

**Revised Summary: Executive Budget Recommendation
for Fiscal Years 2012-13 and 2013-14
SCHOOL AID**



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	FY 2011-12 Year-to-Date as of 2/27/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	1,658,031,800	1,701,041,400	43,009,600	2.6	1,701,041,400	0	0.0
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	10,967,333,600	10,785,973,400	(181,360,200)	(1.7)	10,883,951,000	97,977,600	0.9
GF/GP	118,642,400	200,000,000	81,357,600	68.6	18,642,400	(181,357,600)	(90.7)
Gross	\$12,744,007,800	\$12,687,014,800	(\$56,993,000)	(0.5)	\$12,603,634,800	(\$83,380,000)	(0.7)
FTEs							

Notes: (1) FY 2011-12 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 27, 2012. (2) FY 2013-14 figures are projected or proposed budget amounts only and would not be legally-binding appropriations.

Overview

The School Aid budget makes appropriations to the state's 549 local school districts, 256 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 YTD (as of 2/27/12)	Executive Changes	
			FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
1. Prop A Obligation - Foundation Allowances (Sec. 22a)	Gross	\$5,769,000,000	(\$62,000,000)	(\$115,000,000)
Decreases by \$62.0 million from the current YTD for FY 2012-13 to incorporate taxable values and pupil estimates. Decreases by an additional \$115.0 million due to taxable value changes and further pupil declines for FY 2013-14.	Restricted	5,769,000,000	(62,000,000)	(115,000,000)
2. Discretionary - Foundation Allowances (Sec. 22b)	Gross	\$3,052,000,000	(\$25,000,000)	\$79,000,000
Reduces by \$25 million to recognize the elimination of \$17.5 million in district-specific foundation allowance adjustments (See Major Boilerplate Changes below, Section 20), \$50 million in assumed savings for requiring full day kindergarten for a full foundation, as well as estimated changes in taxable values and pupil estimates. FY 2013-14 estimates are adjusted to assume only \$25 million for kindergarten foundation savings as well as further changes in estimated taxable value and pupils.	Restricted	2,955,028,100	(112,817,900)	260,357,600
	GF/GP	\$96,971,900	\$87,817,900	(\$181,357,600)
3. School Bond Redemption Fund (Sec. 11j)	Gross	\$93,575,300	\$26,814,700	\$11,270,000
Increases by \$26.8 million to a total of \$120.4 million in FY 2012-13 and by another \$11.3 million to a total of \$131.7 million in FY 2013-14 to pay for increased interest payments.	Restricted	93,575,300	26,814,700	11,270,000
4. Cash Flow Borrowing Costs (Sec. 11m)	Gross	\$8,500,000	\$1,500,000	\$10,000,000
Increases to \$10.0 million in FY 2012-13 and to \$20.0 million for FY 2013-14 costs for anticipated interest rate increases.	Restricted	8,500,000	1,500,000	\$10,000,000

Major Budget Changes From FY 2011-12 YTD Appropriations		Executive Changes		
		FY 2011-12 YTD (as of 2/27/12)	FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
5. Michigan Business Tax (MBT) Impact on Out of Formula District Grants (Sec. 22e)	Gross	\$700,000	(\$700,000)	\$0
Eliminates funding which held out-of-formula districts harmless from local personal property tax exemptions when the MBT was created.	Restricted	700,000	(700,000)	0
6. Performance-Based and Best Practices Grants (Sec. 22f)	Gross	\$154,000,000	\$36,000,000	(\$90,000,000)
Increases the FY 2011-12 total appropriation from \$154.0 million to \$190.0 million in FY 2012-13 and then decreases it back down to \$100.0 million in FY 2013-14. The funding would be divided into two pots. The first would be awards of up to \$100 per pupil based on districts meeting specified student achievement growth measures (estimated at a total of \$70.0 million). The estimated \$120.0 million in remaining funds in this section, after the performance funding has been distributed, would be distributed on an equal per pupil basis to all districts that meet 5 out of 6 revised best practices criteria. (See Major Boilerplate Changes below for a detailed discussion of the performance and best practices criteria.)	Restricted	154,000,000	36,000,000	(90,000,000)
In FY 2011-12, the entire appropriation for Section 22f was designated as one-time funding. For FY 2012-13, \$140.0 million is designated as one-time funding. For FY 2013-14, none of the funding is designated as one-time.				
7. Consolidation Innovation Grants (Sec. 22g)	Gross	\$0	\$10,000,000	(\$10,000,000)
Adds \$10.0 million in funding, designated as one-time, for competitive assistance grants to help defray transition costs associated with the consolidation of operations or services among districts and ISDs that occur on or after October 1, 2012.	Restricted	0	10,000,000	(10,000,000)
8. Juvenile Detention Facility Programs (Sec. 24a)	Gross	\$2,114,800	\$21,000	\$0
Increases by \$21,000 for economic adjustments for FY 2012-13.	Restricted	2,114,800	21,000	0
9. Federal Funding (Sec. 39a)	Gross	\$794,333,300	\$51,509,300	\$0
Increases anticipated funding for "No Child Left Behind" and other federal funding by \$51.5 million to a total of \$845.8 million for both FY 2012-13 and FY 2013-14.	Federal	794,333,300	51,509,300	0
	Restricted	0	0	0
10. Special Education (Sec. 51a)	Gross	\$1,392,169,100	\$37,100,000	\$32,600,000
Increases by \$37.1 million for FY 2012-13 and by another \$32.6 million for FY 2013-14 to adjust for consensus estimates for the growth in special education reimbursement costs.	Federal	437,400,000	1,600,000	0
	Restricted	954,769,100	35,500,000	32,600,000
11. School Bus Inspections (Sec. 74(4))	Gross	\$1,608,900	\$26,000	\$0
Increases by \$26,000 for economic adjustments for FY 2012-13.	Restricted	1,608,900	26,000	0
12. Center for Educational Performance and Information (Sec. 94a)	Gross	\$8,661,900	\$750,000	\$0
Increases by \$750,000 for economic adjustments for FY 2012-13 and FY 2013-14.	Federal	2,893,200	(2,699,700)	0
	GF/GP	\$5,768,700	\$3,449,700	\$0

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		FY 2011-12 YTD (as of 2/27/12)	Executive Changes	
			FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
13. Principal Educator Evaluator Training (Sec. 95)	Gross	\$0	\$1,750,000	(\$1,250,000)
Provides \$1.75 million in FY 2012-13 and \$500,000 in FY 2013-14 for grants to districts to support professional development for principals and assistant principals in a department-approved training program on implementing educator evaluation programs. (See Major Boilerplate Changes below for a detailed discussion of this program.)	Restricted	0	1,750,000	(1,250,000)
14. Michigan Virtual University (MVU) (Sec. 98)	Gross	\$4,387,500	\$0	\$0
Maintains current year total appropriations but shifts support of the program from partial federal funding to full funding from GF/GP. (See Major Boilerplate Changes below for a detailed discussion of other proposed changes for the MVU.)	Federal	2,700,000	(2,700,000)	0
	GF/GP	\$1,687,500	\$2,700,000	\$0
15. Math and Science Centers (Sec. 99)	Gross	\$7,874,300	\$0	\$0
Maintains current year total appropriations but shifts \$110,000 in GF/GP fund support to School Aid Fund.	Federal	5,249,300	0	0
	Restricted	2,515,000	110,000	0
	GF/GP	\$110,000	(\$110,000)	\$0
16. Michigan Education Assessment Program (Sec. 104)	Gross	\$43,444,400	(\$8,500,000)	\$0
Adjusts FY 2012-13 funding to remove \$8.5 million in two-year funding for FY 2010-11 and FY 2011-12 related to implementation of assessment changes required under 2009 state education reforms.	Federal	8,250,000	0	0
	Restricted	35,194,400	(8,500,000)	0
17. MPSERS Cost Offset (Sec. 147a)	Gross	\$155,000,000	\$24,000,000	\$0
The Executive budget increases the current appropriation of \$155.0 million to \$179.0 million for both FY 2012-13 and FY 2013-14. This would reimburse school districts (excluding ISDs) by approximately 2% of their MPSERS payroll.	Restricted	155,000,000	24,000,000	0
18. MPSERS Retirement Obligation Reform Reserve Fund (Sec. 147b)	Gross	\$133,000,000	(\$133,000,000)	\$0
Reflects a decrease in funding for this transfer, designated as a one-time allocation in FY 2011-12, into the MPSERS Retirement Obligation Reform Reserve fund. The \$133.0 million allocated into the fund has not yet been spent or distributed in the current year, nor does the Executive budget recommend any proposal for expending these funds.	Restricted	133,000,000	(133,000,000)	0
19. Adair - Database Payment (Sec. 152a)	Gross	\$34,064,500	\$3,936,000	\$0
Increases reimbursements to districts and ISDs by \$3.9 million to a total of \$38.0 million for both FY 2012-13 and FY 2013-14 for the costs related to state-mandated collection, maintenance, and reporting of data.	Restricted	34,064,500	3,936,000	0

Major Boilerplate Changes From FY 2011-12

Sec. 3 et al. Education Achievement Authority, Education Achievement System, Achievement School – NEW

The Executive budget would define the Education Achievement Authority (EAA) and the Education Achievement System (EAS), as established in proposed amendments to the Revised School Code and would define an "achievement school" as a public school within the EAS operated, managed, authorized, established, or overseen by the EAA. An achievement school would be eligible in the same manner as a district for all applicable funding. The Executive budget adds references to achievement schools in sections throughout the bill in addition to districts and public school academies. Section 20 would allocate funding to an achievement school based on the foundation allowance of the school district in which the achievement school is located.

Sec. 20. Foundation Allowances – REVISED

Makes no changes to foundation allowances overall, but eliminates foundation allowance adjustments for certain districts for former small class size grants as well as adjustments for specific districts including Wayne-Westland, Gibraltar, Garden City and Huron. Both the small class size and 4 district-specific adjustments were reduced in FY 2011-12, and language was included for each that specified FY 2011-12 would be the final year of this adjustment.

Major Boilerplate Changes From FY 2011-12

Sec. 22f. Performance-Based and Best Practices Grants – REVISED

The Executive budget increases the current appropriation from \$154.0 million to \$190.0 million in FY 2012-13 but decreases it to \$100 million in FY 2013-14. The budget also recommends significant changes to the grant criteria. Currently districts receive \$100 per pupil if they satisfy 4 out of 5 criteria regarding non-instructional costs. The Governor proposes to create 2 different awards. The first would be a maximum \$100 per pupil based on student academic performance growth, which would equal a currently estimated \$70.0 million. Districts would receive a portion or all of the following:

- \$30 per pupil for meeting proficiency growth in mathematics for grades 3 to 8.
- \$30 per pupil for meeting proficiency growth in reading for grades 3 to 8.
- \$40 per pupil for meeting proficiency growth over 4 years for high school students in all subject areas.

For both of the grades 3 to 8 standards, MDE would determine a growth model based on recently revised MEAP cut scores using a metric that assigns districts points ranging from 0 to 3 for each student depending on whether or not they began the year performing proficiently and whether they decline, maintain, or improve proficiency over the school year. A district would be eligible if the district average number of points was greater than 1.5, the district tests at least 95% of its students in reading or mathematics, and the district had at least 30 students in grade 3 to 8 that had a performance level change designation.

For the high school standards, the awards would be made using a metric based on a positive 4-year trend ending with FY 2011-12 in the percentage of high school students in each district testing as proficient in all state assessment subject areas (mathematics, reading, science, social studies, and writing). A district would qualify if a linear regression of the district's percentage of high school students testing proficient over the 4-year period is at least equal to the statewide average linear regression over that same period, the district's linear regression is positive, the district tested 95% of its students on the Michigan Merit Exam, and the district had at least 20 students take all the tested subjects on the Michigan Merit Exam for each of the last 4 years.

Any remaining funding left, currently estimated at \$120.0 million, after the performance-based funding is awarded would be distributed on an equal per pupil basis to districts that meet 5 out of 6 revised best practices criteria:

- Participate in Schools of Choice programs under Section 105 and Section 105c. (NEW)
- Measure student growth at least twice annually and report that growth to parents. (NEW)
- Provide dual enrollment and other opportunities for postsecondary coursework. (NEW)
- Provide online learning opportunities. (NEW)
- Act as policy holder for health care services benefits.
- Provide a dashboard to parents and members of the community.

Sec. 31a. At-Risk Pupil Support – REVISED

Currently districts that meet Adequate Yearly Progress may apply to the Department of Education (MDE) to be allowed to use some of their at-risk funding more flexibly than is otherwise allowed under the current statute. The Executive budget recommends eliminating the application process, and instead would allow such districts to spend up to 20% of their at-risk funds more flexibly than required by statute as long as funds are still spent for specific purposes designed to benefit at-risk pupils and districts maintain documentation of these expenditures and make them available to MDE upon request.

Secs. 32b, 32d, 32j, and 39. Early Childhood Programs – REVISED

Current statute requires that the MDE work with ISDs, Early Childhood Investment Corporation (ECIC) and other stakeholders to report to the legislature regarding legislative intent to move funding in FY 2012-13 to an early childhood block grant program administered by ISDs in conjunction with local Great Start Collaboratives. The MDE complied and recommended a multi-year phase-in to the block grant. Phase 1 began in FY 2011-12 by making ISDs the fiduciary for each of the 4 separate appropriation sections. The Executive budget includes the Phase 2 recommendation for FY 2012-13, which would revise the formula for Great Start School Readiness district preschool funding so that the number of eligible pupils are measured and slots are awarded on an ISD-wide basis. ISDs would then determine how to distribute those slots among their constituent districts. As recommended by MDE, future phases would include rolling in the competitive (non-district) program preschool slots, as well as the Great Start Collaborative funding in Sec. 32b and the 0-5 parenting program funding in Sec. 32j. Additionally, the Executive recommends that Sec. 32d funds for Great Start School Readiness be used only for preschool programs, and that they should no longer be used to support Parents Involved in Education (PIE) programs funded under former Sec. 32b as in effect in FY 2001-02.

Sec. 56. Special Education Millage Equalization – REVISED

Revises the per pupil millage equalization levels to \$194,400 for reimbursements made in FY 2012-13 and \$195,000 for reimbursements made in FY 2013-14, to adjust for taxable value estimates.

Sec. 62. Vocational Education Millage Equalization – REVISED

Revises the per pupil millage equalization levels to \$194,200 for reimbursements made in FY 2012-13 and \$193,100 for reimbursements made in FY 2013-14, to adjust for taxable value estimates.

Major Boilerplate Changes From FY 2011-12

Sec. 81. ISD General Operations – REVISED

Currently ISDs receive general operations funding under this section with limited requirements other than complying with the State School Aid Act and certain provisions of the Revised School Code. The Executive budget recommends that, for FY 2012-13 and FY 2013-14, ISDs receive 95% of their FY 2011-12 allocations based on the existing requirements but would require that in order to receive the final 5% of their FY 2011-12 allocations, each ISD would have to satisfy at least 4 out of the 5 following criteria by June 1, 2013:

- Enter into agreement with MDE to develop a service consolidation plan in 2012-2013 to reduce costs and to implement that plan in 2013-2014 and report to MDE by February 1, 2014 on its progress.
- Obtain competitive bids on at least 1 non-instructional service valued at \$50,000 or more for itself or its constituent districts.
- Develop a technology plan in accordance with MDE policy on behalf of all of its constituent districts to integrate technology into the classroom and prepare teachers to use digital technology for instruction.
- Provide to parents and community members a dashboard or report card including specified items demonstrating the ISD's efforts to manage its finances responsibly.
- Work in a consortium with or more other ISDs to develop information management system requirements and bid specifications that can be used as statewide models including student management systems, learning management tools, and business services.

Sec. 94a. Center for Education Performance and Information (CEPI) – REVISED

The Executive budget would revise an \$850,000 grant that currently goes to a single partnership between an ISD and 1 high need local district into competitive grants to support collaborative efforts on the P-20 longitudinal data system including P-20 longitudinal data system portal hosting, hardware and software acquisition, maintenance, enhancements, user support and related materials and professional learning tools aimed at improving the utility of the P-20 longitudinal data system. It would give priority to an applicant that had received funding under this section in the prior fiscal year, but after 3 years of continuous funding would require an applicant to compete openly with other applicants.

Sec. 95. Principal Educator Evaluator Training – NEW

Creates new grant program to train principals and assistant principals in educator evaluations. For FY 2012-13, all districts could apply for funds, but for FY 2013-14, priority would be given to districts with new building administrators who have not yet had training. In order to qualify as a department-approved training program, a program must include instructional content on methods of evaluating teachers consistently across multiple grades and subjects, include training on observation focused on reliability and bias awareness, incorporate online resources and videos of actual lessons for applying rubrics and consistent scoring, and align with recommendations of the Governor's Council on Educator Effectiveness. Grant awards would be determined by the MDE but shall not exceed \$350 per participant.

Sec. 98. Michigan Virtual University (MVU) – REVISED

Redefines the role of the MVU and requires that it establish the Center for Online Learning Research and Innovation which would research, design and recommend online and blended learning education delivery models, online assessments, criteria to monitor and evaluate cyber schools and online course providers, analyze student performance and course completion data from cyber schools and online course providers, design professional development for online learning, as well as a number of other related requirements as specified in statute.

Sec. 147. Michigan Public School Employees Retirement System (MPERS) Employer Contribution Rates – REVISED

Estimates the MPERS employer contribution rates for FYs 2012-13 and 2013-14 as follows:

	FY 2011-12		FY 2012-13		FY 2013-14	
	Employees Pre-July 1, 2010	Employees on or after July 1, 2010	Employees Pre-July 1, 2010	Employees on or after July 1, 2010	Employees Pre-July 1, 2010	Employees on or after July 1, 2010
Pension Normal Rate	3.74%	2.24%	3.47%	2.24%	3.94%	2.67%
Pension Unfunded Accrued Liability (UAL)	12.49%	12.49%	12.49%	12.49%	15.86%	15.86%
Early Retirement Incentive (5 - years)	0%	0%	2.66%	2.66%	2.66%	2.66%
Retiree Health Rate	8.50%	8.50%	8.75%	8.75%	8.75%	8.75%
Total Rate	24.46%	23.23%	27.37%	26.14%	31.21%	29.94%

SCHOOL AID LINE ITEM SUMMARY



Sec.	Foundation Allowance Increases:	FY 2011-12	FY 2011-12		FY 2012-13		FY 2013-14	
		Enacted PA 62 of 2011	Supplemental PA 29 of 2012	Revised	Change from FY 2011-12	Executive Recommendation	Change from FY 2012-13	Executive Recommendation
11g	Durant - Debt Service	\$39,000,000		\$39,000,000		\$39,000,000		\$39,000,000
11j	School Bond Redemption Fund	\$93,575,300		\$93,575,300	\$26,814,700	\$120,390,000	\$11,270,000	\$131,660,000
11m	Cash Flow Borrowing Costs	\$20,000,000	(\$11,500,000)	\$8,500,000	\$1,500,000	\$10,000,000	\$10,000,000	\$20,000,000
11p	Federal Ed Jobs Funding	\$0	\$4,700,000	\$4,700,000	(\$4,700,000)	\$0		\$0
22a	Proposal A Obligation Payment	\$5,691,000,000	\$78,000,000	\$5,769,000,000	(\$62,000,000)	\$5,707,000,000	(\$115,000,000)	\$5,592,000,000
22b	Discretionary Payment - State	\$3,032,300,000	\$19,700,000	\$3,052,000,000	(\$25,000,000)	\$3,027,000,000	\$79,000,000	\$3,106,000,000
22d	Isolated District Funding	\$2,025,000		\$2,025,000		\$2,025,000		\$2,025,000
22e	MBT Impact on Out of Formula Districts	\$700,000		\$700,000	(\$700,000)	\$0	\$0	\$0
22f	Best Practices	\$154,000,000		\$154,000,000	\$36,000,000	\$190,000,000	(\$90,000,000)	\$100,000,000
22g	Consolidation Innovation Grants - NEW	\$0		\$0	\$10,000,000	\$10,000,000	(\$10,000,000)	\$0
22h	Distressed District Student Transition Grants	\$0	\$4,000,000	\$4,000,000	(\$4,000,000)	\$0	\$0	\$0
24	Court-Placed Pupils	\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000
24a	Juvenile Detention Facility Programs	\$1,197,500	\$917,300	\$2,114,800	\$21,000	\$2,135,800	\$0	\$2,135,800
24c	Youth Challenge Program	\$742,300	\$23,300	\$765,600		\$765,600	\$0	\$765,600
26a	Renaissance Zone Reimbursement	\$26,300,000		\$26,300,000		\$26,300,000		\$26,300,000
26b	PILT Reimbursement	\$2,890,000	(\$1,052,000)	\$1,838,000		\$1,838,000	\$0	\$1,838,000
31a	"At Risk" Pupil Support	\$308,988,200		\$308,988,200		\$308,988,200		\$308,988,200
31a(6)	School Based Health Centers	\$3,557,300		\$3,557,300		\$3,557,300		\$3,557,300
31a(7)	Hearing and Vision Screening	\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000
31d	State School Lunch Programs	\$22,495,100		\$22,495,100		\$22,495,100		\$22,495,100
31d	Federal School Lunch Programs	\$402,506,000		\$402,506,000		\$402,506,000		\$402,506,000
31f	School Breakfast Program	\$9,625,000		\$9,625,000		\$9,625,000		\$9,625,000
32b	ECIC Collaborative Grants	\$5,900,000		\$5,900,000		\$5,900,000		\$5,900,000
32d	Great Start School Readiness - District Grants	\$95,700,000		\$95,700,000		\$95,700,000		\$95,700,000
32d	Great Start School Readiness - Competitive	\$8,875,000		\$8,875,000		\$8,875,000		\$8,875,000
32g	Early Learning Assessment/Quality Rating - NEW	\$0	\$12,500,000	\$12,500,000	(\$12,500,000)	\$0		\$0
32j	Great Parents Great Start ISD Grants	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000
39a1	Federal "No Child Left Behind"	\$761,973,600		\$761,973,600	\$50,354,900	\$812,328,500		\$812,328,500
39a2	Other Federal Funding	\$32,359,700		\$32,359,700	\$1,154,400	\$33,514,100		\$33,514,100
51a(1)	Special Education - Federal Reimbursement	\$363,400,000		\$363,400,000	\$1,600,000	\$365,000,000		\$365,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$245,500,000	\$1,500,000	\$247,000,000	\$10,300,000	\$257,300,000	\$7,500,000	\$264,800,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000
51a(12)	Special Ed Foundations for Non Sec. 52 to ISDs	\$6,800,000	(\$1,800,000)	\$5,000,000	(\$200,000)	\$4,800,000		\$4,800,000
51c	Special Ed Headlee Obligation (Durant)	\$669,900,000	(\$22,400,000)	\$647,500,000	\$25,400,000	\$672,900,000	\$25,100,000	\$698,000,000
51d	Special Education - Other Federal Grants	\$74,000,000		\$74,000,000		\$74,000,000		\$74,000,000
53a	Special Ed for Court Placed Pupils	\$13,500,000		\$13,500,000		\$13,500,000		\$13,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000
56	Special Ed ISD Millage Equalization	\$36,881,100		\$36,881,100		\$36,881,100		\$36,881,100
61a	Vocational-Technical Education Programs	\$26,611,300		\$26,611,300		\$26,611,300		\$26,611,300
62	ISD Vocational Education Millage Equalization	\$9,000,000		\$9,000,000		\$9,000,000		\$9,000,000
74	Bus Driver Safety Instruction	\$1,625,000		\$1,625,000		\$1,625,000		\$1,625,000
74	School Bus Inspections	\$1,529,600	\$79,300	\$1,608,900	\$26,000	\$1,634,900		\$1,634,900
81	ISD General Operations Support	\$62,108,000		\$62,108,000		\$62,108,000		\$62,108,000
93	State Aid to Libraries for MELCat Support	\$1,304,300		\$1,304,300		\$1,304,300		\$1,304,300
94a	Center for Educational Performance	\$5,501,700	\$267,000	\$5,768,700	\$3,449,700	\$9,218,400		\$9,218,400
94a	Center for Educational Performance - Federal	\$2,893,200		\$2,893,200	(\$2,699,700)	\$193,500		\$193,500
95	Principal Educator Evaluation Training - NEW	\$0		\$0	\$1,750,000	\$1,750,000	(\$1,250,000)	\$500,000
98	Michigan Virtual School	\$1,687,500		\$1,687,500	\$2,700,000	\$4,387,500		\$4,387,500
98	Michigan Virtual School - Federal	\$2,700,000		\$2,700,000	(\$2,700,000)	\$0		\$0
99	Math and Science Centers - State	\$2,625,000		\$2,625,000		\$2,625,000		\$2,625,000
99	Math and Science Centers - Federal	\$5,249,300		\$5,249,300		\$5,249,300		\$5,249,300
104	MEAP Testing - State	\$35,194,400		\$35,194,400	(\$8,500,000)	\$26,694,400		\$26,694,400
104	MEAP Testing - Federal	\$8,250,000		\$8,250,000		\$8,250,000		\$8,250,000
107	Adult Education	\$22,000,000		\$22,000,000		\$22,000,000		\$22,000,000
147a	MPERS One Time Cost Offset	\$155,000,000		\$155,000,000	\$24,000,000	\$179,000,000		\$179,000,000
147b	MPERS Reserve for Retirement Obligation Reform	\$133,000,000		\$133,000,000	(\$133,000,000)	\$0		\$0
152a	Adair - Database Payment	\$34,064,500		\$34,064,500	\$3,936,000	\$38,000,500		\$38,000,500
TOTAL APPROPRIATIONS		\$12,659,072,900	\$84,934,900	\$12,744,007,800	(\$56,993,000)	\$12,687,014,800	(\$83,380,000)	\$12,603,634,800
REVENUE BY SOURCE								
	Federal Aid	\$1,653,331,800	\$4,700,000	\$1,658,031,800	\$43,009,600	\$1,701,041,400	\$0	\$1,701,041,400
	School Aid Fund	\$10,887,098,700	\$80,234,900	\$10,967,333,600	(\$181,360,200)	\$10,785,973,400	\$97,977,600	\$10,883,951,000
	General Fund/General Purpose	\$118,642,400	\$0	\$118,642,400	\$81,357,600	\$200,000,000	(\$181,357,600)	\$18,642,400
TOTAL REVENUE		\$12,659,072,900	\$84,934,900	\$12,744,007,800	(\$56,993,000)	\$12,687,014,800	(\$83,380,000)	\$12,603,634,800

SCHOOL AID BALANCE SHEET
PA 29 of 2012 - Jan 2012 Revenue Estimates
(Dollars in Millions)

	<u>YTD Feb-12 FY 2011-12</u>	<u>Executive Recommendation Feb-12 FY 2012-13</u>	<u>Feb-12 FY 2013-14</u>
ESTIMATES OF REVENUE			
SCHOOL AID FUND REVENUE			
Beginning Balance	\$724.7	\$125.2	(\$3.9)
Revenue Estimate (Jan 2012)	<u>10,763.8</u>	<u>11,055.0</u>	<u>11,359.5</u>
Subtotal	\$11,488.5	\$11,180.2	\$11,355.6
OTHER REVENUE ADJUSTMENTS			
General Fund/General Purpose (GF/GP) Grant	\$118.6	\$200.0	\$18.6
Federal EdJobs Funding (PA 29 of 2012)	4.7	0.0	0.0
Federal Aid	<u>1,653.3</u>	<u>1,701.0</u>	<u>1,701.0</u>
Subtotal	\$1,776.6	\$1,901.0	\$1,719.6
TOTAL REVENUE	\$13,265.1	\$13,081.2	\$13,075.2
ESTIMATED EXPENDITURES			
ESTIMATED K-12 EXPENDITURES			
Original appropriations PA 62 of 2011 (HB 4325)	\$12,659.1	\$12,687.0	\$12,603.6
Supplemental PA 29 of 2012 (HB 4445)	<u>84.9</u>	<u>0.0</u>	<u>0.0</u>
Subtotal: K-12 EXPENDITURES	\$12,744.0	\$12,687.0	\$12,603.6
Community Colleges	\$195.9	\$197.6	\$197.6
Higher Education	<u>\$200.0</u>	<u>\$200.5</u>	<u>\$200.5</u>
Subtotal: Post Secondary Expenditures	\$395.9	\$398.1	\$398.1
TOTAL EXPENDITURES	\$13,139.9	\$13,085.1	\$13,001.7
ENDING BALANCE	\$125.2	(\$3.9)	\$73.5