Executive Budget Recommendation

FY 2022

School Aid

February 17, 2021

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K-12 Education Budget for FY2022

- The past year has been particularly difficult on students, parents, and teachers. This budget sets forth a path to **get our students back on track**, strengthen **support for educators**, and provide **resources to parents and children**.

- This Executive Budget Recommendation provides the resources needed to help kids across the state recover from the pandemic. The proposed investments will:
  - Decrease disparity among districts across the state
  - Help kids catch up from any learning losses experienced during the pandemic
  - Provide for greater funding equity for students

Budget Overview

- Overall funding is increased by **$414.4 million in FY2021**, $284.1 million in state funding.

- Overall funding is increased by **$367.5 million in FY2022**, $312.3 million in state funding.

(In Thousands)	FY2021 School Aid			FY2022 School Aid		
	Current Law PA 165 of 2020	**Exec. Rec. Revised**	**Difference from Current Law**	**Executive Budget**	**Difference from FY21 Current Law**	**%**
School Aid Fund	$13,589,621.6	$13,811,616.0	$221,994.4	$13,918,589.4	$328,967.8	2.4%
General Fund	$50,964.6	$110,964.6	$60,000.0	$40,000.0	($10,964.6)	21.5%
Other State Restricted	$77,700.1	$79,800.1	$2,100.0	$72,000.1	($5,700.0)	-7.3%
Total State Funds	**$13,718,286.3**	**$14,002,380.7**	$284,094.4	**$14,030,589.5**	**$312,303.2**	**2.3%**
Federal Funds	$1,806,878.5	$1,937,137.4	$130,258.9	$1,822,478.5	$15,600.0	0.9%
Gross Appropriations	**$15,525,164.8**	**$15,939,518.1**	$414,353.3	**$15,853,068.0**	**$327,903.2**	**2.1%**
Est. Local Revenue	$3,950,639.2	$3,950,639.2	$0.0	$3,990,215.8	$39,576.6	1.0%
Total Funding	**$19,475,804.0**	**$19,890,157.3**	**$414,353.3**	**$19,843,283.8**	**$367,479.8**	**1.9%**

FY22 Executive Budget

FY22 Executive Budget – Foundation Allowance And Other Weighted Funding Model Elements

- Foundation Allowance Payments are increased by **$164/$82 through the 2x formula at an estimated cost of $203 million.**

- Narrows the gap between the minimum and the target to $336.

- Funding for public school academies that are **cyber schools is recommended at 80%** of the minimum foundation allowance, for an estimated cost savings of $30.2 million.

Per-Pupil Foundation Allowances		
	Minimum	**Target**
FY2021 Foundation	$8,111	$8,529
Exec. Rec. Increase	*$164*	*$82*
FY2022 Foundation	**$8,275**	**$8,611**

- $14.1 million increase (2%) to **address student needs** in the following categories:
  - **Economically disadvantaged students**, total funding of $534.5 million
  - **English Language Learners**, total of $13.3 million
  - **Special Education Cost Reimbursement**, total of $61.4 million *(Total of $1.2 billion state and $451 million federal dollars to support special education)*
  - **Small, rural, isolated districts**, total of $7.1 million
  - Funding is maintained for **vocational education and career and technical education.** Total of $59.8 million state.
- Operational funding supports for **intermediate school districts** is increased by 2%, to a total of $70.5 million

FY22 Executive Budget – Enrollment Stability

- Budget includes additional funding of **$200 million to pay districts for 70% of lost pupils** between fiscal year 2021 and fiscal year 2022.

- Estimates are based on January Consensus Revenue Estimating Conference pupils.

- Each district would receive their foundation allowance payment (capped at the target amount) multiplied by 70% of pupils lost between FY21 superblend membership and FY22 regular membership blend.

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- The recommended FY2022 budget includes **$60 million for out-of-school time learning opportunities** provided during the summer.

- Funding is distributed through ISDs based on share of statewide economically disadvantaged students.

- ISDs award funding to in-person summer programs that provide opportunities for students including out-of-school time providers, day camps, licensed child care providers, and other programs with a successful track record of providing programming for youth.

- Programs must be provided between May 30, 2022 and September 1, 2022.

- **Funding is recommended in FY21 for the same purpose.**

- Increases funding for the **Great Start Readiness Program** (GSRP) by $32.2 million, to a total of $282.4 million.

- Raises the **slot allocation for a full-time preschooler by $1,025** to $8,275, the same level as the proposed minimum K-12 foundation allowance.

- The budget **includes $2 million to support math essentials training**, providing job-embedded professional learning opportunities for mathematics teachers. Program would be modeled on the related literacy essentials training that's been in the budget for the past few years.

- Funding for the **Center for Educational Performance and Information (CEPI) totals $18.8 million**, a $2 million increase over current year funding. Increase is necessary for new post-secondary reporting.

- Funding for the **Michigan Kindergarten Entry Observation Tool is removed** at a savings of $1.5 million.

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- Includes baseline **Consensus Revenue Estimating Conference** cost adjustments.

- **MPSERS payments are increased by $145.4 million**, mostly attributable to changes to the payroll growth assumption.

- **Brownfield Reimbursement Payments to ISDs are included at $7.5 million**, as required by law.

- Removal of **FY21 one-time funding** ($169.1m, after FY21 adjustments)

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- Funding for **literacy** grants, literacy coaches, and literacy essentials training is maintained at **$55.4 million**

- **Mental health** supports are maintained at **$36.9 million**

- Funding to address education needs in the Flint-area caused by the **drinking water** declaration of emergency are maintained at **$8.1 million**

- Funding for the Michigan Virtual University is maintained at **$7.5 million**

- Investments in **College and Career Readiness Programs** (MCAN, AP/IB/CLEP Incentive Payments, MiSTEM, FIRST Robotics, DAPCEP) are maintained.

- Boilerplate added in FY20 related to certain **COVID-19 requirements and special pandemic learning** provisions are removed.

- **Pre-K** is added as an allowable use for Sec. 31a at-risk dollars.

- Provisions related to **STEM education have been changed to "STEAM" education**, adding a focus on the arts. References to the governance and creation of the MiSTEM Advisory Council have been updated to reflect Executive Order 2019-13.

- The **funding formula for adult education** providers is revised to base allocations on actual population counts in each region.

FY21 Supplemental Recommendations

Fiscal Year 2021 Supplemental – Student Recovery

- The recommended FY2021 supplemental includes **$250 million for student recovery payments**

- Dollars would be used for addressing student learning loss and to improve the academic, social, mental, and physical well-being of students.

- Funding is distributed through ISDs for programs and services to their constituent districts and students

- Allocation is based on:
  - Pupil counts, with additional weights for economically disadvantaged students and English Language Learners (70% of total)
  - Reported special education cost (20% of total)
  - Geographic size of ISD (10% of total)

- Must use evidence-informed practices that support student recovery and learning, as recommended by the COVID-19 Student Recovery Advisory Council

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- The recommended FY2021 supplemental includes **$60 million for out-of-school time learning opportunities** provided during the summer

- Funding is distributed through ISDs based on share of statewide economically disadvantaged students.

- ISDs award funding to in-person summer programs that provide opportunities for students including out-of-school time providers, day camps, licensed child care providers, and other programs with a successful track record of providing programming for youth.

- Programs must be provided between May 30, 2021 and September 1, 2021.

- **Funding included in FY22 for the same purpose.**

Fiscal Year 2021 Supplemental – Drinking Water

- The recommended FY2021 supplemental includes **$55 million for payments to districts to install drinking fountains with filtering capabilities.**

- Districts would be eligible for up to $2,950 per fixture.

- Districts could receive funding for 1 fixture per every 100 students and educators in a building, minimum of 1 fixture.

Fiscal Year 2021 Supplemental – GEER/EANS

- The recommended FY2021 supplemental **appropriates federal funding for the Governor's Emergency Education Relief Fund (GEER) and the Emergency Assistance to Non-Public Schools (EANS) Grants**

- GEER = $38.9 million
  - Recommended allocations in table to the right

- EANS = $86.8 million
  - Base funding to nonpublic schools with additional dollars to schools most impacted by COVID-19, as determined by poverty

Recommended GEER Allocations

Allocation	Amount *(in millions)*
ISDs – Pandemic response, student recovery, student re-engagement	$12.0
Physical, emotional, and mental health programs for students and educators	$8.4
Out-of-school-time providers	$6.0
Innovation and learning in childcare	$3.0
Early On	$3.0
College persistence and completion	$3.0
Childhood programming through public television	$2.0
Replication and scaling of best practices	$1.5

Fiscal Year 2022 – School Aid Fund Balance Sheet

(in millions)	One-Time	Ongoing	Total
Balance - FY2022 Baseline Budget	984	194	1,178
FY21 Supplemental (January) - Academic Recovery Grants	300		300
FY20 Proposed Supplemental - with Exec Rec			
Backfill Community College Operations to Meet Federal MOE	13		13
FY21 Supplemental - with Exec Rec			
Filters First in Schools	55		55
Summer School Programming	60		60
Student Recovery Grants (2 years)	250		250
FY22 Exec Rec			
Weighted Foundation Allowance (2% increase)		217	217
Cyber School Foundation Reduction (80%)		(30)	(30)
GSRP Rate Increase to Minimum Foundation		32	32
CEPI Support for Additional Reporting Responsibilities (GF)		2	2
Early Math Essentials		2	2
ISD Operations Increase (2%)		1	1
Enrollment Stability Provision	200		200
Summer School Programming	60		60
Educare	1		
Community Colleges Operations Increase (2%)	7		7
Remaining FY2022 Balance	**39**	**(30)**	**9**

Thank You

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