



July 8, 2021

The FY 2021-22 Michigan School Aid Budget

A historic \$17.1 billion School Aid Budget, [HB 4411](#), was passed by the Michigan Legislature and presented to Governor Gretchen Whitmer for signature. These funds for the 2021-22 Fiscal Year, beginning on October 1, 2021 and ending September 30, 2022, will be instrumental to improving the educational achievement, health, and wellbeing of children, youth, families, and their schools, all of whom have experienced tremendous strain throughout this pandemic.

This budget's passage will follow the signing of [HB 4421](#) on July 7, which released \$4.4 billion in federal K-12 education aid from the American Rescue Plan Act to local school districts. Advocates can influence the spending of those funds over the next two fiscal years, ending September 30, 2023, at the local level to ensure equitable decisions, especially covering missed opportunities left out by the FY22 budget.

Here are some exciting highlights as well as missed opportunities from the FY22 budget, which will be particularly critical for advocates to consider for future budget decisions:

Access to Learning Supports

Wins

- Increase in the Minimum and Target K-12 per pupil foundation allowances to \$8,700 from the current \$8,111 minimum allowance and \$8,529 maximum allowance. Representing a total increase of \$723 million from the current year, the new allowance will close a gap between school districts dating back to the establishment of Michigan's School Aid Formula in 1994.
 - A \$2.5 million increase was also made using State School Aid Funds for at-risk student grants, which provides more resources for students who are economically disadvantaged. The budget also expands allowable uses of funds to include preschool services and the hiring of parent liaisons.
 - These changes are historic but there is still work to be done to achieve the recommendations of the [Michigan School Finance Research Collaborative](#).
- \$60 million in State School Aid Funds for a new program to help districts implement a year-round, balanced calendar, replacing a long summer vacation with shorter, more frequent breaks that may contribute to reduced learning loss and teacher burnout.
- A \$7.4 million increase in State School Aid Funds to districts for serving school breakfasts, for a total of \$11.9 million.
- A \$4 million increase in State General Funds for an opt-in attendance recovery program for school districts, for a total of \$6 million.
- An additional \$3 million to districts and sponsors of child care centers for the purchase of locally grown fruits and vegetables.
- An increase of \$500,000 in State School Aid Funds to districts for educating students assigned by a court to a juvenile detention facility or child caring institution, for a total of \$7.7 million.

Missed Opportunities

- The budget did not include dedicated funding for out-of-school time (OST) learning opportunities including community-based before- and after-school and summer learning programs, to support student academic, social, mental, and physical well-being, despite the Governor proposing \$60 million in State School Aid Funds for this purpose.
 - There is clear interest in public support for OST access, evidenced by dedicated funding approved by the Legislature for the Michigan YMCA Youth In Government program (\$3.75 million), Boys and Girls Clubs (\$2 million), the Jewish Federation of Metro Detroit (\$1.7 million), and the Mi Alma for the Exito Educativo after-school program (\$450,000).

Family Skill-Building

Missed Opportunities

The budget includes boilerplate language creating a new funding formula for adult education program regions based on Census counts of population, with 60% of a region's funding based on its proportion of the state's 18-24 population who are not high school graduates; 35% based on the region's proportion of state's 25 years and older population who are not high school graduates; and 5% based on the region's proportion of total state population ages 18 and older that are lacking basic English proficiency.

This change, without an accompanying funding increase, diverts funding towards regions with demonstrated need but at the expense of other regions serving high-need populations, including Allegan, Barry, Kent, Lake, Macomb, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oakland, Oceana, Osceola, Ottawa, and Wayne counties.

Allocating funding based on population can be positive practice in education policy when paired with an understanding of the costs of educating different student needs. Yet, this was not done in this case.

Skilled School Professionals

Wins

- \$240 million from State School Aid Funds for a new program to increase the number of school psychologists, school social workers, school counselors, and school nurses.
- A \$17 million increase using State General Funds and State School Aid Funds for student mental health supports, totaling \$53.9 million.
 - Intermediate School District (ISD) mental health grant levels now will be partially allocated based on that ISD's student population, better aligning funds with need.
- \$5.4 million in State School Aid Funds for new grants to ISDs to implement the Transforming Research into Action to Improve the Lives of Students ([TRAILS](#)) program to improve school mental health professionals' practices.
- Maintains \$2.4 million to employ school nurses, classroom aides, and social workers to respond to increased student needs resulting from the Flint Water Emergency.
- A \$1.5 million increase in State General Funds for student hearing, vision, and dental screenings, totaling \$6.7 million.

Early Learning

Wins

- A \$168.5 million increase using combined State and Federal Funds to increase the per-pupil grant for the Great Start Readiness Program, a preschool program for 4-year-old children in lower-income families, from \$7,250 to \$8,700 for a full-day program, and from \$3,625 to \$4,350 for a part-day program. This creates K-12 and PreK per-pupil funding equity for the first time in state history.
- A \$7 million increase in State School Aid Funds for *Early On Michigan*, our state's early intervention service for children aged 0-3 with developmental delays, nearly doubling the program fund to a total of \$14.2 million.

Missed Opportunities

- The \$7 million increase in *Early On* funding is a big win for children with developmental delays, but we could have done even more. Let's reach out to our Legislators to make the case for funding *Early On's overall need*, \$68 million by 2024, which would allow all Intermediate School Districts (ISDs) to join a single statewide system for detecting developmental delays so fewer children fall through the cracks.

Helpful Links:

Here is a summary of every provision in the FY22 School Aid Budget from the [House Fiscal Agency](#). Here is the FY22 School Aid Budget [in its entirety](#) and its [legislative page](#).