

**SCHOOL AID AND  
GENERAL BUDGET  
OVERVIEW  
FY 2014-15 AND FY 2015-16**

**Presented to the  
Michigan School Business  
Officials**



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**Governor's Proposal  
to Balance  
FY 2014-15 Budget**

**Executive Order 2015-5**

**and**

**FY 2014-15 Supplemental  
House Bills 4110 and 4112**

**Table 1**

| <b>FY 2014-15 GENERAL FUND/GENERAL PURPOSE (GF/GP)<br/>REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES<br/>(Millions of Dollars)</b> |                   |
|--|-------------------|
|  | <b>FY 2014-15</b> |
| <b>Revenue:</b>  |                   |
| Beginning Balance.....   | \$306.4           |
| <u>Ongoing Revenue:</u>  |                   |
| May 2014 Consensus Revenue Estimate .....  | \$9,826.0         |
| January 2015 Consensus Revenue Change.....   | <u>(324.6)</u>    |
| January 2015 Consensus Revenue Estimate .....  | \$9,501.4         |
| <u>Other Revenue Adjustments:</u>  |                   |
| Revenue Sharing Payments.....  | (459.2)           |
| Shift of Short-Term Borrowing Costs to School Aid Fund .....   | 3.0               |
| Managed Care Use Tax (PA 161 of 2014).....   | <u>373.7</u>      |
| Subtotal Ongoing Revenue.....  | \$9,418.9         |
| <u>Non-Ongoing Revenue:</u>  |                   |
| One-Time Appropriation for Revenue Sharing .....   | (8.8)             |
| Venture Michigan Fund Adjustment.....  | <u>(38.1)</u>     |
| <b>Total Estimated GF/GP Revenue .....</b>   | <b>\$9,678.4</b>  |
| <b>Expenditures:</b>   |                   |
| Initial Ongoing Appropriations.....  | \$9,594.0         |
| Initial One-Time Appropriations .....  | 207.0             |
| Initial One-Time Appropriations for Transportation.....  | 284.6             |
| One-Time Appropriation to Budget Stabilization Fund .....  | 94.0              |
| Enacted Supplementals.....   | <u>31.2</u>       |
| <b>Total Estimated GF/GP Expenditures .....</b>  | <b>\$10,210.8</b> |
| <b>Projected Current Law Year-End GF/GP Balance .....</b>  | <b>(\$532.4)</b>  |

**Table 2**

| <b>GOVERNOR'S PROPOSAL TO BALANCE FY 2014-15<br/>           GENERAL FUND/GENERAL PURPOSE BUDGET<br/>           (Millions of Dollars)</b> |  |
|--|--|
|  | <b>February 2015<br/>           Proposal</b> |
| <b>Projected Current Law Year-End GF/GP Balance .....</b>  | <b>(\$532.4)</b>                             |
| <u>Appropriation Reductions:</u>   |  |
| Executive Order 2015-5.....  | (\$106.4)                                    |
| Negative Education Supplemental Appropriation Items (HB 4110) .....  | (250.3)                                      |
| Negative General Supplemental Appropriation Items (HB 4112) .....  | (93.1)                                       |
| DCH Caseload and Cost Adjustments .....  | (100.0)                                      |
| Prior Year Work Project Lapses.....  | <u>(6.6)</u>                                 |
| Subtotal .....   | (\$556.4)                                    |
| <u>Appropriation Increases:</u>  |  |
| DHS Caseload and Cost Adjustments .....  | \$9.2  |
| Restricted Revenue Shortfall at Veterans Homes .....   | 3.3  |
| May Ballot Proposal Election/IT Costs for Department of State .....  | 10.2   |
| May Ballot Proposal IT Costs for Department of Treasury .....  | <u>1.0</u>                                   |
| Subtotal .....   | \$23.7                                       |
| <b>Total Recommended Adjustments .....</b>   | <b>(\$532.7)</b>                             |
| <b>Adjusted Year-End GF/GP Balance .....</b>   | <b>\$0.3</b>                                 |

**Table 3**

| <b>SUMMARY OF PROPOSAL TO BALANCE FY 2014-15 GENERAL FUND/GENERAL PURPOSE (GF/GP) BUDGET</b> |  |   |  |  |  |   |                                     |   |
|--|--|---|--|--|--|---|-------------------------------------|---|
|  | (1)  | (2)   | (3)  | (4)  | (5)  | (6)   | (7)                                 | (8)   |
| <b>Department/Budget Area</b>  | <b>FY 2014-15<br/>GF/GP<br/>Year-to-Date</b> | <b>Executive Order GF<br/>and Restricted<br/>Reductions</b> | <b>Education<br/>Supplemental<br/>HB 4110 GF/GP<br/>Reductions</b> | <b>General<br/>Supplemental<br/>HB 4112 GF/GP<br/>Reductions</b> | <b>General<br/>Supplemental<br/>HB 4112<br/>Caseload/Increases</b> | <b>Prior Year<br/>Work Project<br/>Reductions</b> | <b>Total Budget<br/>Adjustments</b> | <b>FY 2014-15<br/>Adjusted GF/GP<br/>Year-to-Date</b> |
| Agriculture and Rural Development  | \$45,916,200                                 | (\$600,000)   | \$0  | \$0  | \$0  | \$0   | (\$600,000)                         | \$45,316,200  |
| Attorney General   | 38,267,100                                   | 0   | 0  | 0  | 0  | 0   | 0                                   | 38,267,100  |
| Civil Rights   | 13,448,200                                   | 0   | 0  | 0  | 0  | 0   | 0                                   | 13,448,200  |
| Community Colleges   | 167,110,800                                  | 0   | (167,110,800)  | 0  | 0  | 0   | (167,110,800)                       | 0   |
| Community Health   | 3,239,701,400                                | (16,550,000)  | 0  | (34,444,600)   | (100,000,000)  | 0   | (150,994,600)                       | 3,088,706,800   |
| Corrections  | 1,980,798,400                                | (17,800,000)  | 0  | (2,900,000)  | 0  | (3,000,000)                                       | (23,700,000)                        | 1,960,098,400   |
| Education  | 82,083,000                                   | (5,814,000)   | 0  | (2,589,100)  | 0  | 0   | (8,403,100)                         | 73,679,900  |
| Environmental Quality  | 40,875,900                                   | (3,400,000)   | 0  | 0  | 0  | 0   | (3,400,000)                         | 37,475,900  |
| Executive  | 5,916,100                                    | 0   | 0  | 0  | 0  | 0   | 0                                   | 5,916,100   |
| Higher Education   | 1,214,902,000                                | 0   | (2,000,000)  | 0  | 0  | 0   | (2,000,000)                         | 1,212,902,000   |
| Human Services   | 995,452,600                                  | (15,492,800)  | 0  | (8,007,300)  | 9,203,000  | 0   | (14,297,100)                        | 981,155,500   |
| Insurance and Financial Services   | 55,000                                       | 0   | 0  | 0  | 0  | 0   | 0                                   | 55,000  |
| Judiciary  | 186,527,400                                  | 0   | 0  | 0  | 0  | 0   | 0                                   | 186,527,400   |
| Legislative Auditor General  | 14,937,300                                   | 0   | 0  | 0  | 0  | 0   | 0                                   | 14,937,300  |
| Legislature  | 127,420,700                                  | 0   | 0  | 0  | 0  | 0   | 0                                   | 127,420,700   |
| Licensing and Regulatory Affairs   | 40,133,800                                   | (200,000)   | 0  | (112,500)  | 0  | 0   | (312,500)                           | 39,821,300  |
| Military and Veterans Affairs  | 49,154,500                                   | 0   | 0  | 0  | 3,300,000  | 0   | 3,300,000                           | 52,454,500  |
| Natural Resources  | 48,591,500                                   | (1,500,000)   | 0  | (500,000)  | 0  | 0   | (2,000,000)                         | 46,591,500  |
| School Aid   | 114,900,000                                  | 0   | (81,200,000)   | 0  | 0  | 0   | (81,200,000)                        | 33,700,000  |
| State  | 17,539,000                                   | 0   | 0  | 0  | 10,200,000   | 0   | 10,200,000                          | 27,739,000  |
| State Police   | 414,171,000                                  | (23,331,100)  | 0  | 0  | 0  | 0   | (23,331,100)                        | 390,839,900   |
| Technology, Management, and Budget   | 479,098,500                                  | (19,000,000)  | 0  | (17,800,000)   | 0  | 0   | (36,800,000)                        | 445,798,500   |
| Transportation   | 284,647,900                                  | 0   | 0  | 0  | 0  | 0   | 0                                   | 284,647,900   |
| Treasury-Debt Service  | 152,395,000                                  | 0   | 0  | 0  | 0  | 0   | 0                                   | 152,395,000   |
| Treasury-Operations  | 118,118,300                                  | (2,700,000)   | 0  | (4,750,000)  | 1,000,000  | 0   | (6,450,000)                         | 111,668,300   |
| Treasury-Revenue Sharing   | 0  | 0   | 0  | 0  | 0  | (3,600,000)                                       | (3,600,000)                         | 0   |
| Treasury-Strategic Fund  | 244,642,500                                  | 0   | 0  | (22,000,000)   | 0  | 0   | (22,000,000)                        | 222,642,500   |
| <b>Total</b>   | <b>\$10,116,804,100</b>                      | <b>(\$106,387,900)</b>                                      | <b>(\$250,310,800)</b>   | <b>(\$93,103,500)</b>  | <b>(\$76,297,000)</b>  | <b>(\$6,600,000)</b>                              | <b>(\$532,699,200)</b>              | <b>\$9,594,204,900</b>                                |

**GF/GP Budget Balance Prior to Reductions = (\$532.4) million**  
**GF/GP Budget Balance after Reductions = \$0.3 million**

**Table 4**

| <b>SUMMARY OF FY 2014-15 EDUCATION SUPPLEMENTAL: HOUSE BILL 4110<br/>GENERAL FUND/GENERAL PURPOSE (GF/GP)</b> |  |  |  |  |   |
|---|--|--|--|--|---|
| <b>Budget Area</b>  | <b>FY 2014-15<br/>GF/GP<br/>Year-to-Date</b> | <b>MPSERS/Nutrition<br/>Education<br/>Reductions</b> | <b>Community<br/>Colleges Fund<br/>Shift</b> | <b>Universities'<br/>MPSERS<br/>Fund Shift</b> | <b>Total GF/GP<br/>Supplemental<br/>Changes</b> |
| Community Colleges  | \$167,110,800                                | \$0  | (\$167,110,800)                              | \$0  | (\$167,110,800)                                 |
| Higher Education  | 1,214,902,000                                | 0  | 0  | (2,000,000)                                    | (2,000,000)                                     |
| School Aid (K-12)   | 114,900,000                                  | (81,200,000)   | 0  | 0  | (81,200,000)                                    |
| <b>Total Education Suppl.</b>   | <b>\$1,496,912,800</b>                       | <b>(\$81,200,000)</b>                                | <b>(\$167,110,800)</b>                       | <b>(\$2,000,000)</b>                           | <b>(\$250,310,800)</b>                          |





**Overview of  
Governor Snyder's  
FY 2015-16 Budget**

**Table 5**  
**ADJUSTED GROSS APPROPRIATIONS**  
**FY 2014-15 VERSUS GOVERNOR'S RECOMMENDATION**

| Department/Budget Area                 | FY 2014-15<br>Year-to-Date<br>Appropriations | FY 2015-16<br>Governor's<br>Recommendation | Dollar Difference    | Percent Change |
|--|--|--|----------------------|----------------|
| Agriculture & Rural Development.....   | \$84,144,100                                 | \$83,826,700                               | (\$317,400)          | (0.4%)         |
| Attorney General .....                 | 66,038,500                                   | 63,407,700                                 | (2,630,800)          | (4.0)          |
| Capital Outlay .....                   | 0  | 0  | 0                    | 0.0            |
| Civil Rights .....                     | 16,355,300                                   | 15,842,000                                 | (513,300)            | (3.1)          |
| Community Colleges .....               | 364,724,900                                  | 393,825,600                                | 29,100,700           | 8.0            |
| Community Health.....                  | 18,216,419,000                               | 18,961,926,900                             | 745,507,900          | 4.1            |
| Corrections .....                      | 2,040,296,700                                | 1,976,001,000                              | (64,295,700)         | (3.2)          |
| Education .....                        | 287,096,100                                  | 313,212,200                                | 26,116,100           | 9.1            |
| Environmental Quality .....            | 493,061,300                                  | 478,810,600                                | (14,250,700)         | (2.9)          |
| Executive .....                        | 5,916,100                                    | 5,916,100                                  | 0                    | 0.0            |
| Higher Education.....                  | 1,516,496,300                                | 1,541,219,200                              | 24,722,900           | 1.6            |
| Human Services .....                   | 5,733,628,800                                | 5,710,066,200                              | (23,562,600)         | (0.4)          |
| Insurance and Financial Services ..... | 64,482,100                                   | 64,350,100                                 | (132,000)            | (0.2)          |
| Judiciary .....                        | 285,403,200                                  | 281,538,400                                | (3,864,800)          | (1.4)          |
| Legislative Auditor General.....       | 16,938,100                                   | 17,447,700                                 | 509,600              | 3.0            |
| Legislature.....                       | 131,930,500                                  | 136,464,300                                | 4,533,800            | 3.4            |
| Licensing & Regulatory Affairs.....    | 528,078,400                                  | 529,851,000                                | 1,772,600            | 0.3            |
| Military & Veterans Affairs.....       | 166,843,700                                  | 163,854,400                                | (2,989,300)          | (1.8)          |
| Natural Resources .....                | 383,330,300                                  | 388,141,500                                | 4,811,200            | 1.3            |
| School Aid .....                       | 13,870,325,600                               | 13,958,963,900                             | 88,638,300           | 0.6            |
| State .....                            | 203,984,900                                  | 205,256,700                                | 1,271,800            | 0.6            |
| State Police .....                     | 645,839,800                                  | 587,306,900                                | (58,532,900)         | (9.1)          |
| Technology, Management, & Budget ..... | 585,138,700                                  | 586,427,800                                | 1,289,100            | 0.2            |
| Transportation .....                   | 3,695,731,700                                | 3,631,794,000                              | (63,937,700)         | (1.7)          |
| Treasury (Debt Service).....           | 152,395,000                                  | 156,449,000                                | 4,054,000            | 2.7            |
| Treasury (Operations).....             | 536,227,300                                  | 523,925,500                                | (12,301,800)         | (2.3)          |
| Treasury (Revenue Sharing).....        | 1,232,694,000                                | 1,251,237,000                              | 18,543,000           | 1.5            |
| Treasury (Strategic Fund).....         | 1,024,779,900                                | 1,006,582,500                              | (18,197,400)         | (1.8)          |
| <b>TOTAL APPROPRIATIONS.....</b>       | <b>\$52,348,300,300</b>                      | <b>\$53,033,644,900</b>                    | <b>\$685,344,600</b> | <b>1.3%</b>    |

**Table 6**

**STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS  
FY 2014-15 VERSUS GOVERNOR'S RECOMMENDATION**

| <b>Department/Budget Area</b>          | <b>FY 2014-15<br/>Year-to-Date<br/>Appropriations</b> | <b>FY 2015-16<br/>Governor's<br/>Recommendation</b> | <b>Dollar Difference</b> | <b>Percent Change</b> |
|--|---|---|--------------------------|-----------------------|
| Agriculture & Rural Development.....   | \$73,919,600  | \$73,270,700  | (\$648,900)              | (0.9%)                |
| Attorney General .....                 | 56,181,300  | 54,129,100  | (2,052,200)              | (3.7)                 |
| Capital Outlay.....                    | 0   | 0   | 0                        | 0.0                   |
| Civil Rights .....                     | 13,600,100  | 13,101,600  | (498,500)                | (3.7)                 |
| Community Colleges .....               | 364,724,900   | 393,825,600   | 29,100,700               | 8.0                   |
| Community Health.....                  | 5,301,104,900   | 5,282,286,400                                       | (18,818,500)             | (0.4)                 |
| Corrections .....                      | 2,026,668,000   | 1,961,899,100                                       | (64,768,900)             | (3.2)                 |
| Education .....                        | 90,055,600  | 86,961,800  | (3,093,800)              | (3.4)                 |
| Environmental Quality .....            | 342,646,800   | 340,101,500   | (2,545,300)              | (0.7)                 |
| Executive.....                         | 5,916,100   | 5,916,100   | 0                        | 0.0                   |
| Higher Education.....                  | 1,419,469,900   | 1,444,192,800                                       | 24,722,900               | 1.7                   |
| Human Services.....                    | 1,121,690,000   | 1,096,224,400                                       | (25,465,600)             | (2.3)                 |
| Insurance and Financial Services.....  | 62,482,100  | 62,350,100  | (132,000)                | (0.2)                 |
| Judiciary .....                        | 270,779,900   | 266,937,900   | (3,842,000)              | (1.4)                 |
| Legislative Auditor General.....       | 16,938,100  | 17,447,700  | 509,600                  | 3.0                   |
| Legislature.....                       | 131,530,500   | 136,064,300   | 4,533,800                | 3.4                   |
| Licensing & Regulatory Affairs.....    | 326,485,300   | 328,472,000   | 1,986,700                | 0.6                   |
| Military & Veterans Affairs.....       | 74,240,900  | 71,408,800  | (2,832,100)              | (3.8)                 |
| Natural Resources .....                | 305,089,500   | 303,955,800   | (1,133,700)              | (0.4)                 |
| School Aid .....                       | 12,062,162,900  | 12,183,194,700                                      | 121,031,800              | 1.0                   |
| State .....                            | 202,524,800   | 203,796,600   | 1,271,800                | 0.6                   |
| State Police .....                     | 541,471,000   | 493,827,600   | (47,643,400)             | (8.8)                 |
| Technology, Management, & Budget ..... | 573,420,500   | 574,652,700   | 1,232,200                | 0.2                   |
| Transportation .....                   | 2,439,633,100   | 2,323,912,500                                       | (115,720,600)            | (4.7)                 |
| Treasury (Debt Service).....           | 152,395,000   | 156,449,000   | 4,054,000                | 2.7                   |
| Treasury (Operations).....             | 494,516,300   | 475,208,900   | (19,307,400)             | (3.9)                 |
| Treasury (Revenue Sharing).....        | 1,232,694,000   | 1,251,237,000                                       | 18,543,000               | 1.5                   |
| Treasury (Strategic Fund).....         | 387,321,200   | 369,195,000   | (18,126,200)             | (4.7)                 |
| <b>TOTAL APPROPRIATIONS.....</b>       | <b>\$30,089,662,300</b>                               | <b>\$29,970,019,700</b>                             | <b>(\$119,642,600)</b>   | <b>(0.4%)</b>         |

**Table 7**

| <b>GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS<br/>FY 2014-15 VERSUS GOVERNOR'S RECOMMENDATION</b> |   |   |                          |                       |
|--|---|---|--------------------------|-----------------------|
| <b>Department/Budget Area</b>  | <b>FY 2014-15<br/>Year-to-Date<br/>Appropriations</b> | <b>FY 2015-16<br/>Governor's<br/>Recommendation</b> | <b>Dollar Difference</b> | <b>Percent Change</b> |
| Agriculture & Rural Development.....   | \$45,916,200  | \$42,373,600  | (\$3,542,600)            | (7.7%)                |
| Attorney General .....   | 38,267,100  | 36,847,400  | (1,419,700)              | (3.7)                 |
| Capital Outlay.....  | 0   | 0   | 0                        | 0.0                   |
| Civil Rights .....   | 13,448,200  | 12,949,700  | (498,500)                | (3.7)                 |
| Community Colleges .....   | 167,110,800   | 137,110,800   | (30,000,000)             | (18.0)                |
| Community Health.....  | 3,239,701,400   | 2,993,251,300                                       | (246,450,100)            | (7.6)                 |
| Corrections .....  | 1,980,798,400   | 1,918,948,400                                       | (61,850,000)             | (3.1)                 |
| Education .....  | 82,083,000  | 79,292,200  | (2,790,800)              | (3.4)                 |
| Environmental Quality .....  | 40,875,900  | 35,377,700  | (5,498,200)              | (13.5)                |
| Executive.....   | 5,916,100   | 5,916,100   | 0                        | 0.0                   |
| Higher Education.....  | 1,214,902,000   | 1,238,913,300                                       | 24,011,300               | 2.0                   |
| Human Services.....  | 995,452,600   | 978,891,000   | (16,561,600)             | (1.7)                 |
| Insurance and Financial Services.....  | 55,000  | 150,000   | 95,000                   | 172.7                 |
| Judiciary .....  | 186,527,400   | 182,692,200   | (3,835,200)              | (2.1)                 |
| Legislative Auditor General.....   | 14,937,300  | 15,460,100  | 522,800                  | 3.5                   |
| Legislature.....   | 127,420,700   | 131,872,300   | 4,451,600                | 3.5                   |
| Licensing & Regulatory Affairs.....  | 40,133,800  | 24,223,400  | (15,910,400)             | (39.6)                |
| Military & Veterans Affairs.....   | 49,154,500  | 48,187,300  | (967,200)                | (2.0)                 |
| Natural Resources .....  | 48,591,500  | 39,772,800  | (8,818,700)              | (18.1)                |
| School Aid .....   | 114,900,000   | 45,900,000  | (69,000,000)             | (60.1)                |
| State .....  | 17,539,000  | 17,161,500  | (377,500)                | (2.2)                 |
| State Police .....   | 414,171,000   | 373,473,700   | (40,697,300)             | (9.8)                 |
| Technology, Management, & Budget .....   | 479,098,500   | 478,880,800   | (217,700)                | (0.0)                 |
| Transportation .....   | 284,647,900   | 139,521,100   | (145,126,800)            | (51.0)                |
| Treasury (Debt Service).....   | 152,395,000   | 156,449,000   | 4,054,000                | 2.7                   |
| Treasury (Operations).....   | 118,118,300   | 120,230,300   | 2,112,000                | 1.8                   |
| Treasury (Revenue Sharing).....  | 0   | 0   | 0                        | 0.0                   |
| Treasury (Strategic Fund).....   | 244,642,500   | 226,607,000   | (18,035,500)             | (7.4)                 |
| <b>TOTAL APPROPRIATIONS.....</b>   | <b>\$10,116,804,100</b>                               | <b>\$9,480,453,000</b>                              | <b>(\$636,351,100)</b>   | <b>(6.3%)</b>         |

**Table 8**

| <b>FY 2015-16 GOVERNOR'S RECOMMENDATION ONE-TIME APPROPRIATIONS</b>  |                                     |                            |
|--|-------------------------------------|----------------------------|
| <b>Budget Area/Program</b>   | <b>Adjusted Gross Appropriation</b> | <b>GF/GP Appropriation</b> |
| <b>Agriculture and Rural Development</b>                             |                                     |                            |
| Geagely lab equipment .....  | \$500,000                           | \$500,000                  |
| <b>Agriculture and Rural Development Total .....</b>                 | <b>\$500,000</b>                    | <b>\$500,000</b>           |
| <b>Community Health .....</b>  |                                     |                            |
| University autism programs.....                                      | \$2,500,000                         | \$2,500,000                |
| Pay for success contracts .....                                      | 1,500,000                           | 1,500,000                  |
| Drug policy initiative .....   | 1,500,000                           | 1,500,000                  |
| Mental health commission recommendations .....                       | 1,500,000                           | 1,500,000                  |
| <b>Community Health Total.....</b>                                   | <b>\$7,000,000</b>                  | <b>\$7,000,000</b>         |
| <b>Human Services</b>  |                                     |                            |
| Specialized employment and training services pilot program .....     | \$800,000                           | \$400,000                  |
| <b>Human Services Total.....</b>                                     | <b>\$800,000</b>                    | <b>\$400,000</b>           |
| <b>Natural Resources</b>   |                                     |                            |
| Capital outlay: improvements to shooting ranges .....                | \$4,000,000                         | \$250,000                  |
| Vegetative management system and forestry equipment.....             | 4,000,000                           | 0                          |
| Recreation grants for local units of government .....                | 500,000                             | 0                          |
| <b>Natural Resources Total.....</b>                                  | <b>\$8,500,000</b>                  | <b>\$250,000</b>           |
| <b>School Aid</b>  |                                     |                            |
| Distressed districts contingency fund.....                           | \$75,000,000                        | \$0                        |
| Technology readiness .....   | 25,000,000                          | 0                          |
| Dissolution grants.....  | 2,200,000                           | 0                          |
| Consolidation grants .....   | 2,000,000                           | 0                          |
| FIRST Robotics .....   | 2,000,000                           | 0                          |
| Teacher certification test updates .....                             | 1,800,000                           | 0                          |
| Dual enrollment incentives .....                                     | 1,750,000                           | 0                          |
| Strict discipline academies.....                                     | 1,000,000                           | 0                          |
| Gang prevention and intervention .....                               | 1,000,000                           | 0                          |
| Early reading parent university pilot.....                           | 1,000,000                           | 0                          |
| Michigan virtual university online course catalog and mentoring..... | 600,000                             | 0                          |
| Career and technical education planning tools .....                  | 500,000                             | 0                          |
| Early reading teacher instruction assessment .....                   | 500,000                             | 0                          |
| Advanced placement testing incentives .....                          | 250,000                             | 0                          |
| Continuing technical education pilot public awareness campaign.....  | 100,000                             | 0                          |
| <b>School Aid Total.....</b>   | <b>\$114,700,000</b>                | <b>\$0</b>                 |

| <b>FY 2015-16 GOVERNOR'S RECOMMENDATION ONE-TIME APPROPRIATIONS</b>      |   |                                |
|--|---|--------------------------------|
| <b>Budget Area/Program</b>   | <b>Adjusted Gross<br/>Appropriation</b> | <b>GF/GP<br/>Appropriation</b> |
| <b>State Police</b>  |   |                                |
| Trooper school (75 troopers).....  | \$3,200,000                             | \$3,200,000                    |
| Sexual assault prevention and education initiative .....                 | 500,000                                 | 500,000                        |
| <b>State Police Total</b> .....  | <b>\$3,700,000</b>                      | <b>\$3,700,000</b>             |
| <b>Technology, Management, and Budget</b>                                |   |                                |
| Litigation costs .....   | \$2,000,000                             | \$2,000,000                    |
| Treasury online business portal IT interdepartmental grant .....         | 600,000                                 | 0                              |
| Capital outlay planning authorizations (Delta/Mott/LSSU/UM-AA/UM-D)..... | 500                                     | 500                            |
| <b>Technology, Management, and Budget Total</b> .....                    | <b>\$2,600,500</b>                      | <b>\$2,000,500</b>             |
| <b>Transportation</b>  |   |                                |
| Road and bridge construction Federal match .....                         | \$113,000,000                           | \$113,000,000                  |
| Transit and rail infrastructure Federal match .....                      | 25,000,000                              | 25,000,000                     |
| Aeronautics Federal match .....  | 1,521,100                               | 1,521,100                      |
| <b>Transportation Total</b> .....  | <b>\$139,521,100</b>                    | <b>\$139,521,100</b>           |
| <b>Treasury-Operations</b>   |   |                                |
| Personal property tax reform: grants to locals .....                     | 19,300,000                              | 19,300,000                     |
| Treasury online business portal IT .....                                 | 600,000                                 | 600,000                        |
| <b>Treasury-Operations Total</b> .....                                   | <b>\$19,900,000</b>                     | <b>\$19,900,000</b>            |
| <b>Treasury-Strategic Fund</b>   |   |                                |
| Business attraction and community revitalization .....                   | \$17,900,000                            | \$17,900,000                   |
| Film incentive program .....   | 25,000,000                              | 25,000,000                     |
| <b>Treasury-Strategic Fund Total</b> .....                               | <b>\$42,900,000</b>                     | <b>\$42,900,000</b>            |
| <b>Subtotal One-Time Appropriations</b> .....                            | <b>\$340,121,600</b>                    | <b>\$216,171,600</b>           |
| Appropriation to the Budget Stabilization Fund .....                     | 95,000,000                              | 95,000,000                     |
| <b>TOTAL ONE-TIME APPROPRIATIONS</b> .....                               | <b>\$435,121,600</b>                    | <b>\$311,171,600</b>           |

**Table 9**

**FEBRUARY 2015 GOVERNOR'S RECOMMENDATION GENERAL FUND/GENERAL PURPOSE (GF/GP)  
REVENUE, EXPENDITURES, AND YEAR-END BALANCE  
(Millions of Dollars)**

|  | FY 2014-15       | FY 2015-16       | FY 2016-17       |
|--|------------------|------------------|------------------|
| <b>Revenue:</b>  |                  |                  |                  |
| Beginning Balance .....                                    | \$306.4          | \$0.3            | \$28.9           |
| <u>Ongoing Revenue:</u>                                    |                  |                  |                  |
| Consensus Revenue Estimate (January 2015) .....            | \$9,501.4        | \$9,713.2        | \$10,000.6       |
| Revenue Sharing Payments .....                             | (459.2)          | (462.7)          | (462.7)          |
| Shift Borrowing Costs to School Aid Fund .....             | 3.0              | 4.0              | 5.0              |
| Managed Care Use Tax .....                                 | 373.7            | 377.7            | 97.7             |
| Affiliate Nexus Sales/Use Tax.....                         | 0.0              | 10.0             | 10.0             |
| Subtotal Ongoing Revenue .....                             | \$9,418.9        | \$9,642.2        | \$9,650.6        |
| <u>Non-ongoing Revenue:</u>                                |                  |                  |                  |
| One-Time Appropriation for Revenue Sharing.....            | (8.8)            | 0.0              | 0.0              |
| Venture Michigan Fund Tax Vouchers.....                    | (38.1)           | (38.1)           | (30.5)           |
| <b>Total Estimated GF/GP Revenue .....</b>                 | <b>\$9,678.4</b> | <b>\$9,604.4</b> | <b>\$9,649.0</b> |
| <b>Expenditures:</b>                                       |                  |                  |                  |
| <u>Ongoing Appropriations:</u>                             |                  |                  |                  |
| Initial Ongoing Appropriations .....                       | <u>\$9,594.0</u> | <u>\$9,264.3</u> | <u>\$9,331.1</u> |
| Subtotal Ongoing Appropriations .....                      | \$9,594.0        | \$9,264.3        | \$9,331.1        |
| <u>One-Time Appropriations:</u>                            |                  |                  |                  |
| Initial One-Time Appropriations.....                       | \$207.0          | \$76.7           | \$0.0            |
| Initial One-Time Appropriations for Transportation .....   | 284.6            | 139.5            | 0.0              |
| Appropriation to Budget Stabilization Fund.....            | 94.0             | 95.0             | 0.0              |
| Enacted Supplementals .....                                | 31.2             | 0.0              | 0.0              |
| Executive Order 2015-5 .....                               | (106.4)          | 0.0              | 0.0              |
| Supplemental Request 2015-3 (General Budget Areas) .....   | (169.4)          | 0.0              | 0.0              |
| Supplemental Request 2015-4 (Capital Outlay \$400) .....   | 0.0              | 0.0              | 0.0              |
| Supplemental Request 2015-5 (Education Budget Areas) ..... | (250.3)          | 0.0              | 0.0              |
| Work Project Lapses (SBO Letter 2-11-15) .....             | (6.6)            | 0.0              | 0.0              |
| Subtotal One-Time Appropriations.....                      | \$84.1           | \$311.2          | \$0.0            |
| <b>Total Estimated GF/GP Expenditures .....</b>            | <b>\$9,678.1</b> | <b>\$9,575.5</b> | <b>\$9,331.1</b> |
| <b>PROJECTED YEAR-END GF/GP BALANCE .....</b>              | <b>\$0.3</b>     | <b>\$28.9</b>    | <b>\$317.9</b>   |

**Table 10**

**FEBRUARY 2015 GOVERNOR'S RECOMMENDATION SCHOOL AID FUND  
REVENUE, EXPENDITURES, AND YEAR-END BALANCE  
(Millions of Dollars)**

|  | FY 2014-15        | FY 2015-16        | FY 2016-17        |
|--|-------------------|-------------------|-------------------|
| <b>Revenue:</b>  |                   |                   |                   |
| Beginning Balance .....  | \$455.1           | \$119.9           | \$5.4             |
| <u>Ongoing Revenue:</u>  |                   |                   |                   |
| Consensus Revenue Estimate (January 2015) .....                | \$11,889.1        | \$12,263.7        | \$12,640.9        |
| MPERS Reserve Fund .....                                       | 18.0              | 0.0               | 0.0               |
| General Fund/General Purpose Grant.....                        | 95.0              | 15.0              | 15.0              |
| Reimbursement from GF for Personal Property Tax Reform .....   | 19.9              | 30.9              | 42.0              |
| Supplemental Request 2015-5 (GF for MPERS/Nutrition Ed) .....  | (81.2)            | 0.0               | 0.0               |
| Managed Care Use Tax.....                                      | 186.8             | 188.9             | 48.8              |
| Affiliate Nexus Sales/Use Tax.....                             | 0.0               | 44.0              | 45.3              |
| Federal Ongoing Aid .....                                      | <u>1,808.2</u>    | <u>1,775.8</u>    | <u>1,775.8</u>    |
| Subtotal Ongoing Revenue .....                                 | \$13,935.8        | \$14,318.3        | \$14,567.8        |
| <u>Non-ongoing Revenue:</u>                                    |                   |                   |                   |
| Venture Michigan Fund Tax Vouchers .....                       | (11.9)            | (11.9)            | (9.5)             |
| <b>Total Estimated School Aid Fund Revenue.....</b>            | <b>\$14,379.0</b> | <b>\$14,426.3</b> | <b>\$14,563.7</b> |
| <b>Expenditures:</b>   |                   |                   |                   |
| <u>Ongoing Appropriations:</u>                                 |                   |                   |                   |
| Initial Ongoing K-12 Appropriations .....                      | \$13,494.1        | \$13,844.3        | \$13,839.3        |
| Consensus Cost Adjustments (January 2015) .....                | (96.0)            | 0.0               | 0.0               |
| Fund Community Colleges with School Aid Fund.....              | 197.6             | 256.7             | 263.6             |
| Partially Fund Higher Education with School Aid Fund .....     | <u>200.5</u>      | <u>205.2</u>      | <u>205.4</u>      |
| Subtotal Ongoing Appropriations .....                          | \$13,796.2        | \$14,306.2        | \$14,308.3        |
| <u>One-Time Appropriations:</u>                                |                   |                   |                   |
| Initial One-Time K-12 Appropriations.....                      | \$376.2           | \$114.7           | \$0.0             |
| University MPERS Funding .....                                 | 4.0               | 0.0               | 0.0               |
| Supp. Request 2015-5 (All SAF for Community Colleges).....     | 167.1             | 0.0               | 0.0               |
| Supp. Request 2015-5 (Libraries/Charters MPERS).....           | 2.2               | 0.0               | 0.0               |
| Supp. Request 2015-5 (University MPERS Fund Shift).....        | 2.0               | 0.0               | 0.0               |
| Supp. Request 2015-5 (Education Resource Study).....           | 1.0               | 0.0               | 0.0               |
| Supp. Request 2015-5 (Reduce Extra MPERS Payment) .....        | (88.4)            | 0.0               | 0.0               |
| Supp. Request 2015-5 (Eliminate Online Nutrition/Health) ..... | <u>(1.2)</u>      | <u>0.0</u>        | <u>0.0</u>        |
| Subtotal One-Time Appropriations.....                          | \$462.9           | \$114.7           | \$0.0             |
| <b>Total Estimated School Aid Fund Expenditures.....</b>       | <b>\$14,259.1</b> | <b>\$14,420.9</b> | <b>\$14,308.3</b> |
| <b>PROJECTED YEAR-END SCHOOL AID FUND BALANCE.....</b>         | <b>\$119.9</b>    | <b>\$5.4</b>      | <b>\$255.4</b>    |



## School Aid Recommendations

Overall, the Governor is recommending a Gross appropriation increase of \$88.7 million compared with current law, or a \$271.0 million increase compared with projected revised FY 2014-15 spending.

### Foundation Allowance

The Governor is recommending a \$75 across-the-board increase in the per-pupil foundation grant. The cost of this proposal is \$108.0 million. The equity payment, which in the current year is a separate categorical, is rolled into base funding for FY 2015-16.

### New Programs

New programs include \$25.0 million for early literacy initiatives, including grants for additional instructional time with kindergarteners, literacy coaches for K-3 teachers, expanding Intermediate School District (ISD) home visiting programs focusing on parenting skills and identification of children needing special services, assessments for kindergarten entry and Grades 1 and 2, and other items. Other new programs include \$20.0 million for career and technology education and skilled trades initiatives, including \$17.8 million for grants to prosperity regions to support the five most "in-demand" career clusters identified by the regions; \$0.6 million to add community college courses to the statewide online course catalog; and, a \$1.0 million increase to the Michigan College Access Network (which is transferred to the School Aid budget from the Higher Education budget), bringing total funding for MCAN to \$3.0 million.

### Increases in Existing Programs

The Governor is recommending a \$100.0 million increase in At-Risk funding (to \$409.0 million), and a \$71.0 million increase in money set aside for the district fiscal emergency contingency fund. Also, in order to fund the rate cap in the Michigan Public School Employees' Retirement System, funding is increased \$216.6 million (plus \$2.2 million to pay for library MPSERS payments transferred in from MDE). School Bond Loan Fund debt service is increased \$17.0 million.

### Decreases or Eliminations of Existing Programs

The Governor is recommending the elimination of the one-time payment toward MPSERS liabilities (\$108.0 million in current law; proposed to be reduced in the negative supplemental). Also, pupil performance grants (\$51.1 million) are eliminated, along with \$14.8 million for educator evaluations (funding from the current year would be carried over and spent in FY 2015-16), *Durant* debt service of \$39.5 million (since FY 2014-15 is the last payment), bus conversion grants (\$3.0 million), and online health and nutrition programming (\$1.2 million). Best Practices grants are reduced \$45.0 million, and Technology Readiness grants are reduced \$16.5 million.

**Table 11**

| <b>FY 2015-16 GOVERNOR'S APPROPRIATION RECOMMENDATION<br/>K-12 SCHOOL AID APPROPRIATION CHANGES<br/>(Millions of Dollars)</b> |               |
|---|---------------|
| FY 2014-15 Year-to-Date Appropriations .....  | \$13,870.3    |
| FY 2015-16 Governor's Recommended Appropriations .....  | 13,959.0      |
| <b>Net Change in School Aid Appropriations .....</b>  | <b>\$88.7</b> |
| <b>Recommended Appropriations for New Programs:</b>   |               |
| Career and technical education/dual enrollment .....  | \$17.8        |
| Additional instructional time .....   | 10.0          |
| College and career readiness tools .....  | 3.6           |
| Investment in literacy coaches for K-3 teachers .....   | 3.0           |
| Evidence-based professional development in assessments .....  | 1.5           |
| Gang prevention and intervention programs .....   | 1.0           |
| Department of Education administration of early reading initiatives .....   | 1.0           |
| Parents university pilot .....  | 1.0           |
| Research-based professional development on early literacy .....   | 1.0           |
| Elementary teacher assessment of reading instruction .....  | 0.5           |
| Clearinghouse for best practices in early reading .....   | 0.5           |
| Subtotal Appropriations for New Programs .....  | \$40.8        |
| <b>Recommended Appropriation Increases in Existing Programs:</b>  |               |
| MPSERS rate cap .....   | \$218.8       |
| Foundation allowance increase (\$75 across-the-board) .....   | 108.0         |
| At-risk pupil support .....   | 100.0         |
| District fiscal emergency contingency fund .....  | 71.0          |
| School bond loan fund payments debt service .....   | 17.0          |
| Great start early childhood block grants .....  | 5.0           |
| MEAP testing - state share .....  | 2.6           |
| Michigan Virtual University .....   | 0.6           |
| Promise Zones reimbursement .....   | 0.3           |
| PILT reimbursement .....  | 0.1           |
| Subtotal Appropriation Increases in Existing Programs .....   | \$523.4       |
| <b>Recommended Appropriation Eliminations or Reductions:</b>  |               |
| MPSERS liability extra payment (eliminated) .....   | (\$108.0)     |
| Equity payment (eliminated/rolled into base) .....  | (103.0)       |
| Technical cost adjustments (foundations, special education) .....   | (58.3)        |
| Pupil performance (eliminated) .....  | (51.1)        |
| Best practices .....  | (45.0)        |
| Durant non-plaintiff debt service (eliminated; paid off) .....  | (39.5)        |
| Federal grants .....  | (32.4)        |
| Technology infrastructure grants .....  | (16.5)        |
| Educator evaluations (eliminated) .....   | (14.8)        |
| Bus conversion from diesel to natural gas (eliminated) .....  | (3.0)         |
| Nutrition program (eliminated) .....  | (1.2)         |
| Strict discipline academies .....   | (1.0)         |
| Vocational education .....  | (1.0)         |
| STEM professional development (eliminated) .....  | (0.3)         |
| Career readiness study (eliminated) .....   | (0.3)         |
| ISD general operations support .....  | (0.0)         |
| Economics .....   | (0.1)         |
| Subtotal Appropriation Decreases or Eliminations .....  | (\$475.5)     |
| <b>TOTAL RECOMMENDED APPROPRIATION CHANGES .....</b>  | <b>\$88.7</b> |

Table 12

| FY 2015-16 MPSERS EMPLOYER CONTRIBUTION RATES  |   |  |                     |                                   |   |                             |                       |
|--|---|--|---------------------|-----------------------------------|---|-----------------------------|-----------------------|
|  | Basic/MIP<br>with<br>Premium<br>Subsidy | Pension Plus<br>with<br>Premium<br>Subsidy | Pension<br>Plus PHF | Pension<br>Plus to DC<br>with PHF | Basic/MIP to<br>DC with<br>Premium<br>Subsidy | Basic/MIP to<br>DC with PHF | Basic/MIP<br>with PHF |
| <u>Pension Contributions</u>   |   |  |                     |                                   |   |                             |                       |
| Pension Normal Cost  | 4.39%                                   | 3.17%                                      | 3.17%               | 0.00%                             | 0.00%   | 0.00%                       | 4.39%                 |
| Pension UAL  | 13.20                                   | 13.20                                      | 13.20               | 13.20                             | 13.20   | 13.20                       | 13.20                 |
| Pension Early Retirement<br>Incentive  | 1.36                                    | 1.36                                       | 1.36                | 1.36                              | 1.36  | 1.36                        | 1.36                  |
| <b>Pension Total Rate</b>  | <b>18.95%</b>                           | <b>17.73%</b>                              | <b>17.73%</b>       | <b>14.56%</b>                     | <b>14.56%</b>                                 | <b>14.56%</b>               | <b>18.95%</b>         |
| <u>Health Contributions</u>  |   |  |                     |                                   |   |                             |                       |
| Health Normal Cost   | 0.43%                                   | 0.43%                                      | 0.00%               | 0.00%                             | 0.43%   | 0.00%                       | 0.00%                 |
| Health UAL   | 6.40%                                   | 6.40%                                      | 6.40%               | 6.40%                             | 6.40%   | 6.40%                       | 6.40%                 |
| <b>Health Total Rate</b>   | <b>6.83%</b>                            | <b>6.83%</b>                               | <b>6.40%</b>        | <b>6.40%</b>                      | <b>6.83%</b>                                  | <b>6.40%</b>                | <b>6.40%</b>          |
| <b>DB CONTRIBUTION TOTAL</b>   | <b>25.78%</b>                           | <b>24.56%</b>                              | <b>24.13%</b>       | <b>20.96%</b>                     | <b>21.39%</b>                                 | <b>20.96%</b>               | <b>25.35%</b>         |
| <u>DC Contributions</u>  |   |  |                     |                                   |   |                             |                       |
| DC Employer Contributions  | 0.00%                                   | 1.00%                                      | 1.00%               | 3.00%                             | 4.00%   | 4.00%                       | 0.00%                 |
| Personal Health Care Fund  | 0.00                                    | 0.00                                       | 2.00                | 2.00                              | 0.00  | 2.00                        | 2.00                  |
| <b>DC CONTRIBUTION TOTAL</b>   | <b>0.00%</b>                            | <b>1.00%</b>                               | <b>3.00%</b>        | <b>5.00%</b>                      | <b>4.00%</b>                                  | <b>6.00%</b>                | <b>2.00%</b>          |
| <u>Total Uncapped Rate</u>   | 36.31%                                  | 35.09%                                     | 34.66%              | 31.49%                            | 31.92%  | 31.49%                      | 35.88%                |
| State Subsidy  | 10.53%                                  | 10.53%                                     | 10.53%              | 10.53%                            | 10.53%  | 10.53%                      | 10.53%                |
| DC = Defined Contribution; MIP = Member Investment Plan; PHF = Personal Health Fund  |   |  |                     |                                   |   |                             |                       |
| <b>Note:</b> The Governor's budget includes \$893.5 million in the K-12 budget, \$69.5 million in the Community Colleges budget, and \$5.2 million in the Higher Education budget to pay the State subsidy for the UAL rate cap. For Higher Education, separate implementing legislation is necessary to enact the UAL rate cap. |   |  |                     |                                   |   |                             |                       |

Source: State Budget Office

**Table 13**

| <b>SCHOOL AID APPROPRIATION HISTORY</b><br>(Millions of Dollars) |                                    |                      |                       |
|--|------------------------------------|----------------------|-----------------------|
| <b>Fiscal Year</b>   | <b>State-Funded Appropriations</b> | <b>Dollar Change</b> | <b>Percent Change</b> |
| 1999-2000  | \$10,075.8                         | \$528.6              | 5.5%                  |
| 2000-01  | 10,732.3                           | 656.5                | 6.5                   |
| 2001-02  | 11,220.6                           | 488.3                | 4.5                   |
| 2002-03  | 11,334.6                           | 114.0                | 1.0                   |
| 2003-04  | 11,059.3                           | (275.3)              | (2.4)                 |
| 2004-05  | 11,113.5                           | 54.2                 | 0.5                   |
| 2005-06  | 11,308.1                           | 194.6                | 1.8                   |
| 2006-07  | 11,597.0                           | 288.9                | 2.6                   |
| 2007-08  | 11,421.8                           | (175.2)              | (1.5)                 |
| 2008-09  | 11,097.8                           | (324.0)              | (2.8)                 |
| 2009-10  | 10,675.1                           | (422.7)              | (3.8)                 |
| 2010-11  | 10,803.4                           | 128.3                | 1.2                   |
| 2011-12  | 11,088.9                           | 285.5                | 2.6                   |
| 2012-13  | 11,211.0                           | 122.1                | 1.1                   |
| 2013-14  | 11,506.1                           | 295.1                | 2.6                   |
| 2014-15  | 12,062.2                           | 556.1                | 4.8                   |
| 2015-16 (Gov's Rec.)   | 12,183.2                           | 121.0                | 1.0                   |
| Change FY 2005-06 to FY 2015-16                                  |                                    | \$875.1              | 7.7%                  |
| Detroit CPI 10-Year Percent Change                               |                                    |                      | 15.7%                 |

**Table 14**

| <b>PUPIL MEMBERSHIP HISTORY</b><br>FY 1994-95 to FY 2016-17 |                    |                        |                        |              |
|---|--------------------|------------------------|------------------------|--------------|
| <b>Blend Calculation</b>                                    | <b>Fiscal Year</b> | <b>Local Districts</b> | <b>Charter Schools</b> | <b>Total</b> |
| 50/50   | 1994-95            | 1,593,306              | 0                      | 1,593,306    |
| 50/50   | 1995-96            | 1,610,130              | 4,790                  | 1,614,920    |
| 50/50   | 1996-97            | 1,634,074              | 11,520                 | 1,645,594    |
| 60/40   | 1997-98            | 1,651,011              | 19,202                 | 1,670,213    |
| 60/40   | 1998-99            | 1,656,186              | 31,109                 | 1,687,295    |
| 75/25   | 1999-2000          | 1,651,300              | 45,290                 | 1,696,590    |
| 80/20   | 2000-01            | 1,649,085              | 55,072                 | 1,704,157    |
| 80/20   | 2001-02            | 1,647,459              | 62,113                 | 1,709,572    |
| 80/20   | 2002-03            | 1,647,531              | 67,336                 | 1,714,867    |
| 80/20   | 2003-04            | 1,640,929              | 73,473                 | 1,714,402    |
| 75/25   | 2004-05            | 1,626,289              | 81,491                 | 1,707,780    |
| 75/25   | 2005-06            | 1,607,880              | 89,654                 | 1,697,534    |
| 75/25   | 2006-07            | 1,584,435              | 96,627                 | 1,681,062    |
| 75/25   | 2007-08            | 1,553,568              | 98,987                 | 1,652,555    |
| 75/25   | 2008-09            | 1,517,714              | 102,030                | 1,619,744    |
| 75/25   | 2009-10            | 1,487,297              | 108,425                | 1,595,722    |
| 75/25   | 2010-11            | 1,457,160              | 112,276                | 1,569,436    |
| 90/10   | 2011-12            | 1,432,200              | 119,900                | 1,552,100    |
| 90/10   | 2012-13            | 1,405,599              | 130,390                | 1,535,989    |
| 90/10 CY  | 2013-14            | 1,374,800              | 147,828                | 1,522,628    |
| 90/10 CY  | 2014-15 Est.       | 1,356,700              | 151,300                | 1,508,000    |
| 90/10 CY  | 2015-16 Est.       | 1,336,000              | 159,000                | 1,495,000    |
| 90/10   | 2016-17 Est.       | 1,317,000              | 164,000                | 1,481,000    |

**Table 15**

| <b>STATE SPENDING PER PUPIL</b> |  |                          |                                 |
|---------------------------------|--|--------------------------|---------------------------------|
| <b>Fiscal Year</b>              | <b>State-Funded Appropriations (Millions of Dollars)</b> | <b>Pupils (Millions)</b> | <b>Appropriations Per Pupil</b> |
| 1999-2000                       | 9,957.6  | 1.6966                   | 5,869                           |
| 2000-01                         | 10,732.3   | 1.7042                   | 6,297                           |
| 2001-02                         | 11,220.6   | 1.7096                   | 6,563                           |
| 2002-03                         | 11,334.6   | 1.7149                   | 6,609                           |
| 2003-04                         | 11,059.3   | 1.7144                   | 6,450                           |
| 2004-05                         | 11,113.5   | 1.7078                   | 6,507                           |
| 2005-06                         | 11,308.1   | 1.6975                   | 6,661                           |
| 2006-07                         | 11,597.0   | 1.6811                   | 6,898                           |
| 2007-08                         | 11,421.8   | 1.6526                   | 6,911                           |
| 2008-09                         | 11,097.8   | 1.6197                   | 6,851                           |
| 2009-10                         | 10,675.1   | 1.5957                   | 6,690                           |
| 2010-11                         | 10,803.4   | 1.5694                   | 6,884                           |
| 2011-12                         | 11,088.9   | 1.5521                   | 7,144                           |
| 2012-13                         | 11,211.0   | 1.5360                   | 7,299                           |
| 2013-14                         | 11,506.1   | 1.5226                   | 7,557                           |
| 2014-15                         | 12,062.2   | 1.508                    | 7,999                           |
| 2015-16 (Gov's Rec.)            | 12,183.2   | 1.495                    | 8,149                           |

**Table 16**

| <b>K-12 SCHOOLS MINIMUM FOUNDATION ALLOWANCE</b> |                          |                         |                       |
|--|--------------------------|-------------------------|-----------------------|
| <b>Fiscal Year</b>                               | <b>Enacted Per Pupil</b> | <b>After Reductions</b> | <b>Percent Change</b> |
| 2000-01  | \$6,000                  | \$6,000                 | N/A                   |
| 2001-02  | 6,500                    | 6,500                   | 8.3%                  |
| 2002-03  | 6,700                    | 6,626                   | 1.9                   |
| 2003-04  | 6,700                    | 6,626                   | 0.0                   |
| 2004-05  | 6,700                    | 6,700                   | 1.1                   |
| 2005-06  | 6,875                    | 6,875                   | 2.6                   |
| 2006-07  | 7,108                    | 7,085                   | 3.4                   |
| 2007-08  | 7,204                    | 7,204                   | 1.4                   |
| 2008-09  | 7,316                    | 7,316                   | 1.6                   |
| 2009-10  | 7,316                    | 7,151                   | (2.3)                 |
| 2010-11  | 7,316                    | 7,146                   | 0.0                   |
| 2011-12  | 6,846                    | 6,846                   | (4.2)                 |
| 2012-13  | 6,966                    | 6,966                   | 1.8                   |
| 2013-14  | 7,076                    | 7,076                   | 1.6                   |
| 2014-15 <sup>a)</sup>                            | 7,251                    | 7,251                   | 2.5                   |
| 2015-16 (Gov's Rec.)                             | 7,376                    | 7,376                   | 1.7                   |
| 10-Year Change                                   | 501                      | 501                     |                       |
| 10-Year % Change                                 | 7.3%                     | 7.3%                    |                       |
| 10-Year Detroit CPI % Change                     | 15.7%                    | 15.7%                   |                       |

<sup>a)</sup> Includes \$125 equity payment.

**Table 17**

| <b>STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS<br/>TOTAL COMPARED IN SELECTED BUDGET AREAS<br/>(Millions of Dollars)</b>  |                                      |                                  |                      |                           |
|--|--------------------------------------|----------------------------------|----------------------|---------------------------|
| <b>Department/Budget Area</b>  | <b>FY 2005-06<br/>Appropriations</b> | <b>FY 2015-16<br/>Gov's Rec.</b> | <b>Dollar Change</b> | <b>Percent<br/>Change</b> |
| Community Health   | \$4,538.6                            | \$5,282.3                        | \$743.7              | 16.4%                     |
| Corrections  | 1,872.7                              | 1,961.9                          | 89.2                 | 4.8%                      |
| Human Services   | 1,230.2                              | 1,096.2                          | (134.0)              | (10.9%)                   |
| K-12 School Aid  | 11,308.0                             | 12,183.2                         | 875.2                | 7.7%                      |
| Community Colleges   | 281.6                                | 393.8                            | 112.3                | 39.9%                     |
| Higher Education   | 1,730.9                              | 1,444.2                          | (286.8)              | (16.6%)                   |
| Revenue Sharing - Constitutional   | 680.1                                | 788.5                            | 108.4                | 15.9%                     |
| Revenue Sharing - Nonconstitutional  | 423.5                                | 462.7                            | 39.2                 | 9.3%                      |
| All Other Programs   | 5,638.4                              | 6,357.2                          | 718.8                | 12.7%                     |
| <b>Total State Spending</b>  | <b>\$27,704.0</b>                    | <b>\$29,970.0</b>                | <b>\$2,266.0</b>     | <b>8.2%</b>               |
| <b>Addendum:</b>   |                                      |                                  |                      |                           |
| Medicaid Caseload  | 1,475,000                            | 2,350,000                        | 875,000              | 59.3%                     |
| Prison Population  | 50,949                               | 44,997                           | (5,952)              | (11.7%)                   |
| K-12 Pupil Count   | 1,697,534                            | 1,495,000                        | (202,534)            | (11.9%)                   |
| University Students  | 253,020                              | 262,537                          | 9,517                | 3.8%                      |
| Community College Students   | 133,359                              | 143,829                          | 10,470               | 7.9%                      |
| Michigan Personal Income (millions)  | \$337,968.4                          | \$433,879.8                      | \$95,911.4           | 28.4%                     |
| Detroit Consumer Price Index   | 195.9                                | 226.7                            | 30.8                 | 15.7%                     |
| <p><b>Notes: Medicaid caseload:</b> Number for FY 2015-16 includes the estimated 560,000 individuals who are eligible under the expansion of Medicaid. <b>Prison Population:</b> These are "average population" numbers and do not represent the exact count on any particular date, but demonstrate how many beds are associated with the appropriation; the numbers are taken from the appropriation bills. <b>K-12 Pupils:</b> FY 2015-16 pupil count is from the January 2015 Consensus Revenue Estimating Conference. <b>Community College and University Students:</b> Numbers in FY 2015-16 column reflect the most recent data available, which are FY 2013-14 fiscal-year-equated-students as reported in the Activities Classification Structure (ACS) and the Higher Education Institutional Data Inventory (HEIDI). <b>Michigan Personal Income and Detroit CPI:</b> Numbers are fiscal year averages; FY 2015-16 numbers are January 2015 CREC estimates.</p> |                                      |                                  |                      |                           |