

**FY 2011-12 and FY 2012-13, May 17, 2011 - Senate Passed Recommendation
School Aid Fund - K-12 Budget
(millions of dollars)**

	FY 2011-12 May 2011 <u>Senate Passed</u>	FY 2012-13 May 2011 <u>Senate Passed</u>
Revenue:		
Beginning Balance	\$645.9	\$222.6
Revenue Estimates (May 2011 CREC)	11,335.3	11,626.4
Tax Law Changes	(689.9)	(662.1)
General Fund/General Purpose Grant	18.6	18.6
Non-tax Revenue Adjustments	(8.0)	3.2
Federal Ongoing Aid	<u>1,653.3</u>	<u>1,653.3</u>
Current Law Revenue	\$12,955.2	\$12,862.0
Expenditures:		
Current Law Spending (w/ tech adjustments)	\$12,954.2	\$12,732.6
Expiration of Education Jobs Fund (between \$154 and \$222 per pupil)	(\$316.3)	\$0.0
Baseline Spending Adjustments	<u>94.7</u>	<u>(6.3)</u>
Current Services Base Expenditures	\$12,732.6	\$12,726.3
Projected School Aid Fund Surplus Under Current Law Parameters	\$222.6	\$135.7
Savings (Spending) Proposals for FY 2011-12 and FY 2012-13:		
Additional Carry Forward under Senate-Passed Plan (\$339.0m - \$222.6m)	0.0	116.5
Additional GF/GP to Partially Offset Tax Restructuring	200.0	200.0
Reduction or Elimination of Categoricals	85.4	85.4
Best Practices - TBD	(200.0)	(200.0)
Half-Day Kindergarten - pay 1/2 foundation for 1/2 day	175.0	169.7
Additional Per-Pupil Foundation Cut of \$170 per pupil (Gov's was \$300 pp)	252.0	248.0
Partially Fund Community Colleges with SAF	(195.9)	(195.9)
Partially Fund Higher Education with SAF	<u>(200.0)</u>	<u>(200.0)</u>
Subtotal Proposed Adjustments to Funding Surplus	\$116.5	\$223.7
Projected Year-End Balance	\$339.0	\$359.3

<u>Changes in Categoricals</u>	<u>Amount Changed (in Millions)</u>	<u>Percent Changed</u>
Renaissance Zone Reimbursement - 50% Reduction	(\$13.2)	-50.0%
Payments in Lieu of Taxes	(3.4)	-100.0%
School Bus Inspections (Entirely Eliminate Requirement to Inspect)	1.1	-100.0%
District-Specific Foundation Allowance Adjustments (Retain Placeholder)	(8.6)	-100.0%
At-Risk	(5.0)	-1.6%
Small Class Size Foundation Allowance Adjustments (Retain Placeholder)	(19.7)	-100.0%
ISD Operations - 5% cut	(3.3)	-5.0%
Court Placed Pupil Reimbursement	(0.5)	-6.3%
Math/Science Centers	(0.1)	-5.0%
Adult Education - no change	0.0	0.0%
ECIC Collaboratives	(0.1)	-1.7%
Change 75/25 to 90/10 Blended Memberships	(15.0)	n/a
Increase funding for Great Start Readiness Program	6.0	6.7%
Rural Districts Funding (Section 22d)	2.0	100.0%
MBT Hold Harmless (restrict to districts with fewer than 500 students)	(1.1)	-61.1%
Michigan Virtual High School	(0.3)	-14.8%
Health/Science Middle Colleges	(2.0)	-100.0%
Restore State Aid to Libraries Payments Cut in MDE Budget	2.1	0.0%
Bilingual Education	(2.8)	-100.0%
Declining Enrollment (Sec. 29 only; grants to rural districts remain at \$7 mil)	(20.0)	-74.1%
Precollege Engineering	(0.9)	-100.0%
<u>Antibullying and Agriculture Education at SVSU</u>	<u>(0.6)</u>	-100.0%
Total	(\$85.4)	

Source: Senate Fiscal Agency; May 17, 2011