

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
DEPARTMENT OF EDUCATION**



Analyst: Una Jakupovic

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	Difference: FY 2026-27 vs. FY 2025-26	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	83,575,100	84,339,300	764,200	0.9
Local	5,884,200	5,937,300	53,100	0.9
Private	2,547,500	2,552,900	5,400	0.2
Restricted	10,193,800	10,293,000	99,200	1.0
GF/GP	62,546,100	59,070,700	(3,475,400)	(5.6)
Gross	\$164,746,700	\$162,193,200	(\$2,553,500)	(1.5)
FTEs	568.5	571.5	3.0	0.5

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, and providing technical assistance to school districts and libraries.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
1. Michigan Schools for the Deaf and Blind Fund Transfer	Gross \$16,562,900	(\$2,841,400)
Transfers \$2.8 million GF/GP for Michigan Schools for Deaf and Blind Operations to the School Aid budget. Transfer includes economic adjustments.	Federal 7,672,200	0
	Local 5,884,200	0
	Restricted 206,100	0
	GF/GP \$2,800,400	(\$2,841,400)
2. Michigan School Meals Program	FTE NA	3.0
Includes \$380,000 GF/GP and authorization for 3.0 FTEs to support the state school meals program within the Office of Nutrition Services.	Gross NA	\$380,000
	GF/GP NA	\$380,000
3. Removal of FY 2025-26 One-Time Appropriations	Gross \$1,500,000	(\$1,500,000)
Removes \$1.5 million of one-time Gross (\$1.5 million GF/GP) funding that was included in the FY 2025-26 budget to support the following:	GF/GP \$1,500,000	(\$1,500,000)
<ul style="list-style-type: none"> Foster Care Oversight (\$150,000 GF/GP) Media Literacy (\$300,000 GF/GP) Mental Health Training (\$150,000 GF/GP) Michigan eLibrary (\$900,000 GF/GP). 		
4. Technical Adjustments	FTE NA	0.0
Includes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments are made to align funding to the current organizational structure and department activities. Includes net-to-zero transfers of 7.0 FTEs and \$1.6 million Gross.	Gross NA	\$0
	Federal NA	0
	Local NA	0
	Private NA	0
	Restricted NA	0
	GF/GP NA	\$0

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>Executive Change from YTD</u>	
5. Economic Adjustments	Gross	NA	\$1,407,900
Reflects increased costs of \$1.4 million Gross (\$486,000 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	764,200
	Local	NA	53,100
	Private	NA	5,400
	Restricted	NA	99,200
	GF/GP	NA	\$486,000

Major Boilerplate Changes from FY 2025-26

GENERAL

Sec. 204. Internet Reporting Requirements – REVISED

Requires MDE to use the internet to fulfill reporting requirements; requires e-mail transmission and internet posting of reports. Executive revises to add website reporting requirements from deleted Sec. 225.

Sec. 206. Communication with the Legislature – DELETED

Prohibits MDE from taking disciplinary action against department employees for communicating with members of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority. *(Governor deemed this section unenforceable.)*

Sec. 212. Restricted Funds Report – DELETED

Requires MDE to work with SBO to report on estimated state restricted fund balances, revenues, and expenditures.

Sec. 217. State Administrative Board Transfers – DELETED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. *(Governor deemed this section unenforceable.)*

Sec. 217. State Fiscal Recovery Fund (SFRF) Expenditure – NEW

Requires state budget director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 218. Retention of Reports – DELETED

Requires MDE to follow federal and state law and guidelines for short- and long-term retention of records; authorizes the department to electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 218. State Fiscal Recovery Fund Reallocation – NEW

Authorizes state budget director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires state budget director to notify HAC/SAC not later than 10 days after reallocating funds.

Sec. 219. Report on Policy Changes for Public Act Implementation – DELETED

Requires the department to report on each specific policy change made by the department to implement a public act affecting the department, including reference to the public act that necessitates the policy change.

Sec. 220. Annual Strategic Plan – DELETED

Requires MDE to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 221. State Obligations – DELETED

Requires MDE to report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 222. Work Project Usage – DELETED

Prohibits appropriations that have unexpended work project authorization associated with them, to the extent possible, from being expended until all existing work project authorization for the same purpose is exhausted. *(Governor deemed this section unenforceable.)*

Sec. 224. Legacy Costs – DELETED

States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is \$7.7 million (\$7.0 million on pension related legacy costs and \$759,100 on health care legacy costs).

Major Boilerplate Changes from FY 2025-26

Sec. 225. Website Reporting – DELETED

Requires MDE to make required reports readily accessible to the public and conspicuously posted in a single archivable location on the department's website; requires MDE to maintain reports from previous fiscal years in the same archivable location.

Sec. 228. E-Verify Requirement – DELETED

Requires MDE to require contractors and subcontractors to use the E-Verify system to verify that all persons hired during the contract term are legally present and authorized to work in the United States; authorizes the department to verify the information directly or receive certification from the contractor; requires MDE to submit a report describing the processes it develops and implements; defines E-Verify. *(Governor deemed this section unenforceable.)*

Sec. 229. Legislatively Directed Spending Items – REVISED

Requires the legislature to provide MDE and the state budget director with a list of legislatively directed spending items; provides requirements for the administration of grants; provides requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires DIFS to post information about grant recipients on its website. Executive revises to require HFA/SFA to provide SBO a of jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; require LARA to post a report on March 15 and to update the report on June 15 and September 15.

Sec. 230. Private and Third-Party Grants – DELETED

Requires MDE to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the amount and specific source of funding, the purpose for which funding was expended, and the amount of any remaining funds.

EDUCATIONAL SUPPORTS

Sec. 701. MTSS, At-Risk, Reading Intervention Report – DELETED

Requires MDE to produce a report detailing the progress made by districts with grades K-12 receiving at-risk funding under section 31a of the State School Aid Act in implementing Multi-Tiered Systems of Supports (MTSS), in implementing MTSS for grades K-12 in the prior school fiscal year, and in providing reading intervention services described in section 1280f of the Revised School Code; provides report requirements.

ONE-TIME APPROPRIATIONS

Sec. 1000. Foster Care Oversight – DELETED

Requires MDE to use funds and FTE position authorization to regularly review educational programs in child caring institutions, as required by 2024 PA 11.

Sec. 1001. Media Literacy Training – DELETED

Requires MDE to use funds to design, implement, and evaluate professional learning and optional curriculum modules for teaching artificial intelligence and media literacy.

Sec. 1002. Mental Health Training – DELETED

Requires MDE to provide technical assistance to all eligible districts to ensure effectiveness at using Medicaid dollars for mental health.