

**Summary: Executive Budget Recommendation
for Fiscal Year 2023-24
EDUCATION (DEPARTMENT)**



Analyst: Noel Benson

	FY 2022-23 Year-to-Date as of 2/8/23	FY 2023-24 Executive	Difference: FY 2023-24 vs. FY 2022-23	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	302,950,800	364,589,100	61,638,300	20.3
Local	5,878,600	5,856,000	(22,600)	(0.4)
Private	2,240,400	2,791,300	550,900	24.6
Restricted	9,919,700	10,072,000	152,300	1.5
GF/GP	99,591,500	123,299,600	23,708,100	23.8
Gross	\$420,581,000	\$506,608,000	\$86,027,000	20.5
FTEs	627.5	640.5	13.0	2.1

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) 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, providing technical assistance to school districts and libraries, and providing early education and child day care support for low-income and other qualifying families.

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 YTD (as of 2/8/23)	Executive Change from YTD
1. Child Development and Care	Gross	\$211,480,000	\$73,500,000
Provides \$73.5 million federal to maintain child care investments set to expire in FY 2023-24, including maintaining eligibility at 200% of the federal poverty level and making payments based on enrollment rather than attendance.	Federal	172,444,100	73,500,000
	GF/GP	\$39,035,900	\$0
2. Child Development and Care Public Assistance – TANF Financing Swap	Gross	\$199,080,000	\$0
Provides \$12.0 million GF/GP as a replacement for a corresponding amount of TANF funds for state match and MOE purposes.	Federal	160,044,100	(12,000,000)
	GF/GP	\$39,035,900	\$12,000,000
3. Family and Community Engagement	FTE	0.0	6.0
Provides \$5.5 million (\$5.0 million GF/GP ongoing; \$482,700 GF/GP one-time) and authorizes 6.0 FTE positions to develop trainings, coaching, resource development, translation services, and related activities, and to hire a coordinator and coach at 10 literacy hubs across the state to create a family and community engagement division.	Gross	\$0	\$5,500,000
	GF/GP	\$0	\$5,500,000
4. One-Time Appropriations – E-rate Special Construction Matching Fund	Gross	\$0	\$5,000,000
Provides \$5.0 million GF/GP in one-time funding to reimburse up to 10% of out-of-pocket costs for local schools and libraries approved for funding through the federal E-rate program to expand access to broadband internet.	GF/GP	\$0	\$5,000,000

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 YTD (as of 2/8/23)	Executive Change from YTD
5. School Infrastructure and Consolidation Administration	FTE	38.6	2.0
Provides \$756,500 GF/GP and authorizes 2.0 FTE positions to administer funding for school consolidation, infrastructure, and the MI Healthy Climate Plan that are appropriated in School Aid. MDE would partner with EGLE, MDHHS, and the Department of Treasury to work in coordination on administering funding.	Gross	\$6,161,400	\$756,500
	Federal	3,289,700	0
	Restricted	284,400	0
	GF/GP	\$2,586,900	\$756,500
6. One-Time Appropriations – Michigan’s Poet Laureate	Gross	\$100,000	\$0
Retains \$100,000 GF/GP, considered one-time funding, to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts.	GF/GP	\$100,000	\$0
7. One-Time Appropriations – School Board Training Reimbursements	Gross	\$150,000	\$0
Retains \$150,000 GF/GP, considered one-time funding, for school board member training reimbursements.	GF/GP	\$150,000	\$0
8. Math Education Administration	FTE	82.7	2.0
Provides \$303,700 GF/GP and authorizes 2.0 FTE positions to provide statewide guidance and supports for new math education programs that are appropriated in School Aid.	Gross	\$17,139,300	\$303,700
	Federal	12,976,100	0
	Restricted	602,400	0
	GF/GP	\$3,560,800	\$303,700
9. Michigan School Nurse Administration	FTE	75.6	1.0
Provides \$160,000 GF/GP and authorizes 1.0 FTE position for school policy support at MDE and health related supports at MDHHS.	Gross	\$14,333,400	\$160,000
	Federal	12,872,300	0
	Restricted	71,700	0
	GF/GP	\$1,389,400	\$160,000
10. Mental Health and SEL Support	FTE	75.6	2.0
Provides \$151,900 GF/GP and authorizes 2.0 FTE position to provide additional support and guidance to schools for mental health programs.	Gross	\$14,333,400	\$151,900
	Federal	12,872,300	0
	Restricted	71,700	0
	GF/GP	\$1,389,400	\$151,900
11. One-Time Appropriations – Head Start Background Checks	Gross	\$322,900	\$100,000
Provides \$100,000 federal in one-time funding to offset costs for Head Start staff who are now required to submit to background checks.	Federal	258,900	100,000
	GF/GP	\$64,000	\$0
12. TEACH Scholarship Roll Up	Gross	\$5,000,000	\$0
Includes a net \$0 change to roll the \$5.0 million federal TEACH Scholarship into the Child Development and Care contracted services line item.	Federal	5,000,000	0
	GF/GP	\$0	\$0
13. Child Care and Development Fund (CCDF) Interdepartmental Grant Adjustment	Gross	\$31,178,300	(\$89,300)
Reflects decreased costs of \$89,300 federal for interdepartmental grants to MDHHS and LARA.	Federal	31,178,300	(89,300)
	GF/GP	\$0	\$0
14. Child Care FMAP Adjustment	Gross	\$199,080,000	\$0
Reflects decreased costs of \$195,700 GF/GP for matching child care federal grants due to the decreasing FMAP rate for FY 2024.	Federal	160,044,100	195,700
	GF/GP	\$39,035,900	(\$195,700)
15. Economic Adjustments	Gross	NA	(\$86,000)
Reflects decreased costs of \$86,700 Gross (increase of \$31,700 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments.	Federal	NA	(168,100)
	Local	NA	(22,600)
	Private	NA	(1,000)
	Restricted	NA	74,000
	GF/GP	NA	\$31,700

Major Boilerplate Changes from FY 2022-23

Executive Boilerplate Deletions

In general, the Executive Budget deletes a number of boilerplate sections included in the FY 2021-22 budget. The following list includes all sections proposed to be deleted.

- Reporting Requirements (Sec. 205)
- Searchable Website (Sec. 212)
- Restricted Funds Report (Sec. 213)
- Maintain Department Scorecard (Sec. 214)
- Reporting Legacy Costs (Sec. 215)
- State Administrative Board Transfer (Sec. 219)
- Report on Policy Changes Made to Implement Public Acts Affecting Department (Sec. 221)
- Communication with the Legislature (Sec. 222)
- Records Retention (Sec. 223)
- Expending Available Work Project Authorization (Sec. 224)
- Severance Pay Reporting (Sec. 225)
- Vaccine Requirement (Sec. 227)
- Federal Accountability Plans (Sec. 229)
- Nonpublic School Mandates (Sec. 230)
- Prioritization of In-Person Work (Sec. 231)
- Department Effectiveness Survey (Sec. 235)
- CDC T.E.A.C.H. Early Childhood Michigan Scholarship Program (Sec. 1004)
- CDC Funding Changes (Sec. 1010)
- Federal Stimulus Reporting (Sec. 1013)

Sec. 210. Contingency Funds – REVISED

Revises the amount of contingency funds, which must be transferred by the legislature prior to expenditure, as follows: revises federal from \$5.0 million to \$10.0 million; revises state restricted from \$400,000 to \$700,000; maintains local at \$250,000; and revises private from \$1.5 million to \$3.0 million.

Sec. 211. Access to State and Local Government Services – NEW

Requires that appropriated funds shall not be used to restrict or interfere with actions related to diversity, equity, and inclusion; to restrict a marginalized community's access to government resources, programs, or facilities; or to diminish or restrict an individual's ability to exercise the right to reproductive freedom. Also requires local governments to report any action or policy that interferes with the duties of the local health officer.

Sec. 216. Reporting on Remote Work – REVISED

Removes requirement to report on the number of FTEs in pay status by type of staff and civil service classification, number of employees engaged in remote work in 2023, number of employees authorized to work remotely and the actual number working remotely, estimated net cost savings achieved by remote work, and reduced use of office space associated with remote work.

Sec. 310. School Infrastructure and Consolidation Administration – NEW

Requires not less than \$378,300 and not fewer than 2.0 FTE positions to administer funding for school consolidation, infrastructure, and the MI Healthy Climate Plan. Appropriates an additional \$378,200 of the funds appropriated in part 1 for central support operations for MDE to partner with the Departments of Environment, Great Lakes, and Energy; Health and Human services; and Treasury to administer funding for school consolidation, infrastructure, and the MI Healthy Climate Plan.

Sec. 502. Teacher License Renewals – REVISED

Revises language from "former teachers whose teaching licenses have expired" to "the recruitment and retention of educators" to allow for more teacher license renewals to be covered by appropriated funds.

Sec. 1002. CDC Rate Publication – REVISED

Revises to allow MDE to receive and expend federal child care development block grant funds if the funds are at risk of being lapsed by the end of the current fiscal year, the department plans to expend the funds through a one-time rate increase to providers, and the department makes this request to the state budget director not less than 30 days prior to the expenditure of the funds. The department may withdraw the intent to expend funds by sending a letter notifying the budget director.

Major Boilerplate Changes from FY 2022-23

Sec. 1007. Child Development and Care Report – REVISED

Revises report to become a joint annual report from MDE, LARA, and MDHHS. Requires the joint report to include information on the affordability and availability of child care in Michigan, the health and safety of child care, actions taken to strengthen health and safety of care, the quality of child care, actions taken to improve child care quality, and the child care workforce. Removes all previously required information in the report.

Sec. 1009. CDC Eligibility Entrance Threshold – REVISED

Revises to give MDE the ability to control caseload costs by removing specifications regarding number of children, waiting lists, and future decreases in the eligibility entrance threshold.

Sec. 1011. CDC Program Payment Structure – REVISED

Revises to remove reference to biweekly block reimbursement rate and changes the payment structure to be based on enrollment rather than attendance.

Sec. 1012. Early Childhood Mental Health – REVISED

Revises appropriation from \$1.5 million to \$3.0 million for MDE to work in collaboration with DHHS on the network of infant and early childhood mental health consultation.

Sec. 1014. Family and Community Engagement – NEW

Requires MDE to partner with family engagement centers across the state to increase parent and guardian involvement in their child’s education, ensure translation and interpretation services are available, partner with ISDs to assist in getting information and resources to constituent districts, and develop an early literacy engagement plan.

Sec. 1100. School Board Member Training – REVISED

Adds implicit bias training as an approved program.

<u>Supplemental Recommendations for FY 2022-23 Appropriations</u>		<u>FY 2022-23 Recommendation</u>
1. Child Development and Care Public Assistance	Gross	\$4,600,000
Provides \$4.6 million GF/GP as matching dollars to continue drawing additional federal child care and development block grant dollars.	GF/GP	\$4,600,000
2. Camp Tuhsemeheta	Gross	\$500,000
Increases authorization by \$500,000 million private funds for maintenance and enhancements at Camp Tuhsmeheeta for students who are blind or visually impaired.	Private	500,000
	GF/GP	\$0
3. Food Spoilage	Gross	\$78,300
Provides \$78,300 from restricted commodity distribution fees to support programs that mitigate the impact of food spoilage.	Restricted	78,300
	GF/GP	\$0
4. Michigan Teacher of the Year	Gross	\$51,900
Increases authorization by \$51,900 to reflect an increase in charitable giving of private funds to the program.	Private	51,900
	GF/GP	\$0