

FY 2024-25 SCHOOL AID BUDGET

GOVERNOR'S RECOMMENDATION

Article I

Committee: Appropriations



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2023-24 YEAR-TO-DATE*	FY 2024-25 GOVERNOR'S RECOMMENDATION	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	20,609,973,700	(849,677,600)	(4.0)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	21,459,651,300	20,609,973,700	(849,677,600)	(4.0)
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	18,337,180,200	(921,677,600)	(4.8)
Less:				
Other State Restricted Funds.....	19,170,957,800	18,285,630,200	(885,327,600)	(4.6)
GENERAL FUND/GENERAL PURPOSE	87,900,000	51,550,000	(36,350,000)	(41.4)
PAYMENTS TO LOCALS	17,622,688,000	16,757,266,500	(865,421,500)	(4.9)

*As of February 7, 2024.

- Major Boilerplate Changes from FY 2023-24 Year-to-Date:**
- 1. Consolidation Incentive Payments.** The Governor 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. MI Future Educator Fellowship and Student Teacher Stipends.** The Governor 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)
 - 3. Robotics.** The Governor added language to specify more eligible providers by name, specify that approved providers must make the program available to all students in the State, and set requirements around the number of approved teams per school building. (Sec. 99h)
 - 4. Nonpublic Schools.** The Governor removed nonpublic schools from the list of eligible recipients for mental health and school safety grants (Sec. 31aa) and robotics. (Sec. 99h)
 - 5. Repealed Sections.** The Governor repealed sections that related to nonpublic school reimbursements (Sec. 152b), collective bargaining prohibitions (Sec. 164h), and various one-time funding programs.

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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 Governor recognized costs for special education (\$454.6 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.	189,200,000	0	N/A	N/A
2. Remove FY 2023-24 One-Time Items. The Governor 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 Governor increased the target foundation allowance 2.5%, to \$9,849 per pupil.	316,000,000	0	10,558,000,000	0
5. Per-Pupil Mental Health and School Safety Grants. The Governor included funding for per-pupil grants to districts and ISDs and designated \$150.0 million as ongoing funding. This program was funded in FY 2023-24 with one-time funding.	300,000,000	0	300,000,000	0
6. Continuation of Previously Funded Programs. The Governor restored funding for several programs that were previously funded with one-time funds and converted to ongoing funding, including the MPERS payroll growth assumption (\$84.1 million), before- and after-school programs (\$50.0 million), vocational education increases (\$14.4 million), MPERS ISD and library reimbursement (\$11.9 million), Reading Corps (\$5.0 million) and other programs (\$14.3 million).	179,780,000	2,800,000	N/A	N/A
7. Great Start Readiness Program (GSRP). The Governor increased the per-pupil rate and removed income eligibility requirements for GSRP (\$106.2 million, which includes funding for 6,800 additional slots), increased early childhood block grants (\$1.0 million), and continued classroom startup grants (\$35.0 million), transportation increase (\$18.0 million) and the GSRP longitudinal study increase (\$250,000).	160,491,000	250,000	648,561,000	600,000

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	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
8. MPSERS Rate Cap. The Governor included funding to reduce the rate cap for districts from 20.96% to 20.00% of payroll.	94,300,000	0	N/A	N/A
9. Additional Weighted Funding for High Poverty Students. The Governor included a new program for competitive grants to districts and ISDs to support the academic, social-emotional, and physical needs of income-eligible students.	90,250,000	250,000	90,250,000	250,000
10. Special Education Millage Equalization. The Governor increased funding for the special education millage equalization program and made changes to the distribution formula.	50,000,000	0	124,208,100	0
11. Other Program Increases. The Governor included increases for at-risk grants (\$23.8 million), literacy coaches (\$3.3 million), bilingual education (\$3.1 million), ISD general operations (\$2.0 million), Early On (\$1.0 million), rural and isolated districts (\$885,000) and MiSTEM network regions (\$320,000).	34,286,000	0		
12. Michigan Education Research Institute Partnership. The Governor included funding to continue a research partnership to study matters of importance to statewide education policy.	1,000,000	0	1,000,000	0
<u>Eliminations/Reductions</u>				
13. MPSERS Unfunded Actuarial Accrued Liability (UAAL) Payments. The Governor 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
14. Foundation Allowance – Reduce Funding for Cyber Schools. The Governor reduced funding for cyber schools to 80% of the target foundation allowance, or \$7,879 per pupil.	(27,000,000)	0	N/A	N/A
15. Nonpublic School Health and Safety Reimbursements. The Governor eliminated funding for reimbursements to nonpublic schools for State-mandated health and safety requirements.	(1,000,000)	(1,000,000)	0	0
<u>One-Time Appropriations</u>				
16. Continuation of Previously Funded Programs. The Governor included one-time funding for several programs that were funded as one-time items in FY 2022-23 or FY 2023-24, including MI Kids Back-On-Track (\$150.0 million), transportation costs (\$125.0 million), enrollment stabilization (\$71.0 million), statewide teacher mentoring and induction (\$50.0 million), grow-your-own programs (\$50.0 million), Free Application for Federal	527,500,000	0	527,500,000	0

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	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
Student Aid (FAFSA) completion challenge (\$40.0 million), Career and Technical Education (CTE) equipment upgrades (\$15.0 million), Transforming Research into Action to Improve the Lives of Students (TRAILS) (\$12.5 million), Language Essentials for Teachers of Reading and Spelling (LETRS) (\$10.0 million), and improving access to books, previously called Dolly Parton's Imagination Library (\$4.0 million).				
17. Literacy Supports. The Governor included funding for a program to evaluate available literacy tools and provide payments to districts to adopt and implement tools with the best track record for success.	155,000,000	0	155,000,000	0
18. Key Industries Pilot. The Governor included funding for a program to connect high school seniors with local industries and trade associations for on-the-job training and employment opportunities after graduation.	20,000,000	0	20,000,000	0
19. Reading Excellence and Advancing District (READ) Innovation Competition. The Governor included awards for districts to implement innovative reading programs.	10,000,000	0	10,000,000	0
20. Student Success Strategies. The Governor included funding for the Michigan early warning intervention and monitoring system to provide recommendations for interventions, student success tracking, and accountability.	5,000,000	0	5,000,000	0
21. Peer Mentoring. The Governor included funds for Oakland ISD to work with a local foundation to continue the foundation's work implementing a peer mentoring program in the school system.	1,000,000	0	1,000,000	0
Other				
22. Fund Shifts. The Governor reduced GF/GP funding in robotics and shifted \$69,400 from the SAF to GF/GP in the foundation allowance.	0	(530,600)	N/A	N/A
Total Changes	(\$849,677,600)	(\$36,350,000)		
FY 2024-25 GOVERNOR'S RECOMMENDATION	\$20,609,973,700	\$51,550,000		

Date Completed: 2-14-24

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