

State Aid Foundation Allowance Parameters 1995-2012

Type/FY	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Minimum	4200	4506	4816	5124	5170	5700	6000	6300*	6700*	6700	6700	6875	7085	7204	7316	7316	7316	6846
Basic	5000	5153	5308	5462	5462	5700	6000	6300*	6700*	6700	6700	6875	7085	8433	8489	8489	8489	8019
PSA Max	5500	5653	5808	5962	5962	6200	6500	6800	7000	7000	7000	7175	7385	7475	7580	7580	7580	7110
HoldHarmless	6500	6653	6808	6962	6962	7200	7500	7800	8000	8000	8000	8175	8385	8433	8489	8489	8489	8019
Increase in Foundation		\$153	\$155	\$154	<5170 becomes 5170	\$238	\$300	\$300	\$200*	0	0	\$175	\$210	\$119	\$112	0	0	-\$470
% Increase			3.05%	2.9%	0%	3.5%	5.26%	5.00%	3.08%	0	0	2.6%	3.1%	1.7%	1.5%	0	0	
CPI						1.6%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.9%	3.8%	-.4%	
State pp	GE+SE	GE+SE	GE+SE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE
Sec20 pays	GE+SE	GE+SE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE	GE
Weighted Average	5492	5686	5876	6063	6068	6328	6619	6920	7209	7211	7213	7382	7594	7708	7810	7813	7816	7345
Blend PY Feb/CyFall	50/50	50/50	50/50	40/60	40/60	25/75	20/80	20/80	20/80	20/80	25/75	25/75	25/75	25/75	25/75	25/75	25/75	90/10

Definition of contents:

Minimum is the lowest possible foundation (pay.found_min) Basic is the basic foundation (pay.base_found) PSA Max is the maximum foundation allowance allowed for all PSAs (pay.base_5500) Hold Harmless is \$1500 above the Basic through FY 2002, after which it becomes \$1300 above the basic (pay.base_6500) CPI is from the Prior Year US Bureau of Labor Statistics'- US CPI for all Urban Consumers

* Districts with per pupil foundations less than \$6500 in FY 2002 received an equity payment per pupil equal to \$6,500 minus their per pupil foundation. This per pupil equity payment was 'rolled up' into the district's per pupil foundation beginning FY 2003.

Weighted Average Foundation is calculated using LEA foundations and blended pupil count (General Ed and Special Ed). PSAs and ISDs are excluded from this calculation.

2002-03 STATE SCHOOL AID PRORATION INFORMATION

The school aid revenue shortfall for fiscal year 2003 was \$127 million. Following are **2002-03** proration factors for various sections of school aid:

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|------------------------------------------------|------------------------------------------------------|-----------------------------------------|
| 22b Discretionary Payment .962118 | 51a(12) Special Education-Other Foundations None | 68 Career Prep Implementation .962192 |
| 24 Court Placed .962191 | 53a Special Education None | 74 Bus Driver Safety .962241 |
| 26 Renaissance Zone .841055 | 56 Special Education Millage Equalization .984630 | 81(1) ISD General Formula .962362 |
| 31a At Risk \$72.65 per pupil, .961795 | 57(1) ISD Gifted/Talented .962167 | 94 Accreditation Assistance .961795 |
| 31a(6) Teen Health Centers .962196 | 57(2) Summer Institute .962250 | 96 Golden Apple .982109 |
| 32d School Readiness None | 57(3) Gifted and Talented Local Districts None | 99 Math Science .962269 |
| 41 Bilingual .962204 | 61a(1) Vocational Education. .962555 | 99a Comprehensive School Health .973566 |
| 51a(3) Special Education Hold Harmless .961795 | 61a(2) Vocational Education Admin .962264 | 107 Adult Education None |
| 51a(6) Special Education Rules Changes None | 61a(3) Vocational Education-ISD .962274 | |
| 51a(8) Center Program FICA/Retirement .962191 | 62 Vocational Education Millage Equalization .973546 | |

2003-04 STATE SCHOOL AID PRORATION INFORMATION

The school aid revenue shortfall for fiscal year 2004 was \$131.1 million. Pursuant to the language in Section 11 of the State School Aid Act, local districts and public school academies school aid payments were prorated on an **equal per pupil** basis. The LEA/PSA proration was \$74 per pupil. State School Aid for each intermediate district was prorated on an **equal percentage** basis. The 2003-04 State School Aid intermediate district reduction was calculated using a factor of 2.76% times the unprotected categorical funds.

2008-09 State Aid Section 22b Adjustment- Federal American Recovery and Reinvestment Act (ARRA) were used to replace the \$600 Million shortfall in 2008-09 State School Aid revenues. That was approximately \$372 per pupil. Districts were able to draw those funds through the Michigan Department of Education Cash Management System (CMS).

2009-10 State Aid Reductions- Federal American Recovery and Reinvestment Act (ARRA) were again used to replace a \$450 Million shortfall in 2009-10 State School Aid revenues (approximately \$279 per pupil.) Districts were able to draw those funds through the Michigan Department of Education Cash Management System (CMS). In addition, there was language added to Section 11d of the State School Aid Act that reduced per pupil revenues by \$154. Districts were to take that reduction against Section 22b discretionary funds or if a district school board and administration chose to take the reduction against another unprotected state categorical fund; it was to enter an agreement with MDE to develop a new service consolidation plan.

2010-11 State Aid Reductions-Federal American Recovery and Reinvestment Act (ARRA) were for the third year in row used to replace \$184 Million shortfall in the 2010-11 State School Aid revenues (approximately \$116 per pupil.) Districts were able to draw those funds through the Michigan Department of Education Cash Management System (CMS). In addition, Section 11d of the State School Aid Act reduced per pupil revenues by \$170.