With bipartisan support, and relying on both higher-than-expected state revenues and the infusion of federal relief funds, the Michigan Legislature has approved and the governor has signed spending bills for the state’s public schools for the 2021-2022 school year. The final agreement includes many important investments for Michigan students including increases in per-pupil spending; an expansion of the number of school psychologists, social workers, counselors and nurses; funds that make it possible for all eligible children to take advantage of the Great Start Readiness Preschool Program; and expansions in mental health services for students.

**Per-pupil spending:** In February, the governor recommended an additional $203 million to increase per-pupil allocations to school districts by between $82 and $164—using a spending formula that gives more to districts with lower state funding. In the current school year, districts receive a minimum of $8,111 per-pupil and a maximum of $8,529, with a multi-year goal of closing the gap between the minimum and maximum payment. Despite increases in per-pupil spending in the last several years, when adjusted for inflation, per-student funding in Michigan fell 9% between 2008 and 2019, and falls well below the levels recommended by the bipartisan Michigan School Finance Research Collaborative.

**Final budget:** The final budget includes an increase of $680 million to provide a state per-pupil allowance of $8,700 for all districts, effectively closing the state funding gap.

**Weighted funding formula:** Providing equal per-pupil payments to all school districts in the state does not guarantee educational equity, which is the goal of a weighted funding formula. In her first budget, Gov. Whitmer proposed a weighted funding formula that recognizes the added costs of teaching children from high-poverty schools or with special needs—an approach that wasn’t adopted by the Legislature. For 2022, prior to the passage of ARPA, the governor proposed a total of $14.2 million toward the weighted school funding formula, including an increase of 2% for the At-Risk School Aid program ($12.5 million), a small increase ($260,000) in programs for English language learners, and an increase of $1.2 million for special education cost reimbursements.

**Final budget includes:**

- A 50% increase in state funding (from $60.2 million in the current year to $90.2 million in 2022) to reimburse districts for 3% of their total approved special education costs.

- A doubling of the state investment in services for English language learners, with total spending rising from $13 million this year to $25.2 million in 2022.

- A smaller investment in the At-Risk School Aid program than proposed by the governor, with an increase of $2.5 million in state funds for total funding of $524.5 million, but allowing districts to use up to 10% of their funds for preschool instructional and non-instructional services for at-risk children.
**Child nutrition:** The governor: (1) maintained current-year funding of $2 million for the 10 Cents a Meal program that provides incentives for school districts and child care centers to purchase locally-grown fruits and vegetables; and (2) eliminated $1 million that is in the current-year budget to help districts forgive all outstanding student meal debt.

**Final budget includes:**

- A $2.5 million increase for the 10 Cents a Meal program, bringing total funding to $4.5 million.
- The elimination of funding to help districts forgive outstanding student meal debt.

**School mental health services:** The governor provided $36.9 million—the same as current-year funding—for behavioral health services for students, including $9.3 million for licensed Master’s level behavioral health providers through child and adolescent health centers, and $25.8 million for mental health services through Intermediate School Districts (ISDs).

**Final budget includes:** An increase of $17 million (46%) in state funds for total spending of $53.9 million, including a $5 million increase for behavioral health providers in schools, and $12 million for ISDs for behavioral health services.

**School-based health:** The governor maintained funding for school-based health centers at $8 million, along with flat funding of $5.2 million for hearing and vision screenings for students.

**Final budget includes:**

- A continuation of funding for school-based health centers at $8 million.
- An increase of $1.5 million to include dental screenings in schools.

**Third grade literacy:** The governor included a total of $57.4 million for early literacy programs, down from the current-year funding of $58.2 million. Funds are used for professional development for educators, to administer diagnostic tools to assess early reading skills of students in grades K-grade 3, for early literacy coaches in ISDs, and to provide additional instructional time for pupils.

**Final budget includes:**

- Continuation of $31.5 million in state funds for early literacy coaches in ISDs that can help teachers working with children from preschool through third grade with learning strategies to improve third grade reading.
- Continuation of current-year spending of $19.9 million for additional instructional time for pupils in preschool through third grade who need additional supports to improve reading.
- An increase of $2 million (to a total of $6 million) for ISDs to provide regional literacy coaches to support professional development for teachers.
- An increase in funding for the Michigan Education Corp for preschool and K-grade 3 reading programs.
- New funding ($1 million) for innovative community libraries that can address early literacy gaps.
**Student support services:** The final budget includes $240 million in new state funding for districts with the greatest need for school psychologists, social workers, counselors and nurses. State funding for new staff hired would start at 100% of the cost, tapering down to 66% in the second year, and 33% in the third year. Districts would be required to fully fund those positions after three years of state funding.

**Out-of-school learning opportunities:** The governor included $60 million in her 2022 budget for out-of-school learning opportunities to address student learning loss, as well as the overall well-being of children from preschool through grade 12. Funding is provided to ISDs around the state based on the number of pupils who are determined to be economically disadvantaged. Programs must be held during the summer of 2022, and can include day camps, licensed child care providers, and other community programs.

**Final budget:** The governor’s recommendation for out-of-school learning was not adopted, although federal relief funds were approved for out-of-school learning and remediation as part of the 2021 supplemental budget (see below).

**Attendance recovery programs:** The governor eliminated a $2 million attendance recovery program in her original 2022 budget proposal.

**Final budget agreement:** The final budget increases the program by $4 million to a total of $6 million in state general funds.

**Grants for schools operating a year-around, balanced calendar:** The budget includes $75 million in federal relief funds for matching grants for one-time infrastructure costs of districts that commit to operating a year-round, balanced calendar in the 2022-23 school year. Grants will be offered on a sliding scale so districts receiving higher federal relief payments (see supplemental below) receive smaller matching grants. The final budget also includes $60 million in state funds for per-pupil payments equal to 3% of a district’s foundation allowance when operating year-round during the 2021-22 school year.

**Early childhood services:** In February, the governor recommended the first increase in per-child payments for the GSRP since 2014. While Michigan expanded funding for the GSRP by $130 million between 2014 and 2015, per-child payments have remained stagnant. The governor proposed an increase of $32.2 million to raise the allocation for a full-time preschool slot by $1,025 to a total of $8,275—mirroring the minimum K-12 per-pupil payment, and increasing GSRP spending from $249.6 million to $281.8 million. The governor also recommended flat state funding for Early On, the state’s program to identify and serve young children ages 0-3 with developmental delays or disabilities.

**Final budget includes:**

- A 67% increase in funding for the GSRP, including $121 million in federal relief funds, to increase the allocation per child from $7,250 to $8,700 for a full day program to align with the K-12 per-pupil payment.

- A doubling of state funding for Early On, with new funding of $7 million, bringing total funding to $14.2 million.

**Flint water emergency:** The governor provided level funding of $8.1 million for services to address the impact of lead exposure in the City of Flint, including $2.4 million for school nurses, social workers and classroom aides; $2 million for early intervention services to
children between 3 and 5 years of age; $1 million to enroll children in Great Start Readiness preschool programs regardless of income; $650,000 for nutritional services; and $2 million for interventions and supports for K-12 students. The governor also appropriated $1 million for Educare Flint, a project of the Flint Early Childhood Collaborative that provides high-quality education to children between the ages of 0-5.

The final budget includes:

- Flat funding for the Flint water emergency at $8.1 million, with a reduction of $400,000 for early intervention services for children ages 3-5, and a $400,000 increase for interventions and supports for students in grades K-12.

- Continuation funding for the Genesee Early Childhood Collaborative at $1 million, but with the addition of $1.4 million for staff and software to assist with enrollment.

**Adult education**: The governor maintained funding for adult education at $30.5 million, while making changes in program requirements.

**Final budget**: The final budget retains current funding and program requirements.

### 2020-21 Supplemental Budget:

The governor signed H.B. 4421 (P.A. 47 of 2021), a supplemental budget that released federal education relief funds to schools. Included in the Act are the following:

**Emergency assistance for non-public schools**: $179.8 million in federal assistance for nonpublic schools through a grant application process administered by the Michigan Department of Education.

**Formula grants to school districts**: $4.2 billion to districts based on their Title I, Part A allocations. Districts must use at least 20% of the funds that are from the American Rescue Plan Act ($3.3 billion total) on programs to address learning loss. Districts that receive less than $450 per pupil based on their Title I, Part A allocations will receive “equalization” payments if they offered an average of at least 20 hours of in-person instruction per week not later than March 22, 2021, however the supplemental allows districts to exclude days when there was either a local public health order to close the schools, or the local board of education closed the schools to protect public health.

**COVID-19 remediation services**: Maintains up to $162.4 million ($10 million in state funds) allocated for remediation services for 2020-21, with $90 million for summer programs, $45 million for credit recovery, and $17.4 million for before- and after-school programs. A total of $10 million in state funds will be used for additional payments for in-person summer programs, credit recovery programs, or remediation services through an application process.