

**State Maintenance-of-Effort Submission**  
**under the**  
**Education Jobs Fund Program**



**U.S. Department of Education**  
**Washington, D.C. 20202**

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**State Maintenance-of-Effort (MOE) Submission  
under the Education Jobs Fund Program**

STATE:   MICHIGAN  

**MOE Method 4: Comparing Fiscal Year 2011 Percentages of Support  
with Fiscal Year 2006 Percentages**

*NOTE: This method is available only to States with State tax collections for calendar year 2009 that are less than State tax collections for calendar year 2006.*

For State fiscal year (FY) 2011, the State will maintain State support for elementary and secondary education at a percentage of the total revenues available to the State that is equal to or greater than the percentage for State FY 2006; and

For State FY 2011, the State will maintain State support for public IHEs (not including support for capital projects or for research and development or tuition and fees paid by students) at a percentage of the total revenues available to the State that is equal to or greater than the percentage for State FY 2006.

*State Tax Collections Data*

\$   23,273,794,000   State tax collections for calendar year 2006.

\$   22,451,412,000   State tax collections for calendar year 2009.

FY 2006 Baseline Data

\$ <u>11,413,786,244</u>	The level of State support for elementary and secondary education ( <i>in the aggregate</i> ) for FY 2006. [Including Dept. of Education]
\$ <u>11,314,344,335</u>	The level of State support for elementary and secondary education ( <i>in the aggregate</i> ) for FY 2006. [Not including Dept. of Education]
\$ <u>1,670,532,950</u>	The level of State support for public IHEs for FY 2006.
\$ <u>29,202,276,124</u>	Total revenues available to the State for FY 2006.

FY 2006 Baseline Percentages

<u>39.09</u> %	State support for elementary and secondary education for FY 2006 as a percentage of total FY 2006 State revenues. [Including Dept. of Education]
<u>38.74</u> %	State support for elementary and secondary education for FY 2006 as a percentage of total FY 2006 State revenues. [Not including Dept. of Education]
<u>5.72</u> %	State support for public IHEs for FY 2006 as a percentage of total FY 2006 State revenues.

Projected FY 2011 Data

\$ <u>11,003,409,200</u>	The projected level of State support for elementary and secondary education ( <i>in the aggregate</i> ) for FY 2011. [Including Dept. of Education]
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\$ 10,955,902,900

The projected level of State support for elementary and secondary education (*in the aggregate*) for FY 2011. [Not including Dept. of Education]

\$ 1,688,323,116

The projected level of State support for public IHEs for FY 2011.

\$ 27,175,500,600

Projected total revenues available to the State for FY 2011.

Projected FY 2011 Percentages

40.49 % Projected State support for elementary and secondary education for FY 2011 as a percentage of projected total FY 2011 State revenues. [Including Dept. of Education]

40.32 % Projected State support for elementary and secondary education for FY 2011 as a percentage of projected total FY 2011 State revenues. [Not including Dept. of Education]

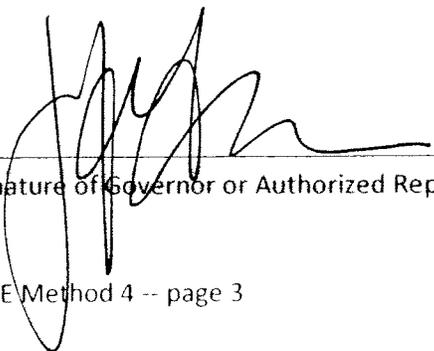
6.21 % Projected State support for public IHEs for FY 2011 as a percentage of projected total FY 2006 State revenues.

**Affirmation of MOE Data**

To the best of my knowledge and belief, all of the data in this submission are true and correct and are substantiated by the accompanying documentation.

Jennifer Granholm

Governor or Authorized Representative (Printed Name)

  
Signature of Governor or Authorized Representative

11/8/10  
Date

## **MOE Method 4 Source Documentation**

To document State tax collections for calendar years 2006 and 2009, a State may use the sum of the State quarterly tax collections data from the U.S. Census Bureau (Census), which are available at [http://www.census.gov/govs/qtax/table\\_3.php](http://www.census.gov/govs/qtax/table_3.php). A State may provide revised State tax collection data if it has available more recent auditable data that differs from the information that was reported to Census. A State may, if it chooses, exclude from State tax collections those tax revenues that may not be used to provide support for elementary, secondary, or postsecondary education. For example, a State may exclude gasoline taxes that generate revenue that is available to support only transportation projects. If a State chooses to exclude dedicated taxes, it must do so for both calendar years 2006 and 2009. Furthermore, as part of its application, the State must identify the taxes excluded and the amounts of the State tax collections under such taxes.

For the FY 2006 baseline data, a State must provide documentation substantiating the State's –

- Final appropriations or expenditures for elementary and secondary education and for public IHEs. Such documentation may include tables or text from official State budget documents (e.g., a State budget summary or table of expenditures from the State's accounting system); and
- Final total State revenues for the baseline year. These data would include both general and special revenues from sources such as personal income taxes, corporate income taxes, and sales and use taxes.

Some States have revenues that are dedicated to particular activities and are not available to the State to support elementary, secondary, or postsecondary education. A State may, if it chooses, exclude from its total revenues those dedicated revenues that are unavailable to support elementary, secondary, or postsecondary education provided that, subsequent to August 10, 2010 (the date of enactment of the Ed Jobs statute), the State has not increased the basis on which the dedicated revenues are derived. For example, if a State has revenues from gasoline taxes that are available only for transportation projects, the State may exclude all such revenues from total State revenues if the State that has not increased its gasoline taxes since August 10, 2010. If a State chooses to exclude dedicated revenues, it must do so for both FYs 2011 and 2006. Furthermore, as part of its application, the State must identify the source and amounts of any dedicated revenues excluded.

For the projected FY 2011 data, a State must provide –

- Enacted or estimated appropriations to establish levels of support for education. Such documentation may include a Governor’s budget proposal, legislative budget proposals, or enacted appropriations; and
- The most recent State revenue estimates.

Following the close of the State fiscal year 2011, the Department will be collecting final appropriations or expenditure data for that fiscal year to verify that the State met the statutory MOE requirements.

**Michigan's Maintenance-of-Effort (MOE) Submission  
Under the Education Jobs Fund Program  
Prepared by the State Budget Office on November 8, 2010**

Enclosed is Michigan's submission to the U.S. Department of Education, the most current applicable maintenance-of-effort (MOE) data available to demonstrate the state will comply with the MOE requirements in Section 101(10)(A) of Public Law 111-226 required under the Education Jobs Fund (Ed Jobs) program. The State of Michigan will demonstrate it meets the Ed Jobs MOE requirement using the following method:

*Method #4 – Maintain FY 2011 percentages of support at percentages that are not less than FY 2006 percentages.*

In order to use this method, the state must demonstrate that state tax collections for calendar year 2009 are less than state tax collections for calendar year 2006. Michigan meets this qualification – see below state tax collection data.

<b>Michigan State Tax Collections Data</b>			
Last Updated: 11/3/10 (in thousands)			
	<b>2006</b>	<b>2009</b>	<b>Diff</b>
<b>Qtr 1</b>	2,969,122	3,234,332	265,210
<b>Qtr 2</b>	5,780,382	5,768,785	(11,597)
<b>Qtr 3</b>	8,081,955	7,205,633	(876,322)
<b>Qtr 4</b>	6,442,335	6,242,662	(199,673)
<b>Total Calendar Year</b>	<b>23,273,794</b>	<b>22,451,412</b>	<b>(822,382)</b>

*Source: US Census Bureau/Quarterly Summary of State & Local Taxes  
– Table 3 as of 11/3/10*

To compare the level of state support as a percentage of total revenues available to the state for 2006 and 2011, the Office of Financial Management prepared queries for both applicable years using the Michigan Administrative Information Network (MAIN), the state's official accounting system, as of 10/28/10. According to this data, Michigan is in compliance with the MOE requirement as detailed below.

The following applies to all data provided:

- Local and private funding sources are excluded as they are generally restricted for a specific use and not available to fund general state programs.
- Federal funding sources are excluded, as directed.
- In accordance with the Ed Jobs guidance, funding for institutions of higher education excludes tuition, fees, financial assistance paid to students and capital projects. Figures are also adjusted to exclude funding for higher education research.

**FY 2006 Baseline Data**

- *Elementary and secondary education and public institutions of higher education (IHEs) – final state expenditures for FY 2006. Figures are provided with and without expenditures for the state’s administering agency of elementary and secondary education.*
- *Total revenues available to the state - actual appropriated revenue from state resources, including general fund and special revenue fund sources for the FY 2006 state budget.*

**FY 2011 Projected Data**

- *Elementary and secondary education and public IHEs – enacted state appropriations recorded in the state’s accounting system for FY 2011 as of October 28, 2010. Figures are provided with and without expenditures for the state’s administering agency of elementary and secondary education.*
- *Total revenues available to the state - appropriated revenue from state resources for FY 2011, including general fund and special revenue fund sources based on the most recent state revenue estimates agreed to at the May 2010 Consensus Revenue Estimating Conference.*

<b>Ed Jobs MOE Data Summary Chart</b>		
Last Updated: 10/28/10		
	<b>FY 2006 Actual</b>	<b>FY 2011 Estimate</b>
<b>Elem &amp; Sec Ed - w/ Dept. of Ed</b>	11,413,786,244	11,003,409,200
<b>% of Total Revenues</b>	39.09%	40.49%
<b>Elem &amp; Sec Ed - w/o Dept. of Ed</b>	11,314,344,335	10,955,902,900
<b>% of Total Revenues</b>	38.74%	40.32%
<b>IHEs Operations</b>	1,670,532,950	1,688,323,116
<b>% of Total Revenues</b>	5.72%	6.21%
<b>Total Revenues Available to the State</b>	<b>29,202,276,124</b>	<b>27,175,500,600</b>
<i>Source: Office of Financial Management - Michigan Administrative Information Network (MAIN), the State of Michigan's official accounting system.</i>		

**Source Documentation:**

Michigan Administrative Information Network (MAIN) queries of expenditures, revenues, and enacted appropriations. Report Management & Distribution System (RMDS) reports DAFR7460, DAFR9670, and DAFR8920.

**STATE OF MICHIGAN ED JOBS FUND MOE SOURCE DOCUMENTATION  
FY 2006 ACTUAL STATE SUPPORT**

<b>STATE FUNCTION</b>	<b>FY 2006 State Expenditures</b>	<b>FY 2006 State Revenues</b>
CONSERVATION, RECREATION, AND AGRICULTURE	535,469,659	435,815,185
<b>EDUCATION - DEPT. OF EDUCATION</b>	<b>99,441,909</b>	<b>5,377,391</b>
GENERAL GOVERNMENT	4,099,675,943	12,380,272,719
HEALTH SERVICES	4,265,264,559	1,295,189,497
HUMAN SERVICES	1,242,697,433	79,689,640
LABOR, COMMERCE, AND REGULATORY	337,443,647	521,884,240
PUBLIC SAFETY AND CORRECTIONS	2,260,248,002	163,836,198
TRANSPORTATION	3,122,865,975	3,096,364,224
<b>EDUCATION - ELEMENTARY &amp; SECONDARY COLLEGES/UNIVERSITIES - OPERATIONS</b>	<b>11,314,344,335</b>	<b>11,223,727,032</b>
<b>COLLEGES/UNIVERSITIES &amp; HIGHER EDUCATION - OTHER</b>	<b><u>235,057,324</u></b>	<b><u>83,056</u></b>
 <b>Total</b>	 <b>29,269,438,485</b>	 <b>29,202,276,124</b>

**Percent of Total State Revenues:**

Elementary & Secondary Education (including Dept. of Education)	<b>39.09%</b>
Elementary & Secondary Education (not including Dept. of Education)	<b>38.74%</b>
Higher Education Operations (Colleges/Universities) After higher education research adjustment - (Less 86,396,750)	<b>5.72%</b>

Source: Michigan Administrative Information Network (MAIN) queries of enacted expenditures and revenues. Report Management & Distribution System (RMDS) reports DAFR 7460, DAFR 9670, and DAFR 8920.

**STATE OF MICHIGAN ED JOBS FUND MOE SOURCE DOCUMENTATION  
FY 2011 ESTIMATED STATE SUPPORT**

<b>STATE FUNCTION</b>	<b>FY 2011 Enacted Appropriations</b>
GENERAL GOVERNMENT	2,707,930,700
<b>EDUCATION - DEPT. OF EDUCATION</b>	<b>47,506,300</b>
HUMAN SERVICES	990,681,900
PUBLIC SAFETY AND CORRECTIONS	2,466,402,800
CONSERVATION, RECREATION, AND AGRICULTURE	498,170,700
LABOR, COMMERCE, AND REGULATORY	394,716,600
HEALTH SERVICES	4,346,851,600
TRANSPORTATION	2,900,369,600
<b>EDUCATION - ELEMENTARY &amp; SECONDARY</b>	<b>10,955,902,900</b>
<b>COLLEGES/UNIVERSITIES - OPERATIONS</b>	<b>1,774,818,400</b>
COLLEGES/UNIVERSITIES & HIGHER EDUCATION - OTHER	<u>92,149,100</u>
 <b>Total</b>	 <b>27,175,500,600</b>

**Percent of Total Enacted Appropriations:**

Elementary & Secondary Education (including Dept. of Education)	<b>40.49%</b>
Elementary & Secondary Education (not including Dept. of Education)	<b>40.32%</b>
Higher Education Operations (Colleges/Universities) After higher education research adjustment - (Less 86,495,284)	<b>6.21%</b>

Source: Michigan Administrative Information Network (MAIN) queries of enacted appropriations. Report Management & Distribution System (RMDS) reports DAFR 7460, DAFR 9670, and DAFR 8920.