

Karen Hill

From: Charlie Glaes
Sent: Friday, February 07, 2014 9:33 AM
To: Karen Hill
Subject: FW: School Aid Budget Update
Attachments: 2014-15 School Aid Act.pdf; budget issue papers.pdf; 14-15 Budget PR.pdf

From: masa-supt [mailto:masa-supt@listserv.melg.org]
Sent: Wednesday, February 05, 2014 2:45 PM
To: Charlie Glaes
Subject: School Aid Budget Update

Today, Governor Snyder presented his fourth and final budget of his first term in office. We are in the process of reviewing his K-12 budget recommendations but wanted to send you a quick analysis of the highlights as well as a few general observations and information you can review. An initial review of the introduced budget leaves many questions on the distribution of funds in and out of the school aid fund. We will provide you additional information in the coming days.

General Observations:

This budget moves Michigan in the right direction when it comes to re-investing in education but falls short in total funding. The budget prevents dramatic increases in the local district share of retirement rates, while attempting to put needed dollars into the pupil foundation grant, where they will reach the classroom.

There are some good components of this budget; however, it doesn't prioritize K-12 funding. K-12 funding will see an overall 3% increase, while Universities will enjoy a 6.1% increase. There is an opportunity in this budget to increase funding levels, and the legislature needs to take advantage of that.

The House Fiscal Agency School Aid Balance Sheet shows more than \$335 million leftover dollars available to schools in the 2014-15 School Aid Budget. Based on this information there is enough revenue in this budget to keep the Legislative commitment to fulfill its obligations to the Michigan Public School Retirement System, while giving school districts an increase of 3 percent in the pupil foundation allowance.

Over the last decade, new mandates have been placed on schools and the costs of virtually everything required to provide an education have grown at a rate that far outpaces the relatively flat funding over the past decade.

Given the declining enrollment and ongoing budget cuts schools have made in the past decade, we wonder if the Governor's proposed 1 percent per pupil increase is enough when more appears to be available.

K-12 Budget Recommendation Highlights:

- \$13.7 billion for K-12 education, \$11.7 billion of the total coming from the school aid fund.
- \$150 million toward the foundation allowance, which equates to a range of \$83 to \$111 per student. This represents an increase of 1% and 1.6% respectively.
- \$270 million MPSERS obligations.
- \$80.3 million for public universities, an increase of 6.1%.
- \$8.9 million community colleges – an increase of 3%.
- \$65 million for early childhood education.

- \$2 million to pilot voluntary year-round school programs to enhance learning.
- \$27.8 million for evaluation tools and systems for teachers and administrators.
- \$1.8 million in for dual enrollment, allowing students to earn college credits while still in high school.
- \$80 million to reward K-12 schools that incorporate best practices.
- \$50 million in technology infrastructure grants to help districts meet online learning needs.
- \$5 million to assist with consolidation of school districts or services.
- \$10 million in emergency reserves for financially distressed school districts.
- \$62.1 million for ISD operations, with an additional \$2 million in best practice funding. The funding is flat from current year.
- \$50 million for technology readiness infrastructure grants.
- \$40.1 million in funding for a state assessment. This is an increase of \$7.2 million to link assessments with educator evaluations.

Things to note:

- \$80.3 million for public universities, an increase of 6.1%.
- \$8.9 million community colleges – an increase of 3%

Thank you. Brad and Emily

Brad Biladeau

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