

FY 2024-25 SCHOOL AID BUDGET

S.B. 751 (S-1): SENATE SUBCOMMITTEE REC.

(as reported)

Committee: Appropriations



Throughout this document Senate means Subcommittee Recommendation

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2023-24 YEAR-TO-DATE*	FY 2024-25 SENATE SUBCOMMITTEE REC.	CHANGES FROM FY 2023-24 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	21,459,651,300	20,325,366,700	(1,134,284,600)	(5.3)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	21,459,651,300	20,325,366,700	(1,134,284,600)	(5.3)
Less:				
Federal Funds	2,200,793,500	2,272,793,500	72,000,000	3.3
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING.....	19,258,857,800	18,052,573,200	(1,206,284,600)	(6.3)
Less:				
Other State Restricted Funds.....	19,170,957,800	17,992,823,200	(1,178,134,600)	(6.1)
GENERAL FUND/GENERAL PURPOSE	87,900,000	59,750,000	(28,150,000)	(32.0)
PAYMENTS TO LOCALS	17,622,688,000	16,424,651,500	(1,198,036,500)	(6.8)

*As of February 7, 2024.

- Major Boilerplate Changes from FY 2023-24 Year-to-Date:**
- 1. Consolidation Incentive Payments.** The Senate added language to allow up to \$25.0 million from the consolidation incentive payments line to be awarded as grants to district and Intermediate School Districts (ISD) with emergency infrastructure needs that threaten the health and safety of students and staff. (Sec. 12c)
 - 2. Special Ed. Millage Equalization.** The Senate changed the formula for ISD payments under the special education millage equalization distribution. (Sec. 56)
 - 3. At-Risk.** The Senate added language to allow a district to use up to 60% of funding for the retention and recruitment of instructional staff and staff providing services related to social, emotional or physical health. (Sec. 31a)
 - 4. Great Start Readiness Program.** The Senate added a requirement that a program run by a community-based provider must pay the teacher of record a salary no less than the average teacher salary, adjusted for years of service, of the surrounding district. (Sec. 32d)
 - 5. MI Future Educator Fellowship and Student Teacher Stipends.** The Senate added language allowing funds to be appropriated from the Educator Fellowship Public Provider Fund if the amount appropriated is insufficient to fund all eligible stipends (Sec. 27c). This is identical to language in Sec. 27a for the MI Future Educator Fellowship program. Also added language that unspent funds from the MI Future Educator Fellowship and Student Teacher Stipends would be deposited to the Educator Fellowship Public Provider Fund or Educator Fellowship Private Provider Fund, not lapse to the School Aid Fund or General Fund, as applicable. (Sec. 27d and 27e)
 - 6. Repealed Sections.** The Senate repealed sections that related to collective bargaining prohibitions (Sec. 164h) and various one-time funding programs.

FY 2023-24 Year-to-Date Appropriation	\$21,459,651,300	\$87,900,000		
	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. Cost Adjustments. The Senate recognized costs for special education (\$442.1 million), universal school meals (\$40.0 million), promise zone payments (\$9.1 million), foundation allowance costs (negative \$245.2 million), School Bond Loan Fund payments (negative \$88.0 million), and Michigan Public School Employee Retirement System (MPERS) costs (negative \$41.3 million). Also included \$60.0 million to replace one-time funding for school meals.	176,700,000	0	N/A	N/A
2. Remove FY 2023-24 One-Time Items. The Senate removed all FY 2023-24 one-time appropriations.	(2,324,086,000)	(38,150,000)	N/A	N/A
3. Economic Adjustments. Includes \$301,400 Gross and \$230,600 GF/GP for total economic adjustments.	301,400	230,600	N/A	N/A
<u>New Programs/Program Increases</u>				
4. Foundation Allowance. The Senate increased the target foundation allowance 3.1%, to \$9,910 per pupil.	397,000,000	0	10,640,000,000	0
5. Other Program Increases. The Senate included increases for at-risk grants (\$122.6 million), special ed. foundations (\$15.5 million), vision, hearing and dental screening (6.5 million), literacy coaches (\$3.3 million), ISD general operations (\$2.5 million), robotics (\$2.0 million), dropout recovery (\$1.0 million), and others (\$13.9 million).	167,201,400	0	N/A	N/A
6. Per-Pupil Mental Health and School Safety Grants. The Senate included funding for per-pupil grants to districts and ISDs and designated \$50.0 million as ongoing funding. This program was funded in FY 2023-24 with one-time funding.	150,000,000	0	150,000,000	0
7. Great Start Readiness Program (GSRP). The Senate increased the per-pupil rate and increased eligibility to 400% FPL (\$82.5 million), increased early childhood block grants (\$600,000), and continued classroom startup grants (\$35.0 million) and the transportation increase (\$18.0 million).	136,093,100	0	680,563,100	350,000
8. Student Loan Repayment Assistance. The Senate included funding for the program, which was previously funded in FY 2023-24 with one-time funding. Funding was changed to ongoing, and money was added to change the administration of the program from districts to the department of education.	75,300,000	300,000	75,300,000	300,000

	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
9. Bilingual Education. The Senate increased funding for bilingual education (English language learners) by 100%.	39,766,500	0	79,533,000	0
10. Continuation of Previously Funded Programs. The Senate restored funding for several programs that were previously funded with one-time funds and converted to ongoing funding, including MPSERS ISD and library reimbursement (\$11.9 million), LETRS (\$10.0 million), MI Learning Channel (\$3.0 million), and College and Career Readiness Tools (\$1.4 million).	26,339,000	1,400,000	N/A	N/A
<u>Eliminations/Reductions</u>				
11. MPSERS Unfunded Actuarial Accrued Liability (UAAL) Payments. The Senate recognized savings by removing the funding floor for UAAL payments on other post-employment benefits (OPEB).	(631,700,000)	(200,000)	1,039,400,000	0
12. Foundation Allowance – Reduce Funding for Cyber Schools. The Senate reduced funding for cyber schools to 80% of the target foundation allowance, or \$7,928 per pupil.	(26,000,000)	0	N/A	N/A
<u>One-Time Appropriations</u>				
13. Continuation of Previously Funded Programs. The Senate included one-time funding for several programs that were funded as one-time items in FY 2022-23 or FY 2023-24, including transportation costs (\$125.0 million), MPSERS PGA buydown (\$84.1 million), enrollment stabilization (\$71.0 million), before- and after-school programs (\$69.0 million), high dosage tutoring (\$50.0 million), grow-your-own programs (\$36.8 million), Career and Technical Education (CTE) equipment upgrades (\$18.0 million), Free Application for Federal Student Aid (FAFSA) completion (\$15.0 million), and others (\$89.6 million).	558,500,000	4,600,000	558,500,000	4,600,000
14. Programs for Educators. The Senate included a new program to create teacher leadership positions (\$26.0 million) and support for the Black Male Educators Alliance (\$2.5 million).	28,500,000	0	28,500,000	0
15. Other Programs. The Senate included funding for adolescent health centers (\$10.0 million), district and ISD grants (\$6.0 million), Hype Athletics (\$3.0 million), iWellness pilot (\$2.7 million), and others (\$6.4 million.)	28,050,000	4,850,000	28,050,000	4,850,000
16. School Libraries. The Senate included per-pupil funding (\$24.7 million) for districts to offset the costs of the salaries and benefits of certified school librarians, electronic resources, material resources, furniture, equipment, and supplies for school libraries, and \$300,000 for media and research literacy curriculum.	25,000,000	0	25,000,000	0

	CHANGE FROM FY 2023-24 Y-T-D		FY 2024-25 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
17. Education Research Initiatives. The Senate included funding for educational studies from the Educational Policy Innovation Collaborative (\$6.0 million), Michigan Education Justice Coalition (\$4.0 million), a special education equitable funding analysis (\$500,000), and a tax data linkage study for at-risk pupils (\$250,000).	10,750,000	250,000	10,750,000	250,000
18. Literacy Supports. The Senate included per-pupil funding for districts and ISDs for literacy curricula, tools, professional development, or other items to improve educational outcomes in literacy.	10,000,000	0	10,000,000	0
19. Safe Sidewalks. The Senate included a grant program for districts and ISDs to support capital costs to increase safety of student pedestrians.	10,000,000	0	10,000,000	0
20. Civics Education Funding and Professional Development. The Senate included funding to pay for curriculum and professional development to improve civics education.	5,000,000	0	5,000,000	0
21. Driver's Training Startup Grants. The Senate included grants for districts and ISDs to create in-school driver's training programs.	3,000,000	0	3,000,000	0
Other				
22. Fund Shifts. The Senate shifted \$1.5 million from GF/GP to the SAF for dental screenings and shifted \$69,400 from the SAF to GF/GP in the foundation allowance.	0	(1,430,600)	N/A	N/A
Total Changes.....	(\$1,134,284,600)	(\$28,150,000)		
FY 2024-25 SENATE SUBCOMMITTEE REC.....	\$20,325,366,700	\$59,750,000		

Date Completed: 4-15-24

Fiscal Analyst: Ryan Bergan