



Fiscal Year (FY) 2025 Budget (PA 120 of 2024)

Goal 8: To Provide Adequate and Equitable School Funding

Dr. Diane Golzynski, Deputy Superintendent
Spencer Simmons, Director Office of Financial Management

State Board of Education Meeting
August 13, 2024



State Strategic Education Plan Goals

1. Expand early childhood learning opportunities
2. Improve early literacy achievement
3. Improve the health, safety, and wellness of students
4. Expand secondary learning opportunities for students
5. Increase the percentage of students who graduate from high school
6. Increase the percentage of adults with a post-secondary credential
7. Increase the numbers of certified teachers in areas of shortage
8. Provide adequate and equitable school funding



Michigan Public School Employees' Retirement System (MPERS)

The FY 25 budget includes adjustments to MPERS contribution rates .

- 5.75% percentage point offset to the amount each district pays into MPERS (equivalent to \$598 million statewide or equivalent to a retirement contribution rate change from 20.96% to 15.21%)
- This \$598 million is ongoing. It is equivalent to, on average, more than a 4 percent increase on the foundation allowance for traditional public school districts that contribute to MPERS.



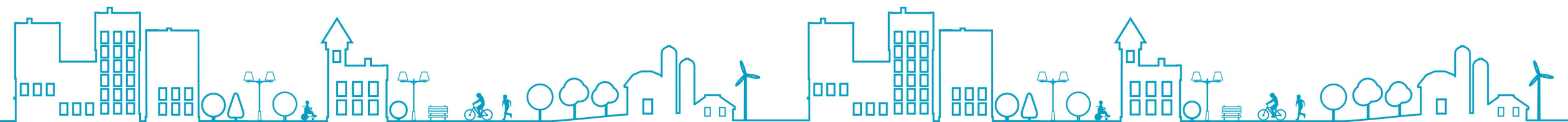
FY25 School Aid Budget

Goal 8 – provide adequate and equitable school funding.

The foundation allowance remains the same at **\$9,608** per pupil for traditional public school districts.

The foundation allowance for **cyber** public school academies (PSAs) remains the same at **\$9,150** per pupil.

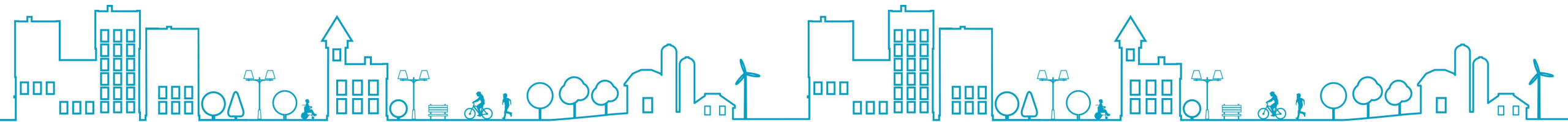
The budget includes **\$57 million** to provide a per pupil payment increase to **non-cyber** PSAs equal to 3.9% (\$375) of the foundation allowance. This category excludes charter schools that participate in MPSERS, which receive a portion of the \$598 million on the preceding slide. (sec. 22e)



Michigan Public School Employees' Retirement System (MPERS)

Additional adjustment to MPERS contribution rates :

- The elimination of the 3% contribution used to help pay for retiree health care (equivalent to \$180 million statewide)
 - This \$180 million is one-time funding
 - Affects those currently contributing 3% due to the retirement reform of 2012



FY25 School Aid Budget

Goal 8 – provide adequate and equitable school funding.

\$82.9 million increase (+8.7%) for economically disadvantaged (ED) students (sec. 31a)

\$522.5 million increase (101.8%) from \$512.5 million in FY22 to \$1.03 billion in FY25.



FY25 School Aid Budget

Goal 8 – provide adequate and equitable school funding.

Sec. 31a (continued)

- Teacher Recruitment and Retention: In a **district** that falls in bands 5 or 6 of the opportunity index (73% ED), up to 30% of the district's 31a dollars can be used to support recruitment and retention efforts that help reduce staff turnover and vacancies of instructional and support staff.
- Lowering Class Size K-3: In a **school building** that falls in bands 5 or 6 of the opportunity index (73% ED), up to 30% of the district's 31a dollars can be used to reduce the teacher to pupil ratio in grades K to 3 in that school.



FY24 School Aid Budget

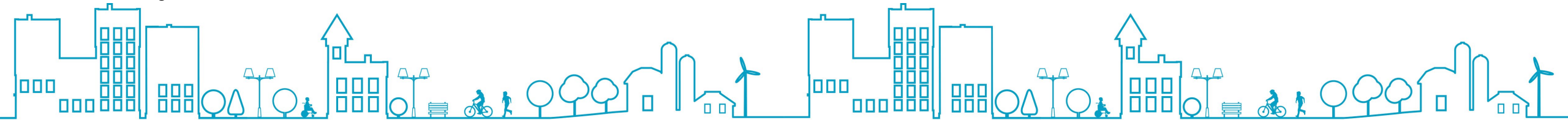
Goal 8 - provide adequate and equitable school funding.

\$10.4 million increase (+26.2%) for English learners (sec. 41)*

\$24.9 million increase (99.2%) from \$25.2 million in FY22 to \$50.2 million in FY25.

- Requires MDE to develop English learner program models by March 1, 2025, that establish a minimum number of minutes per week that districts must provide direct English language instruction for students according to the student's proficiency levels.
- It is the intent of the legislature that, beginning in 2025-2026, a district must agree to meet or exceed the minimum number of minutes per week to be eligible for sec. 41 funding.

*Recurring



FY25 School Aid Budget

Goal 8 – provide adequate and equitable school funding.

\$8.4 million increase (+1.7%) for students with disabilities (sec. 51e)*

\$409.4 million increase (453.9%) from \$90.2 million in FY22 (sec. 51f) to \$499.6 million in FY25 (sec. 51e).

*Recurring



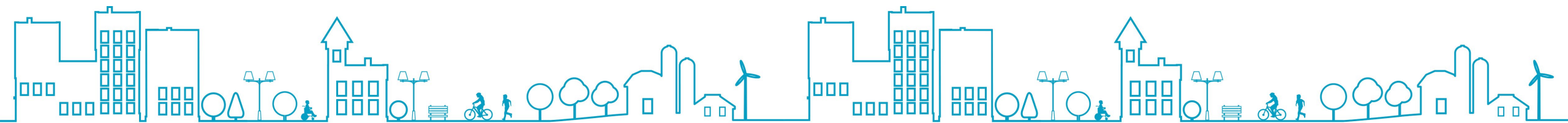
FY25 School Aid Budget

Goal 8 – provide adequate and equitable school funding.

\$705,900 increase (+6.1%) for students in rural and isolated districts
(sec. 22d)*

\$3.88 million increase (46.2%) from \$8.4 million in FY22 to \$12.3 million in FY25.

*Recurring



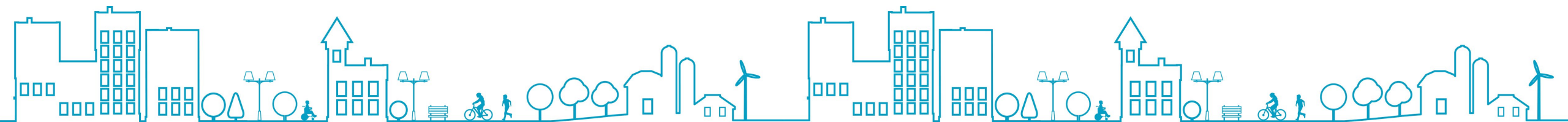
FY25 School Aid Budget

Goal 8 – provide adequate and equitable school funding.

\$6.1 million in funding is maintained for partnership districts (sec.21h)*

- An additional **\$36 million** was added in FY24 and spread over three years (+\$12 million each year for FYs 24-26)

*Recurring



FY25 School Aid Budget

Goal 8 - provide adequate and equitable school funding.

\$125 million in funding is maintained to reimburse districts for the costs of school transportation (sec. 221)*

- The funding comes from the School Transportation Fund (\$100 million remains in the fund)

*Non-recurring

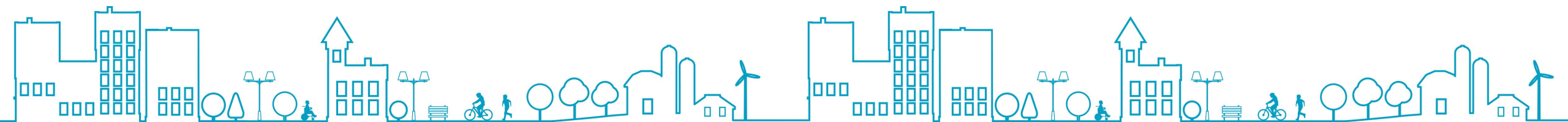


FY25 School Aid Budget

Goal 8 - provide adequate and equitable school funding.

School Consolidation and Infrastructure (sec. 12c)

- Reduces the consolidation and infrastructure fund allocation for consolidation efforts to \$135 million (from \$245 million)
- Adds emergency allocations, up to \$25 million, as an allowable use in event that a district has an infrastructure emergency but lacks the funding to fix
 - The superintendent of public instruction must submit a request for emergency funding to the state treasurer and state budget director for review.

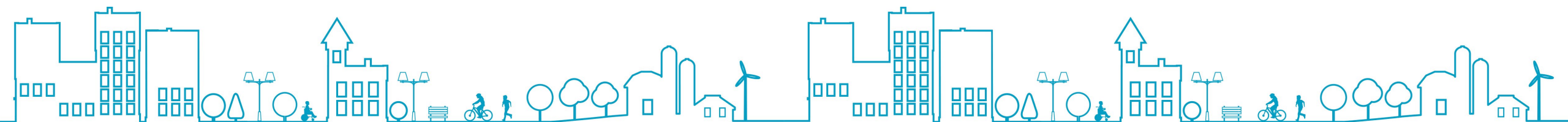


FY25 School Aid Budget

Goal 8 - provide adequate and equitable school funding.

NEW \$110 million School Consolidation and Infrastructure (sec. 12d)

- \$75 million allocated from the consolidation and infrastructure fund for grants to districts and ISDs to support costs related to internal consolidation or infrastructure.
- \$15 million to DPSCD for Cooley High School athletic complex construction
- \$10 million for the Wayne RESA academic professional building construction in Wayne
- \$5 million for Beecher High School construction
- \$4 million to build a new high school in Taylor School District
- \$1 million to support building infrastructure upgrades in Hamtramck School District



FY25 School Aid Budget

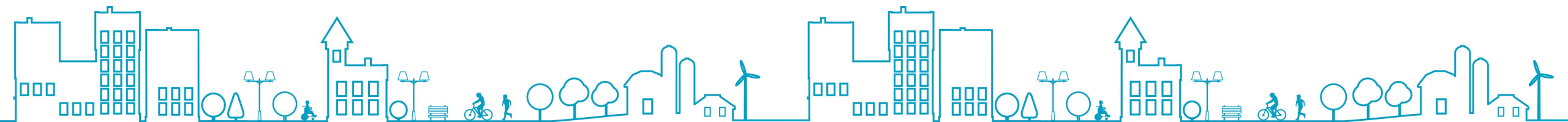
Goal 7 - increase the numbers of certified teachers in areas of shortage.

\$25 million in funding is maintained for MI Future Educator Fellowship Program (sec. 27a)*

\$50 million in funding is maintained for MI Future Educator student teacher stipends (sec. 27c)*

NEW \$12.5 million to support educator talent initiatives and programs (sec. 27g)

*Recurring



FY25 School Aid Budget

Goal 7 - increase the numbers of certified teachers in areas of shortage.

\$25 million for student loan repayment (sec. 27k)

- Includes \$600k to contract with a vendor to make a portal for educators to apply on their own behalf

\$12.5 million for Talent Together – Grow Your Own to use in paying for tuition, fees, and associated costs to ensure a no-cost pathway to certification (sec. 27p)



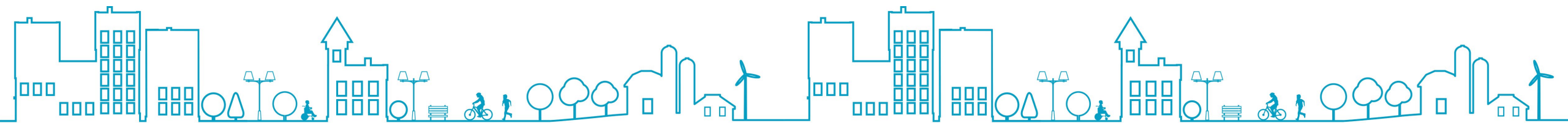
FY25 School Aid Budget

Goal 7 - increase the numbers of certified teachers in areas of shortage.

\$7 million to support the West Michigan Teacher Collaborative Grow Your Own (sec. 27r)

\$2.5 million to support the Black Male Educator Alliance (sec. 27s)

\$3 million to Teach for America's TeachMichigan initiative (sec. 99x)
Teach for America must submit a progress report to MDE



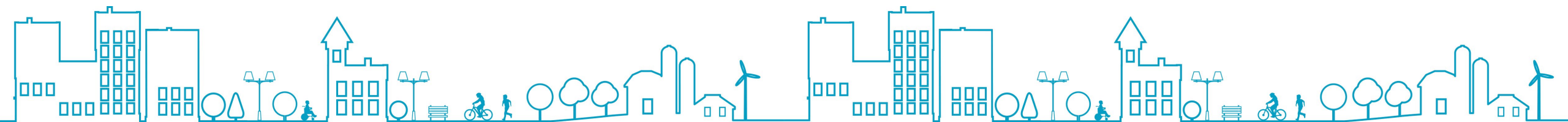
FY25 School Aid Budget

Goal 3 – improve the health, safety, and wellness of students.

\$200 million for the Michigan School Meals program (sec. 30d*)

- \$170 million in state school aid funding
- \$30 million from the school meals reserve fund

*Recurring

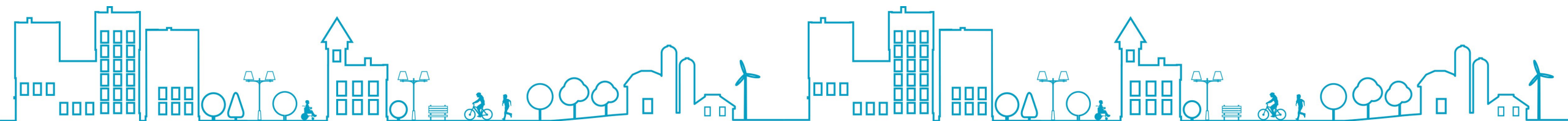


FY25 School Aid Budget

Goal 3 – improve the health, safety, and wellness of students.

\$26.5 million for Mental Health and School Safety (sec. 31aa)

- Decrease from \$310 million to \$25 million for public schools
- Decrease from \$18 million to \$1.5 million for nonpublic schools (nonrecurring)
- The \$25 million is recurring for public schools.



FY25 School Aid Budget

Goal 3 – improve the health, safety, and wellness of students.

\$107.8 million in funding is maintained for school mental health and support grants (sec. 31n)*

*Recurring



FY25 School Aid Budget

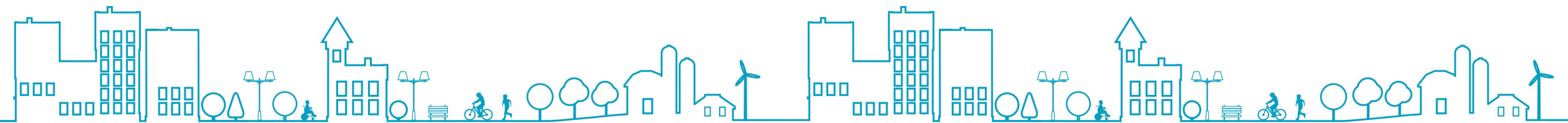
Goal 3 – improve the health, safety, and wellness of students.

\$11.6 million for hearing, vision, and dental screenings (sec. 31a(8))*

- \$5 million increase from FY24

\$1 million in funding is maintained for a pilot program for districts to distribute feminine hygiene products, upon request, to eligible students (sec. 99g)

*Recurring



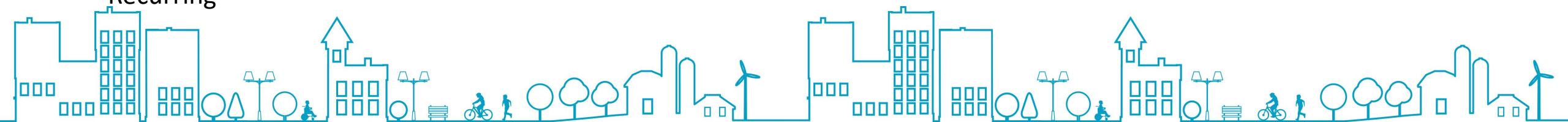
FY25 School Aid Budget

Goal 1 – expand early childhood learning opportunities.

\$111.9 million increase (+20.6%) for the Great Start Readiness Program (sec.32d)* (MiLEAP)

- Full-day allocation increased to **\$10,185** per child
 - Estimated to serve an additional 5,000 children
 - Includes **\$25 million** in funding for GSRP start-up grants (sec. 32d(29))
- An increase of almost \$112 million (20.6%) over the current fiscal year and a rise of almost \$358 million (120%) compared to funding in FY22.

*Recurring

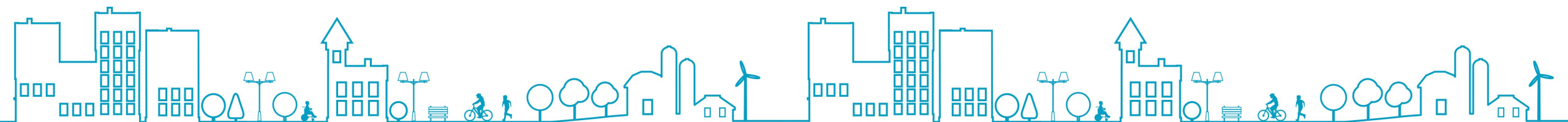


FY25 School Aid Budget

Goal 1 – expand early childhood learning opportunities.

32d Boilerplate:

- Intent that 32d will support universal GSRP in a future fiscal year
- Revises eligibility threshold to 400% of the federal poverty level (FPL) and removes the requirement that tuition be charged on a sliding scale for household incomes above 300% FPL
- Allows programs to enroll children with birthdays between September 1 and December 1 before their current enrollment date of on or after September 1 but maintains prioritization for older 4-year-olds.
- Allows MiLEAP to waive program eligibility requirements for certain licensed child care providers, but requires providers to meet program eligibility requirements within two years or three years for program credentialing
- Allows GSRP to implement Head Start national performance standards for quality as an alternative to GSRP policies and regulations



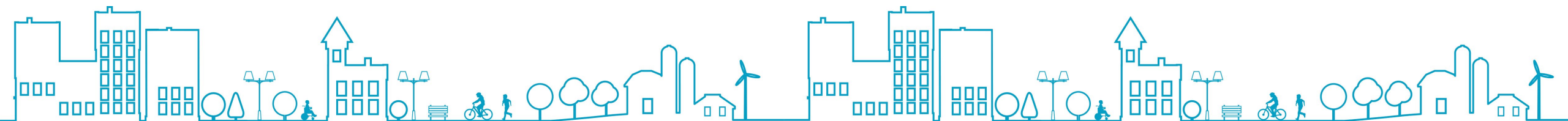
FY25 School Aid Budget

Goal 1 – expand early childhood learning opportunities.

\$1.36 million increase for Early On (sec. 54d)* (MiLEAP)

\$9.52 million increase (67.33%) from \$14.15 million in FY22 to \$23.67 million in FY25.

*Recurring

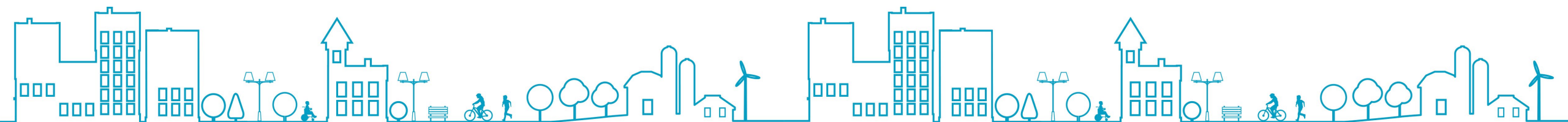


FY25 School Aid Budget

Goal 2 – improve early literacy achievement.

NEW \$87 million to improve educational outcomes in literacy (sec. 35m)

- MDE will create committee for literacy achievement, appoint its members, and determine size, timeline, and benchmarks.
- The committee will evaluate early literacy series and materials, literacy professional development, and other literacy tools – then, it will create a rankings list.
- Districts will receive more funding for higher ranked materials.

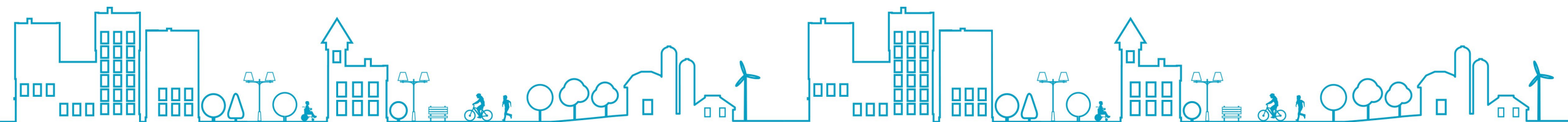


FY25 School Aid Budget

Goal 2 – improve early literacy achievement.

NEW \$10 million for the READ innovation competition (sec. 35n)

- MDE will establish the structure of the READ innovation competition
- Startup funding will go to eligible districts to develop and deploy innovative literacy initiatives



FY25 School Aid Budget

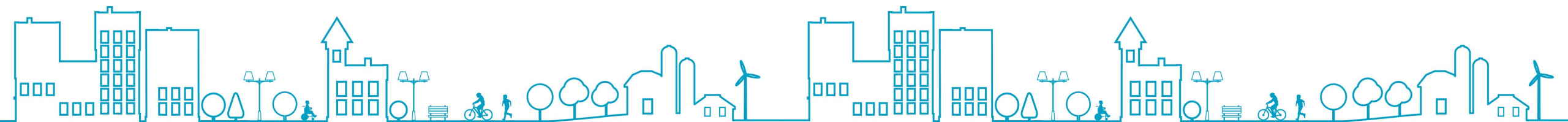
Goal 4: Expand learning opportunities for all students.

\$39.8 million for CTE programming (sec. 61a)

\$2.3 million (**6.1% increase**) over the base funding of \$37.6 million in FY24

\$304,300 increase (+6%) for CTE Incentive Payments (sec. 61d)

additional per pupil payments for those enrolled in CTE plus another additional per pupil payment if enrolled in a critical skill and high demand career field

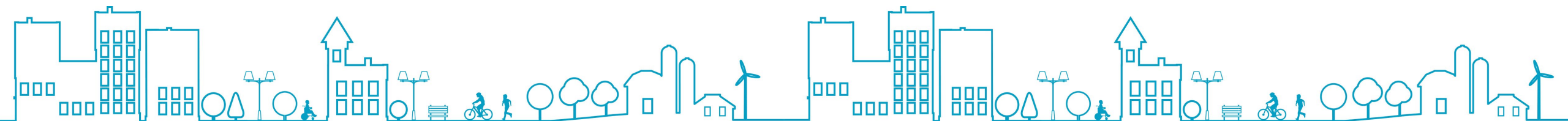


FY25 School Aid Budget

Additional Opportunities to Support Students

NEW \$4 million to support the Michigan Education Justice Coalition (sec.27f)

- \$2.8 million to create and implement a toolkit that is evidence-based and provides culturally responsive intervention and solutions to address racial disparities in K-12 education.
- \$600k to fund a participatory action research study with teachers of color in districts with higher concentrations of poverty and lower academic outcomes
- \$550k to investigate the school to prison pipeline.



FY25 School Aid Budget

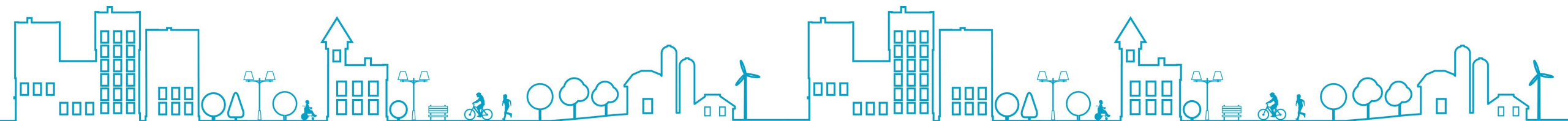
Additional Opportunities to Support Students

\$25 million increase (+50%) for competitive grants for before and after school programs and summer programs (sec. 32n) (MiLEAP)

NEW \$1 million to support the Michigan Education Research Institute (MERI) (sec. 94e)

Purpose is to expand on research that includes:

- a) Educator shortage
- b) Early literacy initiative outcomes
- c) Early childhood development programming outcomes



FY25 MDE Budget

10.0 additional full-time equivalents (FTEs) total

- 3.0 for grants management and administration
- 2.0 for Summer EBT food benefits
- 2.0 for the comprehensive mental health and district technical assistance
- 1.0 for CTE Administration
- 1.0 for the Office of Financial Management
- 1.0 to support the charter school transparency database (one-time)



FY25 MDE Budget

Other funding to the department

- 1 million increase for state aid to libraries
- \$325k (one-time) for community health worker career center
- \$275k (one-time) for mental health training
- \$100k increase for the Michigan Test for Teacher Certification Reimbursement



Budget Supplemental Considerations

1. Restoration of some portion of children's mental health and safety funding in sec. 31aa.
2. Adjustments to MPERS contribution rates in FY25 .
 - 42 PSAs have 1 or more employees participating in MPERS, which makes the PSA ineligible for sec. 22e funding. As a result, these PSAs receive very different funding increases from one another.



Additional Future Budget Consideration

- Reducing the burdensome retirement contribution rate over a period of years to a more reasonable level.



Thank You

