



Michigan School Business Officials

School Finance/ISD Committee
CREC Debrief
May 16, 2025
Chat Edited

12:33:18 From Jason Helsen:

CREC documents are linked here: <https://www.msbo.org/school-finance/funding/revenue-forecasts/>

12:38:14 From Bob Kefgen:

how much are we talking about in terms of GF to SAF fund swap due to withholdings?

12:40:00 From Noel Benson:

There's uncertainty about how much SAF is benefiting from this swap due to withholdings, but current estimates are somewhere between \$45 million and \$95 million.

12:44:31 From Bob Kefgen:

The \$2.3B balance is about \$300M higher than what we saw in Jan, but revenue doesn't account for more than about \$100M of that. Where is the rest coming from? Pupil counts weren't that far off were they?

12:49:38 From Noel Benson to Everyone:

Part of the CREC adjustments that aren't noted here is that the FY 25 starting balance is around \$110 million higher now than it was in January due to changes in FY 24 (such as lapsed funding). Between FY 25 and FY 26, May CREC adjustments increased SAF revenue by around \$130 million. The remaining difference is other small adjustments.

Higher ending balance in FY 24 (as of preliminary book closing) than expected, which increases the beginning balance for FY 25 by \$128m; positive revenue adjustment of \$86m in FY 25 and an additional \$43m in FY 26

12:50:22 From Dave Ladd:

Is the SOAR funding baked into the FY 26 GF estimates?

Jacqueline Mullen: Yes, we account for the expiration. That is why growth rates are high.

12:50:35 From Bob Kefgen:

Have you guys analyzed the trends in pupil enrollment at a more granular level? Where are the declines? Who is seeing increases other than charters? Are there trends?

12:53:33 From Bob Kefgen:

GF revenue estimates are about \$600M below Jan, but the balance sheet only shows a \$400M changes. What accounts for the other \$200M?

13:00:03 From haslenars:

I did not watch the actual session - was there any discussion regarding the affect of the Road Construction plan of the house and potential loss of Sales tax and how they would back fill with these updates?

13:05:13 From Noel Benson:

FY 2024-25 Line Item and Boilerplate Summary: Higher Education

Q: What accounts for the ~\$530m decrease in the FY 26 GF/GP ending balance (\$1.1b in January CREC; adjusted to \$611m in May CREC)?

A: Negative revenue adjustments of -\$222m in FY 25 and -\$363m in FY 26; higher expected expenditures in FY 26 driven by increases in child care caseload adjustments (\$93m) and other economic/baseline adjustments (\$132m), plus a potential UIA settlement (\$90). These negative adjustments are partially offset by \$370m in increases, including in the beginning balance for FY 25 (\$188m), among other more minor adjustments.