

FY 2025-26: SCHOOL OMNIBUS BUDGET
Summary: House Passed
House Bill 4162 (H-2)



HFA Director: Mary Ann Cleary

FY 2025-26 APPROPRIATIONS SUMMARY

Budget Area		FY 2024-25 Year-to-Date Appropriations	FY 2025-26 Appropriation	% Change
School Aid	Gross	\$20,770,275,400	\$15,622,888,000	(24.8)
	Restricted	18,418,651,300	15,039,488,000	(18.3)
	GF/GP	\$78,830,600	\$400,000	(99.5)
Community Colleges	Gross	\$462,220,800	\$0	(100.0)
	Restricted	461,720,800	0	(100.0)
	GF/GP	\$500,000	\$0	(100.0)
Higher Education	Gross	\$2,324,292,600	\$0	(100.0)
	Restricted	461,668,300	0	(100.0)
	GF/GP	\$1,859,424,300	\$0	(100.0)
TOTAL	Gross	\$23,556,788,800	\$15,622,888,000	(33.7)
	Restricted	19,342,040,400	15,039,488,000	(22.2)
	GF/GP	\$1,938,754,900	\$400,000	(99.9)

**FY 2025-26: SCHOOL AID
Summary: House Passed
House Bill 4162 (H-2)**



Analysts: Jacqueline Mullen and Noel Benson

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 House	Difference: FY 2025-26 vs. FY 2024-25	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	2,272,793,500	583,000,000	(1,689,793,500)	(74.3)
Local	0	0	0	--
Private	0	0	0	--
Restricted	18,418,651,300	15,039,488,000	(3,379,163,300)	(18.3)
GF/GP	78,830,600	400,000	(78,430,600)	(99.5)
Gross	\$20,770,275,400	\$15,622,888,000	(\$5,147,387,400)	(24.8)

Overview

The School Aid budget makes appropriations to the state’s 537 local school districts, 285 public school academies (PSAs), and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Michigan Department of Education (MDE), Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP), Center for Educational Performance and Information (CEPI), and other entities to implement certain grants and other programs related to K-12 education.

FY 2025-26 Appropriation Items

**Appropriation
Amount**

1. Foundation Allowances (Secs. 22a & 22b)

Gross \$10,457,000,000

Increases by \$558.0 million SAF (including a reduction of \$386,400 GF/GP) to provide a \$417 (4.3%) per-pupil increase in the foundation allowance, from \$9,608 to \$10,025, and an increase in the cyber school foundation allowance, from \$9,150 to \$10,025.

Restricted 10,457,000,000
GF/GP \$0

2. Per-Pupil Mental Health & School Safety Grant (Sec. 31aa)

Gross \$350,000,000

Provides \$350.0 million SAF for per-pupil payments to districts, ISDs, and the Michigan Schools for the Deaf and Blind for activities to improve mental health and school safety. (This section provided \$125.0 million one-time SAF, \$25.0 million ongoing SAF, and \$1.5 million one-time GF/GP in FY 2024-25.) Strikes nonpublic schools as eligible recipients.

Restricted 350,000,000
GF/GP \$0

3. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, & 54)

Gross \$2,724,388,000

Provides \$2.7 billion Gross (\$0 GF/GP) for special education expenditures. Funding is increased by \$127.3 million Gross (\$0 GF/GP) from current-year funding levels to increase special education foundation allowances by 4.3%, to eliminate special education millage incentives, and for revised cost estimates.

Federal 583,000,000
Restricted 2,141,388,000
GF/GP \$0

4. Michigan Public School Employees’ Retirement System (MPSERS) (Secs 147a, 147c, & 147e)

Gross \$2,091,500,000

Provides \$2.1 billion Gross (\$400,000 GF/GP) for K-12 MPSERS costs, a reduction of \$232.2 million Gross from current-year funding levels.

Restricted 2,091,100,000
GF/GP \$400,000

FY 2023-24: COMMUNITY COLLEGES
Summary: House Passed
House Bill 4162 (H-2)



HFA Director: Mary Ann Cleary
 Analyst: Perry Zielak

FY 2023-24 APPROPRIATIONS SUMMARY

Budget Area		FY 2023-24 Year-to-Date Appropriations	FY 2023-24 Supplemental Change	% Change
Community Colleges	Gross	\$550,817,500	\$0	0.0
	GF/GP	\$0	\$0	0.0
TOTAL	Gross	\$550,817,500	\$0	0.0
	GF/GP	\$0	\$0	0.0

Overview

House Bill 4162 (H-2) contains supplemental appropriation adjustments for a technical reappropriation for Community Colleges for FY 2023-24.

FY 2023-24 Supplemental Appropriation Items

**Appropriation
Change**

COMMUNITY COLLEGES

1. *Community College Academic Catch-up Program*

Reappropriates \$3.3 million federal Coronavirus State Fiscal Recovery Fund for FY 2023-24. The original \$10.0 million federal one-time appropriation for the program was made in FY 2022-23. Due to an accounting technical issue, the reappropriation is needed in order to track the \$3.3 million in subgrants awarded by the Michigan Community College Association (MCCA) in FY 2023-24 as the appropriation was not given a work project status in FY 2022-23. No additional funds are being allocated and the original appropriation for the Community College Academic Catch-up program remains at \$10.0 million federal.

Gross **\$0**
GF/GP **\$0**