

**Summary: Executive Budget Recommendation  
for Fiscal Year 2020-21  
SCHOOL AID**



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	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	1,749,578,500	1,806,878,500	57,300,000	3.3
Local	0	0	0	--
Private	0	0	0	--
Restricted	13,365,065,100	14,036,258,600	671,193,500	5.0
GF/GP	62,620,000	80,000,000	17,380,000	27.8
<b>Gross</b>	<b>\$15,177,263,600</b>	<b>\$15,923,137,100</b>	<b>\$745,873,500</b>	<b>4.9</b>

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (2) 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 539 local school districts, 294 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), Center for Educational Performance and Information (CEPI), Department of Labor and Economic Opportunity (LEO), and other entities to implement certain grants and other programs related to K-12 education.

<b>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</b>	<b>FY 2019-20 YTD (as of 2/6/20)</b>	<b>Executive Change from YTD</b>
<b>1. Foundation Allowance (Secs. 22a &amp; 22b)</b>	<b>Gross \$9,499,000,000</b>	<b>\$290,000,000</b>
Increases by \$290.0 million to provide increases ranging from \$150 to \$225 per pupil using a 1.5x formula. The minimum foundation allowance would increase from \$8,111 to \$8,336 (2.8%) and the state maximum guaranteed foundation allowance would increase from \$8,529 to \$8,679 (1.8%). (See Major Boilerplate Sections for Sec. 22p below.)	Restricted 9,467,632,700	317,723,700
	GF/GP \$31,367,300	(\$27,723,700)
<b>2. Cyber Schools Foundation Allowance Reduction (Secs. 22a &amp; 22b)</b>	<b>Gross NA</b>	<b>(\$24,000,000)</b>
Reduces cyber school foundation allowances to 80% of the minimum foundation allowance for an estimated savings of \$24.0 million. For FY 2020-21, the cyber foundation allowance would be \$6,669.	Restricted NA	(24,000,000)
	GF/GP NA	\$0
<b>3. 3-Year Pupil Membership Blend (Secs. 22a &amp; 22b)</b>	<b>Gross NA</b>	<b>\$6,000,000</b>
Increases by \$6.0 million to permit a district that has established a Community Engagement Advisory Committee (CEAC) and that is required to submit a deficit elimination plan to calculate membership as the greater of a 3-year average or the district's actual membership as otherwise calculated.	Restricted NA	6,000,000
	GF/GP NA	\$0
<b>4. At-Risk Pupil Support (Sec. 31a)</b>	<b>Gross \$522,000,000</b>	<b>\$60,000,000</b>
Increases by \$60.0 million SAF for a total of \$582.0 million SAF. Prorated payments are expected to increase from \$748 to \$829 per economically disadvantaged pupil. Revises allocation to a district with state and local revenue exceeding the Target foundation allowance for both the current and prior year from 30% to 50% of the amount for which it would otherwise be eligible. Reduces the Sec. 31a(16) hold harmless provision from \$12.0 million to an estimated \$2.2 million due to declining enrollment and allows any remaining funds under this subsection to fund At-Risk formula.	Restricted 522,000,000	60,000,000
	GF/GP \$0	\$0

<b>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</b>		<b>FY 2019-20 YTD (as of 2/6/20)</b>	<b>Executive Change from YTD</b>
<b>5. Special Education Cost Reimbursement (Sec. 51f)</b>	<b>Gross</b>	<b>\$60,207,000</b>	<b>\$60,000,000</b>
Increases by \$60.0 million SAF for a total of \$120.2 million SAF to reimburse districts and ISDs for an estimated 4.2% of total approved special education costs. Districts and ISDs are also reimbursed under Sec. 51c for a portion of total approved special education costs and total approved special education transportation costs as mandated by the Durant court case.	Restricted	60,207,000	60,000,000
	GF/GP	\$0	\$0
<b>6. Pre-Kindergarten Education (Sec. 32s) - NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$42,000,000</b>
Provides \$42.0 million SAF to eligible ISDs to provide pre-kindergarten education for educationally disadvantaged 4-year-old children. An eligible ISD must contain at least 1 district that is either a member of a CEAC or meets all of the following: 1) assessed at least 10 3 <sup>rd</sup> grade students on the English language arts (ELA) portion of the state assessment in FY 2018-19; 2) had more than 75% of assessed 3 <sup>rd</sup> grade students identified as not meeting proficiency on the ELA portion of the FY 2018-19 state assessment; and 3) had more than 75% of pupils in FY 2018-19 identified as economically disadvantaged. Payments may not exceed \$8,336 per eligible child. An ISD may contract with a local government to provide services. To participate, a child must be 4 years old on September 1; the child's district of residence must be a district meeting the above requirements; and the child must not be enrolled in GSRP, Head Start, or developmental kindergarten. A program under this section must follow the same standards and requirements as GSRP.	Restricted	0	42,000,000
	GF/GP	\$0	\$0
<b>7. Great Start Readiness Program (GSRP) (Sec. 32d)</b>	<b>Gross</b>	<b>\$249,950,000</b>	<b>\$35,500,000</b>
Increases by \$35.5 million SAF for a total of \$285.5 million Gross (\$350,000 GF/GP) for school readiness preschool programs for 4-year-old children in low-income families. Increases the allocation per child from \$7,250 to \$8,336 for a full-day program—an amount equal to the proposed minimum foundation allowance—and from \$3,625 to \$4,168 for a part-day program. (See Major Boilerplate Changes for Sec. 32d below.)	Restricted	249,600,000	35,500,000
	GF/GP	\$350,000	\$0
<b>8. Infrastructure Upgrade Grants (Sec. 97a) - NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$40,000,000</b>
Provides, for FY 2020-21 only, \$40.0 million GF/GP for grants to districts for infrastructure upgrades that protect student health, safety, and well-being. MDE, in collaboration with the Department of Treasury, must award grants to geographically diverse areas of the state, including urban, suburban, and rural districts, and must prioritize districts with a deficit elimination plan, districts that are low-achieving academically, and districts that have established a CEAC. Grants may not exceed \$500,000.	Restricted	0	0
	GF/GP	\$0	\$40,000,000
<b>9. Classroom Materials and Supplies (Sec. 98c) - NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$25,000,000</b>
Provides, for FY 2020-21 only, \$25.0 million SAF for districts to distribute funding to classroom teachers to purchase, on behalf of the district, classroom materials and supplies. Funding would be distributed on an equal basis per FTE teacher as reported in the prior year. Districts may retain up to 2% of funds for administration.	Restricted	0	25,000,000
	GF/GP	\$0	\$0
<b>10. English Language Learner (ELL) Per-Pupil Payment (Sec. 41(7)) - NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$5,000,000</b>
Provides \$5.0 million SAF to districts for educating ELL pupils. Payments would be equal to \$50 per ELL pupil and may be prorated.	Restricted	0	5,000,000
	GF/GP	\$0	\$0

<b>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</b>		<b>FY 2019-20 YTD (as of 2/6/20)</b>	<b>Executive Change from YTD</b>
<b>11. Professional Development Grants (Sec. 98a) - NEW</b>		<b>Gross</b>	<b>\$0</b>
Provides, for FY 2020-21 only, \$5.0 million SAF for grants to eligible districts and ISDs for developing and implementing: 1) peer-to-peer learning networks that allow qualified professional practitioners to provide professional development to educators; or 2) university-partnered professional development opportunities.		Restricted	0
		GF/GP	\$0
			<b>\$5,000,000</b>
			5,000,000
			\$0
<b>12. Reorganization and Cooperative Activities Grants (Sec. 22q) - NEW</b>		<b>Gross</b>	<b>\$0</b>
Provides, for FY 2020-21 only, \$5.0 million SAF for competitive assistance grants to districts and ISDs for costs associated with reorganization and cooperative activities between districts or between districts and ISDs that occur on or after June 30, 2020. A reorganization or cooperative activity must be approved by school electors. Recipients may spend funds over 3 fiscal years. Unexpended funds under this section are a work project and may be carried forward into FY 2021-22.		Restricted	0
		GF/GP	\$0
			<b>\$5,000,000</b>
			5,000,000
			\$0
<b>13. Literacy Essentials (Sec. 35a(7))</b>		<b>Gross</b>	<b>\$1,000,000</b>
Increases by \$3.0 million SAF for a total of \$4.0 million SAF the allocation to Gogebic-Ontonagon ISD, in partnership with an association that represents ISD administrators, for the literacy essentials program. In addition to current requirements that the ISD implement literacy essentials training modules and professional learning, requires the ISD to place regional lead literacy coaches to facilitate professional learning for early literacy coaches and allocate \$500,000 from this subsection for principals literacy training using General Education Leadership Network (GELN) Pre-K and K-3 essential instructional practices in literacy. Permits the association partnering with Gogebic-Ontonagon ISD to retain 2% of funds for administration.		Restricted	1,000,000
		GF/GP	\$0
			<b>\$3,000,000</b>
			3,000,000
			\$0
<b>14. Michigan Education Corps (35a(8)) - NEW</b>		<b>Gross</b>	<b>\$0</b>
Provides, for FY 2020-21 only, \$2.0 million GF/GP to the Michigan Education Corps for the PreK Reading Corps and the K3 Reading Corps.		Restricted	0
		GF/GP	\$0
			<b>\$2,000,000</b>
			0
			\$2,000,000
<b>15. Teacher Cadet Programs (Sec. 98b) - NEW</b>		<b>Gross</b>	<b>\$0</b>
Provides \$1.5 million SAF for grants to districts to create or expand teacher cadet programs. MDE must award grants to geographically diverse areas of the state, including rural and urban districts, and must prioritize districts with a high percentage of economically disadvantaged students, districts with a high percentage of students from population groups underrepresented in the statewide teaching workforce, and districts with a teacher shortage caused by a low number of quality applicants. Grants may not exceed \$100,000.		Restricted	0
		GF/GP	\$0
			<b>\$1,500,000</b>
			1,500,000
			\$0
<b>16. Locally Grown Produce in Schools (Sec. 31j) - NEW</b>		<b>Gross</b>	<b>\$0</b>
Provides \$1.0 million SAF for competitive grants to support districts in purchasing locally grown fruits and vegetables. The Governor vetoed this section for FY 2019-20. Revises to expand program from 5 prosperity regions to districts statewide. Permits districts to retain up to 10% of funds and MDE to retain up to 6% of funds for administration; if MDE administers the program for a district, MDE may retain up to 10% of that district's funds or distribute some or all of that 10% to program partners as appropriate.		Restricted	0
		GF/GP	\$0
			<b>\$1,000,000</b>
			1,000,000
			\$0
<b>17. Student Meal Debt Forgiveness (Sec. 31k) - NEW</b>		<b>Gross</b>	<b>\$0</b>
Provides, for FY 2020-21 only, \$1.0 million SAF for reimbursements to districts that have forgiven all outstanding student meal debt. Recipients must adopt policies to prevent public identification or stigmatization of students who cannot pay for a school meal. Reimbursements may be prorated.		Restricted	0
		GF/GP	\$0
			<b>\$1,000,000</b>
			1,000,000
			\$0

<b>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</b>		<b>FY 2019-20 YTD (as of 2/6/20)</b>	<b>Executive Change from YTD</b>
<b>18. School Safety Grants (Sec. 97)</b>	<b>Gross</b>	<b>\$10,000,000</b>	<b>(\$10,000,000)</b>
Eliminates \$10.0 million SAF for grants to public schools, districts, and ISDs to purchase technology, upgrade hardening measures, or conduct school building safety assessments.	Restricted	10,000,000	(10,000,000)
	GF/GP	\$0	\$0
<b>19. Summer School Literacy Intervention Grants (35a(9))</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>(\$5,000,000)</b>
Eliminates \$5.0 million SAF for grants for a summer school reading program for 3 <sup>rd</sup> grade students not proficient on the ELA portion of the M-STEP and for students in grades K-2 who are not reading at grade level.	Restricted	5,000,000	(5,000,000)
	GF/GP	\$0	\$0
<b>20. Flint Declaration of Emergency (Sec. 11s)</b>	<b>Gross</b>	<b>\$8,075,100</b>	<b>\$0</b>
Maintains total appropriation of \$8.1 million but revises fund sources to \$5.0 million SAF, \$3.1 million GF/GP, and \$100 placeholder from the Water Emergency Reserve Fund. Revises allocations as follows: maintains \$2.4 million allocation for school nurses, classroom aides, and school social workers but revises from SAF to GF/GP; reduces by \$1.6 million to \$2.4 million the allocation for early intervention services for children between 3-5 years of age; maintains \$1.0 million allocation to enroll children in GSRP regardless of household eligibility requirements; maintains \$650,000 allocation for nutritional services but revises fund source from SAF to GF/GP; and adds new \$1.6 million allocation for interventions and supports for students in K-12 impacted by the drinking water declaration of emergency.	Restricted	8,075,100	(3,075,000)
	GF/GP	\$0	\$3,075,000
<b>21. Partnership Model Districts (Sec. 21h)</b>	<b>Gross</b>	<b>\$6,000,000</b>	<b>\$0</b>
Maintains \$6.0 million SAF but revises to expand the purpose and eligibility of the section. Expands the purpose from assisting districts in improving student achievement to also include assisting districts in improving financial stability. Additionally, expands eligibility for funds from districts assigned a partnership to also include districts that have established a CEAC.	Restricted	6,000,000	0
	GF/GP	\$0	\$0
<b>22. Promise Zone Funding (Sec. 26c)</b>	<b>Gross</b>	<b>\$8,400,000</b>	<b>\$1,300,000</b>
Increases by \$1.3 million SAF to a total of \$9.7 million SAF for required funds for districts and ISDs with an approved Promise Zone development plan. Three new zones are coming online: Grand Rapids (\$626,150), Flint (\$49,957), and River Rouge (\$7,090).	Restricted	8,400,000	1,300,000
	GF/GP	\$0	\$0
<b>23. Federal School Lunch Programs (Sec. 31d)</b>	<b>Gross</b>	<b>\$537,000,000</b>	<b>\$12,800,000</b>
Increases federal school lunch funding by \$12.8 million for a total of \$550.0 million.	Federal	537,000,000	12,800,000
	Restricted	0	0
	GF/GP	\$0	\$0
<b>24. School Mental Health and Support Services (Sec. 31n)</b>	<b>Gross</b>	<b>\$31,300,000</b>	<b>\$0</b>
Maintains \$31.3 million Gross (\$1.3 million GF/GP) for school mental health and support services, but revises to permit ISDs to retain up to 5% of the \$23.0 million allocation for ISD mental health and support services to coordinate services and to improve or develop an integrated system of mental health and support services. For FY 2018-19, FY 2019-20, and FY 2020-21 only, an ISD may carry over any unexpended funds for up to two fiscal years.	Restricted	30,000,000	0
	GF/GP	\$1,300,000	\$0
<b>25. Early Childhood Block Grants (Sec. 32p)</b>	<b>Gross</b>	<b>\$13,400,000</b>	<b>\$0</b>
Maintains \$13.4 million SAF, but revises from allowing an ISD or consortium of ISDs to carry over any unexpended funds from the current fiscal year to restricting them to carry over an amount not to exceed the following percentage: FY 2020-21, 30%; FY 2021-22, 20%; and FY 2022-23, 15%. Removes providing early childhood programs as an eligible funding purpose; maintains support for local great start collaboratives and parent coalitions and for home visits.	Restricted	13,400,000	0
	GF/GP	\$0	\$0

<b>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</b>		<b>FY 2019-20 YTD (as of 2/6/20)</b>	<b>Executive Change from YTD</b>
<b>26. Federal Grants (Sec. 39a)</b>	<b>Gross</b>	<b>\$774,700,000</b>	<b>\$29,500,000</b>
Increases federal grants under Every Student Succeeds Act (ESSA) to reflect revised estimates for anticipated federal funds.	Federal	774,700,000	29,500,000
	Restricted	0	0
	GF/GP	\$0	\$0
<b>27. Special Education (Secs. 51a, 51c, 51d, 53a, 54, &amp; 56)</b>	<b>Gross</b>	<b>\$1,476,196,100</b>	<b>\$54,900,000</b>
Increases by \$39.9 million SAF and \$15.0 million Federal to reflect revised consensus cost estimates for special education costs. Total estimated special education expenditures for FY 2020-21 are \$1.5 billion.	Federal	431,000,000	15,000,000
	Restricted	1,045,196,100	39,900,000
	GF/GP	\$0	\$0
<b>28. Career and Technical Education (CTE) Early/Middle Colleges (Sec. 61b)</b>	<b>Gross</b>	<b>\$8,000,000</b>	<b>\$0</b>
Maintains \$8.0 million SAF, but revises the area for which an ISD fiscal agent oversees a regional strategic plan from a prosperity region or subregion to a workforce development board service delivery area, aligned by MDE with ISDs and career education planning districts (CEPDs).	Restricted	8,000,000	0
	GF/GP	\$0	\$0
<b>29. ISD General Operations (Sec. 81)</b>	<b>Gross</b>	<b>\$69,138,000</b>	<b>\$2,074,200</b>
Increases by \$2.1 million SAF for payments to ISDs for general operations. Each ISD would receive 103.0% of its FY 2019-20 funding.	Restricted	69,138,000	2,074,200
	GF/GP	\$0	\$0
<b>30. FIRST Robotics (Sec. 99h)</b>	<b>Gross</b>	<b>\$4,700,000</b>	<b>\$0</b>
Maintains \$4.7 million SAF, but revises to allow an applicant to provide a local in-kind or cash match from private or local funds for the 25% match requirement. Strikes 50% local match requirement for grants used for robotics events expenses. Revises coaching stipend from not more than \$1,500 for 1 coach per team to not more than \$1,500 per building for coaching. Allows grants previously awarded for state and world championships to go toward next levels of competition.	Restricted	4,700,000	0
	GF/GP	\$0	\$0
<b>31. Adult Education – Career Tech Connect (Sec. 107(15))</b>	<b>Gross</b>	<b>\$4,000,000</b>	<b>\$0</b>
Maintains \$4.0 million SAF but revises participant requirements. Requires at least 90% of participants of an adult education or career technical center program under this subsection to be actively working toward obtaining a high school diploma or equivalency certificate. Authorizes up to 10% of participants to have a diploma or certificate if they are seeking remediation services. Adds that career technical center programs be state approved.	Restricted	4,000,000	0
	GF/GP	\$0	\$0
<b>32. MPSERS (Secs. 147a, 147c, &amp; 147e)</b>	<b>Gross</b>	<b>\$1,383,540,500</b>	<b>\$205,866,000</b>
Increases total state support for K-12 MPSERS costs by \$205.9 million for a total of \$1.6 billion, with the following changes:	Restricted	1,382,957,500	205,879,000
	GF/GP	\$583,000	(\$13,000)
<ul style="list-style-type: none"> <li>• Sec. 147a(2): Increases by \$8.1 million Gross for a total of \$180.2 million Gross (\$70,000 GF/GP) for reimbursements for employer normal cost increases resulting from a reduced assumed rate of return (AROR) from 7.05% to 6.80% due to a dedicated gains policy. Revises formula to base reimbursements on a participating entity's Tier 1 (Defined Benefit) members, rather than a participating entity's percentage of total statewide payroll.</li> <li>• Sec. 147c: Increases the state share of the unfunded actuarial accrued liability (UAAL) by \$189.9 million SAF for a total of \$1.2 billion Gross (\$500,000 GF/GP), largely due to implementing recommendations made by the 2018 Actuarial Experience Study.</li> <li>• Sec. 147e: Increases by \$8.8 million and revises to fully fund with SAF for a total of \$51.4 million SAF for reimbursements for the increased normal costs associated with reforms under 2017 PA 92.</li> </ul>			

<b><u>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</u></b>		<b><u>FY 2019-20 YTD (as of 2/6/20)</u></b>	<b><u>Executive Change from YTD</u></b>
<b>33. <i>Eliminated Categorical Grants</i></b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>(\$3,000,000)</b>
Reduces by \$3.0 million Gross (\$350,000 GF/GP) by eliminating 4 categorical grant programs and contracts.	Restricted	2,650,000	(2,650,000)
	GF/GP	\$350,000	(\$350,000)
<ul style="list-style-type: none"> <li>• Sec. 25f—Strict Discipline Academy Membership (\$1.6 million SAF)</li> <li>• Sec. 25g—Dropout Recovery Programs (\$750,000 SAF) (See Major Boilerplate Changes for Sec. 6 below.)</li> <li>• Sec. 35c—Multisensory Education (\$300,000 SAF)</li> <li>• Sec. 54e—Play Project – Autism Intervention (\$350,000 GF/GP)</li> </ul>			
<b>34. <i>Economic Adjustments</i></b>	<b>Gross</b>	<b>NA</b>	<b>\$433,300</b>
Reflects increased costs of \$433,300 Gross (\$391,700 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Restricted	NA	41,600
	GF/GP	NA	\$391,700

**Major Boilerplate Changes from FY 2019-20**

***Sec. 6. Pupil Membership Definitions – REVISED***

Strikes a provision allowing a pupil in a dropout recovery program to be counted as more than 1.0 FTE position and paid under section Sec. 25g (Sec. 25g is repealed).

Removes a provision allowing instruction by a noncertified, nonendorsed teacher to count toward class instruction.

***Sec. 17c. Grant Process Timeline – DELETED***

Repeals this section, which requires MDE to do the following for grants distributed by the department, unless otherwise specified: open grant application and provide lists of grants and schedules to districts, ISDs, and on MDE website by September 1; and publish grant awards by December 1. Requires information on non-federal grants to be placed on the August State Board agenda.

***Sec. 20m. Foundation Calculations for Hold Harmless Districts – NEW***

Allows the difference between each Hold Harmless (HH) district's inflationary increase and the \$150 increase in the Target foundation allowance to be allocated under a separate calculation than its foundation calculation under Sec. 20. Due to an inflationary cap on HH district foundation allowances, which was put in statute along with the school funding reforms tied to Proposal A in 1994, HH districts (districts that currently have foundation allowances greater than the Target) would otherwise be capped at an increase of 1.74%.

***Secs. 22a, 22b, & 51c. Cost Adjustment Process – REVISED***

Adds that unexpended funds under Secs. 22a, 22b, and 51c may be used to supplement allocations under any of these three sections without requiring an official transfer request in order to fully fund those allocations.

***Sec. 22p. Partnership District Discretionary Payment – REVISED***

Revises the requirements for a partnership district to receive funding under Sec. 22b as follows: adds that the measurable academic outcomes in the partnership agreement include at least one proficiency or growth outcome based upon state assessments; requires the accountability measures to be imposed if a district fails to meet outcomes to include reconstitution; and removes school closure as a possible accountability measure. Revises the deadline by which the goals of a reconstitution plan must be met from 5 years to 3 years. Adds that a district assigned as a partnership district must have a signed partnership agreement in place within 90 days or have funding under Sec. 22b withheld.

***Sec. 32d. Great Start Readiness Program (GSRP) – REVISED***

Removes the requirement that MDE report to the legislature by December 1 the compiled results of each ISD's or consortium's total distribution allocated to community-based providers by provider type, including private for-profit, private nonprofit, community college or university, Head Start grantee or delegate, and district or ISD. This report is used to ensure compliance with a requirement that an ISD or consortium contract, or attempt to contract, with community-based providers for at least 30% of its total allocated slots.

**Major Boilerplate Changes from FY 2019-20**

**Sec. 99s. MiSTEAM Network – REVISED**

Re-brands the MiSTEM Network to MiSTEAM Network to account for an additional focus on the arts. Also revises MiSTEM Advisory Council to MI-STEM Council to align with Executive Order 2019-13, which abolished the MiSTEM Advisory Council and created the MI-STEM Council within the Department of Labor and Economic Opportunity (LEO).

**Sec. 101. Eligibility to Receive School Aid – REVISED**

For a district that receives a waiver reducing the required daily pupil attendance threshold from 75% to 50%, extends the waiver to be valid for 3 fiscal years rather than 1 year, unless the waiver is revoked by the State Superintendent. Also extends from 1 year to 3 years a waiver from minimum number of days and hours for alternative education programs.

**Sec. 163. Educator Certification Requirements – REVISED**

Requires districts to hire educators who hold a valid certificate or a valid substitute permit.

**Sec. 164g. Legal Action Against the State – DELETED**

Deletes a penalty in an amount equal to the amount spent if a district or ISD uses funds appropriated under this act to pay for an expense relating to any legal action initiated by the district or ISD against the state.

**Sec. 164h. Collective Bargaining Agreement Penalty – DELETED**

Deletes a penalty equal to 5% of total state aid if a district or ISD enters into a collective bargaining agreement that does any of the following: establishes racial and religious preferences for employees; automatically deducts union dues from employee compensation; is in conflict with any state or federal laws regarding district transparency; or has a method of compensation that does not comply with the requirements of Sec. 1250 of the Revised School Code, MCL 380.1250.

**Sec. 166. Disciplinary Policy for Abortion Referral – DELETED**

Deletes the requirement that a district adopt a disciplinary policy for school officials or staff (except for a parent or legal guardian) who refer a pupil for an abortion or assist a pupil in obtaining an abortion.

<b><u>Supplemental Recommendations for FY 2019-20 Appropriations</u></b>		<b><u>FY 2019-20 Recommendation</u></b>
<b>1. Foundation Allowances (Secs. 22a &amp; 22b)</b>	<b>Gross</b>	<b>(\$3,000,000)</b>
Reduces by \$3.0 million SAF to a total of \$9.5 billion Gross (\$31.4 million GF/GP) to reflect updated consensus cost estimates for pupil membership counts and taxable values.	Restricted GF/GP	(3,000,000) \$0
<b>2. Promise Zone Funding (Sec. 26c)</b>	<b>Gross</b>	<b>(\$1,000,000)</b>
Reduces by \$1.0 million SAF to a total of \$7.4 million SAF for required funds for districts and ISDs with approved Promise Zone development plans for the purposes of the local Promise Zone Authority.	Restricted GF/GP	(1,000,000) \$0
<b>3. Federal Funding (Sec. 39a(2))</b>	<b>Gross</b>	<b>\$10,000,000</b>
Increases by \$10.0 million Federal for the Preschool Development Birth through 5 Grant for states to improve their birth to age 5 education system.	Federal Restricted GF/GP	10,000,000 0 \$0
<b>4. Special Education (Secs. 51a, 51c, 51d, 53a, 54, &amp; 56)</b>	<b>Gross</b>	<b>\$600,000</b>
Increases by a total of \$600,000 SAF to reflect revised consensus cost estimates based on actual FY 2018-19 year-end special education cost data. Total estimated special education costs for FY 2019-20 are \$1.5 billion.	Restricted GF/GP	600,000 \$0
<b>5. Secs. 22a, 22b, &amp; 51c. Cost Adjustment Process – REVISED</b>		
Adds that unexpended funds under Secs. 22a, 22b, and 51c may be used to supplement allocations under any of these three sections without requiring an official transfer request in order to fully fund those allocations.		

# SCHOOL AID LINE ITEM SUMMARY



Sec.	
11j	School Bond Redemption Fund
11m	Cash Flow Borrowing Costs
11s	Flint Declaration of Emergency
20f	Categorical Offset Payments
21h	Partnership Model Districts
22a	Foundations: Proposal A Obligation Payment
22b	Foundations: Discretionary Payment
22d	Isolated District Funding
22m	Technology Regional Data Hubs
22q	Reorganization and Cooperative Activities Grants - <b>NEW</b>
24	Court-Placed Pupils
24a	Juvenile Detention Facility Programs
25f	Strict Discipline Academy
25g	Dropout Recovery Programs
26a	Renaissance Zone Reimbursement
26b	PILT Reimbursement
26c	Promise Zone Funding
31a	At-Risk Pupil Support
31a(7)	School Based Health Centers
31a(8)	Hearing and Vision Screening
31a(16)	At-Risk Pupil Hold Harmless
31d	State School Lunch Programs
31d	Federal School Lunch Programs
31f	School Breakfast Program
31j	Local Produce in School Meals - <b>NEW</b>
31k	Student Meal Debt Forgiveness - <b>NEW</b>
31n	School Mental Health and Support Services
32d	Great Start Readiness Program
32p	Early Childhood Block Grants
32s	Pre-Kindergarten Education Program - <b>NEW</b>
35a(4)	Early Literacy Teacher Coaches
35a(5)	Early Literacy Added Instructional Time
35a(7)	Literacy Essentials
35a(8)	Early Literacy - Michigan Education Corps - <b>NEW</b>
35a(9)	Summer School Literacy Intervention Grants
35c	Multisensory Education
39a(1)	Federal ESSA Grant Funds
39a(2)	Other Federal Funding
41	English Language Learner Grants
51a(1)	Special Education - Federal Reimbursement
51a(2)	Special Ed ISD Foundation and Costs
51a(3)	Special Ed ISD Hold Harmless Payment
51a(6)	Special Ed Admin Rules Changes
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs
51c	Special Ed Headlee Obligation (Durant)
51d	Special Education - Other Federal Grants
51f	Special Education Cost Reimbursement
53a	Special Ed for Court Placed Pupils
54	Special Ed Michigan School Blind/Deaf

FY 2019-2020		
FY 20 PA 162 of 2019 YTD	Proposed Supplemental Change From YTD	FY 20 Exec Rec Proposed
\$111,000,000		\$111,000,000
\$66,000,000		\$66,000,000
\$8,075,100		\$8,075,100
\$18,000,000		\$18,000,000
\$6,000,000		\$6,000,000
\$4,943,000,000	(\$21,000,000)	\$4,922,000,000
\$4,556,000,000	\$18,000,000	\$4,574,000,000
\$7,000,000		\$7,000,000
\$2,200,000		\$2,200,000
\$0		\$0
\$7,150,000		\$7,150,000
\$1,355,700		\$1,355,700
\$1,600,000		\$1,600,000
\$750,000		\$750,000
\$15,300,000		\$15,300,000
\$4,641,100		\$4,641,100
\$8,400,000	(\$1,000,000)	\$7,400,000
\$510,000,000		\$510,000,000
\$8,000,000		\$8,000,000
\$5,150,000		\$5,150,000
\$12,000,000		\$12,000,000
\$23,144,000		\$23,144,000
\$537,200,000		\$537,200,000
\$4,500,000		\$4,500,000
\$0		\$0
\$0		\$0
\$31,300,000		\$31,300,000
\$249,950,000		\$249,950,000
\$13,400,000		\$13,400,000
\$0		\$0
\$31,500,000		\$31,500,000
\$19,900,000		\$19,900,000
\$1,000,000		\$1,000,000
\$0		\$0
\$5,000,000		\$5,000,000
\$300,000		\$300,000
\$725,600,000		\$725,600,000
\$49,100,000	\$10,000,000	\$59,100,000
\$13,000,000		\$13,000,000
\$370,000,000		\$370,000,000
\$297,800,000	(\$2,100,000)	\$295,700,000
\$1,000,000		\$1,000,000
\$2,200,000		\$2,200,000
\$2,900,000	\$200,000	\$3,100,000
\$689,100,000	\$2,500,000	\$691,600,000
\$61,000,000		\$61,000,000
\$60,207,000		\$60,207,000
\$10,500,000		\$10,500,000
\$1,688,000		\$1,688,000

FY 2020-2021	
Change from FY 20 YTD	FY 21 Exec Rec
	\$111,000,000
	\$66,000,000
	\$8,075,100
	\$18,000,000
	\$6,000,000
(\$104,000,000)	\$4,839,000,000
\$275,000,000	\$4,831,000,000
	\$7,000,000
	\$2,200,000
\$5,000,000	\$5,000,000
	\$7,150,000
	\$1,355,700
(\$1,600,000)	\$0
(\$750,000)	\$0
	\$15,300,000
	\$4,641,100
\$1,300,000	\$9,700,000
\$69,800,000	\$579,800,000
	\$8,000,000
	\$5,150,000
(\$9,800,000)	\$2,200,000
	\$23,144,000
\$12,800,000	\$550,000,000
	\$4,500,000
\$1,000,000	\$1,000,000
\$1,000,000	\$1,000,000
	\$31,300,000
\$35,500,000	\$285,450,000
	\$13,400,000
\$42,000,000	\$42,000,000
	\$31,500,000
	\$19,900,000
\$3,000,000	\$4,000,000
\$2,000,000	\$2,000,000
(\$5,000,000)	\$0
(\$300,000)	\$0
\$23,600,000	\$749,200,000
\$5,900,000	\$55,000,000
\$5,000,000	\$18,000,000
\$5,000,000	\$375,000,000
\$10,200,000	\$308,000,000
	\$1,000,000
	\$2,200,000
\$200,000	\$3,100,000
\$29,500,000	\$718,600,000
\$10,000,000	\$71,000,000
\$60,000,000	\$120,207,000
	\$10,500,000
	\$1,688,000

FY 2021-2022	
Change from FY 21 Exec Rec	FY 22 Exec Rec
	\$111,000,000
	\$66,000,000
	\$8,075,100
	\$18,000,000
	\$6,000,000
(\$93,000,000)	\$4,746,000,000
(\$18,000,000)	\$4,813,000,000
	\$7,000,000
	\$2,200,000
(\$5,000,000)	\$0
	\$7,150,000
	\$1,355,700
	\$0
	\$0
	\$15,300,000
	\$4,641,100
	\$9,700,000
	\$579,800,000
	\$8,000,000
	\$5,150,000
	\$2,200,000
	\$23,144,000
	\$550,000,000
	\$4,500,000
	\$1,000,000
(\$1,000,000)	\$0
	\$31,300,000
	\$285,450,000
	\$13,400,000
	\$42,000,000
	\$31,500,000
	\$19,900,000
	\$4,000,000
	\$2,000,000
	\$0
	\$0
	\$749,200,000
	\$55,000,000
	\$18,000,000
	\$375,000,000
\$13,700,000	\$321,700,000
	\$1,000,000
	\$2,200,000
	\$3,100,000
\$32,900,000	\$751,500,000
	\$71,000,000
	\$120,207,000
	\$10,500,000
	\$1,688,000



# SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2019-2020			FY 2020-2021		FY 2021-2022	
		FY 20 PA 162 of 2019 YTD	Proposed Supplemental Change From YTD	FY 20 Exec Rec Proposed	Change from FY 20 YTD	FY 21 Exec Rec	Change from FY 21 Exec Rec	FY 22 Exec Rec
54b	Special Education Task Force Reforms (MiBLSI)	\$1,600,000		\$1,600,000		\$1,600,000		\$1,600,000
54d	Spec. Ed. Task Force - Early On	\$7,150,000		\$7,150,000		\$7,150,000		\$7,150,000
54e	PLAY Project - Autism Intervention	\$350,000		\$350,000		\$0		\$0
56	Special Ed ISD Millage Equalization	\$40,008,100		\$40,008,100	(\$350,000)	\$40,008,100		\$40,008,100
61a	Career & Tech Ed Programs	\$37,611,300		\$37,611,300		\$37,611,300		\$37,611,300
61b	Career & Tech Ed Early/Middle College	\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000
61d	CTE Incentive Payment	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000
65	Detroit PreCollege Engineering	\$400,000		\$400,000		\$400,000		\$400,000
67	Career and College Readiness Tools	\$3,000,000		\$3,000,000		\$3,000,000		\$3,000,000
74	School Bus Driver Safety Instruction	\$2,025,000		\$2,025,000		\$2,025,000		\$2,025,000
74	School Bus Inspections	\$1,747,900		\$1,747,900	\$41,600	\$1,789,500		\$1,789,500
81	ISD General Operations Support	\$69,138,000		\$69,138,000	\$2,074,200	\$71,212,200		\$71,212,200
94	AP/IB/CLEP Incentive Program	\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000
94a	Center for Educational Performance and Information	\$16,457,200		\$16,457,200	\$391,700	\$16,848,900		\$16,848,900
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500		\$193,500		\$193,500
97	School Safety Grants	\$10,000,000		\$10,000,000	(\$10,000,000)	\$0		\$0
97a	District Infrastructure Upgrade Grants - NEW	\$0		\$0	\$40,000,000	\$40,000,000	(\$40,000,000)	\$0
98	Michigan Virtual University	\$6,312,500		\$6,312,500		\$6,312,500		\$6,312,500
98a	Professional Development Grants - NEW	\$0		\$0	\$5,000,000	\$5,000,000	(\$5,000,000)	\$0
98b	Teacher Cadet Programs - NEW	\$0		\$0	\$1,500,000	\$1,500,000		\$1,500,000
98c	Classroom Materials and Supplies - NEW	\$0		\$0	\$25,000,000	\$25,000,000	(\$25,000,000)	\$0
99h	FIRST Robotics	\$4,700,000		\$4,700,000		\$4,700,000		\$4,700,000
99s(2)(3)	MiSTEM Council and Grants	\$3,050,000		\$3,050,000		\$3,050,000		\$3,050,000
99s(4)	MiSTEM Grants - Math and Science Centers - Federal	\$235,000		\$235,000		\$235,000		\$235,000
99s(4)(6)	MiSTEM Centers Transition	\$4,584,300		\$4,584,300		\$4,584,300		\$4,584,300
99s(11)	MiSTEM Executive Director	\$300,000		\$300,000		\$300,000		\$300,000
104	Education Assessments - State	\$32,009,400		\$32,009,400		\$32,009,400		\$32,009,400
104	Education Assessments - Federal	\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000
107	Adult Education	\$30,500,000		\$30,500,000		\$30,500,000		\$30,500,000
147a(1)	MPSERS Cost Offset	\$100,000,000		\$100,000,000		\$100,000,000		\$100,000,000
147a(2)	MPSERS Normal Cost Offset for Lower AROR/Dedicated Gains	\$172,069,000		\$172,069,000	\$8,137,000	\$180,206,000	(\$7,017,000)	\$173,189,000
147c	MPSERS State Share of Unfunded Liability Payments	\$1,030,900,000		\$1,030,900,000	\$188,900,000	\$1,219,800,000	\$91,400,000	\$1,311,200,000
147e	MPSERS Added Normal/DC Costs for PA 92 of 2017	\$42,571,000		\$42,571,000	\$8,829,000	\$51,400,000	\$17,300,000	\$68,700,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500
<b>TOTAL APPROPRIATIONS</b>		<b>\$15,177,263,600</b>	<b>\$6,600,000</b>	<b>\$15,183,863,600</b>	<b>\$745,873,500</b>	<b>\$15,923,137,100</b>	<b>(\$38,717,000)</b>	<b>\$15,884,420,100</b>
<b>REVENUE BY SOURCE</b>								
Federal Aid		\$1,749,578,500	\$10,000,000	\$1,759,578,500	\$57,300,000	\$1,806,878,500	\$0	\$1,806,878,500
School Aid Fund		\$13,287,765,000	(\$3,800,000)	\$13,283,965,000	\$670,093,500	\$13,957,858,500	\$7,683,000	\$13,965,541,500
MPSERS Retirement Obligation Reform Reserve Fund		\$1,900,000	\$0	\$1,900,000	(\$1,900,000)	\$0	\$0	\$0
Community District Trust Fund/Other Restricted Fund		\$75,400,100	\$400,000	\$75,800,100	\$3,000,000	\$78,400,100	(\$6,400,000)	\$72,000,100
General Fund/General Purpose		\$62,620,000	\$0	\$62,620,000	\$17,380,000	\$80,000,000	(\$40,000,000)	\$40,000,000
<b>TOTAL REVENUE</b>		<b>\$15,177,263,600</b>	<b>\$6,600,000</b>	<b>\$15,183,863,600</b>	<b>\$745,873,500</b>	<b>\$15,923,137,100</b>	<b>(\$38,717,000)</b>	<b>\$15,884,420,100</b>