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Article 1

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS</b> .....	<b>16,010,551,700</b>	<b>15,525,164,800</b>	<b>(485,386,900)</b>	<b>(3.0)</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>16,010,551,700</b>	<b>15,525,164,800</b>	<b>(485,386,900)</b>	<b>(3.0)</b>
Less:				
Federal Funds .....	2,958,903,000	1,806,878,500	(1,152,024,500)	(38.9)
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>13,051,648,700</b>	<b>13,718,286,300</b>	<b>666,637,600</b>	<b>5.1</b>
Less:				
Other State Restricted Funds .....	12,946,988,700	13,667,321,700	720,333,000	5.6
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>104,660,000</b>	<b>50,964,600</b>	<b>(53,695,400)</b>	<b>(51.3)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>12,845,578,900</b>	<b>13,546,289,200</b>	<b>700,710,300</b>	<b>5.5</b>

\*As of September 30, 2020.

	Gross	GF/GP
<b>FY 2019-20 Year-to-Date Appropriation</b> .....	<b>\$16,010,551,700</b>	<b>\$104,660,000</b>

Changes from FY 2019-20 Year-to-Date:

- Foundation Allowance.** The Governor recommended a \$150 per-pupil increase to districts with foundation allowances at or above the target (currently \$8,529) and 1.5 times that amount (\$225) for districts with foundation allowances at the minimum (currently \$8,111), and a sliding scale for those in between. Conference did not include an increase. 0      0
- Per-Pupil Adjustment to State Aid.** Public Act 146 of 2020 included a \$175 per-pupil reduction in State aid (\$256.0 million). Conference restored that reduction and further added roughly \$65.00 in one-time per-pupil payments (\$95.0 million). 351,000,000      0
- Michigan Public School Employees' Retirement System.** The Governor recommended an increase of \$205.9 million for MPSERS, the bulk of which would pay for increases in life expectancy. Conference reduced the increase by \$20.0 million based on updated cost data. 195,066,000      (13,000)
- Special Education Additional Reimbursement.** The Governor recommended an increase of \$60.0 million in additional (nonrequired) reimbursements to districts for special education costs. This would increase the additional reimbursements (new for FY 2019-20) from 2% to 4%. Conference added \$2.0 million to current-year funding levels. 2,000,000      0
- At Risk.** The Governor proposed a \$60.0 million increase in At Risk funds, which would increase the weight from roughly 9% currently to 10% in FY 2020-21. In addition, the Governor proposed to increase funding for higher funded districts to 50% of what lower funded districts receive (currently, those districts receive 30%). Conference did not include. 0      0

6. <b>Federal Grants.</b> The Governor increased Federal grants in anticipation of actual funding levels. Conference updated adjustments, particularly by removing one-time Coronavirus Relief Fund and CARES Act allocations.	(1,152,024,500)	0
7. <b>Growing Districts Categorical.</b> Conference included \$66.0 million to make payments for districts whose FY 2020-21 counts exceed the 75-25 'super blend' calculation in effect for the school year.	66,000,000	
8. <b>Governor's New Programs Not Included by Conference.</b> The Governor included the following that were not adopted by Conference: expanded preschool, school infrastructure grants, teacher supplies reimbursement, reorganization/consolidation grants, peer-to-peer professional development, and a teacher cadet program.	0	0
9. <b>Conference New Programs.</b> Conference included the following new programs: attendance recovery (\$2.0 million); Detroit Public Television online curriculum (\$2.0 million); Orton-Gillingham Dyslexia Tool (\$500,000); Chaldean Community Foundation (\$500,000); a study of virtual learning (\$150,000); and Women in Technology (\$150,000).	5,300,000	3,300,000
10. <b>Other Conference Increases in Existing Programs.</b> Conference increased the following programs: Michigan Virtual University (by \$1,187,500); Advanced Placement reimbursement (by \$200,000); and, partnership model districts (by \$137,500).	1,525,000	1,387,500
11. <b>School Mental Health Grants.</b> Conference increased from \$30.0 million to \$35.6 million the funding that goes for school mental health grants.	5,600,000	0
12. <b>Teacher Retention Incentives.</b> Conference included a new program to provide incentives for first-year teachers to continue teaching.	5,000,000	0
13. <b>Required Increases for Special Education.</b> In addition to the increase proposed for optional reimbursements, the Governor included required cost increases for special education. Conference adjusted the required increase based on more recent cost data.	55,300,000	0
14. <b>Great Start Readiness Program.</b> The Governor proposed an increase in the per-child funding of GSRP, from \$7,250 for a full-day program to \$8,336, the same as the proposed minimum foundation allowance. Conference did not include.	0	0
15. <b>Three-Year Pupil Blend for Eligible Districts.</b> The Governor proposed a new three-year average pupil blend for districts that establish a Community Engagement Advisory Committee in partnership with the Department of Treasury. At the present time, only Benton Harbor Schools have established a committee, but more are anticipated. Conference concurred but narrowed the eligible grantees to include only Benton Harbor at a cost estimated at \$1.0 million.	1,000,000	0
16. <b>Bilingual Education.</b> The Governor increased bilingual education from \$13.0 million to \$18.0 million; the additional \$5.0 million would be distributed based on the number of English Language Learner students (estimated to pay districts \$50 per ELL student). Conference did not include.	0	0
17. <b>Literacy Essentials.</b> The Governor and Conference proposed an increase in literacy essentials, from \$1.0 million to \$4.0 million. This program implements literacy essentials teacher and principal training modules, and face-to-face and online professional learning of literacy essentials for literacy coaches, principals, and teachers.	3,000,000	0
18. <b>Michigan Reading Corps.</b> The Governor proposed to fund the Michigan Reading Corps program at \$2.0 million. The program was funded in FY 2018-19 but vetoed for FY 2019-20. Conference included \$2.8 million.	2,773,000	2,773,000
19. <b>Intermediate School District (ISD) Operations.</b> The Governor proposed a 3% increase in ISD operations. Conference did not include.	0	0

20. <b>Other Changes.</b> The Governor and Conference included an increase of \$2.3 million for Promise Zones based on updated cost estimates. Conference concurred, and further added \$5.0 million for assessments, \$3,900 for PILT and \$4.4 million for cash flow borrowing costs. Conference restored \$800,000 for Robotics (reduced in an earlier supplemental) and split \$300,000 of that funding for nonpublic programs.	12,503,900	300,000
21. <b>School Meal Debt Forgiveness.</b> The Governor and Conference included \$1.0 million for a new program to reimburse schools that forgive school meal debt.	1,000,000	0
22. <b>10 Cents a Meal.</b> The Governor proposed to fund the 10 Cents a Meal program at \$1.0 million statewide. Conference increased to \$2.0 million.	1,425,000	(575,000)
23. <b>Cost Adjustments for the Foundation Allowance.</b> The Governor included savings in baseline foundation allowance costs.	(45,000,000)	0
24. <b>Cyber Schools - 20% Reduction.</b> The Governor proposed reducing the foundation for cyber schools by 20%. Conference did not reduce.	0	0
25. <b>Restoration of Programs Previously Funded.</b> Conference restored the following programs: Imagine Learning (\$1.5 million); Algebra Nation (\$1.0 million); Teach for America (\$1.0 million); Fitness Foundation (\$400,000); Digital Literacy Preparation (\$500,000); MITES (\$50,000); EVAAS (\$2.0 million); Children's Choice Initiative (\$250,000); Conductive Learning Center (\$250,000); Boys and Girls Club (\$1.0 million); and nonpublic mandates (\$100).  *The Governor vetoed the \$100 placeholder for nonpublic school mandates.	7,950,000	7,950,000
26. <b>Program Eliminations.</b> The Governor proposed eliminating the following: summer school reading program (\$5.0 million); strict discipline academies (\$1.6 million); dropout recovery program (\$750,000); autism intervention (\$350,000); and, multisensory education (\$300,000). Conference concurred in eliminating summer school reading, autism interventions, and multisensory. School safety grants were eliminated in an earlier supplemental bill.	(5,650,000)	(350,000)
27. <b>Fund Shift.</b> The Governor increased GF/GP support of the budget, but the increase was earmarked for infrastructure grants, necessitating a fund shift of SAF replacing GF/GP.	0	(69,271,000)
28. <b>Economic Adjustments.</b> Includes \$844,700 Gross and \$803,100 GF/GP for total economic adjustments, of which an estimated \$411,400 Gross and \$369,800 GF/GP is for legacy retirement costs (pension and retiree health).	844,700	803,100
<b>Total Changes</b> .....	<b>(\$485,386,900)</b>	<b>(\$53,695,400)</b>
<b>FY 2020-21 Initial Ongoing/One-Time Appropriation</b> .....	<b>\$15,525,164,800</b>	<b>\$50,964,600</b>

**Boilerplate Changes from FY 2019-20 Year-to-Date:**

1. **Three-Year Blend.** The Governor proposed to expand the existing three-year average pupil membership blend provision to include districts that have established a community engagement advisory committee in partnership with the Department of Treasury. Conference concurred but restricted to Benton Harbor only. (Sec. 6(4)(x))
2. **2-Way Interactions.** Conference amended the definition of 2-way interactions to include, in addition to teachers, district employees who have responsibility for the student's learning, grade progression, or academic progress, and allowed the interaction to be initiated by the pupil. (Sections 6, 98a, and 101)
3. **CARES Act.** Conference added Federal CARES Act language requiring districts, to the greatest extent practicable, to continue to pay employees and contractors during the period of closures related to coronavirus. (Sec. 11p)
4. **Non-instructional Services.** Conference added language stipulating that a district may not be prohibited or limited from using funds that can be spent on non-instructional services from contracting for those purchases. (Sec. 18)

5. **Expansion of Partnership District Funding to Include Financial Distress.** The Governor proposed to include districts demonstrating financial stress (as well as those currently demonstrating academic stress), as determined by the State Treasurer, as eligible for partnership district funding. Conference concurred with including a focus on financials in addition to academics for existing partnership districts. (Sec. 21h)
6. **Transfers between Sections.** The Governor and Conference reinstated language that had been part of the budget prior to FY 2019-20 that allowed for automatic transfers of funds between Sections 22a and 22b (foundation allowance), and 51c (special education) to fully fund the calculated allocations during the fiscal year. (Sections 22a, 22b, and 51c)
7. **At Risk.** The Governor increased the payment for districts with per-pupil revenue that exceeds the target foundation allowance, from 30% in current law to 50% of what lower-funded districts receive. In addition, intent language was included stating that the percentage be increased annually until reaching 100%. Conference included intent language for hold harmless At Risk funding to increase if the rest of the section is fully funded. (Sec. 31a(2))
8. **10 Cents a Meal Program.** The Governor restructured this program to be statewide with competitive grants provided to districts, rather than to specified prosperity regions. Conferenced concurred. (Sec. 31j)
9. **School Mental Health Grants.** The Governor proposed to allow ISDs to retain up to 5% of the grant award to coordinate services and to improve or develop an integrated system of mental health and support services. In addition, the Governor included language allowing funds received in FY 2018-19, FY 2019-20, or FY 2020-21 to be used over a three-year rolling time period. Conference concurred with allowing additional time to spend the funds. (Sec. 31n)
10. **Great Start Readiness Program (GSRP).** The Governor proposed to remove a report listing each intermediate district and the number and percentage of each ISD's GSRP allocation allocated to community-based providers by provider type. Conference did not remove the report. Conference added language waiving days and hours requirements for GSRP programs, as well as broadening income eligibility for 2020-21 only. (Sec. 32d)
11. **Reduction in Allowable Carryforward.** The Governor included language capping at 30% the amount of ISD early childhood funding that may be carried forward into the next year, with intent language dropping that percentage carryforward for subsequent years. Conference concurred. (Sec. 32p)
12. **GSRP Per-Child Payment.** The Governor increased the full-day programming per child payment in GSRP from \$7,250 to \$8,336, and the half-day programming payment from \$3,625 to \$4,168. Conference did not include. (Sec. 39)
13. **Connecting Information in Education Committee.** Conference included a \$100 placeholder to create a new committee that would provide recommendations on how to lead the replication and scaling of best practices, how to close the educational achievement gap, and how to prepare every student for success after high school. (Sec. 94b)
14. **Extended COVID Learning Plans.** Conference added a report detailing types of training provided to teachers, parents, and students for online learning and added reporting of mode of instruction being provided monthly. (Sec. 98a)
15. **Robotics.** The Governor proposed to reduce the local match from 50% to 25% for districts receiving robotics grants. Conference concurred, and expanded to include nonpublic schools. (Sec. 99h)
16. **MiSTEM to MiSTEAM Grants.** The Governor proposed to expand MiSTEM (Michigan science, technology, engineering, mathematics) to MiSTEAM, adding arts to the list of programs eligible to compete for grants and broadening the scope of the network. Conferenced maintained current law. (Sec. 99s)
17. **Schools of Choice Enrollment Window.** Conference extended the window for schools of choice enrollment until October 13 for applications already received. (Sections 105 and 105c)
18. **Correction in Distribution of MPSERS Hold Harmless Payments.** The Governor and Conference included a correction to the distribution of MPSERS hold harmless payments that are paid to districts to reimburse for the additional normal costs that arise when the assumed rate of return is reduced. In current law, districts are reimbursed based on their entire payroll, but they should be reimbursed on affected payroll (i.e., payroll in basic, MIP, or the first pension plus hybrid plan. (Sec. 147a(2))
19. **Repealers.** The Governor proposed to repeal Section 152b (nonpublic schools mandates); Section 164g (which prohibits the use of State funds to be used by a district if suing the State); Section 164g (collective bargaining agreement); and, Section 166 (which requires a district to adopt and implement a disciplinary policy for an employee or district or board official who refers a pupil for an abortion or assists a pupil in obtaining an abortion). Conference did not concur in the repeal of these sections.

Date Completed: 10-8-20

Fiscal Analyst: Kathryn Summers

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



**Fiscal Years 2019-20 and 2020-21  
School Aid Appropriations, Article I, PA 165 of 2020**

		FY 2019-20 Budget 10/1/2020	10/1/2020 FY 2020-21 ENACTED BUDGET PA 165 of 2020
Section	Line Item Description		
11d	Per-Pupil Adjustment to State Aid	(\$256,000,000)	\$95,000,000
	Various CARES Act Funding Allocated w/ Receive and Expend Language	\$697,324,500	\$0
11j	School Bond Loan Fund Payments - Debt Service	\$111,000,000	\$111,000,000
11m	Cash Flow Borrowing Costs	\$7,000,000	\$11,400,000
11p	Coronavirus Related Expenses	\$512,000,000	\$0
11s	Flint Declaration of Emergency	\$8,075,100	\$8,075,100
20f	Categorical Offset Payments	\$18,000,000	\$18,000,000
21h	Partnership Model Districts	\$6,000,000	\$6,137,400
22a	Proposal A Obligation Payment	\$4,916,000,000	\$4,880,500,000
22b	Discretionary Payment - State	\$4,575,000,000	\$4,566,500,000
22d	Isolated Districts Funding	\$7,000,000	\$7,000,000
22m	Technology Regional Data Hubs	\$2,200,000	\$2,200,000
24	Court-Placed Pupils	\$7,150,000	\$7,150,000
24a	Juvenile Detention Facilities	\$1,355,700	\$1,355,700
25f	Strict Discipline Academies	\$1,600,000	\$1,600,000
25g	Dropout Recovery	\$750,000	\$750,000
25i	Attendance Recovery	\$0	\$2,000,000
25j	Virtual Learning Supports	\$0	\$2,000,000
26a	Renaissance Zone Costs	\$15,300,000	\$15,300,000
26b	PILT Reimbursement	\$4,641,100	\$4,645,000
26c	Promise Zone	\$7,400,000	\$9,700,000
29a	Growing Districts Categorical	\$0	\$66,000,000
31a	"At Risk" Pupil Support - Base	\$510,000,000	\$510,000,000
31a(7)	Child and Adolescent Health Centers	\$8,000,000	\$8,000,000
31a(8)	Vision/Hearing Screening	\$5,150,000	\$5,150,000
31a(17)	At Risk Hold Harmless	\$12,000,000	\$12,000,000
31d	School Lunch Programs - State Share	\$23,144,000	\$23,144,000
31d	School Lunch Programs - Federal Share	\$537,200,000	\$550,000,000
31f	School Breakfast	\$4,500,000	\$4,500,000
31j	Support of Local Produce in School Meals	\$575,000	\$2,000,000
31k	School Meal Debt	\$0	\$1,000,000
31n	School Mental Health	\$31,300,000	\$36,900,000
32d	Great Start - School Readiness	\$249,950,000	\$249,950,000
32p	Great Start Early Childhood Block Grants	\$13,400,000	\$13,400,000
35a(4)	Investment in Literacy Coaches for K-3 Teachers	\$31,500,000	\$31,500,000
35a(5)	Early Literacy District Grants	\$19,900,000	\$19,900,000
35a()	Michigan Education Corps	\$0	\$2,773,000
35a(7)	Literacy Essentials	\$1,000,000	\$4,000,000
35a(9)	Summer Reading Project	\$5,000,000	\$0
35b	Children's Choice Initiative	\$0	\$250,000
35c	Multisensory Education	\$300,000	\$0
35d	Orton Gillingham Dyslexic Tool	\$0	\$500,000
35e	Boys and Girls Club	\$0	\$1,000,000
35f	Chaldean Community Foundation	\$0	\$500,000
39a(1)	NCLB Federal DOE Grants	\$725,600,000	\$749,200,000
39a(2)	Other Non-NCLB Federal DOE Grants	\$49,100,000	\$55,000,000
41	Bilingual Education	\$13,000,000	\$13,000,000
51a	Special Education - Federal IDEA	\$370,000,000	\$375,000,000
51a(2)	Spec. Ed. Foundations - State Share	\$286,900,000	\$307,500,000
51a(3)	Spec. Ed. Hold Harmless to ISDs - State Share	\$1,000,000	\$1,000,000



Fiscal Years 2019-20 and 2020-21  
School Aid Appropriations, Article I, PA 165 of 2020

		FY 2019-20 Budget 10/1/2020	10/1/2020 FY 2020-21 ENACTED BUDGET PA 165 of 2020
Section	Line Item Description		
51a(6)	Spec. Ed. Rules Change - State Share	\$2,200,000	\$2,200,000
51a(11)	Spec. Ed. Non Sec. 52 to ISDs - State Share	\$3,100,000	\$3,000,000
51c	Special Education Headlee - State Share	\$678,600,000	\$713,400,000
51d	Special Education - Other Federal	\$61,000,000	\$71,000,000
51f	Special Education - additional percentage reimbursement	\$60,207,000	\$60,207,000
53a	Court-Placed Spec. Ed. FTEs - State Share	\$10,500,000	\$10,500,000
54	MI School for Deaf and Blind - State Share	\$1,688,000	\$1,688,000
54b	Integrated Behavior and Learning Support (MiBLSi)	\$1,600,000	\$1,600,000
54d	Special Ed Taskforce - Early On	\$7,150,000	\$7,150,000
54e	PLAY Project - Autism Intervention	\$350,000	\$0
55	Conductive Learning Center	\$0	\$250,000
56	Spec. Ed. Millage Equalization - State Share	\$40,008,100	\$40,008,100
61a	Vocational Education	\$37,611,300	\$37,611,300
61b	Career and Technical Education/Dual Enrollment	\$8,000,000	\$8,000,000
61d	CTE Incentive Payments	\$5,000,000	\$5,000,000
62	ISD Vocational Ed Millage Equalization	\$9,190,000	\$9,190,000
65	Detroit Precollege Engineering	\$400,000	\$400,000
67	College and Career Readiness Tools	\$3,000,000	\$3,000,000
67a	MITES	\$0	\$50,000
74	Bus Driver Safety Instruction	\$2,025,000	\$2,025,000
74	School Bus Inspections	\$1,747,900	\$1,789,500
81	ISD General Operations Support	\$69,138,000	\$69,138,000
94	Advanced Placement (AP) Incentive Program	\$1,000,000	\$1,200,000
94a	Center for Educ. Perf. and Information - State Share	\$16,045,800	\$16,848,900
94a	Center for Educ. Perf. and Information - Federal	\$193,500	\$193,500
94b	Connecting Information in Education Commission	\$0	\$100
95b	EVAAS	\$0	\$2,000,000
98	Michigan Virtual High School - State	\$6,312,500	\$7,500,000
98b	DPTV Online Curriculum	\$0	\$2,000,000
99h	Robotics	\$3,900,000	\$4,400,000
99h	Robotics for Nonpublics	\$0	\$300,000
99i	Women in Technology	\$0	\$150,000
99s(2)	Comprehensive STEM Initiative (Administration)	\$300,000	\$300,000
99s(3)	Comprehensive STEM Grants	\$3,050,000	\$3,050,000
99s(4)	Math/Science Centers - Federal	\$235,000	\$235,000
99s(4)	MiSTEM Network Regions	\$3,834,300	\$3,834,300
99s(6)	MiSTEM Professional Development and Curriculum	\$750,000	\$750,000
99t	Algebra Nation	\$0	\$1,000,000
99u	Imagine Learning (1/2 for reading; 1/2 for math)	\$0	\$1,500,000
99v	Dana Center	\$0	\$0
99w	Fitness Foundation	\$0	\$400,000
99x	Teach for America	\$0	\$1,000,000
99z	Teacher Retention Incentives	\$0	\$5,000,000
104	Assessment Testing - State Share	\$26,009,400	\$31,009,400
104	Assessment Testing - Federal Share	\$6,250,000	\$6,250,000
104(16)	Virtual Learning Study	\$0	\$150,000
104f	Digital Literacy Training	\$0	\$500,000
107	Adult Education - State	\$30,500,000	\$30,500,000
147a(1)	MPERSERS District Reimbursement	\$100,000,000	\$100,000,000
147a(2)	MPERSERS Normal Cost for Lower AROR/Dedicated Gains	\$172,069,000	\$155,206,000



Fiscal Years 2019-20 and 2020-21  
School Aid Appropriations, Article I, PA 165 of 2020

		FY 2019-20 Budget 10/1/2020	10/1/2020 FY 2020-21 ENACTED BUDGET PA 165 of 2020
Section	Line Item Description		
147c	MPERS Rate Cap (Section 41 of MPERS Act)	\$1,030,900,000	\$1,219,800,000
147e	MPERS Additional Normal/DC Costs for PA 92 of 2017	\$28,371,000	\$51,400,000
152a	Adair v State of Michigan	\$38,000,500	\$38,000,500
152b	Nonpublic school health/safety reimbursement	\$0	\$0
<b>TOTAL SCHOOL AID APPROPRIATIONS</b>		<b>\$16,010,551,700</b>	<b>\$15,525,164,800</b>

Section		<b>REVENUE SOURCES</b>	
11	Federal Aid	\$2,958,903,000	\$1,806,878,500
11	School Aid Fund (SAF)	\$12,829,470,800	\$13,589,621,600
11	Talent Investment Fund	\$9,717,800	\$0
11	MPERS Reforms Fund	\$31,900,000	\$0
11	General Fund/General Purpose	\$104,660,000	\$50,964,600
11	Community District Trust Fund/\$100 Flint Reserve	\$75,900,100	\$77,700,100
<b>TOTAL REVENUE</b>		<b>\$16,010,551,700</b>	<b>\$15,525,164,800</b>