

FY 2023-24 SCHOOL AID BUDGET

S.B. 173 (S-3): SENATE APPROPRIATIONS REC.

(as reported)

Committee: Appropriations



Throughout this document Senate means Committee Recommendation

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2022-23 YEAR-TO-DATE*	FY 2023-24 SENATE APPROPRIATIONS REC.	CHANGES FROM FY 2022-23 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	19,642,816,400	20,811,281,000	1,168,464,600	5.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	19,642,816,400	20,811,281,000	1,168,464,600	5.9
Less:				
Federal Funds	2,552,143,500	2,199,043,500	(353,100,000)	(13.8)
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING.....	17,090,672,900	18,612,237,500	1,521,564,600	8.9
Less:				
Other State Restricted Funds.....	16,966,472,900	18,522,337,200	1,555,864,300	9.2
GENERAL FUND/GENERAL PURPOSE	124,200,000	89,900,300	(34,299,700)	(27.6)
PAYMENTS TO LOCALS	15,764,187,600	16,790,898,600	1,026,711,000	6.5

*As of February 7, 2023.

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

- 1. Virtual Learning.** The Senate modified the definition of "virtual course" to allow schools to conduct learning remotely for individual days rather than cancelling classes (Sec. 21f).
- 2. Student Teacher Stipends.** The Senate removed the list of acceptable uses for student teacher stipends. The stipends would be paid to the eligible student teachers, with no restrictions on use (Sec. 27c).
- 3. ISD Activities.** The Senate removed language requiring ISDs to ensure that public school academies are not excluded from activities, such as meetings, events, email distribution lists, and other coordination or collaboration activities (Sec. 81).
- 4. Career and Technical Education Incentive Payments.** The Senate removed a requirement that incentive payments be split between the district and ISD if the CTE program is provided at the ISD (Sec. 61d).
- 5. Pupil Count Day Exception.** The Senate added language allowing an alternate pupil count day if the day in statute falls on a day of religious or cultural significance (Sec. 6).
- 6. Repealed Sections.** The Senate repealed sections that related to extended COVID-19 learning plans (Sec. 98a), benchmark assessment reporting (Sec. 98b), prohibition of funds for legal action initiated by a district (Sec. 164g), restrictions on collective bargaining agreements (Sec. 164h), penalty for abortion referrals (Sec. 166), and various one-time funding or eliminated programs.

FY 2022-23 Year-to-Date Appropriation	\$19,642,816,400	\$124,200,000		
	CHANGE FROM FY 2022-23 Y-T-D		FY 2023-24 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. Cost Adjustments. The Senate recognized costs for MPSERS normal costs (\$363.7 million), special education (\$168.8 million), promise zone payments (\$11.2 million), federal grants (\$6.4 million), school lunch costs (\$2.2 million), PILT reimbursement (\$95,000), foundation allowance (negative \$209.0 million), and SAF borrowing costs (negative \$6.8 million).	336,475,000	50,000	N/A	N/A
2. Economic Adjustments. Includes negative \$45,200 Gross and negative \$43,700 GF/GP for total economic adjustments.	(45,200)	(43,700)	N/A	N/A
<u>New Programs/Program Increases</u>				
3. Foundation Allowance. The Senate increased the target foundation allowance 6%, to \$9,700 per-pupil.	633,000,000	0	10,633,000,000	0
4. At-Risk. The Senate included funding for increased costs (\$73.1 million) and to implement a new opportunity index (\$100.0 million). All districts would receive at least 11.5% of the foundation allowance for each at-risk pupil, but districts with higher concentrations of poverty would receive a higher reimbursement, up to 15.3%.	173,100,000	0	920,600,000	0
5. Expanded Breakfast and Lunch Programs. The Senate included \$160.0 million to reimburse schools for the added cost of providing free breakfast and lunch to all students, and \$5.0 million to reimburse schools for added costs to provide special meals.	165,000,000	0	165,000,000	0
6. Special Education Foundation Increase. The Senate increased the special education foundation amount from 75% to 100% of the target foundation allowance, or \$9,700 per-pupil.	148,700,000	0	499,500,000	0
7. District Pre-K and GSRP Expansion. The Senate included additional foundation allowance funding (\$117.0 million) to allow districts to run pre-K programs and count the students in pupil counts. Pre-K students would count as 1.2 FTE. Also included \$77.0 million for GSRP costs and to allow providers to opt for an extended schedule that meets 5 days per week, 36 weeks per year in exchange for \$11,640 per slot.	194,000,000	0	N/A	N/A
8. Bilingual Education. The Senate increased funding for bilingual education by 100%.	26,511,000	0	53,022,000	0
9. Child and Adolescent Health Centers. The Senate included an increase for child and adolescent health centers. The increase includes	15,000,000	0	48,000,000	0

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	CHANGE FROM FY 2022-23 Y-T-D		FY 2023-24 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
\$15.0 million for increased ongoing funding, \$10.0 million for one-time IT costs, and \$10.0 million for one-time infrastructure investments at existing centers. One-Time funding included in item #21 below.				
10. MPSERS Cost Offset for ISDs and Libraries. The Senate added funding to extend the MPSERS cost offset currently received by districts to ISDs and district libraries.	11,939,000	0	111,939,000	0
11. Other Increases. The Senate increased funding for mental health grants and administration (\$28.9 million), vocational education (\$10.0 million), and other programs (\$18.0 million).	49,666,900	500,000	N/A	N/A
<u>Eliminations/Reductions</u>				
12. Remove FY 2022-23 One-Time Items. The Senate removed all items that were designated as one-time funding in the FY 2022-23 budget, although some programs were added back either as new one-time items or ongoing expenditures.	(1,923,682,500)	(74,602,000)	0	0
13. Foundation Allowance - Reduce Funding for Cyber Schools. The Senate reduced funding for cyber schools to 80% of the target foundation allowance, or \$7,760 per-pupil.	(42,000,000)	0	10,633,000,000	0
14. School Resource Officers. The Senate eliminated matching funds used to hire school resource officers.	(25,000,000)	0	0	0
<u>One-Time Appropriations</u>				
15. School Facilities and Financial Support. The Senate included funds to aid schools with capital and infrastructure needs and financial support, including MPSERS (\$202.0 million), consolidation incentive payments (\$100.0 million), electric bus grants (\$75.0 million), and other supports (\$62.0 million).	439,000,000	0	N/A	N/A
16. Mental Health and School Safety. The Senate included funding for mental health and school safety per-pupil payments for public schools (\$310.5 million) and nonpublic schools (\$17.5 million), and included funding for the SMART counselors program (\$15.0 million).	343,000,000	18,000,000	343,000,000	18,000,000
17. Student Loan Repayment Assistance Pilot. The Senate included a pilot program to give student loan repayment assistance to district and ISD staff that work directly with students. Eligible employees would receive up to \$250 per month for loan payments, or up to \$450 per month if they work in a high-need district (greater than 75% at-risk).	250,000,000	0	250,000,000	0

	CHANGE FROM FY 2022-23 Y-T-D		FY 2023-24 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
18. Salary Incentive Pilot Program. The Senate included funding for a salary incentive pilot program.	125,000,000	0	125,000,000	0
19. New One-Time Programs. The Senate included funding for various new programs including the Downriver career and technical consortium (\$15.0 million), Boys and Girls Club of SE MI (\$15.0 million), 3-year-old pilot program (\$12.0 million), Teaching Diverse Histories (\$10.0 million), Levin Center/Wayne State civics education (\$6.2 million), Lansing CTE center (\$6.0 million), Detroit Parent Network (\$5.0 million), MI Learning Channel (\$5.0 million), and others (\$28.2 million).	102,450,100	5,000,000	102,450,100	5,000,000
20. Continuation of Other Previously Funded Programs. The Senate included one-time funding for several other programs that were funded as one-time items in FY 2022-23.	82,050,300	13,350,300	82,050,300	13,350,300
21. One-Time Increases for Ongoing Programs. The Senate included one-time increases for early literacy (\$25.0 million), child and adolescent health centers (\$20.0 million, item #9 above), adult education (\$15.0 million), and other programs (\$4.3 million).	64,300,000	3,800,000	157,100,000	14,300,000
Other				
22. FY 2022-23 Supplemental. The Senate included several supplemental items including Healthy Schools (\$150.0 million), MI Kids Back on Track (\$100.0 million), Detroit literacy settlement (\$94.4 million), school debt retirement (\$52.5 million), Talent Together (\$25.0 million), school meal debt forgiveness (\$2.5 million) and others (\$30.0 million).	0	0	N/A	N/A
23. MPERS Reserve Fund Deposit. The Senate deposited \$500.0 million into the MPERS Obligation Reform Reserve Fund.	0	0	N/A	N/A
24. Fund Shifts. The Senate shifted \$83.0 million of Federal funds to SAF in the GSRP line and shifted \$354,300 from GF/GP to SAF in the foundation allowance.	0	(354,300)	N/A	N/A
Total Changes	\$1,168,464,600	(\$34,299,700)		
FY 2023-24 SENATE APPROPRIATIONS REC.	\$20,811,281,000	\$89,900,300		

Date Completed: 5-2-23

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