

Executive FY 24 Budget Release

February 8, 2023



Education Advocates
of West Michigan



Budget Overview

- Governor Whitmer released her FY 24 budget on February 8, 2023.
- The following slides provide a high level overview of the various budget proposals.
- The legislature will now begin appropriation committee hearings to consider the Governor's budget proposal.

Budget Documents

- [Education Budget - Full Bill](#)
- [Education Budget Briefing Papers](#)

Category #1: Weighted Student Funding Formula

Area	Feb 2023 Budget Release	Notes
Foundation Allowance	Increases base per-pupil funding to districts by \$458 per pupil (a 5% increase) to \$9,608	A 22% increase since the Governor took office
Special Education	\$79.9 million.	Increases rate by an additional 12.5% of foundation amount + reimbursable costs.
At-Risk	5% increase	
English Language Learners	5% increase	
Rural/Isolated Districts	5% increase	
ISD Operations	5% increase	

Category #2: Educator Recruitment and Retention

Area	Feb 2023 Budget Release	Notes
Michigan Future Educator Fellowship	\$25 million combined.	One-time; both the fellowship and stipend have ongoing funds too
Stipends for Student Teachers		
Talent Together Coalition	\$25 million.	One-time; to assist in recruiting and retaining educators
Rural Educator Credentialing Hub	\$15 million.	One-time
Mentoring Educators	\$25 million.	Ongoing
Admin Training	\$5 million.	One-time; to expand special education training for administrators

Category #3: Early Childhood: Pre-K for All

Area	Feb 2023 Budget Release	Notes
Program Expansion	\$73 million.	Ongoing; funds 5,600 additional kids and sets eligibility at 300% FPL with ability to serve up to 400%
Family Outreach	\$10 million.	One-time; for an outreach campaign
	\$18 million.	Ongoing; for transportation
	\$75 million.	One-time; for grants to shift to 5 days a week and blend pre-K and child care funds to offer year-round options
New Classrooms	\$50 million.	One-time work project; start up grants for 2,000 new classrooms

Category #3: Early Childhood: Workforce

Area	Feb 2023 Budget Release	Notes
Educator Compensation	~\$30 million.	Establish a \$1,000-\$3,000 refundable tax credit for 5,000 professionals working in licensed child care. To qualify, professionals must a) work in a licensed child care facility that participates in Great Start and b) participate in the Registry. Credit has 3 levels (allows MDE to set qualifications based on education/experience).
Pipeline Strengthening	\$50 million.	MDE (in close collaboration with external partners) will publish data regarding workforce needs, identify career pathways, provide navigation services to individuals interested in the early childhood field, and pilot strategies to recruit, train, and retain professionals in child care and GSRP classrooms and settings that serve kids before kindergarten.

Category #4: Student Wellness

Area	Feb 2023 Budget Release	Notes
Feeding Every Kid Every Day	\$160 million.	Ongoing for expansion; + \$45.3M additional federal to districts
	\$5 million.	To increase the use of local produce in school meals (total \$9.3 million)
	\$1 million.	To eliminate school lunch debts
School Safety	\$318 million.	One-time; combined with mental health equals \$214 per pupil over next two years.
Mental Health	\$300 million.	One-time; combined with school safety equals \$214 per pupil over next two years.
Stronger Connections Grant	\$28 million.	One-time; for federal grant

Category #4: Student Wellness (continued)

Area	Feb 2023 Budget Release	Notes
31N	\$28.9 million.	Ongoing increase
TRAILS	\$50 million.	Provides tools for teachers to support wellness in collaboration with TRAILS*
School-Based Health Centers	\$25 million.	To open 100 new school-based health centers*
Violence Prevention	\$15 million.	To expand services for young people threatening violence*

*builds on FY 23 investments

Category #5: MI Kids Back on Track

Area	Feb 2023 Budget Release	Notes
MI Kids Back on Track	Not new, from May 2022: \$300 million one-time	Funding directly to districts to decide how to invest funds to support kids; transparency in spending
Partnership Districts	\$36 million.	One-time; triples funding for Partnership Districts for three years
Math Pathways	\$30 million.	One-time
Before/After School Programs	\$25 million.	One-time
Literacy Coaches	\$11 million.	Salary increases for Literacy Coaches and one additional coach per ISD
DPSCD Literacy Settlement	\$94 million.	

Category #5: MI Kids Back on Track

Area	Feb 2023 Budget Release	Notes
Professional Development, Curriculum, and Supports	\$300 million over two years.	<ul style="list-style-type: none">• We can't improve student literacy achievement unless we invest in staff that teach literacy• Funding to improve literacy instructional practices by investing in quality, research-based best practices, and professional learning• Identify gaps and create plan to address gaps in current literacy instructional practices• 100% of PreK-5 teachers, literacy coaches, and admin must be trained• Transparency to MDE and on website on literacy curriculum and benchmark assessment
Early Literacy Grants	\$15 million.	Ongoing
Literacy Hubs	\$1 million.	Ongoing
Michigan Learning Channel	\$5 million.	One-time
Reading Corps	\$5 million.	One-time
Family Outreach	\$2 million.	One-time; specific outreach about literacy

Category #6: Adult Basic Education

Area	Feb 2023 Budget Release	Notes
Operational Funding	\$15 million.	Ongoing
Piloting	\$15 million.	One-time; to pilot innovative strategies to enroll and graduate more adults

Category #7: Infrastructure

Area	Feb 2023 Budget Release	Notes
MI Healthy Schools	\$300 million.	One-time
Reserve Deposit	\$500 million.	One-time
EV Buses	\$150 million.	One-time
School-Based Health Care Facilities	\$25 million.	One-time; for upgrades
CTE Equipment	\$15 million.	One-time; for upgrades
Cybersecurity Investments	\$9 million.	One-time

Category #8: MPSERS

Area	Feb 2023 Budget Release	Notes
MPSERS Deposit	\$500 million.	One-time
Payroll Growth Planning	\$202 million.	One-time
Offset for ISDs	\$12 million.	Ongoing

Category #8: MPSERS Rates

MPSERS Contribution Rates

The estimated FY2024 MPSERS retirement contribution rates are detailed below:

MPSERS Retirement Rates for FY2024								
	Basic MIP w/Prem Subsidy	Pension Plus w/Prem Subsidy	Pension Plus PHF	Pension Plus to DC w/PHF	Basic/MIP To DC w/ Prem Subsidy	Basic/MIP To DC w/PHF	Basic/ MIP w/PHF	Pension Plus 2 with PHF
Total Rate	48.23%	44.37%	43.12%	37.85%	39.10%	37.85%	46.98%	44.05%
Employer Rate:								
<i>Pension Normal Cost</i>	9.13%	5.27%	5.27%	0.00%	0.00%	0.00%	9.13%	6.20%
<i>Pension UAL</i>	13.90%	13.90%	13.90%	13.90%	13.90%	13.90%	13.90%	13.90%
Pension Total Rate	23.03%	19.17%	19.17%	13.90%	13.90%	13.90%	23.03%	20.10%
Health Rates:								
<i>Health Normal Cost</i>	1.25%	1.25%	0.00%	0.00%	1.25%	0.00%	0.00%	0.00%
<i>Health UAL</i>	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%
Retiree Health Total Rate	8.31%	8.31%	7.06%	7.06%	8.31%	7.06%	7.06%	7.06%
Employer Capped Rate								
Employer Capped Rate	31.34%	27.48%	26.23%	20.96%	22.21%	20.96%	30.09%	27.16%
Stabilization Rate (State Funded)								
Stabilization Rate (State Funded)	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%
FY2023 Employer Capped Rate								
FY2023 Employer Capped Rate	28.23%	25.31%	24.45%	20.96%	21.82%	20.96%	27.37%	27.16%

Category #9: Rainy Day Fund for School Aid

Area	Feb 2023 Budget Release	Notes
Rainy Day Fund	\$900 million.	First-ever; deposit is equivalent to 5% of annual spending

Category #10: Sixty by 30 - Operations

Area	Feb 2023 Budget Release	Notes
Community Colleges	\$13.6 million.	A 4% ongoing increase
	\$59 million.	For ITEM
Universities	\$63.9 million.	A 4% ongoing increase
	\$7.3 million.	Floor funding (GVSU, Oakland, UM-Dearborn)
	\$141 million.	For ITEM
Boilerplate Changes	<ul style="list-style-type: none">• Streamline and clarify requirements and reporting• Title IX changes to point to the federal rules & regulations, not duplicate	

Category #10: Sixty by 30 - Scholarships

Area	Feb 2023 Budget Release	Notes
FAFSA completion	\$15million.	One-time
Reconnect	\$65.2 million.	For existing Reconnect program
	\$140 million.	One-time; for Reconnect expansion to age 21 (for individuals who are 21 by Dec. 2024)
	\$75 million.	One-time; for expansion to a BA pathway (for COVID-disrupted students)
Michigan Achievement Scholarship (\$350 million total, includes boilerplate change to allow for marketing/outreach)	\$50 million.	Ongoing planned increase
	\$50 million.	One-time deposit

Category #10: Sixty by 30 - Student Success

Area	Feb 2023 Budget Release	Notes
Basic Needs Support	\$30 million.	One-time; expanding \$6 million investment to support Reconnectors and supporting systems to assist longer-term
Student Mental Health	\$55 million.	One-time; at request of institutions and awarded by FYES to support need assessments, action planning, and pilots to expand services
College Success Fund	\$25 million.	Competitive grants for institutions to implement best practices and pilot new strategies to improve graduation rates

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