



MSBO 2022-23
Central MI SBO

February 10, 2023

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MSBO UPDATE



AGENDA

- **STATE REVENUES**
- **STATE AID 2022-23**
- **STATE BUDGET 2023-24**
- **FEDERAL FUNDS**
- **LEGISLATIVE OUTLOOK**
- **MSBO EVENTS**
- **QUESTIONS**



MSBO UPDATE

SPECIAL THANK YOU!





STATE REVENUE

CONSENSUS REVENUE ESTIMATING CONFERENCE JAN 2023

Table 2
January 2023 Consensus Forecast
 (millions)

Net Revenue Estimates

	FY 2022	FY 2023			FY 2024			FY 2025
	Preliminary	May 2022 Consensus	Jan 2023 Consensus	Change From Consensus	May 2022 Consensus	Jan 2023 Consensus	Change From Consensus	Jan 2023 Consensus
Net GF-GP Revenue	\$15,205.5	\$13,973.5	\$14,777.9	\$804.4	\$14,228.9	\$15,092.2	\$863.3	\$15,545.5
Percent Growth	16.9%	-1.5%	-2.8%		1.8%	2.1%		9.3%
Dollar Growth	\$2,201.8		(\$427.7)		\$314.3			\$453.3
Net SAF Revenue	\$17,825.2	\$17,195.3	\$17,635.1	\$439.8	\$17,444.9	\$17,846.0	\$401.1	\$18,257.6
Percent Growth	11.0%	-0.8%	-1.1%		1.5%	1.2%		4.7%
Dollar Growth	\$1,768.8		(\$190.0)		\$210.9			\$411.6
Combined	\$33,030.7	\$31,168.8	\$32,413.0	\$1,244.2	\$31,673.8	\$32,938.2	\$1,264.4	\$33,803.1
Percent Growth	13.8%	-1.1%	-1.9%		1.6%	1.6%		6.7%
Dollar Growth	\$3,970.6		(\$617.7)		\$525.2			\$864.9



STATE REVENUE

HOUSE FISCAL AGENCY (HFA) – JAN 2023 MAJOR TAX ESTIMATES

Table 4
SCHOOL AID FUND NET REVENUE ESTIMATES AND CHANGE FROM THE PREVIOUS FISCAL YEARS
 (Millions of Dollars)

	Preliminary	HFA Est.	HFA Est.	HFA Est.	FY 2022-23		FY 2023-24		FY 2024-25	
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Sales Tax	\$7,865.1	\$7,786.4	\$7,826.7	\$7,940.2	(\$78.7)	(1.0%)	\$40.3	0.5%	\$113.5	1.5%
Use Tax	\$859.4	\$844.8	\$843.2	\$848.2	(\$14.6)	(1.7%)	(\$1.7)	(0.2%)	\$5.0	0.6%
Income Tax	\$4,059.8	\$3,868.5	\$3,935.2	\$4,060.4	(\$191.3)	(4.7%)	\$66.7	1.7%	\$125.2	3.2%
State Education Tax	\$2,441.6	\$2,584.9	\$2,729.9	\$2,859.9	\$143.3	5.9%	\$145.0	5.6%	\$130.0	4.8%
Lottery/Casinos	\$1,295.4	\$1,324.0	\$1,323.0	\$1,333.0	\$28.6	2.2%	(\$1.0)	(0.1%)	\$10.0	0.8%
Tobacco Tax	\$284.7	\$268.1	\$263.0	\$258.8	(\$16.6)	(5.8%)	(\$5.1)	(1.9%)	(\$4.2)	(1.6%)
Real Estate Transfer Tax	\$546.6	\$502.0	\$483.0	\$497.0	(\$44.6)	(8.2%)	(\$19.0)	(3.8%)	\$14.0	2.9%
Other Taxes	\$472.7	\$554.5	\$576.0	\$588.2	\$81.8	17.3%	\$21.5	3.9%	\$12.2	2.1%
SAF Net Revenue	\$17,825.3	\$17,733.2	\$17,979.9	\$18,385.6	(\$92.1)	(0.5%)	\$246.7	1.4%	\$405.6	2.3%

NOTE: Numbers may not add due to rounding.



MAJOR SCHOOL TAXES

LIST HAS EXPANDED

ALWAYS WATCH FOR TAX CUT PROPOSALS

IMPACTS OF STRONG BUDGET AND ELECTION YEAR POLITICS

STATE REVENUE



SALES TAX	School Aid Fund receives approximately 72.8% of total sales tax revenue. The current tax rate is 6%.
INDIVIDUAL INCOME TAX	School Aid Fund receives approximately 23.8% of gross income tax revenue.
STATE EDUCATION TAX	6-mill levy on all real and personal property except eligible manufacturing personal property and property subject to the small parcel exemption. All revenue is dedicated to the School Aid Fund.
LOTTERY TRANSFER	School Aid Fund receives all of the net revenue from lottery sales.
USE TAX	The School Aid Fund receives one-third of use tax revenue collected at the 6% rate.
REAL ESTATE TRANSFER TAX	School Aid Fund receives 100% of the real estate transfer tax. Tax rate is 0.75% of the sale price of real estate.
TOBACCO TAXES	School Aid Fund receives approximately 41.4% of cigarette tax revenue.
FANTASY CONTESTS, INTERNET GAMING, AND SPORTS BETTING	School Aid Fund receives approximately 64% of total combined tax revenue from fantasy contests, Internet gaming, and sports betting.
OTHER SAF TAXES	Includes industrial and commercial facilities tax, commercial forest tax, and roughly 35% of the recreational marijuana excise tax.
CASINO WAGERING TAX	School Aid Fund receives all casino wagering tax revenue.
LIQUOR TAX	The SAF liquor tax is a 4% tax assessed on the base price.



**MSBO WINTER
2023 UPDATE**

“SIN” TAXES HELP STATE SCHOOLS

MARIHUANA TAX “GROWING”
\$31M IN 2020
\$111M IN 2021
\$39M TO SAF
\$?M IN 2022

2022 Michigan Marijuana Tax Handbook

Michigan patients are required to pay a 6.00% sales tax on every purchase of medical marijuana. There is no additional excise tax on medical marijuana in Michigan.

Michigan consumers are required to pay a 6.00% sales tax on every purchase of marijuana for personal use. There is also an additional excise tax of 10% on every purchase of marijuana for personal use.

STATE REVENUE



CONSUMPTION TAXES

FY 2020-21
Final Collections

BEER TAX **\$36,961,583**

ENACTED: 1998 PA 58

BASE: Beer manufactured or sold in Michigan

RATE: \$6.30 per barrel (\$2 per barrel credit for small brewers)

DISPOSITION: General Fund/General Purpose

LIQUOR TAX **\$234,300,157**

ENACTED: 1998 PA 58

BASE: Base price of spirits

RATE: 12%

DISPOSITION: 4%—General Fund/General Purpose; 4%—School Aid Fund;
4%—Convention Facility Development Fund

RECREATIONAL MARIHUANA EXCISE TAX **\$140,757,250**

ENACTED: Initiated Law 1 of 2018

BASE: Sales price of recreational marihuana

RATE: 10%

DISPOSITION: Net revenue is distributed as follows: 35% to the School Aid Fund, 35% to the Michigan Transportation Fund, 15% to counties, and 15% to cities, villages, and townships

TOBACCO PRODUCTS TAXES **\$891,807,557**

ENACTED: 1993 PA 327

BASE: Tobacco products sold in Michigan

RATE: Cigarettes at \$2.00 per pack of 20; Other tobacco products at 32% of wholesale price

DISPOSITION: From cigarettes—41.5% School Aid Fund, 19.2% General Fund/General Purpose,
3.7% Healthy Michigan Fund, 2.8% Health and Safety Fund, 31.4% Medicaid Benefits Trust Fund,
0.6% Wayne County;
From other tobacco products—75% Medicaid Benefits Trust Fund, 25% General Fund/General Purpose



STATE AID

LARGE CARRYFORWARD - IMPACT ON 2023-24 BUDGET?

Table 1

SFA ESTIMATES OF YEAR-END BALANCES USING CREC REVENUE ESTIMATES			
(Fiscal Year, millions of dollars)			
	FY 2021-22*	FY 2022-23	FY 2023-24
General Fund/General Purpose	\$7,330.9	\$5,112.7	\$6,796.3
School Aid Fund	4,514.9	4,118.3	5,482.2

*Preliminary; also, portions of these balances were used to build the FY 2022-23 budget.

Table 3

SFA ESTIMATES OF ONGOING AND ONE-TIME BALANCES		
(Fiscal Year 2022-23, millions of dollars)		
	GF/GP	SAF
Estimated Ongoing Balance	\$1,779.6	\$1,420.0
Estimated One-Time Balance	<u>3,333.2</u>	<u>2,698.3</u>
Estimated Total Year-End Balance	\$5,112.7	\$4,118.3



**FY 2022-23 SAF
SUPPLEMENTAL
INTRODUCED
2/8/2023**

STATE AID



Dear Legislators:

SUBJECT: Supplemental Request 2023-3

Attached please find supplemental recommendations for the fiscal year 2023 Education Omnibus totaling \$1.2 billion gross (\$180.2 million general fund and \$923 million school aid fund). School Aid adjustments include cost-driven changes related to pupils, special education, taxable value, and federal fund availability (\$86.3 million), additional funding for student academic supports (\$394.4 million), funding for school health and safety infrastructure needs (\$300 million), expansions to early childhood education opportunities (\$185.2 million), and educator workforce supports (\$25 million). In addition to these supplemental appropriations, this request deposits an additional \$500 million into the MPSERS reserve fund, \$500 million into the school consolidation and infrastructure fund, and \$25 million into the educator fellowship fund.

The supplemental also appropriates \$200 million to community colleges and universities for necessary improvements and deferred maintenance costs and \$55 million to support student mental health and wellness.

Adjustments to appropriated amounts are summarized by article below.

<u>Article</u>	<u>GF/GP</u>	<u>School Aid Fund</u>	<u>Gross</u>
School Aid	\$0	\$848,043,000	\$990,843,000
Community Colleges	\$0	\$74,871,200	\$74,871,200
Universities	\$180,128,800	\$0	\$180,128,800
Total	\$180,128,800	\$922,914,200	\$1,245,843,000

If you have any questions regarding this request, please contact my office at (517) 335-3420.

Sincerely,

Christopher M. Harkins
State Budget Director



FY 2022-23 SAF SUPPLEMENTAL

STATE AID



Sec. 23g. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2022-2023 only an amount not to exceed \$300,000,000.00 for payments to eligible districts for implementing the MI Kids Back on Track program.

(2) The department shall pay an equal amount per membership pupil to each eligible district under this section. Districts must use funding received under this section for the MI Kids Back on Track program.

(d) Match at least 100% of the funding received under this section with funds from other sources and use those funds for the MI Kids Back on Track program.

(7) As used in this section, the "MI Kids Back on Track program" means programs for students in any grades pre-K through 12 that are designed to address unfinished learning, get students to grade-level academic standards, provide additional academic assistance to students at risk of falling behind their peers, and/or help high school students prepare for postsecondary education. Programs may be provided before school, during school, or after school. Programs may be provided directly by the district or in partnership with community-based organizations.

SECT. 23G - MI KIDS BACK ON TRACK



STATE AID



FY 2022-23 SAF SUPPLEMENTAL

SECT. 147B – MPSERS RESERVE FUND

Sec. 147b. (1) The MPSERS retirement obligation reform reserve fund is created as a separate account within the state school aid fund.

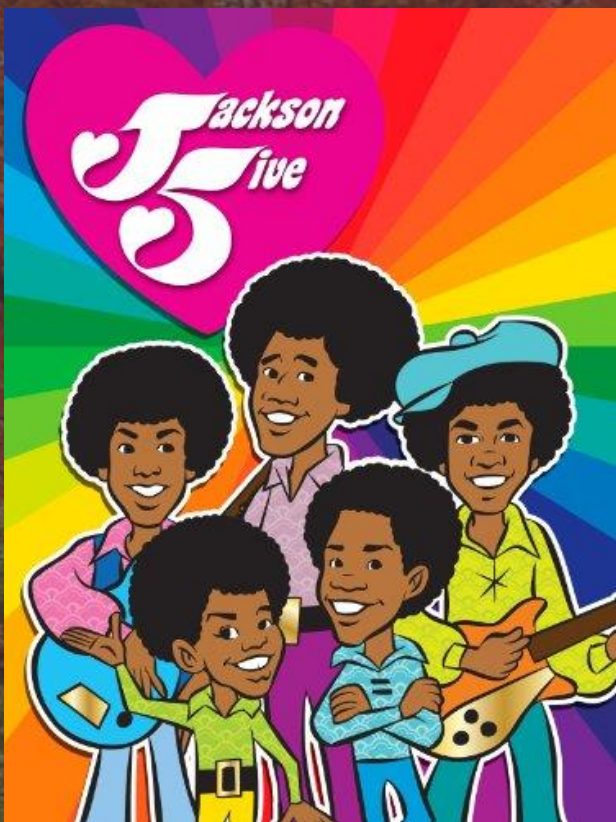
(5) For 2022-2023, ~~\$425,000,000.00~~ **\$925,000,000.00** from the state school aid fund is deposited into the MPSERS retirement obligation reform reserve fund. It is the intent of the legislature that **\$425,000,000.00 of the** funds deposited under this subsection are used to offset costs associated with accelerating the reduction of the payroll growth assumption for reporting units that are not university reporting units until that rate is zero by October 1, 2026.



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FY 2023-24 BUDGET OUTLOOK - 5'S





STATE AID

A white, stylized graphic of a tree branch or root system extending from the right side of the "STATE AID" text.

5% INCREASE IN FOUNDATION ALLOWANCE
\$458 INCREASE * NEW BASE = \$9,608

Weighted Funding Model – FY 2024

The Executive Budget Recommendation includes over \$718 million to increase operational funding for schools to continue implementation of a **weighted school funding model**. This model includes a base per-pupil payment that builds off the existing foundation allowance plus additional funding for students with more costly educational needs. The investment includes the following components:

\$614 million to increase the **per-pupil foundation allowance** by **\$458 per pupil, a 5% increase**. This will raise the foundation allowance to **\$9,608 per pupil**. Funding for 100% online cyber schools is set at 20% of this amount, \$7,687. Total state funding for the foundation allowance is nearly \$10.5 billion.

Per-Pupil Foundation Allowances

	Target
FY2023 Foundation	\$9,150
<i>Exec. Rec. Increase</i>	\$458
FY2024 Foundation	\$9,608



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OUT OF FORMULA AND ISOLATED DISTRICTS FUNDING 5% INCREASE FOR FY2023-24

Sec. 22c. Out-of-Formula Payment

Provides funding for districts with local school operating revenue per pupil exceeding their foundation allowance.

Sec. 22d. Isolated District Funding

Allocates a portion of the funds to small, rural and Upper Peninsula or island districts with fewer than 250 students and with school buildings located at least 30 miles from any other school building, or located on an island not accessible by a bridge. Allocates a portion of the funds to districts that have 10.0 or fewer pupils per square mile. Allocates a portion of the funds to districts that have greater than 250 square miles and do not otherwise receive funding under this section.

5% increases in funding are also recommended for:

- **English Language Learners**, bringing total funding to \$27.8 million
- **Rural and isolated districts**, bringing total funding to \$9.3 million.
- **Intermediate school districts**, bringing total funding to \$79.4 million.



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FULLY FUNDED AT-RISK FOR ALL ELIGIBLE STUDENTS **5% PER-STUDENT INCREASE FROM FY 2023 (\$1,105 PP)**

Funding for **academically at-risk, economically disadvantaged students** is recommended to increase by \$64.7 million, to a total of \$812.2 million. All districts receive 11.5% of the target foundation allowance, \$1,105 for each economically disadvantaged student, which allows districts to provide instructional supports like tutoring and non-instructional supports like counseling to improve academic outcomes.



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GSRP - \$9,608 PER-PUPIL & EXPANDED ELIGIBILITY

Providing Early Learning Opportunities – FY 2023 and FY 2024

- The Governor's budget continues progress toward the goal of providing universal Pre-K by the end of the term through the Great Start Readiness Program (GSRP) Expansions. This includes the following:
 - An **expansion of eligibility** from 250% of the federal poverty level to 300% (and up to 400% in some circumstances).
 - A **5% increase in the per child allocation**, from \$9,150 to \$9,608.
 - Additional funding for **transportation** (total of \$28 million).
 - Expanded efforts to **pilot GSRP services to 3-year-olds** (\$18 million over 3 years).
 - \$50 million for **startup grants** (*FY23 Supplemental*) for the creation of new or expanded programs.
 - An expansion of the number of **days and weeks** offered by GSRP programs (\$75 million, *FY23 Supplemental*).
 - Program marketing (\$10 million, *FY23 Supplemental*).



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SPECIAL EDUCATION FUNDING – 75% TO 87.5%

Sec. ~~51a~~. (1) From the state school aid fund money in section 11, there is allocated

(a) ~~(b)~~ For 2022-2023, ~~the~~ The department shall calculate the initial amount allocated to a district under this subsection toward fulfilling the specified percentages by multiplying the district's special education pupil membership, excluding pupils described in subsection (11), times ~~25%~~ 12.5% of the foundation allowance under section 20 of the pupil's district of residence, plus ~~25%~~ 12.5% of the amount of the district's per-pupil allocation under section 20m, not to exceed ~~25%~~ 12.5% of the target foundation allowance for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy, times an amount equal to ~~25%~~ 12.5% of the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages is an amount per special education membership pupil, excluding pupils described in subsection (11), and is calculated in the same manner as for a district, using ~~25%~~ 12.5% of the foundation allowance under section 20 of the pupil's district of residence, not to exceed

Sec. ~~51e~~. (1) From the allocation under section 51a(1), there is allocated for ~~2022-~~ 2023-2023-2024 the amount necessary, estimated at ~~\$336,207,000.00~~ for 2022-2023 \$430,700,000.00, for payments to districts and intermediate districts for ~~75%~~ 87.50% of foundation allowance costs associated with special education pupils.



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SPECIAL EDUCATION FUNDING – 75% TO 87.5%

Sec. 51e. (1) From the allocation under section 51a(1), there is allocated for ~~2022-~~
~~2023-2023-2024~~ the amount necessary, estimated at ~~\$336,207,000.00 for 2022-2023~~
\$430,700,000.00, for payments to districts and intermediate districts for ~~75%~~ 87.50% of
foundation allowance costs associated with special education pupils.

HIGH LEVEL

51A SE FTE * (TARGET FOUNDATION *12.5%)

51E SE FTE * (TARGET FOUNDATION *87.5%)

51C DURANT% - 51A ABOVE

MAY BE SOME DISTRICTS WITH HOLD HARMLESS



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FY 2023-24 OUTLOOK - FOOD SERVICE

The Governor is recommending historic investments in child nutrition. The budget includes \$160 million that, when combined with available federal funding, will ensure all students in a public school can receive **breakfast and lunch at no cost**. The budget also includes \$1 million for districts to **forgive any outstanding student meal debts** and continues support for the use of **local produce in meals**. In total, the budget includes over \$1.1 billion in state and federal authorization for school meals.

S. 31K - ELIMINATION OF MEAL DEBT

Sec. 31k. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2023-2024 only an amount not to exceed \$1,000,000.00 for payments to eligible districts as described in this section.

(2) Subject to subsection (6), districts requesting funding under this section must apply in a form and manner prescribed by the department by not later than December 1, 2023. However, districts requesting funding under this section through a second application described in subsection (6) must apply in a form and manner prescribed by the department by not later than May 1, 2024.



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FY 2023-24 OUTLOOK - WELLNESS, MENTAL HEALTH, SCHOOL SAFETY

The budget continues support for student mental health, physical health, and safety.

- The Governor is recommending a continuation of discretionary **per pupil funding for mental health** (\$300 million over 2 years) and **student safety** (\$318 million over 2 years).
- In addition, the budget recommends increased supports for the **mental health operations of intermediate school districts** by providing an additional \$29 million, partially offset by repurposing \$25 million in the current budget for school resource officers.
- The budget also recognizes the importance of **cybersecurity** by providing \$9 million to districts to assess and address vulnerabilities of information technology infrastructure.
- Funding is maintained at \$33 million to support **teen health centers** and \$6.7 million for **hearing, vision, and dental screenings**.



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31AA MENTAL HEALTH SUPPORTS **SAME ALLOWABLE USES AS FY 2022-23** **2-YEAR APPROACH**

Sec. 31aa. (1) From the state school aid fund money appropriated in section 11, there is allocated ~~\$150,000,000.00~~ ~~\$300,000,000.00~~ for ~~2022-2023~~ ~~2023-2024~~ only to provide payments to districts for activities to improve student mental health. **It is intended that half the funds allocated in this section are distributed to districts during 2023-2024 and half are distributed during 2024-2025.** The allowable expenditures of funds under this section include, but are not limited to, the following:

(6) The funds allocated under this section for 2023-2024 are a work project appropriation, and any unexpended funds for 2023-2024 are carried forward into 2024-2025. The purpose of the work project is to continue the support of mental health programs described in this section. The estimated completion date of the work project is September 30, 2025.



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LITERACY SUPPORT

The Governor's budget recommends additional supports for early literacy interventions:

- To ensure districts have the **curriculum and training** necessary to provide high-quality instruction, the budget includes \$300 million to districts over 2 years to assess current practices, identify gaps, and address needs.
- In addition, the budget includes \$10.5 million to provide additional **literacy coaches** across the state (total of \$42 million, 336 coaches), \$14.5 million for **additional instructional time** grants to districts (total of \$34.4 million), and continued support for the **Michigan Reading Corps** and **Literacy Essentials training**.
- The budget also recommends \$94.4 million for **literacy initiatives in Detroit Public Schools Community District** (*FY23 Supplemental*) to fulfill a state agreement in the *Gary B v. Whitmer* settlement.
- Funding is included at \$2 million for **outreach to parents** to make the availability of literacy programs better known and \$3 million for outreach efforts by the **Detroit Parent Network**.



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WORKFORCE, STAFFING, MENTORSHIP

Supporting the Educator Workforce

- The current year budget included significant efforts to improve the educator talent pipeline by providing a tuition-free route to becoming a teacher. The Governor's budget continues these historic investments through the **MI Future Educator Fellowship** (\$25 million) and **Student Teacher Stipends** (\$50 million).
- To ensure investments in the creation of new educators are successful, the Governor's budget includes \$25 million to establish **mentoring and induction programs** in schools for newly certified teachers. These programs will link new teachers with experienced mentors to both strengthen the practice and increase teacher retention rates.
- With proposed expansions to the GSRP program and the ongoing need for additional child care professionals, the Governor's budget includes \$50 million to assess the needs of the **early childhood workforce**, update and promote career pathways, pilot training and credentialing programs, and to increase recruitment efforts. (*FY23 Supplemental*).
- The Executive Budget also recognizes the difficulty in recruiting educators in rural areas of the state. To address this issue, the Governor is recommending \$15 million for the creation of **rural educator credentialing hubs** to expand the educator workforce in these areas of the state.
- The budget also improves support for the special education workforce by providing \$5 million for **administrator training on special education** service requirements, evaluations, and supports.
- To further **support the educator workforce**, the budget adds \$25 million for a statewide initiative to boost teacher recruitment, retention, and development. (*FY23 Supplemental*).



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FY 2023-24 OUTLOOK - INFRASTRUCTURE

Planning for the Future – FY 2023 and FY 2024

- Building upon money set aside in the current year budget for infrastructure and consolidation, the Governor's budget recommends depositing an additional \$500 million for **future school infrastructure project needs**. After the completion of a statewide facilities study, the approximately \$750 million available for this purpose will be allocated.
- The budget includes \$300 million to address immediate **health and safety infrastructure needs** (*FY23 Supplemental*) in school buildings and prioritizes distribution toward those districts with the greatest level of need. The budget also includes \$25 million to **modernize and upgrade school-based health center facilities**.
- The Governor's recommendation supports the modernization of **school transportation vehicles** through \$150 million in matching grants to school districts for purchasing buses powered with electric motors.
- The budget appropriates \$245 million and provides guidance on an existing feasibility study to **incentivize the consolidation** of back-end school district support activities. Funding would be awarded to districts to find cost efficiencies in consolidating functions like financial services, human resources, technology, and grants management.



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A decorative graphic of a white, gnarled tree branch extends horizontally from the right side of the "STATE AID" text.

FY 2023-24 OUTLOOK - MPSERS

Other School Operating Funding

- State funding for **MPSERS retirement contributions** is included at \$2.3 billion, with \$1.6 billion for state contributions above the **statutory cap on unfunded liability costs** for local districts of 20.96% of payroll; \$202 million to adopt more conservative payroll growth assumptions; \$357.8 million to **pay for increases in normal costs**; and \$82.4 million for other costs.
- The budget increases the **MPSERS cost offset payment** by \$12 million (total of \$112 million) to provide relief for intermediate school districts and district libraries at the same level received by school districts.



**FY 2023-24
OUTLOOK -
MPSERS**

MPSERS Contribution Rates

The estimated FY2024 MPSERS retirement contribution rates are detailed below:

MPSERS Retirement Rates for FY2024								
	Basic MIP w/Prem Subsidy	Pension Plus w/Prem Subsidy	Pension Plus PHF	Pension Plus to DC w/PHF	Basic/MIP To DC w/ Prem Subsidy	Basic/MIP To DC w/PHF	Basic/ MIP w/PHF	Pension Plus 2 with PHF
Total Rate	48.23%	44.37%	43.12%	37.85%	39.10%	37.85%	46.98%	44.05%
Employer Rate:								
<i>Pension Normal Cost</i>	9.13%	5.27%	5.27%	0.00%	0.00%	0.00%	9.13%	6.20%
<i>Pension UAL</i>	13.90%	13.90%	13.90%	13.90%	13.90%	13.90%	13.90%	13.90%
Pension Total Rate	23.03%	19.17%	19.17%	13.90%	13.90%	13.90%	23.03%	20.10%
Health								
<i>Health Normal Cost</i>	1.25%	1.25%	0.00%	0.00%	1.25%	0.00%	0.00%	0.00%
<i>Health UAL</i>	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%
Retiree Health Total Rate	8.31%	8.31%	7.06%	7.06%	8.31%	7.06%	7.06%	7.06%
Employer Capped Rate								
Employer Capped Rate	31.34%	27.48%	26.23%	20.96%	22.21%	20.96%	30.09%	27.16%
Stabilization Rate (State Funded)								
Stabilization Rate (State Funded)	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%
FY2023 Employer Capped Rate								
FY2023 Employer Capped Rate	28.23%	25.31%	24.45%	20.96%	21.82%	20.96%	27.37%	27.16%



STATE AID



FY 2023-24 OUTLOOK - RAINY DAY FUNDS

The budget also sets aside one-time resources for future needs. This includes depositing \$500 million into the **MPSERS Reserve Fund** to mitigate any unforeseen costs. The budget also deposits \$900 million (5% of school aid fund expenditures) into a new **rainy-day fund** to avoid the need for budget reductions during years of negative revenue growth.



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GRAND TOTAL

Sec.	APPROPRIATIONS (In thousands):	Fiscal Year 2023			Fiscal Year 2024		
		FY23 Current Law	FY23 Exec. Rec. Revised	Difference from Current Law FY23	FY24 Executive Budget	Difference from Current Law FY23	Difference from Exec. Rec. FY23
	REVENUES:						
	School Aid Fund	\$ 16,754,072.9	\$ 17,602,115.9	\$ 848,043.0	\$ 18,247,768.3	\$ 1,493,695.4	\$ 645,652.4
	General Fund	\$ 124,200.0	\$ 124,200.0	\$ -	\$ 73,700.0	\$ (50,500.0)	\$ (50,500.0)
	CDTF/Other SR Funds	\$ 212,400.0	\$ 212,400.0	\$ -	\$ 317,000.0	\$ 104,600.0	\$ 104,600.0
	Federal Funds	\$ 2,524,243.5	\$ 2,667,043.5	\$ 142,800.0	\$ 2,253,043.5	\$ (271,200.0)	\$ (414,000.0)
	TOTAL APPROPRIATED REVENUES	\$ 19,614,916.4	\$ 20,605,759.4	\$ 990,843.0	\$ 20,891,511.8	\$ 1,276,595.4	\$ 285,752.4



STATE AID



MEMORANDUM

DATE: October 6, 2022

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Kyle L. Guerrant, Deputy Superintendent *KG*
Finance and Operations

SUBJECT: FY 2022-23 Thresholds for Competitive Bids, Posting Travel Expenses, and Value of Awards

If you have any questions, please contact Phil Boone, Office of State Aid and School Finance, at 517-899-0796 or boonep2@michigan.gov.

	Section	Requirement	Base Amount	2005-06 Base	2021-2022 Thresholds	2022-2023 Thresholds
ISD Travel expenditures	620	Posting	\$3,000	\$3,093	\$4,263	\$4,591
ISD Procurement of supplies, materials, and equipment	623a	Comp. Bid	\$17,932	\$18,489	\$26,046	\$28,048
ISD Award value limit	634, 1814	Award Cap	\$100	\$105	\$148	\$160
ISD Gift value limit (monthly)	634	Gift Cap	\$44	\$46	\$64	\$69
School building construction, addition, renovation, or repair	1267	Comp. Bid	\$17,932	\$18,915	\$26,046	\$28,048
School District or PSA Procurement of supplies, materials, and equipment	1274	Comp. Bid	\$17,932	\$18,489	\$26,046	\$28,048



FEDERAL FUNDS



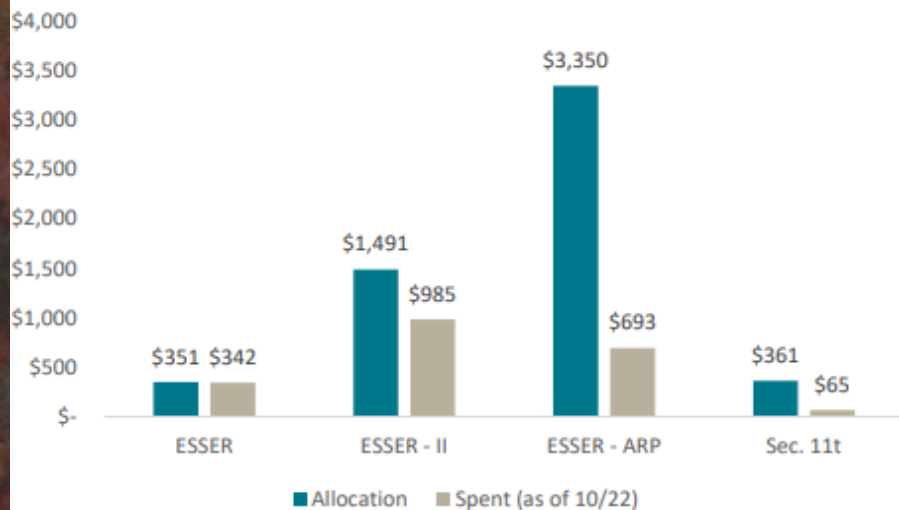
January 2023 | Memorandum 1179



SPENDING DEADLINES HANG OVER \$3.5 BILLION OF UNSPENT FEDERAL K-12 EDUCATION RELIEF FUNDS

Chart 1

Statewide ESSER Allocations and Spending by Round, as of October 2022 (\$ millions)



As of October 2022, Michigan's traditional and charter public schools have spent \$2.1 billion of the nearly \$5.6 billion federal COVID-19 dollars directly allocated to them in the last two rounds. This leaves another \$3.5 billion to program over the current and next two school years, before hitting the September 2024 federal spending deadline. This is equivalent to almost a quarter of the total revenue schools receive annually from all federal, state, and local sources on an ongoing basis.



LEGISLATIVE OUTLOOK



MEA's Legislative Priorities reflect the values of ME common topics of discussion in the legislative process. MEA lobbies regarding specific legislation under consideration.

- D. To restore and strengthen the collective bargaining rights of MEA members, including, but not limited to:**
- a. The right to negotiate over the potential of job loss or change in employer.
 - b. Elimination of unilateral “declarations of impasse.”
 - c. Compulsory binding arbitration (like PA 312 of 1969) as a contract dispute resolution procedure (interest arbitration).
 - d. Teacher discipline.
 - e. Just cause standard.
 - f. The placement and evaluation process.



LEGISLATIVE OUTLOOK



Senate Bill 0005 (2023) [rss?](#)

 [friendly link](#)

 [printer friendly](#)

Friendly Link: <http://legislature.mi.gov/doc.aspx?2023-SB-0005>

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(click name to see bills sponsored by that person)

Categories

[Labor: collective bargaining](#); [Labor: organizations](#); [Labor: public service employment](#); [Public employees and officers: other](#);

[Labor: collective bargaining](#); requirement for agency fee for nonunion members; allow in bargaining agreements and as condition of employment in public sector. Amends secs. 9, 10 & 15 of [1947 PA 336](#) (MCL [423.209](#) et seq.).

Bill Documents

[Bill Document Formatting Information](#)

(gray icons indicate that the action did not occur or that the document is not available)

Documents



Senate Introduced Bill

Introduced bills appear as they were introduced and reflect no subsequent amendments or changes.



LEGISLATIVE OUTLOOK



FOR IMMEDIATE RELEASE

February 3, 2023

Contact: Press@michigan.gov

Governor Whitmer, Democratic Leaders Agree to Deliver the Largest Tax Break in Decades Through Lowering MI Costs Plan

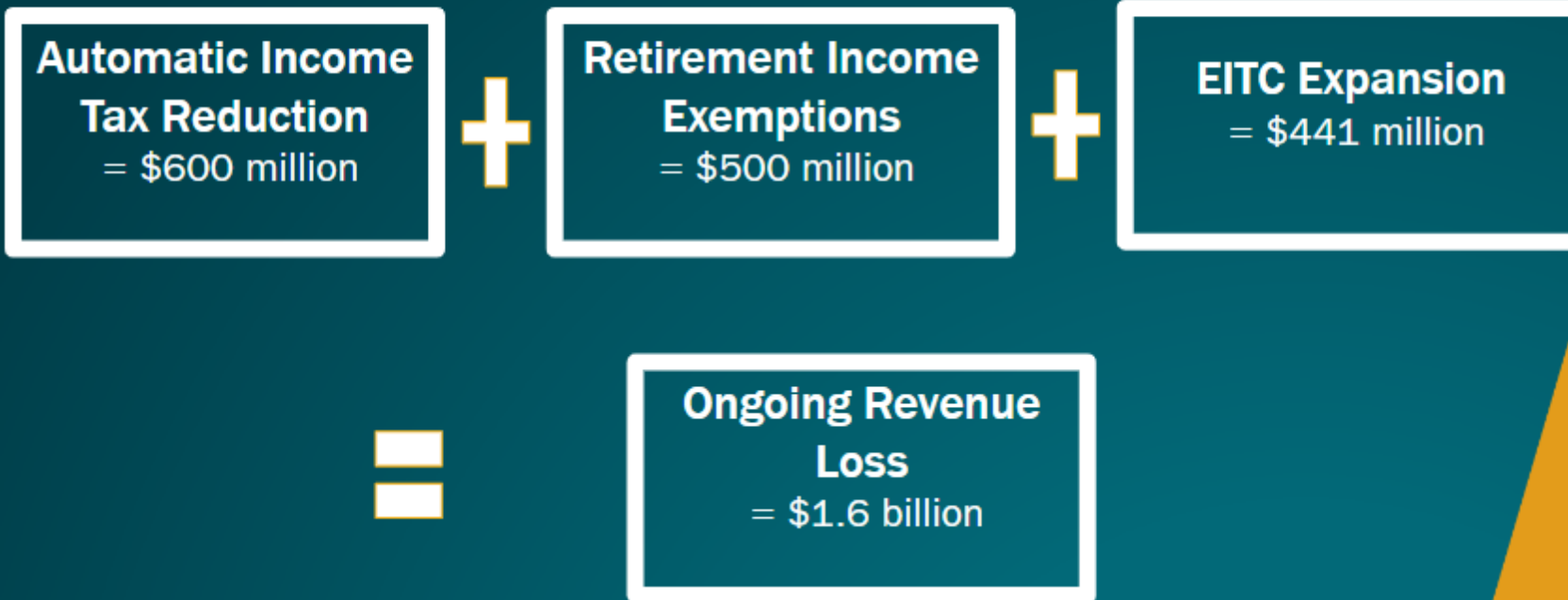
LANSING, Mich. – Today, Governor Gretchen Whitmer, Senate Majority Leader Winnie Brinks, and Speaker Joe Tate released the following statement after agreeing to a framework for the Lowering MI Costs plan that will deliver the largest tax break to Michiganders in decades and ensure that all taxpayers see relief. The Lowering MI Cost plan will repeal the retirement tax to save 500,000 households an average of \$1,000 a year, increase the Working Families Tax Credit to put an average of \$3,150 back into the pockets of 700,000 Michiganders, and deliver inflation relief checks to all Michigan taxpayers.



LEGISLATIVE OUTLOOK



Revenue loss implications





MSBO UPDATE

UPCOMING EVENTS

[VIEW ALL EVENTS ›](#)

CONFERENCES & WORKSHOPS

15
FEB

Google Training: Gmail & Calendar for Business Professionals

📍 Online

01
MAR

Google Training: Improve Collaboration with Docs and Slides

📍 Online

08
MAR

Google Training: Organizing District Resources with Google Drive

📍 Online

15

Google Training: Collecting Data With Google Forms

CERTIFICATION CLASSES

08
FEB

Collective Bargaining Agreement, Contracts

📍 Online

16
FEB

Cash Management

📍 Online

21
FEB

Record Keeping, Retention, Automation

📍 Online

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FEB

Property Tax Overview Workshop

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ENVIRONMENTAL WORKSHOPS

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AHERA Designated Person Training

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MSBO AWARDS

SCHOOL BUSINESS OFFICIAL OF THE YEAR AWARD

MSBO's Meridian, School Business Official of the Year and to recognize the extraordinary contribution

Direct questions to [Nancy Hawkins](#), 517/327-9254.

- ✔ Business Official of the Year – January 31 deadline
- ✔ Distinguished Service Award – January 31 deadline
- ✔ Meridian Award of Excellence – January 31 deadline
- ✔ President's Award
- ✔ Friend of Education Award

PURPOSE & INTENT:

This award honors an individual with innovative and unique accomplishments and contributions with emphasis during the past two years.

[Click here](#) to download the scholarship application. Deadline is January 31, 2023.

Winners

- 2022 – Michelle Sine
- 2021 – Scott Sawyer
- 2020 – Lawrence J. Gallagher
- 2019 – Cheryl S. Wald
- 2018 – Robert F. Moore, Jr.



MSBO UPDATE



84TH MSBO ANNUAL CONFERENCE & EXHIBIT SHOW

Amway Grand Plaza • DeVos Place
April 25-27, 2023

[INFORMATION FOR ATTENDEES](#)

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