

# FY 2023-24 SCHOOL AID BUDGET

## GOVERNOR'S RECOMMENDATION

Article I

Committee: Appropriations



| FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE | FY 2022-23 YEAR-TO-DATE* | FY 2023-24 GOVERNOR'S RECOMMENDATION | CHANGES FROM FY 2022-23 YEAR-TO-DATE |               |
|---|--------------------------|--------------------------------------|--------------------------------------|---------------|
|   |                          |                                      | AMOUNT                               | PERCENT       |
| FTE Positions .....   | 0.0                      | 0.0                                  | N/A                                  | N/A           |
| <b>GROSS .....</b>  | <b>19,642,816,400</b>    | <b>20,891,511,800</b>                | <b>1,248,695,400</b>                 | <b>6.4</b>    |
| Less:   |                          |                                      |                                      |               |
| Interdepartmental Grants Received .....                     | 0                        | 0                                    | 0                                    | 0.0           |
| <b>ADJUSTED GROSS .....</b>                                 | <b>19,642,816,400</b>    | <b>20,891,511,800</b>                | <b>1,248,695,400</b>                 | <b>6.4</b>    |
| Less:   |                          |                                      |                                      |               |
| Federal Funds .....   | 2,552,143,500            | 2,253,043,500                        | (299,100,000)                        | (11.7)        |
| Local and Private.....                                      | 0                        | 0                                    | 0                                    | 0.0           |
| <b>TOTAL STATE SPENDING.....</b>                            | <b>17,090,672,900</b>    | <b>18,638,468,300</b>                | <b>1,547,795,400</b>                 | <b>9.1</b>    |
| Less:   |                          |                                      |                                      |               |
| Other State Restricted Funds.....                           | 16,966,472,900           | 18,564,768,300                       | 1,598,295,400                        | 9.4           |
| <b>GENERAL FUND/GENERAL PURPOSE .....</b>                   | <b>124,200,000</b>       | <b>73,700,000</b>                    | <b>(50,500,000)</b>                  | <b>(40.7)</b> |
| <b>PAYMENTS TO LOCALS .....</b>                             | <b>15,764,187,600</b>    | <b>17,032,348,500</b>                | <b>1,268,160,900</b>                 | <b>8.0</b>    |

\*As of February 7, 2023.

### Major Boilerplate Changes from FY 2022-23 Year-to-Date:

- Diversity, Equity, and Inclusion (DEI) and Reproductive freedom.** The Governor added a section prohibiting any money appropriated in the Act from being used to restrict or interfere with actions related to DEI; to restrict or impede a marginalized community's access to government resources, programs, or facilities; or to diminish, interfere with, or restrict an individual's ability to exercise the right to reproductive freedom (Sec. 164i).
- Student Teacher Stipends.** The Governor removed the list of acceptable uses for student teacher stipends. The stipends would be paid to the eligible student teachers, with no restrictions on use (Sec. 27c).
- ISD Activities.** The Governor removed language requiring ISDs to ensure that public school academies are not excluded from activities, such as meetings, events, email distribution lists, and other coordination or collaboration activities (Sec. 81).
- Career and Technical Education Incentive Payments.** The Governor removed a requirement that incentive payments be split between the district and ISD if the CTE program is provided at the ISD (Sec. 61d).
- Pupil Count Day Exception.** The Governor added language allowing an alternate pupil count day if the day in statute falls on a day of religious or cultural significance (Sec. 6).
- Repealed Sections.** The Governor repealed sections that related to extended COVID-19 learning plans (Sec. 98a), benchmark assessment reporting (Sec. 98b), prohibition of funds for legal action initiated by a district (Sec. 164g), restrictions on collective bargaining agreements (Sec. 164h), penalty for abortion referrals (Sec. 166), and various one-time funding or eliminated programs.

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| FY 2022-23 Year-to-Date Appropriation .....  | \$19,642,816,400                | \$124,200,000 |   |         |
|--|---------------------------------|---------------|---|---------|
|  | CHANGE FROM<br>FY 2022-23 Y-T-D |               | FY 2023-24 RECOMMENDED<br>APPROPRIATION |         |
|  | Gross                           | GF/GP         | Gross                                   | GF/GP   |
| <b><u>Baseline Adjustments</u></b>   |                                 |               |   |         |
| <b>1. Cost Adjustments.</b> The Governor recognized costs for MPSERS normal costs (\$363.7 million), special education (\$168.8 million), at-risk programs (\$64.7 million), promise zone payments (\$11.2 million), federal grants (\$6.4 million), school lunch costs (\$2.2 million), PILT reimbursement (\$95,000), foundation allowance (negative \$209.0 million), and SAF borrowing costs (negative \$6.8 million). | 401,175,000                     | 50,000        | N/A                                     | N/A     |
| <b>2. Economic Adjustments.</b> Includes negative \$45,200 Gross and negative \$43,700 GF/GP for total economic adjustments.   | (45,200)                        | (43,700)      | N/A                                     | N/A     |
| <b><u>New Programs/Program Increases</u></b>   |                                 |               |   |         |
| <b>3. Foundation Allowance.</b> The Governor increased the target foundation allowance 5%, to \$9,608 per-pupil.   | 614,000,000                     | 0             | 10,497,000,000                          | 0       |
| <b>4. Expanded Breakfast and Lunch Programs.</b> The Governor included funding to reimburse schools for the added cost of providing free breakfast and lunch to all students.  | 160,000,000                     | 0             | 160,000,000                             | 0       |
| <b>5. Great Start Readiness Program (GSRP).</b> The Governor increased per-pupil rate and eligibility for GSRP (\$72.5 million), expanded transportation (\$18.0 million), early childhood block grants (\$9.5 million), and the GSRP longitudinal study (\$250,000).  | 100,250,000                     | 250,000       | 566,120,000                             | 600,000 |
| <b>6. Special Education Foundation Increase.</b> The Governor increased the special education foundation amount from 75% to 87.5% of the target foundation allowance, or \$8,407 per-pupil.  | 79,900,000                      | 0             | 430,700,000                             | 0       |
| <b>7. Other Increases.</b> The Governor increased funding for mental health grants and administration (\$28.9 million), adult education (\$15.0 million), vocational education (\$10.0 million), local produce in schools (\$4.8 million), data collection and reporting costs (\$4.3 million), ISD general operations (\$3.8 million), and other programs (\$5.1 million).  | 71,959,100                      | 1,800,000     | N/A                                     | N/A     |
| <b>8. Early Literacy.</b> The Governor included increases for early literacy district grants (\$14.5 million) and teacher coaches (\$10.5 million), as well as new funding for Dolly Parton's Imagination Library (\$4.0 million) and early literacy hubs (\$1.2 million).   | 30,200,000                      | 0             | 81,600,000                              | 0       |

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|   | CHANGE FROM<br>FY 2022-23 Y-T-D |              | FY 2023-24 RECOMMENDED<br>APPROPRIATION |       |
|---|---------------------------------|--------------|---|-------|
|   | Gross                           | GF/GP        | Gross                                   | GF/GP |
| <b>9. Statewide Teacher Mentoring and Induction.</b> The Governor included funding to establish mentoring and induction programs for newly certified teachers in schools.   | 25,000,000                      | 0            | 25,000,000                              | 0     |
| <b>10. MPSERS Cost Offset for ISDs and Libraries.</b> The Governor added funding to extend the MPSERS cost offset currently received by districts to ISDs and district libraries.   | 11,939,000                      | 0            | 111,939,000                             | 0     |
| <b><u>Eliminations/Reductions</u></b>   |                                 |              |   |       |
| <b>11. Remove FY 2022-23 One-Time Items.</b> The Governor removed all items that were designated as one-time funding in the FY 2022-23 budget, although some programs were added back either as new one-time items or ongoing expenditures.   | (1,923,682,500)                 | (74,602,000) | 0                                       | 0     |
| <b>12. Foundation Allowance - Reduce Funding for Cyber Schools.</b> The Governor reduced funding for cyber schools to 80% of the target foundation allowance, or \$7,687 per-pupil.   | (42,000,000)                    | 0            | 10,497,000,000                          | 0     |
| <b>13. School Resource Officers.</b> The Governor eliminated matching funds used to hire school resource officers.  | (25,000,000)                    | 0            | 0                                       | 0     |
| <b>14. Nonpublic School Reimbursements.</b> The Governor eliminated funding for nonpublic schools to reimburse costs incurred in complying with health, safety, or welfare requirements.  | (1,000,000)                     | (1,000,000)  | 0                                       | 0     |
| <b><u>One-Time Appropriations</u></b>   |                                 |              |   |       |
| <b>15. School Facilities and Financial Support.</b> The Governor included funds to aid schools with capital and infrastructure needs and financial support, including consolidation incentive payments (\$245.0 million), electric bus grants (\$150.0 million), increased funding for partnership model districts (\$36.0 million to be used over 3 years), school health centers facilities improvements (\$25.0 million), CTE equipment upgrades (\$15.0 million), and cybersecurity assessments of technology infrastructure (\$9.0 million). | 480,000,000                     | 0            | 480,000,000                             | 0     |
| <b>16. Educator and Staff Supports.</b> The Governor included funding for professional development, curriculum, supports, and LETRS training (\$300.0 million to be used over 2 years), rural educator credentialing hub (\$15.0 million), and special education training for administrators (\$5.0 million).   | 320,000,000                     | 0            | 320,000,000                             | 0     |

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|  | CHANGE FROM<br>FY 2022-23 Y-T-D |                       | FY 2023-24 RECOMMENDED<br>APPROPRIATION |            |
|--|---------------------------------|-----------------------|---|------------|
|  | Gross                           | GF/GP                 | Gross                                   | GF/GP      |
| <b>17. School Safety Per-Pupil Payments.</b> The Governor included funding for school safety per-pupil payments for public schools (\$300.0 million to be used over 2 years) and nonpublic schools (\$18.0 million). This funding was included as a one-time item in FY 2022-23 at \$168.0 million.  | 318,000,000                     | 18,000,000            | 318,000,000                             | 18,000,000 |
| <b>18. Mental Health Per-Pupil Payments.</b> The Governor included \$300.0 million for per-pupil payments to districts to improve student mental health, to be used over 2 years. This funding was included as a one-time item in FY 2022-23 at \$150.0 million.   | 300,000,000                     | 0                     | 300,000,000                             | 0          |
| <b>19. MPSERS P.G.A.</b> The Governor included additional funding for MPSERS to adopt more conservative payroll growth assumptions.  | 202,000,000                     | 0                     | 1,849,700,000                           | 500,000    |
| <b>20. Student Learning Supports.</b> The Governor included several programs to improve student learning, including mathematics pathways (\$30.0 million), a GSRP pilot program for 3-year-olds (\$18.0 million to be used over 3 years), a FAFSA completion challenge (\$15.0 million), adult education pilots (\$15.0 million), and other programs (\$16.0 million). | 94,000,000                      | 0                     | 94,000,000                              | 0          |
| <b>21. Continuation of Other Previously Funded Programs.</b> The Governor included one-time funding for several other programs that were funded as one-time items in FY 2022-23, including before- and after-school programs (\$25.0 million), Reading Corps. (\$5.0 million), and Educare (\$1.0 million).  | 31,000,000                      | 6,000,000             | 31,000,000                              | 6,000,000  |
| <b>22. School Meal Debt Forgiveness.</b> The Governor included funding for districts to forgive any outstanding school meal debt.  | 1,000,000                       | 0                     | 1,000,000                               | 0          |
| <b>Other</b>   |                                 |                       |   |            |
| <b>23. Fund Shifts.</b> The Governor shifted \$83.0 million of Federal funds to SAF in the GSRP line, and reduced GF/GP funding in robotics and shifted \$354,300 from GF/GP to SAF in the foundation allowance.   | 0                               | (954,300)             | N/A                                     | N/A        |
| <b>Total Changes</b> .....   | <b>\$1,248,695,400</b>          | <b>(\$50,500,000)</b> |   |            |
| <b>FY 2023-24 GOVERNOR'S RECOMMENDATION</b> .....  | <b>\$20,891,511,800</b>         | <b>\$73,700,000</b>   |   |            |

Date Completed: 2-14-23

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