

State Budget Update

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Revenue Update

May 2024 Consensus Revenue Estimates

(Dollars in Millions)

	FY 2023-24				FY 2024-25			
	Total	\$ Chg from Jan 24	\$ Chg from FY 23	%Chg from FY 23	Total	\$ Chg from Jan 24	\$ Chg from FY 24	%Chg from FY 24
School Aid Fund	\$17,783.6	(\$163.3)	(\$76.4)	(0.4%)	\$18,146.9	(\$160.1)	\$363.3	2.0%
General Fund/ General Purpose (GF/GP)	<u>\$13,948.8</u>	<u>\$351.4</u>	<u>(\$18.0)</u>	<u>(0.1%)</u>	<u>\$14,257.8</u>	<u>\$235.6</u>	<u>\$309.0</u>	<u>2.2%</u>
Total Revenue	\$31,732.4	\$188.1	(\$94.4)	(0.3%)	\$32,404.7	\$75.5	\$672.3	2.1%

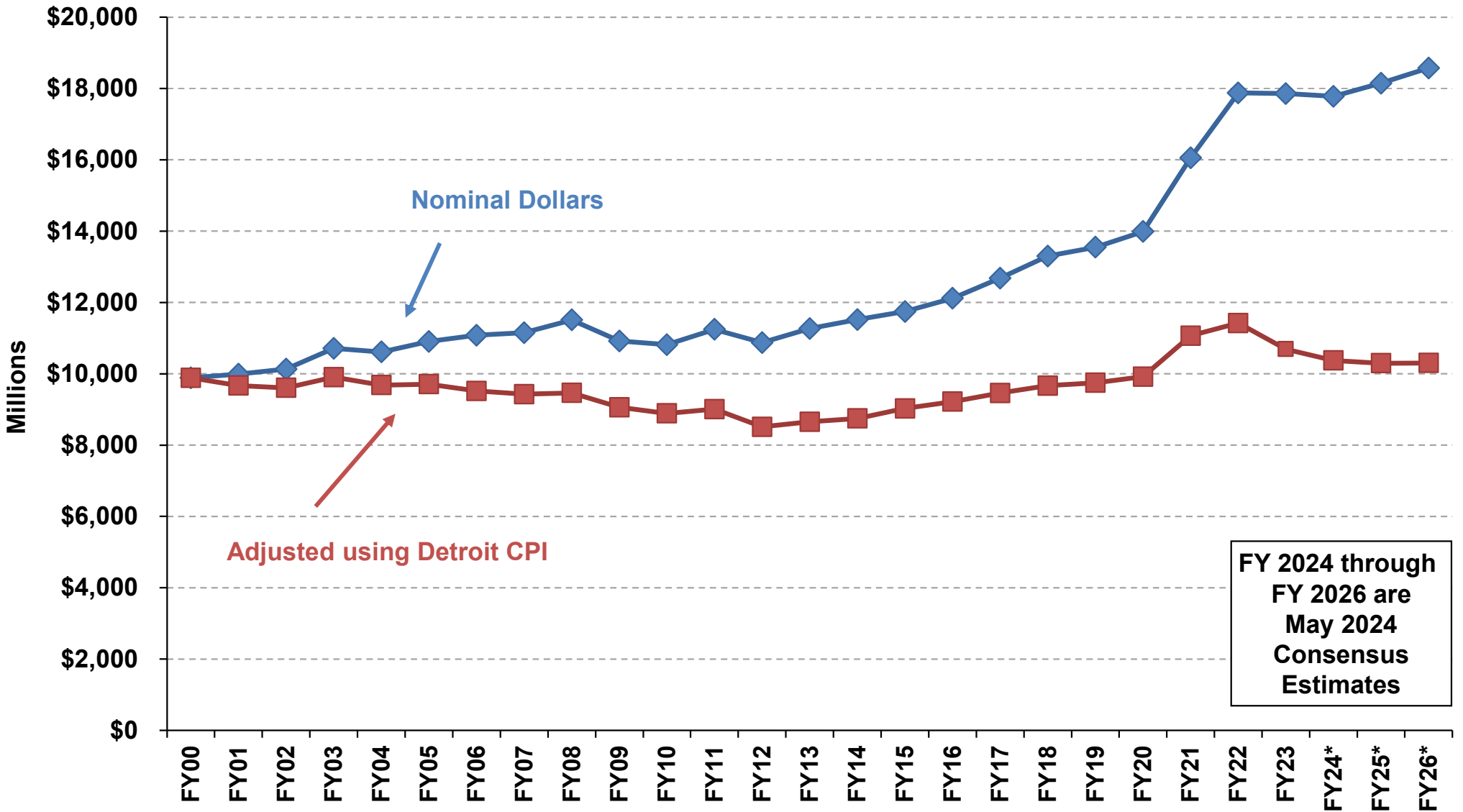
May 2024 Consensus Revenue Estimates

(Dollars in Millions)

	FY 2025-26			
	Total	\$ Chg from Jan 24	\$ Chg from FY 25	%Chg from FY 25
School Aid Fund	\$18,572.5	(\$133.5)	\$425.6	2.3%
General Fund/ General Purpose (GF/GP)	<u>\$14,886.5</u>	<u>\$178.9</u>	<u>\$628.7</u>	<u>4.4%</u>
Total Revenue	\$33,459.0	\$45.4	\$1,054.3	3.3%

May 2024 CREC: School Aid Fund Net Revenue

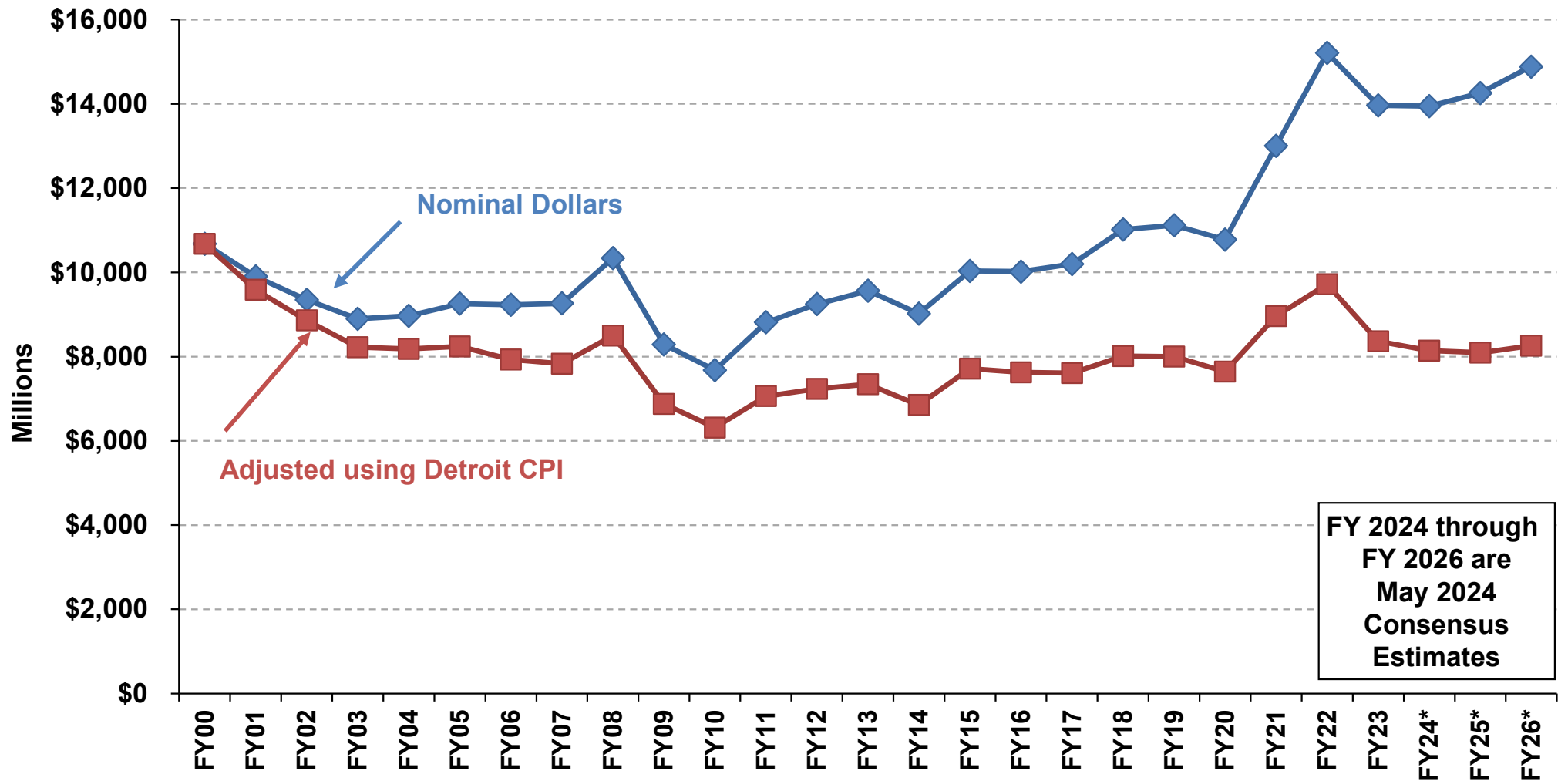
Since January 2024 CREC, nominal SAF revenue for FY 2024 is down \$163.3 million for a total of \$17.8 billion. Nominal SAF revenue is expected to increase to \$18.1 billion by FY 2025.



FY 2024 through FY 2026 are May 2024 Consensus Estimates

May 2024 CREC: GF/GP Net Revenue

Since January 2024 CREC, nominal GF/GP revenue for FY 2024 is up \$351.4 million for a total of \$13.9 billion. Nominal GF/GP revenue is expected to increase to \$14.3 billion by FY 2025.



Note: For consistency, revenue figures for years prior to FY 2010-11 have been adjusted to include sales tax revenue previously designated for statutory revenue sharing.

Balance Sheets

FY 2024-25: School Aid Fund Balance Sheet (Baseline)

	FY 2023-24	FY 2024-25
BEGINNING BALANCE	\$2,192.5	\$378.8
REVENUE		
School Aid Fund (SAF) Revenue: Jan 2024 CREC	\$17,946.9	\$18,307.0
SAF Revenue: May 2024 CREC Adjustment	(\$163.3)	(\$160.1)
General Fund/General Purpose (GF/GP)	\$87.9	\$50.0
Other Restricted Funds	\$843.5	\$195.3
Reserve Fund Deposits	\$0.0	\$0.0
<u>Federal Funds</u>	<u>\$2,204.8</u>	<u>\$2,272.8</u>
TOTAL REVENUE	\$20,919.8	\$20,665.0
EXPENDITURES		
School Aid (Adj for lapses/consensus revisions)	\$21,544.7	\$19,373.7
Community Colleges	\$549.5	\$496.0
Higher Ed	\$482.3	\$451.7
Treasury and Department of Education	\$157.1	\$0.0
TOTAL EXPENDITURES	\$22,733.5	\$20,321.4
TOTAL ENDING BALANCE	\$378.8	\$722.4

FY 2024-25: School Aid Fund Balance Sheet

(House-Passed adj. for May CREC)

	FY 2023-24	FY 2024-25
BEGINNING BALANCE	\$2,192.5	\$426.8
REVENUE		
School Aid Fund (SAF) Revenue: Jan 2024 CREC	\$17,946.9	\$18,307.0
SAF Revenue: May 2024 CREC Adjustment	(\$163.3)	(\$160.1)
General Fund/General Purpose (GF/GP)	\$88.5	\$98.0
Other Restricted Funds	\$873.5	\$563.9
Reserve Fund Deposits	\$0.0	(\$300.0)
<u>Federal Funds</u>	<u>\$2,204.8</u>	<u>\$2,286.1</u>
TOTAL REVENUE	\$20,950.3	\$20,794.9
EXPENDITURES		
School Aid (Adj for lapses/consensus revisions)	\$21,527.2	\$20,535.9
Community Colleges	\$549.5	\$468.8
Higher Ed	\$482.3	\$457.7
Treasury and Department of Education	\$157.1	\$0.0
TOTAL EXPENDITURES	\$22,716.0	\$21,462.4
TOTAL ENDING BALANCE	\$426.8	(\$240.6)

FY 2024-25: General Fund Balance Sheet

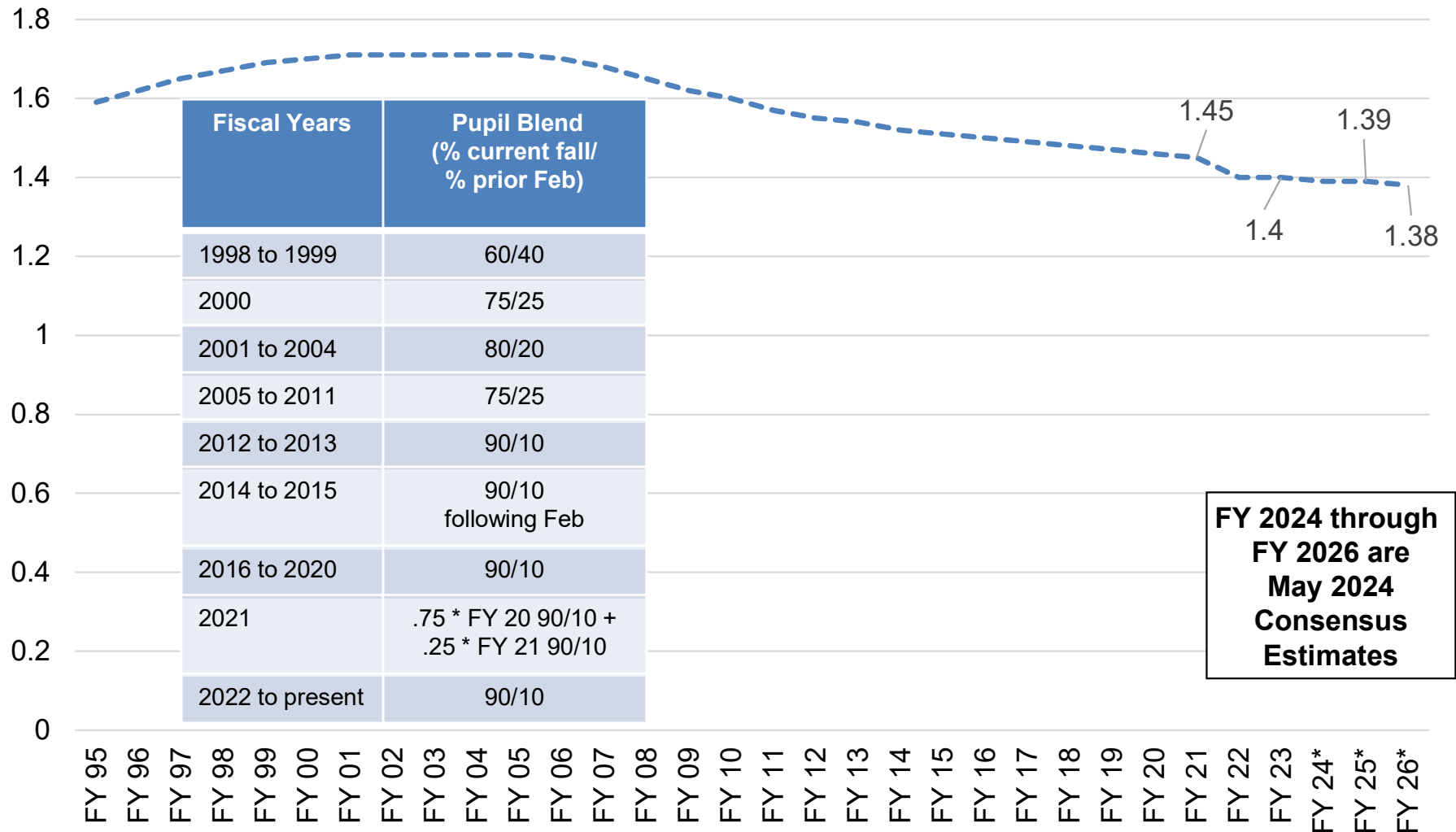
(House-Passed Adj. for May CREC)

	FY 2023-24	FY 2024-25
BEGINNING BALANCE	\$3,925.3	\$1,598.9
REVENUE		
General Fund (GF/GP) Revenue: Jan 2024 CREC	\$13,597.4	\$14,022.2
GF/GP Revenue: May 2024 CREC Adjustment	\$351.4	\$235.5
Revenue Sharing	(\$552.2)	(\$591.7)
<u>Other</u>	<u>(\$38.1)</u>	<u>\$122.4</u>
TOTAL REVENUE	\$13,358.5	\$13,788.4
EXPENDITURES		
Ongoing Appropriations	\$12,802.5	\$13,822.8
One-time Appropriations	\$2,398.2	\$779.6
GF/GP to School Aid	\$88.5	\$98.0
<u>Supplementals/Other</u>	<u>\$395.8</u>	<u>\$70.2</u>
TOTAL EXPENDITURES	\$15,684.9	\$14,770.6
TOTAL ENDING BALANCE	\$1,598.9	\$616.8

Pupil Membership Update

Total Pupil Membership

Due to the pandemic, total pupils declined by about 40,000 more than expected in FY 2021, although the drop was not fully experienced by districts until FY 2022. Total enrollment is expected to decline by about 8,000 pupils in FY 2024; 6,200 pupils in FY 2025; and 6,600 pupils in FY 2026.



May 2024 CREC Pupil Membership Estimates

	Jan 2024 CREC Estimate	Change from Jan Estimate	May 2024 CREC Estimate	Change from Prior Year
FY 2023-24				
Local Districts	1,240,000	(400)	1,239,600	(9,155)
Public School Academies	151,700	(100)	151,600	1,126
TOTAL	1,391,700	(500)	1,391,200	(8,029)
FY 2024-25				
Local Districts	1,233,500	(1,000)	1,232,500	(7,100)
Public School Academies	152,400	100	152,500	900
TOTAL	1,385,900	(900)	1,385,000	(6,200)
FY 2025-26				
Local Districts	1,226,500	(1,500)	1,225,000	(7,500)
Public School Academies	153,100	300	153,400	900
TOTAL	1,379,600	(1,200)	1,378,400	(6,600)

FY 2024-25 Major Proposed Funding Increases

Foundation Allowance

	Exec Rec	House	Senate
Target Foundation (currently \$9,608)	\$9,849 (2.5%) \$316.0 million	\$9,825 (2.25%) \$280.0 million	\$9,910 (3.1%) \$397.0 million
Cyber School Foundation (currently \$9,150)	\$7,879 (80% of Target) Savings of \$27.0 million	Maintains at \$9,150	\$7,928 (80% of Target) Savings of \$26.0 million
Two-Year Blend (Declining Enrollment)	\$71.0 million	\$92.6 million	\$71.0 million
TOTAL	\$360.0 million	\$372.6 million	\$442.0 million

Exec Rec Priorities

	Exec Rec	House	Senate
Mental Health & School Safety	\$300.0 million (\$150.0 million ongoing)	\$331.3 million (\$150.0 million ongoing)	\$150.0 million (\$50.0 million ongoing)
Literacy Supports	\$155.0 million	N/A	\$10.0 million
MI Kids Back on Track	\$150.0 million	N/A	\$50.0 million
GSRP (\$543.3 million)	\$106.2 million ongoing increase	\$96.1 million ongoing increase	\$82.2 million ongoing increase
MPSERS UAAL Reimbursement	\$94.3 million ongoing (lowers cap to 20.00%)	\$290.8 million ongoing (lowers cap to 18.00%)	N/A
Low-Income Students	\$90.3 million	N/A	N/A
Grow Your Own	\$50 million	\$50 million	\$36.8 million
TOTAL	\$945.8 million	\$768.2 million	\$319.0 million

Additional House & Senate Priorities

	Exec Rec	House	Senate
At-Risk (\$952.0 million)	\$23.8 million ongoing increase	\$70.1 million ongoing increase	\$122.6 million ongoing increase
Student Loan Repayment	N/A	N/A	\$75.3 million ongoing
Out of School Time	\$50 million ongoing	\$75.0 million one-time	\$69.0 million one-time
MPSERS Healthcare Subsidy	N/A	\$51.6 million	N/A
Bilingual Education (\$39.8 million)	\$3.0 million ongoing increase	\$5.0 million ongoing increase	\$39.8 million ongoing increase
Early On (\$22.3 million)	\$1.0 million ongoing increase	\$17.0 million ongoing increase	\$701,300 ongoing increase
TOTAL	\$77.8 million	\$218.7 million	\$307.4 million

Reserve Fund Deposits

	Exec Rec	House	Senate
Budget Stabilization Fund	N/A	N/A	\$100.0 million
School Transportation Fund	N/A	\$150.0 million	N/A
Schools Meals Reserve Fund	N/A	\$50.0 million	N/A
Enrollment Stabilization Fund	N/A	\$100.0 million	N/A
MPSERS Reserve Fund	N/A	N/A	\$150.0 million
TOTAL	N/A	\$300.0 million	\$250.0 million



house.mi.gov/hfa/schoolaid.asp