

**Summary: Executive Budget Recommendation
for Fiscal Year 2021-22
SCHOOL AID**



**Analysts: Jacqueline Mullen
Emily Hatch
Samuel Christensen**

	FY 2020-21 Year-to-Date as of 2/11/21	FY 2021-22 Executive	Difference: FY 2021-22 vs. FY 2020-21	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	1,806,878,500	1,822,478,500	15,600,000	0.9
Local	0	0	0	--
Private	0	0	0	--
Restricted	13,667,321,700	13,990,589,500	323,267,800	2.4
GF/GP	50,964,600	40,000,000	(10,964,600)	(21.5)
Gross	\$15,525,164,800	\$15,853,068,000	\$327,903,200	2.1

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) 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, 292 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), 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 2020-21 Year-to-Date (YTD) Appropriations		FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
1. Foundation Allowance (Secs. 22a & 22b)	Gross	\$9,447,000,000	\$203,000,000
Increases by \$203.0 million to provide increases ranging from \$82 to \$164 per pupil using a 2x formula. The minimum foundation allowance would increase from \$8,111 to \$8,275 (2.0%) and the state maximum guaranteed foundation allowance would increase from \$8,529 to \$8,611 (1.0%).	Restricted	9,446,302,400	202,835,100
	GF/GP	\$697,600	\$164,900
2. Cyber Schools Foundation Allowance Reduction (Secs. 22a & 22b)	Gross	NA	(\$30,200,000)
Reduces cyber school foundation allowances to 80% of the minimum foundation allowance for an estimated savings of \$30.2 million. For FY 2021-22, the cyber foundation allowance would be \$6,620.	Restricted	NA	(30,200,000)
	GF/GP	NA	\$0
3. Declining Enrollment (Sec. 29b) – NEW	Gross	\$0	\$200,000,000
Provides \$200.0 million SAF for payments to districts for which their FY 2020-21 pupil membership calculation (the "superblend") exceeds their FY 2021-22 membership blend. Payments are equal to 70% of the difference in pupils multiplied by the lesser of the district's foundation allowance or the Target foundation allowance.	Restricted	0	200,000,000
	GF/GP	\$0	\$0
4. Out-of-School Learning Opportunities (Sec. 35g) – NEW	Gross	\$0	\$60,000,000
Provides \$60.0 million SAF for out-of-school learning opportunities designed to address student learning loss and the academic, social, mental, and physical well-being of students in preschool through grade 12. Provides funding to each ISD in proportion to the number of economically disadvantaged students enrolled. Requires funding to go toward eligible, in-person summer programs. (See FY 2020-21 Supplemental Recommendations for Sec. 35g below.)	Restricted	0	60,000,000
	GF/GP	\$0	\$0

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations		FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
5. Great Start Readiness Program (Sec. 32d)	Gross	\$249,950,000	\$32,450,000
Increases by \$32.5 million Gross (\$250,000 GF/GP) for a total of \$282.4 million Gross (\$600,000 GF/GP) for school readiness preschool programs for 4-year-old children in low-income families. Increases the allocation per child from \$7,250 to \$8,275 for a full-day program—an amount equal to the proposed minimum foundation allowance—and from \$3,625 to \$4,138 for a part-day program. Increases the appropriation to continue a longitudinal evaluation of children who participate in GSRP by \$250,000 GF/GP to \$600,000 GF/GP for FY 2021-22 only. The one-time increase would re-appropriate funding from FY 2019-20 that lapsed due to the timing of a transition to a new contract for the study. Adds that the \$2.0 million SAF allocation for training educators in programs implementing new criteria may also be used for approved child assessment tools. (See Major Boilerplate Changes for Sec. 32d below.)	Restricted	249,600,000	32,200,000
	GF/GP	\$350,000	\$250,000
6. At-Risk Pupil Support (Sec. 31a)	Gross	\$522,000,000	\$12,500,000
Increases by \$12.5 million SAF for a total of \$534.5 million SAF. Prorated payments are expected to increase from \$742 to \$784 per economically disadvantaged pupil. Revises allocation to a district with state and local revenue exceeding the Target foundation allowance for both the current and prior year from 30% to 35% of the amount for which it would otherwise be eligible. Provides that a district may use up to 10% of funds to provide evidence-based PreK instructional and non-instructional services to at-risk pupils. Adds that a district that is eligible to use up to 20% of funds for school security may also use funds for school community liaison personnel and requires the school security or liaison personnel to connect parents and community partners to the community.	Restricted	522,000,000	12,500,000
	GF/GP	\$0	\$0
7. Per-Pupil Payment (Sec. 11d)	Gross	\$95,000,000	(\$95,000,000)
Eliminates \$95.0 million SAF for payments to districts based on 50% of districts' FY 2019-20 membership blend and 50% of their FY 2020-21 membership blend as it would have been calculated in a non-pandemic year. Payments for this section are estimated at \$65 per pupil.	Restricted	95,000,000	(95,000,000)
	GF/GP	\$0	\$0
8. Flint Declaration of Emergency (Sec. 11s)	Gross	\$8,075,100	\$0
Maintains appropriation of \$8.1 million Gross (\$3.1 million GF/GP), but revises allocations as follows: reduces by \$400,000 SAF the allocation for early intervention services for children between 3-5 years of age and increases by \$400,000 SAF the allocation for interventions and supports for students in grades K-12. Strikes requirement that Genesee ISD ensure that all eligible children who are under 4 years old as of September 1, 2016 are evaluated at least twice annually.	Restricted	5,000,100	0
	GF/GP	\$3,075,000	\$0
9. Genesee Early Childhood Collaborative (Sec. 11s(7)) – NEW	Gross	\$0	\$1,000,000
Provides \$1.0 million GF/GP for an early childhood collaborative that serves students in Genesee County. Requires the collaborative to continue the expansion of early childhood services in response to the drinking water declaration of emergency. This item was funded as one-time in the MDE budget for FY 2020-21.	Restricted	0	0
	GF/GP	\$0	\$1,000,000
10. Isolated District Funding (Sec. 22d)	Gross	\$7,000,000	\$140,000
Increases by \$140,000 SAF for a total of \$7.1 million SAF to increase allocations under this section by 2%.	Restricted	7,000,000	140,000
	GF/GP	\$0	\$0
11. Court-Placed Pupils (Sec. 24)	Gross	\$7,150,000	\$500,000
Increases by \$500,000 SAF for a total of \$7.7 million SAF for reimbursements to districts for added costs of educating court-placed pupils in a local juvenile detention facility.	Restricted	7,150,000	500,000
	GF/GP	\$0	\$0

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations		FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
12. Attendance Recovery (Sec. 25j)	Gross	\$2,000,000	(\$2,000,000)
Eliminates \$2.0 million GF/GP for an attendance recovery program for all districts that opt in to serve eligible students.	Restricted	0	0
	GF/GP	\$2,000,000	(\$2,000,000)
13. Virtual Learning Support Grants (Sec. 25j)	Gross	\$2,000,000	(\$2,000,000)
Eliminates \$2.0 million SAF for ISDs to address student needs associated with virtual instruction.	Restricted	2,000,000	(2,000,000)
	GF/GP	\$0	\$0
14. Promise Zone Funding (Sec. 26c)	Gross	\$9,700,000	\$4,100,000
Increases by \$4.1 million SAF for a total of \$13.8 million SAF for required funds for districts and ISDs with an approved Promise Zone development plan.	Restricted	9,700,000	4,100,000
	GF/GP	\$0	\$0
15. Brownfield Redevelopment Reimbursements (Sec. 26d) – NEW	Gross	\$0	\$7,500,000
Provides \$7.5 million SAF for reimbursements to ISDs as required under Sec. 15b of the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2665b.	Restricted	0	7,500,000
	GF/GP	\$0	\$0
16. Increasing Enrollment (Sec. 29a)	Gross	\$66,000,000	(\$66,000,000)
Eliminates \$66.0 million SAF for payments to districts for which their FY 2020-21 membership blend as it would have normally been calculated in a non-pandemic year exceeds their FY 2020-21 pupil membership calculation (the "superblend").	Restricted	66,000,000	(66,000,000)
	GF/GP	\$0	\$0
17. Student Meal Debt Forgiveness (Sec. 31k)	Gross	\$1,000,000	(\$1,000,000)
Eliminates \$1.0 million SAF for payments to reimburse districts that have forgiven all outstanding student meal debt.	Restricted	1,000,000	(1,000,000)
	GF/GP	\$0	\$0
18. Literacy and Math Essentials (Sec. 35a(7))	Gross	\$4,000,000	\$2,000,000
Increases by \$2.0 million SAF for a total of \$6.0 million SAF the allocation to Gogebic-Ontonagon ISD, in partnership with an association that represents ISD administrators, to implement the following: literacy essentials training modules; professional learning of these modules; regional lead literacy coaches to facilitate professional learning for early literacy coaches; and principals literacy training. Adds a fifth requirement to implement job-embedded professional learning opportunities for math teachers through mathematics instructional coaching.	Restricted	4,000,000	2,000,000
	GF/GP	\$0	\$0
19. Michigan Education Corps (Sec. 35a(8))	Gross	\$2,773,000	(\$2,773,000)
Eliminates \$2.8 million GF/GP to the Michigan Education Corps for the PreK Reading Corps and the K3 Reading Corps.	Restricted	0	0
	GF/GP	\$2,773,000	(\$2,773,000)
20. Federal Grants (Sec. 39a)	Gross	\$804,200,000	\$4,600,000
Increases federal grants under Every Student Succeeds Act (ESSA) by \$3.1 million and adds a \$1.5 million federal grant for addressing priority substance abuse treatment, prevention, and mental health needs for a total of \$808.8 million.	Federal	804,200,000	4,600,000
	Restricted	0	0
	GF/GP	\$0	\$0
21. Bilingual Education (Sec. 41)	Gross	\$13,000,000	\$260,000
Increases by \$260,000 SAF for a total of \$13.3 million SAF for services to English language learners (ELLs) that have been administered the WIDA Access or WIDA Alternate Access.	Restricted	13,000,000	260,000
	GF/GP	\$0	\$0
22. Special Education (Secs. 51a, 51c, 51d, 53a, 54, & 56)	Gross	\$1,525,296,100	\$46,500,000
Increases by \$46.5 million Gross (\$0 GF/GP) to reflect revised consensus cost estimates for special education costs. Total estimated special education expenditures for FY 2021-22 are \$1.6 billion.	Federal	446,000,000	5,000,000
	Restricted	1,079,296,100	41,500,000
	GF/GP	\$0	\$0

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations		FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
23. Special Education Cost Reimbursement (Sec. 51f)	Gross	\$60,207,000	\$1,200,000
Increases by \$1.2 million SAF for a total of \$61.4 million SAF to reimburse districts and ISDs for an estimated 2.0% of total approved special education costs. Districts and ISDs are also reimbursed under Sec. 51c for a portion of total approved special education costs and total approved special education transportation costs as mandated by the <i>Durant</i> court case.	Restricted	60,207,000	1,200,000
	GF/GP	\$0	\$0
24. ISD General Operations Support (Sec. 81)	Gross	\$69,138,000	\$1,383,000
Increases by \$1.4 million SAF for a total of \$70.5 million SAF for payments to ISDs for general operations. Each ISD would receive 102.0% of its FY 2020-21 funding.	Restricted	69,138,000	1,383,000
	GF/GP	\$0	\$0
25. Center for Educational Performance and Information (CEPI) (Sec. 94a)	Gross	\$17,042,400	\$2,000,000
Increases by \$2.0 million GF/GP for a total of \$19.0 million Gross (\$18.8 million GF/GP) to support the operations of CEPI and for the P-20 longitudinal data system. (See Economic Adjustments below, which reflects an additional reduction of \$46,400 GF/GP for CEPI.) (See Major Boilerplate Changes for Sec. 94a below.)	Federal	193,500	0
	Restricted	0	0
	GF/GP	\$16,848,900	\$2,000,000
26. Statewide Evaluation Tool (Sec. 95b)	Gross	\$2,000,000	(\$2,000,000)
Eliminates \$2.0 million GF/GP for a model value-added growth and projection analytics system.	Restricted	0	0
	GF/GP	\$2,000,000	(\$2,000,000)
27. Michigan Learning Channel (Sec. 98d)	Gross	\$2,000,000	(\$2,000,000)
Eliminates \$2.0 million SAF to Northern Michigan University to support the Michigan Learning Channel to help bridge equity gaps in K-12 education linked to distance learning.	Restricted	2,000,000	(2,000,000)
	GF/GP	\$0	\$0
28. FIRST Robotics (Sec. 99h)	Gross	\$4,700,000	\$0
Maintains \$4.7 million appropriation, but revises to fully fund with SAF. Revises to provide funding only to districts and ISDs for participation in PreK-12 events hosted by competitive robotics programs; strikes nonpublic schools as eligible recipients.	Restricted	4,400,000	300,000
	GF/GP	\$300,000	(\$300,000)
29. Teacher Retention Payment (Sec. 99z)	Gross	\$5,000,000	(\$5,000,000)
Eliminates \$5.0 million SAF for payments to first-year teachers who complete the school year as a full-time teacher at their district.	Restricted	5,000,000	(5,000,000)
	GF/GP	\$0	\$0
30. Education Assessments (Sec. 104)	Gross	\$37,259,400	(\$1,500,000)
Reduces by \$1.5 million SAF for a total of \$35.8 million Gross (\$0 GF/GP). Eliminates \$1.5 million SAF allocation for statewide implementation of the Michigan Kindergarten Entry Observation (MKEO) tool.	Federal	6,250,000	0
	Restricted	31,009,400	(1,500,000)
	GF/GP	\$0	\$0
31. Adult Education (Sec. 107)	Gross	\$30,000,000	\$0
Maintains appropriation of \$30.0 million SAF, but revises the funding amount for each ISD to be calculated as follows: 60% based on the prosperity region's proportion of total state population between ages 18-24 that are not high school graduates; 35% based on the region's proportion of total state population ages 25 and older that are not high school graduates; and 5% based on the region's proportion of total state population ages 18 and older that are lacking basic English proficiency. Implements a 25% cap on the number of participants that may already have a high school diploma or equivalency certificate and provides intent that the cap continue to be lowered annually until it reaches 0%. (See Major Boilerplate Changes for Sec. 107 below.)	Restricted	30,000,000	0
	GF/GP	\$0	\$0

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations		FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
32. Michigan Public School Employees' Retirement System (MPERS) (Secs. 147a, 147c, & 147e)	Gross	\$1,526,406,000	\$145,354,000
Increases total state support for K-12 MPERS costs by \$145.4 million Gross, including a decrease of \$10,000 GF/GP, for a total of \$1.7 billion Gross (\$560,000 GF/GP). The increase is mainly due to a reduction in the payroll growth assumption from 3.5% to 3.0% under 2018 PA 181 and updated actuarial estimates.	Restricted	1,525,836,000	145,364,000
	GF/GP	\$570,000	(\$10,000)
33. Eliminated Categorical Grants	Gross	\$7,250,100	(\$7,250,100)
Reduces by \$7.3 million GF/GP by eliminating 14 categorical grant programs and contracts.	Restricted	0	0
	GF/GP	\$7,250,100	(\$7,250,100)
<ul style="list-style-type: none"> • Sec. 35b – Dyslexia Center (\$250,000 GF/GP) • Sec. 35d – Orton-Gillingham (\$500,000 GF/GP) • Sec. 35e – Alliance of Boys and Girls Clubs (\$1.0 million GF/GP) • Sec. 35f – Chaldean Community Foundation (\$500,000 GF/GP) • Sec. 55 – Conductive Learning (\$250,000 GF/GP) • Sec. 67a – MITES (\$50,000 GF/GP) • Sec. 94b – LAUNCH MI (\$100 GF/GP) • Sec. 99i – Women in Technology (\$150,000 GF/GP) • Sec. 99t – Online Algebra Tool (\$1.0 million GF/GP) • Sec. 99u – Imagine Learning (\$1.5 million GF/GP) • Sec. 99w – Fitness Foundation (\$400,000 GF/GP) • Sec. 99x – Teach for America (\$1.0 million GF/GP) • Sec. 104(16) – Return to Learn Study (\$150,000 GF/GP) • Sec. 104f – Digital Literacy (\$500,000 GF/GP) 			
34. Other Major Cost Adjustments	Gross	\$589,044,000	\$12,194,400
Revises the following to reflect updated cost estimates:	Federal	550,000,000	6,000,000
<ul style="list-style-type: none"> • Sec. 11m – Reduces cash flow borrowing by \$1.9 million SAF to \$9.5 million SAF. • Sec. 31d – Increases state school lunch costs by \$694,400 SAF to \$23.8 million SAF. • Sec. 31d – Increases federal school lunch costs by \$6.0 million to \$556.0 million. • Sec. 31f – Increases state school breakfast costs by \$7.4 million SAF to \$11.9 million SAF. 	Restricted	39,044,000	6,194,400
	GF/GP	\$0	\$0
35. Economic Adjustments	Gross	NA	(\$55,100)
Reflects a decrease in costs of \$55,100 Gross, including a decrease of \$46,400 GF/GP, for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Restricted	NA	(8,700)
	GF/GP	NA	(\$46,400)

Major Boilerplate Changes from FY 2020-21

Sec. 4. Definitions – REVISED

Removes the Test Assessing Secondary Completion (TASC) by CTS/McGraw Hill as an eligible high school equivalency test.

Sec. 6. Pupil Membership Definitions – REVISED

Revises pupil membership calculation back to a 90/10 blend after FY 2020-21 used a "superblend" (75% of the prior year membership blend plus 25% of the current year blend).

Major Boilerplate Changes from FY 2020-21

Sec. 18. Spending, Financial Reporting, and Audit Requirements – REVISED

Clarifies that the audit report that must be posted on a district's or ISD's website is the financial audit (i.e., not the pupil audit). Revises deadlines for financial audit reports and financial data back to November dates after they were postponed by one month for FY 2020-21 only. Revises deadline for MDE to submit an itemized list of allocations to any association(s) from "October 1, 2020, and annually thereafter" to "annually."

Sec. 19. State and Federal Reporting Requirements – REVISED

Adds requirement that districts submit to CEPI information regarding completion of early middle college credentials and postsecondary credits obtained in any college acceleration program.

Sec. 31j. Locally Grown Produce in Schools – REVISED

Revises from permitting recipients to retain up to 10% of funds and MDE up to 6% of funds for administration to permitting project partners to retain 1% of funds per partner and MDE up to 10% of funds. Project partners may use funds for data collection, outreach, and training. Strikes requirement that MDE must work in conjunction with districts and sponsors of child care centers to develop application scoring criteria. Revises requirement that a recipient provide calendars or monthly menus to requiring a recipient to retain monthly menus.

Sec. 31m. School Mental Health and Support Services Fund – REVISED

Revises to require money in the School Mental Health and Support Services Fund to lapse to the School Aid Fund at the close of the fiscal year.

Sec. 32d. Great Start Readiness Program – REVISED

Revises one of the pathways for eligibility as a lead teacher (currently, that the teacher has a valid teaching certificate with an early childhood endorsement) as follows: clarifies that the teaching certificate be from Michigan and adds a lower elementary endorsement option.

Removes provisions for FY 2020-21 only, which include: an expansion from 250% of Federal Poverty Guidelines (FPG) to 400% FPG for the threshold at which ISDs must charge families tuition; a waiver from required hours, days, and weeks; and a waiver from household income eligibility thresholds.

Sec. 54d. Special Education Task Force Reforms: Early On – REVISED

Adds requirement that a grant recipient expend funds before June 30 of the fiscal year following the fiscal year in which funds were received.

Sec. 61b. Career and Technical Education (CTE) Early Middle Colleges – REVISED

Adds that CTE early middle college and CTE dual enrollment programs must be state-approved to receive funding. Expands requirements for ISDs to be an eligible fiscal agent by adding the following: report the total number of college credits a student earned at the time of high school graduation; and report each award outcome attained by a student.

Revises from requiring a regional strategic plan to rank career clusters by median wage to requiring a ranking by annual job openings.

Revises eligibility criteria for a CTE program by requiring a college credit agreement with at least 1 postsecondary institution and revising the list of potential student outcomes to the following: an associate degree, 60 college credits, professional certification, Michigan early Middle College Association certificate, or participation in a registered apprenticeship.

Sec. 91a. Cessation of a Pilot ISD Schools of Choice Program – DELETED

Repeals this section, which requires districts to continue enrolling pupils enrolled in a district under a pilot ISD schools of choice program under former Sec. 91 even if the program ceases to exist or if the school district ceases to participate.

Sec. 91c. Participation in Interscholastic Competition – DELETED

Repeals this section, which prohibits pupils enrolled in a district under a pilot ISD schools of choice program under former Sec. 91 from participating in interscholastic athletic competition for one semester.

Sec. 94a. Center for Educational Performance and Information (CEPI) – REVISED

Adds "where additional state or federal laws require it" to several requirements for CEPI. Strikes provision that the purpose of data sets that link teachers to student information is to allow districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

The above boilerplate revisions are also made for the FY 2020-21 supplemental (see below.)

Major Boilerplate Changes from FY 2020-21

Sec. 98a. Extended COVID-19 Learning Plan – DELETED

Repeals this section, which requires districts to provide instruction under an extended COVID-19 learning plan for FY 2020-21. Provides requirements for the learning plans.

Sec. 99s. MiSTEAM Network – REVISED

Re-brands the MiSTEM Network to MiSTEAM Network to account for an additional focus on the arts. Also revises MiSTEM Advisory Council to MI-STEM Council to align with Executive Order 2019-13.

Sec. 101. Eligibility to Receive State Aid – REVISED

Removes provisions for FY 2020-21 only, which include a waiver from the 75% daily attendance threshold and a waiver from required hours and days of pupil instruction.

Sec. 104g. SAT/PSAT – DELETED

Deletes the requirement for FY 2020-21 only that districts make the SAT and PSAT available in fall 2020 to students who were not able to take the exams during the FY 2019-20 year.

Sec. 105. Schools of Choice Within ISDs – REVISED

Removes provisions for FY 2020-21 only, which revise the deadlines for districts to accept applications for nonresident enrollment, notify parents, and enroll nonresident applicants from the end of the first week of school to October 13, 2020.

Removes provision that allows a pupil enrolled as a nonresident pupil in the 1995-96 school year and enrolled continuously each school year to continue to enroll in the district without requiring application for enrollment under this section.

Sec. 105b. ISD Pilot Schools of Choice Program – DELETED

Repeals this section, which exempts an ISD that operates a pilot schools of choice program and its constituent districts from Sec. 105.

Sec. 105c. Schools of Choice Among Contiguous ISDs – REVISED

Removes provisions for FY 2020-21 only, which revise the deadlines for districts to accept applications for nonresident enrollment, notify parents, and enroll nonresident applicants from the end of the first week of school to October 13, 2020.

Sec. 107. Adult Education – REVISED

Adds that an adult education or state-approved technical center program also collaborate with an approved MI Training Connect training program. Strikes provision that a program that links highly prepared participants with adult education programming and commercial driver license courses does not need to enroll participants in at least one state-approved technical course.

Sec. 147b. MPERS Retirement Obligation Reform Reserve Fund – REVISED

Revises to require money in the MPERS Retirement Obligation Reform Reserve Fund to lapse to the School Aid Fund at the close of the fiscal year.

Sec. 164g. Legal Action Against the State – DELETED

Deletes a penalty in an amount equal to the amount spent if a district or ISD uses funds appropriated under this act to pay for an expense relating to any legal action initiated by the district or ISD against the state.

Sec. 164h. Collective Bargaining Agreement Penalty – DELETED

Deletes a penalty equal to 5% of total state aid if a district or ISD enters into a collective bargaining agreement that does any of the following: establishes racial and religious preferences for employees; automatically deducts union dues from employee compensation; is in conflict with any state or federal laws regarding district transparency; or has a method of compensation that does not comply with the requirements of Sec. 1250 of the Revised School Code, MCL 380.1250.

Sec. 166. Disciplinary Policy for Abortion Referral – DELETED

Deletes the requirement that a district adopt a disciplinary policy for school officials or staff (except for a parent or legal guardian) who refer a pupil for an abortion or assist a pupil in obtaining an abortion.

Sec. 166b. Nonpublic Pupils – REVISED

Revises requirements for a district enrolling pupils under this section as follows: strikes requirement that a district provide MDE course enrollments by each participant using local coding and the school codes for the exchange of data (SCED); adds requirement that a district provide MDE an indication of each course for which pupils enrolled under this section represent greater than 50% of all participants in the course; strikes requirement that a district provide MDE identification of each course teacher or mentor.

The above boilerplate revisions are also made for the FY 2020-21 supplemental (see below.)

Supplemental Recommendations for FY 2020-21 Appropriations

**FY 2020-21
Recommendation**

1. Foundation Allowances (Secs. 22a & 22b)	Gross	(\$69,000,000)
Reduces by \$69.0 million to a total of \$9.4 billion Gross (\$697,600 GF/GP) to reflect updated consensus cost estimates for pupil membership counts and taxable values.	Restricted	(69,000,000)
	GF/GP	\$0
2. Student Recovery (Sec. 35p) – NEW	Gross	\$250,000,000
Provides \$250.0 million SAF to ISDs for programs to address student learning loss and to improve the academic, social, mental, and physical well-being of students. Payments are based on the following: 70% on a weighted calculation of pupils that provides additional weights to economically disadvantaged students and students who are English language learners; 20% based on reported special education costs; and 10% based on the ISD's geographic size. Funds must be targeted toward students who are most likely to have experienced learning loss.	Restricted	250,000,000
	GF/GP	\$0
3. Governor's Emergency Education Relief (GEER) Fund (Sec. 39c) – NEW	Gross	\$125,658,900
Provides \$125.7 million federal GEER fund as follows: authorizes \$86.8 million for the Emergency Assistance to Nonpublic Schools (EANS) Program; and provides \$38.9 million for 10 other programs related to responding to the pandemic, mental health supports, childcare, college completion, and other specified purposes.	Federal	125,658,900
	Restricted	0
	GF/GP	\$0
4. Out-of-School Learning Opportunities (Sec. 35g) – NEW	Gross	\$60,000,000
Provides \$60.0 million GF/GP for out-of-school learning opportunities designed to address student learning loss and the academic, social, mental, and physical well-being of students in preschool through grade 12. Provides funding to each ISD in proportion to the number of economically disadvantaged students enrolled. Requires funding to go toward eligible, in-person summer programs.	Restricted	0
	GF/GP	\$60,000,000
5. Drinking Water Fixture Grants (Sec. 31p) – NEW	Gross	\$55,000,000
Provides \$55.0 million SAF for districts and ISDs to replace school drinking fountains with fixtures capable of filtering out lead and other impurities. Awards grants of up to \$2,950 per fixture and requires at least 1 fixture per 100 students and staff per building.	Restricted	55,000,000
	GF/GP	\$0
6. Cash Flow Borrowing (Sec. 11m)	Gross	(\$2,700,000)
Reduces by \$2.7 million SAF to a total of \$8.7 million SAF to reflect updated cost estimates for the interest costs of inter-fund borrowing between the School Aid Fund and the General Fund to balance the timing of revenue collections and required state aid payments.	Restricted	(2,700,000)
	GF/GP	\$0
7. Court-Placed Pupils (Sec. 24)	Gross	\$500,000
Increases by \$500,000 SAF for a total of \$7.7 million SAF for reimbursements to districts for added costs of educating court-placed pupils in a local juvenile detention facility.	Restricted	500,000
	GF/GP	\$0
8. Promise Zone Funding (Sec. 26c)	Gross	\$1,600,000
Increases by \$1.6 million SAF for a total of \$11.3 million SAF for required funds for districts and ISDs with an approved Promise Zone development plan.	Restricted	1,600,000
	GF/GP	\$0
9. Increasing Enrollment (Sec. 29a)	Gross	(\$16,000,000)
Reduces by \$16.0 million SAF for a total of \$50.0 million SAF for payments to districts for which their FY 2020-21 membership blend as it would have normally been calculated in a non-pandemic year exceeds their FY 2020-21 pupil membership calculation (the "superblend").	Restricted	(16,000,000)
	GF/GP	\$0
10. School Lunch Programs (Sec. 31d)	Gross	\$694,400
Increases by \$694,400 SAF for a total of \$23.8 million SAF for the state share of school lunch programs as required by the <i>Durant</i> settlement.	Restricted	694,400
	GF/GP	\$0
11. School Breakfast Programs (Sec. 31f)	Gross	\$7,400,000
Increases by \$7.4 million SAF for a total of \$11.9 million SAF for reimbursements to districts for the cost of providing breakfast.	Restricted	7,400,000
	GF/GP	\$0
12. Federal Grants (Sec. 39a)	Gross	\$4,600,000
Increases federal grants under Every Student Succeeds Act (ESSA) by \$3.1 million and adds a \$1.5 million federal grant for addressing priority substance abuse treatment, prevention, and mental health needs for a total of \$808.8 million.	Federal	4,600,000
	Restricted	0
	GF/GP	\$0

Supplemental Recommendations for FY 2020-21 Appropriations

**FY 2020-21
Recommendation**

13. Special Education (Secs. 51a, 51c, 51d, 53a, 54, & 56)	Gross	(\$3,400,000)
Reduces by \$3.4 million SAF to reflect revised consensus cost estimates for special education costs. Total estimated special education expenditures for FY 2020-21 are \$1.5 billion.	Federal	0
	Restricted	(3,400,000)
	GF/GP	\$0

Supplemental Boilerplate Recommendations for FY 2020-21

Sec. 6. Pupil Membership Definitions – REVISED

Reinstates, for FY 2020-21 only, a provision allowing instruction by a noncertified, nonendorsed teacher engaged to teach under Sec. 1233b of the Revised School Code. (Originally, this provision was removed beginning in FY 2020-21.)

Sec. 21f. Virtual Courses – REVISED

Adds that, for the 2020-21 school year only, a provider of a virtual course includes any institution or individual the district pays to provide that course.

Sec. 94a. Center for Educational Performance and Information (CEPI) – REVISED

Adds "where additional state or federal laws require it" to several requirements for CEPI. Strikes provision that the purpose of data sets that link teachers to student information is to allow districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

Sec. 166b. Nonpublic Pupils – REVISED

Revises requirements for a district enrolling pupils under this section as follows: strikes requirement that a district provide MDE course enrollments by each participant using local coding and the school codes for the exchange of data (SCED); adds requirement that a district provide MDE an indication of each course for which pupils enrolled under this section represent greater than 50% of all participants in the course; strikes requirement that a district provide MDE identification of each course teacher or mentor.

Sec. 167. Immunization Process – REVISED

Waives, for FY 2020-21 only, the requirement that MDE withhold 5% of funds if a district or ISD does not comply with reporting pupil immunization status under this section.

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2020-2021			FY 2021-2022		FY 2022-2023	
		FY 21 PA 165 of 2020 YTD	Proposed Supplemental 2021-6 Change from YTD	FY 21 Exec Rec	Change from FY 21 YTD	FY 22 Exec Rec	Change from FY 22 Exec Rec	FY 23 Exec Rec
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$3,000,000	(\$600,000)	\$2,400,000	(\$500,000)	\$2,500,000		\$2,500,000
51c	Special Ed Headlee Obligation (Durant)	\$713,400,000	(\$11,400,000)	\$702,000,000	\$19,600,000	\$733,000,000	\$32,000,000	\$765,000,000
51d	Special Education - Other Federal Grants	\$71,000,000		\$71,000,000		\$71,000,000		\$71,000,000
51f	Special Education Cost Reimbursement	\$60,207,000		\$60,207,000	\$1,200,000	\$61,407,000		\$61,407,000
53a	Special Ed for Court Placed Pupils	\$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		\$1,688,000		\$1,688,000
54b	Special Education Task Force Reforms (MiBLSI)	\$1,600,000		\$1,600,000		\$1,600,000		\$1,600,000
54d	Spec. Ed. Task Force - Early On	\$7,150,000		\$7,150,000		\$7,150,000		\$7,150,000
55	Conductive Learning	\$250,000		\$250,000	(\$250,000)	\$0		\$0
56	Special Ed ISD Millage Equalization	\$40,008,100		\$40,008,100		\$40,008,100		\$40,008,100
61a	Career & Tech Ed Programs	\$37,611,300		\$37,611,300		\$37,611,300		\$37,611,300
61b	Career & Tech Ed Early/Middle College	\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000
61d	CTE Incentive Payment	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000
65	Detroit PreCollege Engineering	\$400,000		\$400,000		\$400,000		\$400,000
67	Career and College Readiness Tools	\$3,000,000		\$3,000,000		\$3,000,000		\$3,000,000
67a	MITES	\$50,000		\$50,000	(\$50,000)	\$0		\$0
74	School Bus Driver Safety Instruction	\$2,025,000		\$2,025,000		\$2,025,000		\$2,025,000
74	School Bus Inspections	\$1,789,500		\$1,789,500	(\$8,700)	\$1,780,800		\$1,780,800
81	ISD General Operations Support	\$69,138,000		\$69,138,000	\$1,383,000	\$70,521,000		\$70,521,000
94	AP/IB/CLEP Incentive Program	\$1,200,000		\$1,200,000		\$1,200,000		\$1,200,000
94a	Center for Educational Performance and Information	\$16,848,900		\$16,848,900	\$1,953,600	\$18,802,500		\$18,802,500
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500		\$193,500		\$193,500
94b	LAUNCH MI	\$100		\$100	(\$100)	\$0		\$0
95b	Educator and Administrator Evaluations	\$2,000,000		\$2,000,000	(\$2,000,000)	\$0		\$0
98	Michigan Virtual University	\$7,500,000		\$7,500,000		\$7,500,000		\$7,500,000
98d	Michigan Learning Channel	\$2,000,000		\$2,000,000	(\$2,000,000)	\$0		\$0
99h	FIRST Robotics	\$4,700,000		\$4,700,000		\$4,700,000		\$4,700,000
99i	Women in Technology	\$150,000		\$150,000	(\$150,000)	\$0		\$0
99s(4)	MiSTEM Council and Grants	\$3,050,000		\$3,050,000		\$3,050,000		\$3,050,000
99s(5)	MiSTEM Grants - Math and Science Centers - Federal	\$235,000		\$235,000		\$235,000		\$235,000
99s(5)(7)	MiSTEM Centers Transition	\$4,584,300		\$4,584,300		\$4,584,300		\$4,584,300
99s(12)	MiSTEM Executive Director	\$300,000		\$300,000		\$300,000		\$300,000
99t	Algebra Nation	\$1,000,000		\$1,000,000	(\$1,000,000)	\$0		\$0
99u	Imagine Learning	\$1,500,000		\$1,500,000	(\$1,500,000)	\$0		\$0
99w	Michigan Fitness	\$400,000		\$400,000	(\$400,000)	\$0		\$0
99x	Teach for America	\$1,000,000		\$1,000,000	(\$1,000,000)	\$0		\$0
99z	Teacher Retention Stipend	\$5,000,000		\$5,000,000	(\$5,000,000)	\$0		\$0
104	Education Assessments - State	\$31,009,400		\$31,009,400	(\$1,500,000)	\$29,509,400		\$29,509,400
104	Education Assessments - Federal	\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000
104(16)	Return to Learn Study	\$150,000		\$150,000	(\$150,000)	\$0		\$0
104f	Digital Literacy Training	\$500,000		\$500,000	(\$500,000)	\$0		\$0
107	Adult Education	\$30,500,000		\$30,500,000		\$30,500,000		\$30,500,000

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2020-2021			FY 2021-2022		FY 2022-2023	
		FY 21 PA 165 of 2020 YTD	Proposed Supplemental 2021-6 Change from YTD	FY 21 Exec Rec	Change from FY 21 YTD	FY 22 Exec Rec	Change from FY 22 Exec Rec	FY 23 Exec Rec
147a(1)	MPSERS Cost Offset	\$100,000,000		\$100,000,000		\$100,000,000		\$100,000,000
147a(2)	MPSERS Normal Cost Offset for Lower AROR/Dedicated Gains	\$155,206,000		\$155,206,000	\$22,254,000	\$177,460,000	(\$7,490,000)	\$169,970,000
147c	MPSERS State Share of Unfunded Liability Payments	\$1,219,800,000		\$1,219,800,000	\$109,200,000	\$1,329,000,000	\$100,900,000	\$1,429,900,000
147e	MPSERS Added Normal/DC Costs for PA 92 of 2017	\$51,400,000		\$51,400,000	\$13,900,000	\$65,300,000	\$18,100,000	\$83,400,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500
	TOTAL APPROPRIATIONS	\$15,525,164,800	\$414,353,300	\$15,939,518,100	\$327,903,200	\$15,853,068,000	(\$196,240,000)	\$15,656,828,000
REVENUE BY SOURCE								
	Federal Aid	\$1,806,878,500	\$130,258,900	\$1,937,137,400	\$15,600,000	\$1,822,478,500		\$1,822,478,500
	School Aid Fund	\$13,589,621,600	\$221,994,400	\$13,811,616,000	\$328,967,800	\$13,918,589,400	(\$196,240,000)	\$13,722,349,400
	Community District Trust Fund/Other Restricted Fund	\$77,700,100	\$2,100,000	\$79,800,100	(\$5,700,000)	\$72,000,100		\$72,000,100
	General Fund/General Purpose	\$50,964,600	\$60,000,000	\$110,964,600	(\$10,964,600)	\$40,000,000		\$40,000,000