FY 2025-26: DEPARTMENT OF EDUCATION Summary: As Reported by House Subcommittee House Bill 4576 (H-1)



Analyst: Noel Benson

	FY 2024-25 Year-to-Date	FY 2025-26	FY 2025-26 FY 2025-26_		Difference: Ho From FY 2024-2	
	as of 2/5/25	Executive	Senate	House	Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	
Federal	82,550,500	83,575,100	83,575,100	76,162,200	(6,388,300)	(7.7)
Local	5,868,500	5,884,200	5,884,200	5,868,500	0	0.0
Private	2,542,200	2,547,500	2,547,500	2,542,200	0	0.0
Restricted	10,117,800	10,193,800	2,193,800	2,090,000	(8,027,800)	(79.3)
GF/GP	63,896,100	62,722,100	72,222,100	46,569,800	(17,326,300)	(27.1)
Gross	\$164,975,100	\$164,922,700	\$166,422,700	\$133,232,700	(\$31,742,400)	(19.2)
FTEs	574.5	587.5	589.5	456.5	(118.0)	(20.5)

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, and providing technical assistance to school districts and libraries.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House <u>Change</u>
1. Teacher Certification Fees Fund Swap Executive does not include. Senate swaps \$8.0 million restricted Teacher-Administrator Preparation and Certification Fund for \$8.0 million GF/GP for a net-zero change due to the proposed elimination of teacher certification fees. House eliminates \$8.0 million restricted Teacher-Administrator Preparation and Certification fund due to the proposed elimination of teacher certification fees. Does not replace with GF/GP. Removes authorization for 30.0 FTE positions as follows: State Board and Superintendent Operations (3.0 FTE positions) Central Support Operations (2.0 FTE positions) Educator Excellence (21.0 FTE positions) Administrative Law Operations (3.0 FTE positions)	FTE	NA	(30.0)
	Gross	NA	(\$8,027,800)
	Restricted	NA	(8,027,800)
	GF/GP	NA	\$0
2. Elimination of Vacant FTE Positions Executive does not include. Senate concurs with Executive. House removes authorization for 65.0 FTE positions not currently filled and eliminates \$9.5 million GF/GP in associated funding as follows:	FTE	NA	(65.0)
	Gross	NA	(\$9,504,100)
	GF/GP	NA	(\$9,504,100)

Educator Excellence Operations (15.0 FTE positions)

- Accountability Services Operations (20.0 FTE positions)
- School Support Services Operations (20.0 FTE positions)
- Educational Support Operations (10.0 FTE positions)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Approp	<u>riations</u>	FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House <u>Change</u>
3. Library Services and Technology Program Executive does not include. Senate concurs with Executive. House eliminates \$5.6 million Federal and removes authorization for 1.0 FTE position to provide support to libraries and individuals who have difficulty using a library.	FTE	1.0	(1.0)
	Gross	\$5,630,700	(\$5,630,700)
	Federal	5,630,700	(5,630,700)
	GF/GP	\$0	\$0
4. Partnership District Support Operations Executive does not include. Senate concurs with Executive. House eliminates \$3.6 million Gross (\$3.5 million GF/GP) and removes authorization for 13.0 FTE positions for Partnership District Support Operations. (Note: Sec. 21h in the School Aid budget, which provides funding for partnership districts, was also eliminated.)	FTE	13.0	(13.0)
	Gross	\$3,638,200	(\$3,638,200)
	Federal	114,500	(114,500)
	GF/GP	\$3,523,700	(\$ 3,523,700)
5. Strategic Planning and Implementation Operations Executive does not include. Senate concurs with Executive. House eliminates \$1.2 million Gross (\$551,000 GF/GP) and removes authorization for 6.0 FTE positions for Strategic Planning and Implementation Operations.	FTE	6.0	(6.0)
	Gross	\$1,194,100	(\$1,194,100)
	Federal	643,100	(643,100)
	GF/GP	\$551,000	(\$551,000)
6. Michigan Core Curriculum Executive does not include. Senate concurs with Executive. House eliminates \$750,000 GF/GP for designing, implementing, and evaluating professional learning modules regarding Michigan indigenous tribal history.	Gross	\$750,000	(\$750,000)
	GF/GP	\$750,000	(\$750,000)
7. Information Technology Executive does not include. Senate concurs with Executive. House decreases by \$717,500 GF/GP for information technology services and projects. (Note: this line is also reduced by \$977,400 Restricted fund due to the elimination of teacher certification fees.)	Gross Federal Restricted GF/GP	\$4,783,400 2,492,100 977,400 \$1,313,900	(\$717,500) 0 0 (\$717,500)
8. Science of Reading Literacy Supports Executive increases by \$960,900 GF/GP and provides authorization for 6.0 FTE positions to provide supports to districts on new dyslexia requirements under 2024 PA 146 and continue literacy improvements under science of reading. Funding is transferred from ASL Literacy Resources (\$500,000 GF/GP) and Educator Recruitment and Preparation (\$460,900 GF/GP). (See Item #3 and Item #4 for reductions in funding.) Senate concurs with Executive. House does not include.	FTE	84.7	0.0
	Gross	\$17,696,000	\$0
	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	\$3,918,000	\$0
9. ASL Literacy Resources Executive reduces by \$500,000 GF/GP for a total of \$500,000 GF/GP to reallocate funds for the science of reading literacy supports. (See Item #2 for increase in funding.) Senate concurs with Executive. House does not include.	Gross	\$1,000,000	\$0
	GF/GP	\$1,000,000	\$0
10. Educator Recruitment and Preparation Executive reduces by \$460,900 GF/GP for a total of \$1.2 million GF/GP to reallocate funds for the science of reading literacy supports. (See Item #2 for increase in funding.) Senate concurs with Executive. House does not include.	Gross	\$1,675,600	\$0
	GF/GP	\$1,675,600	\$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Approp	<u>riations</u>	FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House <u>Change</u>
11. State Aid to Libraries Executive does not include. Senate provides \$900,000 GF/GP to increase state aid to libraries by 5.4%. House does not include.	Gross	\$16,567,700	\$0
	GF/GP	\$16,567,700	\$0
12. Office of Systems, Evaluation, and Technology Federal Increase Executive increases by \$360,000 federal to reflect increased available federal revenue for the Office of Systems, Evaluation, and Technology. Senate concurs with Executive. House does not include.	FTE	18.0	0.0
	Gross	\$3,132,900	\$0
	Federal	1,802,300	0
	Restricted	11,000	0
	GF/GP	\$1,319,600	\$0
13. CTE Pathways to Success Executive increases by \$342,400 GF/GP and provides authorization for 2.0 FTE positions to provide administrative support for new career and technical education programs included in the proposed School Aid budget. Senate concurs with Executive. House does not include.	FTE	25.0	0.0
	Gross	\$5,668,700	\$0
	Federal	4,099,200	0
	GF/GP	\$1,569,500	\$0
14. Office of Nutrition Services Executive renames School Support Services Operations to the Office of Nutrition Services. Transfers out \$1.5 million Gross (\$468,900 GF/GP) and authorization for 19.0 FTE positions to the new Office of Health and Safety (See Item #9 for the equivalent increase in funding.). Provides authorization for an additional 5.0 FTE positions to reflect currently available federal funding. Senate concurs with Executive. House does not include.	FTE	82.6	0.0
	Gross	\$15,969,300	\$0
	Federal	13,127,300	0
	Restricted	150,000	0
	GF/GP	2,692,000	\$0
15. Office of Health and Safety Executive transfers in \$1.5 million Gross (\$468,900 GF/GP) and authorization for 19.0 FTE positions from Office of Nutrition Services (formerly School Support Services Operations). Provides authorization for 3.0 additional FTE positions to reflect available federal funding. (See Item #8 for the equivalent reduction in funding.) Senate concurs with Executive. House does not include.	FTE	NA	0.0
	Gross	NA	\$0
	Federal	NA	0
	GF/GP	NA	\$0
16. Media Literacy Training Executive does not include. Senate provides \$300,000 GF/GP for developing professional training for teaching artificial intelligence and media literacy. House does not include.	FTE	84.7	0.0
	Gross	\$18,446,000	\$0
	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	\$4,668,000	\$0
17. Special Education Services Transfer Executive transfers in \$200,000 GF/GP from the Michigan Schools for the Deaf and Blind Operations to support staff responsible for statewide special education monitoring activities. (See Item #12 for equivalent reduction in funding.) Senate concurs with Executive. House does not include.	FTE	47.0	0.0
	Gross	\$9,555,600	\$0
	Federal	8,955,700	0
	Private	111,800	0
	Restricted	49,200	0
	GF/GP	\$438,900	\$0
18. Michigan Schools for the Deaf and Blind Transfer Executive transfers out \$200,000 GF/GP from the Michigan Schools for the Deaf and Blind Operations to support staff responsible for statewide special education monitoring activities. (See Item #11 for equivalent increase in funding.) Senate concurs with Executive. House does not include.	FTE Gross Federal Local Private Restricted GF/GP	82.0 \$20,064,400 7,639,400 5,868,500 1,350,400 1,206,100 \$4,000,000	0.0 \$0 0 0 0 0 \$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Approp	<u>riations</u>	FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House <u>Change</u>
19. Office of Systems, Evaluation, and Technology FTE Transfer Executive transfers in \$153,500 Gross (\$7,600 GF/GP) from the Office of Financial Management to the Office of Systems, Evaluation, and Technology to reallocate resources based on anticipated workload. (Although not included in documents, the Executive expressed intent to transfer authorization for 1.0 FTE position from the Office of Financial Management to the Office of Systems, Evaluation, and Technology. See Item #14 for equivalent reduction in funding.) Senate concurs with Executive. House does not include.	FTE	18.0	0.0
	Gross	\$3,132,900	\$0
	Federal	1,802,300	0
	Restricted	11,000	0
	GF/GP	\$1,319,600	\$0
20. Office of Financial Management FTE Transfer Executive transfers out \$153,500 Gross (\$7,600 GF/GP) from the Office of Financial Management to the Office of Systems, Evaluation, and Technology to reallocate resources based on anticipated workload. (Although not included in documents, the Executive expressed intent to transfer authorization for 1.0 FTE position from the Office of Financial Management to the Office of Systems, Evaluation, and Technology. See Item #13 for equivalent increase in funding.) Senate concurs with Executive. House does not include.	FTE	3.0	0.0
	Gross	\$2,029,900	\$0
	Federal	1,822,400	0
	Restricted	93,700	0
	GF/GP	\$113,800	\$0
21. Foster Care Oversight Executive does not include. Senate provides \$150,000 GF/GP and authorization for 1.0 FTE position for regularly reviewing educational programs in child caring institutions, as required by 2024 PA 11. House does not include.	FTE	84.7	0.0
	Gross	\$17,696,000	\$0
	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	\$3,918,000	\$0
22. Medicaid Technical Support Executive does not include. Senate provides \$150,000 GF/GP and authorization for 1.0 FTE position to provide technical support to districts to use Medicaid dollars for mental health. House does not include.	FTE	82.6	0.0
	Gross	\$15,969,300	\$0
	Federal	13,127,300	0
	Restricted	150,000	0
	GF/GP	\$2,692,000	\$0
23. School Board Member Training Executive transfers \$150,000 GF/GP for School Board Member Training out of School Support Services Operations and into a separate line item. Senate concurs with Executive. House does not include.	Gross	\$150,000	\$0
	GF/GP	\$150,000	\$0
24. Michigan Poet Laureate Executive transfers \$100,000 GF/GP for Michigan's Poet Laureate out of Library of Michigan Operations and into a separate line item. Senate concurs with Executive. House does not include.	Gross	\$100,000	\$0
	GF/GP	\$100,000	\$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropria	ations	FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 House <u>Change</u>
25. Removal of FY 2024-25 One-Time Appropriations	FTE	3.0	(3.0)
Executive removes \$2.0 million GF/GP of one-time funding and	Gross	\$2,000,000	(\$2,000,000)
authorization for 3.0 FTE positions that were included in the FY 2024-25	GF/GP	\$2,000,000	(\$2,000,000)
budget to support the following:			

- Michigan Test for Teacher Certification Reimbursement (\$1.1 million GF/GP)
- Community Health Worker Career Center (\$150,000 million GF/GP)
- Mental Health Training (\$250,000 GF/GP)
- Charter School Transparency Database (\$150,000 GF/GP; 1.0 FTE position)
- School Infrastructure and Consolidation Administration (\$150,000 GF/GP; 2.0 FTE positions)

Senate concurs with Executive.

House concurs with Executive.

26. Economic Adjustments	Gross	NA	\$0
Executive reflects increased costs of \$1.2 million Gross (\$483,600	Federal	NA	0
GF/GP) for negotiated salary and wage increases (3.0% on October 1,	Local	NA	0
2025), actuarially required retirement contributions, worker's	Private	NA	0
compensation, building occupancy charges, rent, and other economic	Restricted	NA	0
adjustments.	GF/GP	NA	\$0

<u>Senate</u> concurs with Executive, but swaps \$72,000 Teacher-Administrator Preparation and Certification Fund increases for GF/GP for a total of \$555,600 GF/GP.

House does not include.

Major Boilerplate Changes from FY 2024-25

Boilerplate Deletions

In general, the <u>Executive</u>, <u>Senate</u>, and <u>House</u> concur to delete boilerplate sections included in the FY 2024-25 budget. The list below includes major changes to boilerplate but is not a comprehensive list of all sections proposed to be deleted.

- Charter School Transparency Database (Sec. 1100)
- Mental Health Training (Sec. 1101)
- Community Health Worker Career Center (Sec. 1102)
- School Infrastructure and Consolidation Administration (Sec. 1103)
- Michigan Test for Teacher Certification Reimbursement (Sec. 1104)

Sec. 201. Total State Spending and State Spending to Local Governments - REVISED

Provides total state spending and payments to local units of government. <u>Executive</u> revises to reflect new appropriation amounts, removal of one-time funding, and the shift of School Board Member Training to a separate line item. <u>Senate</u> concurs with Executive. <u>House</u> concurs with Executive.

Sec. 205. Purchase of Foreign Goods - RETAINED

Prohibits use of state funds to purchase foreign-made goods if comparable American or Michigan goods or services are available. Gives preference to Michigan businesses owned and operated by veterans. Executive does not change. Senate requires preference to be given to good or services manufactured in facilities that employ union members. House retains current law.

Sec. 206. Communication with the Legislature - RETAINED

Prohibits MDE from taking disciplinary action against an employee for communicating with a legislator or staff. <u>Executive</u> deletes this section. <u>Senate</u> retains this section. <u>House</u> concurs with Senate.

Sec. 211. Communication with the Legislature - REVISED

Requires MDE to work with DTMB to maintain a searchable website accessible to the public at no cost, which includes department expenditures and employee information. <u>House</u> adds in-person and remote hours worked by employees to reporting requirements.

Sec. 212. Restricted Funds Report - RETAINED

Requires MDE to work with SBO to provide a report to the legislature on estimated restricted fund revenues, expenditures, and fund balances for the prior two fiscal years. Executive deletes this section. Senate retains this section. House retains.

Major Boilerplate Changes from FY 2024-25

Sec. 214. Access to State and Local Government Resources - DELETED

Requires that appropriated funds shall not be used to restrict a marginalized community's access to government resources, programs, or facilities. Also requires local governments to report any action or policy that interferes with the duties of the local health officer. House deletes.

Sec. 215. Geographically Disadvantaged Business Enterprises - DELETED

Requires State Superintendent to make effort to contract with geographically disadvantaged business enterprises. <u>House</u> deletes.

Sec. 217. Transfer of Funds by Legislature - NEW

<u>House</u> adds language that states the legislature may inter-transfer funds within the department through a concurrent resolution if the State Administrative Board transfers funds from any appropriation.

Sec. 218. Department Reports and Records Retention - RETAINED

<u>Executive</u> deletes language that requires MDE to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records. Senate concurs. House retains.

Sec. 219. Report on Policy Changes Made to Implement Public Acts Affecting Department - REVISED

Requires MDE to report by April 1 on each specific policy change made to implement a public act affecting MDE that took effect during the prior calendar year. <u>Executive</u> deletes this section. <u>Senate</u> retains this section. <u>House</u> adds requirement to reference the specific public act number.

Sec. 220. General Fund Appropriations – NOT INCLUDED

<u>Senate</u> adds language that requires federal or private funds to be expended before general funds. Requires MDE to provide notice if they are required to make a reduction in expenditures under Sec. 395(1) or (2) of the Management and Budget Act, 1984 PA 431, MCL 18.1395. <u>House</u> does not include.

Sec. 220. Departmental Scorecard - NEW

House adds language that requires MDE to quarterly update a department performance scorecard on its website.

Sec. 221. Unenforceable Sections - NOT INCLUDED

<u>Senate</u> adds language that requires MDE to provide a report on any sections that they determined to be unenforceable with a detailed legal rationale. House does not include.

Sec. 221. Court-Approved Judgement - NEW

<u>House</u> adds language that restricts appropriated funds from being used for court-approved judgements, settlements, awards, or claims in excess of \$200,000.

Sec. 222. Expending Available Work Project Authorization - RETAINED

Prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible. <u>Executive</u> deletes this section. <u>Senate</u> retains this section. <u>House</u> concurs with Senate.

Sec. 223. State Fiscal Recovery Funds Reallocation Authorization - DELETED

Directs the state budget director to reallocate state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline of December 31, 2026, and must notify the Legislature within 10 days after making the reallocation. Executive deletes this section. Senate revises to require MDE to provide notice if an appropriation described under this section is projected to lapse. Strikes language directing how funds should be reallocated. House concurs with Executive.

Sec. 224. Federal Policy Changes Report - NOT INCLUDED

<u>Senate</u> adds language that requires MDE to provide a quarterly report detailing federal policy changes that affect the operations of the department; affect an industry, community, population, or other group that engages with the department; affect regulations that affect a group served by the department; or create a regulatory gap that could negatively impact the public. <u>House</u> does not include.

Sec. 224. Departmental Legacy Costs - NEW

House adds language listing the pension and retiree health care legacy costs for the department.

Sec. 225. Severance Pay Report - NEW

<u>House</u> adds language that requires MDE to report on any amounts of severance pay for high-ranking department officials within 14 days of the severance agreement signing and report the total amount of severance pay for the prior fiscal year.

Major Boilerplate Changes from FY 2024-25

Sec. 226. In-Person and Remote Work Report - NEW

<u>House</u> adds language that requires MDE to prioritize in-person work, including the requirement for employees to work inperson 5 days per week. Requires employees with field work to report to the office each morning. Requires MDE to establish a policy to ensure all employees are working their jobs during normal business hours.

Sec. 227. Department Grant Transparency - NEW

<u>House</u> adds language that requires MDE to follow a set of conditions when awarding grant funding and requires a quarterly report on grant funding awarded.

Sec. 228. Utilization of E-Verify - NEW

<u>House</u> adds language that requires MDE to condition all contractors and subcontractors to use the federal E-Verify system for all employees hired during the length of the contract with MDE.

Sec. 229. Non-Citizen Restrictions - NEW

<u>House</u> adds language that restricts MDE from using any state or federal funds on services, grants, or programming for any non-citizen, unless the non-citizen is a qualified alien or if the funds are used to restrain the non-citizen in jails or correctional facilities.

Sec. 230. Third-Party Funds Report - NEW

<u>House</u> adds language that requires MDE to report on various information related to third-party funds received and expended by the department in the previous fiscal year.

Sec. 231. Restriction on Diversity, Equity, and Inclusion Programs - NEW

House adds language that restricts MDE from using any funds on diversity, equity, and inclusion programs.

Sec. 504. District Educator Preparation Programs – REVISED

Requires MDE to award funding to districts for educator preparation programing. <u>Executive</u> requires MDE to award funding to districts for educator preparation programming. Revises allocation to reflect reprioritization of funds toward implementation of 2024 PA 146. <u>Senate</u> concurs with Executive. <u>House</u> adds nonpublic schools as eligible recipients of funding. Adds requirement for MDE to report on how funding is distributed. Does not concur with Executive revisions.

Sec. 505. Educator Recruitment and Staffing - REVISED

Requires MDE to direct resources towards teacher recruitment and preparation programs. <u>House</u> adds requirement for MDE to report on how funds are spent.

Sec. 602. School Board Training - REVISED

Requires MDE to approve and reimburse districts for one or more eligible training programs for school board members, covering conflicts of interest, labor relations, education law, school finance, board governance, and implicit bias training. House strikes implicit bias training as an eligible expense.

Sec. 604. Mental Health Support Services - RETAINED

Requires MDE to use funding to provide technical assistance to districts receiving funding under Sec. 31n of the School Aid Act to make them more effective at using Medicaid dollars for mental health. Executive revises to clarify that technical assistance includes but is not limited to Medicaid claims. Senate revises allocation and FTE authorizations to reflect increased funding. Does not concur with Executive revisions. House maintains current law.

Sec. 701. MTSS, At-Risk, Reading Intervention Report - REVISED

Requires MDE to produce a report detailing the progress made by districts with grades K-12 receiving at-risk funding under section 31a of the State School Aid Act in implementing Multi-Tiered Systems of Supports (MTSS), in implementing MTSS for grades K-12 in the prior school fiscal year, and in providing reading intervention services described in section 1280f of the Revised School Code. <u>House</u> adds that MDE must report which districts have been determined by the department to have a need to implement multitiered systems of support and reading intervention programs.

Sec. 704. Foster Care Oversight - NOT INCLUDED

<u>Senate</u> adds language that requires MDE to use funds and an FTE position authorization to regularly review educational programs in child caring institutions, as required by 2024 PA 11. <u>House</u> does not include.

Sec. 705. Media Literacy Training - NOT INCLUDED

<u>Senate</u> adds language that requires MDE to use funds to design, implement, and evaluate professional learning and optional curriculum modules for teaching artificial intelligence and media literacy. <u>House</u> does not include.