FY 2026-27 EDUCATION OMNIBUS BUDGET
Summary: Conference
House Bill 5630 (H-1) CR-1

Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area [Summary Page]	FY 2026-27		
	Gross	SAF	GF/GP
School Aid [1]	$19,808,444,500	$18,856,252,300	$57,984,900
Community College [33]	496,663,500	496,663,500	0
Higher Education [39]	2,609,832,800	1,249,678,600	1,124,954,200
TOTAL	**$22,914,940,800**	**$20,602,594,400**	**$1,182,939,100**

Note: Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time."

FY 2026-27: SCHOOL AID
Summary: Conference
Article 1, House Bill 5630 (H-1) CR-1

Analysts: Jacqueline Mullen and Noel Benson

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	FY 2026-27 House	FY 2026-27 Senate	FY 2026-27 Conference	*Difference: Conference From FY 2025-26 YTD* Amount	%
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	2,407,708,500	2,405,708,500	2,405,708,500	2,405,708,500	418,269,900	*(1,989,438,600)*	*(82.6)*
Local	0	0	0	0	0	*0*	--
Private	0	0	0	0	0	*0*	--
Restricted	18,807,972,100	18,952,376,700	19,051,786,800	19,566,485,900	19,332,189,700	*524,217,600*	*2.8*
GF/GP	73,151,100	45,334,900	67,334,900	50,834,900	57,984,900	*(15,166,200)*	*(20.7)*
Gross	**$21,288,831,700**	**$21,403,420,100**	**$21,524,830,200**	**$22,023,029,300**	**$19,808,444,500**	***($1,480,387,200)***	***(7.0)***

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The School Aid budget makes appropriations to the state's 537 local school districts, 285 public school academies (PSAs), and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Michigan Department of Education (MDE), Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP), Center for Educational Performance and Information (CEPI), and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 YTD (as of 2/11/26)**	**Conference Change from YTD**
1. Foundation Allowances (Secs. 22a & 22b)	**Gross**	**$10,481,500,000**	**$323,700,000**
Executive increases by $325.0 million Gross ($350,000 GF/GP) to provide a $250 (2.5%) per-pupil increase in the foundation allowance, from $10,050 to $10,300. (See Major Boilerplate Changes for Sec. 22b below.) House increases by $323.0 million SAF to provide a $250 (2.5%) per-pupil increase in the foundation allowance, from $10,050 to $10,300. (See Major Boilerplate Changes for Sec. 22b below.) Senate concurs with Executive to increase by $325.0 million Gross ($350,000 GF/GP) to provide a $250 (2.5%) per-pupil increase in the foundation allowance, from $10,050 to $10,300. (See Major Boilerplate Changes for Sec. 22b below.) Conference increases by $323.7 million SAF to provide a $250 (2.5%) per-pupil increase in the foundation allowance, from $10,050 to $10,300. (See Major Boilerplate Changes for Sec. 22b below.)	Restricted GF/GP	10,481,263,600 $236,400	323,700,000 $0
2. Foundations: Three-Year Average Membership (Secs. 22a & 22b)	**Gross**	**$0**	**$186,100,000**
Executive and House do not include. Senate provides $130.0 million one-time Enrollment Stabilization Fund and $56.1 million ongoing SAF for the costs of implementing a three-year average membership calculation for districts. A district's membership is considered to be the greater of the current calculation or a three-year average. Conference provides $130.0 million one-time Enrollment Stabilization Fund and $56.1 million one-time SAF.	Restricted GF/GP	0 $0	186,100,000 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
***3. Foundations: Weighted Pupil Membership (Sec. 22b(3))* – NEW** Executive in addition to the foundation allowance, creates a "weighted pupil membership" that increases funding to districts for students who are English language learners (ELLs) or are economically disadvantaged. The funding amount is based on a percentage of the foundation allowance. Transfers $1.4 billion (including 6.1% increases for each line) from Sec. 31a (At-Risk) and Sec. 41 (Bilingual Education) to Sec. 22b(3) to support the weighted formula. At-Risk pupils are counted as between 0.1692 and 0.2273 weighted pupil FTEs, and ELL pupils are counted as between 0.0190 and 0.1687 weighted pupil FTEs. (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.) House does not include. Senate concurs with Executive to create a weighted pupil membership, but transfers $1.7 billion (including 25% increases for each line) from Secs. 31a and 41 to Sec. 22b(3). At-Risk pupils are counted as between 0.1994 to 0.2679 weighted pupil FTEs, and ELL pupils are counted as between 0.0224 to 0.1990 weighted pupil FTEs. (See Major Boilerplate Changes for Secs. 6 and 22b below.) Conference Concurs with Executive and Senate to create a weighted pupil membership, but transfers $1.6 billion (including 20% increases for each line) from Secs. 31a and 41 to Sec. 22b(3). At-Risk pupils are counted as between 0.1913 to 0.2569 weighted pupil FTEs, and ELL pupils are counted as between 0.0219 to 0.1940 weighted pupil FTEs. (See Major Boilerplate Changes for Secs. 6 and 22b below.)	**Gross** Restricted GF/GP	**$0** 0 $0	**$1,696,087,600** 1,696,087,600 $0
4. Foundations: Cyber Schools Reduction (Secs. 22a & 22b) Executive reduces the foundation allowance for cyber schools to 80% of the proposed Target foundation allowance, or from $10,300 to $8,240 per pupil, an estimated savings of $53.0 million. House maintains the foundation allowance for cyber schools at the proposed Target foundation allowance, $10,300. Senate concurs with Executive to reduce the foundation allowance for cyber schools to 80% of the proposed Target foundation allowance, or from $10,300 to $8,240 per pupil, an estimated savings of $53.0 million. Conference concurs with House.	**Gross** Restricted GF/GP	**NA** NA NA	**$0** 0 $0
5. Foundations: DPSCD (Secs. 22a & 22b) Executive eliminates $124.0 million one-time SAF for Detroit Public Schools Community District (DPSCD) costs and provides intent that DPSCD's taxable value per pupil begin to be counted toward the local portion of the district's foundation allowance. House, and Senate, and Conference concur with Executive.	**Gross** Restricted GF/GP	**$124,000,000** 124,000,000 $0	**($124,000,000)** (124,000,000) $0
6. Foundations: Cost Adjustments (Secs. 22a & 22b) Executive reduces by $320.5 million SAF to reflect January consensus pupil and cost estimates. House and Senate concur with Executive. Conference reduces by $329.5 million SAF to reflect May consensus pupil and cost estimates.	**Gross** Restricted GF/GP	**NA** NA NA	**($329,500,000)** (329,500,000) $0
7. Educator Compensation (Sec. 27l) Executive and House do not include. Senate and Conference provide $150.0 million one-time SAF for per-pupil payments to increase educator compensation.	**Gross** Restricted GF/GP	**$0** 0 $0	**$150,000,000** 150,000,000 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
8. Great Start Readiness Program (GSRP) (Secs. 32d & 39)	**Gross**	**$656,567,600**	**$73,788,500**
	Restricted	656,217,600	74,138,500
	GF/GP	$350,000	($350,000)

Executive increases by $138.1 million Gross (including a reduction of $350,000 GF/GP) for a total of $794.7 million Gross ($0 GF/GP) for school readiness preschool programs for four-year-old children. Revises as follows:

- Increases by $100.0 million SAF for additional slot allocations for classrooms.
- Increases by $38.1 million (6.1%) to increase the Great Start Readiness Foundation by $640 from $10,650 to $11,290.
- In addition to an ongoing allocation of $10.0 million SAF for transportation costs, retains an appropriation of $18.0 million one-time GSRP Reserve Fund.
- Revises allocation of $350,000 GF/GP for a longitudinal evaluation of GSRP to be an indeterminate amount of SAF that is allocated from programmatic funding. Increases programmatic funding by $350,000 SAF but does not specify the amount that may be allocated for the evaluation.

House increases by $15.3 million Gross (including a reduction of $350,000 GF/GP) for a total of $671.9 million Gross ($0 GF/GP). Revises as follows:

- Increases by $15.7 million SAF (2.5%) to increase the Great Start Readiness Foundation by $266 from $10,650 to $10,916.
- Concurs with Executive to retain $18.0 million one-time GSRP Reserve Fund.
- Eliminates $350,000 GF/GP for a longitudinal evaluation.

Senate concurs with Executive.

Conference increases by $73.8 million Gross (including a reduction of $350,000 GF/GP) for a total of $730.4 million Gross ($0 GF/GP). Revises as follows:

- Increases by $10.0 million SAF for additional slot allocations.
- Increases by $63.8 million SAF (10.2%) to increase the Great Start Readiness Foundation by $1,086 from $10,650 to $11,736.
- Concurs with Executive to retain $18.0 million one-time GSRP Reserve Fund.
- Concurs with Executive to revise $350,000 GF/GP to be an indeterminate amount of SAF allocated from programmatic funding.

9. LETRS Professional Learning (Sec. 35a(10))	**Gross**	**$10,000,000**	**$65,000,000**
	Restricted	10,000,000	65,000,000
	GF/GP	$0	$0

Executive retains and increases by $40.0 million one-time SAF for a total of $50.0 million one-time SAF for LETRS professional learning and revises to spend over five years. Revises eligible recipients to PreK-5 educators, special education educators, and administrators overseeing these professionals (previously required PreK-1 teachers to receive the training before other recipients). Adds requirement for LETRS to report to MDE quarterly.

House retains and increases by $65.0 million one-time SAF for a total of $75.0 million one-time SAF to spend over three years. Revises eligible recipients to K-5 reading and special education educators and K-5 literacy personnel. Concurs with Executive to require quarterly reporting. Requires MDE to create a credential confirming completion of training.

Senate concurs with Executive.

Conference retains and increases by $15.0 million one-time SAF and $50.0 million Educator Fellowship Public Provider Fund for a total of $75.0 million one-time Gross ($0 GF/GP). Revises to open enrollment first to PreK-5 reading and special education educators, administrators, literacy coaches, and educator preparation program faculty and professional development providers. If funds remain, awards additional support to districts that aim to complete district-wide training. Concurs with Executive to require quarterly reporting.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
10. Out of School Time (Sec. 32n)	**Gross**	**$75,000,000**	**$60,000,000**
Executive retains and increases by $10.0 million one-time School Aid Pupil Support Fund and provides $50.0 million ongoing SAF for a total of $135.0 million Gross ($85.0 million one-time School Aid Pupil Support Fund; $50.0 million ongoing SAF) for Clinton County RESA to collaborate with MiLEAP to award competitive grants to CBOs, IHEs, public libraries, local governments, or ISDs for before and after school programs and summer school programs. Requires MiLEAP to develop a tiered grant structure based on the number of program sites that would be served and caps largest tier at 40% of total funding. Requires MiLEAP to make half of a grant payment (instead of the full amount) upon award unless the recipient demonstrates resource needs. Maintains intent to increase the School Aid Pupil Support Reserve Fund appropriation to $100.0 million in FY 2027-28 (FY 2027-28 will be the third of three years of intended reserve fund spending). House retains $75.0 million one-time School Aid Pupil Support Fund. Concurs with Executive to require MiLEAP to develop a tiered grant structure, but revises cap to 25% of total funding. Concurs with Executive on other boilerplate changes, but strikes intent language for future fiscal years. Senate concurs with Executive, but includes $50.0 million SAF as one-time instead of ongoing, does not include a tier cap, and does not require half grant payments. Conference concurs with Executive, except concurs with Senate to include $50.0 million SAF as one-time.	Restricted GF/GP	75,000,000 $0	60,000,000 $0
***11. High-Impact Tutoring (Sec. 35p)* – NEW**	**Gross**	**$0**	**$50,000,000**
Executive provides $100.0 million one-time SAF for competitive grants to approved, evidence-based tutoring programs to provide in-person tutoring during the school day at least twice a week. Requires student-tutor ratios no higher than 1:4. Provides intent that grant recipients receive up to 50% of the awarded amount in FY 2026-27 and the remaining amount in FY 2027-28. Allocates $600,000 to the Clinton County Regional Educational Service Agency (CCRESA) to work with the Michigan Association of Intermediate School Administrators (MAISA) to report on programs funded and their impact, provide technical assistance to districts, and use up to $300,000 for the MAISA Michigan Collaborative Hub. House provides $50.0 million one-time SAF. Concurs with Executive boilerplate, except maintains that funds be used over one year, revises to allow tutoring to be after school and requires ongoing assessment and feedback. Senate concurs with House appropriation. Concurs with Executive boilerplate, except concurs with House to appropriate funds over one year. Conference concurs with House, except also allows tutoring before school and allocates $5.0 million for a parent-driven tutoring pilot.	Restricted GF/GP	0 $0	50,000,000 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
12. Infrastructure Grants (Sec. 12e)	**Gross**	**$100,000,000**	**($50,000,000)**
Executive eliminates one-time funding.	Restricted	100,000,000	(50,000,000)
House retains and increases by $50.0 million and revises fund source from School Infrastructure and Consolidation Fund to SAF for a total of $150.0 million one-time SAF. Allocates funds only for critical infrastructure needs affecting the health, safety, or well-being of students. Senate concurs with Executive. Conference retains $50.0 million (a $50.0 million reduction) and revises fund source to one-time SAF. Allows up to $50.0 million School Consolidation and Infrastructure Fund to be appropriated if funds are insufficient. Allocates $8.8 million SAF for the demolition of vacant school buildings in a district that has lost 80% of their pupil membership. Concurs with House boilerplate and adds that demolition of vacant buildings is an eligible expense.	GF/GP	$0	$0
13. Fund Deposits	**Gross**	**NA**	**$0**
House deposits the following amounts into subaccounts of the School Aid Fund *(Note: The columns on the right reflect appropriations and do not include deposits)*:	Restricted	NA	0
• $11.0 million SAF into the School Infrastructure and Consolidation Reserve Fund • $239.1 million SAF into the School Aid Countercyclical Budget Stabilization Fund • $9.4 million GF/GP into the General Pupil Support Reserve Fund • $20.0 million SAF into the new Special Education Reserve Fund Senate does not include. Conference deposits the following amounts into subaccounts of the School Aid Fund *(Note: The columns on the right reflect appropriations and do not include deposits)*: • $50.0 million SAF into the School Infrastructure and Consolidation Reserve Fund • $12.0 million Educator Fellowship Private Provider Fund into the General Pupil Support Reserve Fund	GF/GP	NA	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
14. Mental Health & School Safety (Sec. 31aa)	**Gross**	**$321,000,000**	**($11,000,000)**
Executive retains and revises $300.0 million one-time SAF to be $50.0 million ongoing and $250.0 one-time and eliminates $21.0 million one-time GF/GP for a total of $300.0 million SAF. Removes nonpublic schools as eligible recipients. Eliminates allocations of $53.5 million Gross ($3.5 million GF/GP) for grants for school resource officers and $53.5 million Gross ($3.5 million GF/GP) for grants for mental health staff. Increases the allocation for per-pupil grants to improve student mental health and student safety from $214.0 million Gross ($14.0 million GF/GP) to $300.0 million SAF (the full amount of funding under this section). House retains and revises $321.0 million one-time Gross to be $200.0 million ongoing SAF and $121.0 million one-time Gross ($21.0 million GF/GP). Retains nonpublic schools as eligible recipients. Retains allocations of $53.5 million Gross ($3.5 million GF/GP) for school resources officers and $53.5 million Gross ($3.5 million GF/GP) for mental health staff. Revises per-pupil payments to be $146.87 per pupil in a district that opts in to receive funding. Revises to require recipients to waive privilege only after an intentional incident that results in fatality or significant bodily injury to three or more individuals. Senate retains $300.0 million one-time SAF and eliminates $21.0 million one-time GF/GP for a total of $300.0 million SAF. Concurs with Executive to remove nonpublic schools as eligible recipients. Concurs with Executive to eliminate allocations of $53.5 million Gross ($3.5 million GF/GP) for grants for school resource officers and $53.5 million Gross ($3.5 million GF/GP) for grants for mental health staff. Allocates $20.0 million SAF for community violence intervention grants. Allocates $25.0 million SAF for grants for a behavior warning system. Increases the allocation for per-pupil grants to improve student mental health and student safety from $214.0 million Gross ($14.0 million GF/GP) to $255.0 million SAF. Revises to require recipients to waive privilege only after an incident of targeted violence that involves the use of a lethal weapon, includes at least 1 fatality or 2 significant bodily injuries, and is a deliberate and malicious act. Conference retains $310.0 million one-time Gross (a reduction of $11.0 million GF/GP for a total of $10.0 million GF/GP). Concurs with House to retain nonpublic schools as eligible and appropriates the amount necessary, capped at $11,0 million, from the General Pupil Support Reserve Fund if the GF/GP appropriated is not sufficient to fully fund nonpublic payments. Concurs with Executive to eliminate SRO and mental health staff allocations. Revises per-pupil payments to be $73.53 for mental health expenses and $147.06 for school safety expenses. Requires recipients to waive privilege only for the school safety payments and revises the definition for "mass casualty event" to include two or more fatalities (rather than three or more).	Restricted GF/GP	300,000,000 $21,000,000	0 ($11,000,000)
15. Flint Emergency Declaration (Sec. 11s)	**Gross**	**$8,000,000**	**($5,000,000)**
Executive and House eliminate one-time funding for school nurses, social workers, and other support services ($2.4 million); nutritional services ($575,000); and Genesee ISD interventions and supports ($5.0 million) for children in the Flint School District . Senate retains $8.0 million one-time Gross ($3.0 million GF/GP). Conference retains $3.0 million one-time SAF (a reduction of $5.0 million Gross, including $3.0 million GF/GP) and allocates toward Genesee ISD interventions and supports.	Restricted GF/GP	5,000,000 $3,000,000	(2,000,000) ($3,000,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD

***16. Vacant Building Demolition (Sec. 12f)* – NEW**

	Gross	**$0**	**$0**
	Restricted	0	0
	GF/GP	$0	$0

Executive does not include.
House provides $8.8 million one-time SAF for grants to demolish district-owned buildings for districts that have lost more than 80% of their pupil membership.
Senate and Conference do not include (see Sec. 12e for Conference allocation).

***17. Dual Enrollment (Sec. 21b)* – NEW**

	Gross	**$0**	**$40,000,000**
	Restricted	0	40,000,000
	GF/GP	$0	$0

Executive provides $20.0 million one-time SAF to reimburse high-poverty districts in opportunity index bands 4, 5, or 6 for dual enrollment costs. (Currently, districts pay students' dual enrollment costs using general operations funding, i.e., the foundation allowance, or through an ISD's participation under Sec. 61b for CTE-related dual enrollment programs.) If funds are insufficient, provides a cap for any individual district of 25% of the appropriation, followed by equal percentage proration.
House provides $40.0 million one-time SAF. Concurs with Executive boilerplate, but allows districts in opportunity index bands 3, 2, and 1 to receive funding if all eligible expenses have been reimbursed for districts in higher bands. Allows districts to receive funding for work-based learning programs and early middle college dual enrollment programs.
Senate provides $60.0 million SAF to reimburse all districts for dual enrollment costs.
Conference concurs with House, except does not include work-based learning programs.

18. Transportation Costs (Sec. 22l)

	Gross	**$125,000,000**	**$0**
	Restricted	125,000,000	0
	GF/GP	$0	$0

Executive retains $125.0 million one-time School Transportation Fund to districts and ISDs based on riders per square mile and the cost per rider. There would be approximately $8.9 million left in the School Transportation Fund at the end of FY 2026-27.
House concurs with Executive. Prohibits MDE from requiring recipients to submit itemized expense information from third-party entities providing transportation services.
Senate retains $125.0 million one-time School Transportation Fund and provides an additional $25.0 million one-time SAF.
Conference concurs with Executive.

19. Partnership Model Districts (Sec. 21h)

	Gross	**$6,137,400**	**$0**
	Restricted	6,137,400	0
	GF/GP	$0	$0

Executive retains $6.1 million one-time School Aid Pupil Support Reserve Fund for districts that are in a partnership to improve student achievement and district financial stability. Maintains intent to fund the section with the reserve fund through FY 2027-28.
House, Senate, and Conference concur with Executive.

20. Isolated Districts (Sec. 22d)

	Gross	**$12,873,100**	**$1,311,300**
	Restricted	12,873,100	1,311,300
	GF/GP	$0	$0

Executive increases by $783,000 SAF (6.1%) for a total of $13.7 million SAF for small, isolated districts; districts with fewer than 10.0 pupils per square mile; districts with greater than 250 square miles; and a district on an island accessible by bridge (Grosse Ile).
House increases by $643,700 SAF (5.0%) for a total of $13.5 million SAF.
Senate increases by $899,200 SAF (7.0%) for a total of $13.8 million SAF.
Conference increases by $1.3 million SAF (10.2%) for a total of $14.2 million SAF.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
21. Technology Regional Data Hubs (Sec. 22m) Executive eliminates $1.5 million one-time SAF for a total of $3.5 million ongoing SAF to support integration of local school data systems into the Michigan Data Hub Network. House retains $1.5 million one-time SAF for a total of $5.0 million SAF. Senate and Conference concur with Executive.	**Gross** Restricted GF/GP	**$5,000,000** 5,000,000 $0	**($1,500,000)** (1,500,000) $0
***22. Mathematics Pathways (Sec. 23h)* – NEW** Executive provides $12.0 million one-time SAF for Gogebic-Ontonagon ISD, in partnership with MAISA, to provide mathematics professional learning opportunities for educators ($3.0 million) and fund early mathematics specialists within ISDs ($9.0 million). Allows funds to be expended through FY 2028-29. House does not include. Senate concurs with Executive. Conference concurs with House.	**Gross** Restricted GF/GP	**$0** 0 $0	**$0** 0 $0
23. Dropout Recovery Programs (Secs. 22b & 25g) Executive eliminates $500,000 one-time SAF and transfers remaining $750,000 ongoing SAF from Sec. 25g (Dropout Recovery Programs) to be distributed under Sec. 22b as part of the foundation allowance rather than a separate appropriation. The program is estimated to cost over $750,000 in FY 2026-27; funding would be prorated under Sec. 25g but would require full payment under Sec. 22b. (See Major Boilerplate Changes for Sec. 6 below.) House eliminates $500,000 one-time SAF for a total of $750,000 SAF. Does not include Executive revisions. Senate and Conference concur with Executive.	**Gross** Restricted GF/GP	**$1,250,000** 1,250,000 $0	**($1,250,000)** (1,250,000) $0
24. MI Future Educator Fellowship Program (Sec. 27a) Executive retains $10.0 million one-time Educator Fellowship Public Provider Fund for a total of $25.0 million Gross ($5.0 million GF/GP) to offset tuition costs for college students earning their initial certification. Removes requirement that recipients must have a high school diploma or equivalent (recipients must be enrolled in an eligible educator preparation program). Requires educator preparation programs to include coursework on the science of reading or provide MiLEAP a plan to do so by September 30, 2027 in order to comply with 2024 PA 147. House retains $10.0 million one-time Educator Fellowship Public Provider Fund and revises $1.8 million ongoing GF/GP to be $1.8 million one-time Educator Fellowship Private Provider Fund for a total of $25.0 million Gross ($3.8 million GF/GP). Allows recipients to work at a nonpublic school or preschool to meet the required years spent working as a certified teacher. Requires educator preparation programs to include coursework on the science of reading. Senate concurs with Executive, except revises the GF/GP to be one-time. Conference concurs with Senate, except concurs with House to allow recipients to work at a nonpublic school or preschool.	**Gross** Restricted GF/GP	**$25,000,000** 20,000,000 $5,000,000	**$0** 0 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
25. Grow Your Own Programs (Sec. 27b)	**Gross**	**$70,000,000**	**($45,000,000)**
Executive retains $60.0 million one-time SAF (a $10.0 million reduction) to be spent over three years for tiered competitive grants to districts, ISDs, and consortia of ISDs for grow your own programs (strikes educator development programs as an eligible use). Removes caps on grant funding for each tier. Allocates $3.0 million for school librarian specialist certification grants. House eliminates one-time funding. Senate retains $25.0 million one-time SAF (a $45.0 million reduction). Concurs with Executive boilerplate and allocation, except adds workforce innovation programs and educator retention programs as eligible recipients, and revises criteria for each funding tier. Conference concurs with Senate, except revises tier funding caps and adds a fourth tier. Caps administrative funding at 10%.	Restricted	70,000,000	(45,000,000)
	GF/GP	$0	$0
26. MI Future Educator Student Teacher Stipend (Sec. 27c)	**Gross**	**$50,000,000**	**$7,000,000**
Executive retains $20.0 million one-time Educator Fellowship Public Provider Fund for a total of $50.0 million Gross ($0 GF/GP) for payments to student teachers. Requires educator preparation programs to include coursework on the science of reading or provide MiLEAP a plan to do so by September 30, 2027 in order to comply with 2024 PA 147. House provides an additional $12.5 million Educator Fellowship Private Provider Fund and retains $20.0 million one-time Educator Fellowship Public Provider Fund for a total of $62.5 million Gross ($0 GF/GP). Adds individuals student teaching at nonpublic schools as eligible recipients. Requires educator preparation programs to include coursework on the science of reading. Senate concurs with Executive. Conference concurs with Executive and Senate, except adds $7.0 million one-time Educator Fellowship Private Provider Fund and concurs with House to add nonpublic schools.	Restricted	50,000,000	7,000,000
	GF/GP	$0	$0
27. National Board Certification (Sec. 27m)	**Gross**	**$0**	**$0**
Executive and House do not include. Senate and Conference lapse the FY 2023-24 work project and reappropriate $2.9 million SAF to provide financial awards to teachers who hold National Board Certification as one-time bonus payments. Eliminates boilerplate providing guidance for distributing funds and revises to award funding on a first-come, first-served basis.	Restricted	0	0
	GF/GP	$0	$0
***28. Learner and Educator Credentialing (Sec. 27o)* – NEW**	**Gross**	**$0**	**$3,000,000**
Executive does not include. House provides $4.0 million one-time SAF for a statewide digital credentialing initiative to track CTE program completion for students and literacy professional development for educators. Senate concurs with Executive. Conference provides $3.0 million one-time SAF.	Restricted	0	3,000,000
	GF/GP	$0	$0
***29. Educator-on-Loan Program (Sec. 27t)* – NEW**	**Gross**	**$0**	**$500,000**
Executive, House, and Senate do not include. Conference provides $500,000 one-time SAF for an educator-on-loan program. Allowable uses include, but are not limited to, hiring an employee in MPSERS.	Restricted	0	500,000
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
30. Enrollment Stabilization (Sec. 29)	**Gross**	**$71,000,000**	**($71,000,000)**
	Restricted	71,000,000	(71,000,000)
	GF/GP	$0	$0

Executive retains and increases by $54.0 million one-time Enrollment Stabilization Fund for a total of $125.0 million one-time Enrollment Stabilization Fund to offset up to half of a district's or IDS's foundation allowance loss due to declining enrollment. Currently, this section is prorated to about 63%; this increase would fully fund the calculation. There would be approximately $6.4 million left in the Enrollment Stabilization Fund at the end of FY 2026-27.
House retains $71.0 million one-time Enrollment Stabilization Fund.
Senate and Conference eliminate one-time funding.

31. Universal School Breakfast and Lunch (Sec. 30d)	**Gross**	**$201,600,000**	**$400,000**
	Restricted	200,000,000	0
	GF/GP	$1,600,000	$400,000

Executive eliminates $1.6 million one-time GF/GP for a total of $200.0 million ongoing SAF for providing free school breakfast and lunch for all PreK-12 students. Removes nonpublic school students from eligibility. Adds requirement that a participating entity must participate in the National School Breakfast Program (in addition to the National School Lunch Program).
House retains and revises $1.6 million one-time GF/GP to be ongoing for a total of $201.6 million ongoing Gross ($1.6 million GF/GP). Maintains eligibility for nonpublic school students. Concurs with Executive to require participation in the National School Breakfast Program. Prohibits recipients from providing or selling soda or candy to students.
Senate concurs with House to retain and revise $1.6 million one-time GF/GP to be ongoing. Concurs with Executive and House to require participation in the National School Breakfast Program. Does not include House boilerplate revisions.
Conference retains and increases by $400,000 GF/GP and revises to be ongoing for a total of $202.0 million Gross ($2.0 million GF/GP). If funds are insufficient to fully reimburse all nonpublic schools, appropriates the amount necessary, capped at $1.0 million, from the General Pupil Support Reserve Fund. Concurs with Executive, House, and Senate to require participation in the National School Breakfast Program.

32. At-Risk (Sec. 31a)	**Gross**	**$1,293,655,000**	**($1,293,655,000)**
	Restricted	1,293,655,000	(1,293,655,000)
	GF/GP	$0	$0

Executive increases by $78.8 million SAF (6.1%) for a total of $1.4 billion SAF, but transfers funding to Sec. 22b(3) for purposes of a new weighted pupil membership. Eliminates all At-Risk-related boilerplate in this section (some requirements are moved to Sec. 164m). (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.)
House increases by $64.7 million SAF for a total of $1.4 billion SAF. Requires funds be distributed to support category buildings within a district according to the number of economically disadvantaged students within a building. Does not include Executive boilerplate revisions.
Senate increases by $324.0 million SAF for a total of $1.6 billion SAF, but concurs with Executive to transfer funding to Sec. 22b(3) for purposes of a new weighted pupil membership. Eliminates all At-Risk-related boilerplate. (See Major Boilerplate Changes for Secs. 6 and 22b below.)
Conference increases by $258.7 million SAF (20%) for a total of $1.6 billion SAF, but concurs with Executive and Senate to transfer to Sec. 22b(3). Eliminates At-Risk boilerplate in this section (see Sec. 164m). (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.)

33. Hearing, Vision, and Dental Screenings (Sec. 31a(8))	**Gross**	**$11,650,000**	**$0**
	Restricted	10,150,000	0
	GF/GP	$1,500,000	$0

Executive and House maintain current law.
Senate revises $1.5 million GF/GP for dental screenings to be $1.5 million SAF.
Conference concurs with Executive and House.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 YTD (as of 2/11/26)**	**Conference Change from YTD**
34. Small Class Size Pilot (Sec. 31c) Executive and House eliminate one-time funding. Senate retains $50.0 million one-time SAF (a reduction of $15.0 million SAF) for grants for small class size pilot programs in grades K to 3. Requires districts to allocate at least 10% of Sec. 22b(4) funding to support small class sizes. Conference concurs with Executive and House.	**Gross** Restricted GF/GP	**$65,000,000** 65,000,000 $0	**($65,000,000)** (65,000,000) $0
35. School Lunch Program (Sec. 31d) Executive, House, and Senate maintain current-year appropriation. Conference reduces federal estimated appropriation by $505.1 million for a total of $447.8 Gross ($0 GF/GP). Maintains boilerplate that allows the appropriation of "all available federal funding."	**Gross** Federal Restricted GF/GP	**$952,953,400** 923,400,000 29,553,400 $0	**($505,132,300)** (505,132,300) 0 $0
***36. Ten Cents a Meal (Sec. 31j)* – NEW** Executive does not include. House provides $4.2 million one-time Gross ($200,000 GF/GP; $4.0 million SAF) for districts and nonpublic schools to participate in the Ten Cents a Meal program to purchase locally grown fruits, vegetables, and legumes. Senate concurs with Executive. Conference provides $4.0 million SAF for only districts.	**Gross** Restricted GF/GP	**$0** 0 $0	**$4,000,000** 4,000,000 $0
***37. Evidence-Based Mental Health Training (Sec. 31p)* – NEW** Executive, House, and Senate do not include. Conference provides $3.0 million one-time SAF for grants to ISDs to implement a program to improve youth access to evidence-based mental health services.	**Gross** Restricted GF/GP	**$0** 0 $0	**$3,000,000** 3,000,000 $0
38. GSRP Classroom Start-Up Grants (Sec. 32d(29)) Executive retains and increases by $15.0 million one-time SAF for a total of $25.0 million one-time SAF for grants to ISDs of up to $50,000 for each new or expanding GSRP classroom. House eliminates $10.0 million one-time SAF. Senate concurs with Executive. Conference retains $3.6 million one-time SAF, a reduction of $6.4 million SAF.	**Gross** Restricted GF/GP	**$10,000,000** 10,000,000 $0	**($6,400,000)** (6,400,000) $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD

***39. Early Learning Partnerships (Sec. 32p)* – NEW**

	Gross	**$0**	**$30,000,000**
	Restricted	0	30,000,000
	GF/GP	$0	$0

Executive provides $30.0 million SAF to create and implement statewide early learning partnerships to provide centralized access points for families into the early childhood system. Allocates funding as follows:

- $16.9 million to ISDs to support early learning partnerships. Requires ISDs to receive at least as much as in FY 2024-25 for local Great Start Collaboratives (former Sec. 32p, which was repealed for FY 2025-26). Allocates at least $1.0 million from this allocation to support MiFamily Engagement Regional Centers.
- $3.9 million for evidence-based support services for families, including home visiting programs, as determined by MiLEAP and DHHS.
- $4.0 million to improve access to books and other early literacy materials for children from birth to age five.
- $4.0 million to raise awareness about the availability of services through early learning partnerships.
- $1.2 million for Oakland Schools and Clinton County RESA to collaborate with MiLEAP on administrative support.

House provides $29.8 million SAF. Allocates funding as follows:

- $16.9 million to ISD to support early learning partnerships. Concurs with Executive boilerplate, but does not allocate $1.0 to MiFamily Engagement Regional Centers.
- $3.9 million for evidence-based support services for families, including home visiting programs, as determined by MiLEAP and DHHS.
- $4.0 million to improve access to books and other early literacy materials for children from birth to age five.
- $5.0 million for early literacy curriculum aligned with the science of reading.

Senate concurs with Executive appropriation, but revises funding purpose to support evidence-based early childhood system building. Allocates funding as follows:

- $15.9 million to ISDs in the same amount as under former Sec. 32p to coordinate early childhood services and programs for children prenatal through age 5. Requires alignment with the Help Me Grow National Fidelity Assessment.
- $1.5 million for MiFamily Engagement Regional Centers.
- $7.2 million for family support services, including home visits.
- $4.0 million for Help Me Grow collaboratives to implement evidence-based family engagement practices, including Early On, home visits, and Reach Out and Read visits.
- $1.4 million for Oakland Schools and Clinton County RESA to collaborate with MiLEAP on administrative support.

Conference concurs with Executive.

40. Three-Year-Old Preschool Pilot Program (Sec. 32t)

	Gross	**$25,000,000**	**($25,000,000)**
	Restricted	25,000,000	(25,000,000)
	GF/GP	$0	$0

Executive and House eliminate one-time funding.
Senate retains $11.0 million one-time SAF (a reduction of $14.0 million SAF) for phase 2 of a preschool pilot program to provide services to three-year-olds. Revises funding from being for two years to one year.
Conference concurs with Executive and House.

***41. Early Childhood Workforce Project (Sec. 32v)* – NEW**

	Gross	**$0**	**$30,000,000**
	Restricted	0	30,000,000
	GF/GP	$0	$0

Executive, House, and Senate do not include.
Conference provides $30.0 million one-time Gross ($0 GF/GP) for early childhood workforce development initiatives.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
42. Early Literacy Teacher Coaches (Sec. 35a(4)) Executive increases by $10.5 million SAF for a total of $52.5 million SAF to increase the number of early literacy coaches from 336 to 420 and ensure that each ISD can support at least one more literacy coach than in FY 2025-26 (with a minimum of four per ISD). Requires literacy coaches to comply with new Sec. 35o (Literacy Essentials). Requires MiLEAP to develop a coaching evaluation framework aligned with MCL 380.1280f (3rd grade reading legislation). House maintains appropriation of $42.0 million SAF. Revises from "early literacy" to "literacy." Concurs with Executive requirement to develop a literacy coaching framework. Does not include other Executive revisions. Senate concurs with Executive. Conference concurs with Executive, except concurs with House to revise to "literacy."	**Gross** Restricted GF/GP	**$42,000,000** 42,000,000 $0	**$10,500,000** 10,500,000 $0
***43. Dyslexia Supports (Sec. 35d)* – NEW** Executive, House, and Senate eliminate one-time funding. Conference provides $1.0 million one-time SAF for grants to districts and ISDs to purchase components of an eligible teacher training program for children with dyslexia.	**Gross** Restricted GF/GP	**$0** 0 $0	**$1,000,000** 1,000,000 $0
44. School Library Program (Sec. 35e) Executive and House eliminate one-time funding. Senate provides an additional $20.8 million SAF and revises to be fully ongoing for a total of $21.0 million SAF. Revises funding to be for per pupil payments to support school libraries. Conference concurs with Executive and House.	**Gross** Restricted GF/GP	**$250,000** 250,000 $0	**($250,000)** (250,000) $0
45. Literacy Supports (Sec. 35m) Executive retains and increases by $35.6 million one-time SAF for a total of $100.0 million one-time SAF and revises to spend over two years payments for districts and ISDs to improve literacy outcomes by implementing early literacy series and materials. House retains and increases by $85.6 million SAF and revises to be ongoing for a total of $150.0 million SAF. Requires funds to be spent on only one of five literacy curricula: Amplify CKLA, HMH Into Reading, Savvas Literacy Programs, Great Minds Wit & Wisdom, and EL Education K-8 Language Arts Curriculum. Senate concurs with Executive. Conference retains $50.0 million one-time SAF (a reduction of $14.4 million SAF) and caps the number of early literacy series and materials that may be eligible at 15.	**Gross** Restricted GF/GP	**$64,400,000** 64,400,000 $0	**($14,400,000)** (14,400,000) $0
***46. Literacy Essentials Transfer (Secs. 35m(9) & 35o)* – NEW** Executive transfers $4.0 million one-time SAF from Sec. 35m(9) to Sec. 35o, revises to be ongoing, and increases by $2.0 million SAF for a total of $6.0 million SAF for Gogebic-Ontonagon ISD, in partnership with an association representing ISD administrators, to maintain the state's literacy essentials resources, lead professional learning, facilitate a statewide network of literacy coaches, place regional lead literacy coaches, and meet monthly with MDE and MiLEAP to align efforts. House eliminates $4.0 million one-time SAF. Senate and Conference concur with Executive.	**Gross** Restricted GF/GP	**$4,000,000** 4,000,000 $0	**$2,000,000** 2,000,000 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
***47. Private Tutoring (Sec. 35q)* – NEW**	**Gross**	**$0**	**$0**
Executive does not include.	Restricted	0	0
House provides $40.0 million SAF for a pilot program to provide grants to districts to reimburse parents of at-risk students for the costs associated with private tutoring. Requires the pilot program to include districts in opportunity index band 4 or higher, from both urban and rural areas, and include all geographic regions of the state. Allocates $200,000 for a study on program outcomes. Allows districts to retain 2.5% of funds for administration. Senate and Conference do not include.	GF/GP	$0	$0
***48. Retained Student Payments (Sec. 35q(10) and (11))* – NEW**		**$0**	**$0**
Executive does not include.		0	0
House appropriates the amount necessary from the State School Aid Pupil Support Reserve Fund and the General Pupil Support Reserve Fund pay districts and nonpublic schools $2,500 for each retained 3rd grade student that scored "not proficient" on the state English language arts test. Requires parental consent for the student to be retained. Senate and Conference do not include.		$0	$0
***49. Numeracy Supports (Sec. 36)* – NEW**	**Gross**	**$0**	**$5,000,000**
Executive does not include.	Restricted	0	5,000,000
House provides $100.0 million one-time SAF for payments to districts and ISDs to improve educational outcomes in mathematics. Creates a Committee for Mathematics Achievement to evaluate and maintain a ranked list of available mathematics curricula, professional development, and tools. Limits the committee to recommending five mathematics curricula. Allows for two rounds of grant applications. Grants awarded in the first round may only be used to purchase one of the five approved mathematics curricula. Grants awarded in the second round may also be used for professional development and other tools. Allows members of the committee to receive up to an $8,000 annual stipend. Allocates $1.0 million for a statewide online supplemental math education tool. Senate does not include. Conference provides $5.0 million one-time SAF. Concurs with House boilerplate, except as follows: only requires evaluation of math curricula and materials (does not include professional development or tools); specifies for grades K-5; only provides for a second round if funding remains; and does not include $1.0 million allocation for a supplemental math tool.	GF/GP	$0	$0
***50. STEM Supports (Sec. 36a)* – NEW**	**Gross**	**$0**	**$5,000,000**
Executive does not include.	Restricted	0	5,000,000
House provides $50.0 million one-time SAF for payments to districts and ISDs to improve educational outcomes in STEM. Creates a Committee for STEM Achievement to evaluate and maintain a ranked list of available STEM curricula, professional development, and tools. Limits the committee to recommending five STEM curricula. Allows for two rounds of grant applications. Grants awarded in the first round may only be used to purchase one of the five approved STEM curricula. Grants awarded in the second round may also be used for professional development and other tools. Grants may not be used for items eligible for funding under Sec. 36. Allows members of the committee to receive up to an $8,000 annual stipend. Senate does not include. Conference provides $5.0 million one-time SAF. Concurs with House boilerplate except as follows: only requires evaluation of STEM tools (does not include curricula, materials, or professional development); specifies for grades 3-8; and only provides for a second round if funding remains.	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
51. Federal Funds (Sec. 39a)	**Gross**	**$891,115,000**	**($891,113,400)**
Executive, House, and Senate maintain $891.1 million Federal in Every Student Succeeds Act (ESSA) and other federal funding for education. Conference reduces grant authorizations to $100 each for a total of $1,600 Federal. Maintains boilerplate that allows the appropriation of "all available federal funding."	Federal Restricted GF/GP	891,115,000 0 $0	(891,113,400) 0 $0
52. English Language Learner Grants (Sec. 41)	**Gross**	**$62,732,600**	**($62,732,600)**
Executive increases by $3.8 million SAF (6.1%) for a total of $66.5 million SAF, but transfers funding to Sec. 22b(3) for purposes of a new weighted pupil membership. Maintains boilerplate requirements to administer the WIDA assessment and provide a minimum amount of English language development instruction per week to receive the funding now in Sec. 22b(3). (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.) House increases by $3.1 million SAF for a total of $65.9 million SAF. Does not include Executive boilerplate revisions. Senate increases by $15.7 million SAF for a total of $78.4 million SAF, but transfers funding to Sec. 22b(3) for a new weighted pupil membership. (See Major Boilerplate Changes for Secs. 6 and 22b below.) Conference increases by $12.5 million SAF for a total of $75.3 million SAF, but transfers funding to Sec. 22b(3) for a new weighted pupil membership. (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.)	Restricted GF/GP	62,732,600 $0	(62,732,600) $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
53. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, & 56)	**Gross**	**$2,802,596,100**	**($538,258,200)**
	Federal	583,000,000	(582,999,600)
	Restricted	2,219,596,100	44,741,400
	GF/GP	$0	$0

Executive increases special education expenditures by $60.5 million Gross ($0 GF/GP) for a total of $2.9 billion Gross ($0 GF/GP) as follows:

- Increases by $15.0 million SAF for a total of $89.2 million SAF funding to certain ISDs related to their special education millage. Revises funding formulas (currently, a millage equalization program and a millage incentive program) to a formula based 50% on taxable value per special education head count and 50% on taxable value per unreimbursed special education costs.
- Increases by $13.0 million SAF for a total of $535.0 million to increase special education foundation allowances by 2.5%.
- Transfers $2.8 million GF/GP in operational funding for the Michigan School for the Deaf in the MDE budget and revises to SAF for a total of $4.5 million SAF for instructional costs for pupils attending the Michigan Schools for the Deaf and Blind.
- Increases by $29.7 million SAF to reflect January consensus cost estimates.

(See Major Boilerplate Changes for Sec. 51i below.)

House increases special education expenditures by $45.3 million Gross ($0 GF/GP) for a total of $2.8 billion Gross ($0 GF/GP) as follows:

- Increases by $12.8 million SAF for a total of $534.8 million to increase special education foundation allowance by 2.5%.
- Concurs with Executive to transfer $2.8 million GF/GP for the Michigan School for the Deaf and revises to SAF. (Note: the SAF increase is higher than the transfer included in the MDE summary due to economic adjustments.)
- Increases by $29.7 million SAF to reflect January consensus cost adjustments.
- Does not revise special education millage equalization and millage incentive formulas.

Senate concurs with Executive, but provides an additional $11.0 million State School Aid Pupil Support Reserve Fund for a total of increase of $71.5 million Gross to hold certain ISDs harmless from changes related to the special education millage formula change. (See Major Boilerplate Changes for Sec. 51i below.)

Conference reduces by $538.3 million Gross ($0 GF/GP) for a total of $2.3 billion Gross ($0 GF/GP) as follows:

- Reduces by $583.0 million Federal to reduce grant authorizations to $100 each for a total of $400 Federal. Maintains boilerplate that allows the appropriation of "all available federal funding."
- Increases by $13.0 million SAF for a total of $533.2 million to increase special education foundation allowance by 2.5%.
- Concurs with Executive to transfer $2.8 million GF/GP for the Michigan School for the Deaf and revises to SAF. (Note: the SAF increase is higher than the transfer included in the MDE summary due to economic adjustments.)
- Increases by $28.9 million SAF to reflect May consensus cost adjustments.
- Concurs with House to maintain special education millage equalization and millage incentive formulas.

(See Major Boilerplate Changes for Sec. 51i below.)

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
***54. MiMTSS Technical Assistance Center Transfer (Secs. 35m(10) & 54b)* – NEW** <u>Executive</u> transfers $1.6 million one-time SAF from Sec. 35m(10) to Sec. 54b and revises to ongoing for the Michigan Multi-Tiered System of Supports (MiMTSS) Technical Assistance Center to expand statewide implementation of MTSS. <u>House</u> eliminates $1.6 million one-time SAF. <u>Senate</u> and <u>Conference</u> concur with Executive.	**Gross** Restricted GF/GP	**$1,600,000** 1,600,000 $0	**$0** 0 $0
55. Early On (Sec. 54d) <u>Executive</u> increases by $1.5 million SAF (6.1%) for a total of $25.1 million SAF for ISDs to provide Early On services for children birth to age three with a developmental delay or disability. <u>House</u> increases by $5.0 million SAF for a total of $23.7 million SAF. <u>Senate</u> concurs with Executive. <u>Conference</u> increases by $2.4 million SAF (10.2%) for a total of $26.1 million SAF.	**Gross** Restricted GF/GP	**$23,670,700** 23,670,700 $0	**$2,411,200** 2,411,200 $0
56. Career and Technical Education (CTE) (Sec. 61a) <u>Executive</u> increases by $2.5 million SAF (6.1%) for a total of $44.2 million SAF for reimbursements to districts and ISDs for vocational education programs. <u>House</u> increases by $2.1 million SAF (5%) for a total of $43.8 million SAF. <u>Senate</u> concurs with Executive. <u>Conference</u> increases by $4.3 million SAF (10.2%) for a total of $46.0 million SAF.	**Gross** Restricted GF/GP	**$41,733,800** 41,733,800 $0	**$4,251,200** 4,251,200 $0
57. CTE Early/Middle College & Dual Enrollment (Sec. 61b) <u>Executive</u> increases by $500,000 SAF (6.1%) for a total of $8.9 million SAF for CTE early middle college and CTE dual enrollment programs and for planning grants for the development or expansion of CTE early middle college programs. <u>House</u> increases by $1.0 million one-time SAF for a total of $9.4 million SAF ($1.0 million one-time). <u>Senate</u> concurs with Executive. <u>Conference</u> increases by $852,400 SAF (10.2%) for a total of $9.2 million SAF. Clarifies that work-based learning programs are eligible.	**Gross** Restricted GF/GP	**$8,368,000** 8,368,000 $0	**$852,400** 852,400 $0
***58. CTE Virtual Reality (Sec. 61w)* – NEW** <u>Executive</u> does not include. <u>House</u> provides $5.0 million one-time SAF for grants to districts and ISDs to support CTE virtual reality programs. <u>Senate</u> concurs with Executive. <u>Conference</u> provides $2.9 million one-time SAF. Allocates 50% of funds for digital career exploration programs.	**Gross** Restricted GF/GP	**$0** 0 $0	**$2,900,000** 2,900,000 $0
***59. CTE Shared Services (Sec. 61x)* – NEW** <u>Executive</u> does not include. <u>House</u> provides $30.0 million SAF to reimburse districts and ISDs for providing CTE programs and transportation to nonresident students over three years. Provides intent for payments to be sufficient to incentivize districts and ISDs to participate in the program. <u>Senate</u> and <u>Conference</u> concur with Executive.	**Gross** Restricted GF/GP	**$0** 0 $0	**$0** 0 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
60. Detroit Area PreCollege Engineering Program (Sec. 65)	**Gross**	**$900,000**	**$0**
Executive retains $900,000 one-time School Aid Pupil Support Reserve Fund for the Detroit Area PreCollege Engineering Program (DAPCEP). Maintains intent to fund the section with the reserve fund through FY 2027-28. House eliminates $900,000 one-time School Aid Pupil Support Reserve Fund. Senate and Conference concur with Executive.	Restricted GF/GP	900,000 $0	0 $0
61. Hospitality and Tourism CTE Grants (Sec. 67d)	**Gross**	**$0**	**$900,000**
Executive does not include. House provides $900,000 one-time School Aid Pupil Support Reserve Fund for grants to districts to support hospitality and tourism CTE programs. Senate concurs with Executive. Conference provides $900,000 one-time SAF.	Restricted GF/GP	0 $0	0 $900,000
62. FAFSA Completion Challenge (Sec. 67f)	**Gross**	**$10,000,000**	**$0**
Executive retains $10.0 million one-time School Aid Pupil Support Reserve Fund for equal payments per 12th grade student to districts that require all students to take the FAFSA. Strikes funding application deadlines, but adds deadline for MiLEAP to make initial payments by January 31. Adds that MiLEAP may use past participation under this section in determining district eligibility. Maintains intent to fund the section with the reserve fund through FY 2027-28. House eliminates $10.0 million one-time School Aid Pupil Support Reserve Fund. Senate and Conference concur with Executive.	Restricted GF/GP	10,000,000 $0	0 $0
63. Bus Driver Safety Instruction (Sec. 74(2))	**Gross**	**$2,025,000**	**$750,000**
Executive, House, and Senate maintain $2.1 million SAF for bus driver safety instruction. Conference increases by $750,000 SAF for a total of $2.8 million SAF.	Restricted GF/GP	2,025,000 $0	750,000 $0
64. ISD General Operations (Sec. 81)	**Gross**	**$83,157,700**	**$2,078,900**
Executive increases by $2.1 million SAF (2.5%, in line with the proposed foundation increase) for a total of $85.3 million SAF for state aid to ISDs. House increases by $2.1 million SAF (2.5% in line with proposed foundation increase) for a total of $85.2 million SAF. Senate increases by $2.2 million SAF (2.6%) for a total of $85.3 million SAF. Conference concurs with House.	Restricted GF/GP	83,157,700 $0	2,078,900 $0
65. AP/IB/CLEP Incentive Program (Sec. 94)	**Gross**	**$2,600,000**	**$200,000**
Executive eliminates $1.4 million one-time GF/GP for a total of $1.2 million ongoing GF/GP to pay all or part of Advanced Placement (AP), International Baccalaureate (IB), and College-Level Examination Program (CLEP) fees for students, prioritizing those with low family income status. House concurs with Executive. Senate retains $1.4 million one-time GF/GP for a total of $2.6 million GF/GP. Conference provides $1.6 million one-time SAF and eliminates $1.4 million one-time GF/GP for a total of $2.8 million Gross ($1.2 million ongoing GF/GP and $1.6 million one-time SAF).	Restricted GF/GP	0 $2,600,000	1,600,000 ($1,400,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
66. Center for Educational Performance and Information (Sec. 94a)	**Gross**	**$21,558,200**	**($1,693,400)**
Executive reduces by $2.0 million Federal for a total of $19.6 million Gross ($19.4 million GF/GP) for the Center for Educational Performance and Information (CEPI) to collect education data required by law, maintain the P-20 longitudinal data system, and maintain the MI School Data web portal. (See Economic Adjustments below, which reflects an additional increase of $183,800 GF/GP for CEPI, for a total of $19.7 million Gross ($19.5 million GF/GP).) House and Senate concur with Executive. Conference reduces by $1.7 million Gross, including a $2.2 million Federal reduction to reduce federal grant authorization to $100. Maintains boilerplate that allows the appropriation of "the amount necessary." Allocates $500,000 SAF for costs associated with e-transcript services for high schools and pupils. (See Economic Adjustments below, which reflects an additional increase of $183,800 GF/GP for CEPI, for a total of $20.0 million Gross ($19.5 million GF/GP).)	Federal Restricted GF/GP	2,193,500 0 $19,364,700	(2,193,400) 500,000 $0
67. Michigan Education Research Institute (Sec. 94e)	**Gross**	**$1,000,000**	**$0**
Executive retains and revises $1.0 million one-time SAF to be ongoing for the Michigan Education Research Institute (MERI) to collaborate with MDE, MiLEAP, and CEPI to maintain a research ready dataset and conduct education-related research. House eliminates $1.0 million one-time SAF. Senate retains $1.0 million one-time SAF. Conference concurs with Executive.	Restricted GF/GP	1,000,000 $0	0 $0
***68. Literacy Accountability and Research (Sec. 94f)* – NEW**	**Gross**	**$0**	**$3,000,000**
Executive, House, and Senate do not include. Conference provides $3.0 million one-time SAF to a public university with an existing research partnership with MDE and districts for research and program evaluation activities supporting statewide literacy initiatives.	Restricted GF/GP	0 $0	3,000,000 $0
69. School Accountability System (Sec. 94f)	**Gross**	**$0**	**$0**
Executive does not include. House provides $350,000 GF/GP to MDE to develop a school accountability system that assigns a letter grade to each public school for various metrics. Also requires MDE to collect and publish information on each district's student promotion and retention policy, as well as the number of 3rd grade students who scored "not proficient" on the state English language arts test and were promoted to grade 4. Senate and Conference concur with Executive.	Restricted GF/GP	0 $0	0 $0
70. Growth and Projection Analytics System (Sec. 95b)	**Gross**	**$0**	**$2,000,000**
Executive does not include. House provides $1.0 million one-time SAF for a statewide growth and projections analytics system that includes student and teacher growth reports. Requires MDE to partner with an ISD and a platform vendor to administer the system. Senate concurs with Executive. Conference provides $2.0 million one-time SAF.	Restricted GF/GP	0 $0	2,000,000 $0
71. Community Violence Intervention Plans (Sec. 97n)	**Gross**	**$10,000,000**	**$0**
Executive, House, and Senate eliminate $10.0 million one-time SAF for grants to districts to support community violence intervention plans to reduce or prevent youth violence. Conference retains $10.0 million one-time SAF.	Restricted GF/GP	10,000,000 $0	0 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
72. Michigan Virtual University (Sec. 98)	**Gross**	**$9,800,000**	**$0**
Executive and House retain $9.8 million ongoing GF/GP for the operation of the Michigan Virtual University.	Restricted	0	0
Senate and Conference revise $9.8 million ongoing GF/GP to be one-time.	GF/GP	$9,800,000	$0
***73. Michigan Learning Channel (Sec. 98d)* – NEW**	**Gross**	**$0**	**$3,000,000**
Executive provides $3.0 million one-time SAF for Northern Michigan University to support the Michigan Learning Channel.	Restricted	0	3,000,000
House does not include. Senate concurs with Executive. Conference concurs with Executive appropriation, but revises recipient to a public university that has previously partnered with a statewide public media service.	GF/GP	$0	$0
74. One-Time Grants (Sec. 99)	**Gross**	**$0**	**$0**
Executive and House do not include.	Restricted	0	0
Senate provides $53.0 million one-time SAF for district supports and pilot programs. Conference concurs with Executive and House.	GF/GP	$0	$0
75. Robotics Competitions (Sec. 99h)	**Gross**	**$5,600,000**	**$0**
Executive and House retain $5.0 million one-time School Aid Pupil Support Reserve Fund and $600,000 one-time General Pupil Support Reserve Fund for competitive grants to districts, ISDs, and nonpublic schools for robotics competition programs. Maintain intent to fund the section with the reserve funds through FY 2027-28.	Restricted	5,600,000	0
Senate retains one-time funding and increases by $1.1 million one-time Gross ($1.0 million School Aid Pupil Support Reserve Fund and $120,000 General Pupil Support Reserve Fund) for a total of $6.7 million one-time Gross ($6.0 million School Aid Pupil Support Reserve Fund and $720,000 General Pupil Support Reserve Fund). Concurs with Executive to maintain intent to fund the section through FY 2027-28. Conference concurs with Executive and House.	GF/GP	$0	$0
***76. Driver's Training Programs (Sec. 99o)* – NEW**	**Gross**	**$0**	**$0**
Executive and House do not include.	Restricted	0	0
Senate provides $10.0 million one-time SAF for grants to districts and ISDs for driver's training programs. Caps grants at $500,000. Provides funding over five years. Conference concurs with Executive and House.	GF/GP	$0	$0
***77. MiSTEM Network Regions (Sec. 99s)* – NEW**	**Gross**	**$0**	**$8,000,000**
Executive provides $8.0 million SAF as follows: $3.8 million for programs	Restricted	0	8,000,000
or demonstration grants recommended by the MiSTEM council; and $4.2 million for MiSTEM network regions ($220,000 base awards plus an equal amount per pupil). House does not include. Senate and Conference concur with Executive.	GF/GP	$0	$0
***78. Math and Science Virtual Reality Program (Sec. 99nn)* – NEW**	**Gross**	**$0**	**$2,900,000**
Executive, House, and Senate do not include.	Restricted	0	2,900,000
Conference provides $2.9 million one-time SAF to an ISD to partner with MDE and a virtual reality program provider to serve up to 9,000 students in up to eight districts with a VR simulation pilot program that improves 6-12th grade math and science education. Allows the ISD to retain 2.5% of funds for administration.	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
79. Education Assessments (Sec. 104)	**Gross**	**$45,509,400**	**($1,009,300)**
Executive increases by $7.0 million SAF for a total of $52.5 million Gross ($0 GF/GP) for costs of complying with state and federal assessment laws. House and Senate concur with Executive. Conference concurs with Executive, House, and Senate to increase by $7.0 million SAF, but also reduces by $8.0 million Federal to reduce federal grant authorization to $100 for a total of $44.5 million Gross ($0 GF/GP).	Federal Restricted GF/GP	8,000,000 37,509,400 $0	(7,999,900) 6,990,600 $0
80. Adult Education (Sec. 107)	**Gross**	**$32,913,600**	**$9,611,400**
Executive increases by $7.6 million SAF for a total of $40.5 million SAF for adult education programs provided by a district, ISD, or consortium of districts or ISDs. House provides an additional $7.6 million one-time SAF for a total of $40.5 million SAF ($7.6 million one-time). Senate and Conference increase by $9.6 million SAF for a total of $42.5 million SAF.	Restricted GF/GP	32,913,600 $0	9,611,400 $0
81. Michigan Public School Employees' Retirement System (MPSERS) (Secs. 147a, 147c, & 147e)	**Gross** Restricted	**$1,991,500,000** 1,991,100,000	**($96,800,000)** (96,800,000)
Executive reduces state support for K-12 MPSERS costs by $93.1 million SAF for a total of $1.9 billion Gross ($400,000 GF/GP) due to the following consensus cost adjustments: • Reduces by $28.8 million SAF for a total of $307.5 million Gross ($100,000 GF/GP) for the Normal Cost Offset (Sec. 147a). • Reduces by $82.1 million SAF for a total of $1.5 billion Gross ($300,000 GF/GP) for the State Share of Unfunded Liability Payments (Sec. 147c). • Increases by $17.8 million SAF for a total of $136.2 million SAF for the Added Costs for 2017 PA 92 (Sec. 147e). House and Senate concur with Executive. Conference reduces state support for K-12 MPSERS costs by $96.8 million SAF for a total of $1.9 billion Gross ($400,000 GF/GP) due to the following consensus cost adjustments: • Increases by $14.9 million SAF for a total of $351.2 million Gross ($100,000 GF/GP) for the Normal Cost Offset (Sec. 147a). • Concurs with Executive, House, and Senate to reduce by $82.1 million SAF for a total of $1.5 billion Gross ($300,000 GF/GP) for the State Share of Unfunded Liability Payments (Sec. 147c). • Reduces by $29.6 million SAF for a total of $88.8 million SAF for the Added Costs for 2017 PA 92 (Sec. 147e).	GF/GP	$400,000	$0
82. Nonpublic School Reimbursement (Sec. 152b)	**Gross**	**$1,000,000**	**$0**
Executive eliminates $1.0 million GF/GP for reimbursements to nonpublic schools for the cost of complying with health, safety, or welfare requirements. House, Senate, and Conference maintain $1.0 million GF/GP.	Restricted GF/GP	0 $1,000,000	0 $0
***83. Tribal Consultation (Sec. 152c)* – NEW**	**Gross**	**$0**	**$2,500,000**
Executive provides $5.0 million one-time SAF to Marquette-Alger Regional Educational Agency to develop statewide supports for the federal tribal consultation requirements under the federal Every Student Succeeds Act. Requires the ISD to support a collaboration to disseminate initial professional learning by September 30, 2027 and to report annually beginning January 1, 2028, with additional updates annually throughout the course of the work project (the estimated completion date of the work project is September 30, 2031). House does not include. Senate concurs with Executive. Conference provides $2.5 million one-time SAF.	Restricted GF/GP	0 $0	2,500,000 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
84. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$83,400,000**	**($83,400,000)**
Executive, House, and Senate remove $83.4 million SAF of one-time funding that was included in the FY 2025-26 budget to support the following: • Sec. 61d – CTE Incentive Payment ($13.4 million SAF) • Sec. 61v – CTE Pathways to Success ($70.0 million SAF)	Restricted GF/GP	83,400,000 $0	(83,400,000) $0
85. Other Cost Adjustments	**Gross**	**$57,700,000**	**$17,400,000**
Executive, House, and Senate revise the following to reflect updated cost estimates: • Sec. 26c – Increases by $5.0 million SAF for a total of $48.3 million SAF required funds for districts and ISDs with an approved Promise Zone development plan. • Sec. 26d – Increases by $7.4 million SAF for a total of $21.8 million SAF reimbursements to ISDs as required under the Brownfield Redevelopment Financing Act. Conference concurs with Executive, House, and Senate, and adds the following cost adjustment: • Sec. 11m – Increases by $5.0 million SAF for a total of $10.0 million SAF for cash-flow borrowing costs.	Restricted GF/GP	57,700,000 $0	17,400,000 $0
86. Economic Adjustments	**Gross**	**NA**	**$237,000**
Executive, House, Senate, and Conference reflect increased costs of $237,000 Gross ($183,800 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Restricted GF/GP	NA NA	53,200 $183,800

Major Boilerplate Changes from FY 2025-26

***Sec. 6. Pupil Membership Definitions* – REVISED**
Executive clarifies that a pupil in an early middle college program and at least one college course may be transcribed for high school credit each count day in their fifth year. House maintains current law. Senate and Conference concur with Executive.

Executive revises the FTE requirements for a pupil enrolled in a dropout recovery program by requiring payments to be made fully through the foundation allowance, rather than 1.0 FTE under the foundation and any additional FTE under Sec. 25g. House maintains current law. Senate and Conference concur with Executive.

Executive adds a definition for "weighted pupil membership" that calculates the additional FTE increase for eligible pupils as follows:
- For English language learners, a weight from 0.0190 to 0.1687 based on their WIDA ACCESS assessment score. Provides intent to increase these weights annually until they reach 0.35 to 0.75.
- For economically disadvantaged pupils, a weight from 0.1692 to 0.2273 based on the district's opportunity index score. Provides intent to increase these weights annually until they reach 0.35 to 0.47.

House does not include.
Senate concurs with Executive to add a definition for "weighted pupil membership," but revises FTE increases as follows:
- For English language learners, a weight from 0.0224 to 0.1990 based on their WIDA ACCESS assessment score. Expands to include WIDA scores from 4.0 to 4.7. Provides a schedule for annual increases until these weights reach 0.35 to 0.75 in FY 2040-41.
- For economically disadvantaged pupils, a weight from 0.1994 to 0.2679 based on the district's opportunity index score. Provides a schedule for annual increases until these weights hit 0.35 to 0.47 in FY 2040-41.

Conference concurs with Executive and Senate to add a definition for "weighted pupil membership," but revises FTE increases as follows:
- For English language learners, a weight from 0.0219 to 0.1940 based on their WIDA ACCESS assessment score. Provides a schedule for annual increases until these weights reach 0.35 to 0.75 in FY 2040-41.
- For economically disadvantaged pupils, a weight from 0.1913 to 0.2569 based on the district's opportunity index score. Concurs with Executive to provides intent to increase these weights annually until they reach 0.35 to 0.47.

Executive requires each Consensus Revenue Estimating Conference (CREC) to include estimated pupil counts necessary to determine the cost for weighted pupil membership for the current and subsequent two fiscal years. House does not include. Senate and Conference concur with Executive.

Executive removes a provision that allowed instruction by a noncertificated, nonendorsed teacher engaged to teach under Sec. 1233b of the Revised School Code through the 2025-26 school year. (Note: There is a drafting error in the bill; Executive has stated intent was as described above.) House extends the provision through the 2026-27 school year. Senate and Conference concur with Executive.

Conference revises requirement that teachers have endorsements for both grade range and subject area by striking the subject area requirement.

House revises to allow a pupil enrolling in a district after count day to count as 1/11 of an FTE for each month the pupil is enrolled between October and August. Senate and Conference do not include.

***Sec. 15. School Aid Apportionment Adjustments* – REVISED**
Conference prohibits an adjustment under this section based on an educator misplacement that is subject to a state aid adjustment under Sec. 163.

***Sec. 16. Prohibition on MDE Employees Benefitting from State Contracts* – REVISED**
House prohibits MDE from entering into a state contract with anyone employed by the department within the last two years or any individual if an MDE employee would financially benefit from the contract. Senate does not include. Conference prohibits MDE from entering into a state contract with an individual if an MDE employee would financially benefit from the contract.

***Sec. 16a. Prohibitions Related to Race, DEI, and Gender* – NOT INCLUDED**
House provides a penalty equal to 20% of the district's Sec. 22b (Discretionary Portion of the Foundation Allowance) allocation if the district does any of the following: uses a curriculum that includes race or gender stereotyping; uses state funding for DEI initiatives; allows transgender girls to participate in girls' sports; or provides multistall unisex bathrooms. Requires a district to notify parents or legal guardians if a child requests to use a different name or different pronouns. Senate and Conference do not include.

Major Boilerplate Changes from FY 2025-26

***Sec. 18. Spending, Financial Reporting, and Audit Requirements* – REVISED**
Executive strikes requirement that MDE must publish changes to the Pupil Accounting Manual (PAM) for the following school year by March 31 and that if adjustments to the PAM are necessary after March 31 due to enacted legislation, that MDE must notify districts of any violations and allow a 30-day correction period before imposing financial penalties. House maintains current law. Senate prohibits MDE from withholding funds from a district or ISD for the failure to publicly post a budget if the School Aid Act is not signed into law by July 1. Does not include Executive revisions. Conference concurs with Senate.

***Sec. 18a. Grant Fund Expenditure Timeline* – REVISED**
Executive exempts work project appropriations from the current requirement that grant recipients expend funds by the end of the fiscal year following the fiscal year funds were received. Adds new requirement for recipients of work projected grants to expend funds by the end of the fiscal year following the fiscal year in which the work project is closed. House maintains current law. Senate and Conference concur with Executive.

***Sec. 18e. Washington Parks Academy Release of Funds* – NOT INCLUDED**
House requires MDE to release to Washington Parks Academy any funds withheld during FY 2024-25 by September 1. Senate and Conference do not include.

***Sec. 19. State and Federal Reporting Requirements* – REVISED**
Executive adds requirement that a district must provide CEPI with information related to personnel vacancies within 30 days of changes in employment or assignment status, including vacancy start and end dates and reasons for vacancy and vacancy termination. House concurs with Executive, but revises to require a district to provide information within 30 days only if the change in employment or assignment status is related to the health, safety, or wellbeing of students. Senate concurs with Executive, but revises to require a district to provide information within 30 days only if the change in employment or assignment status is related to a criminal act. Conference concurs with Executive.

***Sec. 21f. Virtual Courses* – REVISED**
Senate allows a student to be enrolled in a virtual course without parental consent for up to six days in a school year (3 for testing and 3 for emergency closures). Requires MDE to promulgate rules for the six virtual days. Conference concurs with Senate, except does not require MDE to promulgate rules.

***Sec. 22b. Foundations: Discretionary Payment* – REVISED**
Executive requires districts to comply with Sec. 164m (Requirements for Weighted Pupil Membership) to receive funding under this section. House does not include. Senate requires districts to comply with Senate Bill 903 (passed by the Senate for new weighted funding requirements). Conference concurs with Senate, but adds that if SB 903 is not enacted, districts must comply with Sec. 164m.

Executive requires districts to notify parents if the district is not using evidence-based curriculum in grades K-5; this requirement is currently one of several in Sec. 164k (District Non-Compliance Penalty), which Executive repeals. House does not include. Senate and Conference concur with Executive.

***Sec. 27j. Student Loan Repayment Assistance Reserve Fund* – REVISED**
Executive revises to lapse remaining money in the Student Loan Repayment Assistance Reserve Fund to the School Aid Fund. House, Senate, and Conference concur with Executive.

***Sec. 31c. Small Class Size Pilot Program* – RETAINED**
Executive maintains current law. House requires MDE to evaluate the pilot program and provide a report to the House and Senate Appropriations Subcommittees on School Aid, the House and Senate Standing Committees on Education, HFA, SFA, and SBO by December 1, 2027. Senate and Conference concur with Executive.

***Sec. 31n. School Mental Health & Support Services* – REVISED**
Executive expands eligible pupils to include children served under Great Start Readiness Programs. Also adds requirement that ISDs submit a plan approved by MDE and DHHS for both distributions of programmatic funds under this section (currently, ISDs must submit a plan only for the first distribution). (Note: There is a drafting error in the bill; Executive has stated intent was as described above.) House concurs with Executive to require ISDs submit a plan for both distributions of programmatic funds, but does not expand eligible pupils. Senate and Conference concur with Executive.

Major Boilerplate Changes from FY 2025-26

***Sec. 35q. Literacy Achievement and Opportunity Transparency Dashboard* – NEW**
Executive requires MDE, in collaboration with MiLEAP and CEPI, to publish a literacy achievement and opportunity transparency dashboard by March 1, 2027 and update periodically as new data becomes available. Requires the dashboard to include all of the following: the percentage of children with access to free, full-day PreK; the percentage of PreK-5 educators trained in the science of reading; the percentage of PreK-5 classrooms using curriculum aligned with the science of reading; the percentage of parents receiving communication from their school about their child's reading action plans and the ability to get extra support if needed; literacy-related state assessment results; additional metrics that help track statewide literacy progress; and a summary of activities the state is taking to improve literacy outcomes. House concurs with Executive, but does not include the percentage of children with access to free, full-day PreK, and revises PreK-5 educators and classrooms to only include K-5 educators and classrooms. Revises to Sec. 35o. Senate concurs with Executive. Conference concurs with Executive and Senate, except requires reporting on curriculum to include only curriculum funded under Sec. 35m and does not include reporting on the percentage of parents receiving communication about their child.

***Secs. 32d & 39. Great Start Readiness Program* – REVISED**
House requires MiLEAP to report by October 1 on any ISDs that have their allocation reduced due to a failure to contract at least 30% of its total allocation to community-based organizations. Senate maintains current law. Conference concurs with House, but revises date to September 30.

House requires ISDs to report to MiLEAP each month on the number of children enrolled in GSRP programs the number of children on a waitlist, and the total capacity of all GSRP programs operated by the ISD. Requires MiLEAP to compile and report this information each month to HFA, SFA, and SBO. Requires HFA, SFA, and SBO to provide an estimate each CREC of the number of children enrolled in a GSRP program. Senate maintains current law. Conference concurs with House, but revises to require reporting three times a year.

***Sec. 51i. Intent for Weighted Special Education Funding* – REVISED**
Executive provides intent that, beginning in FY 2027-28, a weighted special education funding model be implemented to recognize the higher costs associated with certain student needs. Provides target weights based on specific impairment, ranging from 1.1 to 3.8 (for example, a pupil with a visual impairment would receive the foundation allowance multiplied by 3.8). House does not include. Senate concurs with Executive. Conference concurs with Executive and Senate, except states that the model will *begin to* be implemented.

***Sec. 101. Eligibility to Receive State Aid* – REVISED**
Executive provides an exemption from the 75% pupil attendance requirement for a district-operated special education program approved by MDE that exceeds 180 days of pupil instruction. House, Senate, and Conference concur with Executive.

Executive provides an exemption from the 75% pupil attendance requirement for a district with fewer than 100 pupils (as reported in the fall count) that demonstrates that the absence of a single household may materially reduce the district's daily attendance below 75%. Requires the State Superintendent to grant a waiver that instead requires 60% daily attendance. House, Senate, and Conference concur with Executive.

***Sec. 104h. Benchmark Assessments* – REVISED**
Executive strikes requirement that districts send benchmark assessment data to MDE and that MDE report annually on the data received. House, Senate, and Conference concur with Executive.

Executive adds requirement for the assessment made available by MDE at no cost to include a digital library of teaching resources that are tied directly to the benchmark assessment and aligned to Michigan standards. House, Senate, and Conference concur with Executive.

***Sec. 147b. MPSERS Retirement Obligation Reform Reserve Fund* – REVISED**
Executive revises to lapse remaining money in the MPSERS Retirement Obligation Reform Reserve Fund to the School Aid Fund. House, Senate, and Conference concur with Executive.

***Sec. 163. Educator Certification Requirements* – REVISED**
Executive maintains current law. House revises penalties for employing a teacher not meeting certification requirements as follows: the first violation in three years requires MDE to provide notice to the district, the second violation requires a financial penalty equal to 25% of the amount paid to the teacher, and the third violation requires a financial penalty equal to 50% of the amount paid to the teacher. Prohibits a penalty under Sec. 15 if there is a penalty under this section. Senate concurs with House. Conference revises penalties as follows: requires MDE to provide notice; and after 15 school days after notification that an individual is in violation, provides a penalty equal to $50,000 plus an additional $1,000 for each school day thereafter, capped at $100,000. Allows the State Superintendent to waive (rather than reduce) a deduction under extenuating circumstances. Prohibits a penalty under Sec. 6 or Sec. 15 if there is a penalty under this section.

Major Boilerplate Changes from FY 2025-26

***Sec. 164j. State Fiscal Recovery Fund* – DELETED**
Executive moves language requiring federal State Fiscal Recovery Fund (SFRF) revenue to be expended by December 13, 2026 to Sec. 297 in Article IV (would apply to the Community Colleges and Higher Education budgets as well as the School Aid budget). House eliminates this section. Senate maintains current law. Conference concurs with Executive, but moves to Secs. 295 and 295a.

***Sec. 164k. District Non-Compliance Penalty* – REVISED**
Executive eliminates this section, which required MDE to withhold 5% of a recipient's state aid payment for non-compliance of any of the following requirements: federal requirements regarding school meals; a requirement that all students complete the federal application for free and reduced-price meals; a prohibition against student financial incentives for attending on count day; a requirement that student survey questions be public; and a requirement that districts not using MDE-designated evidence-based curriculum must notify parents (the last requirement is moved to Sec. 22b). House adds requirement for districts to require all students to participate in the Presidential Fitness Test. Senate concurs with Executive. Conference revises as follows: adds requirement to comply with federal provisions restricting access to soda and candy; concurs with Executive and Senate to strike requirement that student surveys be made public; concurs with Executive and Senate to strike requirement regarding MDE-designated curriculum; and concurs with House to require participation in the Presidential Fitness test, but applies only to pupils in PE.

***Sec. 164l. Legislatively Directed Spending Items (LDSIs)* – REVISED**
Executive strikes existing transparency requirements for the grant distribution, review, and verification process, and replaces with the following requirements: that the House Fiscal Agency and the Senate Fiscal Agency jointly submit a list of LDSIs to the State Budget Office within 30 days of budget enactment; that the department or agency administering the grant post comprehensive information on the grants awarded beginning March 15 and again by June 15 and September 15 annually. House strikes existing transparency requirements, requires the State Budget Office to post a list of legislatively directed spending items, requires quarterly reports by the department administering grants, provides requirements for grant audits, and prohibits executive and legislative branch employees and immediate family members from receiving grants. Senate and Conference concur with Executive, but revise the House Fiscal Agency and the Senate Fiscal Agency to the House and the Senate and revise State Budget Office to the State Budget Director.

***Sec. 164m. Requirements for Weighted Pupil Membership* – REVISED**
Executive requires districts to use funding under Sec. 22b(3) (Weighted Pupil Membership) to do all of the following: comply with MCL 380.1280f (3rd grade reading legislation); implement MTSS in grades K-12; utilize all funding under Sec. 22b(3) to support student needs for pupils counted toward the weighted pupil membership (At-Risk and ELL pupils); use up to 2% of the amount under Sec. 22b(3) for administrative costs related to complying with this section; report to MDE information necessary to determine compliance; allow access for MDE to audit funded program records; and communicate to parents and legal guardians literacy-related state assessment results, the amount of funding received under Sec. 22b(3), what evidence-based interventions were implemented, and a method to provide feedback and seek more information about available services. House and Senate do not include. Conference concurs with Executive, except instead of requiring districts to use the Weighted Pupil Membership funding to directly do all of the requirements, states that the funding must be used to increase student achievement and success, literacy, mathematics, and direct ELL instruction. Includes Executive requirements and also adds WIDA assessment and ELL instruction requirements currently under Sec. 41. (See Senate Bill 903 for similar language.)

Executive requires MDE to monitor districts for compliance and may withhold a district's monthly Sec. 22b(3) payment until the district complies with this section. House and Senate do not include. Conference concurs with Executive.

***Sec. 164m (House); 164o (Conference). Maximization of State Funding* – NEW**
House encourages districts and ISDs to evaluate and pursue efficiency measures and requires them to identify practices to increase efficiencies. Senate does not include. Conference concurs with House.

***Sec. 164n. Work Project Reporting* – NEW**
Conference requires MDE and MiLEAP to submit an annual report on the status of work project accounts not later than six months after initial work project letters and again on or by April 15.

***Sec. 297 (Executive); Secs. 295 & 295a (Conference). State Fiscal Recovery Fund* – NEW**
Executive moves language requiring federal SFRF revenue to be expended by December 31, 2026 from Sec. 164j to Sec. 297 in Article IV (would apply to the Community Colleges and Higher Education budgets as well as the School Aid budget). House and Senate do not include. Conference concurs with Executive.

Supplemental Recommendations for FY 2025-26 Appropriations		FY 2025-26 Recommendation
1. Foundation Allowances (Secs. 22a & 22b)	**Gross**	**($96,500,000)**
Executive reduces by $113.5 million SAF for a total of $10.5 billion Gross ($236,400 GF/GP) to reflect updated consensus cost estimates for pupil membership counts and taxable values. House and Senate concur with Executive. Conference reduces by $96.5 million SAF for a total of $10.5 billion Gross ($236,400 GF/GP) to revised consensus cost estimates.	Restricted GF/GP	(96,500,000) $0
2. Brownfield Redevelopment Reimbursements (Sec. 26d)	**Gross**	**$4,600,000**
Executive increases by $4.6 million SAF for a total of $19.0 million SAF to reflect updated consensus cost estimates for reimbursing ISDs as required under Sec. 15b of the Brownfield Redevelopment Financing Act. House, Senate, and Conference concur with Executive.	Restricted GF/GP	4,600,000 $0
3. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, & 56)	**Gross**	**($94,200,000)**
Executive reduces by $93.5 million SAF for a total of $2.7 billion Gross ($0 GF/GP) to reflect revised consensus cost estimates for special education appropriations. House and Senate concur with Executive. Conference reduces by $94.2 million SAF for a total of $2.7 billion Gross ($0 GF/GP) to reflect revised consensus cost estimates.	Federal Restricted GF/GP	0 (94,200,000) $0
4. Education Assessments (Sec. 104)	**Gross**	**$2,490,600**
Executive increases by $2.5 million SAF for a total of $40.0 million SAF to reflect revised consensus cost estimates for education assessments. House, Senate, and Conference concur with Executive.	Restricted GF/GP	2,490,600 $0
5. MPSERS (Secs. 147a, 147c, & 147e)	**Gross**	**($3,700,000)**
Executive increases by $23.0 million SAF to reflect revised cost estimates for the Michigan Public School Employees' Retirement System. House and Senate concur with Executive. Conference reduces by $3.7 million SAF to reflect revised cost estimates.	Restricted GF/GP	(3,700,000) $0

School Aid Fund: FY 2026-27 Conference	FY 26	FY 27	FY 28
Beginning SAF Balance	**$1,705.6**	**$1,018.5**	**$50.5**
Resources			
Consensus Revenue Estimate: May 2025	$18,934.3	19,398.6	
Jan 2026 CREC	201.1	169.7	19,965.7
May 2026 CREC	79.4	79.6	98.1
GF/GP Grant	46.2	33.2	33.2
GF/GP Grant One-Time	27.0	24.8	
Educator Fellowship Public Provider Fund	30.0	80.0	
School Consolidation and Infrastructure Fund	100.0		
School Consolidation and Infrastructure Fund - Transfer to SAF	83.4		
School Transportation Fund	125.0	127.0	
School Transportation Fund Deposit	(130.0)		
GSRP Reserve Fund	18.0	18.0	
Enrollment Stabilization Fund	71.0	130.0	
School Aid Pupil Support Fund	97.0	107.0	
School Aid Pupil Support Fund Deposit	(326.1)		
General Pupil Support Fund	0.6	0.6	
Federal Aid	2,407.7	418.3	418.3
Total Resources	**21,764.6**	**20,586.8**	**20,515.3**
Expenditures			
School Aid: Ongoing	$20,044.5	20,015.1	$18,782.4
School Aid: One-Time SAF and GF/GP	1,244.3	895.5	
School Aid: One-Time Reserve Funds		475.9	
Jan 26 CREC Adjustments	(176.9)	(335.1)	(463.0)
May 26 CREC Adjustments	(10.4)	(10.3)	(51.6)
Investments/Reductions		(1,232.8)	
Other Adjustments	4.0		
Community Colleges: Ongoing	484.5	478.5	474.8
Community Colleges: One-Time	11.0	18.1	
Higher Education: Ongoing SAF	850.8	1,179.9	1,179.9
Higher Education: One-Time		69.8	
Total Expenditures	**$22,451.7**	**$21,554.8**	**$19,922.6**
Ending SAF Balance	$1,018.5	$50.5	$643.2
Ongoing Balance	*$476.2*	*$3.9*	*$592.7*
One-time Balance (SAF)	*$542.3*	*$46.6*	*$50.5*

SCHOOL AID LINE ITEM SUMMARY

Sec.		FY 2025-2026			FY 2026-2027		FY 2026-2027		FY 2026-2027		FY 2026-2027	
		FY 26 2025 PA 15 YTD	Change from FY 26 YTD	FY 26 Conference Supplemental	Change from FY 26 YTD	FY 27 Exec Rec	Change from FY 26 YTD	FY 27 House	Change from FY 26 YTD	FY 27 Senate	Change from FY 26 YTD	FY 27 Conference
11j	School Bond Redemption Fund	$23,000,000		$23,000,000		$23,000,000		$23,000,000		$23,000,000	$0	$23,000,000
11m	Cash Flow Borrowing Costs	$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000	$5,000,000	$10,000,000
11s	Flint Declaration of Emergency	$8,000,000		$8,000,000	($8,000,000)	$0	($8,000,000)	$0		$8,000,000	($5,000,000)	$3,000,000
12e	Infrastructure Grants	$100,000,000		$100,000,000	($100,000,000)	$0	$50,000,000	$150,000,000	($100,000,000)	$0	($50,000,000)	$50,000,000
12f	Vacant Building Demolition - **NEW**	$0		$0		$0	$8,800,000	$8,800,000		$0		$0
21b	Dual Enrollment - **NEW**	$0		$0	$20,000,000	$20,000,000	$40,000,000	$40,000,000	$60,000,000	$60,000,000	$40,000,000	$40,000,000
21h	Partnership Model Districts	$6,137,400		$6,137,400		$6,137,400		$6,137,400		$6,137,400		$6,137,400
22a	Foundations: Proposal A Obligation Payment	$3,785,000,000	($59,000,000)	$3,726,000,000	($221,000,000)	$3,564,000,000	($221,000,000)	$3,564,000,000	($221,000,000)	$3,564,000,000	($223,000,000)	$3,562,000,000
22b	Foundations: Discretionary Payment	$6,820,500,000	($37,500,000)	$6,783,000,000	$49,250,000	$6,869,750,000	$99,500,000	$6,920,000,000	$235,350,000	$7,055,850,000	$280,050,000	$7,100,550,000
22b(3)	Foundations: Weighted Pupil Membership - **NEW**	$0		$0	$1,438,937,600	$1,438,937,600		$0	$1,696,087,600	$1,696,087,600	$1,627,665,100	$1,627,665,100
22d	Isolated District Funding	$12,873,100		$12,873,100	$783,000	$13,656,100	$643,700	$13,516,800	$899,200	$13,772,300	$1,311,300	$14,184,400
22*l*	Transportation Costs	$125,000,000		$125,000,000		$125,000,000		$125,000,000	$25,000,000	$150,000,000		$125,000,000
22m	Technology Regional Data Hubs	$5,000,000		$5,000,000	($1,500,000)	$3,500,000		$5,000,000	($1,500,000)	$3,500,000	($1,500,000)	$3,500,000
23h	Mathematics Pathways - **NEW**	$0		$0	$12,000,000	$12,000,000		$0	$12,000,000	$12,000,000		$0
24	Court-Placed Pupils	$7,650,000		$7,650,000		$7,650,000		$7,650,000		$7,650,000		$7,650,000
24a	Juvenile Detention Facility Programs	$1,355,700		$1,355,700		$1,355,700		$1,355,700		$1,355,700		$1,355,700
25f	Strict Discipline Academies	$1,600,000		$1,600,000		$1,600,000		$1,600,000		$1,600,000		$1,600,000
25g	Dropout Recovery Programs	$1,250,000		$1,250,000	($1,250,000)	$0	($500,000)	$750,000	($1,250,000)	$0	($1,250,000)	$0
26a	Renaissance Zone Reimbursement	$14,000,000		$14,000,000		$14,000,000		$14,000,000		$14,000,000		$14,000,000
26b	PILT Reimbursement	$5,549,000		$5,549,000		$5,549,000		$5,549,000		$5,549,000		$5,549,000
26c	Promise Zone Funding	$43,300,000		$43,300,000	$5,000,000	$48,300,000	$5,000,000	$48,300,000	$5,000,000	$48,300,000	$5,000,000	$48,300,000
26d	Brownfield Redevelopment Reimbursement	$14,400,000	$4,600,000	$19,000,000	$7,400,000	$21,800,000	$7,400,000	$21,800,000	$7,400,000	$21,800,000	$7,400,000	$21,800,000
27a	Mi Future Educator Fellowship Program	$25,000,000		$25,000,000		$25,000,000		$25,000,000		$25,000,000		$25,000,000
27b	Grow Your Own Programs	$70,000,000		$70,000,000	($10,000,000)	$60,000,000	($70,000,000)	$0	($45,000,000)	$25,000,000	($45,000,000)	$25,000,000
27c	Mi Future Educator Student Teacher Stipend Program	$50,000,000		$50,000,000		$50,000,000	$12,500,000	$62,500,000		$50,000,000	$7,000,000	$57,000,000
27l	Educator Compensation - **NEW**	$0		$0		$0		$0	$150,000,000	$150,000,000	$150,000,000	$150,000,000
27o	Student and Educator Credentialing - **NEW**	$0		$0		$0	$4,000,000	$4,000,000		$0	$3,000,000	$3,000,000
27t	Educator on Loan - **NEW**	$0		$0		$0		$0		$0	$500,000	$500,000
29	Enrollment Stabilization	$71,000,000		$71,000,000	$54,000,000	$125,000,000		$71,000,000	($71,000,000)	$0	($71,000,000)	$0
30d	Universal School Breakfast and Lunch	$201,600,000		$201,600,000	($1,600,000)	$200,000,000		$201,600,000		$201,600,000	$400,000	$202,000,000
31a	At-Risk Pupil Support	$1,293,655,000		$1,293,655,000	($1,293,655,000)	$0	$64,682,800	$1,358,337,800	($1,293,655,000)	$0	($1,293,655,000)	$0
31a(7)	School-Based Health Centers	$33,000,000		$33,000,000		$33,000,000		$33,000,000		$33,000,000		$33,000,000
31a(8)	Hearing, Vision, and Dental Screening	$11,650,000		$11,650,000		$11,650,000		$11,650,000		$11,650,000		$11,650,000
31c	Small Class Size Pilots	$65,000,000		$65,000,000	($65,000,000)	$0	($65,000,000)	$0	($15,000,000)	$50,000,000	($65,000,000)	$0
31d	State School Lunch Programs	$29,553,400		$29,553,400		$29,553,400		$29,553,400		$29,553,400		$29,553,400
31d	School Lunch Programs - Federal	$923,400,000		$923,400,000		$923,400,000		$923,400,000		$923,400,000	($505,132,300)	$418,267,700
31f	School Breakfast Program	$16,900,000		$16,900,000		$16,900,000		$16,900,000		$16,900,000		$16,900,000
31j	Ten Cents a Meal - **NEW**	$0		$0		$0	$4,200,000	$4,200,000		$0	$4,000,000	$4,000,000
31n	School Mental Health and Support Services	$107,845,000		$107,845,000		$107,845,000		$107,845,000		$107,845,000		$107,845,000
31p	Evidence-Based Mental Health Training - **NEW**	$0		$0		$0		$0		$0	$3,000,000	$3,000,000
31aa	Per-Pupil Mental Health & School Safety Payment	$214,000,000		$214,000,000	$86,000,000	$300,000,000		$214,000,000	$41,000,000	$255,000,000	$96,000,000	$310,000,000
31aa(4)(5)	School Resource Officer and Mental Health Staff Grants	$107,000,000		$107,000,000	($107,000,000)	$0		$107,000,000	($107,000,000)	$0	($107,000,000)	$0
31aa(4)(5)	Per-Pupil and Community Violence Intervention Grants	$0		$0		$0		$0	$45,000,000	$45,000,000		$0
32d	Great Start Readiness Program	$626,217,600		$626,217,600	$138,450,000	$764,667,600	$15,664,200	$641,881,800	$138,450,000	$764,667,600	$74,138,500	$700,356,100
32d(3)	GSRP Longitudinal Evaluation	$350,000		$350,000	($350,000)	$0	($350,000)	$0	($350,000)	$0	($350,000)	$0
32d(22)	GSRP Transportation - SAF	$10,000,000		$10,000,000		$10,000,000		$10,000,000		$10,000,000		$10,000,000

SCHOOL AID LINE ITEM SUMMARY

House FI$CAL Agency

Sec.		FY 2025-2026 FY 26 2025 PA 15 YTD	FY 2025-2026 Change from FY 26 YTD	FY 2025-2026 FY 26 Conference Supplemental	FY 2026-2027 Change from FY 26 YTD	FY 2026-2027 FY 27 Exec Rec	FY 2026-2027 Change from FY 26 YTD	FY 2026-2027 FY 27 House	FY 2026-2027 Change from FY 26 YTD	FY 2026-2027 FY 27 Senate	FY 2026-2027 Change from FY 26 YTD	FY 2026-2027 FY 27 Conference
32d(22)	GSRP Transportation - GSRP Reserve Fund	$18,000,000		$18,000,000		$18,000,000		$18,000,000		$18,000,000		$18,000,000
32d(26)	GSRP Professional Development	$2,000,000		$2,000,000		$2,000,000		$2,000,000		$2,000,000		$2,000,000
32d(29)	GSRP Start Up Grants	$10,000,000		$10,000,000	$15,000,000	$25,000,000	($10,000,000)	$0	$15,000,000	$25,000,000	($6,400,000)	$3,600,000
32n	Out-of-School Time	$75,000,000		$75,000,000	$60,000,000	$135,000,000		$75,000,000	$60,000,000	$135,000,000	$60,000,000	$135,000,000
32p	Early Learning Partnerships - **NEW**	$0		$0	$30,000,000	$30,000,000	$29,800,000	$29,800,000	$30,000,000	$30,000,000	$30,000,000	$30,000,000
32t	Three-Year-Old GSRP Pilot Program	$25,000,000		$25,000,000	($25,000,000)	$0	($25,000,000)	$0	($14,000,000)	$11,000,000	($25,000,000)	$0
32v	Early Childhood Workforce Development - **NEW**	$0		$0		$0		$0		$0	$30,000,000	$30,000,000
35a(4)	Early Literacy Teacher Coaches	$42,000,000		$42,000,000	$10,500,000	$52,500,000		$42,000,000	$10,500,000	$52,500,000	$10,500,000	$52,500,000
35a(10)	LETRS Professional Learning	$10,000,000		$10,000,000	$40,000,000	$50,000,000	$65,000,000	$75,000,000	$40,000,000	$50,000,000	$65,000,000	$75,000,000
35d	Dyslexia Supports - **NEW**	$0		$0		$0		$0		$0	$1,000,000	$1,000,000
35e	School Library Study	$250,000		$250,000	($250,000)	$0	($250,000)	$0	$20,750,000	$21,000,000	($250,000)	$0
35m	Literacy Supports	$70,000,000		$70,000,000	$30,000,000	$100,000,000	$80,000,000	$150,000,000	$30,000,000	$100,000,000	($20,000,000)	$50,000,000
35o	Literacy Essentials - **NEW**	$0		$0	$6,000,000	$6,000,000		$0	$6,000,000	$6,000,000	$6,000,000	$6,000,000
35p	High-Impact Tutoring - **NEW**	$0		$0	$100,000,000	$100,000,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000
35q	Private Tutoring - **NEW**	$0		$0		$0	$40,000,000	$40,000,000		$0		$0
36	Math Supports - **NEW**	$0		$0		$0	$100,000,000	$100,000,000		$0	$5,000,000	$5,000,000
36a	STEM Supports - **NEW**	$0		$0		$0	$50,000,000	$50,000,000		$0	$5,000,000	$5,000,000
39a(1)	Federal ESSA Grant Funds	$824,700,000		$824,700,000		$824,700,000		$824,700,000		$824,700,000	($824,698,900)	$1,100
39a(2)	Other Federal Funding	$66,415,000		$66,415,000		$66,415,000		$66,415,000		$66,415,000	($66,414,500)	$500
41	English Language Learner Grants	$62,732,600		$62,732,600	($62,732,600)	$0	$3,136,700	$65,869,300	($62,732,600)	$0	($62,732,600)	$0
51a(1)	Special Education - Federal Reimbursement	$500,000,000		$500,000,000		$500,000,000		$500,000,000		$500,000,000	($499,999,900)	$100
51a(2)	Special Ed ISD Durant Costs	$492,400,000	($34,600,000)	$457,800,000	$2,700,000	$495,100,000	$2,700,000	$495,100,000	$2,700,000	$495,100,000	$2,800,000	$495,200,000
51a(5)	Special Ed Admin Rules Changes	$3,200,000		$3,200,000		$3,200,000		$3,200,000		$3,200,000		$3,200,000
51a(10)	Special Ed Foundations for Non Sec. 52 to ISDs	$1,600,000	$200,000	$1,800,000	$300,000	$1,900,000	$300,000	$1,900,000	$300,000	$1,900,000	$200,000	$1,800,000
51c	Special Ed Headlee Obligation (Durant)	$1,107,900,000	($51,500,000)	$1,056,400,000	$32,800,000	$1,140,700,000	$32,800,000	$1,140,700,000	$32,800,000	$1,140,700,000	$33,800,000	$1,141,700,000
51d	Special Education - Other Federal Grants	$83,000,000		$83,000,000		$83,000,000		$83,000,000		$83,000,000	($82,999,700)	$300
51e	Special Education Foundation Payment	$528,100,000	($8,300,000)	$519,800,000	$6,900,000	$535,000,000	$6,700,000	$534,800,000	$6,900,000	$535,000,000	$5,100,000	$533,200,000
51g	MITTIN Special Education Curricular Resources	$3,000,000		$3,000,000		$3,000,000		$3,000,000		$3,000,000		$3,000,000
53a	Special Ed for Court Placed Pupils	$10,500,000		$10,500,000		$10,500,000		$10,500,000		$10,500,000		$10,500,000
54	Special Ed Michigan School Blind/Deaf	$1,688,000		$1,688,000	$2,841,400	$4,529,400	$2,841,400	$4,529,400	$2,841,400	$4,529,400	$2,841,400	$4,529,400
54b	MiMTSS Center - **NEW**	$0		$0	$1,600,000	$1,600,000		$0	$1,600,000	$1,600,000	$1,600,000	$1,600,000
54d	Early On	$23,670,700		$23,670,700	$1,450,000	$25,120,700	$5,000,000	$28,670,700	$1,450,000	$25,120,700	$2,411,200	$26,081,900
56	Special Ed ISD Millage Equalization	$40,008,100		$40,008,100	$49,200,000	$89,208,100		$40,008,100	$60,200,000	$100,208,100		$40,008,100
56(7)	Special Ed Millage Incentive	$34,200,000		$34,200,000	($34,200,000)	$0		$34,200,000	($34,200,000)	$0		$34,200,000
61a	Career and Tech Ed Programs	$41,733,800		$41,733,800	$2,500,000	$44,233,800	$2,086,700	$43,820,500	$2,500,000	$44,233,800	$4,251,200	$45,985,000
61b	CTE Early/Middle College & Dual Enrollment	$8,368,000		$8,368,000	$500,000	$8,868,000	$1,000,000	$9,368,000	$500,000	$8,868,000	$852,400	$9,220,400
61d	CTE Incentive Payment	$13,400,000		$13,400,000	($13,400,000)	$0	($13,400,000)	$0	($13,400,000)	$0	($13,400,000)	$0
61v	CTE Pathways to Success	$70,000,000		$70,000,000	($70,000,000)	$0	($70,000,000)	$0	($70,000,000)	$0	($70,000,000)	$0
61w	CTE Virtual Reality Programs - **NEW**	$0		$0		$0	$5,000,000	$5,000,000		$0	$2,900,000	$2,900,000
61x	CTE Shared Services - **NEW**	$0		$0		$0	$30,000,000	$30,000,000		$0		$0
62	ISD Career & Tech Ed Millage Equalization	$9,190,000		$9,190,000		$9,190,000		$9,190,000		$9,190,000		$9,190,000
65	Detroit PreCollege Engineering	$900,000		$900,000		$900,000	($900,000)	$0		$900,000		$900,000
67	Career and College Readiness Tools	$3,000,000		$3,000,000		$3,000,000		$3,000,000		$3,000,000		$3,000,000
67d	Hospitality and Tourism CTE Grants - **NEW**	$0		$0		$0	$900,000	$900,000		$0	$900,000	$900,000
67f	FAFSA Completion Challenge	$10,000,000		$10,000,000		$10,000,000	($10,000,000)	$0		$10,000,000		$10,000,000
74	School Bus Driver Safety Instruction	$2,025,000		$2,025,000		$2,025,000		$2,025,000		$2,025,000	$750,000	$2,775,000

SCHOOL AID LINE ITEM SUMMARY

HOUSE FI$CAL AGENCY

Sec.		FY 2025-2026 FY 26 2025 PA 15 YTD	FY 2025-2026 Change from FY 26 YTD	FY 2025-2026 FY 26 Conference Supplemental	FY 2026-2027 Change from FY 26 YTD	FY 2026-2027 FY 27 Exec Rec	FY 2026-2027 Change from FY 26 YTD	FY 2026-2027 FY 27 House	FY 2026-2027 Change from FY 26 YTD	FY 2026-2027 FY 27 Senate	FY 2026-2027 Change from FY 26 YTD	FY 2026-2027 FY 27 Conference
74	School Bus Inspections	$1,924,900		$1,924,900	$53,200	$1,978,100	$53,200	$1,978,100	$53,200	$1,978,100	$53,200	$1,978,100
81	ISD General Operations Support	$83,157,700		$83,157,700	$2,100,000	$85,257,700	$2,079,000	$85,236,700	$2,198,000	$85,355,700	$2,078,900	$85,236,600
94	AP/IB/CLEP Incentive Program	$2,600,000		$2,600,000	($1,400,000)	$1,200,000	($1,400,000)	$1,200,000		$2,600,000	$200,000	$2,800,000
94a	Center for Educational Performance and Information	$19,364,700		$19,364,700	$183,800	$19,548,500	$183,800	$19,548,500	$183,800	$19,548,500	$183,800	$19,548,500
94a	Center for Educational Performance and Info - Federal	$2,193,500		$2,193,500	($2,000,000)	$193,500	($2,000,000)	$193,500	($2,000,000)	$193,500	($2,193,400)	$100
94a	CEPI - E-Transcripts - **NEW**	$0		$0		$0		$0		$0	$500,000	$500,000
94e	Michigan Education Research Institute	$1,000,000		$1,000,000		$1,000,000	($1,000,000)	$0		$1,000,000		$1,000,000
94f	School Accountability System - **NEW**	$0		$0		$0	$350,000	$350,000		$0		$0
94f	Literacy Accountability and Research - **NEW**	$0		$0		$0		$0		$0	$3,000,000	$3,000,000
95b	Growth and Projection Analytics System - **NEW**	$0		$0		$0	$1,000,000	$1,000,000		$0	$2,000,000	$2,000,000
97n	Community Violence Intervention Plans	$10,000,000		$10,000,000	($10,000,000)	$0	($10,000,000)	$0	($10,000,000)	$0		$10,000,000
98	Michigan Virtual University	$9,800,000		$9,800,000		$9,800,000		$9,800,000		$9,800,000		$9,800,000
98d	Michigan Learning Channel - **NEW**	$0		$0	$3,000,000	$3,000,000		$0	$3,000,000	$3,000,000	$3,000,000	$3,000,000
99	One-Time Grants - **NEW**	$0		$0		$0		$0	$53,000,000	$53,000,000		$0
99h	FIRST Robotics	$5,600,000		$5,600,000		$5,600,000		$5,600,000	$1,120,000	$6,720,000		$5,600,000
99o	Driver's Training Startup Grants - **NEW**	$0		$0		$0		$0	$10,000,000	$10,000,000		$0
99s	MiSTEM Network Regions - **NEW**	$0		$0	$8,000,000	$8,000,000		$0	$8,000,000	$8,000,000	$8,000,000	$8,000,000
99nn	Math and Science Virtual Reality Program - **NEW**	$0		$0		$0		$0		$0	$2,900,000	$2,900,000
104	Education Assessments - State	$37,509,400	$2,490,600	$40,000,000	$6,990,600	$44,500,000	$6,990,600	$44,500,000	$6,990,600	$44,500,000	$6,990,600	$44,500,000
104	Education Assessments - Federal	$8,000,000		$8,000,000		$8,000,000		$8,000,000		$8,000,000	($7,999,900)	$100
104h	Benchmark Assessments	$11,500,000		$11,500,000		$11,500,000		$11,500,000		$11,500,000		$11,500,000
107	Adult Education	$32,913,600		$32,913,600	$7,586,400	$40,500,000	$7,586,400	$40,500,000	$9,611,400	$42,525,000	$9,611,400	$42,525,000
147a	MPSERS Normal Cost Offset for Lower AROR/Dedicated Gains	$336,300,000	$43,700,000	$380,000,000	($28,800,000)	$307,500,000	($28,800,000)	$307,500,000	($28,800,000)	$307,500,000	$14,900,000	$351,200,000
147c	MPSERS State Share of Unfunded Liability Payments	$1,536,800,000		$1,536,800,000	($82,100,000)	$1,454,700,000	($82,100,000)	$1,454,700,000	($82,100,000)	$1,454,700,000	($82,100,000)	$1,454,700,000
147e	MPSERS Added Normal/DC Costs for PA 92 of 2017	$118,400,000	($47,400,000)	$71,000,000	$17,800,000	$136,200,000	$17,800,000	$136,200,000	$17,800,000	$136,200,000	($29,600,000)	$88,800,000
152a	Adair - Database Payment	$41,000,500		$41,000,500		$41,000,500		$41,000,500		$41,000,500		$41,000,500
152b	Nonpublic School Reimbursement	$1,000,000		$1,000,000	($1,000,000)	$0		$1,000,000		$1,000,000		$1,000,000
152c	Tribal Consultation - **NEW**	$0		$0	$5,000,000	$5,000,000		$0	$5,000,000	$5,000,000	$2,500,000	$2,500,000
		$21,288,831,700	**($187,309,400)**	**$21,101,522,300**	**$114,588,400**	**$21,403,420,100**	**$235,998,500**	**$21,524,830,200**	**$734,197,600**	**$22,023,029,300**	**($1,480,387,200)**	**$19,808,444,500**

REVENUE BY SOURCE											
Federal Aid	$2,407,708,500	$0	$2,407,708,500	($2,000,000)	$2,405,708,500	($2,000,000)	$2,405,708,500	($2,000,000)	$2,405,708,500	($1,989,438,600)	$418,269,900
School Aid Fund	$18,366,334,700	($187,309,400)	$18,179,025,300	$180,404,600	$18,546,739,300	$339,514,700	$18,705,849,400	$777,393,800	$19,143,728,500	$489,917,600	$18,856,252,300
School Aid Pupil Support Reserve Fund	$97,037,400	$0	$97,037,400	$10,000,000	$107,037,400	($10,000,000)	$87,037,400	$22,000,000	$119,037,400	$10,000,000	$107,037,400
General Pupil Support Reserve Fund	$600,000	$0	$600,000	$0	$600,000	$0	$600,000	$120,000	$720,000	$0	$600,000
MPSERS Obligation Reform Reserve Fund	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Educator Fellowship Public Provider Fund	$30,000,000	$0	$30,000,000	$0	$30,000,000	$0	$30,000,000	$0	$30,000,000	$50,000,000	$80,000,000
Educator Fellowship Private Provider Fund	$0	$0	$0	$0	$0	$14,300,000	$14,300,000	$0	$0	$7,000,000	$7,000,000
School Transportation Fund	$125,000,000	$0	$125,000,000	$0	$125,000,000	$0	$125,000,000	$0	$125,000,000	$0	$125,000,000
School Meals Reserve Fund	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
GSRP Reserve Fund	$18,000,000	$0	$18,000,000	$0	$18,000,000	$0	$18,000,000	$0	$18,000,000	$8,300,000	$26,300,000
Enrollment Stabilization Fund	$71,000,000	$0	$71,000,000	$54,000,000	$125,000,000	$0	$71,000,000	$59,000,000	$130,000,000	$59,000,000	$130,000,000
School Consolidation and Infrastructure Fund	$100,000,000	$0	$100,000,000	($100,000,000)	$0	($100,000,000)	$0	($100,000,000)	$0	($100,000,000)	$0
General Fund/General Purpose	$73,151,100	$0	$73,151,100	($27,816,200)	$45,334,900	($5,816,200)	$67,334,900	($22,316,200)	$50,834,900	($15,166,200)	$57,984,900
TOTAL REVENUE	**$21,288,831,700**	**($187,309,400)**	**$21,101,522,300**	**$114,588,400**	**$21,403,420,100**	**$235,998,500**	**$21,524,830,200**	**$734,197,600**	**$22,023,029,300**	**($1,480,387,200)**	**$19,808,444,500**

FY 2026-27: COMMUNITY COLLEGES
Summary: Conference
Article 2, House Bill 5630 (H-1) CR-1

Analyst: Perry Zielak

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	FY 2026-27 House	FY 2026-27 Senate	FY 2026-27 Conference	Difference: Conference From FY 2025-26 YTD Amount	%
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	0	0	0	0	0	*0*	--
Local	0	0	0	0	0	*0*	--
Private	0	0	0	0	0	*0*	--
Restricted	493,032,100	525,371,600	491,039,800	490,763,500	496,663,500	*3,631,400*	*0.7*
GF/GP	0	0	0	0	0	*0*	--
Gross	**$493,032,100**	**$525,371,600**	**$491,039,800**	**$490,763,500**	**$496,663,500**	***$3,631,400***	***0.7***

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Community Colleges budget, contained in Article II of the compiled School Aid Act, provides funding for operational support of the 28 public community colleges located throughout the state and some retirement costs for employees who participate in the state public school employee retirement system. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associate degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
1. Community College Operations	**Gross**	**$374,543,100**	**$3,681,400**
Executive includes a net increase of $23,900 School Aid Fund (SAF) for community college operations, a 0.0% increase when compared to FY 2025-26 operations appropriations. This includes:	Restricted	374,543,100	3,681,400
	GF/GP	$0	$0

- $11.0 million SAF continuation of FY 2025-26 one-time operations grants for community colleges. The one-time operations funding would be the same as FY 2025-26 one-time operations payments for a net $0 change compared to the current year.
- $23,900 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.

Attainment of the one-time operations funding would be conditioned on restraining in-district tuition and fee increases to the greater of 4.0% or $199 (set at 4.5% or $227 in the current year). Projected funding changes for individual community colleges would range from a decrease of 0.4% to an increase of 0.3%. Total funding for operations would be $374.6 million SAF.

House includes a net decrease of $10.9 million SAF for community college operations, a 2.9% decrease when compared to FY 2025-26 operations appropriations. This includes:

- The removal of $11.0 million SAF of FY 2025-26 one-time operations grants for community colleges.
- $23,900 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.
- The addition of $14.9 million SAF ongoing for Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) funding (not included in totals here but see item #2).

Total funding for operations would be $363.6 million SAF.

[continued on next page]

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 YTD (as of 2/11/26)**	**Conference Change from YTD**

1. Community College Operations (continued)

Senate includes a net increase of $3.7 million SAF for community college operations, a 1.0% increase when compared to FY 2025-26 operations appropriations. This includes:

- $14.6 million SAF, or 4.0%, one-time increase to operations grants for community colleges when compared to FY 2025-26 ongoing operations, which would be distributed through the performance funding formula.
- The removal of $11.0 million SAF of FY 2025-26 one-time operations grants for community colleges.
- $23,900 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.

Attainment of the one-time operations funding would be conditioned on restraining in-district tuition and fee increases to the greater of 4.0% or $199 (set at 4.5% or $227 in the current year). Projected funding changes for individual community colleges would range from a decrease of 0.3% to an increase of 2.0%. Total funding for operations would be $378.2 million SAF.
Conference concurs with Senate.

2. Infrastructure. Technology, Equipment, Maintenance, and Safety (ITEMS) Grants

	FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
Gross	**$0**	**$0**
Restricted	0	0
GF/GP	$0	$0

Executive includes $33.3 million SAF of one-time funding for Infrastructure, Technology, Equipment, Maintenance, and Safety which would allow community colleges to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, student housing, and school safety measures. Grant funding would be distributed based on each community college receiving a minimum of $1.0 million, with the remaining amount distributed proportionally using FY 2024-25 Fiscal Year Equated Students (FYES).
House includes $14.9 million SAF of ongoing funding for ITEMS. Grant funding would be distributed based on each community college receiving 4.1% of FY 2025-26 base operations funding. Attainment of the ITEMS funding would be conditioned on restraining in-district tuition and fee increases to the greater of 4.0% or $199 (set at 4.5% or $227 in the current year). Projected funding changes for individual community colleges when combined with community college operations funding would range from increases of 0.1% to 1.6%. Senate does not include.
Conference does not include.

3. Michigan Public School Employee Retirement System (MPSERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment

	FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
Gross	**$89,500,000**	**($4,700,000)**
Restricted	89,500,000	(4,700,000)
GF/GP	$0	$0

Executive decreases funding by $4.7 million SAF for the state's share of community colleges' MPSERS UAAL, a 5.3% decrease. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 15.21% of payroll set by the Public School Employees Retirement Act (MCL 38.1341). Total funding for the state share of MPSERS would be $84.8 million SAF. House concurs. Senate concurs. Conference concurs.

4. MPSERS Normal Cost Offset

	FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
Gross	**$19,600,000**	**$1,150,000**
Restricted	19,600,000	1,150,000
GF/GP	$0	$0

Executive decreases by $1.3 million SAF for the community colleges' MPSERS normal cost offset, a 6.4% decrease, due to a lower contribution needed to cover retirement benefits. Total funding for the MPSERS normal cost offset would be $18.4 million SAF. House concurs. Senate concurs. Conference increases by $1.2 million SAF, a 5.9% increase, due to a slightly higher contribution needed to cover retirement benefits. Total funding for the MPSERS normal cost offset would be $20.8 million SAF.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
5. Michigan Maritime Manufacturing Initiative	**Gross**	**$0**	**$3,500,000**
Executive includes $5.0 million SAF of one-time funding to Macomb Community College for the continuation of the Michigan Maritime Manufacturing Initiative, a partnership between the state and federal government to teach critical skills for maritime construction, welding, and machining. House does not include. Senate concurs with House. Conference includes $3.5 million SAF of one-time funding for a community college chosen through a competitive grant process to support the continuation of the Michigan Maritime Manufacturing Initiative.	Restricted	0	3,500,000
	GF/GP	$0	$0

Major Boilerplate Changes from FY 2025-26

Sec. 201f. One-Time Performance Funding Payment Detail **– REVISED**
Details the one-time performance funding payment allocations for each community college for FY 2025-26. Executive revises language to apply one-time payments to FY 2026-2027 and states that one-time payments are for the same purposes as operations appropriations made in Sec. 201(2). House deletes. Senate revises language detailing the one-time performance funding payment allocations for FY 2026-27. Conference concurs with Senate.

Sec. 201h. MPSERS Normal Cost Offset FY 2025-26 Supplemental Appropriation Detail **– NEW**
Conference adds language that details the $2.4 million SAF supplemental appropriation to the MPSERS normal cost offset for FY 2025-26 due to a slightly higher contribution needed to cover retirement benefits.

Sec. 201i. Legislatively Directed Spending Items **– REVISED**
Requires the legislature to provide the responsible entity and the state budget director with a list of legislatively directed spending items; provides requirements for the administration of grants; provides requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires the responsible entity to post information about grant recipients on its website; defines responsible entity. Executive revises to require the fiscal agencies to work with the state budget office on the list of legislatively directed spending items, deletes various grant and administration requirements. House revises to require the state budget office to post a list of legislatively directed spending items; requires quarterly reports by the department administering grants; provides requirements for grant audits; prohibits executive and legislative branch employees and immediate family members from receiving grants. Senate concurs with Executive but revises requirement from the fiscal agencies to the House and Senate to work with the state budget office. Conference concurs with Senate.

Sec. 203. Use of Internet for Reporting Requirements **– REVISED**
Requires community colleges, the Workforce Development Agency, and the Center for Educational Performance and Information (CEPI) to use the Internet to fulfill reporting requirements. House revises to require community colleges and CEPI to post each required report in a single archivable location on the college's or CEPI's website and maintain previous reports grouped by fiscal year. Senate retains. Conference concurs with House but specifies a report retention requirement of 7 years and excludes CEPI from the requirement.

Sec. 212. Cost Containment and Efficiency Initiatives **– REVISED**
Encourages community colleges to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance, and group purchasing. Senate adds web-based instruction as an efficiency measure. Conference concurs with Senate.

Sec. 213. Work Project Appropriations Status Report **– NEW**
Conference adds language that requires the state budget office to report information on all work project accounts, including the status of each account and the amount of any funds that lapsed from previous accounts.

Sec. 216c. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Appropriation Detail **– NOT INCLUDED**
Executive adds language that details infrastructure, technology, equipment, maintenance, safety and housing categories that ITEMS funding could be used for by community colleges. Specifies that all community colleges would receive an appropriation of at least $1.0 million, with the remaining amount distributed proportionally using FY 2024-25 fiscal year equated students (FYES). House concurs but specifies ITEMS appropriations based on 4.1% of FY 2025-26 base operations funding and deletes housing as a potential use of ITEMS funding. Senate does not include. Conference does not include.

Major Boilerplate Changes from FY 2025-26

***Sec. 216e. Institutional Best Practices Detail* – RETAINED**
Executive deletes language that details requirement that community colleges must certify to following at least 2 of 5 institutional best practices in order to receive ongoing performance funding increases, one of which must be the best practice on transfers and working to increase the number of reverse transfer or articulation agreements. House revises to add a best practice on posting the costs of degree attainment and the earnings associated with degree attainment. Senate revises to require community colleges to certify to following all institutional best practices to receive one-time performance funding, and adds 2 additional best practices on co-requisite model of gateway math and English courses and assessing students for credit based on prior learning; adds reporting requirement on persistence towards on-time completion and completion rates. Conference retains.

***Sec. 217a. Community College Annual Reporting Requirements* – REVISED**
Requires each community college to submit Michigan Community College Data Inventory (MCCDI) data, tuition and fee information, longitudinal data system data, degree and certificate award data, and annual independent audits as required by the last business day of November or have monthly operations payments withheld. Executive revises submission dates of various reporting requirements from the last business day of November to the first business day of November. House concurs but revises to add requirement to archive previous versions from prior fiscal years and add certification for compliance with the Family Education Rights and Privacy Act (FERPA) and the Driver Privacy Protection Act. Senate concurs with Executive but adds reporting requirement on severance payments. Conference concurs with Senate but includes requirement of archiving the previous versions from the prior 7 fiscal years.

***Sec. 217b. Community College Tuition and Fee Restraint and Annual Rate Report* – REVISED**
Requires community colleges to report tuition and fee rates, the annual cost of tuition and fees for a 30 credit course load, and tuition and fee increases from the prior year to CEPI by the first business day of November; details tuition restraint requirements in order to receive performance funding for FY 2025-26; and requires community colleges to limit in-district tuition and fee increases to 4.5% or $227, whichever is greater. Sets FY 2026-27 tuition and fee restraint to the greater of 4.0% or $199. Executive revises language that limits FY 2026-27 in-district tuition and fee increases to 4.0% or $199, whichever is greater, and limits FY 2027-28 in-district tuition and fee increases to the greater of 5.0% or $255. House concurs on FY 2026-27 in-district tuition and fee rates but limits FY 2027-28 in-district tuition and fee increases to the greater of 3.0% or $153. Senate concurs on FY 2026-27 in-district tuition and fee rates but limits FY 2027-28 in-district tuition and fee increases to the greater of 3.5% or $179. Conference concurs on FY 2026-27 in-district rates but limits FY 2027-28 in-district tuition and fee increases to the greater of 4.0% or $199.

***Sec. 217c. Charter School Authorizing Body Report* – REVISED**
Executive deletes language that requires each community college or tribal college that serves as an authorizing body for public school academies to post a report on various details on public school academies authorized by the institution. House concurs. Senate retains. Conference revises language to include fewer reporting requirements, retaining information that relates to academic and financial information.

***Sec. 217d. Diversity, Equity, and Inclusion (DEI) Programs Report* – NOT INCLUDED**
Senate adds language that requires each community college to report on changes to DEI programs made after January 1, 2026 and to report on resources, programs, or efforts that would mitigate negative consequences if DEI programs were reduced. Conference does not include.

***Sec. 217e. Itemized Cost of Attendance Report* – NOT INCLUDED**
Senate adds language that requires each community college to report on the itemized cost of attendance for full-time students for the past two fiscal years. Conference does not include.

***Sec. 217f. Institutional Salaries Spending Restriction* – RETAINED**
Executive deletes language that restricts community colleges from spending more than 10% of operations appropriations on administration and includes which costs are not considered administrative spending, with the sum of money spent over the cap reduced from operations allocations. House retains but removes legislative intent language. Senate deletes. Conference retains.

***Sec. 217g. Public School Academy (PSA) Authorizer Fee and State Scholarship Reduction* – NOT INCLUDED**
Senate adds language that reduces state-funded scholarship payments for community colleges that are also PSA authorizing bodies by up to 1% of authorizing fees collected. Conference does not include.

Major Boilerplate Changes from FY 2025-26

***Sec. 223. North American Indian Tuition Waiver Reporting Requirements* – REVISED**
Requires community colleges and tribal colleges receiving North American Indian tuition waiver funding to report to MiLEAP on the number of North American Indian tuition waiver applications received and approved, the number and monetary value of the waivers, the number of North American Indian students who receive a waiver, the number of students with waivers who withdrew from school, and the number of students with waivers who transferred to a 4-year institution or completed a degree or certificate program. Executive deletes language requiring reporting on students who withdraw and additional reports on graduation completions within 150% of the normal time to complete. House revises language on report recipients. Senate revises language on reporting requirements on the value of waivers granted each term. Conference concurs with Executive.

***Sec. 228. Communication With the Legislature* – RETAINED**
Executive deletes language that forbids a community college from taking disciplinary action against an employee for communicating with the legislature. House retains. Senate retains. Conference retains.

FY 2026-27 Community Colleges Operations Appropriations
Conference

	Total FY 2025-26 Appropriation	FY 25 Indian Tuition Waiver Payment	FY 2025-26 One-Time Distribution	FY 2025-26 Base Appropriation	Sustainability	Performance-Improvement	Performance-Completion Number	Performance-Completion Rate	Contact Hours	Admin.	Local Strategic Value	Total One-Time Formula Distribution	FY 2025 Indian Tuition Waiver Cost	Indian Tuition Waiver Adjustments	Total FY 27 Indian Tuition Waiver Payment	FY 2026-27 Appropriation	% Change
% of Formula:					**30%**	**10%**	**10%**	**10%**	**30%**	**5%**	**5%**	**100%**					
Alpena	$6,687,900	$13,500	$271,100	$6,403,300	$77,596	$20,692	$15,326	$39,926	$40,232	$26,564	$12,933	$233,300	$28,100	$14,600	$28,100	$6,664,700	(0.3%)
Bay de Noc	6,568,200	92,000	178,200	6,298,000	76,320	20,352	15,457	39,025	49,647	21,182	12,720	234,700	112,300	20,300	112,300	6,645,000	1.2%
Delta	17,427,500	51,800	493,300	16,882,400	204,584	54,556	57,946	54,556	205,027	33,660	34,097	644,400	46,000	(5,800)	46,000	17,572,800	0.8%
Glen Oaks	3,078,200	2,900	91,200	2,984,100	36,162	17,691	10,364	26,173	36,275	0	6,027	132,700	400	(2,500)	400	3,117,200	1.3%
Gogebic	5,578,600	40,100	139,500	5,399,000	65,426	41,379	9,398	37,152	28,081	19,623	10,904	212,000	18,900	(21,200)	18,900	5,629,900	0.9%
Grand Rapids	22,022,800	153,100	685,500	21,184,200	256,714	68,457	89,579	68,457	344,410	32,388	42,786	902,800	203,000	49,900	203,000	22,290,000	1.2%
Henry Ford	26,056,100	4,500	750,900	25,300,700	306,599	81,760	140,042	81,760	300,177	28,888	51,100	990,300	7,400	2,900	7,400	26,298,400	0.9%
Jackson	14,424,500	27,100	364,800	14,032,600	170,050	45,347	66,083	45,347	139,583	18,286	28,342	513,000	22,200	(4,900)	22,200	14,567,800	1.0%
Kalamazoo Valley	15,185,000	46,900	433,700	14,704,400	178,191	85,511	48,220	63,798	173,307	36,388	29,698	615,100	40,200	(6,700)	40,200	15,359,700	1.2%
Kellogg	11,777,800	26,700	324,400	11,426,700	138,471	37,873	42,309	36,926	121,367	33,733	23,078	433,800	43,300	16,600	43,300	11,903,800	1.1%
Kirtland	4,027,900	46,300	146,500	3,835,100	46,474	55,002	15,620	12,393	43,917	31,244	7,746	212,400	46,300	0	46,300	4,093,800	1.6%
Lake Michigan	6,619,800	19,400	192,200	6,408,200	77,656	45,204	21,400	36,518	74,147	16,106	12,943	284,000	9,100	(10,300)	9,100	6,701,300	1.2%
Lansing	37,141,200	82,100	924,700	36,134,400	437,884	131,950	102,694	134,668	280,454	28,400	72,981	1,189,000	71,800	(10,300)	71,800	37,395,200	0.7%
Macomb	39,342,100	90,900	1,090,600	38,160,600	462,438	147,496	125,781	139,031	471,371	27,216	77,073	1,450,400	27,000	(63,900)	27,000	39,638,000	0.8%
Mid Michigan	6,113,400	82,500	193,900	5,837,000	70,734	18,862	22,464	18,862	81,431	30,377	11,789	254,500	84,400	1,900	84,400	6,175,900	1.0%
Monroe County	5,575,500	400	206,600	5,368,500	65,057	17,348	19,452	33,078	61,682	22,602	10,843	230,100	2,700	2,300	2,700	5,601,300	0.5%
Montcalm	4,157,300	1,700	122,300	4,033,300	48,876	13,034	14,605	13,034	35,359	29,664	8,146	162,700	9,500	7,800	9,500	4,205,500	1.2%
Mott	18,519,800	10,300	491,700	18,017,800	218,343	63,794	61,204	58,225	191,129	29,265	36,391	658,400	14,300	4,000	14,300	18,690,500	0.9%
Muskegon	10,702,000	43,500	298,600	10,359,900	125,543	33,478	31,617	49,690	103,002	29,940	20,924	394,200	52,200	8,700	52,200	10,806,300	1.0%
North Central	4,254,400	162,400	144,300	3,947,700	47,839	40,497	12,624	30,755	51,415	26,675	7,973	217,800	162,900	500	162,900	4,328,400	1.7%
Northwestern	11,163,900	254,700	289,400	10,619,800	128,693	34,318	27,409	51,571	101,245	23,077	21,449	387,800	266,000	11,300	266,000	11,273,600	1.0%
Oakland	25,984,900	38,400	816,500	25,130,000	304,530	116,669	115,547	99,367	439,163	20,971	50,755	1,146,800	36,900	(1,500)	36,900	26,313,700	1.3%
Schoolcraft	15,500,500	25,300	503,200	14,972,000	181,434	48,382	64,397	64,293	257,986	37,548	30,239	684,300	17,100	(8,200)	17,100	15,673,400	1.1%
Southwestern	8,016,100	19,100	210,400	7,786,600	94,360	25,163	14,883	41,626	61,141	23,860	15,727	276,800	16,500	(2,600)	16,500	8,079,900	0.8%
St. Clair County	8,613,500	13,300	258,200	8,342,000	101,090	39,812	37,708	44,558	94,300	25,872	16,848	360,200	9,300	(4,000)	9,300	8,711,500	1.1%
Washtenaw	16,941,200	19,000	664,900	16,257,300	197,009	52,536	176,669	69,965	317,346	34,815	32,835	881,100	32,400	13,400	32,400	17,170,800	1.4%
Wayne County	20,063,700	2,500	600,900	19,460,300	235,824	81,282	95,785	62,886	253,627	23,861	39,304	792,600	3,700	1,200	3,700	20,256,600	1.0%
West Shore	2,999,300	17,600	85,000	2,896,700	35,103	24,557	8,416	9,361	32,179	19,297	5,850	134,800	28,000	10,400	28,000	3,059,500	2.0%
	$374,543,100	**$1,388,000**	**$10,972,500**	**$362,182,600**	**$4,389,000**	**$1,463,000**	**$1,463,000**	**$1,463,000**	**$4,389,000**	**$731,500**	**$731,500**	**$14,630,000**	**$1,411,900**	**$23,900**	**$1,411,900**	**$378,224,500**	**1.0%**

Requirement to receive performance funding for FY 2026-27:
1. Restrain FY 2026-27 in-district tuition/fee rate increase to 4.0% or $199 (whichever is greater)

Data Notes

Component	Years
Performance improvement	FYs 2022-2024
Performance completion number	FYs 2022-2024
Performance completion rate	FYs 2022-2024
Contact hours	FY 2025
Administrative	FYs 2024-2025

FY 2026-27: HIGHER EDUCATION
Summary: Conference
Article 3, House Bill 5630 (H-1) CR-1

Analyst: Perry Zielak

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	FY 2026-27 House	FY 2026-27 Senate	FY 2026-27 Conference	*Difference: Conference From FY 2025-26 YTD* Amount	%
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	*0*	*0.0*
Local	0	0	0	0	0	*0*	--
Private	0	0	0	0	0	*0*	--
Restricted	850,768,300	1,379,418,300	1,026,918,300	1,171,678,600	1,481,678,600	*630,910,300*	*74.2*
GF/GP	1,482,943,700	1,209,508,700	1,131,798,400	1,415,254,200	1,124,954,200	*(357,989,500)*	*(24.1)*
Gross	**$2,336,912,000**	**$2,592,127,000**	**$2,161,916,700**	**$2,590,132,800**	**$2,609,832,800**	***$272,920,800***	***11.7***

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview
The Higher Education budget, contained in Article 3 of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University; some retirement costs for employees who participate in the state public school employee retirement system; various financial aid programs for students attending public and independent colleges and universities in the state; and several other smaller higher education-related programs.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
1. University Operations	**Gross**	**$1,731,772,700**	**$17,557,300**
	Restricted	643,168,300	166,760,700
	GF/GP	$1,088,604,400	($149,203,400)

Executive includes a net increase of $830,700 Gross ($64.6 million GF/GP reduction) for university operations, a 0.0% change when compared to FY 2025-26 operations appropriations. This includes:

- $50.1 million SAF continuation of FY 2025-26 one-time operations grants for universities. The one-time operations funding would be the same as FY 2025-26 one-time operations payments for a net $0 change compared to the current year. Replaces $50.1 million GF/GP with a corresponding amount of SAF.
- $830,700 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions. Replaces $14.5 million GF/GP with a corresponding amount of SAF.

Attainment of the one-time operations funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.0% or $651 (set at 4.5% or $735 in the current year). Projected funding changes for universities would range from 0.0% to 0.7%. Total funding for operations would be $1.7 billion Gross ($1.0 billion GF/GP).

House includes a net decrease of $470.6 million GF/GP for university operations, a 27.2% decrease when compared to FY 2025-26 operations appropriations. This includes:

- The removal of $50.1 million GF/GP of FY 2025-26 one-time operations grants for universities.
- A reduction of $199.0 million GF/GP for Michigan State University and $222.3 million GF/GP for the University of Michigan – Ann Arbor.
- $830,700 GF/GP increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.

[continued on next page]

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD

1. University Operations (continued)

- The addition of $30.8 million GF/GP ongoing for Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) funding (not included in totals here but see item #3).

Total funding for operations would be $1.3 billion Gross ($618.0 million GF/GP).

Senate includes a net increase of $17.6 million Gross ($49.3 million GF/GP reduction) for university operations, a 1.0% increase when compared to FY 2025-26 operations appropriations. This includes:

- $66.8 million SAF one-time increase to operations grants for universities, with all universities receiving a 4.0% increase when compared to FY 2025-26 ongoing operations.
- The removal of $50.1 million GF/GP of FY 2025-26 one-time operations grants for universities.
- $830,700 GF/GP increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.

Attainment of the one-time operations funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.0% or $651 (set at 4.5% or $735 in the current year). Projected funding changes for universities would range from 0.9% to 1.6%. Total funding for operations would be $1.7 billion Gross ($1.0 billion GF/GP).

Conference concurs with Senate but replaces $99.9 million GF/GP with a corresponding amount of SAF. Total funding for operations would be $1.7 billion Gross ($939.4 million GF/GP).

2. Michigan State University Extension and AgBioResearch Programs		FY 2025-26 YTD	Conference Change
	Gross	**$75,025,700**	**$713,500**
	Restricted	0	2,919,600
	GF/GP	$75,025,700	($2,206,100)

Executive includes a net change of $0 Gross ($2.2 million GF/GP reduction) for MSU's AgBioResearch and Extension program funding when compared to FY 2025-26 appropriations. This includes:

- $1.2 million SAF continuation of FY 2025-26 one-time operations increase for the MSU AgBioResearch program for a net $0 change compared to the current year. Replaces $1.2 million GF/GP with a corresponding amount of SAF.
- $1.0 million SAF continuation of FY 2025-26 one-time operations increase for the MSU Extension program for a net $0 change compared to the current year. Replaces $1.0 million GF/GP with a corresponding amount of SAF.

Total funding for AgBioResearch and Extension programs would be $75.0 million Gross ($72.8 million GF/GP).

House includes a net decrease of $2.2 million GF/GP for MSU's AgBioResearch and Extension program funding when compared to FY 2025-26 appropriations. This includes:

- The removal of $1.2 million GF/GP of FY 2025-26 one-time operations increase for the MSU AgBioResearch program.
- The removal of $1.0 million GF/GP of FY 2025-26 one-time operations increase for the MSU Extension program.

Total funding for AgBioResearch and Extension programs would be $72.8 million GF/GP.

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Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
2. Michigan State University Extension and AgBioResearch Programs (continued)			
3. Infrastructure. Technology, Equipment, Maintenance, and Safety (ITEMS) Grants	**Gross**	**$0**	**$0**
	Restricted	0	0
	GF/GP	$0	$0

2. Michigan State University Extension and AgBioResearch Programs (continued)

Senate includes a net increase of $713,500 Gross ($2.2 million GF/GP reduction) for MSU's AgBioResearch and Extension program funding when compared to FY 2025-26 appropriations. This includes:

- $1.6 million SAF one-time operations increase for the MSU AgBioResearch program, a 4.0% increase.
- The removal of $1.2 million GF/GP of FY 2025-26 one-time operations increase for the MSU AgBioResearch program.
- $1.4 million SAF one-time operations increase for the MSU Extension program, a 4.0% increase.
- The removal of $1.0 million GF/GP of FY 2025-26 one-time operations increase for the MSU Extension program.

Total funding for AgBioResearch and Extension programs would be $75.7 million Gross ($72.8 million GF/GP).
Conference concurs with Senate.

3. Infrastructure. Technology, Equipment, Maintenance, and Safety (ITEMS) Grants

Executive includes $26.7 million SAF of one-time funding for Infrastructure, Technology, Equipment, Maintenance, and Safety which would allow universities to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, and school safety measures. Grant funding would be distributed based on each university receiving a minimum of $1.0 million, with the remaining amount distributed proportionally using FY 2024-25 Fiscal Year Equated Students (FYES).
House includes $30.8 million GF/GP of ongoing funding for ITEMS. Grant funding would be distributed based on each university, except Michigan State and the University of Michigan – Ann Arbor, receiving 3.1% of FY 2025-26 base operations funding. Attainment of the ITEMS funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.0% or $651 (set at 4.5% or $735 in the current year). Projected funding changes for universities when combined with university operations funding would range from a 62.6% decrease to a 1.1% increase. Senate does not include. Conference does not include.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
4. Michigan Achievement Scholarship	**Gross**	**$300,000,000**	**$232,000,000**
	Restricted	200,000,000	232,000,000
	GF/GP	$100,000,000	$0

Executive increases funding by $232.0 million restricted for the Michigan Achievement Scholarship, a 77.3% increase. The scholarships are awarded to eligible in-state students that graduate high school or achieve an equivalency certificate in 2023 or after and attend an eligible Michigan public university, community college, tribal college or independent nonprofit college or university full-time. The increase reflects rising costs as more students become eligible and participate in the scholarship program. Total funding for the Michigan Achievement Scholarship would be $532.0 million Gross ($100.0 million GF/GP). House increases funding by $232.0 million Gross with $182.0 million from the Postsecondary Scholarship Fund and $50.0 million GF/GP funding. The increase reflects rising costs as more students become eligible and participate in the scholarship program. Total funding for the Michigan Achievement Scholarship would be $532.0 million Gross ($150.0 million GF/GP).

Senate increases funding by $232.0 million restricted for the Michigan Achievement Scholarship from the Postsecondary Scholarship Fund. Deposits $200.0 million SAF ongoing and $100.0 million GF/GP of one-time funding into the Postsecondary Scholarship Fund. Decreases $5.0 million for marketing of the scholarship and other state scholarship programs and designates $1.0 million for the FAFSA Completion Ticket to Tuition Incentive. After a total $300.0 million Gross deposit into the Postsecondary Scholarship Fund, total funding for Michigan Achievement Scholarships would be $532.0 million restricted. Conference increases funding by $232.0 million restricted for the Michigan Achievement Scholarship from the Postsecondary Scholarship Fund. Total funding for the Michigan Achievement Scholarship would be $532.0 million Gross ($100.0 million GF/GP).

5. Tuition Incentive Program	**Gross**	**$122,300,000**	**$43,500,000**
	Restricted	0	156,300,000
	GF/GP	$122,300,000	($112,800,000)

Executive increases funding by $26.5 million SAF for the Tuition Incentive Program (TIP), a 21.7% increase. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses increased student participation and increased tuition and fees. Proposes to cap Phase I costs at 2.5 times the average in-district community college tuition rate and eliminate Phase II awards for new participants. Replaces $112.8 million GF/GP with a corresponding amount of SAF. Total funding for TIP would be $148.8 million Gross ($9.5 million GF/GP). House increases funding by $43.5 million GF/GP for TIP, a 35.6% increase. Does not include Executive's proposed Phase I cap or Phase II elimination. The increase addresses increased student participation and increased tuition and fees. Total funding for TIP would be $165.8 million GF/GP. Senate increases funding by $33.8 million GF/GP for TIP, a 27.6% increase. Swaps $43.5 million GF/GP from ongoing to one-time funding. Concurs with Executive's proposed Phase I cap. Total funding for TIP would be $156.1 million GF/GP. Conference increases funding by $43.5 million SAF for TIP, a 35.6% increase. Replaces $112.8 million GF/GP with a corresponding amount of SAF. Does not include Executive's proposed Phase I cap or Phase II elimination. The increase addresses increased student participation and increased tuition and fees. Total funding for TIP would be $165.8 million Gross ($9.5 million GF/GP).

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
6. Michigan Reconnect	**Gross**	**$42,000,000**	**$0**
	Restricted	0	67,000,000
	GF/GP	$42,000,000	($42,000,000)

Executive increases funding by $25.0 million SAF for the Michigan Reconnect program, a 59.5% increase. The program provides last-dollar scholarships primarily to individuals 25 or older with a high school diploma or equivalency certificate to complete a Pell-eligible associate degree or skills-based certificate. The increase would fund the expansion of the program to include 21-to-24-year-olds. Replaces $42.0 million GF/GP with a corresponding amount of SAF. Total funding for Michigan Reconnect would be $67.0 million SAF. House maintains current funding levels. Senate concurs with Executive on increasing funding by $25.0 million SAF. Total funding for Michigan Reconnect would be $67.0 million Gross ($42.0 million GF/GP). Conference concurs with Executive.

7. Children of Veterans and Officer's Survivor Tuition Grant Programs	**Gross**	**$2,000,000**	**$0**
	Restricted	0	1,780,000
	GF/GP	$2,000,000	($1,780,000)

Executive includes a net change of $0 Gross ($1.8 million GF/GP reduction) for the Children of Veterans and Officer's Survivor Tuition Grant programs. The grants are awarded to children of deceased or permanently disabled military veterans or to surviving spouses and children of Michigan police officers and firefighters killed in the line of duty. Replaces $1.8 million GF/GP with a corresponding amount of SAF. Total funding for the Children of Veterans and Officer's Survivor Tuition Grant programs would be $2.0 million Gross ($220,000 GF/GP). House maintains current funding levels. Senate concurs with House. Conference concurs with Executive.

8. Michigan Public School Employee Retirement System (MPSERS) Normal Cost Offset	**Gross**	**$7,600,000**	**($5,850,000)**
	Restricted	7,600,000	(5,850,000)
	GF/GP	$0	$0

Executive decreases funding by $5.9 million SAF for the MPSERS normal cost offset, a 77.0% decrease, due to a lower contribution needed to cover retirement benefits and maintain the assumed rate of return at 6.0% for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Total funding for the MPSERS normal cost offset would be $1.8 million SAF. House concurs. Senate concurs. Conference concurs.

9. King-Chavez-Parks (King-Huerta-Hood-Parks) Programs	**Gross**	**$2,691,500**	**$0**
	GF/GP	$2,691,500	$0

House removes $2.7 million GF/GP of funding for the Martin Luther King, Jr.-Cesar Chavez-Rosa Parks programs, which includes the elimination of Select Student Support Services, Michigan College/University Partnership program, and the Morris Hood, Jr. Educator Development program. The programs provide assistance in increasing the participation of academically or economically disadvantaged students in postsecondary education in Michigan. Senate maintains current funding levels but renames to Martin Luther King, Jr.-Dolores Huerta-Morris Hood, Jr.-Rosa Parks programs. Conference concurs with Senate.

10. Michigan Competitive Scholarship and Tuition Grant Program Sunset One-Time Funding	**Gross**	**$50,000,000**	**($50,000,000)**
	GF/GP	$50,000,000	($50,000,000)

Executive removes $50.0 million GF/GP of one-time funding for the phase-out of the Michigan Competitive Scholarship and Tuition Grant programs, which provides funding for current students remaining in the scholarship programs until the end of their program eligibility. Funding would continue for the remaining students in both scholarship programs through an authorized work project until FY 2028-29. House maintains current funding levels. Senate concurs with Executive. Conference concurs with Executive.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Conference Change from YTD
11. MiDocs Payment	**Gross**	**$0**	**$10,000,000**
Conference includes $10.0 million SAF for a pass-through payment to a public university that participates in the MiDocs program. Funds distributed to a public university will remit the payment to the Michigan Department of Health and Human Services. The MiDocs program works to expand graduate medical education residency positions in underserved areas of the state.	Restricted	0	10,000,000
	GF/GP	$0	$0

Major Boilerplate Changes from FY 2025-26

Sec. 236d. One-Time Operations Payment Detail **– REVISED**
Details the one-time operations payment allocations for each university, along with one-time appropriations for MSU AgBioResearch and Extension programs. Executive revises language to apply one-time payments to FY 2026-2027 and conditions payments to the requirements found in sections 241a, 241b, 241c, and 244. House deletes. Senate revises language detailing the one-time operations payment allocations for each university and the MSU AgBioResearch and Extension programs for FY 2026-27 and concurs with Executive on conditioning payments on requirements found in sections 241a, 241b, 241c, and 244. Conference concurs with Senate.

Sec. 236j. Postsecondary Scholarship Fund Detail **– REVISED**
Creates the Postsecondary Scholarship Fund in the Department of Treasury. States money in the fund would require an appropriation to be expended; provides that money in the fund at the end of a fiscal year does not lapse. Executive revises language that states the fund would support all state financial aid programs and deletes language specifying the FY 2025-26 deposits into the fund. House concurs. Senate revises language to include $300.0 million deposit into the fund for FY 2026-27 and sets cap of $5.0 million for marketing, with $1.0 million to be used for the FAFSA Completion Ticket to Tuition Incentive. Conference concurs with Executive but adds language specifying a $100.0 million deposit into the fund for FY 2026-27 from the school aid stabilization fund or FY 2025-26 lapsed school aid fund.

Sec. 236k. FAFSA Completion Ticket to Tuition Incentive **– NEW**
Senate adds language requiring $1.0 million from state scholarship marketing funds be used for the Free Application for Federal Student Aid (FAFSA) Completion Ticket to Tuition Incentive, a promotional program for Michigan residents who successfully complete the FAFSA for the first time. Conference concurs with Senate but revises language to ensure geographic diversity of winners and one winner from the Upper Peninsula.

Sec. 236l. MiDocs Pass-Through Payment **– NEW**
Conference adds language requiring a pass-through payment for the MiDocs program through a participating public university to the Michigan Department of Health and Human Services to support graduate medical education programs.

Sec. 236m. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Appropriation Detail **– NOT INCLUDED**
Executive adds language that details infrastructure, technology, equipment, maintenance, and safety categories that ITEMS funding could be used for by public universities. Specifies that all public universities would receive an appropriation of at least $1.0 million, with the remaining amount distributed proportionally using FY 2024-25 fiscal year equated students (FYES). House concurs but specifies ITEMS appropriations based on 3.1% of FY 2025-26 base operations funding except for Michigan State University and the University of Michigan – Ann Arbor who are excluded from ITEMS funding. Senate does not include. Conference does not include.

Sec. 236s. Legislatively Directed Spending Items **– REVISED**
Requires the legislature to provide the responsible entity and the state budget director with a list of legislatively directed spending items; provides requirements for the administration of grants; provides requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires the responsible entity to post information about grant recipients on its website; defines responsible entity. Executive revises to require the fiscal agencies to work with the State Budget Office on the list of legislatively directed spending items, deletes various grant and administration requirements. House revises to require the State Budget Office to post a list of legislatively directed spending items; requires quarterly reports by the department administering grants; provides requirements for grant audits; prohibits executive and legislative branch employees and immediate family members from receiving grants. Senate concurs with Executive but revises requirement from the fiscal agencies to the House and Senate to work with the state budget office. Conference concurs with Senate.

Major Boilerplate Changes from FY 2025-26

Sec. 237c. Work Project Appropriations Status Report **– NEW**
Conference adds language that requires the state budget office to report information on all work project accounts, including the status of each account and the amount of any funds that lapsed from previous accounts.

Sec. 238. Use of Internet for Reporting Requirements **– REVISED**
Requires institutions of higher education to use Internet and email to submit reports. House revises to require public universities to post each required report in a single archivable location on the university's website and maintain previous reports grouped by fiscal year. Senate retains. Conference concurs with House but specifies maintaining the previous 7 fiscal year reports.

Sec. 239a. Cost Containment and Efficiency Initiatives **– NEW**
House adds language that encourages public universities to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance, and group purchasing. Senate does not include. Conference concurs with House.

Sec. 241a. Annual University HEIDI and Public Reporting Requirements **– REVISED**
Directs universities to submit annual HEIDI data by October 15 (November 15 for Wayne State). Details various annual reporting requirements around university finances, budget, revenue, expenditures, and employee compensation. Executive revises reporting dates from November 1 to the first business day of November. Deletes requirement to report on information related to the current university president and adds transfer and credits certification requirements originally located in Sec. 241c. House concurs on reporting date revisions and transfer and certification requirements, retains report requirement on current university president information, revises to add requirement to archive previous versions from prior fiscal years and add certification for compliance with the Family Education Rights and Privacy Act (FERPA) and the Driver Privacy Protection Act. Senate concurs with Executive but adds reporting requirement on severance payments. Conference concurs with Senate but adds requirement to archive previous versions from the prior 7 fiscal years.

Sec. 241c. University Tuition and Fee Restraint and Annual Rate Reporting Requirements **– REVISED**
Requires tuition and fee data to be submitted to the HEIDI database and a report of any revisions to tuition and fees within 15 days of adoption, and specifies tuition and fee restraint requirements in order to receive the ongoing and one-time operations increase for FY 2025-26, set at 4.5% or $735, whichever is greater and limits FY 2026-27 resident tuition and fee increases to the greater of 4.0% and $651. Executive revises reporting date from the first business day of November to the last business day of August. Revises language that limits FY 2026-27 resident tuition and fee increases to 4.0% or $651, whichever is greater, and limits FY 2027-28 resident tuition and fee increases to the greater of 5.0% or $855. House concurs with reporting date revision and FY 2026-27 resident tuition and fee rates, but limits FY 2027-28 resident tuition and fee increases to the greater of 3.0% or $513. Senate concurs with Executive and House with reporting date revision and FY 2026-27 resident tuition and fee rates, but limits FY 2027-28 resident tuition and fee increases to the greater of 3.5% or $599 and adds a limit on room and board rate increases for universities with a mandatory on-campus housing requirement to the greater of 3.5% or $446 for FY 2027-28. Conference concurs with Executive but limits FY 2027-28 resident tuition and fee increases to the greater of 4.0% or $651.

Sec. 241e. Institutional Best Practices Detail **– RETAINED**
Executive deletes language that requires public universities to certify following at least 2 of 5 institutional best practices to receive ongoing operations increases, one of which must be the best practice on transfers and working to increase the number of reverse transfer or articulation agreements. House revises to add a best practice on posting the costs of degree attainment and the earnings associated with degree attainment. Senate revises to require universities to certify to following all institutional best practices to receive one-time operations funding, and adds 2 additional best practices on co-requisite model of gateway math and English courses and assessing students for credit based on prior learning; adds reporting requirement on persistence towards on-time completion and completion rates. Conference retains.

Sec. 241h. Institutional Salaries Spending Restriction **– RETAINED**
Executive deletes language that restricts public universities from spending more than 10% of operations appropriations on administration and includes which costs are not considered administrative spending, with the sum of money spent over the cap reduced from operations allocations. House retains but removes legislative intent language. Senate concurs with Executive. Conference retains.

Sec. 247a. Michigan Reconnect Program Expansion **– NEW**
Conference adds language that allows 21-24 year olds to participate in the Michigan Reconnect program under appropriated program funding.

Major Boilerplate Changes from FY 2025-26

***Sec. 248. Michigan Achievement Scholarship Program Detail* – REVISED**
Provides for distribution of funds appropriated for Michigan Achievement Scholarships. Specifies criteria for scholarship eligibility. Details award amounts to cover last-dollar in-district tuition and fees minus gift aid and a $1,000 additional payment to Pell-eligible community college or tribal institution students, and up to $5,500 for students at public universities, baccalaureate programs at community colleges, or independent nonprofit colleges or universities. Executive revises language and definitions to refer to proposed Michigan Achievement Scholarship Act and Michigan Achievement Skills Scholarship Act, which would codify scholarship program in statute and remove most program guidelines from the Higher Education budget boilerplate. House revises language to add scholarship eligibility for full-time students who received an associate degree under the Michigan Reconnect Program. Senate revises program eligibility from 15 months after high school graduation to 24 months and deletes language allowing up to $10.0 million on marketing the scholarship. Conference revises language with various technical adjustments on program eligibility and adds reporting requirement on various details about scholarship participants and award amounts to be posted on a statewide dashboard in partnership with CEPI.

***Sec. 248a. Michigan Achievement Skill Scholarship Program Detail* – REVISED**
Details process for awarding Michigan Achievement Skills Scholarship funds for students participating in an eligible qualified occupational training program; details award amounts of up to $2,000 per year for a maximum of two years. Conference revises language with various technical adjustments on program eligibility and adds reporting requirement on various details about scholarship participants and award amounts.

***Sec. 252. Tuition Grant Program Detail* – RETAINED**
Provides for distribution of funds appropriated for Tuition Grants through the program sunset fund. House revises language to prevent a student who receives a Tuition Grant from also receiving a Michigan Achievement Scholarship. Senate retains. Conference retains.

***Sec. 256. Tuition Incentive Program Detail* – REVISED**
Specifies criteria for Tuition Incentive Program (TIP) eligibility. Provides for award conditions and limits under Phase I dealing with associate degree and certificate programs and Phase II, third and fourth years toward bachelor's degree; prohibits term and semester credit hour caps. Executive revises language to add special education graduates to program eligibility, closes eligibility for Phase II to new students starting academic year 2026-27, and caps Phase I awards at public universities to 2.5 times the average in-district community college tuition rate starting academic year 2027-28. House concurs with the special education addition but does not include Phase I award caps or Phase II elimination. Senate concurs with Executive on the special education addition and Phase I award caps. Conference concurs with Executive on the special education addition and includes language directing MiLEAP to examine and recommend changes to TIP and submit a report.

***Sec. 260. Student Loan and Financial Aid Website* – RETAINED**
Requires MiLEAP, working with the Michigan College Access Network, the Michigan Association of School Counselors, the Michigan Association of State Universities (MASU), the Michigan Community College Association (MCCA), and Michigan Independent Colleges and Universities (MICU) to the extent possible, to create and update a website for students containing various student financial aid information. House adds requirement to post the costs of degree attainment and the earnings associated with degree attainment. Senate retains. Conference retains.

***Sec. 263. Michigan State University's Project GREEEN* – RETAINED**
House deletes language that allocates $5.6 million from MSU AgBioResearch and MSU Extension appropriations for Project GREEEN (Generating Research and Extension to meet Environmental and Economic Needs). Senate retains. Conference retains.

***Sec. 263b. Michigan State University's Agricultural Climate Resiliency Program* – RETAINED**
House deletes language that allows funds from MSU's AgBioResearch and Extension appropriations to be used for the Agricultural Climate Resiliency Program, which addresses environmental sustainability issues in Michigan agriculture and promotes the protection and efficient use of water resources. Senate retains. Conference retains.

***Sec. 268. North American Indian Tuition Waiver Reporting Requirements* – REVISED**
States legislative intent that funds be allocated for unfunded Indian Tuition Waiver costs at public universities from the General Fund. Requires MiLEAP to report certain information related to the waivers by January 15, and requires universities and tribal colleges receiving waiver pass-through funding to provide data under guidelines and procedures developed by MiLEAP by January 1. Executive deletes language requiring reporting on students who withdraw and additional reports on graduation completions within 150% of the normal time to complete. House revises language on report recipients. Senate revises language on reporting requirements on the value of waivers granted each term. Conference concurs with Executive.

Major Boilerplate Changes from FY 2025-26

***Sec. 269. Saginaw Chippewa Tribal College North American Indian Tuition Waiver Funding* – REVISED**
Specifies a $80,800 pass-through payment from Central Michigan's North American Indian Tuition Waiver appropriation to Saginaw Chippewa Tribal College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to MiLEAP. Executive revises payment from $80,800 to $96,700. House concurs. Senate concurs. Conference concurs.

***Sec. 270. Bay Mills Community College North American Indian Tuition Waiver Funding* – REVISED**
Specifies a $498,800 pass-through payment from Lake Superior State's North American Indian Tuition Waiver appropriation to Bay Mills Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to MiLEAP. Executive revises payment from $498,800 to $465,000. House concurs. Senate concurs. Conference concurs.

***Sec. 270c. Keweenaw Bay Ojibwa Community College North American Indian Tuition Waiver Funding* – REVISED**
Specifies a $105,700 pass-through payment from Northern Michigan's North American Indian Tuition Waiver appropriation to Keweenaw Bay Ojibwa Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to MiLEAP. Executive revises payment from $105,700 to $112,200. House concurs. Senate concurs. Conference concurs.

***Sec. 275d. Communication with the Legislature* – RETAINED**
Executive deletes legislative intent language that urges a university to not take disciplinary action against an employee for communicating with the legislature. House retains. Senate retains. Conference retains.

***Sec. 275k. University Charter School Authorization Reporting Requirement* – REVISED**
Executive deletes language that requires universities that serve or have served as an authorizer of charter schools to submit a report to the legislature and the Michigan Department of Education with various details on public school academies authorized by the institution. House concurs. Senate retains. Conference revises language to include fewer reporting requirements, retaining information that relates to academic and financial information.

***Sec. 275l. Public School Academy (PSA) Authorizer Fee and State Scholarship Reduction* – NOT INCLUDED**
Senate adds language that reduces state-funded scholarship payments for public universities that are also PSA authorizing bodies by up to 1% of authorizing fees collected. Conference does not include.

***Sec. 275m. University On-Campus Housing Reporting Requirement* – RETAINED**
Executive deletes language that requires each public university that has an on-campus housing residency requirement for any length of time to report if the university requires students to reside on-campus as a condition of enrollment, a summary of policies relating to on-campus residency requirements, the average charge for room and board for the most commonly selected room accommodation and meal plan, and the average charge for room and board for the prior five academic years. House concurs. Senate retains. Conference retains.

***Sec. 275n. State Scholarship Programs Funding Restrictions* – NOT INCLUDED**
Senate adds language that prohibits state-funded scholarships from being awarded to students enrolled in theology, divinity, or religious education or to students enrolled at an institution that does not have a board-approved policy of inclusion and non-discrimination of protected characteristics under the Elliott-Larsen Civil Rights Act. Conference does not include.

***Sec. 275o. Diversity, Equity, and Inclusion (DEI) Programs Report* – NOT INCLUDED**
Senate adds language that requires each public university to report on changes to DEI programs made after January 1, 2026 and to report on resources, programs, or efforts that would mitigate negative consequences if DEI programs were reduced. Conference does not include.

***Sec. 276. Martin Luther King, Jr. – Cesar Chavez – Rosa Parks (KCP) Future Faculty Program* – REVISED**
House deletes language that provides for fellowship program, funded by allocations from public university appropriations, intended to increase number of academically or economically disadvantaged candidates pursuing faculty teaching or administration careers, and details reporting and institutional requirements of unexpended and unencumbered program funds. Senate revises name of program to King-Huerta-Hood-Parks. Conference concurs with Senate.

***Sec. 277. KCP College Day Program* – REVISED**
House deletes language that provides for program, funded by allocations from public university appropriations, intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Senate revises name of program to King-Huerta-Hood-Parks. Conference concurs with Senate.

***Sec. 278. KCP Select Student Support Services Program* – REVISED**
House deletes language that provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to develop academically/economically disadvantaged student retention programs. Senate revises name of program to King-Huerta-Hood-Parks. Conference concurs with Senate.

Major Boilerplate Changes from FY 2025-26

Sec. 279. KCP College/University Partnership Program **– REVISED**
House deletes language that provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to increase the number of academically or economically disadvantaged students who transfer from community colleges to baccalaureate institutions. Senate revises name of program to King-Huerta-Hood-Parks. Conference concurs with Senate.

Sec. 280. KCP Visiting Professors Program **– REVISED**
House deletes language that provides for program, funded by allocations from public university appropriations, intended to increase the number of instructors to provide role models for academically or economically disadvantaged students, and details requirements of unexpended and unencumbered program funds. Senate revises name of program to King-Huerta-Hood-Parks. Conference concurs with Senate.

Sec. 281. KCP Morris Hood, Jr. Educator Development Program **– REVISED**
House deletes language that provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to increase the number of academically or economically disadvantaged students enrolling in and completing K-12 teacher education programs. Senate revises name of program to King-Huerta-Hood-Parks. Conference concurs with Senate.

Sec. 282. Unspent KCP Funds Reporting Requirement, Reallocation, and Financial Aid Restriction **– RETAINED**
House deletes language that provides for reallocation of KCP grant funds from institutions that do not fully expend their funds. Senate retains. Conference retains.

Sec. 287. Average Cost of Attendance Report **– NOT INCLUDED**
Senate adds language that requires CEPI to work with MiLEAP to collect and publish the average cost of attendance for full-time, first-time students from the federal Integrated Postsecondary Education Data System for each Michigan community college, tribal institution, public university, and independent nonprofit college or university for the current and previous two academic years. Conference does not include.

Sec. 291. Auditor General University Performance Audits **– RETAINED**
Permits auditor general to conduct performance audits of public universities. House adds language requiring audits at least once every seven years. Senate retains. Conference retains.

FY 2026-27 University Operations Appropriations
Conference

University	FY 2025-26 Appropriation	FY 2025-26 Total Indian Tuition Waiver Payment	FY 2025-26 One-Time Appropriation	FY 2025-26 Base Appropriation	Total One-Time Operations Increase	FY 25 Indian Tuition Waiver Cost	Indian Tuition Waiver Pass-Through Payments	Indian Tuition Waiver Adjustment	Total FY 27 Indian Tuition Waiver Payment	Total FY 2026-27 Appropriation	Percent Change	Change From FY 2025-26 Total
Central	$102,351,100	$1,680,400	$2,885,000	$97,785,700	$3,920,600	$1,877,400	$96,700	$293,700	$1,974,100	$103,680,400	1.3%	$1,329,300
Eastern	89,193,400	412,900	2,544,200	86,236,300	3,457,500	423,900	0	11,000	423,900	90,117,700	1.0%	924,300
Ferris	64,034,100	798,300	1,812,200	61,423,600	2,462,700	771,500	0	(26,800)	771,500	64,657,800	1.0%	623,700
Grand Valley	101,727,400	1,219,100	2,955,400	97,552,900	3,911,200	1,235,500	0	16,400	1,235,500	102,699,600	1.0%	972,200
Lake Superior	16,739,700	1,447,100	438,300	14,854,300	595,600	1,099,900	465,000	117,800	1,564,900	17,014,800	1.6%	275,100
Michigan State	333,766,200	2,508,800	9,740,500	321,516,900	12,890,700	2,413,500	0	(95,300)	2,413,500	336,821,100	0.9%	3,054,900
Michigan Tech	58,309,000	731,900	1,650,000	55,927,100	2,242,300	800,700	0	68,800	800,700	58,970,100	1.1%	661,100
Northern	57,289,300	1,417,800	1,601,100	54,270,400	2,175,900	1,542,400	112,200	236,800	1,654,600	58,100,900	1.4%	811,600
Oakland	75,574,300	325,200	2,212,700	73,036,400	2,928,300	378,300	0	53,100	378,300	76,343,000	1.0%	768,700
Saginaw Valley	35,415,000	183,000	1,036,000	34,196,000	1,371,000	240,800	0	57,800	240,800	35,807,800	1.1%	392,800
UM-Ann Arbor	373,432,700	1,900,600	10,924,800	360,607,300	14,458,000	1,746,100	0	(154,500)	1,746,100	376,811,400	0.9%	3,378,700
UM-Dearborn	32,662,700	194,300	954,700	31,513,700	1,263,500	248,800	0	54,500	248,800	33,026,000	1.1%	363,300
UM-Flint	27,684,500	480,900	799,900	26,403,700	1,058,600	537,600	0	56,700	537,600	27,999,900	1.1%	315,400
Wayne State	234,673,800	477,100	6,886,500	227,310,200	9,113,600	598,700	0	121,600	598,700	237,022,500	1.0%	2,348,700
Western	128,919,500	757,400	3,672,800	124,489,300	4,991,200	776,500	0	19,100	776,500	130,257,000	1.0%	1,337,500
TOTAL:	**$1,731,772,700**	**$14,534,800**	**$50,114,100**	**$1,667,123,800**	**$66,840,700**	**$14,691,600**	**$673,900**	**$830,700**	**$15,365,500**	**$1,749,330,000**	**1.0%**	**$17,557,300**

Requirements to receive operations increase for FY 2026-27:
1. Restrain FY 2026-27 resident undergraduate tuition/fee rate increase to 4.0% or $651(whichever is greater).