

FY 2026-27 EDUCATION OMNIBUS BUDGET
Summary: As Reported by House Subcommittee
House Bill 5630 (H-1)



Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area [Summary Page]	FY 2026-27		
	Gross	SAF	GF/GP
School Aid [1]	\$21,524,830,200	\$18,705,849,400	\$67,334,900
Community College [23]	491,039,800	491,039,800	0
Higher Education [27]	2,161,916,700	844,918,300	1,131,798,400
TOTAL	\$24,177,786,700	\$20,041,807,500	\$1,199,133,300

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

FY 2026-27: SCHOOL AID
Summary: As Reported by House Subcommittee
Article 1, House Bill 5630 (H-1)



Analysts: Jacqueline Mullen and Noel Benson

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount
	\$0	\$0	\$0	\$	\$	\$0	--
Federal	2,407,708,500	2,405,708,500	2,405,708,500			(2,000,000)	(0.1)
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	18,807,972,100	18,952,376,700	19,051,786,800			243,814,700	1.3
GF/GP	73,151,100	45,334,900	67,334,900			(5,816,200)	(8.0)
Gross	\$21,288,831,700	\$21,403,420,100	\$21,524,830,200	\$	\$	\$235,998,500	1.1

Note: 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, 285 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), Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP), 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 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
1. Foundation Allowances (Secs. 22a & 22b)	Gross \$10,481,500,000	\$323,000,000
<u>Executive</u> increases by \$325.0 million Gross (\$350,000 GF/GP) to provide a \$250 (2.5%) per-pupil increase in the foundation allowance, from \$10,050 to \$10,300. (See Major Boilerplate Changes for Sec. 22b below.)	Restricted 10,481,263,600	323,000,000
	GF/GP \$236,400	\$0
<u>House</u> increases by \$323.0 million SAF to provide a \$250 (2.5%) per-pupil increase in the foundation allowance, from \$10,050 to \$10,300. (See Major Boilerplate Changes for Sec. 22b below.)		
2. Foundations: Cyber Schools Reduction (Secs. 22a & 22b)	Gross NA	\$0
<u>Executive</u> reduces the foundation allowance for cyber schools to 80% of the proposed Target foundation allowance, or from \$10,300 to \$8,240 per pupil, an estimated savings of \$53.0 million.	Restricted NA	0
<u>House</u> maintains the foundation allowance for cyber schools at the proposed Target foundation allowance, \$10,300.	GF/GP NA	\$0
3. Foundations: Weighted Pupil Membership (Sec. 22b(3)) – NEW	Gross \$0	\$0
<u>Executive</u> in addition to the foundation allowance, creates a “weighted pupil membership” that increases funding to districts for students who are English language learners (ELLs) or are economically disadvantaged. The funding amount is based on a percentage of the foundation allowance. Transfers \$1.4 billion (including 6.1% increases for each line) from Sec. 31a (At-Risk) and Sec. 41 (Bilingual Education) to Sec. 22b(3) to support the weighted formula. At-Risk pupils are counted as between 0.1692 and 0.2273 weighted pupil FTEs, and ELL pupils are counted as between 0.0190 and 0.1687 weighted pupil FTEs. (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.)	Restricted 0	0
<u>House</u> does not include.	GF/GP \$0	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
4. Foundations: DPSCD (Secs. 22a & 22b)	Gross	\$124,000,000	(\$124,000,000)
<u>Executive</u> eliminates \$124.0 million one-time SAF for Detroit Public Schools Community District (DPSCD) costs and provides intent that DPSCD's taxable value per pupil begin to be counted toward the local portion of the district's foundation allowance.	Restricted	124,000,000	(124,000,000)
<u>House</u> concurs with Executive.	GF/GP	\$0	\$0
5. Foundations: Cost Adjustments (Secs. 22a & 22b)	Gross	NA	(\$320,500,000)
<u>Executive</u> reduces by \$320.5 million SAF to reflect January consensus pupil and cost estimates.	Restricted	NA	(320,500,000)
<u>House</u> concurs with Executive.	GF/GP	NA	\$0
6. Numeracy Supports (Sec. 36) – NEW	Gross	\$0	\$100,000,000
<u>Executive</u> does not include.	Restricted	0	100,000,000
<u>House</u> provides \$100.0 million one-time SAF for payments to districts and ISDs to improve educational outcomes in mathematics. Creates a Committee for Mathematics Achievement to evaluate and maintain a ranked list of available mathematics curricula, professional development, and tools. Limits the committee to recommending five mathematics curricula. Allows for two rounds of grant applications. Grants awarded in the first round may only be used to purchase one of the five approved mathematics curricula. Grants awarded in the second round may also be used for professional development and other tools. Allows members of the committee to receive up to an \$8,000 annual stipend. Allocates \$1.0 million for a statewide online supplemental math education tool.	GF/GP	\$0	\$0
7. Literacy Supports (Sec. 35m)	Gross	\$64,400,000	\$85,600,000
<u>Executive</u> retains and increases by \$35.6 million one-time SAF for a total of \$100.0 million one-time SAF and revises to spend over two years payments for districts and ISDs to improve literacy outcomes by implementing early literacy series and materials.	Restricted	64,400,000	85,600,000
<u>House</u> retains and increases by \$85.6 million SAF and revises to be ongoing for a total of \$150.0 million SAF. Requires funds to be spent on only one of five literacy curriculum: Amplify CKLA, HMH Into Reading, Savvas Literacy Programs, Great Minds Wit & Wisdom, and EL Education K-8 Language Arts Curriculum.	GF/GP	\$0	\$0
8. LETRS Professional Learning (Sec. 35a(10))	Gross	\$10,000,000	\$65,000,000
<u>Executive</u> retains and increases by \$40.0 million one-time SAF for a total of \$50.0 million one-time SAF for LETRS professional learning and revises to spend over five years. Revises eligible recipients to PreK to grade five educators, special education educators, and administrators overseeing these professionals (previously required PreK-1 teachers to receive the training before other recipients). Adds requirement for LETRS to report to MDE quarterly.	Restricted	10,000,000	65,000,000
<u>House</u> retains and increases by \$65.0 million one-time SAF for a total of \$75.0 million one-time SAF to spend over three years. Revises eligible recipients to K to grade five educators, special education educators, and administrators overseeing these professionals. Concurs with Executive to require quarterly reporting. Requires MDE to create a credential confirming completion of training.	GF/GP	\$0	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)		House Change from YTD
9. At-Risk (Sec. 31a)	Gross	\$1,293,655,000	\$64,682,800
<u>Executive</u> increases by \$78.8 million SAF (6.1%) for a total of \$1.4 billion SAF, but transfers funding to Sec. 22b(3) for purposes of a new weighted pupil membership. Eliminates all At-Risk-related boilerplate in this section (some requirements are moved to Sec. 164m). (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.)	Restricted	1,293,655,000	64,682,800
<u>House</u> increases by \$64.7 million SAF for a total of \$1.4 billion SAF. Requires funds be distributed to support category buildings within a district according to the number of economically disadvantaged students within a building. Does not include Executive boilerplate revisions.	GF/GP	\$0	\$0
10. Infrastructure Grants (Sec. 12e)	Gross	\$100,000,000	\$50,000,000
<u>Executive</u> eliminates one-time funding.	Restricted	100,000,000	50,000,000
<u>House</u> retains and increases by \$50.0 million and revises fund source from School Infrastructure and Consolidation Fund to SAF for a total of \$150.0 million one-time SAF. Allocates funds only for critical infrastructure needs affecting the health, safety, or well-being of students.	GF/GP	\$0	\$0
11. High-Impact Tutoring (Sec. 35p) – NEW	Gross	\$0	\$50,000,000
<u>Executive</u> provides \$100.0 million one-time SAF for competitive grants to approved, evidence-based tutoring programs to provide in-person tutoring during the school day at least twice a week. Requires student-tutor ratios no higher than 1:4. Provides intent that grant recipients receive up to 50% of the awarded amount in FY 2026-27 and the remaining amount in FY 2027-28. Allocates \$600,000 to the Clinton County Regional Educational Service Agency (CCRESA) to work with the Michigan Association of Intermediate School Administrators (MAISA) to report on programs funded and their impact, provide technical assistance to districts, and use up to \$300,000 for the MAISA Michigan Collaborative Hub.	Restricted	0	50,000,000
<u>House</u> provides \$50.0 million one-time SAF. Concurs with Executive boilerplate, but revises to allow tutoring to be before or after school and requires ongoing assessment and feedback.	GF/GP	\$0	\$0
12. STEM Supports (Sec. 36a) – NEW	Gross	\$0	\$50,000,000
<u>Executive</u> does not include.	Restricted	0	50,000,000
<u>House</u> provides \$50.0 million one-time SAF for payments to districts and ISDs to improve educational outcomes in STEM. Creates a Committee for STEM Achievement to evaluate and maintain a ranked list of available STEM curricula, professional development, and tools. Limits the committee to recommending five STEM curricula. Allows for two rounds of grant applications. Grants awarded in the first round may only be used to purchase one of the five approved STEM curricula. Grants awarded in the second round may also be used for professional development and other tools. Grants may not be used for items eligible for funding under Sec. 36. Allows members of the committee to receive up to an \$8,000 annual stipend.	GF/GP	\$0	\$0
13. Fund Deposits	Gross	NA	\$0
<u>House</u> deposits the following amounts into subaccounts of the School Aid Fund (Note: The columns on the right reflect appropriations and do not include deposits):	Restricted	NA	0
<ul style="list-style-type: none"> • \$11.0 million SAF into the School Infrastructure and Consolidation Reserve Fund • \$239.1 million SAF into the School Aid Countercyclical Budget Stabilization Fund • \$20.0 million SAF into the new Special Education Reserve Fund 	GF/GP	NA	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
14. Mental Health & School Safety (Sec. 31aa)	Gross	\$321,000,000	\$0
<u>Executive</u> retains and revises \$300.0 million one-time SAF to be \$50.0 million ongoing and \$250.0 one-time and eliminates \$21.0 million one-time GF/GP for a total of \$300.0 million SAF. Removes nonpublic schools as eligible recipients. Eliminates allocations of \$53.5 million Gross (\$3.5 million GF/GP) for grants for school resource officers and \$53.5 million Gross (\$3.5 million GF/GP) for grants for mental health staff. Increases the allocation for per-pupil grants to improve student mental health and student safety from \$214.0 million Gross (\$14.0 million GF/GP) to \$300.0 million SAF (the full amount of funding under this section).	Restricted	300,000,000	0
<u>House</u> retains and revises \$321.0 million one-time Gross to be \$200.0 million ongoing SAF and \$121.0 million one-time Gross (\$21.0 million GF/GP). Retains nonpublic schools as eligible recipients. Retains allocations of \$53.5 million Gross (\$3.5 million GF/GP) for school resources officers and \$53.5 million Gross (\$3.5 million GF/GP) for mental health staff. Revises per-pupil payments to be \$146.87 per pupil in a district that opts in to receive funding. Revises to require recipients to waive privilege only after an intentional incident that results in fatality or significant bodily injury to three or more individuals.	GF/GP	\$21,000,000	\$0
15. Vacant Building Demolition (Sec. 12f) – NEW	Gross	\$0	\$8,800,000
<u>Executive</u> does not include.	Restricted	0	8,800,000
<u>House</u> provides \$8.8 million one-time SAF for grants to demolish district-owned buildings for districts that have lost more than 80% of their pupil membership.	GF/GP	\$0	\$0
16. Transportation Costs (Sec. 22i)	Gross	\$125,000,000	\$0
<u>Executive</u> retains \$125.0 million one-time School Transportation Fund to districts and ISDs based on riders per square mile and the cost per rider. There would be approximately \$8.9 million left in the School Transportation Fund at the end of FY 2026-27.	Restricted	125,000,000	0
<u>House</u> concurs with Executive. Prohibits MDE from requiring recipients to submit itemized expense information from third-party entities providing transportation services.	GF/GP	\$0	\$0
17. Dual Enrollment (Sec. 21b) – NEW	Gross	\$0	\$40,000,000
<u>Executive</u> provides \$20.0 million one-time SAF to reimburse high-poverty districts in opportunity index bands 4, 5, or 6 for dual enrollment costs. (Currently, districts pay students' dual enrollment costs using general operations funding, i.e., the foundation allowance, or through an ISD's participation under Sec. 61b for CTE-related dual enrollment programs.) If funds are insufficient, provides a cap for any individual district of 25% of the appropriation, followed by equal percentage proration.	Restricted	0	40,000,000
<u>House</u> provides \$40.0 million one-time SAF. Concurs with Executive boilerplate, but allows districts in opportunity index bands 3, 2, and 1 to receive funding if all eligible expenses have been reimbursed for districts in higher bands. Allows districts to receive funding for work-based learning programs and early middle college dual enrollment programs.	GF/GP	\$0	\$0
18. Partnership Model Districts (Sec. 21h)	Gross	\$6,137,400	\$0
<u>Executive</u> retains \$6.1 million one-time School Aid Pupil Support Reserve Fund for districts that are in a partnership to improve student achievement and district financial stability. Maintains intent to fund the section with the reserve fund through FY 2027-28.	Restricted	6,137,400	0
<u>House</u> concurs with Executive.	GF/GP	\$0	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
19. Isolated Districts (Sec. 22d)	Gross	\$12,873,100	\$643,700
<u>Executive</u> increases by \$783,000 SAF (6.1%) for a total of \$13.7 million SAF for small, isolated districts; districts with fewer than 10.0 pupils per square mile; districts with greater than 250 square miles; and a district on an island accessible by bridge (Grosse Ile).	Restricted	12,873,100	643,700
<u>House</u> increases by \$643,700 SAF (5.0%) for a total of \$13.5 million SAF.	GF/GP	\$0	\$0
20. Technology Regional Data Hubs (Sec. 22m)	Gross	\$5,000,000	\$0
<u>Executive</u> eliminates \$1.5 million one-time SAF for a total of \$3.5 million ongoing SAF to support integration of local school data systems into the Michigan Data Hub Network.	Restricted	5,000,000	0
<u>House</u> retains \$1.5 million one-time SAF for a total of \$5.0 million SAF.	GF/GP	\$0	\$0
21. Mathematics Pathways (Sec. 23h) – NEW	Gross	\$0	\$0
<u>Executive</u> provides \$12.0 million one-time SAF for Gogebic-Ontonagon ISD, in partnership with MAISA, to provide mathematics professional learning opportunities for educators (\$3.0 million) and fund early mathematics specialists within ISDs (\$9.0 million). Allows funds to be expended through FY 2028-29.	Restricted	0	0
<u>House</u> does not include.	GF/GP	\$0	\$0
22. Dropout Recovery Programs (Secs. 22b & 25g)	Gross	\$1,250,000	(\$500,000)
<u>Executive</u> eliminates \$500,000 one-time SAF and transfers remaining \$750,000 ongoing SAF from Sec. 25g (Dropout Recovery Programs) to be distributed under Sec. 22b as part of the foundation allowance rather than a separate appropriation. The program is estimated to cost over \$750,000 in FY 2026-27; funding would be prorated under Sec. 25g but would require full payment under Sec. 22b. (See Major Boilerplate Changes for Sec. 6 below.)	Restricted	1,250,000	(500,000)
<u>House</u> eliminates \$500,000 one-time SAF for a total of \$750,000 SAF. Does not include Executive revisions.	GF/GP	\$0	\$0
23. MI Future Educator Fellowship Program (Sec. 27a)	Gross	\$25,000,000	\$0
<u>Executive</u> retains \$10.0 million one-time Educator Fellowship Public Provider Fund for a total of \$25.0 million Gross (\$5.0 million GF/GP) to offset tuition costs for college students earning their initial certification. Removes requirement that recipients must have a high school diploma or equivalent (recipients must be enrolled in an eligible educator preparation program). Requires educator preparation programs to include coursework on the science of reading or provide MiLEAP a plan to do so by September 30, 2027 in order to comply with 2024 PA 147.	Restricted	20,000,000	1,800,000
<u>House</u> retains \$10.0 million one-time Educator Fellowship Public Provider Fund and revises \$1.8 million ongoing GF/GP to be \$1.8 million one-time Educator Fellowship Private Provider Fund for a total of \$25.0 million Gross (\$3.8 million GF/GP). Allows recipients to work at a nonpublic school to meet the required years spent working as a certified teacher. Requires educator preparation programs to include coursework on the science of reading.	GF/GP	\$5,000,000	(\$1,800,000)
24. Grow Your Own Programs (Sec. 27b)	Gross	\$70,000,000	(\$70,000,000)
<u>Executive</u> retains \$60.0 million one-time SAF (a \$10.0 million reduction) to be spent over three years for tiered competitive grants to districts, ISDs, and consortia of ISDs for grow your own programs (strikes educator development programs as an eligible use). Removes caps on grant funding for each tier. Allocates \$3.0 million for school librarian specialist certification grants.	Restricted	70,000,000	(70,000,000)
<u>House</u> eliminates one-time funding.	GF/GP	\$0	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
25. MI Future Educator Student Teacher Stipend (Sec. 27c)	Gross	\$50,000,000	\$12,500,000
<u>Executive</u> retains \$20.0 million one-time Educator Fellowship Public Provider Fund for a total of \$50.0 million Gross (\$0 GF/GP) for payments to student teachers. Requires educator preparation programs to include coursework on the science of reading or provide MiLEAP a plan to do so by September 30, 2027 in order to comply with 2024 PA 147.	Restricted	50,000,000	12,500,000
<u>House</u> provides an additional \$12.5 million Educator Fellowship Private Provider Fund and retains \$20.0 million one-time Educator Fellowship Public Provider Fund for a total of \$62.5 million Gross (\$0 GF/GP). Adds individuals student teaching at nonpublic schools as eligible recipients. Requires educator preparation programs to include coursework on the science of reading.	GF/GP	\$0	\$0
26. Learner and Educator Credentialing (Sec. 27o) – NEW	Gross	\$0	\$4,000,000
<u>Executive</u> does not include.	Restricted	0	4,000,000
<u>House</u> provides \$4.0 million one-time SAF for a statewide digital credentialing initiative to track CTE program completion for students and literacy professional development for educators.	GF/GP	\$0	\$0
27. Enrollment Stabilization (Sec. 29)	Gross	\$71,000,000	\$0
<u>Executive</u> retains and increases by \$54.0 million one-time Enrollment Stabilization Fund for a total of \$125.0 million one-time Enrollment Stabilization Fund to offset up to half of a district's or IDS's foundation allowance loss due to declining enrollment. Currently, this section is prorated to about 63%; this increase would fully fund the calculation. There would be approximately \$6.4 million left in the Enrollment Stabilization Fund at the end of FY 2026-27.	Restricted	71,000,000	0
<u>House</u> retains \$71.0 million one-time Enrollment Stabilization Fund.	GF/GP	\$0	\$0
28. Universal School Breakfast and Lunch (Sec. 30d)	Gross	\$201,600,000	\$0
<u>Executive</u> eliminates \$1.6 million one-time GF/GP for a total of \$200.0 million ongoing SAF for providing free school breakfast and lunch for all PreK-12 students. Removes nonpublic school students from eligibility. Adds requirement that a participating entity must participate in the National School Breakfast Program (in addition to the National School Lunch Program).	Restricted	200,000,000	0
<u>House</u> retains and revises \$1.6 million one-time GF/GP to be ongoing for a total of \$201.6 million ongoing Gross (\$1.6 million GF/GP). Maintains eligibility for nonpublic school students. Concurs with Executive to require participation in the National School Breakfast Program. Prohibits recipients from providing or selling soda or candy to students.	GF/GP	\$1,600,000	\$0
29. Ten Cents a Meal (Sec. 31j) – NEW	Gross	\$0	\$4,200,000
<u>Executive</u> does not include.	Restricted	0	4,000,000
<u>House</u> provides \$4.2 million one-time Gross (\$200,000 GF/GP; \$4.0 million SAF) for districts and nonpublic schools to participate in the Ten Cents a Meal program to purchase locally grown fruits, vegetables, and legumes.	GF/GP	\$0	\$200,000

<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>House Change from YTD</u>
30. Great Start Readiness Program (GSRP) (Secs. 32d & 39)	Gross	\$656,567,600	\$15,314,200
<u>Executive</u> increases by \$138.1 million Gross (including a reduction of \$350,000 GF/GP) for a total of \$794.7 million Gross (\$0 GF/GP) for school readiness preschool programs for four-year-old children. Revises as follows:	Restricted	656,217,600	15,664,200
	GF/GP	\$350,000	(\$350,000)
<ul style="list-style-type: none"> • Increases by \$100.0 million SAF for additional slot allocations for classrooms. • Increases by \$38.1 million (6.1%) to increase the Great Start Readiness Foundation by \$640 from \$10,650 to \$11,290. • In addition to an ongoing allocation of \$10.0 million SAF for transportation costs, retains an appropriation of \$18.0 million one-time GSRP Reserve Fund. • Revises allocation of \$350,000 GF/GP for a longitudinal evaluation of GSRP to be an indeterminate amount of SAF that is allocated from programmatic funding. Increases programmatic funding by \$350,000 SAF but does not specify the amount that may be allocated for the evaluation. 			
<u>House</u> increases by \$15.3 million Gross (including a reduction of \$350,000 GF/GP) for a total of \$671.9 million Gross (\$0 GF/GP). Revises as follows:			
<ul style="list-style-type: none"> • Increases by \$15.7 million SAF (2.5%) to increase the Great Start Readiness Foundation by \$266 from \$10,650 to \$10,916. • Concurs with Executive to retain \$18.0 million one-time GSRP Reserve Fund. • Eliminates \$350,000 GF/GP for a longitudinal evaluation. 			
31. GSRP Classroom Start-Up Grants (Sec. 32d(29))	Gross	\$10,000,000	(\$10,000,000)
<u>Executive</u> retains and increases by \$15.0 million one-time SAF for a total of \$25.0 million one-time SAF for grants to ISDs of up to \$50,000 for each new or expanding GSRP classroom.	Restricted	10,000,000	(10,000,000)
<u>House</u> eliminates \$10.0 million one-time SAF.	GF/GP	\$0	\$0
32. Out of School Time (Sec. 32n)	Gross	\$75,000,000	\$0
<u>Executive</u> retains and increases by \$10.0 million one-time School Aid Pupil Support Fund and provides \$50.0 million ongoing SAF for a total of \$135.0 million Gross (\$85.0 million one-time School Aid Pupil Support Fund; \$50.0 million ongoing SAF) for Clinton County RESA to collaborate with MiLEAP to award competitive grants to CBOs, IHEs, public libraries, local governments, or ISDs for before and after school programs and summer school programs. Requires MiLEAP to develop a tiered grant structure based on the number of program sites that would be served and caps largest tier at 40% of total funding. Requires MiLEAP to make half of a grant payment (instead of the full amount) upon award unless the recipient demonstrates resource needs. Maintains intent to increase the School Aid Pupil Support Reserve Fund appropriation to \$100.0 million in FY 2027-28 (FY 2027-28 will be the third of three years of intended reserve fund spending).	Restricted	75,000,000	0
<u>House</u> retains \$75.0 million one-time School Aid Pupil Support Fund. Concurs with Executive to require MiLEAP to develop a tiered grant structure, but revises cap to 25% of total funding. Concurs with Executive on other boilerplate changes, but strikes intent language for future fiscal years.	GF/GP	\$0	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
33. Early Learning Partnerships (Sec. 32p) – NEW	Gross	\$0	\$29,800,000
<u>Executive</u> provides \$30.0 million SAF to create and implement statewide early learning partnerships to provide centralized access points for families into the early childhood system. Allocates funding as follows:	Restricted	0	29,800,000
	GF/GP	\$0	\$0
<ul style="list-style-type: none"> • \$16.9 million to ISDs to support early learning partnerships. Requires ISDs to receive at least as much as in FY 2024-25 for local Great Start Collaboratives (former Sec. 32p, which was repealed for FY 2025-26). Allocates at least \$1.0 million from this allocation to support MiFamily Engagement Regional Centers. • \$3.9 million for evidence-based support services for families, including home visiting programs, as determined by MiLEAP and DHHS. • \$4.0 million to improve access to books and other early literacy materials for children from birth to age five. • \$4.0 million to raise awareness about the availability of services through early learning partnerships. • \$1.2 million for Oakland Schools and Clinton County RESA to collaborate with MiLEAP on administrative support. 			
<u>House</u> provides \$29.8 million SAF. Allocates funding as follows:			
<ul style="list-style-type: none"> • \$16.9 million to ISD to support early learning partnerships. Concurs with Executive boilerplate, but does not allocate \$1.0 to MiFamily Engagement Regional Centers. • \$3.9 million for evidence-based support services for families, including home visiting programs, as determined by MiLEAP and DHHS. • \$4.0 million to improve access to books and other early literacy materials for children from birth to age five. • \$5.0 million for early literacy curriculum aligned with the science of reading. 			
34. Early Literacy Teacher Coaches (Sec. 35a(4))	Gross	\$42,000,000	\$0
<u>Executive</u> increases by \$10.5 million SAF for a total of \$52.5 million SAF to increase the number of literacy coaches from 336 to 420 and ensure that each ISD can support at least one more literacy coach than in FY 2025-26 (with a minimum of four per ISD). Requires literacy coaches to comply with new Sec. 35o (Literacy Essentials). Requires MiLEAP to develop a coaching evaluation framework aligned with MCL 380.1280f (3 rd grade reading legislation).	Restricted	42,000,000	0
<u>House</u> maintains appropriation of \$42.0 million SAF for literacy coaches. Concurs with Executive requirement to develop a literacy coaching framework. Does not include other Executive revisions.	GF/GP	\$0	\$0
35. Literacy Essentials Transfer (Secs. 35m(9) & 35o) – NEW	Gross	\$4,000,000	(\$4,000,000)
<u>Executive</u> transfers \$4.0 million one-time SAF from Sec. 35m(9) to Sec. 35o, revises to be ongoing, and increases by \$2.0 million SAF for a total of \$6.0 million SAF for Gogebic-Ontonagon ISD, in partnership with an association representing ISD administrators, to maintain the state's literacy essentials resources, lead professional learning, facilitate a statewide network of literacy coaches, place regional lead literacy coaches, and meet monthly with MDE and MiLEAP to align efforts.	Restricted	4,000,000	(4,000,000)
<u>House</u> eliminates \$4.0 million one-time SAF.	GF/GP	\$0	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
36. Private Tutoring (Sec. 35q) – NEW	Gross	\$0	\$40,000,000
<u>Executive</u> does not include.	Restricted	0	40,000,000
<u>House</u> provides \$40.0 million SAF for a pilot program to provide grants to districts to reimburse parents of at-risk students for the costs associated with private tutoring. Requires the pilot program to include districts in opportunity index band 4 or higher, from both urban and rural areas, and include all geographic regions of the state. Allocates \$200,000 for a study on program outcomes. Allows districts to retain 2.5% of funds for administration.	GF/GP	\$0	\$0
37. English Language Learner Grants (Sec. 41)	Gross	\$62,732,600	\$3,136,700
<u>Executive</u> increases by \$3.8 million SAF (6.1%) for a total of \$66.5 million SAF, but transfers funding to Sec. 22b(3) for purposes of a new weighted pupil membership. Maintains boilerplate requirements to administer the WIDA assessment and provide a minimum amount of English language development instruction per week to receive the funding now in Sec. 22b(3). (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.)	Restricted	62,732,600	3,136,700
<u>House</u> increases by \$3.1 million SAF for a total of \$65.9 million SAF. Does not include Executive boilerplate revisions.	GF/GP	\$0	\$0
38. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, & 56)	Gross	\$2,802,596,100	\$45,341,500
<u>Executive</u> increases special education expenditures by \$60.5 million Gross (\$0 GF/GP) for a total of \$2.9 billion Gross (\$0 GF/GP) as follows:	Federal	583,000,000	0
<ul style="list-style-type: none"> Increases by \$15.0 million SAF for a total of \$89.2 million SAF funding to certain ISDs related to their special education millage. Revises funding formulas (currently, a millage equalization program and a millage incentive program) to a formula based 50% on taxable value per special education head count and 50% on taxable value per unreimbursed special education costs. Increases by \$13.0 million SAF for a total of \$535.0 million to increase special education foundation allowances by 2.5%. Transfers \$2.8 million GF/GP in operational funding for the Michigan School for the Deaf in the MDE budget and revises to SAF for a total of \$4.5 million SAF for instructional costs for pupils attending the Michigan Schools for the Deaf and Blind. Increases by \$29.7 million SAF to reflect January consensus cost estimates. 	Restricted	2,219,596,100	45,341,500
(See Major Boilerplate Changes for Sec. 51i below.)	GF/GP	\$0	\$0
<u>House</u> increases special education expenditures by \$45.3 million Gross (\$0 GF/GP) for a total of \$2.8 billion Gross (\$0 GF/GP) as follows:			
<ul style="list-style-type: none"> Increases by \$12.8 million SAF for a total of \$534.8 million to increase special education foundation allowance by 2.5%. Concurs with Executive to transfer \$2.8 million GF/GP for the Michigan School for the Deaf and revises to SAF. (Note: the SAF increase is higher than the transfer included in the MDE summary due to economic adjustments.) Increases by \$29.7 million SAF to reflect January consensus cost adjustments. Does not revise special education millage equalization and millage incentive formulas. 			
39. MiMTSS Technical Assistance Center Transfer (Secs. 35m(10) & 54b) – NEW	Gross	\$1,600,000	(\$1,600,000)
<u>Executive</u> transfers \$1.6 million one-time SAF from Sec. 35m(10) to Sec. 54b and revises to ongoing for the Michigan Multi-Tiered System of Supports (MiMTSS) Technical Assistance Center to expand statewide implementation of MTSS.	Restricted	1,600,000	(1,600,000)
<u>House</u> eliminates \$1.6 million one-time SAF.	GF/GP	\$0	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
40. Early On (Sec. 54d)	Gross	\$23,670,700	\$5,000,000
<u>Executive</u> increases by \$1.5 million SAF (6.1%) for a total of \$25.1 million SAF for ISDs to provide Early On services for children birth to age three with a developmental delay or disability.	Restricted	23,670,700	5,000,000
<u>House</u> increases by \$5.0 million SAF for a total of \$23.7 million SAF.	GF/GP	\$0	\$0
41. Career and Technical Education (CTE) (Sec. 61a)	Gross	\$41,733,800	\$2,086,700
<u>Executive</u> increases by \$2.5 million SAF (6.1%) for a total of \$44.2 million SAF for reimbursements to districts and ISDs for vocational education programs.	Restricted	41,733,800	2,086,700
<u>House</u> increases by \$2.1 million SAF (5%) for a total of \$43.8 million SAF.	GF/GP	\$0	\$0
42. CTE Early/Middle College & Dual Enrollment (Sec. 61b)	Gross	\$8,368,000	\$1,000,000
<u>Executive</u> increases by \$500,000 SAF (6.1%) for a total of \$8.9 million SAF for CTE early middle college and CTE dual enrollment programs and for planning grants for the development or expansion of CTE early middle college programs.	Restricted	8,368,000	1,000,000
<u>House</u> increases by \$1.0 million one-time SAF for a total of \$9.4 million SAF (\$1.0 million one-time).	GF/GP	\$0	\$0
43. CTE Virtual Reality (Sec. 61w) – NEW	Gross	\$0	\$5,000,000
<u>Executive</u> does not include.	Restricted	0	5,000,000
<u>House</u> provides \$5.0 million one-time SAF for grants to districts and ISDs to support CTE virtual reality programs.	GF/GP	\$0	\$0
44. CTE Shared Services (Sec. 61x) – NEW	Gross	\$0	\$30,000,000
<u>Executive</u> does not include.	Restricted	0	30,000,000
<u>House</u> provides \$30.0 million SAF to reimburse districts and ISDs for providing CTE programs and transportation to nonresident students over three years. Provides intent for payments to be sufficient to incentivize districts and ISDs to participate in the program.	GF/GP	\$0	\$0
45. Detroit Area PreCollege Engineering Program (Sec. 65)	Gross	\$900,000	(\$900,000)
<u>Executive</u> retains \$900,000 one-time School Aid Pupil Support Reserve Fund for the Detroit Area PreCollege Engineering Program (DAPCEP). Maintains intent to fund the section with the reserve fund through FY 2027-28.	Restricted	900,000	(900,000)
<u>House</u> eliminates \$900,000 one-time School Aid Pupil Support Reserve Fund.	GF/GP	\$0	\$0
46. Hospitality and Tourism CTE Grants (Sec. 67d)	Gross	\$0	\$900,000
<u>Executive</u> does not include.	Restricted	0	900,000
<u>House</u> provides \$900,000 one-time School Aid Pupil Support Reserve Fund for grants to districts to support hospitality and tourism CTE programs.	GF/GP	\$0	\$0
47. FAFSA Completion Challenge (Sec. 67f)	Gross	\$10,000,000	(\$10,000,000)
<u>Executive</u> retains \$10.0 million one-time School Aid Pupil Support Reserve Fund for equal payments per 12 th grade student to districts that require all students to take the FAFSA. Strikes funding application deadlines, but adds deadline for MiLEAP to make initial payments by January 31. Adds that MiLEAP may use past participation under this section in determining district eligibility. Maintains intent to fund the section with the reserve fund through FY 2027-28.	Restricted	10,000,000	(10,000,000)
<u>House</u> eliminates \$10.0 million one-time School Aid Pupil Support Reserve Fund.	GF/GP	\$0	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
48. ISD General Operations (Sec. 81)	Gross	\$83,157,700	\$2,073,000
<u>Executive</u> increases by \$2.1 million SAF (2.5%, in line with the proposed foundation increase) for a total of \$85.3 million SAF for state aid to ISDs.	Restricted	83,157,700	2,073,000
<u>House</u> increases by \$2.1 million SAF (2.5% in line with proposed foundation increase) for a total of \$85.2 million SAF.	GF/GP	\$0	\$0
49. AP/IB/CLEP Incentive Program (Sec. 94)	Gross	\$2,600,000	(\$1,400,000)
<u>Executive</u> eliminates \$1.4 million one-time GF/GP for a total of \$1.2 million ongoing GF/GP to pay all or part of Advanced Placement (AP), International Baccalaureate (IB), and College-Level Examination Program (CLEP) fees for students, prioritizing those with low family income status.	Restricted	0	0
<u>House</u> concurs with Executive.	GF/GP	\$2,600,000	(\$1,400,000)
50. Center for Educational Performance and Information (Sec. 94a)	Gross	\$21,558,200	(\$2,000,000)
<u>Executive</u> reduces by \$2.0 million Federal for a total of \$19.6 million Gross (\$19.4 million GF/GP) for the Center for Educational Performance and Information (CEPI) to collect education data required by law, maintain the P-20 longitudinal data system, and maintain the MI School Data web portal. (See Economic Adjustments below, which reflects an additional increase of \$183,800 GF/GP for CEPI, for a total of \$19.7 million Gross (\$19.5 million GF/GP).)	Federal	2,193,500	(2,000,000)
<u>House</u> concurs with Executive.	Restricted	0	0
	GF/GP	\$19,364,700	\$0
51. Michigan Education Research Institute (Sec. 94e)	Gross	\$1,000,000	(\$1,000,000)
<u>Executive</u> retains and revises \$1.0 million one-time SAF to be ongoing for the Michigan Education Research Institute (MERI) to collaborate with MDE, MiLEAP, and CEPI to maintain a research ready dataset and conduct education-related research.	Restricted	1,000,000	(1,000,000)
<u>House</u> eliminates \$1.0 million one-time SAF.	GF/GP	\$0	\$0
52. School Accountability System (Sec. 94f)	Gross	\$0	\$350,000
<u>Executive</u> does not include.	Restricted	0	0
<u>House</u> provides \$350,000 GF/GP to MDE to develop a school accountability system that assigns a letter grade to each public school for various metrics. Also requires MDE to collect and publish information on each district's student promotion and retention policy, as well as the number of 3 rd grade students who scored "not proficient" on the state English language arts test and were promoted to grade 4.	GF/GP	\$0	\$350,000
53. Growth and Projection Analytics System (Sec. 95b)	Gross	\$0	\$1,000,000
<u>Executive</u> does not include.	Restricted	0	1,000,000
<u>House</u> provides \$1.0 million one-time SAF for a statewide growth and projections analytics system that includes student and teacher growth reports. Requires MDE to partner with an ISD and a platform vendor to administer the system.	GF/GP	\$0	\$0
54. Michigan Learning Channel (Sec. 98d) – NEW	Gross	\$0	\$0
<u>Executive</u> provides \$3.0 million one-time SAF for Northern Michigan University to support the Michigan Learning Channel.	Restricted	0	0
<u>House</u> does not include.	GF/GP	\$0	\$0
55. Robotics Competitions (Sec. 99h)	Gross	\$5,600,000	\$0
<u>Executive</u> retains \$5.0 million one-time School Aid Pupil Support Reserve Fund and \$600,000 one-time General Pupil Support Reserve Fund for competitive grants to districts, ISDs, and nonpublic schools for robotics competition programs. Maintains intent to fund the section with the reserve funds through FY 2027-28.	Restricted	5,600,000	0
<u>House</u> concurs with Executive.	GF/GP	\$0	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
56. MiSTEM Network Regions (Sec. 99s) – NEW	Gross	\$0	\$0
<u>Executive</u> provides \$8.0 million SAF as follows: \$3.8 million for programs or demonstration grants recommended by the MiSTEM council; and \$4.2 million for MiSTEM network regions (\$220,000 base awards plus an equal amount per pupil). <u>House</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0
57. Education Assessments (Sec. 104)	Gross	\$45,509,400	\$6,990,600
<u>Executive</u> increases by \$7.0 million SAF for a total of \$52.5 million Gross (\$0 GF/GP) for costs of complying with state and federal assessment laws. <u>House</u> concurs with Executive.	Federal	8,000,000	0
	Restricted	37,509,400	6,990,600
	GF/GP	\$0	\$0
58. Adult Education (Sec. 107)	Gross	\$32,913,600	\$7,586,400
<u>Executive</u> increases by \$7.6 million SAF for a total of \$40.5 million SAF for adult education programs provided by a district, ISD, or consortium of districts or ISDs. <u>House</u> provides an additional \$7.6 million one-time SAF for a total of \$40.5 million SAF (\$7.6 million one-time).	Restricted	32,913,600	7,586,400
	GF/GP	\$0	\$0
59. Michigan Public School Employees' Retirement System (MPERS) (Secs. 147a, 147c, & 147e)	Gross	\$1,991,500,000	(\$93,100,000)
<u>Executive</u> reduces state support for K-12 MPERS costs by \$93.1 million SAF for a total of \$1.9 billion Gross (\$400,000 GF/GP) due to the following consensus cost adjustments:	Restricted	1,991,100,000	(93,100,000)
<ul style="list-style-type: none"> • Reduces by \$28.8 million SAF for a total of \$307.5 million Gross (\$100,000 GF/GP) for the Normal Cost Offset (Sec. 147a). • Reduces by \$82.1 million SAF for a total of \$1.5 billion Gross (\$300,000 GF/GP) for the State Share of Unfunded Liability Payments (Sec. 147c). • Increases by \$17.8 million SAF for a total of \$136.2 million SAF for the Added Costs for 2017 PA 92 (Sec. 147e). <u>House</u> concurs with Executive.	GF/GP	\$400,000	\$0
60. Nonpublic School Reimbursement (Sec. 152b)	Gross	\$1,000,000	\$0
<u>Executive</u> eliminates \$1.0 million GF/GP for reimbursements to nonpublic schools for the cost of complying with health, safety, or welfare requirements. <u>House</u> maintains \$1.0 million GF/GP.	Restricted	0	0
	GF/GP	\$1,000,000	\$0
61. Tribal Consultation (Sec. 152c) – NEW	Gross	\$0	\$0
<u>Executive</u> provides \$5.0 million one-time SAF to Marquette-Alger Regional Educational Agency to develop statewide supports for the federal tribal consultation requirements under the federal Every Student Succeeds Act. Requires the ISD to support a collaboration to disseminate initial professional learning by September 30, 2027 and to report annually beginning January 1, 2028, with additional updates annually throughout the course of the work project (the estimated completion date of the work project is September 30, 2031). <u>House</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$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>House Change from YTD</u>
62. Removal of FY 2025-26 One-Time Appropriations	Gross	\$191,650,000	(\$191,650,000)
<u>Executive</u> and <u>House</u> remove \$191.7 million Gross (\$3.0 million GF/GP) of one-time funding that was included in the FY 2025-26 budget to support the following:	Restricted	188,650,000	(188,650,000)
	GF/GP	\$3,000,000	(\$3,000,000)
<ul style="list-style-type: none"> • Sec. 11s – Flint Declaration of Emergency (\$5.0 million SAF, \$3.0 million GF/GP) • Sec. 31c – Small Cass Sizes Program (\$65.0 million SAF) • Sec. 32t – Strong Beginnings Preschool Pilot (\$25.0 million SAF) • Sec. 35e – School Library Study (\$250,000 SAF) • Sec. 61d – CTE Incentive Payment (\$13.4 million SAF) • Sec. 61v – CTE Pathways to Success (\$70.0 million SAF) • Sec. 97n – Community Violence Intervention Grants (\$10.0 million SAF) 			
63. Other Cost Adjustments	Gross	\$57,700,000	\$12,400,000
<u>Executive</u> and <u>House</u> revise the following to reflect updated cost estimates:	Restricted	57,700,000	12,400,000
	GF/GP	\$0	\$0
<ul style="list-style-type: none"> • Sec. 26c – Increases by \$5.0 million SAF for a total of \$48.3 million SAF required funds for districts and ISDs with an approved Promise Zone development plan. • Sec. 26d – Increases by \$7.4 million SAF for a total of \$21.8 million SAF reimbursements to ISDs as required under the Brownfield Redevelopment Financing Act. 			
64. Economic Adjustments	Gross	NA	\$237,000
<u>Executive</u> and <u>House</u> reflects increased costs of \$237,000 Gross (\$183,800 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.	Restricted	NA	53,200
	GF/GP	NA	\$183,800

Major Boilerplate Changes from FY 2025-26

Sec. 6. Pupil Membership Definitions – REVISED

Executive clarifies that a pupil in an early middle college program and at least one college course may be transcribed for high school credit each count day in their fifth year. House maintains current law.

Executive revises the FTE requirements for a pupil enrolled in a dropout recovery program by requiring payments to be made fully through the foundation allowance, rather than 1.0 FTE under the foundation and any additional FTE under Sec. 25g. House maintains current law.

Executive adds a definition for “weighted pupil membership” that calculates the additional FTE increase for eligible pupils as follows:

- For English language learners, a weight from 0.0190 to 0.1687 based on their WIDA ACCESS assessment score. Provides intent to increase these weights annually until they reach 0.35 to 0.75.
- For economically disadvantaged pupils, a weight from 0.1692 to 0.2273 based on the district's opportunity index score. Provides intent to increase these weights annually until they reach 0.35 to 0.47.

Requires each Consensus Revenue Estimating Conference (CREC) to include estimated pupil counts necessary to determine the cost for weighted pupil membership for the current and subsequent two fiscal years. House does not include.

Executive removes a provision that allowed instruction by a noncertificated, nonendorsed teacher engaged to teach under Sec. 1233b of the Revised School Code through the 2025-26 school year. (Note: There is a drafting error in the bill; Executive has stated intent was as described above.) House extends the provision through the 2026-27 school year.

House revises to allow a pupil enrolling in a district after count day to count as 1/11 of an FTE for each month the pupil is enrolled between October and August.

Major Boilerplate Changes from FY 2025-26

Sec. 16. Prohibition on MDE Employees Benefitting from State Contracts – NEW

House prohibits MDE from entering into a state contract with anyone employed by the department within the last two years or any individual if an MDE employee would financially benefit from the contract.

Sec. 16a. Prohibitions Related to Race, DEI, and Gender – NEW

House provides a penalty equal to 20% of the district's Sec. 22b (Discretionary Portion of the Foundation Allowance) allocation if the district does any of the following: uses a curriculum that includes race or gender stereotyping; uses state funding for DEI initiatives; allows transgender girls to participate in girls' sports; or provides multistall unisex bathrooms. Requires a district to notify parents or legal guardians if a child requests to use a different name or different pronouns.

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

Executive strikes requirement that MDE must publish changes to the Pupil Accounting Manual (PAM) for the following school year by March 31 and that if adjustments to the PAM are necessary after March 31 due to enacted legislation, that MDE must notify districts of any violations and allow a 30-day correction period before imposing financial penalties. House maintains current law.

Sec. 18a. Grant Fund Expenditure Timeline – RETAINED

Executive exempts work project appropriations from the current requirement that grant recipients expend funds by the end of the fiscal year following the fiscal year funds were received. Adds new requirement for recipients of work projected grants to expend funds by the end of the fiscal year following the fiscal year in which the work project is closed. House maintains current law.

Sec. 18e. Washington Parks Academy Release of Funds – NEW

House requires MDE to release to Washington Parks Academy any funds withheld during FY 2024-25 by September 1.

Sec. 19. State and Federal Reporting Requirements – REVISED

Executive adds requirement that a district must provide CEPI with information related to personnel vacancies within 30 days of changes in employment or assignment status, including vacancy start and end dates and reasons for vacancy and vacancy termination. House concurs with Executive, but revises to require a district to provide information within 30 days only if the change in employment or assignment status is related to the health, safety, or wellbeing of students.

Sec. 22b. Foundations: Discretionary Payment – RETAINED

Executive requires districts to comply with Sec. 164m (Requirements for Weighted Pupil Membership) to receive funding under this section. House does not include.

Executive requires districts to notify parents if the district is not using evidence-based curriculum in grades K-5; this requirement is currently one of several in Sec. 164k (District Non-Compliance Penalty), which Executive repeals. House does not include.

Sec. 27j. Student Loan Repayment Assistance Reserve Fund – REVISED

Executive revises to lapse remaining money in the Student Loan Repayment Assistance Reserve Fund to the School Aid Fund. House concurs with Executive.

Sec. 31c. Small Class Size Pilot Program – REVISED

Executive maintains current law. House requires MDE to evaluate the pilot program and provide a report to the House and Senate Appropriations Subcommittees on School Aid, the House and Senate Standing Committees on Education, HFA, SFA, and SBO by December 1, 2027.

Sec. 31n. School Mental Health & Support Services – REVISED

Executive expands eligible pupils to include children served under Great Start Readiness Programs. Also adds requirement that ISDs submit a plan approved by MDE and DHHS for both distributions of programmatic funds under this section (currently, ISDs must submit a plan only for the first distribution). (Note: There is a drafting error in the bill; Executive has stated intent was as described above.) House concurs with Executive to require ISDs submit a plan for both distributions of programmatic funds, but does not expand eligible pupils.

Sec. 35q. Literacy Achievement and Opportunity Transparency Dashboard – NEW

Executive requires MDE, in collaboration with MiLEAP and CEPI, to publish a literacy achievement and opportunity transparency dashboard by March 1, 2027 and update periodically as new data becomes available. Requires the dashboard to include all of the following: the percentage of children with access to free, full-day PreK; the percentage of PreK-5 educators trained in the science of reading; the percentage of PreK-5 classrooms using curriculum aligned with the science of reading; the percentage of parents receiving communication from their school about their child's reading action plans and the ability to get extra support if needed; literacy-related state assessment results; additional metrics that help track statewide literacy progress; and a summary of activities the state is taking to improve literacy outcomes. House concurs with Executive, but does not include the percentage of children with access to free, full-day PreK, and revises PreK-5 educators and classrooms to only include K-5 educators and classrooms. Revises to Sec. 35o.

Major Boilerplate Changes from FY 2025-26

Secs. 32d & 39. Great Start Readiness Program – REVISED

House requires MiLEAP to report by October 1 on any ISDs that have their allocation reduced due to a failure to contract at least 30% of its total allocation to community-based organizations.

House requires ISDs to report to MiLEAP each month on the number of children enrolled in GSRP programs the number of children on a waitlist, and the total capacity of all GSRP programs operated by the ISD. Requires MiLEAP to compile and report this information each month to HFA, SFA, and SBO. Requires HFA, SFA, and SBO to provide an estimate each CREC of the number of children enrolled in a GSRP program.

Sec. 51i. Intent for Weighted Special Education Funding – NOT INCLUDED

Executive provides intent that, beginning in FY 2027-28, a weighted special education funding model be implemented to recognize the higher costs associated with certain student needs. Provides target weights based on specific impairment, ranging from 1.1 to 3.8 (for example, a pupil with a visual impairment would receive the foundation allowance multiplied by 3.8). House does not include.

Sec. 101. Eligibility to Receive State Aid – REVISED

Executive provides an exemption from the 75% pupil attendance requirement for a district-operated special education program approved by MDE that exceeds 180 days of pupil instruction. House concurs with Executive.

Executive provides an exemption from the 75% pupil attendance requirement for a district with fewer than 100 pupils (as reported in the fall count) that demonstrates that the absence of a single household may materially reduce the district's daily attendance below 75%. Requires the State Superintendent to grant a waiver that instead requires 60% daily attendance. House concurs with Executive.

Sec. 104h. Benchmark Assessments – REVISED

Executive strikes requirement that districts send benchmark assessment data to MDE and that MDE report annually on the data received. House concurs with Executive.

Executive adds requirement for the assessment made available by MDE at no cost to include a digital library of teaching resources that are tied directly to the benchmark assessment and aligned to Michigan standards. House concurs with Executive.

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

Executive revises to lapse remaining money in the MPERS Retirement Obligation Reform Reserve Fund to the School Aid Fund. House concurs with Executive.

Sec. 163. Educator Certification Requirements – REVISED

Executive maintains current law. House revises penalties for employing a teacher not meeting certification requirements as follows: the first violation in three years requires MDE to provide notice to the district, the second violation requires a financial penalty equal to 25% of the amount paid to the teacher, and the third violation requires a financial penalty equal to 50% of the amount paid to the teacher.

Sec. 164j. State Fiscal Recovery Fund – DELETED

Executive moves language requiring federal State Fiscal Recovery Fund (SFRF) revenue to be expended by December 13, 2026 to Sec. 297 in Article IV (would apply to the Community Colleges and Higher Education budgets as well as the School Aid budget). House concurs with Executive.

Sec. 164k. District Non-Compliance Penalty – REVISED

Executive eliminates this section, which required MDE to withhold 5% of a recipient's state aid payment for non-compliance of any of the following requirements: federal requirements regarding school meals; a requirement that all students complete the federal application for free and reduced-price meals; a prohibition against student financial incentives for attending on count day; a requirement that student survey questions be public; and a requirement that districts not using MDE-designated evidence-based curriculum must notify parents (the last requirement is moved to Sec. 22b). House adds requirement for districts to require all students to participate in the Presidential Fitness Test.

Sec. 164l. Legislatively Directed Spending Items (LDSIs) – REVISED

Executive strikes existing transparency requirements for the grant distribution, review, and verification process, and replaces with the following requirements: that the House Fiscal Agency and the Senate Fiscal Agency jointly submit a list of LDSIs to the State Budget Office within 30 days of budget enactment; that the department or agency administering the grant post comprehensive information on the grants awarded beginning March 15 and again by June 15 and September 15 annually. House strikes existing transparency requirements, requires the State Budget Office to post a list of legislatively directed spending items, requires quarterly reports by the department administering grants, provides requirements for grant audits, and prohibits executive and legislative branch employees and immediate family members from receiving grants.

Major Boilerplate Changes from FY 2025-26

Sec. 164m. Requirements for Weighted Pupil Membership – NOT INCLUDED

Executive requires districts to use funding under Sec. 22b(3) (Weighted Pupil Membership) to do all of the following: comply with MCL 380.1280f (3rd grade reading legislation); implement MTSS in grades K-12; utilize all funding under Sec. 22b(3) to support student needs for pupils counted toward the weighted pupil membership (At-Risk and ELL pupils); use up to 2% of the amount under Sec. 22b(3) for administrative costs related to complying with this section; report to MDE information necessary to determine compliance; allow access for MDE to audit funded program records; and communicate to parents and legal guardians literacy-related state assessment results, the amount of funding received under Sec. 22b(3), what evidence-based interventions were implemented, and a method to provide feedback and seek more information about available services. House does not include.

Executive requires MDE to monitor districts for compliance and may withhold a district’s monthly Sec. 22b(3) payment until the district complies with this section. House does not include.

Sec. 297. State Fiscal Recovery Fund – NOT INCLUDED

Executive moves language requiring federal SFRF revenue to be expended by December 31, 2026 from Sec. 164j to Sec. 297 in Article IV (would apply to the Community Colleges and Higher Education budgets as well as the School Aid budget). House does not include.

		<u>FY 2025-26 Recommendation</u>
<u>Supplemental Recommendations for FY 2025-26 Appropriations</u>		
<i>1. Foundation Allowances (Secs. 22a & 22b)</i>	Gross	(\$113,500,000)
<u>Executive</u> reduces by \$113.5 million SAF for a total of \$10.5 billion Gross (\$236,400 GF/GP) to reflect updated consensus cost estimates for pupil membership counts and taxable values.	Restricted	(113,500,000)
<u>House</u> concurs with Executive.	GF/GP	\$0
<i>2. Brownfield Redevelopment Reimbursements (Sec. 26d)</i>	Gross	\$4,900,000
<u>Executive</u> increases by \$4.9 million SAF for a total of \$19.0 million SAF to reflect updated consensus cost estimates for reimbursing ISDs as required under Sec. 15b of the Brownfield Redevelopment Financing Act.	Restricted	4,900,000
<u>House</u> concurs with Executive.	GF/GP	\$0
<i>3. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, & 56)</i>	Gross	(\$93,500,000)
<u>Executive</u> reduces by \$93.5 million SAF for a total of \$2.7 billion Gross (\$0 GF/GP) to reflect revised consensus cost estimates for special education appropriations.	Federal	0
<u>House</u> concurs with Executive.	Restricted	(93,500,000)
	GF/GP	\$0
<i>4. Education Assessments (Sec. 104)</i>	Gross	\$2,490,600
<u>Executive</u> increases by \$2.5 million SAF for a total of \$40.0 million SAF to reflect revised consensus cost estimates for education assessments.	Restricted	2,490,600
<u>House</u> concurs with Executive.	GF/GP	\$0
<i>5. MPSERS (Secs. 147a, 147c, & 147e)</i>	Gross	\$23,000,000
<u>Executive</u> increases by \$23.0 million SAF to reflect revised cost estimates for the Michigan Public School Employees’ Retirement System.	Restricted	23,000,000
<u>House</u> concurs with Executive.	GF/GP	\$0

School Aid Fund: FY 2026-27 As Reported by House Subcommittee

	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>
Beginning SAF Balance	\$1,257.6	\$1,320.1	\$752.7	\$9.1
<u>Resources</u>				
Consensus Revenue Estimate: May 2025	\$18,545.2	\$18,934.3	\$19,398.6	
Jan 2026 CREC	168.1	201.1	169.7	19,965.7
GF/GP Grant	50.0	46.2	46.1	46.1
GF/GP Grant One-Time	28.9	27.0	21.2	
DPS Trust Fund	41.0			
Additional CDTF	77.7			
School Aid Stabilization Fund Deposit	(25.0)		(239.1)	
MPSERS Reserve Fund	481.4			
Educator Fellowship Public Provider Fund	30.0	30.0	30.0	
Educator Fellowship Private Provider Fund			14.3	
Special Education Reserve Fund Deposit			(20.0)	
School Consolidation and Infrastructure Fund		100.0		
School Consolidation and Infrastructure Fund - Transfer to SAF		83.4		
School Consolidation and Infrastructure Fund Deposit			(11.0)	
School Transportation Fund	125.0	125.0	125.0	
School Transportation Fund Deposit		(130.0)		
School Meals Reserve Fund	30.0			
GSRP Reserve Fund	18.0	18.0	18.0	
Enrollment Stabilization Fund	71.0	71.0	71.0	
School Aid Pupil Support Fund		97.0	87.0	
School Aid Pupil Support Fund Deposit		(326.1)		
General Pupil Support Fund		0.6	0.6	
Federal Aid	2,272.8	2,407.7	2,405.7	2,405.7
Total Resources	\$21,914.0	\$21,685.2	\$22,117.2	\$22,417.5
<u>Expenditures</u>				
School Aid: Ongoing	\$19,382.1	\$20,044.5	\$20,015.1	\$21,014.9
School Aid: One-Time	1,702.5	1,244.3	845.0	
Jan 2026 CREC Adjustments		(176.9)	(335.1)	(463.0)
Other Cost Adjustments			(1.8)	
Investments/Reductions			1,001.5	
Sec. 27k Student Loan Work Project Statutory Lapse		(203.2)		
FY 2024-25 Projected Lapses (as of 12/22/25)	(156.9)			
Community Colleges: Ongoing	456.9	482.1	491.0	491.0
Community Colleges: One-Time	5.1	11.0		
Higher Education: Ongoing (SAF)	452.0	850.8	844.9	844.9
Higher Education: One-Time	10.0			
Total Expenditures	\$21,851.6	\$22,252.5	\$22,860.8	\$21,887.9
Ending SAF Balance	\$1,320.1	\$752.7	\$9.1	\$538.8
<i>Ongoing Balance</i>	<i>\$786.2</i>	<i>\$388.8</i>	<i>\$4.4</i>	<i>\$529.7</i>
<i>One-time Balance (SAF)</i>	<i>\$533.9</i>	<i>\$363.9</i>	<i>\$4.7</i>	<i>\$9.1</i>

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2025-2026	FY 2025-2026		FY 2026-2027		FY 2026-2027	
		FY 26 2025 PA 15 YTD	Change from FY 26 YTD	FY 26 House Subcommittee Proposed Supplemental	Change from FY 26 YTD	FY 27 Exec Rec	Change from FY 26 YTD	FY 27 House Subcommittee
11j	School Bond Redemption Fund	\$23,000,000		\$23,000,000		\$23,000,000		\$23,000,000
11m	Cash Flow Borrowing Costs	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000
11s	Flint Declaration of Emergency	\$8,000,000		\$8,000,000	(\$8,000,000)	\$0	(\$8,000,000)	\$0
12e	Infrastructure Grants	\$100,000,000		\$100,000,000	(\$100,000,000)	\$0	\$50,000,000	\$150,000,000
12f	Flint Derelict Buildings Teardown - NEW			\$0		\$0	\$8,800,000	\$8,800,000
21b	Dual Enrollment - NEW	\$0		\$0	\$20,000,000	\$20,000,000	\$40,000,000	\$40,000,000
21h	Partnership Model Districts	\$6,137,400		\$6,137,400		\$6,137,400		\$6,137,400
22a	Foundations: Proposal A Obligation Payment	\$3,785,000,000	(\$74,000,000)	\$3,711,000,000	(\$221,000,000)	\$3,564,000,000	(\$221,000,000)	\$3,564,000,000
22b	Foundations: Discretionary Payment	\$6,820,500,000	(\$39,500,000)	\$6,781,000,000	\$49,250,000	\$6,869,750,000	\$99,500,000	\$6,920,000,000
22b(3)	Foundations: Weighted Pupil Membership - NEW	\$0		\$0	\$1,438,937,600	\$1,438,937,600		\$0
22d	Isolated District Funding	\$12,873,100		\$12,873,100	\$783,000	\$13,656,100	\$643,700	\$13,516,800
22/	Transportation Costs	\$125,000,000		\$125,000,000		\$125,000,000		\$125,000,000
22m	Technology Regional Data Hubs	\$5,000,000		\$5,000,000	(\$1,500,000)	\$3,500,000		\$5,000,000
23h	Mathematics Pathways - NEW	\$0		\$0	\$12,000,000	\$12,000,000		\$0
24	Court-Placed Pupils	\$7,650,000		\$7,650,000		\$7,650,000		\$7,650,000
24a	Juvenile Detention Facility Programs	\$1,355,700		\$1,355,700		\$1,355,700		\$1,355,700
25f	Strict Discipline Academies	\$1,600,000		\$1,600,000		\$1,600,000		\$1,600,000
25g	Dropout Recovery Programs	\$1,250,000		\$1,250,000	(\$1,250,000)	\$0	(\$500,000)	\$750,000
26a	Renaissance Zone Reimbursement	\$14,000,000		\$14,000,000		\$14,000,000		\$14,000,000
26b	PILT Reimbursement	\$5,549,000		\$5,549,000		\$5,549,000		\$5,549,000
26c	Promise Zone Funding	\$43,300,000		\$43,300,000	\$5,000,000	\$48,300,000	\$5,000,000	\$48,300,000
26d	Brownfield Redevelopment Reimbursement	\$14,400,000	\$4,600,000	\$19,000,000	\$7,400,000	\$21,800,000	\$7,400,000	\$21,800,000
27a	Mi Future Educator Fellowship Program	\$25,000,000		\$25,000,000		\$25,000,000		\$25,000,000
27b	Grow Your Own Programs	\$70,000,000		\$70,000,000	(\$10,000,000)	\$60,000,000	(\$70,000,000)	\$0
27c	Mi Future Educator Student Teacher Stipend Program	\$50,000,000		\$50,000,000		\$50,000,000	\$12,500,000	\$62,500,000
27o	Student and Educator Credentialing - NEW	\$0		\$0		\$0	\$4,000,000	\$4,000,000
29	Enrollment Stabilization	\$71,000,000		\$71,000,000	\$54,000,000	\$125,000,000		\$71,000,000
30d	Universal School Breakfast and Lunch	\$201,600,000		\$201,600,000	(\$1,600,000)	\$200,000,000		\$201,600,000
31a	At-Risk Pupil Support	\$1,293,655,000		\$1,293,655,000	(\$1,293,655,000)	\$0	\$64,682,800	\$1,358,337,800
31a(7)	School-Based Health Centers	\$33,000,000		\$33,000,000		\$33,000,000		\$33,000,000
31a(8)	Hearing, Vision, and Dental Screening	\$11,650,000		\$11,650,000		\$11,650,000		\$11,650,000
31c	Small Class Size Pilots	\$65,000,000		\$65,000,000	(\$65,000,000)	\$0	(\$65,000,000)	\$0
31d	State School Lunch Programs	\$29,553,400		\$29,553,400		\$29,553,400		\$29,553,400
31d	School Lunch Programs - Federal	\$923,400,000		\$923,400,000		\$923,400,000		\$923,400,000
31f	School Breakfast Program	\$16,900,000		\$16,900,000		\$16,900,000		\$16,900,000
31j	Ten Cents a Meal - NEW	\$0		\$0		\$0	\$4,200,000	\$4,200,000

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2025-2026	FY 2025-2026		FY 2026-2027		FY 2026-2027	
		FY 26 2025 PA 15 YTD	Change from FY 26 YTD	FY 26 House Subcommittee Proposed Supplemental	Change from FY 26 YTD	FY 27 Exec Rec	Change from FY 26 YTD	FY 27 House Subcommittee
31n	School Mental Health and Support Services	\$107,845,000		\$107,845,000		\$107,845,000		\$107,845,000
31aa	Per-Pupil Mental Health & School Safety Payment	\$214,000,000		\$214,000,000	\$86,000,000	\$300,000,000		\$214,000,000
31aa(4)(5)	School Resource Officer and Mental Health Staff Grants	\$107,000,000		\$107,000,000	(\$107,000,000)	\$0		\$107,000,000
32d	Great Start Readiness Program	\$626,217,600		\$626,217,600	\$138,450,000	\$764,667,600	\$15,664,200	\$641,881,800
32d(3)	GSRP Longitudinal Evaluation	\$350,000		\$350,000	(\$350,000)	\$0	(\$350,000)	\$0
32d(22)	GSRP Transportation - SAF	\$10,000,000		\$10,000,000		\$10,000,000		\$10,000,000
32d(22)	GSRP Transportation - GSRP Reserve Fund	\$18,000,000		\$18,000,000		\$18,000,000		\$18,000,000
32d(26)	GSRP Professional Development	\$2,000,000		\$2,000,000		\$2,000,000		\$2,000,000
32d(29)	GSRP Start Up Grants	\$10,000,000		\$10,000,000	\$15,000,000	\$25,000,000	(\$10,000,000)	\$0
32n	Out-of-School Time	\$75,000,000		\$75,000,000	\$60,000,000	\$135,000,000		\$75,000,000
32p	Early Learning Partnerships - NEW	\$0		\$0	\$30,000,000	\$30,000,000	\$29,800,000	\$29,800,000
32t	Three-Year-Old GSRP Pilot Program	\$25,000,000		\$25,000,000	(\$25,000,000)	\$0	(\$25,000,000)	\$0
35a(4)	Early Literacy Teacher Coaches	\$42,000,000		\$42,000,000	\$10,500,000	\$52,500,000		\$42,000,000
35a(10)	LETRS Professional Learning	\$10,000,000		\$10,000,000	\$40,000,000	\$50,000,000	\$65,000,000	\$75,000,000
35e	School Library Study	\$250,000		\$250,000	(\$250,000)	\$0	(\$250,000)	\$0
35m	Literacy Supports	\$70,000,000		\$70,000,000	\$30,000,000	\$100,000,000	\$80,000,000	\$150,000,000
35o	Literacy Essentials - NEW	\$0		\$0	\$6,000,000	\$6,000,000		\$0
35p	High-Impact Tutoring - NEW	\$0		\$0	\$100,000,000	\$100,000,000	\$50,000,000	\$50,000,000
35q	Private Tutoring - NEW			\$0		\$0	\$40,000,000	\$40,000,000
36	Math Supports - NEW			\$0		\$0	\$100,000,000	\$100,000,000
36a	STEM Supports - NEW			\$0		\$0	\$50,000,000	\$50,000,000
39a(1)	Federal ESSA Grant Funds	\$824,700,000		\$824,700,000		\$824,700,000		\$824,700,000
39a(2)	Other Federal Funding	\$66,415,000		\$66,415,000		\$66,415,000		\$66,415,000
41	English Language Learner Grants	\$62,732,600		\$62,732,600	(\$62,732,600)	\$0	\$3,136,700	\$65,869,300
51a(1)	Special Education - Federal Reimbursement	\$500,000,000		\$500,000,000		\$500,000,000		\$500,000,000
51a(2)	Special Ed ISD Durant Costs	\$492,400,000	(\$34,600,000)	\$457,800,000	\$2,700,000	\$495,100,000	\$2,700,000	\$495,100,000
51a(5)	Special Ed Admin Rules Changes	\$3,200,000		\$3,200,000		\$3,200,000		\$3,200,000
51a(10)	Special Ed Foundations for Non Sec. 52 to ISDs	\$1,600,000	\$300,000	\$1,900,000	\$300,000	\$1,900,000	\$300,000	\$1,900,000
51c	Special Ed Headlee Obligation (Durant)	\$1,107,900,000	(\$52,900,000)	\$1,055,000,000	\$32,800,000	\$1,140,700,000	\$32,800,000	\$1,140,700,000
51d	Special Education - Other Federal Grants	\$83,000,000		\$83,000,000		\$83,000,000		\$83,000,000
51e	Special Education Foundation Payment	\$528,100,000	(\$6,300,000)	\$521,800,000	\$6,900,000	\$535,000,000	\$6,700,000	\$534,800,000
51g	MITTIN Special Education Curricular Resources	\$3,000,000		\$3,000,000		\$3,000,000		\$3,000,000
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	\$2,841,400	\$4,529,400	\$2,841,400	\$4,529,400
54b	MiMTSS Center - NEW	\$0		\$0	\$1,600,000	\$1,600,000		\$0
54d	Early On	\$23,670,700		\$23,670,700	\$1,450,000	\$25,120,700	\$5,000,000	\$28,670,700

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2025-2026	FY 2025-2026		FY 2026-2027		FY 2026-2027	
		FY 26 2025 PA 15 YTD	Change from FY 26 YTD	FY 26 House Subcommittee Proposed Supplemental	Change from FY 26 YTD	FY 27 Exec Rec	Change from FY 26 YTD	FY 27 House Subcommittee
56	Special Ed ISD Millage Equalization	\$40,008,100		\$40,008,100	\$49,200,000	\$89,208,100		\$40,008,100
56(7)	Special Ed Millage Incentive	\$34,200,000		\$34,200,000	(\$34,200,000)	\$0		\$34,200,000
61a	Career and Tech Ed Programs	\$41,733,800		\$41,733,800	\$2,500,000	\$44,233,800	\$2,086,700	\$43,820,500
61b	CTE Early/Middle College & Dual Enrollment	\$8,368,000		\$8,368,000	\$500,000	\$8,868,000	\$1,000,000	\$9,368,000
61d	CTE Incentive Payment	\$13,400,000		\$13,400,000	(\$13,400,000)	\$0	(\$13,400,000)	\$0
61v	CTE Pathways to Success	\$70,000,000		\$70,000,000	(\$70,000,000)	\$0	(\$70,000,000)	\$0
61w	CTE Virtual Reality Programs - NEW	\$0		\$0		\$0	\$5,000,000	\$5,000,000
61x	CTE Shared Services - NEW	\$0		\$0		\$0	\$30,000,000	\$30,000,000
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000
65	Detroit PreCollege Engineering	\$900,000		\$900,000		\$900,000	(\$900,000)	\$0
67	Career and College Readiness Tools	\$3,000,000		\$3,000,000		\$3,000,000		\$3,000,000
67d	Hospitality and Tourism CTE Grants - NEW	\$0		\$0		\$0	\$900,000	\$900,000
67f	FAFSA Completion Challenge	\$10,000,000		\$10,000,000		\$10,000,000	(\$10,000,000)	\$0
74	School Bus Driver Safety Instruction	\$2,025,000		\$2,025,000		\$2,025,000		\$2,025,000
74	School Bus Inspections	\$1,924,900		\$1,924,900	\$53,200	\$1,978,100	\$53,200	\$1,978,100
81	ISD General Operations Support	\$83,157,700		\$83,157,700	\$2,100,000	\$85,257,700	\$2,079,000	\$85,236,700
94	AP/IB/CLEP Incentive Program	\$2,600,000		\$2,600,000	(\$1,400,000)	\$1,200,000	(\$1,400,000)	\$1,200,000
94a	Center for Educational Performance and Information	\$19,364,700		\$19,364,700	\$183,800	\$19,548,500	\$183,800	\$19,548,500
94a	Center for Educational Performance and Info - Federal	\$2,193,500		\$2,193,500	(\$2,000,000)	\$193,500	(\$2,000,000)	\$193,500
94e	Michigan Education Research Institute	\$1,000,000		\$1,000,000		\$1,000,000	(\$1,000,000)	\$0
94f	School Accountability System - NEW	\$0		\$0		\$0	\$350,000	\$350,000
95b	Growth and Projection Analytics System - NEW	\$0		\$0		\$0	\$1,000,000	\$1,000,000
97n	Community Violence Intervention Plans	\$10,000,000		\$10,000,000	(\$10,000,000)	\$0	(\$10,000,000)	\$0
98	Michigan Virtual University	\$9,800,000		\$9,800,000		\$9,800,000		\$9,800,000
98d	Michigan Learning Channel - NEW	\$0		\$0	\$3,000,000	\$3,000,000		\$0
99h	FIRST Robotics	\$5,600,000		\$5,600,000		\$5,600,000		\$5,600,000
99s	MiSTEM Network Regions - NEW	\$0		\$0	\$8,000,000	\$8,000,000		\$0
104	Education Assessments - State	\$37,509,400	\$2,490,600	\$40,000,000	\$6,990,600	\$44,500,000	\$6,990,600	\$44,500,000
104	Education Assessments - Federal	\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000
104h	Benchmark Assessments	\$11,500,000		\$11,500,000		\$11,500,000		\$11,500,000
107	Adult Education	\$32,913,600		\$32,913,600	\$7,586,400	\$40,500,000	\$7,586,400	\$40,500,000
147a	MPSERS Normal Cost Offset for Lower AROR/Dedicated Gains	\$336,300,000	\$24,900,000	\$361,200,000	(\$28,800,000)	\$307,500,000	(\$28,800,000)	\$307,500,000
147c	MPSERS State Share of Unfunded Liability Payments	\$1,536,800,000		\$1,536,800,000	(\$82,100,000)	\$1,454,700,000	(\$82,100,000)	\$1,454,700,000
147e	MPSERS Added Normal/DC Costs for PA 92 of 2017	\$118,400,000	(\$1,900,000)	\$116,500,000	\$17,800,000	\$136,200,000	\$17,800,000	\$136,200,000
152a	Adair - Database Payment	\$41,000,500		\$41,000,500		\$41,000,500		\$41,000,500
152b	Nonpublic School Reimbursement	\$1,000,000		\$1,000,000	(\$1,000,000)	\$0		\$1,000,000

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2025-2026	FY 2025-2026		FY 2026-2027		FY 2026-2027	
		FY 26 2025 PA 15 YTD	Change from FY 26 YTD	FY 26 House Subcommittee Proposed Supplemental	Change from FY 26 YTD	FY 27 Exec Rec	Change from FY 26 YTD	FY 27 House Subcommittee
152c	Tribal Consultation - NEW	\$0		\$0	\$5,000,000	\$5,000,000		\$0
		\$21,288,831,700	(\$176,909,400)	\$21,111,922,300	\$114,588,400	\$21,403,420,100	\$235,998,500	\$21,524,830,200

REVENUE BY SOURCE							
Federal Aid	\$2,407,708,500	\$0	\$2,407,708,500	(\$2,000,000)	\$2,405,708,500	(\$2,000,000)	\$2,405,708,500
School Aid Fund	\$18,366,334,700	(\$176,909,400)	\$18,189,425,300	\$180,404,600	\$18,546,739,300	\$339,514,700	\$18,705,849,400
School Aid Pupil Support Reserve Fund	\$97,037,400	\$0	\$97,037,400	\$10,000,000	\$107,037,400	(\$10,000,000)	\$87,037,400
General Pupil Support Reserve Fund	\$600,000	\$0	\$600,000	\$0	\$600,000	\$0	\$600,000
MPSERS Obligation Reform Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Educator Fellowship Public Provider Fund	\$30,000,000	\$0	\$30,000,000	\$0	\$30,000,000	\$0	\$30,000,000
Educator Fellowship Private Provider Fund	\$0	\$0	\$0	\$0	\$0	\$14,300,000	\$14,300,000
School Transportation Fund	\$125,000,000	\$0	\$125,000,000	\$0	\$125,000,000	\$0	\$125,000,000
School Meals Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GSRP Reserve Fund	\$18,000,000	\$0	\$18,000,000	\$0	\$18,000,000	\$0	\$18,000,000
Enrollment Stabilization Fund	\$71,000,000	\$0	\$71,000,000	\$54,000,000	\$125,000,000	\$0	\$71,000,000
School Consolidation and Infrastructure Fund	\$100,000,000	\$0	\$100,000,000	(\$100,000,000)	\$0	(\$100,000,000)	\$0
General Fund/General Purpose	\$73,151,100	\$0	\$73,151,100	(\$27,816,200)	\$45,334,900	(\$5,816,200)	\$67,334,900
TOTAL REVENUE	\$21,288,831,700	(\$176,909,400)	\$21,111,922,300	\$114,588,400	\$21,403,420,100	\$235,998,500	\$21,524,830,200

FY 2026-27: COMMUNITY COLLEGES
Summary: As Reported by House Subcommittee
Article 2, House Bill 5630 (H-1)



Analyst: Perry Zielak

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount %
	\$0	\$0	\$0	\$	\$	\$0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	493,032,100	525,371,600	491,039,800			(1,992,300)	(0.4)
GF/GP	0	0	0			0	--
Gross	\$493,032,100	\$525,371,600	\$491,039,800	\$	\$	(\$1,992,300)	(0.4)

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

Overview

The Community Colleges budget, contained in Article II of the compiled School Aid Act, provides funding for operational support of the 28 public community colleges located throughout the state and some retirement costs for employees who participate in the state public school employee retirement system. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associate degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
1. Community College Operations	Gross \$374,543,100	(\$10,948,600)
<u>Executive</u> includes a net increase of \$23,900 School Aid Fund (SAF) for community college operations, a 0.0% increase when compared to FY 2025-26 operations appropriations. This includes:	Restricted 374,543,100	(10,948,600)
	GF/GP \$0	\$0

- \$11.0 million SAF continuation of FY 2025-26 one-time operations grants for community colleges. The one-time operations funding would be the same as FY 2025-26 one-time operations payments for a net \$0 change compared to the current year.
- \$23,900 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.

Attainment of the one-time operations funding would be conditioned on restraining in-district tuition and fee increases to the greater of 4.0% or \$199 (set at 4.5% or \$227 in the current year). Projected funding changes for individual community colleges would range from a decrease of 0.4% to an increase of 0.3%. Total funding for operations would be \$374.6 million SAF.

House includes a net decrease of \$10.9 million SAF for community college operations, a 2.9% decrease when compared to FY 2025-26 operations appropriations. This includes:

- The removal of \$11.0 million SAF of FY 2025-26 one-time operations grants for community colleges.
- \$23,900 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.
- The addition of \$14.9 million SAF ongoing for Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) funding (not included in totals here but see item #2).

Total funding for operations would be \$363.6 million SAF.

<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>House Change from YTD</u>	
2. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Grants	Gross	\$0	\$14,906,300
<u>Executive</u> includes \$33.3 million SAF of one-time funding for Infrastructure, Technology, Equipment, Maintenance, and Safety which would allow community colleges to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, student housing, and school safety measures. Grant funding would be distributed based on each community college receiving a minimum of \$1.0 million, with the remaining amount distributed proportionally using FY 2024-25 Fiscal Year Equated Students (FYES).	Restricted	0	14,906,300
<u>House</u> includes \$14.9 million SAF of ongoing funding for ITEMS. Grant funding would be distributed based on each community college receiving 4.1% of FY 2025-26 base operations funding. Attainment of the ITEMS funding would be conditioned on restraining in-district tuition and fee increases to the greater of 4.0% or \$199 (set at 4.5% or \$227 in the current year). Projected funding changes for individual community colleges when combined with community college operations funding would range from increases of 0.1% to 1.6%.	GF/GP	\$0	\$0
3. Michigan Public School Employee Retirement System (MPSERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment	Gross	\$89,500,000	(\$4,700,000)
<u>Executive</u> decreases funding by \$4.7 million SAF for the state's share of community colleges' MPSERS UAAL, a 5.3% decrease. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 15.21% of payroll set by the Public School Employees Retirement Act (MCL 38.1341). Total funding for the state share of MPSERS would be \$84.8 million SAF.	Restricted	89,500,000	(4,700,000)
<u>House</u> concurs.	GF/GP	\$0	\$0
4. MPSERS Normal Cost Offset	Gross	\$19,600,000	(\$1,250,000)
<u>Executive</u> decreases by \$1.3 million SAF for the community colleges' MPSERS normal cost offset, a 6.4% decrease, due to a lower contribution needed to cover retirement benefits. Total funding for the MPSERS normal cost offset would be \$18.4 million SAF. <u>House</u> concurs.	Restricted	19,600,000	(1,250,000)
	GF/GP	\$0	\$0
5. Michigan Maritime Manufacturing Initiative	Gross	\$0	\$0
<u>Executive</u> includes \$5.0 million SAF of one-time funding to Macomb Community College for the continuation of the Michigan Maritime Manufacturing Initiative, a partnership between the state and federal government to teach critical skills for maritime construction, welding, and machining. <u>House</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0

Major Boilerplate Changes from FY 2025-26

Sec. 201f. One-Time Performance Funding Payment Detail – DELETED

Details the one-time performance funding payment allocations for each community college for FY 2025-26. Executive revises language to apply one-time payments to FY 2026-2027 and states that one-time payments are for the same purposes as operations appropriations made in Sec. 201(2). House deletes.

Sec. 201i. Legislatively Directed Spending Items – REVISED

Requires the legislature to provide the responsible entity 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 the responsible entity to post information about grant recipients on its website; defines responsible entity. Executive revises to require the fiscal agencies to work with the state budget office on the list of legislatively directed spending items, deletes various grant and administration requirements. House revises to require the state budget office to post a list of legislatively directed spending items; requires quarterly reports by the department administering grants; provides requirements for grant audits; prohibits executive and legislative branch employees and immediate family members from receiving grants.

Major Boilerplate Changes from FY 2025-26

Sec. 203. Use of Internet for Reporting Requirements – REVISED

Requires community colleges, the Workforce Development Agency, and the Center for Educational Performance and Information (CEPI) to use the Internet to fulfill reporting requirements. House revises to require community colleges and CEPI to post each required report in a single archivable location on the college's or CEPI's website and maintain previous reports grouped by fiscal year.

Sec. 216c. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Appropriation Detail – NEW

Executive adds language that details infrastructure, technology, equipment, maintenance, safety and housing categories that ITEMS funding could be used for by community colleges. Specifies that all community colleges would receive an appropriation of at least \$1.0 million, with the remaining amount distributed proportionally using FY 2024-25 fiscal year equated students (FYES). House concurs but specifies ITEMS appropriations based on 4.1% of FY 2025-26 base operations funding and deletes housing as a potential use of ITEMS funding.

Sec. 216e. Institutional Best Practices Detail – REVISED

Executive deletes language that details requirement that community colleges must certify to following at least 2 of 5 institutional best practices in order to receive ongoing performance funding increases, one of which must be the best practice on transfers and working to increase the number of reverse transfer or articulation agreements. House revises to add a best practice on posting the costs of degree attainment and the earnings associated with degree attainment.

Sec. 217a. Community College Annual Reporting Requirements – REVISED

Requires each community college to submit Michigan Community College Data Inventory (MCCDI) data, tuition and fee information, longitudinal data system data, degree and certificate award data, and annual independent audits as required by the last business day of November or have monthly operations payments withheld. Executive revises submission dates of various reporting requirements from the last business day of November to the first business day of November. House concurs but revises to add requirement to archive previous versions from prior fiscal years and add certification for compliance with the Family Education Rights and Privacy Act (FERPA) and the Driver Privacy Protection Act.

Sec. 217b. Community College Tuition and Fee Restraint and Annual Rate Report – REVISED

Requires community colleges to report tuition and fee rates, the annual cost of tuition and fees for a 30 credit course load, and tuition and fee increases from the prior year to CEPI by the first business day of November; details tuition restraint requirements in order to receive performance funding for FY 2025-26; and requires community colleges to limit in-district tuition and fee increases to 4.5% or \$227, whichever is greater. Sets FY 2026-27 tuition and fee restraint to the greater of 4.0% or \$199. Executive revises language that limits FY 2026-27 in-district tuition and fee increases to 4.0% or \$199, whichever is greater, and limits FY 2027-28 in-district tuition and fee increases to the greater of 5.0% or \$255. House concurs on FY 2026-27 in-district tuition and fee rates but limits FY 2027-28 in-district tuition and fee increases to the greater of 3.0% or \$153.

Sec. 217c. Charter School Authorizing Body Report – DELETED

Executive deletes language that requires each community college or tribal college that serves as an authorizing body for public school academies to post a report on various details on public school academies authorized by the institution. House concurs.

Sec. 217f. Institutional Salaries Spending Restriction – REVISED

Executive deletes language that restricts community colleges from spending more than 10% of operations appropriations on administration and includes which costs are not considered administrative spending, with the sum of money spent over the cap reduced from operations allocations. House retains but removes legislative intent language.

Sec. 223. North American Indian Tuition Waiver Reporting Requirements – REVISED

Requires community colleges and tribal colleges receiving North American Indian tuition waiver funding to report to MiLEAP on the number of North American Indian tuition waiver applications received and approved, the number and monetary value of the waivers, the number of North American Indian students who receive a waiver, the number of students with waivers who withdrew from school, and the number of students with waivers who transferred to a 4-year institution or completed a degree or certificate program. Executive deletes language requiring reporting on students who withdraw and additional reports on graduation completions within 150% of the normal time to complete. House revises language on report recipients.

Sec. 228. Communication With the Legislature – RETAINED

Executive deletes language that forbids a community college from taking disciplinary action against an employee for communicating with the legislature. House retains.

**FY 2026-27 Community Colleges Operations Appropriations
As Reported by House Subcommittee**

% of Formula:

	FY 25 Indian				100%			Total FY 27		FY 2026-27 Operations Appropriation	FY 2026-27 ITEMS	FY 2026-27 Total Appropriation	% Change
	Total FY 2025-26 Appropriation	Tuition Waiver Payment	FY 2025-26 One-Time Distribution	FY 2025-26 Base Appropriation	Total Formula Distribution	FY 2025 Indian Tuition Waiver Cost	Indian Tuition Waiver Adjustments	Indian Tuition Waiver Payment	FY 2026-27 Operations Appropriation				
Alpena	\$6,687,900	\$13,500	\$271,100	\$6,403,300	\$0	\$28,100	\$14,600	\$28,100	\$6,431,400	\$263,100	\$6,694,500	0.1%	
Bay de Noc	6,568,200	92,000	178,200	6,298,000	0	112,300	20,300	112,300	6,410,300	262,000	6,672,300	1.6%	
Delta	17,427,500	51,800	493,300	16,882,400	0	46,000	(5,800)	46,000	16,928,400	694,300	17,622,700	1.1%	
Glen Oaks	3,078,200	2,900	91,200	2,984,100	0	400	(2,500)	400	2,984,500	122,500	3,107,000	0.9%	
Gogebic	5,578,600	40,100	139,500	5,399,000	0	18,900	(21,200)	18,900	5,417,900	223,000	5,640,900	1.1%	
Grand Rapids	22,022,800	153,100	685,500	21,184,200	0	203,000	49,900	203,000	21,387,200	874,800	22,262,000	1.1%	
Henry Ford	26,056,100	4,500	750,900	25,300,700	0	7,400	2,900	7,400	25,308,100	1,037,500	26,345,600	1.1%	
Jackson	14,424,500	27,100	364,800	14,032,600	0	22,200	(4,900)	22,200	14,054,800	576,400	14,631,200	1.4%	
Kalamazoo Valley	15,185,000	46,900	433,700	14,704,400	0	40,200	(6,700)	40,200	14,744,600	604,800	15,349,400	1.1%	
Kellogg	11,777,800	26,700	324,400	11,426,700	0	43,300	16,600	43,300	11,470,000	469,600	11,939,600	1.4%	
Kirtland	4,027,900	46,300	146,500	3,835,100	0	46,300	0	46,300	3,881,400	159,100	4,040,500	0.3%	
Lake Michigan	6,619,800	19,400	192,200	6,408,200	0	9,100	(10,300)	9,100	6,417,300	263,500	6,680,800	0.9%	
Lansing	37,141,200	82,100	924,700	36,134,400	0	71,800	(10,300)	71,800	36,206,200	1,484,900	37,691,100	1.5%	
Macomb	39,342,100	90,900	1,090,600	38,160,600	0	27,000	(63,900)	27,000	38,187,600	1,568,300	39,755,900	1.1%	
Mid Michigan	6,113,400	82,500	193,900	5,837,000	0	84,400	1,900	84,400	5,921,400	242,700	6,164,100	0.8%	
Monroe County	5,575,500	400	206,600	5,368,500	0	2,700	2,300	2,700	5,371,200	220,100	5,591,300	0.3%	
Montcalm	4,157,300	1,700	122,300	4,033,300	0	9,500	7,800	9,500	4,042,800	165,400	4,208,200	1.2%	
Mott	18,519,800	10,300	491,700	18,017,800	0	14,300	4,000	14,300	18,032,100	739,200	18,771,300	1.4%	
Muskegon	10,702,000	43,500	298,600	10,359,900	0	52,200	8,700	52,200	10,412,100	426,500	10,838,600	1.3%	
North Central	4,254,400	162,400	144,300	3,947,700	0	162,900	500	162,900	4,110,600	168,500	4,279,100	0.6%	
Northwestern	11,163,900	254,700	289,400	10,619,800	0	266,000	11,300	266,000	10,885,800	445,900	11,331,700	1.5%	
Oakland	25,984,900	38,400	816,500	25,130,000	0	36,900	(1,500)	36,900	25,166,900	1,031,900	26,198,800	0.8%	
Schoolcraft	15,500,500	25,300	503,200	14,972,000	0	17,100	(8,200)	17,100	14,989,100	614,900	15,604,000	0.7%	
Southwestern	8,016,100	19,100	210,400	7,786,600	0	16,500	(2,600)	16,500	7,803,100	320,000	8,123,100	1.3%	
St. Clair County	8,613,500	13,300	258,200	8,342,000	0	9,300	(4,000)	9,300	8,351,300	342,600	8,693,900	0.9%	
Washtenaw	16,941,200	19,000	664,900	16,257,300	0	32,400	13,400	32,400	16,289,700	667,300	16,957,000	0.1%	
Wayne County	20,063,700	2,500	600,900	19,460,300	0	3,700	1,200	3,700	19,464,000	798,000	20,262,000	1.0%	
West Shore	2,999,300	17,600	85,000	2,896,700	0	28,000	10,400	28,000	2,924,700	119,500	3,044,200	1.5%	
Total	\$374,543,100	\$1,388,000	\$10,972,500	\$362,182,600	\$0	\$1,411,900	\$23,900	\$1,411,900	\$363,594,500	\$14,906,300	\$378,500,800	1.1%	

Requirement to receive performance funding for FY 2026-27:

1. Restrain FY 2026-27 in-district tuition/fee rate increase to 4.0% or \$199 (whichever is greater)

Data Notes	
Component	Years
Performance improvement	FYs 2022-2024
Performance completion number	FYs 2022-2024
Performance completion rate	FYs 2022-2024
Contact hours	FY 2025
Administrative	FYs 2022-2024

FY 2026-27: HIGHER EDUCATION
Summary: As Reported by House Subcommittee
Article 3, House Bill 5630 (H-1)



Analyst: Perry Zielak

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	YTD
						Amount	%
	\$0	\$0	\$0	\$	\$	\$0	--
Federal	3,200,000	3,200,000	3,200,000			0	0.0
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	850,768,300	1,379,418,300	1,026,918,300			176,150,000	20.7
GF/GP	1,482,943,700	1,209,508,700	1,131,798,400			(351,145,300)	(23.7)
Gross	\$2,336,912,000	\$2,592,127,000	\$2,161,916,700	\$	\$	(\$174,995,300)	(7.5)

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

Overview

The Higher Education budget, contained in Article 3 of the compiled School Aid Act, provides funding for operational support of the state’s 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University; some retirement costs for employees who participate in the state public school employee retirement system; various financial aid programs for students attending public and independent colleges and universities in the state; and several other smaller higher education-related programs.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
1. University Operations	Gross \$1,731,772,700	(\$470,596,200)
<u>Executive</u> includes a net increase of \$830,700 Gross (\$64.6 million	Restricted 643,168,300	0
GF/GP reduction) for university operations, a 0.0% change when	GF/GP \$1,088,604,400	(\$470,596,200)

compared to FY 2025-26 operations appropriations. This includes:

- \$50.1 million SAF continuation of FY 2025-26 one-time operations grants for universities. The one-time operations funding would be the same as FY 2025-26 one-time operations payments for a net \$0 change compared to the current year. Replaces \$50.1 million GF/GP with a corresponding amount of SAF.
- \$830,700 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions. Replaces \$14.5 million GF/GP with a corresponding amount of SAF.

Attainment of the one-time operations funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.0% or \$651 (set at 4.5% or \$735 in the current year). Projected funding changes for universities would range from 0.0% to 0.7%. Total funding for operations would be \$1.7 billion Gross (\$1.0 billion GF/GP).

House includes a net decrease of \$470.6 million GF/GP for university operations, a 27.2% decrease when compared to FY 2025-26 operations appropriations. This includes:

- The removal of \$50.1 million GF/GP of FY 2025-26 one-time operations grants for universities.
- A reduction of \$199.0 million GF/GP for Michigan State University and \$222.3 million GF/GP for the University of Michigan – Ann Arbor.
- \$830,700 GF/GP increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.

[continued on next page]

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
1. University Operations (continued)			
<ul style="list-style-type: none"> The addition of \$30.8 million GF/GP ongoing for Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) funding (not included in totals here but see item #3). 			
Total funding for operations would be \$1.3 billion Gross (\$618.0 million GF/GP).			
2. Michigan State University Extension and AgBioResearch Programs			
	Gross	\$75,025,700	(\$2,206,100)
	Restricted	0	0
	GF/GP	\$75,025,700	(\$2,206,100)
<u>Executive</u> includes a net change of \$0 Gross (\$2.2 million GF/GP reduction) for MSU's AgBioResearch and Extension program funding when compared to FY 2025-26 appropriations. This includes:			
<ul style="list-style-type: none"> \$1.2 million SAF continuation of FY 2025-26 one-time operations increase for the MSU AgBioResearch program for a net \$0 change compared to the current year. Replaces \$1.2 million GF/GP with a corresponding amount of SAF. \$1.0 million SAF continuation of FY 2025-26 one-time operations increase for the MSU Extension program for a net \$0 change compared to the current year. Replaces \$1.0 million GF/GP with a corresponding amount of SAF. 			
Total funding for AgBioResearch and Extension programs would be \$75.0 million Gross (\$72.8 million GF/GP).			
<u>House</u> includes a net decrease of \$2.2 million GF/GP for MSU's AgBioResearch and Extension program funding when compared to FY 2025-26 appropriations. This includes:			
<ul style="list-style-type: none"> The removal of \$1.2 million GF/GP of FY 2025-26 one-time operations increase for the MSU AgBioResearch program. The removal of \$1.0 million GF/GP of FY 2025-26 one-time operations increase for the MSU Extension program. 			
Total funding for AgBioResearch and Extension programs would be \$72.8 million GF/GP.			
3. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Grants			
	Gross	\$0	\$30,848,500
	Restricted	0	0
	GF/GP	\$0	\$30,848,500
<u>Executive</u> includes \$26.7 million SAF of one-time funding for Infrastructure, Technology, Equipment, Maintenance, and Safety which would allow universities to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, and school safety measures. Grant funding would be distributed based on each university receiving a minimum of \$1.0 million, with the remaining amount distributed proportionally using FY 2024-25 Fiscal Year Equated Students (FYES).			
<u>House</u> includes \$30.8 million GF/GP of ongoing funding for ITEMS. Grant funding would be distributed based on each university, except Michigan State and the University of Michigan – Ann Arbor, receiving 3.1% of FY 2025-26 base operations funding. Attainment of the ITEMS funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.0% or \$651 (set at 4.5% or \$735 in the current year). Projected funding changes for universities when combined with university operations funding would range from a 62.6% decrease to a 1.1% increase.			

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
4. Michigan Achievement Scholarship	Gross	\$300,000,000	\$232,000,000
<u>Executive</u> increases funding by \$232.0 million restricted for the Michigan Achievement Scholarship, a 77.3% increase. The scholarships are awarded to eligible in-state students that graduate high school or achieve an equivalency certificate in 2023 or after and attend an eligible Michigan public university, community college, tribal college or independent nonprofit college or university full-time. The increase reflects rising costs as more students become eligible and participate in the scholarship program. Total funding for the Michigan Achievement Scholarship would be \$532.0 million Gross (\$100.0 million GF/GP).	Restricted	200,000,000	182,000,000
<u>House</u> increases funding by \$232.0 million Gross with \$182.0 million from the Postsecondary Scholarship Fund and \$50.0 million GF/GP funding. The increase reflects rising costs as more students become eligible and participate in the scholarship program. Total funding for the Michigan Achievement Scholarship would be \$532.0 million Gross (\$150.0 million GF/GP).	GF/GP	\$100,000,000	\$50,000,000
5. Tuition Incentive Program	Gross	\$122,300,000	\$43,500,000
<u>Executive</u> increases funding by \$26.5 million SAF for the Tuition Incentive Program (TIP), a 21.7% increase. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses increased student participation and increased tuition and fees. Proposes to cap Phase I costs at 2.5 times the average in-district community college tuition rate and eliminate Phase II awards for new participants. Replaces \$112.8 million GF/GP with a corresponding amount of SAF. Total funding for TIP would be \$148.8 million Gross (\$9.5 million GF/GP).	Restricted	0	0
<u>House</u> increases funding by \$43.5 million GF/GP for TIP, a 35.6% increase. Does not include Executive's proposed Phase I cap or Phase II elimination. The increase addresses increased student participation and increased tuition and fees. Total funding for TIP would be \$165.8 million GF/GP.	GF/GP	\$122,300,000	\$43,500,000
6. Michigan Reconnect	Gross	\$42,000,000	\$0
<u>Executive</u> increases funding by \$25.0 million SAF for the Michigan Reconnect program, a 59.5% increase. The program provides last-dollar scholarships primarily to individuals 25 or older with a high school diploma or equivalency certificate to complete a Pell-eligible associate degree or skills-based certificate. The increase would fund the expansion of the program to include 21-to-24-year-olds. Replaces \$42.0 million GF/GP with a corresponding amount of SAF. Total funding for Michigan Reconnect would be \$67.0 million SAF. <u>House</u> maintains current funding levels.	Restricted	0	0
	GF/GP	\$42,000,000	\$0
7. Children of Veterans and Officer's Survivor Tuition Grant Programs	Gross	\$2,000,000	\$0
<u>Executive</u> increases a net change of \$0 Gross (\$1.8 million GF/GP reduction) for the Children of Veterans and Officer's Survivor Tuition Grant programs. The grants are awarded to children of deceased or permanently disabled military veterans or to surviving spouses and children of Michigan police officers and firefighters killed in the line of duty. Replaces \$1.8 million GF/GP with a corresponding amount of SAF. Total funding for the Children of Veterans and Officer's Survivor Tuition Grant programs would be \$2.0 million Gross (\$220,000 GF/GP). <u>House</u> maintains current funding levels.	Restricted	0	0
	GF/GP	\$2,000,000	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
8. Michigan Public School Employee Retirement System (MPRSERS) Normal Cost Offset	Gross	\$7,600,000	(\$5,850,000)
<u>Executive</u> decreases funding by \$5.9 million SAF for the MPRSERS normal cost offset, a 77.0% decrease, due to a lower contribution needed to cover retirement benefits and maintain the assumed rate of return at 6.0% for the seven universities with MPRSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Total funding for the MPRSERS normal cost offset would be \$1.8 million SAF. <u>House</u> concurs.	Restricted	7,600,000	(5,850,000)
	GF/GP	\$0	\$0
9. King-Chavez-Parks Programs	Gross	\$2,691,500	(\$2,691,500)
<u>House</u> removes \$2.7 million GF/GP of funding for the Martin Luther King, Jr-Cesar Chavez-Rosa Parks programs, which includes the elimination of Select Student Support Services, Michigan College/University Partnership program, and the Morris Hood, Jr. Educator Development program. The programs provide assistance in increasing the participation of academically or economically disadvantaged students in postsecondary education in Michigan.	GF/GP	\$2,691,500	(\$2,691,500)
10. Michigan Competitive Scholarship and Tuition Grant Program Sunset One-Time Funding	Gross	\$50,000,000	\$0
<u>Executive</u> removes \$50.0 million GF/GP of one-time funding for the phase-out of the Michigan Competitive Scholarship and Tuition Grant programs, which provides funding for current students remaining in the scholarship programs until the end of their program eligibility. Funding would continue for the remaining students in both scholarship programs through an authorized work project until FY 2028-29. <u>House</u> maintains current funding levels.	GF/GP	\$50,000,000	\$0

Major Boilerplate Changes from FY 2025-26

Sec. 236d. One-Time Operations Payment Detail – DELETED

Details the one-time operations payment allocations for each university, along with one-time appropriations for MSU AgBioResearch and Extension programs. Executive revises language to apply one-time payments to FY 2026-2027 and conditions payments to the requirements found in sections 241a, 241b, 241c, and 244. House deletes.

Sec. 236j. Postsecondary Scholarship Fund Detail – REVISED

Creates the Postsecondary Scholarship Fund in the Department of Treasury. States money in the fund would require an appropriation to be expended; provides that money in the fund at the end of a fiscal year does not lapse. Executive revises language that states the fund would support all state financial aid programs and deletes language specifying the FY 2025-26 deposits into the fund. House concurs.

Sec. 236m. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Appropriation Detail – NEW

Executive adds language that details infrastructure, technology, equipment, maintenance, and safety categories that ITEMS funding could be used for by public universities. Specifies that all public universities would receive an appropriation of at least \$1.0 million, with the remaining amount distributed proportionally using FY 2024-25 fiscal year equated students (FYES). House concurs but specifies ITEMS appropriations based on 3.1% of FY 2025-26 base operations funding except for Michigan State University and the University of Michigan – Ann Arbor who are excluded from ITEMS funding.

Sec. 236s. Legislatively Directed Spending Items – REVISED

Requires the legislature to provide the responsible entity 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 the responsible entity to post information about grant recipients on its website; defines responsible entity. Executive revises to require the fiscal agencies to work with the State Budget Office on the list of legislatively directed spending items, deletes various grant and administration requirements. House revises to require the State Budget Office to post a list of legislatively directed spending items; requires quarterly reports by the department administering grants; provides requirements for grant audits; prohibits executive and legislative branch employees and immediate family members from receiving grants.

Major Boilerplate Changes from FY 2025-26

Sec. 238. Use of Internet for Reporting Requirements – REVISED

Requires institutions of higher education to use Internet and email to submit reports. House revises to require public universities to post each required report in a single archivable location on the university's website and maintain previous reports grouped by fiscal year.

Sec. 239a. Cost Containment and Efficiency Initiatives – NEW

House adds language that encourages public universities to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance, and group purchasing.

Sec. 241a. Annual University HEIDI and Public Reporting Requirements – REVISED

Directs universities to submit annual HEIDI data by October 15 (November 15 for Wayne State). Details various annual reporting requirements around university finances, budget, revenue, expenditures, and employee compensation. Executive revises reporting dates from November 1 to the first business day of November. Deletes requirement to report on information related to the current university president and adds transfer and credits certification requirements originally located in Sec. 241c. House concurs on reporting date revisions and transfer and certification requirements, retains report requirement on current university president information, revises to add requirement to archive previous versions from prior fiscal years and add certification for compliance with the Family Education Rights and Privacy Act (FERPA) and the Driver Privacy Protection Act.

Sec. 241c. University Tuition and Fee Restraint and Annual Rate Reporting Requirements – REVISED

Requires tuition and fee data to be submitted to the HEIDI database and a report of any revisions to tuition and fees within 15 days of adoption, and specifies tuition and fee restraint requirements in order to receive the ongoing and one-time operations increase for FY 2025-26, set at 4.5% or \$735, whichever is greater and limits FY 2026-27 resident tuition and fee increases to the greater of 4.0% and \$651. Executive revises reporting date from the first business day of November to the last business day of August. Revises language that limits FY 2026-27 resident tuition and fee increases to 4.0% or \$651, whichever is greater, and limits FY 2027-28 resident tuition and fee increases to the greater of 5.0% or \$855. House concurs with reporting date revision and FY 2026-27 resident tuition and fee rates, but limits FY 2027-28 resident tuition and fee increases to the greater of 3.0% or \$513.

Sec. 241e. Institutional Best Practices Detail – REVISED

Executive deletes language that requires public universities to certify following at least 2 of 5 institutional best practices to receive ongoing operations increases, one of which must be the best practice on transfers and working to increase the number of reverse transfer or articulation agreements. House revises to add a best practice on posting the costs of degree attainment and the earnings associated with degree attainment.

Sec. 241h. Institutional Salaries Spending Restriction – REVISED

Executive deletes language that restricts public universities from spending more than 10% of operations appropriations on administration and includes which costs are not considered administrative spending, with the sum of money spent over the cap reduced from operations allocations. House retains but removes legislative intent language.

Sec. 248. Michigan Achievement Scholarship Program Detail – REVISED

Provides for distribution of funds appropriated for Michigan Achievement Scholarships. Specifies criteria for scholarship eligibility. Details award amounts to cover last-dollar in-district tuition and fees minus gift aid and a \$1,000 additional payment to Pell-eligible community college or tribal institution students, and up to \$5,500 for students at public universities, baccalaureate programs at community colleges, or independent nonprofit colleges or universities. Executive revises language and definitions to refer to proposed Michigan Achievement Scholarship Act and Michigan Achievement Skills Scholarship Act, which would codify scholarship program in statute and remove most program guidelines from the Higher Education budget boilerplate. House revises language to add scholarship eligibility for full-time students who received an associate degree under the Michigan Reconnect Program.

Sec. 252. Tuition Grant Program Detail – REVISED

Provides for distribution of funds appropriated for Tuition Grants through the program sunset fund. House revises language to prevent a student who receives a Tuition Grant from also receiving a Michigan Achievement Scholarship.

Sec. 256. Tuition Incentive Program Detail – REVISED

Specifies criteria for Tuition Incentive Program (TIP) eligibility. Provides for award conditions and limits under Phase I dealing with associate degree and certificate programs and Phase II, third and fourth years toward bachelor's degree; prohibits term and semester credit hour caps. Executive revises language to add special education graduates to program eligibility, closes eligibility for Phase II to new students starting academic year 2026-27, and caps Phase I awards at public universities to 2.5 times the average in-district community college tuition rate starting academic year 2027-28. House concurs with the special education addition but does not include Phase I award caps or Phase II elimination.

Major Boilerplate Changes from FY 2025-26

Sec. 260. Student Loan and Financial Aid Website – REVISED

Requires MiLEAP, working with the Michigan College Access Network, the Michigan Association of School Counselors, the Michigan Association of State Universities (MASU), the Michigan Community College Association (MCCA), and Michigan Independent Colleges and Universities (MICU) to the extent possible, to create and update a website for students containing various student financial aid information. House adds requirement to post the costs of degree attainment and the earnings associated with degree attainment.

Sec. 263. Michigan State University's Project GREEN – DELETED

House deletes language that allocates \$5.6 million from MSU AgBioResearch and MSU Extension appropriations for Project GREEN (Generating Research and Extension to meet Environmental and Economic Needs).

Sec. 263b. Michigan State University's Agricultural Climate Resiliency Program – DELETED

House deletes language that allows funds from MSU's AgBioResearch and Extension appropriations to be used for the Agricultural Climate Resiliency Program, which addresses environmental sustainability issues in Michigan agriculture and promotes the protection and efficient use of water resources.

Sec. 268. North American Indian Tuition Waiver Reporting Requirements – REVISED

States legislative intent that funds be allocated for unfunded Indian Tuition Waiver costs at public universities from the General Fund. Requires MiLEAP to report certain information related to the waivers by January 15, and requires universities and tribal colleges receiving waiver pass-through funding to provide data under guidelines and procedures developed by MiLEAP by January 1. Executive deletes language requiring reporting on students who withdraw and additional reports on graduation completions within 150% of the normal time to complete. House revises language on report recipients.

Sec. 269. Saginaw Chippewa Tribal College North American Indian Tuition Waiver Funding – REVISED

Specifies a \$80,800 pass-through payment from Central Michigan's North American Indian Tuition Waiver appropriation to Saginaw Chippewa Tribal College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to MiLEAP. Executive revises payment from \$80,800 to \$96,700. House concurs.

Sec. 270. Bay Mills Community College North American Indian Tuition Waiver Funding – REVISED

Specifies a \$498,800 pass-through payment from Lake Superior State's North American Indian Tuition Waiver appropriation to Bay Mills Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to MiLEAP. Executive revises payment from \$498,800 to \$465,000. House concurs.

Sec. 270c. Keweenaw Bay Ojibwa Community College North American Indian Tuition Waiver Funding – REVISED

Specifies a \$105,700 pass-through payment from Northern Michigan's North American Indian Tuition Waiver appropriation to Keweenaw Bay Ojibwa Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to MiLEAP. Executive revises payment from \$105,700 to \$112,200. House concurs.

Sec. 275d. Communication with the Legislature – RETAINED

Executive deletes legislative intent language that urges a university to not take disciplinary action against an employee for communicating with the legislature. House retains.

Sec. 275k. University Charter School Authorization Reporting Requirement – DELETED

Executive deletes language that requires universities that serve or have served as an authorizer of charter schools to submit a report to the legislature and the Michigan Department of Education with various details on public school academies authorized by the institution. House concurs.

Sec. 275m. University On-Campus Housing Reporting Requirement – DELETED

Executive deletes language that requires each public university that has an on-campus housing residency requirement for any length of time to report if the university requires students to reside on-campus as a condition of enrollment, a summary of policies relating to on-campus residency requirements, the average charge for room and board for the most commonly selected room accommodation and meal plan, and the average charge for room and board for the prior five academic years. House concurs.

Sec. 276. Martin Luther King, Jr. – Cesar Chavez – Rosa Parks (KCP) Future Faculty Program – DELETED

House deletes language that provides for fellowship program, funded by allocations from public university appropriations, intended to increase number of academically or economically disadvantaged candidates pursuing faculty teaching or administration careers, and details reporting and institutional requirements of unexpended and unencumbered program funds.

Major Boilerplate Changes from FY 2025-26

Sec. 277. KCP College Day Program – DELETED

House deletes language that provides for program, funded by allocations from public university appropriations, intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education.

Sec. 278. KCP Select Student Support Services Program – DELETED

House deletes language that provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to develop academically/economically disadvantaged student retention programs.

Sec. 279. KCP College/University Partnership Program – DELETED

House deletes language that provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to increase the number of academically or economically disadvantaged students who transfer from community colleges to baccalaureate institutions.

Sec. 280. KCP Visiting Professors Program – DELETED

House deletes language that provides for program, funded by allocations from public university appropriations, intended to increase the number of instructors to provide role models for academically or economically disadvantaged students, and details requirements of unexpended and unencumbered program funds.

Sec. 281. KCP Morris Hood, Jr. Educator Development Program – DELETED

House deletes language that provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to increase the number of academically or economically disadvantaged students enrolling in and completing K-12 teacher education programs.

Sec. 282. Unspent KCP Funds Reporting Requirement, Reallocation, and Financial Aid Restriction – DELETED

House deletes language that provides for reallocation of KCP grant funds from institutions that do not fully expend their funds.

Sec. 291. Auditor General University Performance Audits – REVISED

Permits auditor general to conduct performance audits of public universities. House adds language requiring audits at least once every seven years.

**FY 2026-27 University Operations Appropriations
As Reported by House Subcommittee**

University	Total FY 2025-26 Appropriation	FY 2025-26 Indian Tuition Waiver Payment	FY 2025-26 One-Time Appropriation	FY 2025-26 Base Appropriation	UM & MSU Reduction	FY 25 Indian Tuition Waiver Cost	Indian Tuition Waiver Pass-Through Payments	Indian Tuition Waiver Adjustment	Total FY 27 Indian Tuition Waiver Payment	Total FY 2026-27 Operations Appropriation	FY 2026-27 ITEMS	Total FY 2026-27 Appropriation	Percent Change	Change From FY 2025-26 Total
Central	\$102,351,100	\$1,680,400	\$2,885,000	\$97,785,700	\$0	\$1,877,400	\$96,700	\$293,700	\$1,974,100	\$99,759,800	\$3,083,400	\$102,843,200	0.5%	\$492,100
Eastern	89,193,400	412,900	2,544,200	86,236,300	0	423,900	0	11,000	423,900	86,660,200	2,686,100	89,346,300	0.2%	152,900
Ferris	64,034,100	798,300	1,812,200	61,423,600	0	771,500	0	(26,800)	771,500	62,195,100	1,928,900	64,124,000	0.1%	89,900
Grand Valley	101,727,400	1,219,100	2,955,400	97,552,900	0	1,235,500	0	16,400	1,235,500	98,788,400	3,061,900	101,850,300	0.1%	122,900
Lake Superior	16,739,700	1,447,100	438,300	14,854,300	0	1,099,900	465,000	117,800	1,564,900	16,419,200	505,300	16,924,500	1.1%	184,800
Michigan State	333,766,200	2,508,800	9,740,500	321,516,900	(199,014,800)	2,413,500	0	(95,300)	2,413,500	124,915,600	0	124,915,600	(62.6%)	(208,850,600)
Michigan Tech	58,309,000	731,900	1,650,000	55,927,100	0	800,700	0	68,800	800,700	56,727,800	1,756,400	58,484,200	0.3%	175,200
Northern	57,289,300	1,417,800	1,601,100	54,270,400	0	1,542,400	112,200	236,800	1,654,600	55,925,000	1,726,300	57,651,300	0.6%	362,000
Oakland	75,574,300	325,200	2,212,700	73,036,400	0	378,300	0	53,100	378,300	73,414,700	2,274,200	75,688,900	0.2%	114,600
Saginaw Valley	35,415,000	183,000	1,036,000	34,196,000	0	240,800	0	57,800	240,800	34,436,800	1,065,700	35,502,500	0.2%	87,500
UM-Ann Arbor	373,432,700	1,900,600	10,924,800	360,607,300	(222,298,000)	1,746,100	0	(154,500)	1,746,100	140,055,400	0	140,055,400	(62.5%)	(233,377,300)
UM-Dearborn	32,662,700	194,300	954,700	31,513,700	0	248,800	0	54,500	248,800	31,762,500	982,900	32,745,400	0.3%	82,700
UM-Flint	27,684,500	480,900	799,900	26,403,700	0	537,600	0	56,700	537,600	26,941,300	833,400	27,774,700	0.3%	90,200
Wayne State	234,673,800	477,100	6,886,500	227,310,200	0	598,700	0	121,600	598,700	227,908,900	7,061,400	234,970,300	0.1%	296,500
Western	128,919,500	757,400	3,672,800	124,489,300	0	776,500	0	19,100	776,500	125,265,800	3,882,600	129,148,400	0.2%	228,900
TOTAL:	\$1,731,772,700	\$14,534,800	\$50,114,100	\$1,667,123,800	(\$421,312,800)	\$14,691,600	\$673,900	\$830,700	\$15,365,500	\$1,261,176,500	\$30,848,500	\$1,292,025,000	(25.4%)	(\$439,747,700)

Requirements to receive campus investment funds for FY 2026-27:

1. Restrain FY 2026-27 resident undergraduate tuition/fee rate increase to 4.0% or \$651(whichever is greater).