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TO: MSBO – Annual Conference Attendees
FROM: Jerry Johnson, Assistant Superintendent for Legislation and Education Policy
RE: Legislative Update
DATE: April 23, 2024

2024-2025 BUDGET DEVELOPMENT

On April 16, the Senate K-12 Appropriations Subcommittee released its version of the FY2025 School Aid Budget (SB751). A Senate Fiscal Agency Analysis is attached for your information. This represents another early step in the process to get a budget completed before the statutory deadline of July 1. We expect the House School Aid Subcommittee to release its version of the budget next Thursday, and then the Consensus Revenue Estimating Conference on May 17 will establish a final agreement on how much revenue is available to fund the budget. There are still several steps that remain and a large amount of work ahead, but it is encouraging to see the process moving along.

The Senate's version of the budget totals more than \$20.3 billion provides flexibility for local districts in several areas. In general, there are increases in many of the core components of the School Aid Budget and continuation funding in several of the new investments that were included in the current fiscal year budget. Highlights of the Senate budget include:

- Increase to the foundation allowance of 3.1% bringing it up to \$9,910 per-pupil
- Increase grants supporting at-risk pupils by \$122.6 million, with total funding at \$1.07 billion. The definition of At-Risk pupils can include students struggling in English or math, students from a family with a history of substance abuse or incarceration, and victims of child abuse or neglect.
- School districts may use up to 60 percent of their at-risk student funding on employee retention and recruitment efforts for instructional staff and staff providing services related to social, emotional or physical health.
- Provides a 3.1% increase to ISD Section 81 funding.
- Maintains \$75 million for Student Loan Repayment Assistance.
- Maintains funding for Universal School Meals.
- Doubled funding for Bilingual Education to a total of \$75.9 million.
- Continuing the one-time per-pupil mental health and school safety grants by adding \$150 million, with \$50 million to be ongoing
- Increase eligibility for Great Start Readiness Program (GSRP) from 300% of the federal poverty line (FPL) to 400% FPL.
- Increase early childhood block grants by \$600,000, continue classroom startup grants with \$35 million, and increase GSRP transportation funding by \$18 million.
- Shifts \$631 million in MPSERS-OPEB funding. This is consistent with the governor's recommendation. School leadership groups are opposed to this shift and recommend a permanent buydown of the capped rate from 20.96% to approximately 14% which results in potential savings of \$500 per pupil for local districts. See attached letter.

SENATE BILLS

YELLOW = MONITORING / **GREEN** = RECENT ACTION / **PURPLE** = GUBERNATORIAL ACTION

- **SB23 – School Aid** – The bill modifies requirements concerning counting pupils in membership for pupils enrolled in certain work-based learning experiences. The bill passed out of the Senate Appropriations Committee and awaits a vote of the chamber.
- **SB89 – Child Care** – The bill provides for clean drinking water in schools and child care centers. The bill passed out of the Senate and is in the House Natural Resources, Environment, Tourism and Outdoor Recreation Committee.
- **SB285 – School Attendance** – The bill modifies attendance requirements for kindergarten. The bill passed out of the Senate and is in the House Education Committee.
- **SB314 – School Buildings** – The bill allows use of design-build constructing for certain school buildings. The bill is in the Senate Regulatory Affairs Committee.
- **SB354 – Teacher Licensing** – The bill modifies teacher licensing examination. The bill is in the Senate Education Committee.
- **SB380 – School Aid** – The bill modifies day and hour requirements. The bill is in the Senate Education Committee.
- **SB463 – FAFSA** – The bill requires completion of the Free Application for Federal Student Aid (FAFSA) by pupils as a condition of graduation. The bill passed out of the Senate and is in the House Education Committee.
- **SB500 – Meal Programs** – The bill creates the free school lunch and breakfast program. The bill passed out of the Senate Education Committee and awaits a vote of the chamber.
- **SB512 – School Aid Penalties** – The bill modifies school aid penalties for districts and intermediate districts. The bill is in the Senate Appropriations Committee.
- **SB518 – Interim Teaching Certifications** – The bill modifies the interim teaching certification process. The bill passed out of the Senate and the House Education Committee. It awaits a vote of the full House.
- **SB567 – Dyslexia** – The bill provides prescreening for dyslexia in public schools. The bill passed out of the Senate and is in the House Education Committee.
- **SB568 – Teacher Preparation Institutions** – The bill creates certain requirements for teacher preparation institutions approval. The bill passed out of the Senate and is in the House Education Committee.
- **SB646 – Public School Employees** – The bill modifies effect of election of retirant's divorce from spouse designated as beneficiary. The bill is in the Senate Education Committee.
- **SB664 – School Curriculum** – The bill requires MDE to develop a model program of firearm safety instruction for students in grades 6 to 12 by June 1, 2025. The bill is in the Senate Natural Resources and Agriculture Committee.
- **SB712 – Reading Deficiencies** – The bill modifies requirements for addressing reading deficiencies and informing parents and legal guardians. The bill is in the Senate Education Committee.
- **SB713 – Student Retention** – The bill allows parent or legal guardian to request that the parent's or legal guardian's child be retained in a grade level for a specified school year. The bill is in the Senate Education Committee.
- **SB714 – Tutors** – The bill requires science of reading training for tutors. The bill is in the Senate Education Committee.

- **SB715 – School Aid** – The bill provides supplemental appropriations in the state school aid act of 1979 for bonus payments to certain teachers. The bill is in the Senate Education Committee.
- **SB736 – School Curriculum** – The bill requires instruction in water safety. The bill is in the Senate Education Committee.
- **SB741 – School Libraries** – The bill requires a school library and participation in the interlibrary loan system within all public schools. The bill is in the Senate Education Committee.
- **SB742 – School Librarians** – The bill requires a certified school librarian in certain public schools. The bill is in the Senate Education Committee.
- **SB743 – School Libraries** – The bill provides a designated individual to supervise pupils in a school library under certain conditions. The bill is in the Senate Education Committee.
- **SB744 – Probationary Periods** – The bill modifies requirements for a teacher to successfully complete a probationary period. The bill passed out of the Senate and is in the House Education Committee.
- **SB746 – School Aid Omnibus** – The bill provides fiscal year 2024-2025 appropriations for K-12 school aid, higher education, and community colleges. The bill is in the Senate Appropriations Committee.
- **SB748 – Department Of Lifelong Education Appropriations** – The bill provides fiscal year 2024-2025 appropriations for the department of lifelong education, advancement, and potential. The bill is in the Senate Appropriations Committee.
- **SB751 – School Aid** – The bill provides appropriations in the school aid act for fiscal year 2024-2025. The bill passed out of the Senate K-12 Appropriations Subcommittee and awaits action by the full Senate Appropriations Committee.
- **SB769 – Department Of Education Appropriations** – The bill provides fiscal year 2024-2025 appropriations for MDE. The bill is in the Senate Appropriations Committee.
- **SB795 - School Aid** – The bill provides certain reading scholarships for certain eligible children. The bill is in the Senate Education Committee.
- **SB796 – School Districts** – The bill provides letter grade system for ranking public schools. The bill is in the Senate Education Committee.
- **SB797 – Teachers And Administrators** – The bill modifies performance evaluation systems for public school teachers and school administrators. The bill is in the Senate Education Committee.
- **SB798 – Performance Evaluations** – The bill modifies references regarding teacher performance evaluations. The bill is in the Senate Education Committee.
- **SB805 – School Incident Reports** – The bill includes incidents involving possession or dissemination of sexually explicit or abusive material in required incident reporting. The bill is in the Senate Education Committee.

- **HB4064 – School Curriculum –** The bill requires MDE to create a model program of instruction in cursive handwriting and makes it optional for public schools. The bill passed out of the House and is in the Senate Education Committee.
- **HB4081 – School Counselors –** The bill establishes a minimum number of school counselors to be employed by a school district, intermediate school district, or public school academy. The bill received testimony in the House Health Policy Committee.
- **HB4089 – School Safety –** The bill creates a nine-member School Safety and Mental Health Commission to consult with behavioral and mental health experts supporting at-risk youth. The bill is receiving testimony in the House Education Committee.
- **HB4092 – School Safety –** The bill requires notification of tips reported under the OK2Say program. The bill is receiving testimony in the House Education Committee.
- **HB4095 – School Safety –** The bill requires that public schools and nonpublic schools adopt and implement a standardized response terminology plan. The bill is receiving testimony in the House Education Committee.
- **HB4096 – School Safety –** The bill requires the department to establish a standardized response terminology plan. The bill is receiving testimony in the House Education Committee.
- **HB4157 – School Attendance –** The bill provides an excused absence from public school for the purpose of sounding "Taps" at a military honor funeral for a deceased veteran. The bill passed out of the House and is in the Senate Education Committee.
- **HB4225 – School Safety –** The bill requires installation of high-visibility markers on all rooms and exterior doors of schools. The bill is in the House Education Committee.
- **HB4241 – School Safety –** The bill requires that each school building is equipped with at least 1 panic alarm. The bill has received testimony in the House Education Committee.
- **HB4242 – School Safety –** The bill provides funding for installation of panic alarms in school buildings. The bill has received testimony in the House Education Committee.
- **HB4279 – Career Education –** The bill modifies requirements for taxes levied for area career and technical education programs. The bill passed out of the House and is in the Senate Education Committee.
- **HB4288 – Education –** The bill removes certain provisions of the revised school code dealing with strikes and collective bargaining. The bill passed out of the House and is in the Senate Education Committee.
- **HB4291 – Youth Athletes –** The bill requires MDHHS to develop educational materials and training program regarding sudden cardiac arrest in athletes and their return to athletic activity. The bill is in the House Health Policy Committee.
- **HB4355 – Collective Bargaining –** The bill updates a reference to 1947 PA 336, the state school aid act of 1979. The bill passed out of the House Labor Committee and awaits a vote of the full chamber.
- **HB4482 – Civil procedure –** The bill would revise the statute of limitations for minor victims of CSC to instead apply to any victim of CSC. The bill also extends the time period for filing after discovery from three years to seven years and the maximum age of the victim to 52. The bill passed out of the House Criminal Justice Committee and awaits a vote of the full chamber.

- **HB4485 – Criminal procedure –** The bill eliminates the statute of limitations for criminal indictments of CSC. The bill passed out of the House Criminal Justice Committee and awaits a vote of the full chamber.
- **HB4486 – Torts –** The bill removes governmental immunity if an agency or employee knew or should have known about a prior act of CSC and failed to act or intervene to prevent subsequent CSC. The bill passed out of the House Criminal Justice Committee and awaits a vote of the full chamber.
- **HB4549 – Substitute Teachers –** The bill modifies sunset for certain requirements concerning eligibility to serve as a substitute teacher. The bill passed out of the House Education Committee and awaits a vote of the full chamber.
- **HB4603 – School Buildings –** The bill allows use of design-build constructing for certain school buildings. The bill passed out of the House and is in the Senate Regulatory Affairs Committee.
- **HB4604 – Design Builders –** The bill exempts design builder from certain requirements of a firm. The bill received testimony in the House Regulatory Reform Committee.
- **HB4648 – School Aid –** The bill modifies pupil membership count day and the supplemental pupil count to provide for an alternative day for the counting of pupils who are absent due to a religious observance or holiday. The bill passed out of the House Education Committee and awaits a vote of full chamber.
- **HB4671 – School Calendar –** The bill eliminates restrictions on school start date. The bill passed out of the House Education Committee and awaits a vote of full chamber.
- **HB4854 – Students –** The bill permits indigenous individuals to wear traditional regalia and bring traditional objects in a school building. The bill received testimony in the House Higher Education Committee.
- **HB4928 – School Vehicles –** The bill allows school bus stop-arm cameras and provides civil sanctions for violations. The bill passed out of the House and is receiving testimony in the Senate Transportation and Infrastructure Committee.
- **HB4929 – Civil Infractions –** The bill revises judicature act to reflect distribution of certain fines to school districts. The bill passed out of the House and is receiving testimony in the Senate Transportation and Infrastructure Committee.
- **HB4930 – School Vehicles –** The bill allows school bus stop-arm cameras. The bill passed the House and is receiving testimony in the Senate Transportation and Infrastructure Committee.
- **HB4961 – School Curriculum –** The bill establishes an environmental literacy task force to develop environmental literacy model curriculum and report on the curriculum. The bill received testimony in the House Education Committee.
- **HB5010 – Teachers –** The bill requires classroom management training for teaching certification. The bill is in the House Education Committee.
- **HB5011 – Substitute Teachers –** The bill requires classroom management training for substitute teachers. The bill is in the House Education Committee.
- **HB5018 – School Aid –** The bill provides funding to implement a career development model. The bill is in the House Appropriations Committee.
- **HB5020 – Collective Bargaining –** The bill requires a union to obtain authorization from a public employee to obtain before expending the public employee's union dues on a political purpose, and creates sorting requirements. The bill is in the House Government Operations Committee.

- **HB5025 – Educational Instruction Access** – The bill repeals educational instruction access act. The bill is receiving testimony in the House Education Committee.
- **HB5042 – School Meals** – The bill modifies free school lunch and breakfast program. The bill is in the House Education Committee.
- **HB5051 – Education Curriculum** – The bill modifies merit curriculum requirement. The bill is in the House Education Committee.
- **HB5063 – Medical Marijuana** – The bill allows students to be treated with marihuana-infused products and CBD products during school. The bill is in the House Regulatory Reform Committee.
- **HB5064 – Medical Marijuana** – The bill allows treating students with medical marihuana and CBD products at school. The bill is in the House Regulatory Reform Committee.
- **HB5098 – Dyslexia** – The bill creates dyslexia resource guide advisory committee within the department of education. The bill is in the House Education Committee.
- **HB5135 – Special Education** – The bill requires at least 1 teacher trained in the Orton-Gillingham methodology at each public school to employ. The bill is in the House Education Committee.
- **HB5174 – Anatomical Gifts** – The bill requires instruction in organ and tissue donation. The bill is receiving testimony in the House Education Committee.
- **HB5231-HB5234 – Public School Academies** – The bills require certain authorizer and educational management organization information on school signage, advertising, and promotional materials. The bill is receiving testimony in the House Education Committee.
- **HB5269 – Public School Academies** – The bill requires a public school academy to post salary information on its website. The bill is receiving testimony in the House Education Committee.
- **HB5286 – Government Employee Liability** – The bill revises proximate cause in liability of governmental employees. The bill is in the House Judiciary Committee.
- **HB5309 – School Zones** – The bill modifies the definition of school zone. The bill is in the House Transportation, Mobility and Infrastructure Committee.
- **HB5329 – Seizures** – The bill establishes certain school requirements related to seizure awareness. The bill is in the House Education Committee.
- **HB5334 – Firearms** – The bill requires MDE to develop a model program of firearm safety instruction for students in grades 6 to 12 by June 1, 2025. The bill is in the House Judiciary Committee.
- **HB5450 – Firearms** – The bill requires DHHS to develop and provide information regarding the safe storage of firearms to the Department of Education. The bill is receiving testimony in the House Education Committee.
- **HB5451 – Firearms** – The bill requires districts to provide information regarding the safe storage of firearms to parents and legal guardians. The bill is receiving testimony in the House Education Committee.
- **HB5456 – School Code** – The bill provides inclusion of incidents involving possession or dissemination of sexually explicit or abusive material in required incident reporting. The bill is in the House Education Committee.
- **HB5501 – Lifelong Education Appropriations** – The bill provides appropriations for the department of lifelong education, advancement, and potential for fiscal year 2024-2025. The bill is in the House Appropriations Committee.
- **HB5503 – School Aid** – The bill provides appropriations for K-12 school aid for fiscal year 2024-2025. The bill is in the House Appropriations Committee.

- **HB5506 – Education Appropriations** – The bill provides department of education appropriations for fiscal year 2024-2025. The bill is in the House Appropriations Committee.
- **HB5507 – School Aid** – The bill provides omnibus appropriations for K-12 school aid, higher education, and community colleges for fiscal year 2024-2025. The bill is in the House Appropriations Committee.
- **HB5527 – School Safety** – The bill modifies cardiac emergency response plans. The bill passed out of the House and the Senate Health Policy Committee, and awaits a vote of the full Senate.
- **HB5528 – School Athletics** – The bill requires CPR and AED certification for athletic coaches. The bill passed out of the House and the Senate Health Policy Committee, and awaits a vote of the full Senate.
- **HB5531 – School Property** – The bill creates registry of student death on school property. The bill is in the House Government Operations Committee.
- **HB5549 – School Safety** – The bill requires schools to create behavioral threat assessment and management teams. The bill is receiving testimony in the House Education Committee.
- **HB5594 – Youth Employment** – The bill modifies work permit issuance procedures. The bill is in the House Labor Committee.

FILTER FIRST WEBINAR

The Clean Drinking Water Access Act was signed into law as Public Act 154 of 2023. This is often referred to as Filter First. The act requires each school to develop a drinking water safety plan and make the plan available to the state government. The effective date of the act is October 24, 2023 and within the act it specified that guidance is to be released 6 months after effective date. Guidance is to be provided no later than April 24, 2024, and schools must complete their Drinking Water Management Plans by January 24, 2025, and all potable water sources must have approved filters on them by the end of the 2025-2026 school year.

The Michigan Department of Environment, Great Lakes, and Energy, in partnership with the Michigan Department of Lifelong Education, Advancement, and Potential hosted an informational webinar on April 10, 2024 to review requirements, timelines, and updates about funding. Resources from the webinar include:

WEBINAR RECORDING: [Preparing to Meet Filter First Requirements](#)

PROGRAM RESOURCES:

[Filter First Website](#)

[School Drinking Water Program](#)

[Drinking Water Website](#)

[Mi Lead Safe](#)

[Drinking Water Operator Training and Certification Program](#)

For questions regarding Filter First, email: EGLE-DWEHD-FilterFirst@Michigan.gov

FY 2024-25 SCHOOL AID BUDGET

S.B. 751 (S-1): SENATE SUBCOMMITTEE REC.

(as reported)

Committee: Appropriations

Throughout this document Senate means Subcommittee Recommendation

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2023-24 YEAR-TO-DATE*	FY 2024-25 SENATE SUBCOMMITTEE REC.	CHANGES FROM FY 2023-24 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	21,459,651,300	20,325,366,700	(1,134,284,600)	(5.3)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	21,459,651,300	20,325,366,700	(1,134,284,600)	(5.3)
Less:				
Federal Funds	2,200,793,500	2,272,793,500	72,000,000	3.3
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	19,258,857,800	18,052,573,200	(1,206,284,600)	(6.3)
Less:				
Other State Restricted Funds	19,170,957,800	17,992,823,200	(1,178,134,600)	(6.1)
GENERAL FUND/GENERAL PURPOSE	87,900,000	59,750,000	(28,150,000)	(32.0)
PAYMENTS TO LOCALS	17,622,688,000	16,424,651,500	(1,198,036,500)	(6.8)

*As of February 7, 2024.

Major Boilerplate Changes from FY 2023-24 Year-to-Date:

- 1. Consolidation Incentive Payments.** The Senate added language to allow up to \$25.0 million from the consolidation incentive payments line to be awarded as grants to district and Intermediate School Districts (ISD) with emergency infrastructure needs that threaten the health and safety of students and staff. (Sec. 12c)
- 2. Special Ed. Millage Equalization.** The Senate changed the formula for ISD payments under the special education millage equalization distribution. (Sec. 56)
- 3. At-Risk.** The Senate added language to allow a district to use up to 60% of funding for the retention and recruitment of instructional staff and staff providing services related to social, emotional or physical health. (Sec. 31a)
- 4. Great Start Readiness Program.** The Senate added a requirement that a program run by a community-based provider must pay the teacher of record a salary no less than the average teacher salary, adjusted for years of service, of the surrounding district. (Sec. 32d)
- 5. MI Future Educator Fellowship and Student Teacher Stipends.** The Senate added language allowing funds to be appropriated from the Educator Fellowship Public Provider Fund if the amount appropriated is insufficient to fund all eligible stipends (Sec. 27c). This is identical to language in Sec. 27a for the MI Future Educator Fellowship program. Also added language that unspent funds from the MI Future Educator Fellowship and Student Teacher Stipends would be deposited to the Educator Fellowship Public Provider Fund or Educator Fellowship Private Provider Fund, not lapse to the School Aid Fund or General Fund, as applicable. (Sec. 27d and 27e)
- 6. Repealed Sections.** The Senate repealed sections that related to collective bargaining prohibitions (Sec. 164h) and various one-time funding programs.

FY 2023-24 Year-to-Date Appropriation.....		\$21,459,651,300	\$87,900,000		
		CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
		Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>					
1. Cost Adjustments. The Senate recognized costs for special education (\$442.1 million), universal school meals (\$40.0 million), promise zone payments (\$9.1 million), foundation allowance costs (negative \$245.2 million), School Bond Loan Fund payments (negative \$88.0 million), and Michigan Public School Employee Retirement System (MPERS) costs (negative \$41.3 million). Also included \$60.0 million to replace one-time funding for school meals.		176,700,000	0	N/A	N/A
2. Remove FY 2023-24 One-Time Items. The Senate removed all FY 2023-24 one-time appropriations.		(2,324,086,000)	(38,150,000)	N/A	N/A
3. Economic Adjustments. Includes \$301,400 Gross and \$230,600 GF/GP for total economic adjustments.		301,400	230,600	N/A	N/A
<u>New Programs/Program Increases</u>					
4. Foundation Allowance. The Senate increased the target foundation allowance 3.1%, to \$9,910 per pupil.		397,000,000	0	10,640,000,000	0
5. Other Program Increases. The Senate included increases for at-risk grants (\$122.6 million), special ed. foundations (\$15.5 million), vision, hearing and dental screening (6.5 million), literacy coaches (\$3.3 million), ISD general operations (\$2.5 million), robotics (\$2.0 million), dropout recovery (\$1.0 million), and others (\$13.9 million).		167,201,400	0	N/A	N/A
6. Per-Pupil Mental Health and School Safety Grants. The Senate included funding for per-pupil grants to districts and ISDs and designated \$50.0 million as ongoing funding. This program was funded in FY 2023-24 with one-time funding.		150,000,000	0	150,000,000	0
7. Great Start Readiness Program (GSRP). The Senate increased the per-pupil rate and increased eligibility to 400% FPL (\$82.5 million), increased early childhood block grants (\$600,000), and continued classroom startup grants (\$35.0 million) and the transportation increase (\$18.0 million).		136,093,100	0	680,563,100	350,000
8. Student Loan Repayment Assistance. The Senate included funding for the program, which was previously funded in FY 2023-24 with one-time funding. Funding was changed to ongoing, and money was added to change the administration of the program from districts to the department of education.		75,300,000	300,000	75,300,000	300,000

FY 2024-25 SCHOOL AID BUDGET
S.B. 751 (S-1): SENATE SUBCOMMITTEE REC.

	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
9. Bilingual Education. The Senate increased funding for bilingual education (English language learners) by 100%.	39,766,500	0	79,533,000	0
10. Continuation of Previously Funded Programs. The Senate restored funding for several programs that were previously funded with one-time funds and converted to ongoing funding, including MPSERS ISD and library reimbursement (\$11.9 million), LETRS (\$10.0 million), MI Learning Channel (\$3.0 million), and College and Career Readiness Tools (\$1.4 million).	26,339,000	1,400,000	N/A	N/A
<u>Eliminations/Reductions</u>				
11. MPSERS Unfunded Actuarial Accrued Liability (UAAL) Payments. The Senate recognized savings by removing the funding floor for UAAL payments on other post-employment benefits (OPEB).	(631,700,000)	(200,000)	1,039,400,000	0
12. Foundation Allowance – Reduce Funding for Cyber Schools. The Senate reduced funding for cyber schools to 80% of the target foundation allowance, or \$7,928 per pupil.	(26,000,000)	0	N/A	N/A
<u>One-Time Appropriations</u>				
13. Continuation of Previously Funded Programs. The Senate included one-time funding for several programs that were funded as one-time items in FY 2022-23 or FY 2023-24, including transportation costs (\$125.0 million), MPSERS PGA buydown (\$84.1 million), enrollment stabilization (\$71.0 million), before- and after-school programs (\$69.0 million), high dosage tutoring (\$50.0 million), grow-your-own programs (\$36.8 million), Career and Technical Education (CTE) equipment upgrades (\$18.0 million), Free Application for Federal Student Aid (FAFSA) completion (\$15.0 million), and others (\$89.6 million).	558,500,000	4,600,000	558,500,000	4,600,000
14. Programs for Educators. The Senate included a new program to create teacher leadership positions (\$26.0 million) and support for the Black Male Educators Alliance (\$2.5 million).	28,500,000	0	28,500,000	0
15. Other Programs. The Senate included funding for adolescent health centers (\$10.0 million), district and ISD grants (\$6.0 million), Hype Athletics (\$3.0 million), iWellness pilot (\$2.7 million), and others (\$6.4 million.)	28,050,000	4,850,000	28,050,000	4,850,000
16. School Libraries. The Senate included per-pupil funding (\$24.7 million) for districts to offset the costs of the salaries and benefits of certified school librarians, electronic resources, material resources, furniture, equipment, and supplies for school libraries, and \$300,000 for media and research literacy curriculum.	25,000,000	0	25,000,000	0

	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
17. Education Research Initiatives. The Senate included funding for educational studies from the Educational Policy Innovation Collaborative (\$6.0 million), Michigan Education Justice Coalition (\$4.0 million), a special education equitable funding analysis (\$500,000), and a tax data linkage study for at-risk pupils (\$250,000).	10,750,000	250,000	10,750,000	250,000
18. Literacy Supports. The Senate included per-pupil funding for districts and ISDs for literacy curricula, tools, professional development, or other items to improve educational outcomes in literacy.	10,000,000	0	10,000,000	0
19. Safe Sidewalks. The Senate included a grant program for districts and ISDs to support capital costs to increase safety of student pedestrians.	10,000,000	0	10,000,000	0
20. Civics Education Funding and Professional Development. The Senate included funding to pay for curriculum and professional development to improve civics education.	5,000,000	0	5,000,000	0
21. Driver's Training Startup Grants. The Senate included grants for districts and ISDs to create in-school driver's training programs.	3,000,000	0	3,000,000	0
Other				
22. Fund Shifts. The Senate shifted \$1.5 million from GF/GP to the SAF for dental screenings and shifted \$69,400 from the SAF to GF/GP in the foundation allowance.	0	(1,430,600)	N/A	N/A
Total Changes	(\$1,134,284,600)	(\$28,150,000)		
FY 2024-25 SENATE SUBCOMMITTEE REC.....	\$20,325,366,700	\$59,750,000		

Date Completed: 4-15-24

Fiscal Analyst: Ryan Bergan



April 15, 2024

Speaker Joe Tate
H-164 Capitol Building
Lansing, MI 48933

Re: 2024-2025 School Aid Budget

Speaker Tate -

On behalf of our collective associations and schools across Michigan, we are grateful for the work that has gone into supporting public education over the past year. The funding put in place in the current year budget has been transformative for many of the core programs our students rely on and allowed us to expand and create new supports that are helping our students excel both in and out of the classroom.

As you begin crafting the 2024-2025 budget, it's critical that these programs continue to be funded at the needed growth rate and that there is a commitment to their long-term success by creating an expectation that they will continue to be funded for the years to come.

As such, we wanted to share our priorities for the upcoming school aid budget to best set our schools up for success on behalf of Michigan's students.

- Maintain current Sec. 147 allocations in the FY 24-25 School Aid Budget and reduce local school districts' capped payroll contribution by an amount equal to or greater than the percent of payroll districts contributed to Other Post-Employment Benefits (OPEB) retiree health care fund in 2024, 7.06%. This would represent a significant step toward ending a difficult but necessary practice that has taken hundreds of millions of dollars annually out of classrooms and instead forced districts to send that money back to Lansing to pay for mistakes made by lawmakers decades ago.

Taking this action would not only continue to pay down the existing pension debt but significantly reduce the debt burden placed on local school districts, freeing up an average of \$500 per-pupil in local district spending next year that could be allocated directly to student supports (additional teachers, reading coaches, tutors, etc). In addition, the impact of this action would be permanent and grow every year by lowering payroll costs and, in turn, would decrease the burden on parents and taxpayers for future and current costs.

- Increase funding for core student services above the rate of inflation. As you know, our schools' costs for wages, food services, classroom materials, and other equipment have increased significantly over the past 12 months. At a minimum, funding from the state must match those cost increases to otherwise avoid decreasing our spending ability year-to-year. Therefore, no new programs should be funded out of school aid dollars until the budget can support an inflationary increase in per-pupil funding and core categoricals like special education, at-risk, and English language learning.
- Commit to lowering and ultimately ending transfers out of the School Aid Fund. Michigan schools, and ultimately our students, are harmed every time dollars are allowed to flow out of the School Aid Fund to instead be spent on programs meant to be funded by General Fund dollars. In the 2024-2025 budget, we are calling for that transfer to be reduced by 25% from the current year figures and for language to be passed, establishing the intent to reduce SAF funding for all former General Fund programming to zero.
- Commit to finishing work on the budget by June 1. As our districts must have their budgets finalized and approved by July 1, the legislature must finish its work on the budget in time to allow districts to make the best decisions possible. Setting a precedent that the School Aid Budget be completed by June 1, even if the remainder of the budget work is not yet completed, would recognize the priority both necessary and deserved for our schools and our students.

Again, thank you for your hard work on behalf of our schools. If you have any questions as the budget is developed over the next few months, please do not hesitate to reach out.

Sincerely,

Dan Behm, Executive Director
Education Advocates of West Michigan

Jerry D. Johnson, Assistant Superintendent
Legislation and Education Policy
Calhoun ISD

Tina Kerr, Executive Director
Michigan Association of School
Administrators

Robert McCann, Executive Director
K-12 Alliance of Michigan

Dr. John Severson, Executive Director
Michigan Association of Intermediate
School Administrators

Peter Spadafore, Executive Director
Michigan Alliance for Student Opportunity

Don Wotruba, Executive Director
Michigan Association of School Boards

Wendy Zdeb, Executive Director
Michigan Association of Secondary School
Principals

A Plan to Increase Investment in Students

No reduction to core programs. No new taxes.

This year, the Michigan legislature has a historic opportunity to begin to reverse decades of underfunding and disinvestment in Michigan's K-12 classrooms and kids without raising taxes or reducing funding to other core programs.

How did we get here?

Decades ago, Lansing law-makers made risky decisions that destabilized the state's retirement and healthcare funds for teachers, leading to billions of dollars in unfunded liabilities and debt and jeopardizing the benefits earned by teachers across Michigan.

In 2012, the state began efforts to fix that, however, in doing so, put much of that financial burden on the backs of local school districts by requiring them to annually send hundreds of millions of dollars meant for classrooms back to Lansing to pay down the debts they didn't create.

The result is that every day in our public schools, students have been losing out on programs that would support their success because of mistakes made by lawmakers long before they were born.

It's time for that to end.

The opportunity

This year, the Michigan legislature can finally begin to put those dollars back into classrooms where they belong, all without raising taxes or pulling funding from other programs.

The healthcare portion of the retirement fund is projected to be 100% funded this year, giving lawmakers an opportunity to provide historic new support to Michigan's schools and students by simply continuing to pay the state's own obligations into the retirement system, significantly reducing the ongoing debt burden our schools must pay for.

Permanently.

If lawmakers vote to continue the annual payments the state makes toward the retirement system debt, known as Section 147 allocations, it would directly pay down the rate schools are currently forced to spend on it, freeing up an average of \$500 per-pupil in school funding to be spent instead on the programs that help our students succeed.

Further, the impact of this action would be permanent and grow every year due to payroll costs that would be reduced along the way, all while maintaining the stability of the retirement fund as a whole.

Talk to Your Legislators

Tell your legislators to maintain all Section 147 allocations in the FY 2024-2025 budget and keep our tax dollars in the classroom where they belong. Doing so would represent a historic increase in our schools' ability to invest in the individual needs of each and every one of our students.

They deserve nothing less!

The Result

- ✓ More spending on our students
- ✓ No new taxes.
- ✓ No cuts to other programs.