



Senate Fiscal Agency
517-373-2768

Budget Overview: School Aid (K-12)

https://sfa.senate.michigan.gov/Departments/DPk12_web.html

Department of

Education (K-12)

Contact Information



Director:

- Michael Rice
- RiceM6@michigan.gov
- 517-241-0494

Legislative Liaison:

- Olivia Ponte
- Ponte01@michigan.gov
- 517-241-1540

SFA Fiscal Analyst:

- Ryan Bergan
- RBergan@senate.michigan.gov
- 517-373-2768

School Aid (K-12) General Overview

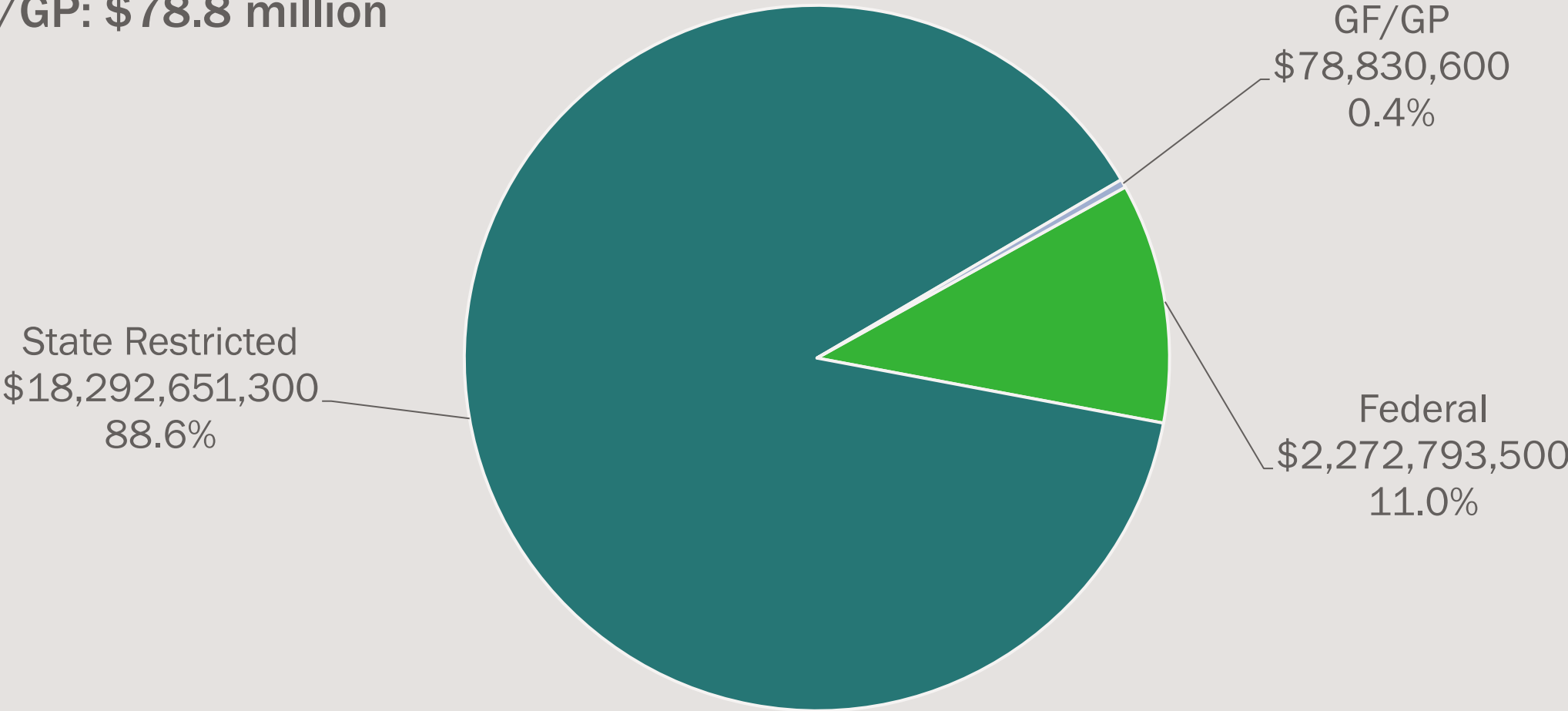
- Major Functions/Programs:

- Provides funds to school districts, intermediate school districts (ISDs), MPSEERS, and various other education-related entities.
- School districts' primary operational funding is provided through the foundation allowance.
- Various “categorical” spending is provided for higher-need students (e.g., special education, at-risk pupil support, English language learners, etc.).
- Federal funding is distributed through the budget, including funding for special education and school lunches.
- Funding is distributed for specific goals (e.g., student mental and physical health, school safety, educator recruitment and retention, early childhood support, etc.).

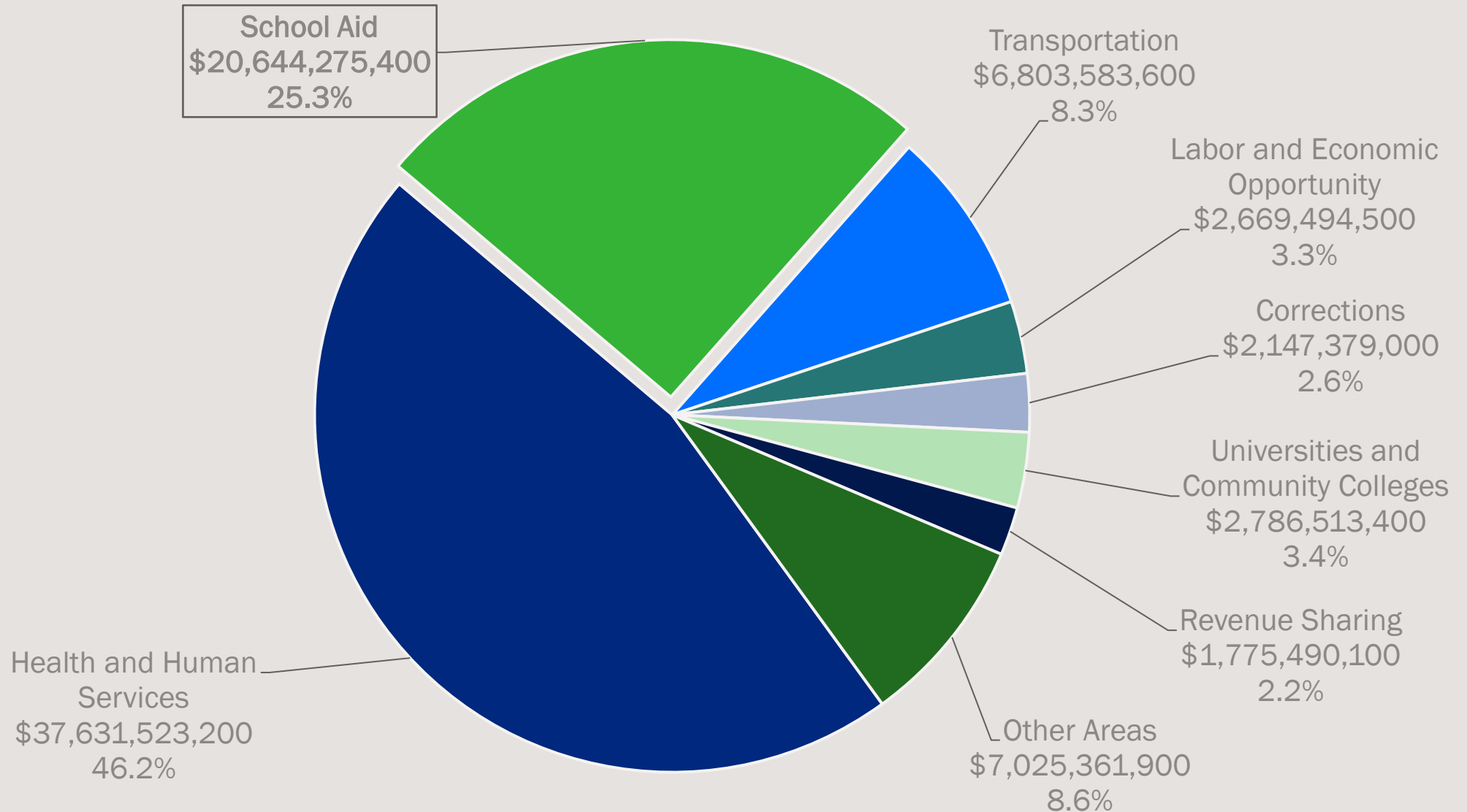
School Aid (K-12)

GROSS: \$20.6 million

GF/GP: \$78.8 million

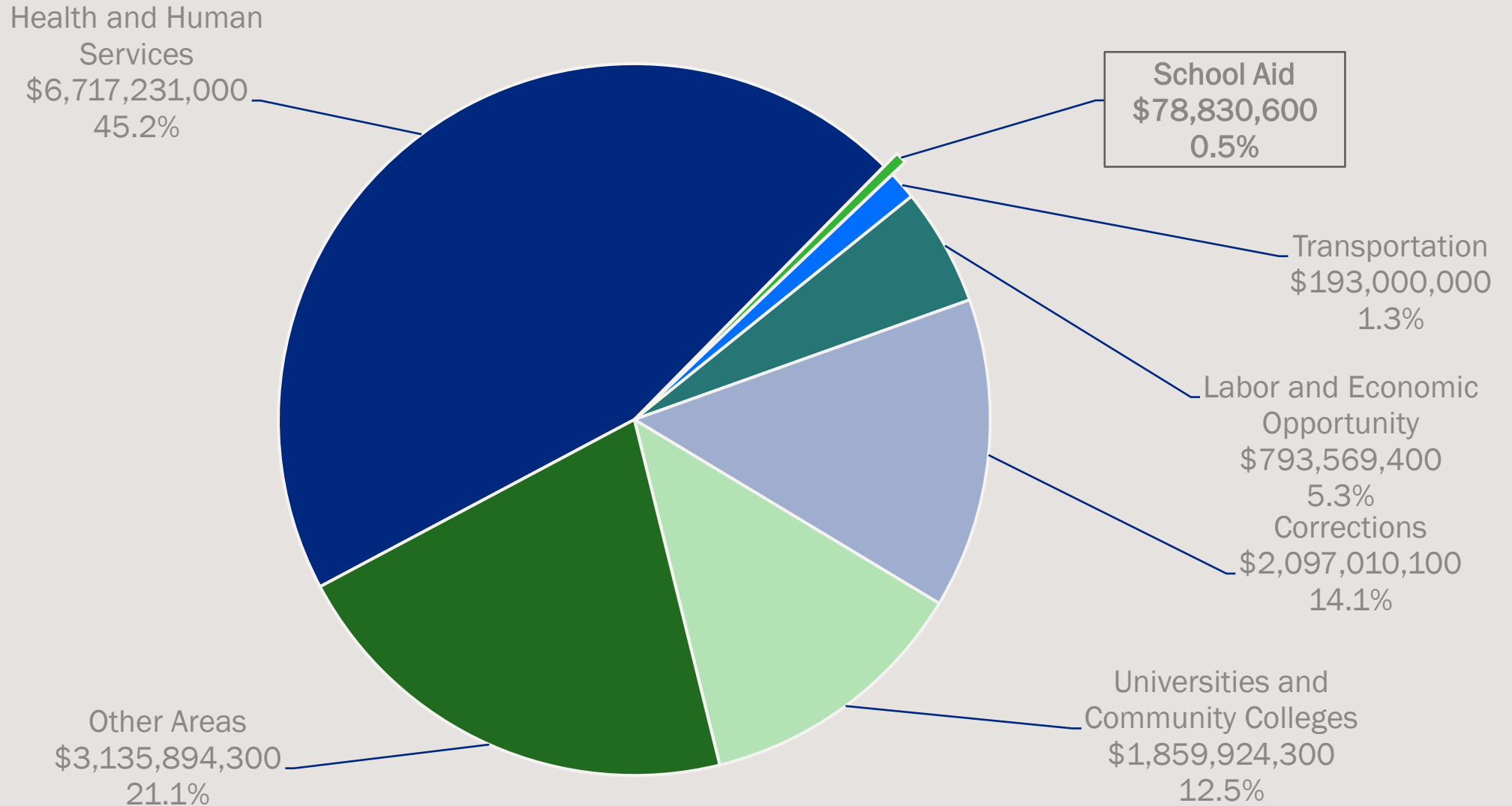


School Aid's Slice of the Michigan Adjusted Gross Budget: Accounts for 25.3% of the \$81.5 Billion State Budget

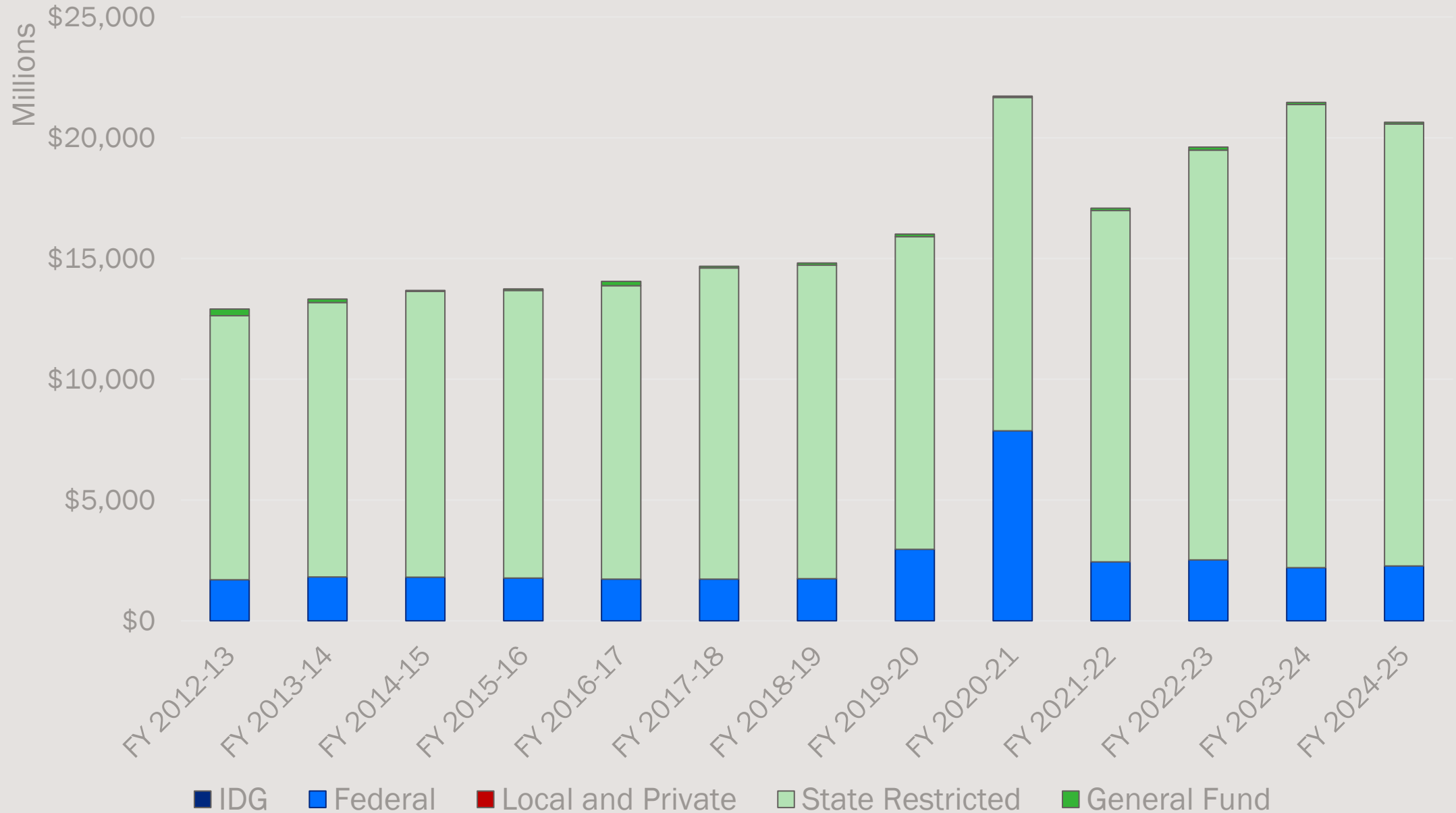


School Aid's Slice of Michigan GF/GP Budget:

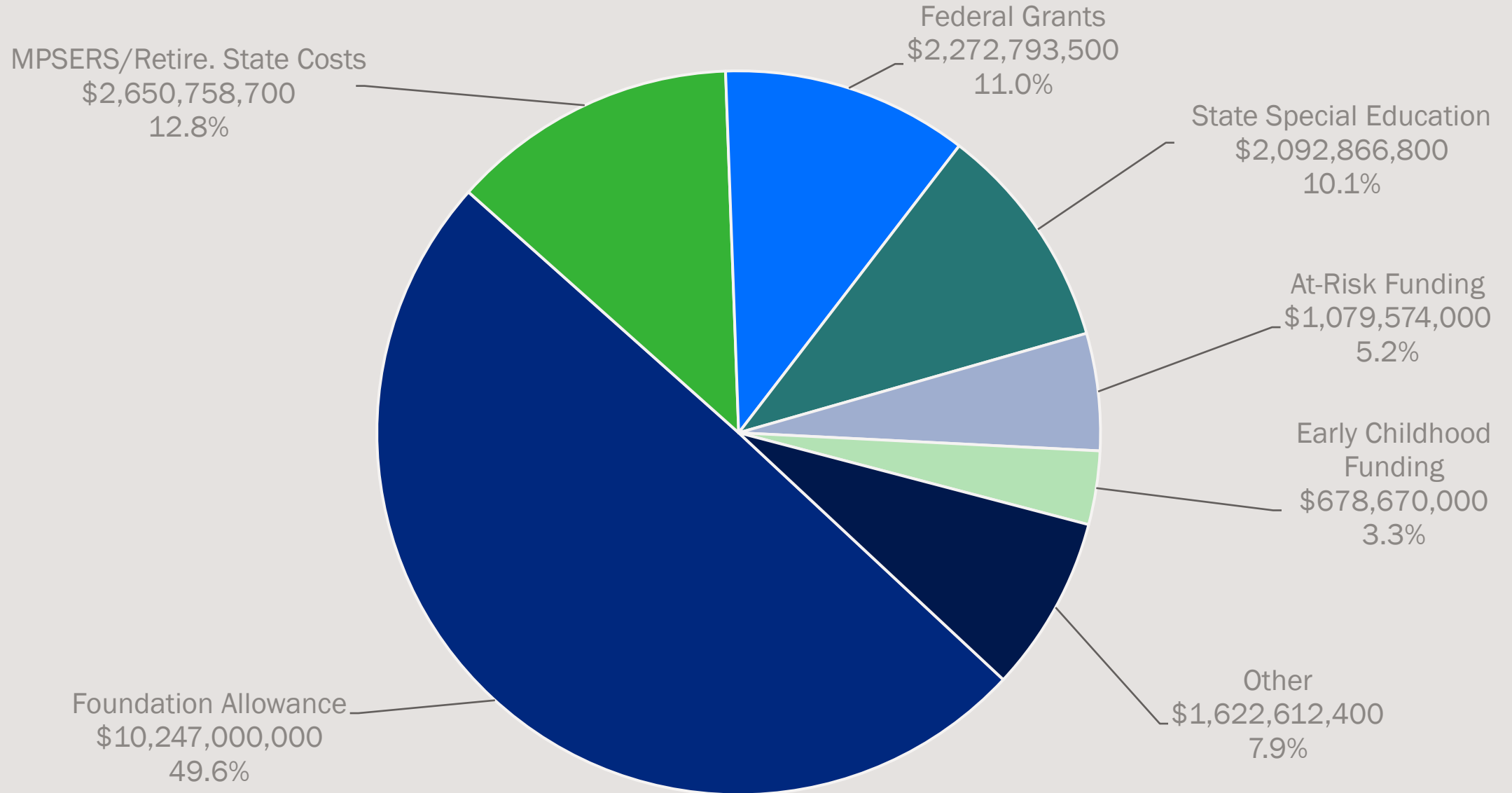
Accounts for 0.5% of the \$14.9 Billion State Budget



School Aid (K-12) Funding History



Major Appropriations in School Aid (K-12)



Major Areas of Spending

- Per-Pupil Foundation Allowance - \$10,247.0 million
- State MPERS contributions/Retiree costs - \$2,650.4 million
- Special Education - \$2,092.9 million
- At-Risk pupil support - \$1,079.6 million
- Early Childhood - \$678.2 million

Special Issues

- Constitutional restriction on appropriation of School Aid Fund
 - *Article IX, Section 11*: “There shall be established a state school aid fund which shall be used exclusively for aid to school districts, higher education, and school employees' retirement systems, as provided by law.”
 - Generally, this means appropriations that use SAF must go directly to districts, ISDs, institutions of higher education, or deposits into MPSERS.
 - Restrictions may still be placed on how the receiving entities spend the appropriation.

Recent Major Investments

- **Foundation Allowance:** Minimum increased from \$8,111 to \$9,608 (\$1,497, or 18.5%) since FY 2020-21. Also, In FY 2021-22, the minimum foundation allowance was increased to the target.
- **Special Education:** Funding increased \$894.3 million since FY 2021-22 (74.9% increase), which includes a change the reimbursement formula, making it more generous.
- **At-Risk Pupil Support:** Funding increased \$510.4 million since FY 2021-22 (97.3% increase) to increase funding, implement a new opportunity index formula, and bring hold harmless districts up to full funding.

Recent Major Investments (continued)

- **Early Childhood (Great Start Readiness Program):** Funding increased \$330.2 million since FY 2021-22 (111.0% increase) to expand eligibility for GSRP, with the goal of serving 75% of all 4-year-olds in Michigan.
- **Universal Breakfast and Lunch:** \$190.0 million added in FY 2023-24 to expand free breakfast and lunch programs to all students.
- **English Language Learners:** Funding increase \$23.7 million since FY 2022-23 (89.3% increase).

School Aid Reserve Fund Balances

End of FY 2024-25, incl. estimated earnings

Sec.	Fund Name	Fund Balance (in millions)
11x	School Consolidation and Infrastructure Fund	\$287.1
11z	Countercyclical Budget and Foundation Stabilization Fund	\$521.7
22k	School Transportation Fund	\$130.3
27d	Educator Fellowship Public Provider Fund	\$240.3
27e	Educator Fellowship Private Provider Fund	\$51.6
29	Enrollment Stabilization Fund	\$201.4
30e	School Meals Reserve Fund	\$131.3
32e	Great Start Readiness Program Reserve Fund	\$182.6
147b	MPSERS Obligation Reform Reserve Fund	\$174.8
	Total	\$1,921.1