

GOVERNOR'S FY22-23 BUDGET RECOMMENDATIONS

Overall, the governor recommends an additional \$662 million in spending for the E12 budget, including \$150 million in one-time funding, of which over half is from federal CARES funding.

Major proposals include a per pupil formula increase, pandemic enrollment loss, reducing the ELL cross subsidy, holding steady the special education cross subsidy, initiatives to address learning loss, and continuing funding for VPK/SR+.

[MDE Presentation](#) - 2/3/2021

[Aid-Levy Change for FY22](#) - 2/3/2021

[Aid-Levy Change for FY23](#) - 2/3/2021

[Revenue Change - by Total Revenue](#) - 2/3/2021

[Revenue Change by AADM](#) - 2/3/2021

Formula increase: The governor recommends a formula increase of 1% in FY22 and 2.5% in FY23. The per-pupil formula would increase by \$66 in FY22, and by an additional \$166 in FY23.

This increase to the general education formula allowance will also increase other linked school aid and levy programs including the early childhood family education allowance which is set at 2.3 percent of the general education formula allowance. Other adjustments include aid calculations for the nonpublic pupil transportation, nonpublic pupil, shared time, tribal contract, and postsecondary enrollment options programs.

Pandemic enrollment loss: The governor recommends a one-time appropriation for declining enrollment revenue of \$25 million in FY21 to limit the impact of enrollment loss due to the COVID-19 pandemic. The recommendations propose to increase the percentage of the formula allowance used to calculate declining enrollment revenue from 28 to 48.5 percent of the basic formula allowance in FY21.

Special education cross subsidy: The governor recommends increasing special education aid by an amount sufficient to hold the state total cross-subsidy per student in average daily membership steady at FY19 level of \$808 per ADM. This would be accomplished by increasing the cross-subsidy reduction aid from 6.43 percent to 9.33 percent of the cross-subsidy in FY22 to 12.11 percent of the cross-subsidy in FY23 and later years.

Reduce English Learner Cross-Subsidy: The governor recommends increasing EL aid by \$13.6 million in FY23, \$15.315 million in FY24, and \$15.4 million in FY25 to reduce the EL cross-subsidy. This proposal includes the following changes in EL funding beginning in FY23:

- Increase the initial EL revenue allowance from \$704 to \$755 to adjust for a portion of the inflation since the current EL formula was initiated in FY04.
- Extend the cap for the EL concentration revenue sliding scale from 11.5 percent to 16.8 percent concentration of EL students.
- Increase the EL concentration allowance for districts with EL concentration of 16.8 percent or more from \$250 to \$536 to adjust for a portion of the inflation since the current EL formula was initiated in FY04.

Simplify School Levies and Improve Equalization: The governor recommends \$93 million in FY22-23 and \$233.5 million in FY24-25 funding to simplify school funding formulas and improve levy equalization by replacing two tiers of Local Optional Revenue (LOR) with one tier, replacing two tiers of operating referendum revenue with one tier, and replacing two tiers of Debt Service Equalization with one tier beginning in FY23.

Maintain Existing Voluntary Prekindergarten Seats and Require Assessment Profile: The governor recommends maintaining the existing level of the voluntary prekindergarten (VPK) and school readiness plus (SR+) slots. He also recommends requiring programs to conduct Kindergarten Entry Profile (KEP) assessments and implementing service and staffing changes that will enhance data collection and analysis, and provide better technical assistance to school districts, charter schools and mixed delivery partnerships.

Priorities for COVID-19 Federal Funding and Summer Programming: The governor recommends spending \$79.4 million of federal funds to:

- \$57.5 million of GEER and ESSER II funds to expand the number of teachers teaching summer programs so that all districts and charter schools can provide in-person academic instruction and support during summer 2021.
- \$6.473 million to support school-age care staffing and administration.
- \$3 million to provide increased access to before, after, and summer school wrap-around services.
- \$6.473 million to reduce the Early Learning Scholarship waitlist to the extent possible.
- \$1.5 million for districts that did not receive federal funding through the Title I allocation.
- \$2.4 million to cover the costs of extended free/reduced lunch applications.

Summer Early Learning Opportunities for 4 and 5-year Olds - Summer 2021: The governor recommends a one-time appropriation to provide summer preschool or prekindergarten to 4- and 5-year-olds. These funds can be used in a star-rated, public or private, preschool or prekindergarten in-person learning program.

- This proposal includes \$20 million for grants to programs at a rate of \$4,800 per child (\$400 per week for up to 12 weeks).
- Children who are 4 or 5 years old on September 1, 2020, but who have not yet enrolled in kindergarten, and children who were eligible for kindergarten in the 2020-21 school year, but whose families made the choice to not enroll in kindergarten, would be eligible.
- Funding is prioritized for 4-year-olds and 5-year-olds not yet enrolled in kindergarten who qualify for Free and Reduced-Price Lunch (FRL) and meet at least one of the following eligibility categories: foster care, child protection, those experiencing homeless, or children of teenage parents. Children who fall under multiple categories would have the highest priority. Children receiving Early Childhood Special Education (ECSE) services would also be considered high priority for these programs.
- A preschool program must offer a minimum of six instructional hours a day, for five days a week, for between 10 and 12 weeks. The program must continue to meet school-year standards of school readiness, VPK, SRP, Head Start, or Three- or Four-Star Parent Aware rating.
- The program must use the funding to cover the costs of tuition, transportation, food service, and interpreters or multilingual supports for eligible students.

Student Support Personnel: The governor recommends \$47 million in FY22-23 and \$55 million in FY24-25 for student support services personnel.

School-linked Mental Health Grants: The governor recommends an additional \$6 million to address the increased need for community mental health services, because of the COVID-19 pandemic.

The governor also proposes \$1 million for a grant program for local education agencies to fund student support personnel to offer summer school participants one-one or group mental health supports, trauma -informed practices, evidence -based social and emotional learning (SEL) programming, and other well-being activities.

Summer 2021 initiatives (all one-time funding)

- *Expand Mental Health and Well-being Supports:* The governor recommends \$1 million to expand mental health and well-being supports to youth and adolescents attending school district and charter school summer learning programs.
- *Increase Adult Basic Education (ABE) Program Funding:* The governor recommends \$10 million to increase available ABE programming.
- *Community Partnerships:* The governor recommends \$5 million to provide new grants to schools to partner with community businesses and organizations to develop a summer mentor and/or tutoring model that covers enrichment programming and other costs such as transportation and meals to increase student participation.
- *Neighborhood Programs:* The governor recommends \$5 million for a grant program to bring school-based summer programs into the community, providing opportunities for enrichment, social and emotional skill building, mental health supports, and tutoring services.
- *Expand Access to Tutoring Services:* The governor recommends \$3.25 million to expand access to tutoring services including academic enrichment, mental health supports, and other wrap-around services for K-12 children over the summer by partnering with experienced community organizations to deliver summer tutoring and increasing access to summer enrichment opportunities.
- *Field Trips and Hands-on Learning Opportunities:* The governor recommends \$10 million to provide every school district and charter school funding to provide students with summer field trips for hands-on learning opportunities. Hands-on learning opportunities include activities such as trips to nature centers, state parks, zoos, museums, or theaters.
- *Summer College for High School Graduates:* The governor recommends \$6 million to provide 2021 graduates with academic programming by supporting postsecondary coursework for summer 2021.
- *Learning Acceleration and College Readiness Initiatives:* The governor recommends \$1.125 million to the Office of Higher Education (OHE) to be used for two programs for the summer months to address educational challenges due to the pandemic for the most underserved students.

Teacher workforce recommendations

- *Grow Your Own Expansion:* The governor recommends \$2 million annually to increase quality of and participation in Grow Your Own Teacher Training Programs to specifically recruit teachers of color and Indigenous teachers (TOCAIT) by creating multiple program pathways to develop TOCAIT and allowing programs more time to spend funds to recruit more participants and create more quality programming.
- *Statewide Teacher Mentoring Program:* The governor recommends \$5 million for a statewide teacher induction and mentoring program.

- **Educator Career Pathways:** The governor recommends \$4 million annually for public school and charter school grants to create new educator career pathway program components in high schools and postsecondary institutions across the state, with a focus on disadvantaged and underrepresented populations.

Trauma-Informed Grants: The governor recommends \$4 million one-time for competitive grants for districts and charters to implement professional development for staff focused on trauma-informed practices.

Full-service community schools: The governor recommends \$4 million per year for full-service community schools.

Multi-Tiered Systems of Support: The governor recommends \$5 million annually to ensure all schools effectively implement multi-tiered systems of support (MTSS).

Anti-Bias Professional Development: The governor recommends \$4 million in one-time funding to implement professional development for staff focused on anti-bias instructional practices.

Expand Rigorous Coursework for BIPOC Students: The governor recommends \$5 million annually to expand rigorous coursework, such as Advanced Placement (AP), International Baccalaureate Career Program (IBCP), Career and Technical Education (CTE), and Concurrent Enrollment courses to foster opportunities for underserved and under-represented students, including students with a disability to prepare and train for career and college.

Ethnic Studies Added to Standards: The governor recommends \$144,00 in FY22 and \$148,000 in FY23 for the development, implementation and maintenance of an ethnic studies standards and curriculum process.

Indigenous Education for All: The governor recommends \$887,000 in FY22 and \$437,000 in FY23 for programming, staff, and services to support requiring all students to learn about the cultural heritage and contributions of tribal nations.

MDE Translation Services/Language Access for Families: The governor recommends \$3 million in annually to enhance the MDE's, school district's and charter school's capacity to expand language access for families by translating materials for students, families, and community members.

Non-exclusionary Discipline Training: The governor recommends \$2.5 million over the biennium in for grants to school districts and charter schools to provide training for school staff on non-exclusionary disciplinary practices.

Compensatory Spending at Generating Site: The governor recommends increasing the amount of compensatory revenue that must be spent on qualifying programs at the generating sites from 50 percent to 80 percent.

Modernizing District Data Submission: The governor recommends \$6.6 million in FY22-23 and \$6.5 million FY24-25 for modernizing data submission systems for school districts and charter schools through the expansion of the data collection and integration system known as "Ed-Fi" and improving data reporting and understanding by business intelligence tools.