FY 2025-26: DEPARTMENT OF EDUCATION
Summary: House Subcommittee Chair's Recommendation
House Bill 4576 (H-1)

Analyst: Noel Benson

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	*Difference: House From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	*$0*	*--*
Federal	82,550,500	83,575,100	83,575,100	76,162,200	*(6,388,300)*	*(7.7)*
Local	5,868,500	5,884,200	5,884,200	5,868,500	*0*	*0.0*
Private	2,542,200	2,547,500	2,547,500	2,542,200	*0*	*0.0*
Restricted	10,117,800	10,193,800	2,193,800	2,090,000	*(8,027,800)*	*(79.3)*
GF/GP	63,896,100	62,722,100	72,222,100	46,569,800	*(17,326,300)*	*(27.1)*
Gross	**$164,975,100**	**$164,922,700**	**$166,422,700**	**$133,232,700**	***($31,742,400)***	***(19.2)***
FTEs	574.5	587.5	589.5	456.5	*(118.0)*	*(20.5)*

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 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House Change
1. Teacher Certification Fees Fund Swap	FTE	NA	(30.0)
Executive does not include.	**Gross**	**NA**	**($8,027,800)**
Senate swaps $8.0 million restricted Teacher-Administrator Preparation and Certification Fund for $8.0 million GF/GP for a net-zero change due to the proposed elimination of teacher certification fees.	Restricted	NA	(8,027,800)
	GF/GP	NA	$0
House eliminates $8.0 million restricted Teacher-Administrator Preparation and Certification fund due to the proposed elimination of teacher certification fees. Does not replace with GF/GP. Removes authorization for 30.0 FTE positions as follows:			
• State Board and Superintendent Operations (3.0 FTE positions)			
• Central Support Operations (2.0 FTE positions)			
• Educator Excellence (21.0 FTE positions)			
• Administrative Law Operations (1.0 FTE position)			
• Educational Support Operations (3.0 FTE positions)			
2. Elimination of Vacant FTE Positions	FTE	NA	(65.0)
Executive does not include.	**Gross**	**NA**	**($9,504,100)**
Senate concurs with Executive.	GF/GP	NA	($9,504,100)
House removes authorization for 65.0 FTE positions not currently filled and eliminates $9.5 million GF/GP in associated funding as follows:			
• Educator Excellence Operations (15.0 FTE positions)			
• Accountability Services Operations (20.0 FTE positions)			
• School Support Services Operations (20.0 FTE positions)			
• Educational Support Operations (10.0 FTE positions)			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House Change
3. Library Services and Technology Program	FTE	1.0	(1.0)
Executive does not include.	**Gross**	**$5,630,700**	**($5,630,700)**
Senate concurs with Executive.	Federal	5,630,700	(5,630,700)
House eliminates $5.6 million Federal and removes authorization for 1.0 FTE position to provide support to libraries and individuals who have difficulty using a library.	GF/GP	$0	$0
4. Partnership District Support Operations	FTE	13.0	(13.0)
Executive does not include.	**Gross**	**$3,638,200**	**($3,638,200)**
Senate concurs with Executive.	Federal	114,500	(114,500)
House eliminates $3.6 million Gross ($3.5 million GF/GP) and removes authorization for 13.0 FTE positions for Partnership District Support Operations. (Note: Sec. 21h in the School Aid budget, which provides funding for partnership districts, was also eliminated.)	GF/GP	$3,523,700	($3,523,700)
5. Strategic Planning and Implementation Operations	FTE	6.0	(6.0)
Executive does not include.	**Gross**	**$1,194,100**	**($1,194,100)**
Senate concurs with Executive.	Federal	643,100	(643,100)
House eliminates $1.2 million Gross ($551,000 GF/GP) and removes authorization for 6.0 FTE positions for Strategic Planning and Implementation Operations.	GF/GP	$551,000	($551,000)
6. Michigan Core Curriculum	**Gross**	**$750,000**	**($750,000)**
Executive does not include.	GF/GP	$750,000	($750,000)
Senate concurs with Executive.			
House eliminates $750,000 GF/GP for designing, implementing, and evaluating professional learning modules regarding Michigan indigenous tribal history.			
7. Information Technology	**Gross**	**$4,783,400**	**($717,500)**
Executive does not include.	Federal	2,492,100	0
Senate concurs with Executive.	Restricted	977,400	0
House decreases by $717,500 GF/GP for information technology services and projects. (Note: this line is also reduced by $977,400 Restricted fund due to the elimination of teacher certification fees.)	GF/GP	$1,313,900	($717,500)
8. Science of Reading Literacy Supports	FTE	84.7	0.0
Executive increases by $960,900 GF/GP and provides authorization for 6.0 FTE positions to provide supports to districts on new dyslexia requirements under 2024 PA 146 and continue literacy improvements under science of reading. Funding is transferred from ASL Literacy Resources ($500,000 GF/GP) and Educator Recruitment and Preparation ($460,900 GF/GP). (See Item #3 and Item #4 for reductions in funding.)	**Gross**	**$17,696,000**	**$0**
	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	$3,918,000	$0
Senate concurs with Executive.			
House does not include.			
9. ASL Literacy Resources	**Gross**	**$1,000,000**	**$0**
Executive reduces by $500,000 GF/GP for a total of $500,000 GF/GP to reallocate funds for the science of reading literacy supports. (See Item #2 for increase in funding.)	GF/GP	$1,000,000	$0
Senate concurs with Executive.			
House does not include.			
10. Educator Recruitment and Preparation	**Gross**	**$1,675,600**	**$0**
Executive reduces by $460,900 GF/GP for a total of $1.2 million GF/GP to reallocate funds for the science of reading literacy supports. (See Item #2 for increase in funding.)	GF/GP	$1,675,600	$0
Senate concurs with Executive.			
House does not include.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House Change
11. State Aid to Libraries	**Gross**	**$16,567,700**	**$0**
Executive does not include.	GF/GP	$16,567,700	$0
Senate provides $900,000 GF/GP to increase state aid to libraries by 5.4%.			
House does not include.			
12. Office of Systems, Evaluation, and Technology Federal Increase	FTE	18.0	0.0
	Gross	**$3,132,900**	**$0**
Executive increases by $360,000 federal to reflect increased available federal revenue for the Office of Systems, Evaluation, and Technology.	Federal	1,802,300	0
	Restricted	11,000	0
Senate concurs with Executive.	GF/GP	$1,319,600	$0
House does not include.			
13. CTE Pathways to Success	FTE	25.0	0.0
Executive increases by $342,400 GF/GP and provides authorization for 2.0 FTE positions to provide administrative support for new career and technical education programs included in the proposed School Aid budget.	**Gross**	**$5,668,700**	**$0**
	Federal	4,099,200	0
	GF/GP	$1,569,500	$0
Senate concurs with Executive.			
House does not include.			
14. Office of Nutrition Services	FTE	82.6	0.0
Executive renames School Support Services Operations to the Office of Nutrition Services. Transfers out $1.5 million Gross ($468,900 GF/GP) and authorization for 19.0 FTE positions to the new Office of Health and Safety (See Item #9 for the equivalent increase in funding.). Provides authorization for an additional 5.0 FTE positions to reflect currently available federal funding.	**Gross**	**$15,969,300**	**$0**
	Federal	13,127,300	0
	Restricted	150,000	0
	GF/GP	2,692,000	$0
Senate concurs with Executive.			
House does not include.			
15. Office of Health and Safety	FTE	NA	0.0
Executive transfers in $1.5 million Gross ($468,900 GF/GP) and authorization for 19.0 FTE positions from Office of Nutrition Services (formerly School Support Services Operations). Provides authorization for 3.0 additional FTE positions to reflect available federal funding. (See Item #8 for the equivalent reduction in funding.)	**Gross**	**NA**	**$0**
	Federal	NA	0
	GF/GP	NA	$0
Senate concurs with Executive.			
House does not include.			
16. Media Literacy Training	FTE	84.7	0.0
Executive does not include.	**Gross**	**$18,446,000**	**$0**
Senate provides $300,000 GF/GP for developing professional training for teaching artificial intelligence and media literacy.	Federal	13,175,600	0
	Restricted	602,400	0
House does not include.	GF/GP	$4,668,000	$0
17. Special Education Services Transfer	FTE	47.0	0.0
Executive transfers in $200,000 GF/GP from the Michigan Schools for the Deaf and Blind Operations to support staff responsible for statewide special education monitoring activities. (See Item #12 for equivalent reduction in funding.)	**Gross**	**$9,555,600**	**$0**
	Federal	8,955,700	0
	Private	111,800	0
	Restricted	49,200	0
Senate concurs with Executive.	GF/GP	$438,900	$0
House does not include.			
18. Michigan Schools for the Deaf and Blind Transfer	FTE	82.0	0.0
Executive transfers out $200,000 GF/GP from the Michigan Schools for the Deaf and Blind Operations to support staff responsible for statewide special education monitoring activities. (See Item #11 for equivalent increase in funding.)	**Gross**	**$20,064,400**	**$0**
	Federal	7,639,400	0
	Local	5,868,500	0
	Private	1,350,400	0
Senate concurs with Executive.	Restricted	1,206,100	0
House does not include.	GF/GP	$4,000,000	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House Change
19. Office of Systems, Evaluation, and Technology FTE Transfer	FTE	18.0	0.0
Executive transfers in $153,500 Gross ($7,600 GF/GP) from the Office of Financial Management to the Office of Systems, Evaluation, and Technology to reallocate resources based on anticipated workload. (Although not included in documents, the Executive expressed intent to transfer authorization for 1.0 FTE position from the Office of Financial Management to the Office of Systems, Evaluation, and Technology. See Item #14 for equivalent reduction in funding.)	**Gross**	**$3,132,900**	**$0**
	Federal	1,802,300	0
	Restricted	11,000	0
	GF/GP	$1,319,600	$0
Senate concurs with Executive.			
House does not include.			
20. Office of Financial Management FTE Transfer	FTE	3.0	0.0
Executive transfers out $153,500 Gross ($7,600 GF/GP) from the Office of Financial Management to the Office of Systems, Evaluation, and Technology to reallocate resources based on anticipated workload. (Although not included in documents, the Executive expressed intent to transfer authorization for 1.0 FTE position from the Office of Financial Management to the Office of Systems, Evaluation, and Technology. See Item #13 for equivalent increase in funding.)	**Gross**	**$2,029,900**	**$0**
	Federal	1,822,400	0
	Restricted	93,700	0
	GF/GP	$113,800	$0
Senate concurs with Executive.			
House does not include.			
21. Foster Care Oversight	FTE	84.7	0.0
Executive does not include.	**Gross**	**$17,696,000**	**$0**
Senate provides $150,000 GF/GP and authorization for 1.0 FTE position for regularly reviewing educational programs in child caring institutions, as required by 2024 PA 11.	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	$3,918,000	$0
House does not include.			
22. Medicaid Technical Support	FTE	82.6	0.0
Executive does not include.	**Gross**	**$15,969,300**	**$0**
Senate provides $150,000 GF/GP and authorization for 1.0 FTE position to provide technical support to districts to use Medicaid dollars for mental health.	Federal	13,127,300	0
	Restricted	150,000	0
	GF/GP	$2,692,000	$0
House does not include.			
23. School Board Member Training	**Gross**	**$150,000**	**$0**
Executive transfers $150,000 GF/GP for School Board Member Training out of School Support Services Operations and into a separate line item.	GF/GP	$150,000	$0
Senate concurs with Executive.			
House does not include.			
24. Michigan Poet Laureate	**Gross**	**$100,000**	**$0**
Executive transfers $100,000 GF/GP for Michigan's Poet Laureate out of Library of Michigan Operations and into a separate line item.	GF/GP	$100,000	$0
Senate concurs with Executive.			
House does not include.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House Change
25. Removal of FY 2024-25 One-Time Appropriations	FTE	3.0	(3.0)
Executive removes $2.0 million GF/GP of one-time funding and authorization for 3.0 FTE positions that were included in the FY 2024-25 budget to support the following: • Michigan Test for Teacher Certification Reimbursement ($1.1 million GF/GP) • Community Health Worker Career Center ($150,000 million GF/GP) • Mental Health Training ($250,000 GF/GP) • Charter School Transparency Database ($150,000 GF/GP; 1.0 FTE position) • School Infrastructure and Consolidation Administration ($150,000 GF/GP; 2.0 FTE positions) Senate concurs with Executive. House concurs with Executive.	**Gross**	**$2,000,000**	**($2,000,000)**
	GF/GP	$2,000,000	($2,000,000)
26. Economic Adjustments	**Gross**	**NA**	**$0**
Executive reflects increased costs of $1.2 million Gross ($483,600 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate concurs with Executive, but swaps $72,000 Teacher-Administrator Preparation and Certification Fund increases for GF/GP for a total of $555,600 GF/GP. House does not include.	Federal	NA	0
	Local	NA	0
	Private	NA	0
	Restricted	NA	0
	GF/GP	NA	$0

Major Boilerplate Changes from FY 2024-25

Boilerplate Deletions

In general, the Executive, Senate, and House concur to delete boilerplate sections included in the FY 2024-25 budget. The list below includes major changes to boilerplate but is not a comprehensive list of all sections proposed to be deleted.

- Charter School Transparency Database (Sec. 1100)
- Mental Health Training (Sec. 1101)
- Community Health Worker Career Center (Sec. 1102)
- School Infrastructure and Consolidation Administration (Sec. 1103)
- Michigan Test for Teacher Certification Reimbursement (Sec. 1104)

***Sec. 201. Total State Spending and State Spending to Local Governments* – REVISED**

Provides total state spending and payments to local units of government. Executive revises to reflect new appropriation amounts, removal of one-time funding, and the shift of School Board Member Training to a separate line item. Senate concurs with Executive. House concurs with Executive.

***Sec. 205. Purchase of Foreign Goods* – RETAINED**

Prohibits use of state funds to purchase foreign-made goods if comparable American or Michigan goods or services are available. Gives preference to Michigan businesses owned and operated by veterans. Executive does not change. Senate requires preference to be given to good or services manufactured in facilities that employ union members. House retains current law.

***Sec. 206. Communication with the Legislature* – RETAINED**

Prohibits MDE from taking disciplinary action against an employee for communicating with a legislator or staff. Executive deletes this section. Senate retains this section. House concurs with Senate.

***Sec. 211. Communication with the Legislature* – REVISED**

Requires MDE to work with DTMB to maintain a searchable website accessible to the public at no cost, which includes department expenditures and employee information. House adds in-person and remote hours worked by employees to reporting requirements.

***Sec. 212. Restricted Funds Report* – RETAINED**

Requires MDE to work with SBO to provide a report to the legislature on estimated restricted fund revenues, expenditures, and fund balances for the prior two fiscal years. Executive deletes this section. Senate retains this section. House retains.

Major Boilerplate Changes from FY 2024-25

***Sec. 214. Access to State and Local Government Resources* – DELETED**
Requires that appropriated funds shall not be used to restrict a marginalized community's access to government resources, programs, or facilities. Also requires local governments to report any action or policy that interferes with the duties of the local health officer. House deletes.

***Sec. 215. Geographically Disadvantaged Business Enterprises* – DELETED**
Requires State Superintendent to make effort to contract with geographically disadvantaged business enterprises. House deletes.

***Sec. 217. Transfer of Funds by Legislature* – NEW**
House adds language that states the legislature may inter-transfer funds within the department through a concurrent resolution if the State Administrative Board transfers funds from any appropriation.

***Sec. 218. Department Reports and Records Retention* – RETAINED**
Executive deletes language that requires MDE to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records. Senate concurs. House retains.

***Sec. 219. Report on Policy Changes Made to Implement Public Acts Affecting Department* – REVISED**
Requires MDE to report by April 1 on each specific policy change made to implement a public act affecting MDE that took effect during the prior calendar year. Executive deletes this section. Senate retains this section. House adds requirement to reference the specific public act number.

***Sec. 220. General Fund Appropriations* – NOT INCLUDED**
Senate adds language that requires federal or private funds to be expended before general funds. Requires MDE to provide notice if they are required to make a reduction in expenditures under Sec. 395(1) or (2) of the Management and Budget Act, 1984 PA 431, MCL 18.1395. House does not include.

***Sec. 220. Departmental Scorecard* – NEW**
House adds language that requires MDE to quarterly update a department performance scorecard on its website.

***Sec. 221. Unenforceable Sections* – NOT INCLUDED**
Senate adds language that requires MDE to provide a report on any sections that they determined to be unenforceable with a detailed legal rationale. House does not include.

***Sec. 221. Court-Approved Judgement* – NEW**
House adds language that restricts appropriated funds from being used for court-approved judgements, settlements, awards, or claims in excess of $200,000.

***Sec. 222. Expending Available Work Project Authorization* – RETAINED**
Prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible. Executive deletes this section. Senate retains this section. House concurs with Senate.

***Sec. 223. State Fiscal Recovery Funds Reallocation Authorization* – DELETED**
Directs the state budget director to reallocate state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline of December 31, 2026, and must notify the Legislature within 10 days after making the reallocation. Executive deletes this section. Senate revises to require MDE to provide notice if an appropriation described under this section is projected to lapse. Strikes language directing how funds should be reallocated. House concurs with Executive.

***Sec. 224. Federal Policy Changes Report* – NOT INCLUDED**
Senate adds language that requires MDE to provide a quarterly report detailing federal policy changes that affect the operations of the department; affect an industry, community, population, or other group that engages with the department; affect regulations that affect a group served by the department; or create a regulatory gap that could negatively impact the public. House does not include.

***Sec. 224. Departmental Legacy Costs* – NEW**
House adds language listing the pension and retiree health care legacy costs for the department.

***Sec. 225. Severance Pay Report* – NEW**
House adds language that requires MDE to report on any amounts of severance pay for high-ranking department officials within 14 days of the severance agreement signing and report the total amount of severance pay for the prior fiscal year.

Major Boilerplate Changes from FY 2024-25

***Sec. 226. In-Person and Remote Work Report* – NEW**
House adds language that requires MDE to prioritize in-person work, including the requirement for employees to work in-person 5 days per week. Requires employees with field work to report to the office each morning. Requires MDE to establish a policy to ensure all employees are working their jobs during normal business hours.

***Sec. 227. Department Grant Transparency* – NEW**
House adds language that requires MDE to follow a set of conditions when awarding grant funding and requires a quarterly report on grant funding awarded.

***Sec. 228. Utilization of E-Verify* – NEW**
House adds language that requires MDE to condition all contractors and subcontractors to use the federal E-Verify system for all employees hired during the length of the contract with MDE.

***Sec. 229. Non-Citizen Restrictions* – NEW**
House adds language that restricts MDE from using any state or federal funds on services, grants, or programming for any non-citizen, unless the non-citizen is a qualified alien or if the funds are used to restrain the non-citizen in jails or correctional facilities.

***Sec. 230. Third-Party Funds Report* – NEW**
House adds language that requires MDE to report on various information related to third-party funds received and expended by the department in the previous fiscal year.

***Sec. 231. Restriction on Diversity, Equity, and Inclusion Programs* – NEW**
House adds language that restricts MDE from using any funds on diversity, equity, and inclusion programs.

***Sec. 504. District Educator Preparation Programs* – REVISED**
Requires MDE to award funding to districts for educator preparation programing. Executive requires MDE to award funding to districts for educator preparation programming. Revises allocation to reflect reprioritization of funds toward implementation of 2024 PA 146. Senate concurs with Executive. House adds nonpublic schools as eligible recipients of funding. Adds requirement for MDE to report on how funding is distributed. Does not concur with Executive revisions.

***Sec. 505. Educator Recruitment and Staffing* – REVISED**
Requires MDE to direct resources towards teacher recruitment and preparation programs. House adds requirement for MDE to report on how funds are spent.

***Sec. 602. School Board Training* – REVISED**
Requires MDE to approve and reimburse districts for one or more eligible training programs for school board members, covering conflicts of interest, labor relations, education law, school finance, board governance, and implicit bias training. House strikes implicit bias training as an eligible expense.

***Sec. 604. Mental Health Support Services* – RETAINED**
Requires MDE to use funding to provide technical assistance to districts receiving funding under Sec. 31n of the School Aid Act to make them more effective at using Medicaid dollars for mental health. Executive revises to clarify that technical assistance includes but is not limited to Medicaid claims. Senate revises allocation and FTE authorizations to reflect increased funding. Does not concur with Executive revisions. House maintains current law.

***Sec. 701. MTSS, At-Risk, Reading Intervention Report* – REVISED**
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. House adds that MDE must report which districts have been determined by the department to have a need to implement multitiered systems of support and reading intervention programs.

***Sec. 704. Foster Care Oversight* – NOT INCLUDED**
Senate adds language that requires MDE to use funds and an FTE position authorization to regularly review educational programs in child caring institutions, as required by 2024 PA 11. House does not include.

***Sec. 705. Media Literacy Training* – NOT INCLUDED**
Senate adds language that requires MDE to use funds to design, implement, and evaluate professional learning and optional curriculum modules for teaching artificial intelligence and media literacy. House does not include.