



# Budget Briefing: Department of Education

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# Briefing Topics

- Funding Sources
- Appropriation Areas
- Major Budget Topics
  - FY 2024-25 Budget Highlights
  - Libraries

# Department of Education

The Department of Education is the administrative arm of the State Board of Education, and it is charged with implementing state and federal mandates in the field of education.

Major departmental responsibilities include the following:

- Development of K-12 instructional programs and administration
- Certification and professional development of teachers
- Administration of state aid to school districts
- Education assessment development and administration
- Collecting and reporting educational data
- Providing technical assistance to school districts
- Managing the operations of the Library of Michigan

# Key Budget Terms

**Fiscal Year:** The state's fiscal year (FY) runs from October to September. FY 2024-25 is October 1, 2024 through September 30, 2025.

**Appropriation:** Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the legislature.

**Line Item:** Specific appropriation amount that establishes spending authorization for a particular program or function in a budget bill.

**Boilerplate:** Specific language sections in a budget bill that direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

**Lapses:** Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

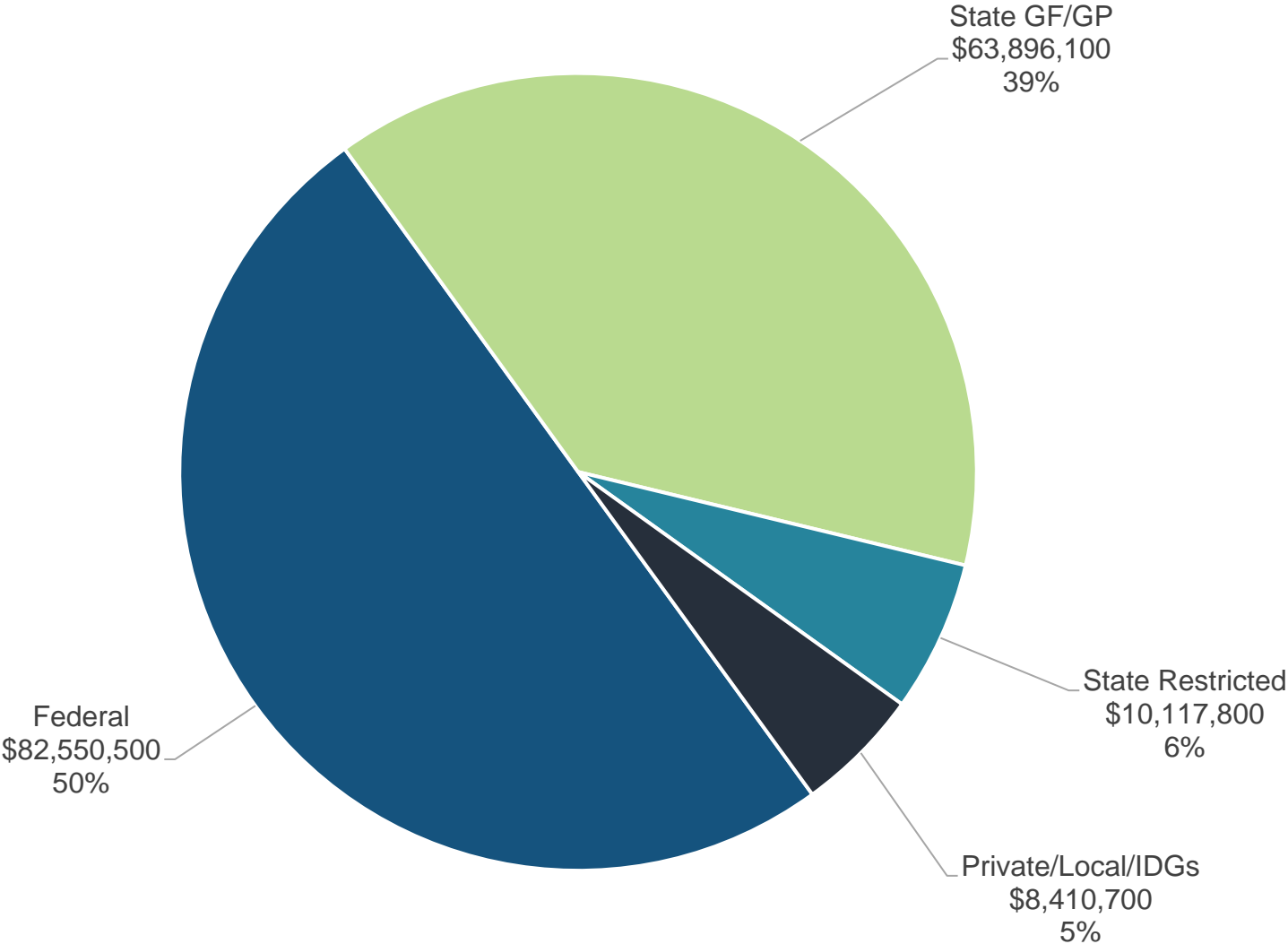
# Funding Sources

# FY 2024-25 MDE Budget

Fund Source	Funding	Description
Gross Appropriations	\$164,975,100	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	0	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	\$164,975,100	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	82,550,500	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	5,868,500	Revenue received from local units of government for state services
Private Revenue	2,542,200	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	10,117,800	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	\$63,896,100	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

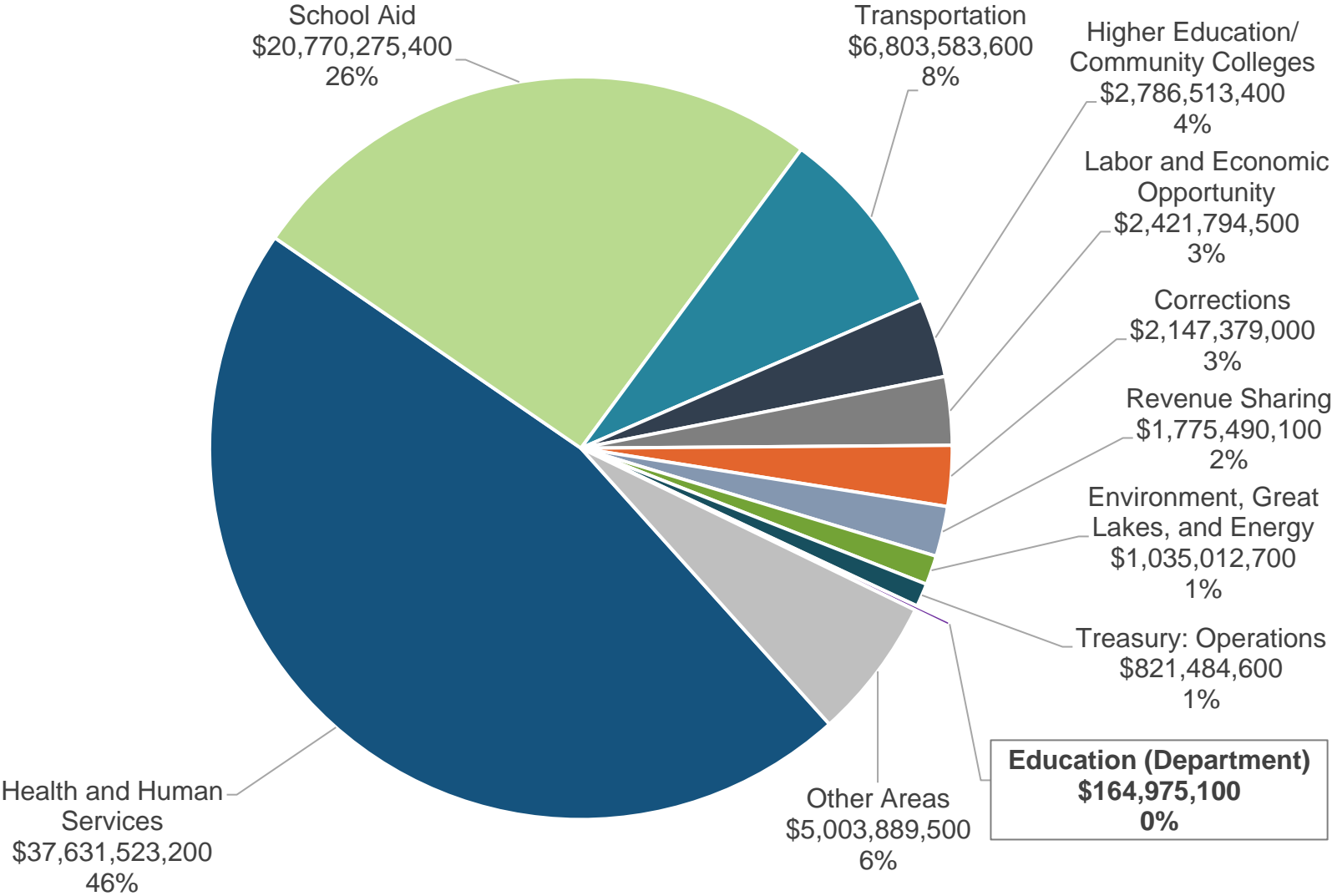
# FY 2024-25 Fund Sources

Half of the \$165.0 million MDE budget is funded by federal revenue.



# MDE Share of Total State Budget

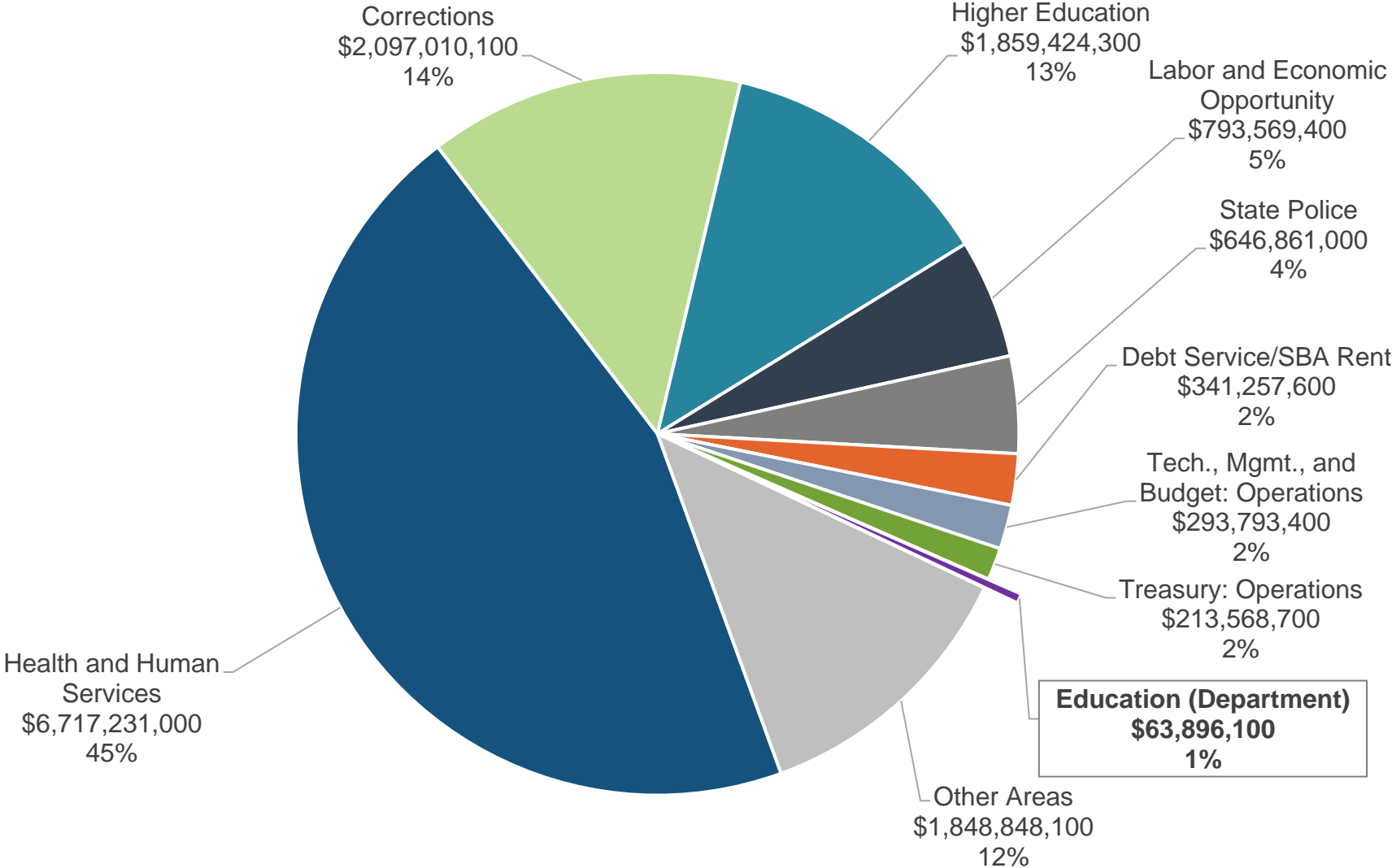
The MDE budget represents less than 1% of the \$81.4 billion state budget (adjusted gross) for FY 2024-25.





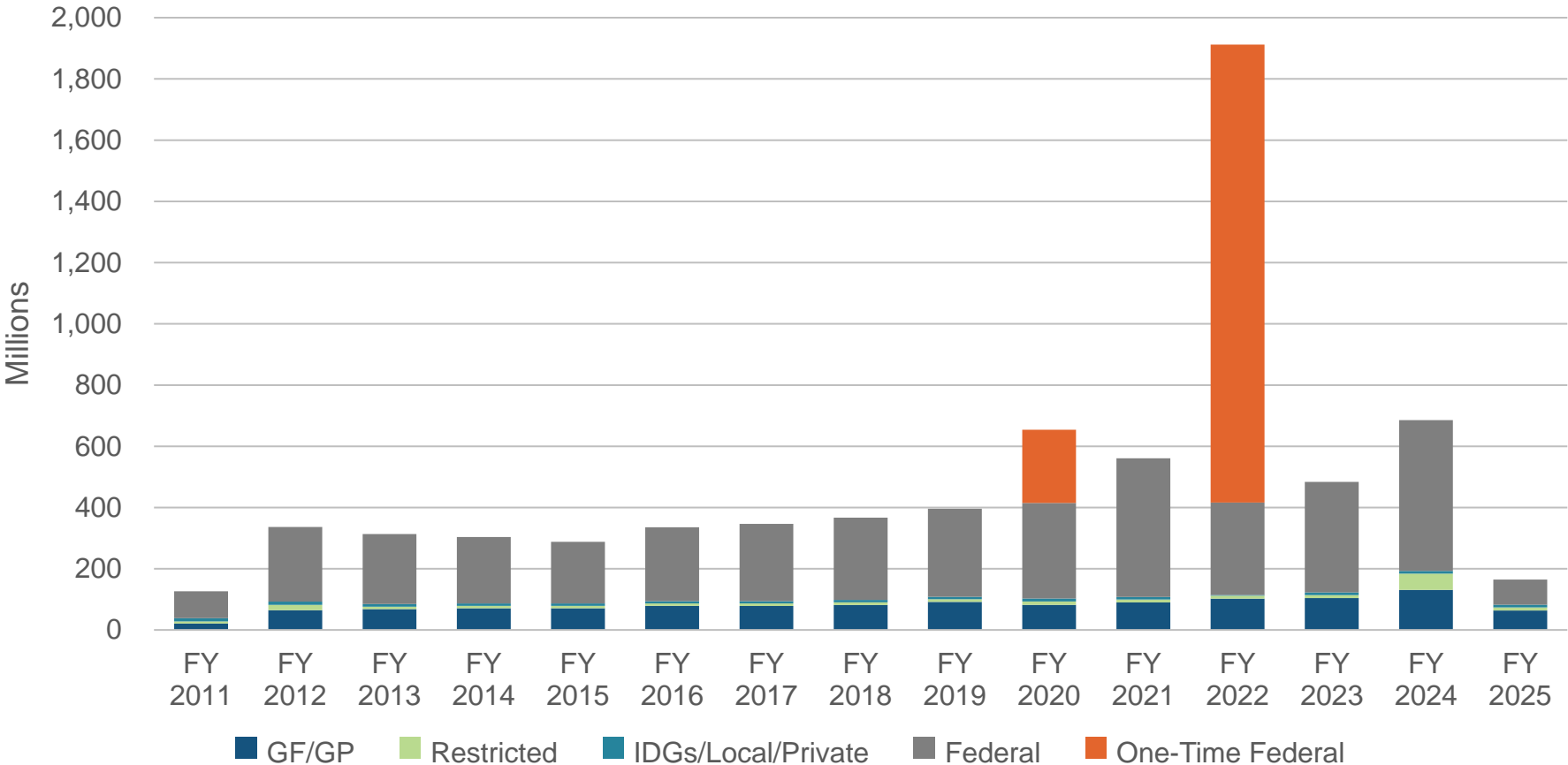
# MDE Share of Total GF/GP Budget

The MDE budget represents less than 1% of the \$14.9 billion state GF/GP budget appropriations for FY 2024-25.



# MDE Funding History

Recent MDE budget changes have largely been driven by the Child Development and Care program (CDC) program, including increasing caseloads, policy changes, and its transfer out of the department and into MiLEAP in FY 2024-25. In FY 2021-22, **\$1.5 billion** in federal COVID-19 child care funding represented **78%** of the budget.



# Appropriation Areas

# MDE Appropriation Areas

**Libraries:** Operates the Library of Michigan; provides reference services to the Executive, Legislative, and Judicial branches; distributes state aid to local libraries; provides eLibrary services; distributes renaissance zone reimbursements.

**Educational Supports/Educator Excellence:** Oversees federal Elementary and Secondary Education Act (ESEA); oversees state at-risk categorical grants; provides curriculum and instruction standards; oversees charters granted by public school academy authorizers; oversees professional preparation and professional development programs; manages teacher certifications; oversees statewide educator evaluation efforts.

**Schools for the Deaf/Blind:** Delivers educational and residential services to students who are hearing or visually impaired; provides technical assistance and resources to local districts through cost-sharing.

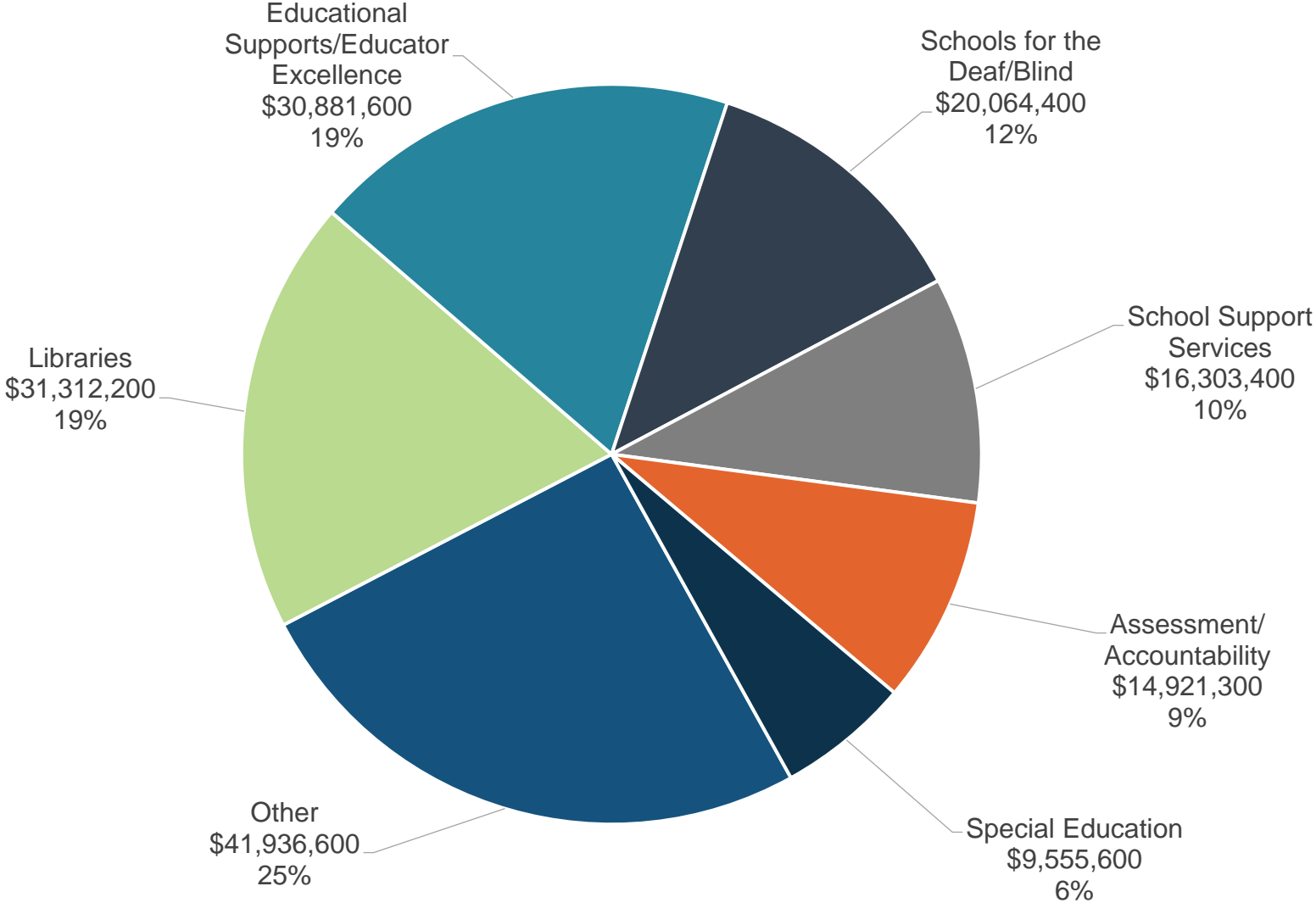
**Assessment and Accountability:** Develops, administers, and analyzes reports on M-STEP, the Merit Examination, and other state assessments; provides school district accountability and accreditation.

**School Support Services:** Administers federal and state education grants related to school nutrition and school health and safety.

**Special Education:** Administers education and early intervention programs for young students with disabilities; provides identification, evaluation, and provision of programs to meet individual educational needs.

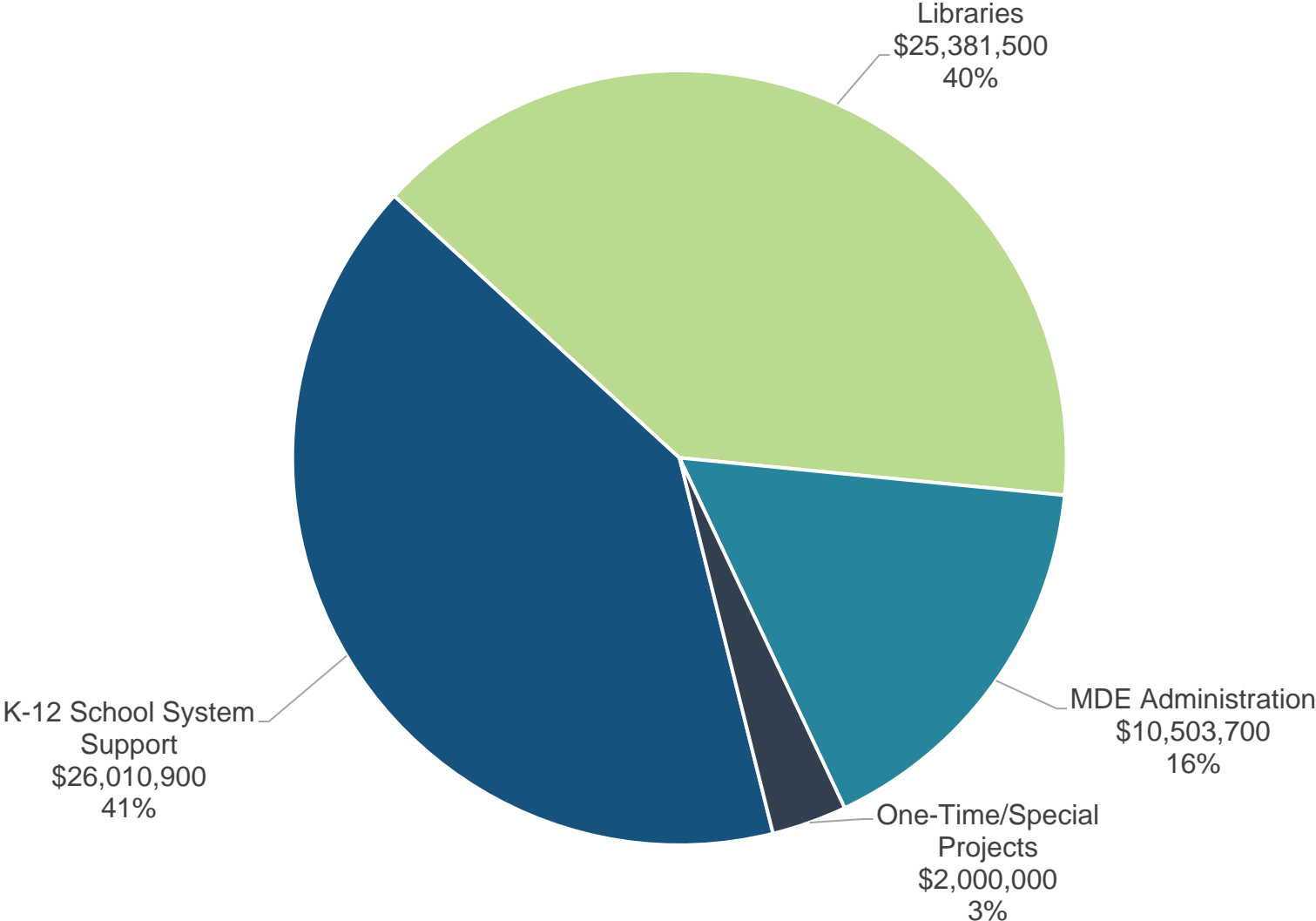
# FY 2024-25 Gross Appropriations

After the transfer of the CDC program, the largest area of funding supports libraries, comprising about **19%** of the budget.



# FY 2024-25 GF/GP Appropriations

41% of the MDE GF/GP funds support the K-12 School System.



# Major Budget Topics

# **FY 2024-25 Major Budget Highlights**



# FY 2024-25 Investments

**K-12 School System Supports:** Includes **\$1.6 million** GF/GP to provide additional support for Michigan’s K-12 schools, including support for a summer food benefit program, mental health, career and technical education, and infrastructure and consolidation.

**MTTC Reimbursement:** Includes **\$1.1 million** GF/GP to reimburse first-time test takers of the Michigan Test for Teacher Certification.

**State Aid to Libraries:** Includes **\$1.0 million** GF/GP to provide increased per-capita reimbursements to libraries.

**Department Administration:** Includes **\$791,600** GF/GP for additional support for department administration, including support for the Office of Financial Management and Grants Management.

**Charter School Transparency Database:** Includes **\$150,000** GF/GP for an online database for families to learn about their child’s charter school.

# Executive Order 2023-6

On July 11, 2023, Gov. Whitmer signed Executive Order 2023-6, which established the Department of Lifelong Education, Advancement, and Potential (MiLEAP). The order transferred the Office of Great Start, including the Child Development and Care (CDC) program; the Governor's Educator Advisory Council; the Michigan PreK-12 Literacy Commission to MiLEAP; and other departmental administration and support. FY 2024-25 represented the first year MiLEAP was appropriated as a department in the budget.

## ○ Office of Great Start

- Transfers out **\$430.4 million** Gross (\$54.4 million GF/GP) and 77.0 FTE authorizations from the Office of Great Start to MiLEAP. The CDC subsidy represents **85%** of transferred funds.

## ○ Departmental Administration and Support

- Transfers out **\$551,500** Gross (\$167,800 GF/GP) for information technology and property management to MiLEAP.

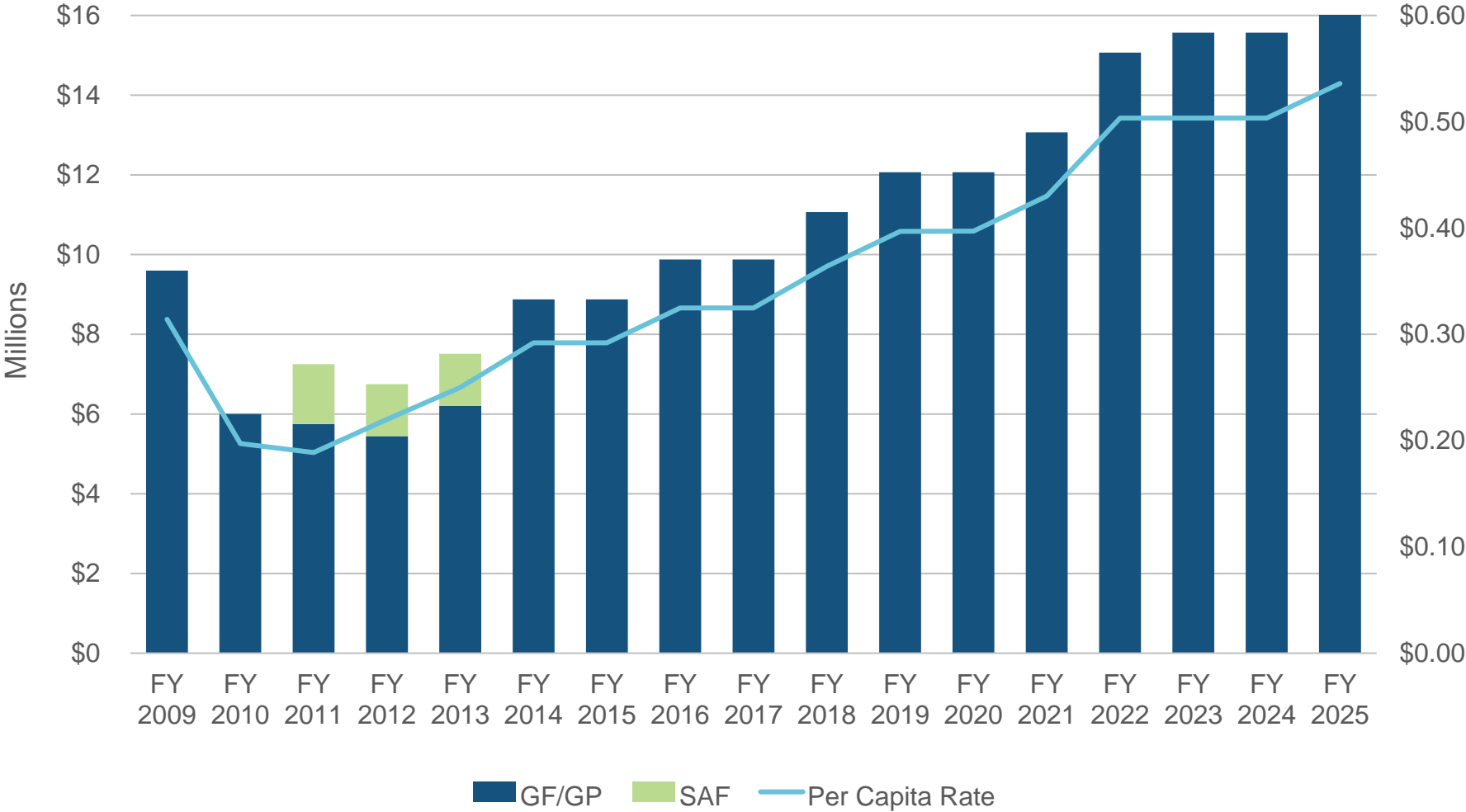
# Libraries

# Library of Michigan/State Aid to Libraries

- Transferred from the Department of History, Arts, and Libraries in FY 2009-10
- Supports operation of the Library of Michigan (**\$5.0 million** Gross)
- Supports State Aid to Libraries (**\$16.6 million** GF/GP), based on:
  - **\$0.54 per capita** to public libraries meeting minimum standards
  - **\$0.54 per capita** to public libraries for cooperative services
  - **\$0.54 per capita** to cooperative libraries
  - **\$10.37 per square mile** to cooperative libraries with low population density
  - Reimbursement of up to **\$4,800** for the director's salary for county libraries serving populations of less than 50,000

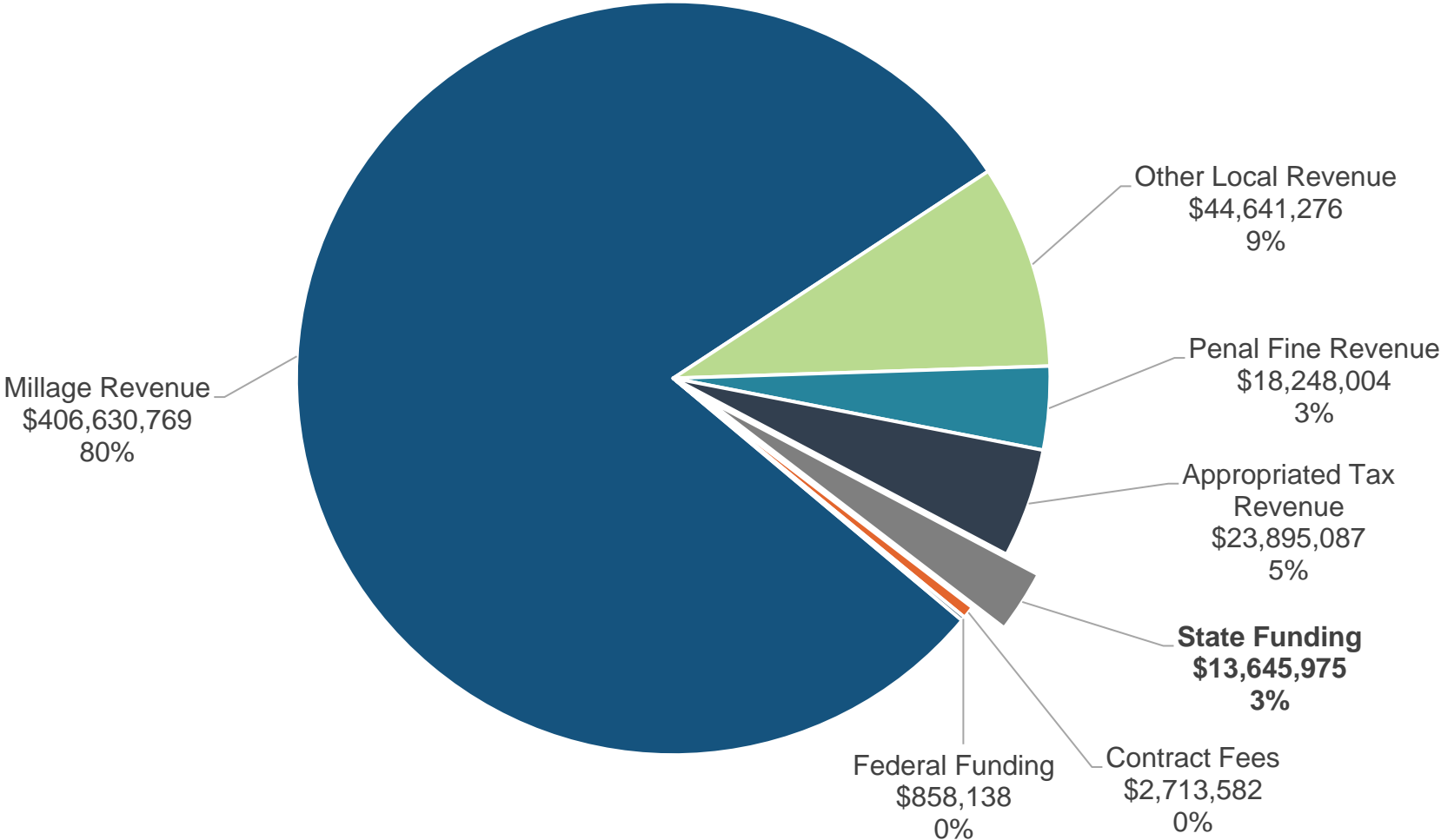
# State Aid to Libraries

State aid to libraries was reduced throughout the Great Recession, but it gradually increased as the economy rebounded.



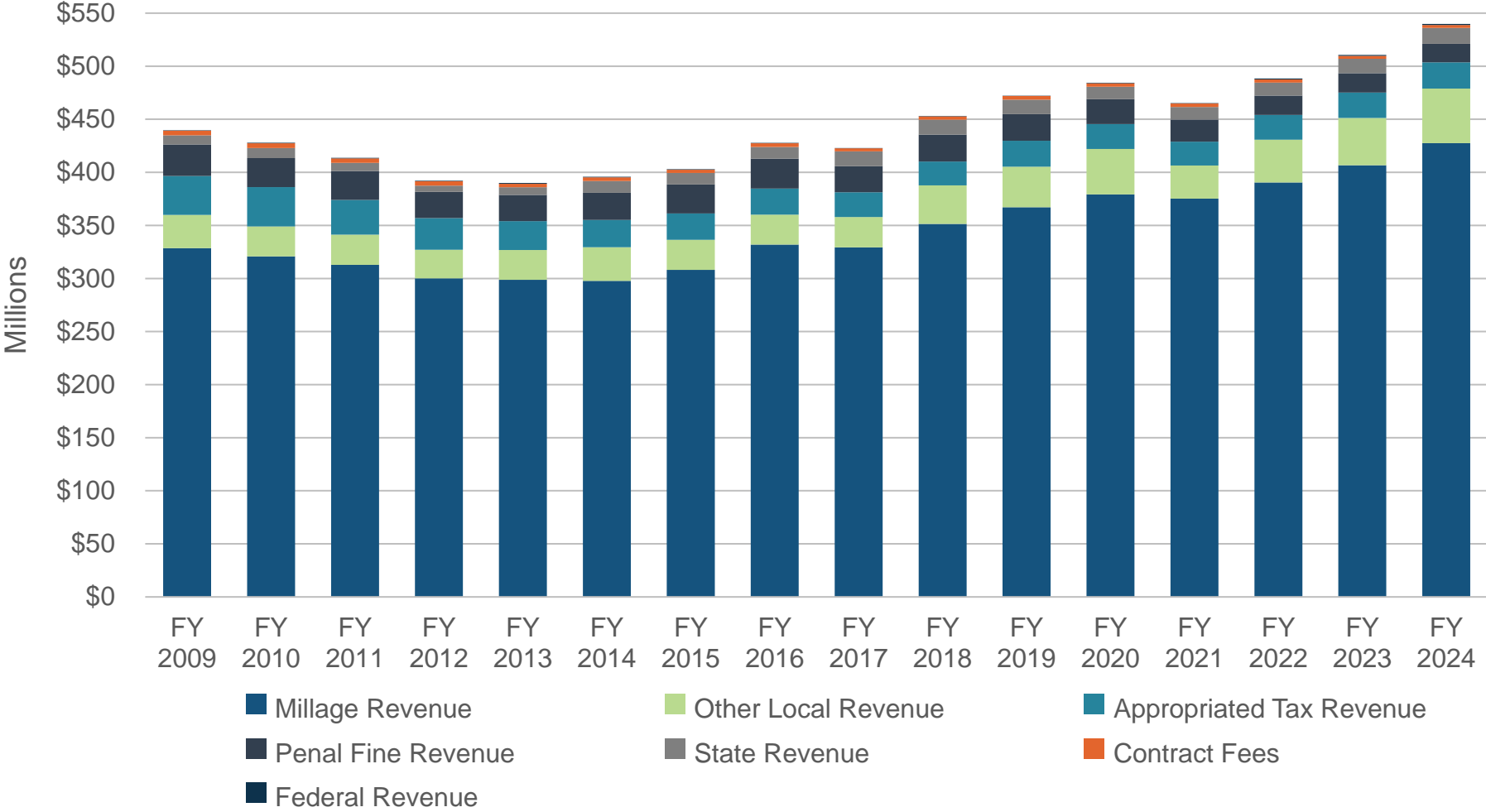
# Public Library Operating Revenue

Funding from the state makes up **3%** of the **\$510.6 million** FY 2023-24 total operating revenue for libraries statewide.



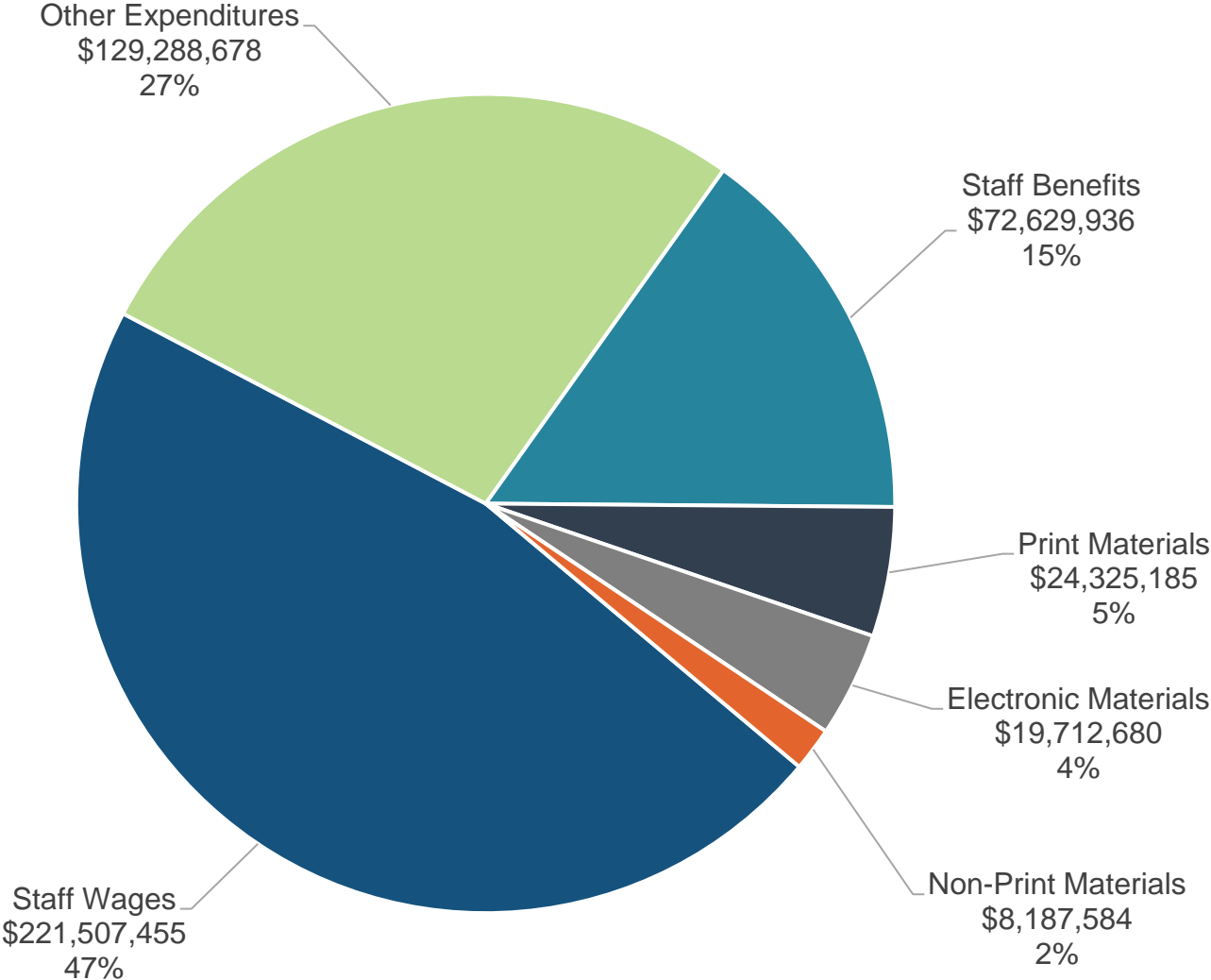
# Public Library Operating Revenue

Local property tax millage revenues are the main revenue source for local libraries. Millage revenue reached a nominal record high of **\$427.6 million** in FY 2023-24.



# Public Library Operating Expenditures

Total operating expenditures for public libraries were **\$475.7 million** in FY 2023-24.





# For more information about the Department of Education budget:

## HFA Resources

<http://www.house.mi.gov/hfa/Education.asp>

## Contact Information

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