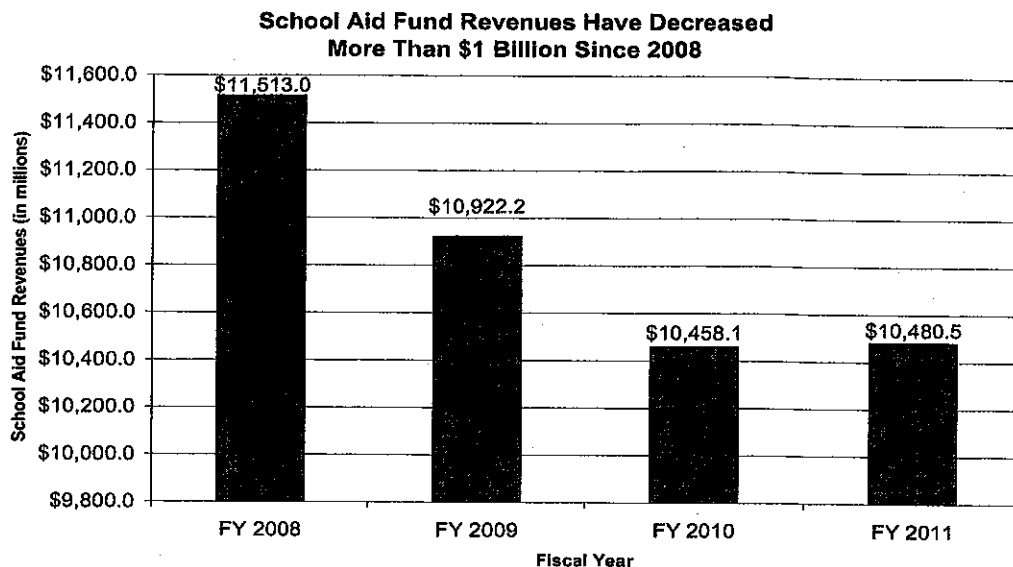


# School Aid

Michigan's K-12 public education system was recently transformed with landmark state legislation that not only allows the state to compete for over \$500 million in federal Race To The Top funds, but also enacts comprehensive reforms to improve the educational system in Michigan.

With this budget, the Governor is proposing reforms of the state tax and pension systems in order to address the structural imbalance that exists in the current school finance system. *The Governor's proposed budget for fiscal year 2011 recommends total funding of \$12.9 billion, \$11.0 billion of state funds, and nearly \$1.9 billion of federal funds.*



## Highlights of the Governor's Public School Reform Initiatives

- Estimated state revenues available in fiscal year 2011 cannot support the estimated costs of existing programs. Therefore, the Governor is proposing tax restructuring reforms that will generate an additional \$554.3 million in funding, which will prevent further reductions to the school aid budget in fiscal year 2011.
- The Governor is also proposing reforms to the public school employee pension system that are estimated to save school districts \$660 million statewide in fiscal year 2011 and nearly \$6 billion over the next 10 years.
- The Governor's fiscal year 2011 budget further promotes the consolidation of school business services, such as accounting, purchasing, and technology services, to ensure public tax dollars are spent wisely and effectively.

## Other Highlights of the Governor's Budget Recommendation for School Aid

- This budget funds existing programs at current estimated costs.
- The fiscal year 2011 budget protects over \$100 million for Great Start Readiness Programs, which will provide over 28,000 children with preschool opportunities.
- The Executive Budget also recommends that over \$150 million be carried forward from fiscal year 2011 into fiscal year 2012 to mitigate the loss of federal recovery funds.

**Fiscal Year 2011 Governor's Recommendation  
School Aid  
(\$ in Thousands)**

	<b>FY10 Current Law*</b>	<b>FY11 Recommendation</b>
GF/GP	\$30,206.2	\$30,206.2
All Funds	\$12,826,346.0	\$12,863,312.0
	% Change - GF/GP	0.0%
	% Change - All Funds	0.3%

<b>Programs</b>	<b>GF/GP</b>	<b>All Funds</b>
Foundation Allowance Payments	\$7,677.6	\$9,301,881.6
Special Education Funding	\$0.0	\$1,520,383.0
At Risk Children Services	\$0.0	\$852,761.4
School Food Programs	\$0.0	\$434,626.1
No Child Left Behind and Other Federal Funding	\$0.0	\$259,267.4
Statutorily Required Payments/Reimbursements	\$9,200.0	\$168,034.0
Great Start Preschool Programs	\$7,875.0	\$106,975.0
Intermediate School District Operations	\$0.0	\$65,376.8
Vocational Education	\$0.0	\$35,611.3
State Assessments	\$0.0	\$34,944.4
Adult Education	\$0.0	\$22,000.0
Declining Enrollment Assistance Funding	\$0.0	\$20,000.0
Center for Educational Performance and Information	\$3,656.1	\$10,926.1
Court Placed and Juvenile Programs	\$0.0	\$10,179.4
Math and Science Programs	\$110.0	\$8,779.4
Michigan Virtual High School	\$1,687.5	\$4,387.5
Bilingual Education	\$0.0	\$2,800.0
School Transportation Safety Programs	\$0.0	\$2,078.6
Health/Science Middle College	\$0.0	\$2,000.0
Crisis Intervention Program	\$0.0	\$300.0
*Adjusted for program transfers		
<b>Total FY 2011 Recommendation</b>	<b>\$30,206.2</b>	<b>\$12,863,312.0</b>