



# Navigating School Finance The Impact of COVID-19

# Welcome

---

- Thank You!
- Purpose of the webinar
- CMU's approach and commitment

# Agenda

---

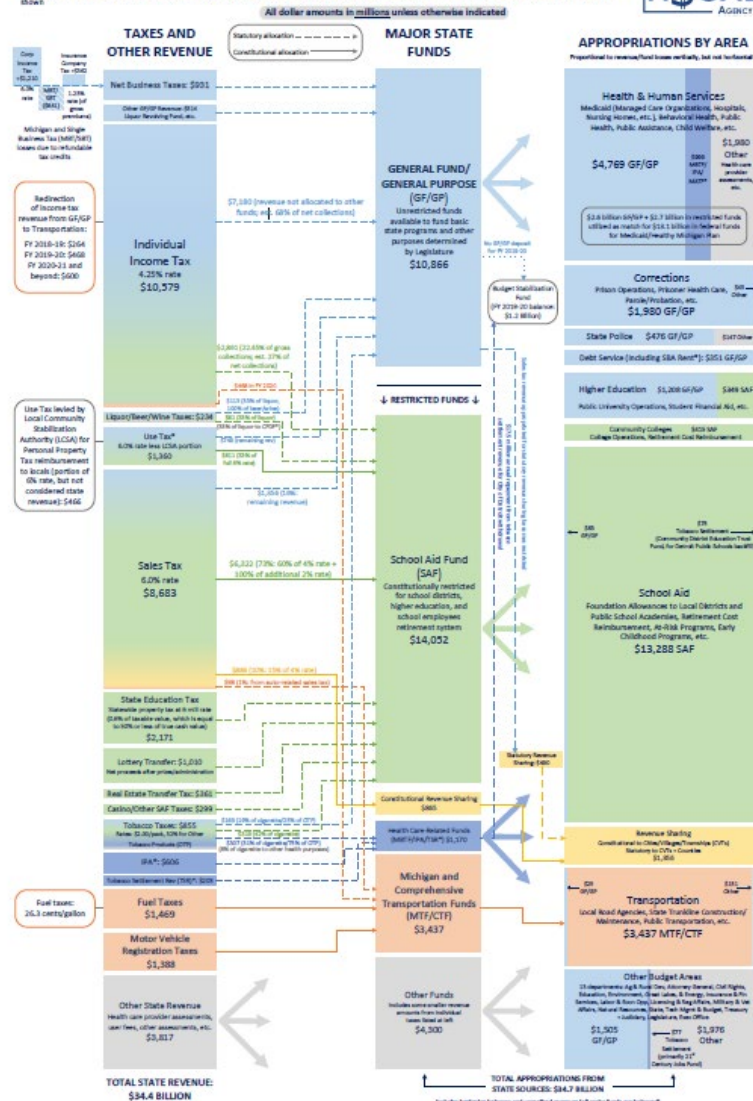
- Updates from the Center
  - Facts
  - Addressing the unknown
- Successes you've realized in these challenging times
- Challenges you're facing that you'd like the group to brainstorm

# Center Update

---

- PSA State Aid Anticipation Note (SAN) Update:
  - Applications and Cash Flow due: July 13
  - Anticipated Closing: September 3
- Tracking additional costs related to COVID-19 in a separate grant code
- School Aid Fund impact for FY 20 and FY 21





Available at: [HFA Budget Poster](https://www.hfa.michigan.gov/budget-poster)

# School Aid Fund

---

Revenue Sources (\$14.0 billion total\*)

- Sales tax ~45%
- Individual Income Tax ~20%
- State Education Tax ~15%
- Lottery ~7%

\* Minus ~\$800 million to Higher Ed.

# Navigating the Uncertainty

---

- May: Consensus Revenue Estimating Conference (CREC).
  - March and April receipts in, Updated FY 21 projections [HFA Handout from January 22, 2020 CREC](#) (for comparison)
- FY 20 Supplemental
  - 2020 PA 67 (March 30) most recent Supplemental, expect another after CREC

# Navigating the Uncertainty

---

- Every \$500 million shortfall in the School Aid Fund results in approximately \$325/pupil cut
- As of now, expect cuts to FY 20 (June, July and August payments)
- Funding support from federal government unknown and uncertain
- Prepare for a range of cuts for FY 21
  - Most estimates anticipate \$200-\$1000/pupil
  - Develop contingency plans and budgets for several scenarios



# Successes

---

The floor is yours!

Please take a moment to think about the innovative work that you and your teams have been engaged.

Can you share examples of how you have been able to creatively leverage resources or discover ways to prepare for the uncertain financial times ahead of us?

# Challenges

---

The Center appreciates that this is a time of unparalleled uncertainty.

In that spirit, we want to know the major challenges you are experiencing and ways you are tackling those challenges.

We can use this time to brainstorm solutions together, and the Center can use these insights to develop information and support in the future.

# Additional Questions or Comments?

# Resources

---

- Michigan Department of Education  
[www.michigan.gov/mde](http://www.michigan.gov/mde)
- House and Senate Fiscal Agencies  
<https://www.house.mi.gov/hfa/home.asp>  
<https://www.senate.michigan.gov/sfa/>
- Michigan Association of Public School Academies  
<https://www.charterschools.org>