

FY 2023-24 SCHOOL AID BUDGET

S.B. 173 (S-3) (CR-1): CONFERENCE REPORT

Article I



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2022-23 YEAR-TO-DATE*	FY 2023-24 CONFERENCE REPORT	CHANGES FROM FY 2022-23 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	19,642,816,400	21,459,651,300	1,816,834,900	9.2
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	19,642,816,400	21,459,651,300	1,816,834,900	9.2
Less:				
Federal Funds	2,552,143,500	2,200,793,500	(351,350,000)	(13.8)
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING.....	17,090,672,900	19,258,857,800	2,168,184,900	12.7
Less:				
Other State Restricted Funds.....	16,966,472,900	19,170,957,800	2,204,484,900	13.0
GENERAL FUND/GENERAL PURPOSE	124,200,000	87,900,000	(36,300,000)	(29.2)
PAYMENTS TO LOCALS	15,764,187,600	17,604,788,000	1,840,600,400	11.7

*As of February 7, 2023.

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

- 1. Virtual Learning.** The Conference modified the definition of "virtual course" to allow schools to conduct learning remotely for individual days rather than cancelling classes (Sec. 21f).
- 2. Student Teacher Stipends.** The Conference 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).
- 3. ISD Activities.** The Conference 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).
- 4. Career and Technical Education Incentive Payments.** The Conference removed a requirement that incentive payments be split between the district and ISD if the CTE program is provided at the ISD (Sec. 61d).
- 5. Pupil Count Day Exception.** The Conference added language allowing an alternate pupil count day if the day in statute falls on a day of religious or cultural significance (Sec. 6).
- 6. Repealed Sections.** The Conference repealed sections that related to extended COVID-19 learning plans (Sec. 98a), benchmark assessment reporting (Sec. 98b), prohibition of funds for legal action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 FY 2022-23 Y-T-D		FY 2023-24 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. Cost Adjustments. The Conference recognized costs for MPSERS normal costs (\$373.9 million), special education (\$169.9 million), promise zone payments (\$11.2 million), federal grants (\$8.2 million), school meal costs (\$11.4 million), PILT reimbursement (\$95,000), foundation allowance (negative \$221.0 million), benchmark assessments (negative \$11.5 million), and SAF borrowing costs (negative \$6.8 million).	335,438,000	50,000	N/A	N/A
2. Economic Adjustments. Includes negative \$45,200 Gross and negative \$43,700 GF/GP for total economic adjustments.	(45,200)	(43,700)	N/A	N/A
<u>New Programs/Program Increases</u>				
3. Foundation Allowance. The Conference increased the target foundation allowance 5%, to \$9,608 per-pupil. Cyber charter school foundation allowance remains at \$9,150 per-pupil.	601,200,000	0	10,514,200,000	0
4. At-Risk. The Conference included funding for increased costs and to implement a new opportunity index. After proration, all districts would receive at least 11.5% of the foundation allowance for each at-risk pupil, but districts with higher concentrations of poverty would receive a higher reimbursement, up to 15.3%.	204,500,000	0	952,000,000	0
5. Expanded Breakfast and Lunch Programs. The Conference included \$160.0 million to reimburse schools for the added cost of providing free breakfast and lunch to all students. \$60.0 million one-time below.	100,000,000	0	160,000,000	0
6. Great Start Readiness Program. The Conference included funding for GSRP costs and to allow providers to opt for an extended schedule that meets 5 days per week, 36 weeks per year in exchange for \$11,530 per slot. Eligibility was increased from families below 250% FPG to families below 300% FPG. \$18.3 million one-time below.	72,450,000	0	543,320,000	600,000
7. Special Education Foundation Increase. The Conference increased the special education foundation amount from 75% to 100% of the target foundation allowance, or \$9,608 per-pupil. \$76.2 million one-time below.	64,150,000	0	491,200,000	0
8. Bilingual Education. The Conference increased funding for bilingual education by 50%.	13,255,500	0	39,766,500	0

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	Gross	GF/GP	Gross	GF/GP
9. Other Increases. The Conference increased funding for mental health grants and administration (\$28.9 million), literacy coaches (\$10.5 million, adult ed. (\$10.0 million one-time), and other programs (\$900,000).	50,333,100	500,000	N/A	N/A
<u>Eliminations/Reductions</u>				
10. Remove FY 2022-23 One-Time Items. The Conference 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
11. School Resource Officers. The Conference eliminated matching funds used to hire school resource officers.	(25,000,000)	0	0	0
<u>One-Time Appropriations</u>				
12. School Facilities and Financial Support. The Conference included funds to aid schools with capital and infrastructure needs and financial support, including consolidation incentive payments (\$245.0 million), MPERS (\$227.8 million), transportation costs (\$125.0 million), electric bus grants (\$125.0 million), and other supports (\$116.0 million).	838,739,000	0	N/A	N/A
13. New One-Time Programs. The Conference included funding for various new programs including professional development (\$140.0 million), teacher mentoring (\$50.0 million), Mathematics Pathways (\$25.0 million), and others (\$237.1 million).	452,147,000	1,100,000	452,147,000	1,100,000
14. Mental Health and School Safety. The Conference included funding for mental health and school safety per-pupil payments (\$328.0 million) and included funding for the SMART counselors program (\$15.0 million).	343,000,000	18,500,000	343,000,000	18,500,000
15. Student Loan Repayment Assistance Pilot. The Conference included a pilot program to give student loan repayment assistance to district and ISD staff that work directly with students.	225,000,000	0	225,000,000	0
16. One-Time Increases for Ongoing Programs. The Conference included one-time increases for special ed. (\$76.2 million), school meals (\$60.0 million), partnership model districts (\$36.0 million), and others (\$65.0 million).	237,300,000	3,550,000	N/A	N/A
17. Continuation of Other Previously Funded Programs. The Conference included one-time funding for several other programs that were funded as one-time items in FY 2022-23.	115,750,000	15,000,000	115,750,000	15,000,000

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	Gross	GF/GP	Gross	GF/GP
18. Educator Compensation and MPERS Reimbursement. The Conference included funding for a per pupil allocation to districts intended to be used for educator compensation (\$63.8 million), and to reimburse districts an additional 0.5% of MPERS UAAL costs (\$48.5 million).	112,300,000	0	112,300,000	0
Other				
19. FY 2022-23 Supplemental. The Conference included several supplemental items including MI Kids Back on Track (\$150.0 million), Detroit literacy settlement (\$94.4 million), Talent Together (\$76.4 million), Healthy Schools (\$50.0 million), and others (\$92.9 million).	0	0	N/A	N/A
20. Fund Deposits. The Conference deposited \$450.0 million into a new Budget and Foundation Stabilization Fund, \$400.0 million into the MPERS Obligation Reform Reserve Fund, \$350.0 million into a new Transportation Fund, \$314.0 million into a new Enrollment Stabilization fund, \$245.0 million into a new School Meals Reserve Fund, and \$200.0 million into a new GSRP Reserve Fund.	0	0	N/A	N/A
21. Fund Shifts. The Conference shifted \$83.0 million of Federal funds to SAF in the GSRP line and shifted \$354,300 from GF/GP to SAF in the foundation allowance.	0	(354,300)	N/A	N/A
Total Changes	\$1,816,834,900	(\$36,300,000)		
FY 2023-24 CONFERENCE REPORT	\$21,459,651,300	\$87,900,000		
Amount Over/(Under) GF/GP Target		\$0		

Date Completed: 6-28-23

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