

FY 2024-25: DEPARTMENT OF EDUCATION
Summary: House Subcommittee Chair's Recommendation
House Bill 5506 (H-1)



Analyst: Noel Benson

IDG/IDT	FY 2023-24 Enacted as of 2/7/24	FY 2024-25 Executive	FY 2024-25 House	FY 2024-25 Senate	FY 2024-25 Conference	Difference: House From FY 2023-24 Enacted	
						Amount	%
	\$0	\$0	\$0	\$	\$	\$0	--
Federal	458,009,100	82,550,500	82,550,500			(375,458,600)	(82.0)
Local	5,856,000	5,868,500	5,868,500			12,500	0.2
Private	2,791,300	2,542,200	2,542,200			(249,100)	(8.9)
Restricted	50,072,000	10,117,800	10,117,800			(39,954,200)	(79.8)
GF/GP	130,652,500	61,746,100	66,746,100			(63,906,400)	(48.9)
Gross	\$647,380,900	\$162,825,100	\$167,825,100	\$	\$	(\$479,555,800)	(74.1)
FTEs	640.5	566.5	566.2			(74.3)	(11.6)

Note: Appropriation figures for FY 2024-25 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, providing technical assistance to school districts and libraries, and providing early education and child day care support for low-income and other qualifying families.

Major Budget Changes from FY 2023-24 Enacted Appropriations	FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
1. Transfer of Office of Great Start	FTE 77.0	(77.0)
<u>Executive</u> transfers out \$430.4 million Gross (including \$54.4 million GF/GP) and authorizations for 77.0 FTE positions for the Office of Great Start to the new Department of Lifelong Education, Advancement, and Potential (MiLEAP). Transfer includes changes for defined calculations. <u>House</u> concurs with Executive.	Gross \$430,162,400	(\$430,364,700)
	Federal 375,480,600	(375,606,500)
	Private 250,000	(250,000)
	Restricted 64,600	(64,600)
	GF/GP \$54,367,200	(\$54,443,600)
2. Transfer of Information Technology	Gross \$5,020,800	(\$390,300)
<u>Executive</u> transfers \$390,300 Gross (\$167,800 GF/GP) from Information Technology to MiLEAP. Transfer includes changes for defined calculations. <u>House</u> concurs with Executive.	Federal 2,634,400	(222,500)
	Restricted 948,500	0
	GF/GP \$1,437,900	(\$167,800)
3. Transfer of Departmental Administration and Support	Gross \$3,972,900	(\$161,200)
<u>Executive</u> transfers \$161,200 Federal for property management from Departmental Administration and Support to MiLEAP. Transfer includes changes for defined calculations. <u>House</u> concurs with Executive.	Federal 1,251,700	(161,200)
	Restricted 274,500	0
	GF/GP \$2,446,700	\$0
4. Michigan Test for Teacher Certification Reimbursement	Gross \$1,000,000	\$150,000
<u>Executive</u> eliminates one-time funding to reimburse the costs of subject area tests for first-time test takers seeking certification. <u>House</u> maintains and revises \$1.0 million one-time GF/GP in the current year to be ongoing and provides an additional \$150,000 GF/GP for a total of \$1.2 million GF/GP.	GF/GP \$1,000,000	\$150,000

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
5. Information Technology Additional Investments	Gross	\$5,020,800	\$970,000
<u>Executive</u> does not include.	Federal	2,634,400	0
<u>House</u> provides \$970,000 GF/GP for additional investments in information technology.	Restricted GF/GP	948,500 \$1,437,900	0 \$970,000
6. Infrastructure and Consolidation Administration	FTE	2.0	(2.0)
<u>Executive</u> maintains and revises \$750,000 one-time GF/GP and authorizations for 2.0 FTE positions in the current year to be ongoing to administer funding for school consolidation, infrastructure, and the Healthy Schools Program that was appropriated in the School Aid budget in FY 2023-24. Allocates \$375,000 to partner with the Department of Technology, Management, and Budget (DTMB).	Gross	\$750,000	(\$750,000)
<u>House</u> eliminates one-time funding and removes authorizations for 2.0 FTE positions.	GF/GP	\$750,000	(\$750,000)
7. State Board/Superintendent Operations FTE Support	FTE	11.0	3.8
<u>Executive</u> does not include.	Gross	\$2,505,400	\$570,000
<u>House</u> provides \$570,000 GF/GP and authorization for 3.8 FTE positions to support state board and superintendent operations.	Federal	163,500	0
	Private	80,000	0
	Restricted GF/GP	681,000 \$1,580,900	0 \$570,000
8. Grants Management	FTE	48.6	3.0
<u>Executive</u> provides \$520,000 GF/GP and authorizes 3.0 FTE positions to support the administration of grant funds to districts and to ensure that all state and federal requirements are met. Includes \$200,000 and 1.0 FTE position for central support operations and \$320,000 and 2.0 FTE positions for school support services operations.	Gross	\$8,159,400	\$500,000
<u>House</u> provides \$500,000 GF/GP and authorizes 3.0 FTE positions.	Federal	4,421,700	0
	Restricted GF/GP	294,400 \$3,443,300	0 \$500,000
9. Summer EBT Food Benefits	FTE	78.6	2.0
<u>Executive</u> provides \$500,000 GF/GP and authorizes 2.0 FTE positions to administer a summer food benefit program for low-income children and to meet the state's administrative match requirement for an associated federal grant program, which would provide an estimated \$108.0 million in federally funded benefits. Additional administration and food assistance appropriations are included in the Department of Health and Human Services.	Gross	\$14,826,400	\$500,000
<u>House</u> concurs with Executive.	Federal	12,829,300	0
	Restricted GF/GP	150,000 \$1,847,100	0 \$500,000
10. Comprehensive Mental Health Administration	FTE	78.6	0.0
<u>Executive</u> provides \$500,000 GF/GP and authorizes 2.0 FTE positions to expand behavioral health supports and assist schools with mental health programs.	Gross	\$14,826,400	\$0
<u>House</u> does not include.	Federal	12,829,300	0
	Restricted GF/GP	150,000 \$1,847,100	0 \$0
11. State Aid to Libraries	Gross	\$15,567,700	\$500,000
<u>Executive</u> does not include.	GF/GP	\$15,567,700	\$500,000
<u>House</u> provides \$500,000 GF/GP to provide increased per-capita reimbursements to libraries.			
12. Library of Michigan Operations Support	FTE	31.0	3.0
<u>Executive</u> does not include.	Gross	\$5,018,100	\$450,000
<u>House</u> provides \$450,000 GF/GP and authorization for 3.0 FTE positions for Library of Michigan operations support.	Restricted GF/GP	300,000 \$4,718,100	0 \$450,000
13. English Language Learner Support and Administration	FTE	78.6	2.0
<u>Executive</u> does not include.	Gross	\$14,826,400	\$450,000
<u>House</u> provides \$450,000 GF/GP and authorization for 2.0 FTE positions for English language learner support and administration.	Federal	12,829,300	0
	Restricted GF/GP	150,000 \$1,847,100	0 \$450,000

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
14. Career and Technical Education Administration	FTE	24.0	0.0
<u>Executive</u> provides \$350,000 GF/GP and authorizes 2.0 FTE positions for additional support for career and technical programs.	Gross	\$5,440,300	\$0
<u>House</u> does not include.	Federal	4,052,300	0
	GF/GP	\$1,388,000	\$0
15. State-Level Pupil Transportation Support	FTE	38.6	2.0
<u>Executive</u> does not include.	Gross	\$6,142,700	\$305,000
<u>House</u> provides \$305,000 GF/GP and authorization for 2.0 FTE positions for state-level pupil transportation support.	Federal	3,281,500	0
	Restricted	283,800	0
	GF/GP	\$2,577,400	\$305,000
16. Office of Financial Management Support	FTE	38.6	2.0
<u>Executive</u> does not include.	Gross	\$6,142,700	\$291,600
<u>House</u> provides \$291,600 GF/GP and authorization for 2.0 FTE positions to support the Office of Financial Management.	Federal	3,281,500	0
	Restricted	283,800	0
	GF/GP	\$2,577,400	\$291,600
17. Michigan Test for Teacher Certification Development	Gross	\$10,365,100	\$198,400
<u>Executive</u> does not include.	Federal	3,167,100	0
<u>House</u> provides \$198,400 GF/GP to support development and maintenance of the Michigan Test for Teacher Certification.	Restricted	4,355,400	0
	GF/GP	\$2,842,600	\$198,400
18. Early Middle College Program Administration	FTE	24.0	2.0
<u>Executive</u> does not include.	Gross	\$5,440,300	\$175,000
<u>House</u> provides \$175,000 GF/GP and authorization for 2.0 FTE positions for early middle college program administration.	Federal	4,052,300	0
	GF/GP	\$1,388,000	\$175,000
19. Administrative Law Operations Support	FTE	2.0	1.0
<u>Executive</u> does not include.	Gross	\$1,416,800	\$150,000
<u>House</u> provides \$150,000 GF/GP and authorization for 1.0 FTE position to support administrative law operations.	Federal	572,900	0
	Restricted	739,300	0
	GF/GP	\$104,600	\$150,000
20. School Nurse Administration	FTE	78.6	1.0
<u>Executive</u> does not include.	Gross	\$14,826,400	\$150,000
<u>House</u> provides \$150,000 GF/GP and authorization for 1.0 FTE position for school nurse administration.	Federal	12,829,300	0
	Restricted	150,000	0
	GF/GP	\$1,847,100	\$150,000
21. Toolkit Development	Gross	\$150,000	\$150,000
<u>Executive</u> eliminates one-time funding to create a professional development toolkit to teach American history.	GF/GP	\$150,000	\$150,000
<u>House</u> maintains one-time funding and provides an additional one-time appropriation of \$150,000 GF/GP for a total of \$300,000 GF/GP to be spent over two years.			
22. Task Force Administration	FTE	84.7	1.0
<u>Executive</u> does not include.	Gross	\$17,394,200	\$150,000
<u>House</u> provides \$150,000 GF/GP and authorization for 1.0 FTE position for task force administration.	Federal	12,941,000	0
	Restricted	602,400	0
	GF/GP	\$3,850,800	\$150,000
23. Poet Laureate	Gross	\$100,000	\$0
<u>Executive</u> maintains and revises \$100,000 one-time GF/GP in the current year to be ongoing to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts.	GF/GP	\$100,000	\$0
<u>House</u> concurs with Executive.			

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
24. School Support Services Operations	FTE	78.6	0.4
<u>Executive</u> does not include.	Gross	\$14,826,400	\$60,000
<u>House</u> provides \$60,000 GF/GP and authorization for 0.4 FTE positions for school support services operations.	Federal	12,829,300	0
	Restricted	150,000	0
	GF/GP	\$1,847,100	\$60,000
25. Department Reorganization	FTE	167.6	0.0
<u>Executive</u> transfers \$783,900 Gross (\$139,500 GF/GP) and 6.0 FTE authorizations from Departmental Administration and Support and \$39,600 Federal from the Office of Great Start as follows:	Gross	\$33,841,400	\$0
• \$781,800 Gross (\$139,500 GF/GP) and 6.0 FTE authorizations to Systems, Evaluation, and Technology	Federal	27,883,100	0
• \$41,700 Federal to School Support Services	Private	250,000	0
<u>House</u> transfers \$393,000 Gross (\$69,700 GF/GP) and 3.0 FTE authorizations from Departmental Administration and Support and \$39,600 Federal from the Office of Great Start as follows:	Restricted	318,900	0
• \$390,900 Gross (\$69,700 GF/GP) and 3.0 FTE authorizations to Systems, Evaluation, and Technology	GF/GP	\$5,389,400	\$0
• \$41,700 Federal to School Support Services			
26. FTE Authorization Removal	FTE	235.2	(21.5)
<u>Executive</u> does not include.	Gross	\$100,000	\$0
<u>House</u> removes authorization for a total of 21.5 FTE positions, including 1.9 FTE positions in Central Support Operations, 8.0 FTE authorizations in Michigan Schools for the Deaf and Blind Operations, 6.0 FTE authorizations in Educator Excellence Operations, and 5.6 FTE authorizations in Accountability Services Operations.	GF/GP	\$100,000	\$0
27. Removal of FY 2023-24 One-Time Appropriations	FTE	2.0	(2.0)
<u>Executive</u> and <u>House</u> remove \$57.3 million Gross (\$18.5 million GF/GP) of one-time funding that was included in the FY 2023-24 budget to support the following:	Gross	\$57,325,000	(\$57,325,000)
• E-rate Special Construction Matching Fund (\$4.8 million GF/GP)	Federal	100,000	(100,000)
• Family and Community Engagement (\$200,000 GF/GP)	Restricted	40,000,000	(40,000,000)
• Head Start Background Checks (\$100,000 Federal)	GF/GP	\$17,225,000	(\$17,225,000)
• Michigan School for the Deaf Dorm (\$40.0 million School Aid Fund)			
• Michigan Test for Teacher Certification Reimbursement (\$1.0 million GF/GP)			
• PRIME Schools (\$6.0 million GF/GP)			
• Wonderschool (\$5.5 million GF/GP)			
28. Economic Adjustments	Gross	NA	\$2,145,400
<u>Executive</u> reflects increased costs of \$2.1 million Gross (\$710,000 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> concurs with Executive.	Federal	NA	1,311,600
	Local	NA	12,500
	Private	NA	900
	Restricted	NA	110,400
	GF/GP	NA	\$710,000

Major Boilerplate Changes from FY 2023-24

Boilerplate Deletions

In general, the Executive and House budgets delete boilerplate included in the FY 2023-24 budget. The list below includes major changes to boilerplate but is not a comprehensive list of all sections proposed to be deleted.

- Department Information (Sec. 215)
- State Administrative Board Transfer (Sec. 219)
- Severance Pay Reporting (Sec. 225)
- Department Transparency (Sec. 240)
- Michigan Test for Teacher Certification Reimbursement (Sec. 1104)
- PRIME Schools (Sec. 1105)
- Wonderschool (Sec. 1106)
- Michigan School for the Deaf Dorm (Sec. 1107)

Boilerplate Restructuring

The House budget restructures boilerplate sections to match standard department boilerplate numbering conventions and remove department-specific boilerplate from the general boilerplate sections. The list below includes changes to boilerplate but is not a comprehensive list of all sections revised to new section numbers.

- Purchase of foreign goods (Sec. 206; moved to Sec. 205)
- Out-of-state travel (Sec. 208; moved to Sec. 207)
- Hire of outside legal counsel (Sec. 209; moved to Sec. 208)
- Lapse report (Sec. 210; moved to Sec. 209)
- Contingency Funds (Sec. 211; moved to Sec. 210)
- Access to state and local government services (Sec. 212; moved to Sec. 214)
- State board information (Sec. 216; moved to Sec. 301)
- FTE vacancies (Sec. 217; moved to Sec. 216)
- Federal Medicaid program (Sec. 218; moved to Sec. 302)
- Early literacy best practices clearinghouse (Sec. 220; moved to Sec. 303)
- Education initiatives regarding trauma, human trafficking, and sexual abuse prevention (Sec. 228; moved to Sec. 305)
- In-demand occupation report (Sec. 232; moved to Sec. 306)
- Per Diem Payments (Sec. 301; moved to Sec. 351)
- Special education reform task force guidelines (Sec. 350; moved to Sec. 401)
- Michigan Schools for the Deaf and Blind employees (Sec. 401; moved to Sec. 451)
- Payment for Instruction at the Michigan Schools for the Deaf and Blind (Sec. 402; moved to Sec. 452)
- Residential programs at the Michigan Schools for the Deaf and Blind (Sec. 406; moved to Sec. 456)
- Gifts, bequests, and donations (Sec. 407; moved to Sec. 457)
- Carry forward of programmatic service funds (Sec. 408; moved to Sec. 458)
- Due process hearings (Sec. 409; moved to Sec. 459)
- ASL literacy (Sec. 410; moved to Sec. 460)

Sec. 203. Definitions – REVISED

Executive retains this section. House defines "standard report recipients" as the Senate and House Appropriation Subcommittees on the department budget, the Senate and House Fiscal Agencies, the Senate and House Policy Office, and the State Budget Office.

Sec. 205. Submission of Reports – DELETED

Requires MDE to submit reports to the Senate and House Appropriation Subcommittees on the department budget, the Senate and House Fiscal Agencies, the Senate and House Policy Office, and the State Budget Office. Executive retains this section and revises to Sec. 213. House deletes this section.

Sec. 207. Geographically Disadvantaged Business Enterprises – REVISED

Executive revises definition of geographically disadvantaged business enterprises to definition included in Executive Directive 2023-1. Revises to Sec. 206. House retains current law and revises to Sec. 215.

Sec. 213. Department Financial Information – REVISED

Requires MDE to work with DTMB to maintain a searchable website accessible to the public at no cost, which includes department financial information. Executive deletes this section. House retains and revises to Sec. 211.

Sec. 214. Restricted Funds Report – REVISED

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. House retains and revises to Sec. 212.

Major Boilerplate Changes from FY 2023-24

Sec. 221. 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. Executive deletes this section. House retains and revises to Sec. 219.

Sec. 222. Communication with the Legislature – REVISED

Prohibits MDE from taking disciplinary action against an employee for communicating truthfully and factually with a legislator or his/her staff. Executive deletes this section. House retains and revises to Sec. 206.

Sec. 223. Records Retention – REVISED

Requires MDE to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records. Executive deletes this section. House retains and revises to Sec. 218.

Sec. 224. Expending Available Work Project Authorization – REVISED

Prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible. Executive deletes this section. House retains and revises to Sec. 222.

Sec. 226. Interdepartmental Coordination of Services – REVISED

Executive revises to require MDE to coordinate with MiLEAP instead of the Department of Licensing and Regulatory Affairs (LARA). Removes requirement to coordinate overseeing child care providers. House concurs with Executive and revises to Sec. 304.

Sec. 231. Prioritize In-Person Work – REVISED

States that it is the intent of the legislature that MDE prioritize in-person work and requires each department, agency, board, or commission that receives funding to post its in-person, remote work, or hybrid policy on its website. Executive deletes this section. House retains and revises to Sec. 217.

Sec. 703. Michigan Core Curriculum – REVISED

Executive revises to require MDE to continuously design, implement, and evaluate professional learning and optional curriculum modules. House concurs with Executive.

Sec. 1002. CDC Provider Reimbursement Rate – DELETED

Requires MDE to publish reimbursement rates on its webpage. Executive moves to MiLEAP boilerplate. House concurs with Executive.

Sec. 1003. Early Childhood Investment Corporation Annual Report – DELETED

Requires MDE to submit an annual report on all funding appropriated to contracts for the early childhood comprehensive systems learning. Executive moves to MiLEAP boilerplate and consolidates with Sec. 1007. House concurs with Executive.

Sec. 1007. CDC Joint Annual Report – DELETED

Requires MDE to collaborate with LARA and the Michigan Department of Health and Human Services (DHHS) to create a joint annual report for the program's external support. Executive moves to MiLEAP boilerplate. House concurs with Executive.

Sec. 1008. Home Visit Program Coordination – DELETED

Requires MDE to provide services to families for home visits. Executive moves to MiLEAP boilerplate. House concurs with Executive.

Sec. 1009. CDC Increase to Eligibility Entrance Threshold – DELETED

Requires MDE to set the entrance income threshold for the CDC program to 200% of the federal poverty guidelines. Executive moves to MiLEAP boilerplate. House concurs with Executive.

Sec. 1011. CDC Payments Based on Enrollment – DELETED

Requires MDE to implement payments to providers based on enrollment rather than attendance. Executive moves to MiLEAP boilerplate. House concurs with Executive.

Sec. 1012. Child Mental Health – DELETED

Requires MDE to collaborate with DHHS to continue the network of infant and early childhood mental health consultation. Executive moves to MiLEAP boilerplate. House concurs with Executive.

Sec. 1014. Family and Community Engagement – DELETED

Requires MDE to partner with family engagement centers to increase parent and guardian involvement in their child's education. Executive moves to MiLEAP boilerplate. House concurs with Executive.

Major Boilerplate Changes from FY 2023-24

Sec. 1102. Toolkit Development – REVISED

Requires MDE to develop a toolkit to provide professional development regarding the teaching of the full and complex American history across subject areas. Executive deletes this section. House retains and provides for a work project appropriation through September 30, 2026.

Sec. 1103. School Consolidation and Infrastructure Administration – DELETED

Revises to allocate \$375,000 to administer school consolidation, infrastructure, and the Healthy Schools Program, and allocates \$375,000 to partner with DTMB. Executive revises to Sec. 604 to reflect ongoing nature of funding. House deletes this section.

Sec. 1104. Michigan Test for Teacher Certification Reimbursement – REVISED

Requires MDE to reimburse first-time test takers of the Michigan Test for Teacher Certification and develop an application process for reimbursement. Executive deletes this section. House revises to Sec. 508 to reflect the ongoing nature of funding and provides for a work project appropriation through September 30, 2029.

Sec. 1105. Poet Laureate – REVISED

Executive revises to Sec. 805 to reflect ongoing nature of funding. House concurs with Executive.