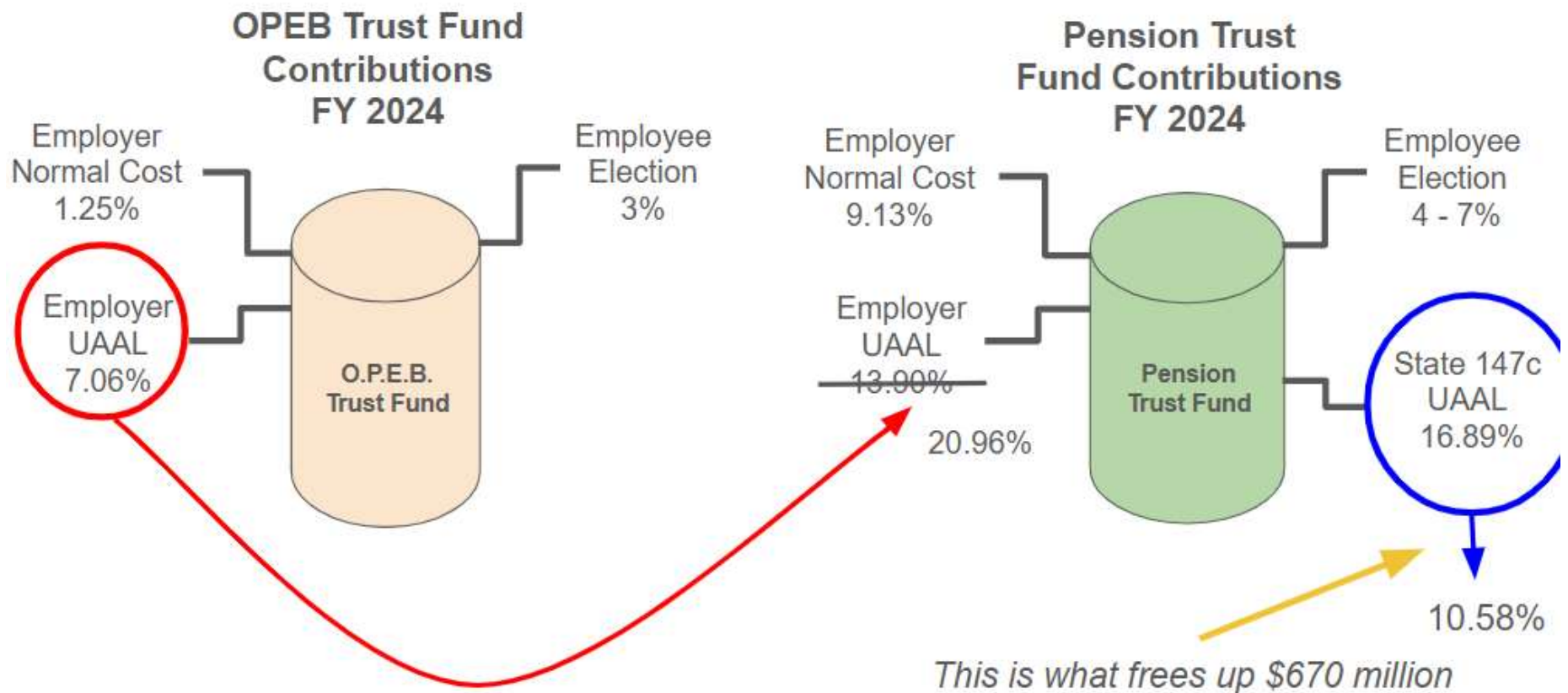
SAF Budget FY2024-25



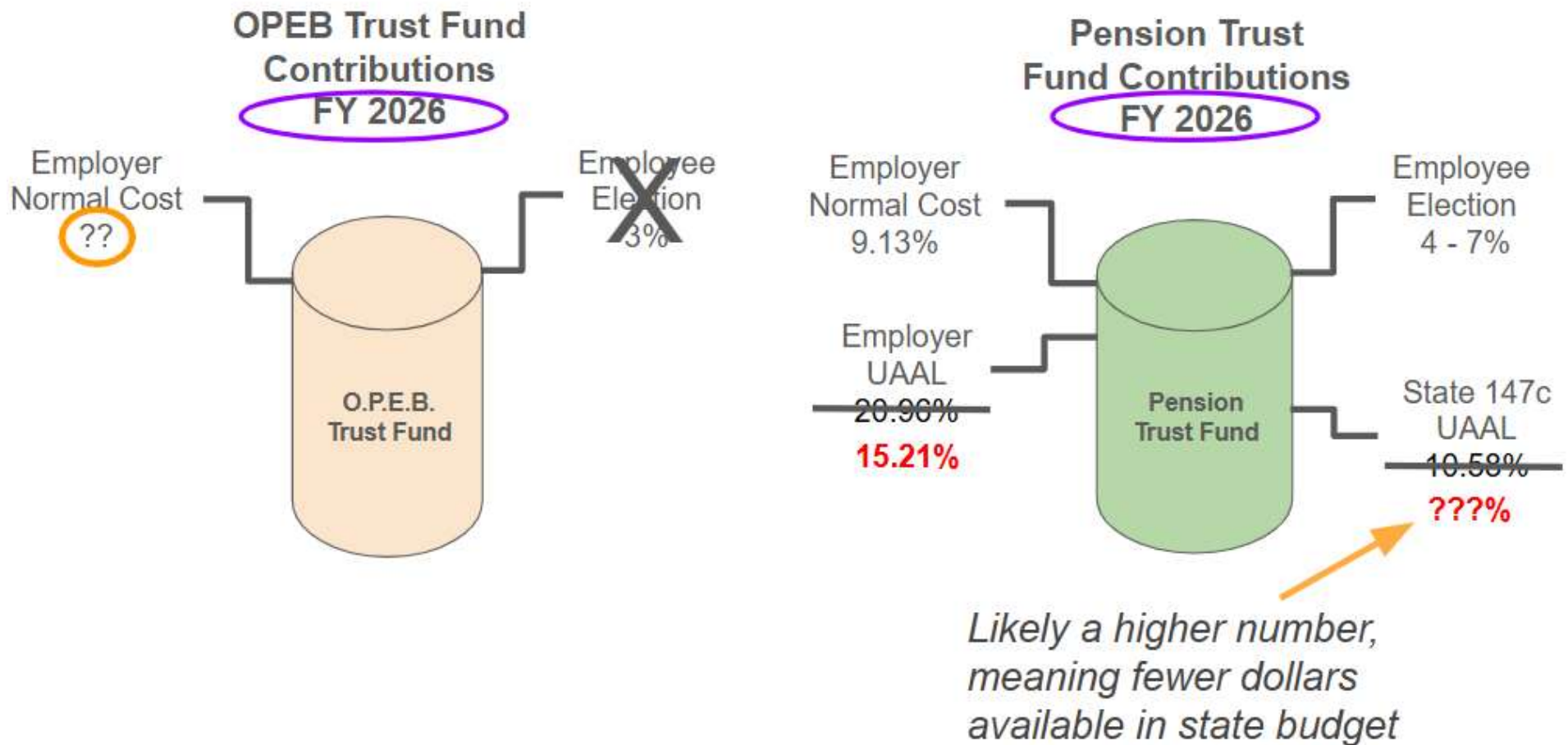


SAF Budget FY2024-25

Executive & Senate Budget Plan



SAF Budget FY2024-25





SAF Budget FY2024-25

3% Reimbursement

This is a complex issue and patience is key.

- \$181 million based on 2023-24 payroll figures
- Enough money to fully reimburse affected employees?
- Taxable event
- Possibly a reportable event (DLT4) - MPSERS deductions
- No formula for distribution to districts; requires district-by-district analysis of how many employees are eligible and what their pay rate is for 2024-25
- Money coming to districts in state aid payments beginning in December, maybe later???
- Existing law continues requiring districts to collect the 3% through September 30, 2025
- Developing a communication for affected employees





SAF Budget FY2024-25

- Section 147 highlights and lowlights of the FY2024-25 budget deal...
- Rate changes for assumed statutory change – decrease in UAAL state-subsidized portion of rate – **NO NET DISTRICT COST SAVINGS HERE.**
- Sec. 147a1 – stays at \$100 million
- Sec. 147a2 - increases allocation from \$359.95mm to \$365.1mm
- Sec. 147a3 - no change – continues \$12mm for ISD's.
- Sec. 147a4 – **NEW - \$598 million** to offset **5.75%** of payroll cost
- Sec. 147c(1) – **reduced significantly**. From \$1.647 billion for FY2023-24 to **\$955 million** for FY2024-25.
- **CONTINUED...**



SAF Budget FY2024-25

- Section 147 highlights and lowlights of the FY2024-25 budget deal...
- **CONTINUED...**
- Sec. 147c(2) – **ADDED** - \$250 million – state-subsidized portion...the budget bill calls this an “asset” to the state rather than UAAL...more to come!
- Sec. 147e – increased from \$90.4 to \$104.7 million for FY2024-25
- Sec. 147f – **eliminated – NET LOSS FOR DISTRICTS**
- Sec. 147g – MPSERS Employee Healthcare Reimbursement - \$182 million for the districts to reimburse the 3% deduction
 - ***Sounds like more work for district admin & business offices***
 - ***The 3% - gift that keeps on giving!***



SAF Budget FY2024-25

**Updates...
hot off the
press!**

- New rates published Oct 7, 2024, effective Oct 3, 2024
 - Stabilization rate goes to 10.58% to match Sec. 147c appropriation
 - More permanent changes go into effect Oct 1, 2025
 - Sec. 147g & 3% reimbursement will still happen in FY2024-25
- Didn't get the net district cost reduction hoped for...**Executive budget proposal approach won out**



SAF Budget FY2024-25

- **MAIN ISSUE #3: Sec. 31aa Mental Health & School Safety Funding**
- Feb – Gov: Sec. 31aa School mental health and safety - per pupil grants for the 2024-25 fiscal year include a decrease in from \$310 to \$300 million SAF, with a **future reduction planned** to **\$150 million**.
- Apr – House: **\$300 million**, keeps 50% mental health requirement
- Apr – Senate: **\$50 million** ongoing, **\$150 million** for FY2024-25 only
- June – drastically cut to **\$25 million** in Conference Committee



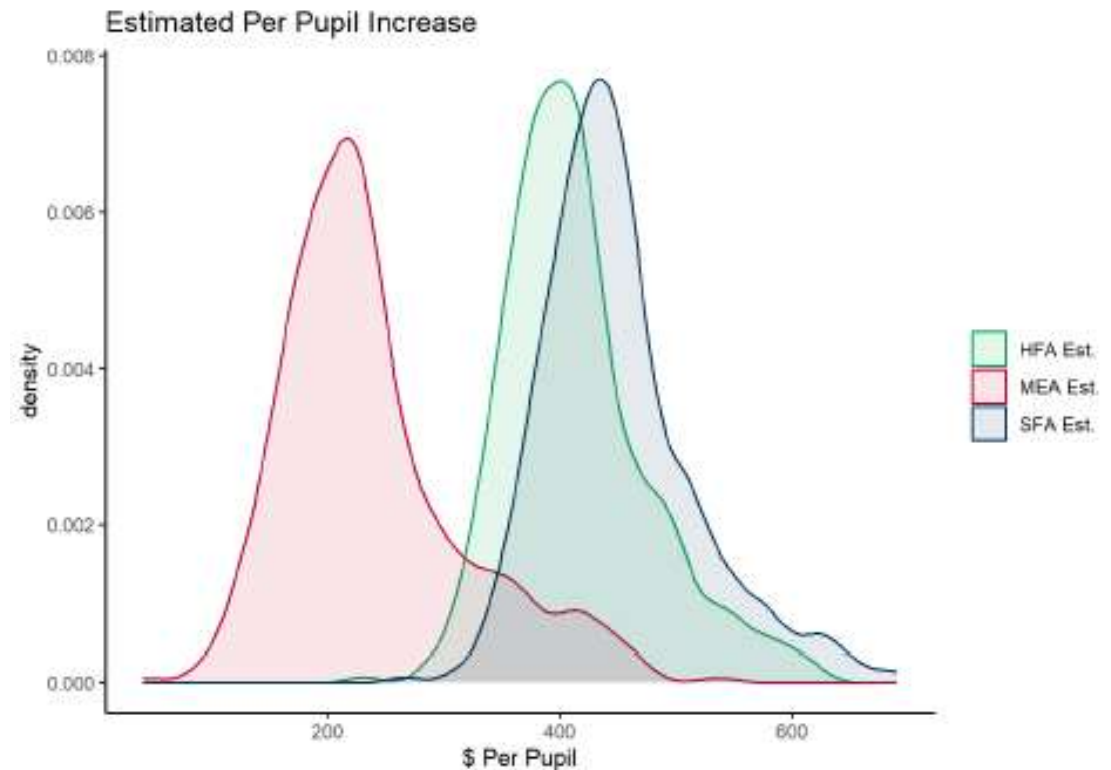
SAF Budget FY2024-25

Source: MEA/MSBO
SAF budget analysis,
July 2024

- **MAIN ISSUE #3: Sec. 31aa Mental Health & School Safety Funding**

Because the FY2023-24 Sec. 31aa funds were technically one-time only, the State is not considering this a cut...

Once factored in, the FY2024-25 district impacts look a lot different





SAF Budget FY2024-25

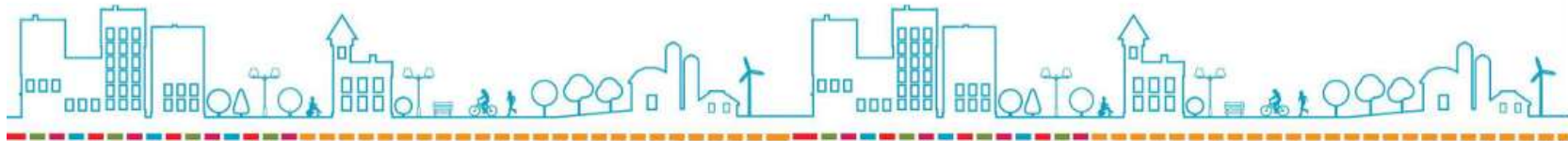
- *Prior to supplemental*



31aa Funding



- 31aa funding provides payments to districts, intermediate school districts (ISDs), non-public schools, and the Michigan School for the Deaf to improve student mental health and improve student safety.
- To receive 31aa funding, eligible recipients can opt in and agree through the Grant Electronic Monitoring System/Michigan Administrative Review System (GEMS/MARS) via [MiLogin](#) beginning September 3, 2024.
 - The process to opt in will close at 11:59 PM Eastern Standard Time (EST) November 1, 2024.
 - There is no requirement to submit a budget when opting in.
- 31aa funds will be disbursed by December 31, 2024, on a per-pupil basis.
 - Current estimate is around \$17.60/student.
- The grant period for 31aa funds is **10/1/24-9/30/26** because new boilerplate language for this section allows for one year of automatic carryover.
- Recipients of 31aa funds will be required to submit an expenditure report in GEMS/MARS no later than June 1, 2025.





SAF Budget FY2024-25



Mental Health Funding in State School Aid Since Fiscal Year (FY) 18

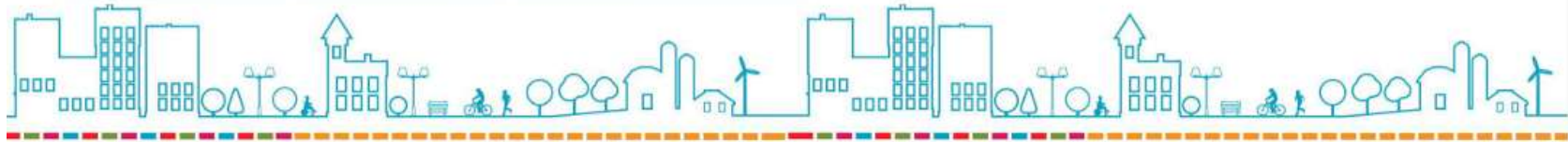


- *Prior to supplemental*

Fiscal Year	Recurring	Non-Recurring
FY18	\$0	\$0
FY19	\$31.3m	\$0
FY20	\$31.3m	\$0
FY21	\$56.9m*	\$0
FY22	\$53.9m	\$125.4m
FY23	\$78.9m	\$297.5m
FY24	\$107.8m	\$384.0m
FY25	\$132.8m	\$3.95m

*FY21 was \$36.9m + \$20m supplemental in March of 2021

- FY25 Recurring = 31n, 31aa (public)
- FY25 Non-Recurring = 31aa (nonpublic), 31g, 99(10), and 99(17)





SAF Budget FY2024-25

- **MAIN ISSUE #3: Sec. 31aa Mental Health & School Safety Funding**
- *Sept 2024 – supplemental appropriation to restore \$125 million*
- *No immediate effect – probably impacts March 31, 2025-forward*
- *As of now – application is in GEMS/MARS and due 11/1/2024*



SAF Budget FY2024-25

- *Not the only changes in FY2024-25 – some other highlights:*
- GSRP – continued increased investment. \$85 million plus some other categorical funds...
 - Moves to 400% of FPL. Can enroll all 4-year-olds once documented that waiting list is clear. All 4-year-olds prioritized before 3-year-olds regardless of FPL. Every ISD needs prioritized enrollment standards. Aug 15 deadline for enrollment for over-income families (can be sooner).



SAF Budget FY2024-25

- *Not the only changes in FY2024-25 – some other highlights:*
- Sec. 31a At Risk – continued increased investment. Over \$1 billion for FY2024-25
 - Continued opportunity index bands
 - New flexibility provisions to reduce teacher/pupil ratio and support retention and recruitment efforts



SAF Budget FY2024-25

- *Not the only changes in FY2024-25 – some other highlights:*
- Sec. 30d Michigan School Meals – continued increased investment. Total of **\$200 million** for FY2024-25 (SAF + Reserve \$)
 - Meal counts and participation rates in FY2023-24 were predictably very high around the state



SAF Budget FY2024-25

- *Not the only changes in FY2024-25 – some other highlights:*
- **Sec. 22l Transportation** – continued investment. Total of **\$125 million** for FY2024-25
- Website: <https://mapt.org/transportation-reimbursement-22l/>
- Webinar recording:
<https://drive.google.com/file/d/1CvQ5iQcfXC9fZHWIBcuRrjy29gw1aUs9/view>



SAF Budget FY2024-25

- *Not the only changes in FY2024-25 – some other highlights:*
- Continued flat investment for FY2024-25 in the following key areas...
 - *Sec. 27a MI Future Educator Fellowship*
 - *Sec. 27c MI Future Educator Student Teacher Stipend Program*
 - *Sec. 29 Enrollment Stabilization*
 - *Sec. 81 ISD operations*
 - *...and many others*



SAF Budget FY2024-25

- *Not the only changes in FY2024-25 – some other highlights:*
- As expected, removal of many one-time sources from FY2023-24 budget.
 - *With over \$2.3 billion in FY2023-24 – this was inevitable.*
 - *See p.32 of this document for more detail*
 - *https://www.msbo.org/wp-content/uploads/2024/06/24h5507h1cr1_education_omnibus_conference_report_summary.pdf*



SAF Budget FY2024-25

- *Not the only changes in FY2024-25 – some other highlights:*
- Resources available:
- MSBO State Aid webpage
 - <https://www.msbo.org/school-finance/funding/state-school-aid/>
- MASB Views from the Capitol (July 1, 2024)
 - https://youtu.be/9aJP5Wzq_Fw?si=jlAJ92ig9FMNbHG3

SAF Budget FY2024-25 – Election Impact

Lame Duck

- Mid-November - December 31
- Intensity dependent on November elections
- PA 152 - changes to hard cap
 - The per pupil cost of 1% increase in employer premiums
- FAFSA?
- ESTA changes???
- School safety package?
- Supplemental budget
- Surprises??





SAF Budget FY2024-25 – Election Impact

ELECTIONS

Michigan Republicans reclaim state House; House Speaker concedes



Clara Hendrickson

Detroit Free Press

Published 10:46 a.m. ET Nov. 6, 2024 | Updated 5:5

Republicans gained control of the state House following the 2024 general elections. As of November 6 at 9:45 a.m. *The Associated Press* projected that Republicans would win 53 of the 110 seats in the chamber.^[1] Additionally, the *Detroit Free Press*' Clara Hendrickson wrote that "unofficial county-level results from three additional state House races show Republicans carrying enough seats to win a majority." In a statement to the *Detroit Free Press*, Speaker of the House [Joe Tate](#) (D) conceded that Republicans would control the chamber.^[1]

All 110 seats were up for election. Heading into the election, Democrats held 56 seats and Republicans held 54. If Republicans had gained more than one

Michigan House of Representatives elections, 2024

Michigan 2024 elections



U.S. Senate • U.S. House • State executive offices • State House • Special state legislative • Supreme court • Appellate courts • Local ballot measures • School boards • Municipal • Recalls • All other local • How to run for office





SAF Budget FY2024-25 – Election Impact

- *October “Up North” Legislative update re: Lame Duck*
- https://www.msbo.org/isdcommittee_oct24_legislativeupdate/

MSBO Update

- Leadership Transition!





MSBO Update

- Updated/renewed focus for FY2024-25
 - Regional Groups
 - **Practical Professional Development**
 - Supporting Other Functional Areas
 - *Other Business Office Roles - Payroll, Human Resources*
 - *Operations & Support - Facilities, Transportation and Food Service*



MSBO Update

- Updated/renewed focus for FY2024-25
 - *Operations & Support - Facilities, Transportation and Food Service*



TIM PERAINO, CFD

ASSOCIATE EXECUTIVE DIRECTOR OF
SUPPORT SERVICES

Bus Program, Facilities,
Transportation, MISEC, Leadership
Institute

(517) 327-2582

tperaino@msbo.org



MSBO Update

- FY2024-25 events are live!
 - <https://www.msbo.org/msbo-schedule-of-events-24-25/>



2024-25 SCHEDULE OF EVENTS

The Schedule of Events for the 2024-25 school year is now available!

[VIEW THE SCHEDULE OF EVENTS](https://www.msbo.org/msbo-schedule-of-events-24-25/)



MSBO Business Manager Academy

*FY2024-25
cohort
underway*

*In-person +
virtual
options*

Topics for discussion include:

- Budgeting
- Cash flow and borrowing
- Working & Negotiating with unions
- Human resources
- Facilities, Food Service, Transportation
- Technology
- Curriculum
- Bond issues



The Business Manager Academy provides:

- ✓ Online technical content provided for advanced self-study
- ✓ Facilitated “in-person” work sessions designed to foster skills through “real-world” case examples
- ✓ Individual mentoring opportunities to allow for personalized professional support
- ✓ MSBO certification renewal credit is available
- ✓ SCECHs and college credit will be awarded pending approval



MSBO Leadership Institute

*2025
Application
Window
Opens in
Fall 2024*

*Single
Annual
Cohort*

[LINK](#)

MSBO LEADERSHIP INSTITUTE



This program is designed to help individuals grow as leaders through its challenging curriculum. It includes face-to-face group sessions focusing on specific leadership themes and individual, personal executive coaching sessions.

✓ [Click here](#) for a detailed outline

✓ [Click here](#) to see the list of co

HULINGS AND ASSOCIATES, L.L.C

David J. Hulings
Motivational Transition Coach



www.hulingsandassociates.com
231.865.1455 • djhulings@gmail.com



MSBO Awards

*January 31 –
Annual
deadline for
nominations*

**Michigan School Business Officials**

Search ...

SIGN IN

EVENTS

ABOUT ▾MEMBERSHIP ▾PROFESSIONAL DEVELOPMENT ▾CERTIFICATION ▾SCHOOL FINANCE ▾BUSINESS SOLUTIONS ▾

SCHOOL BUSINESS OFFICIAL OF THE YEAR

PURPOSE & INTENT:

This award honors an individual with innovative and unique accomplishments and contributions with en years.

[Click here to download the scholarship application. Deadline is January 31, 2023.](#)

Winners

- 2022 – Michelle Sine
- 2021 – Scott Sawyer
- 2020 – Lawrence J. Gallagher
- 2019 – Cheryl S. Wald
- 2018 – Robert F. Moore, Jr.

**Michigan School Business Officials**

ABOUT ▾MEMBERSHIP ▾PROFESSIONAL DEVELOPMENT ▾CERTIFICATION ▾

MSBO AWARDS

MSBO's Meridian, School Business Official of the Year and successes and to recognize the extraordinary contribution

Direct questions to [Nancy Hawkins](#), 517/327-9254.

- ✓ Business Official of the Year – January 31 deadline
- ✓ Distinguished Service Award – January 31 deadline
- ✓ Meridian Award of Excellence – January 31 deadline
- ✓ President's Award
- ✓ Friend of Education Award

MSBO Update

BUSINESS SOLUTIONS



***MILAF+
DEPOSITS AND
RETURNS ARE
INCREASING***



***35% INCREASE IN
DISTRICT
REBATES PAID ON
2022 SPEND***



***MISEC
UTILITY
CO-OP***



Posting a Position
Confidential Credential Submissions
✓ Recruiting



***BUS PURCHASE
PROGRAM***



Reach out with Q's

Robert Dwan

MSBO Executive Director

rdwan@msbo.org

(517)327-2586

Tim Peraino

MSBO Associate Executive
Director

tperaino@msbo.org

(517)327-2582

Jason Helsen

MSBO Associate Executive Director

jhelsen@msbo.org

(517)376-3087

