



Ionia County Intermediate School District  
2191 Harwood Road  
Ionia, MI 48846  
616 527-4900  
[www.ioniaisd.org](http://www.ioniaisd.org)

*Partners in building full potential*

COLLABORATION INTEGRITY INNOVATION SERVICE ACCOUNTABILITY DATA-DRIVEN

## Board Report — August 14, 2025

- **MASB Delegates:** MASB's 2025 Delegate Assembly will be Thursday, October 23 at 7 p.m. at the Grand Traverse Resort and Spa in Acme. Delegates selected by boards of education across the state will decide MASB's positions on a wide variety of issues affecting education. All delegates and alternates must be school board members. Only delegates and alternates named by your board may offer motions and vote on issues. All delegates must be certified and submitted by Thursday, October 2. A link to certify the official voting delegates and alternates who will represent your board of education has been sent to your superintendent's secretary.
- **2025-2026 School Year:** The week of August 18 will see the majority of Ionia County districts and ICISD programs return to begin the new school year. The ISD has been hosting a variety of training and professional developments since the calendar turned August. The Freedom Acres PTO is sponsoring Kona Ice to be on campus for opening day August 20 to provide staff and students with a cool treat to start the new year.
- **Upcoming Facility Projects:** We will be tackling the parking lots at 601 Washington this fall. They are ready and on cycle for repaving, which will also allow us to make some related improvements. We engaged with Pure Architects once again for planning and permits and will be working with Triangle Construction on oversight. This was a planned expense in our budget and is being paid for out of our capital project fund.
- **Legislative Update:** On July 25, the Trump administration and U.S. Education Department announced they would release the remaining billions of dollars in education funding it had withheld since the first of the month. About \$1.3 billion in money for after-school programs was released on July 18, but the move on July 25 marked the release of the remaining portion of the nearly \$7 billion in frozen funding. The administration, however, said it installed "guardrails" for the federal funds so that states and school districts cannot use it on programs that clash with the administration's policies.

Michigan will receive approximately \$137 million in federal funds for the following programs:

**Title I-C:** Programs for migratory children (\$5.4 million).

**Title II-A:** Support for effective teaching and professional development (\$63.7 million).

**Title III-A:** Services and academic support for English language learners (\$12.9 million).

**Title IV-A:** Student support and academic enrichment services and programs (\$38.4 million).

**Adult Education:** Basic and literacy education and civics education (\$16.5 million).

Michigan received approximately \$36.8 million for Title IV-B to support before and after school programs. Funding at the federal level remains uncertain as Congress turns to work on the 2025-2026 budget. Many of these programs may be targeted again in the next fiscal year.

In Michigan, the House has only convened once this summer and the Senate has not come in at all since my July update. Therefore, another month has passed with no movement on a School Aid or a General Fund budget. The next scheduled session day for both the House and Senate is August 12.

Finally, the Citizens Research Council has issued its first analysis on the fiscal impacts for Michigan from the federal budget (OBBBA). It appears the impacts may be worse than expected. According to the attached report, the OBBBA will create a \$1.1B hole in the FY 26 budget. The report goes on to say that a new Consensus Revenue Estimating Conference should be called (which is very unusual) and is recommending a “pause” on the current road funding discussions. Below is the CRC summary.

## **SUMMARY**

The OBBBA will have a major impact on the state’s FY2026 budget outlook in two ways. First, the law’s various business tax provisions are expected to reduce FY2026 Corporate Income Tax revenue by \$677 million. Virtually all of this revenue loss will impact the state’s discretionary GF/GP revenue. Second, the likely imminent elimination of the IPA will require the state to kick in an additional \$450 million in GF/GP revenue to offset the IPA revenue loss and prevent major Medicaid spending reductions. In short, these developments combine **to create a \$1.1 billion hole in the FY2026 Executive Budget the Governor introduced in February**. State lawmakers and the Whitmer administration will need to take these major adjustments into account before enacting the FY2026 state budget

A first step to enact a balanced FY2026 state budget is to establish **updated revenue estimates** so that any spending plan is based on sound revenue assumptions that take into account OBBBA’s state revenue impacts. Michigan’s consensus revenue estimating process is set in statute to help put guideposts on budget development based on dialogue including the State Treasurer and the directors of the House Fiscal Agency and Senate Fiscal Agency. Clearly, another Consensus Revenue Estimating Conference (CREC) will be needed to reset those guideposts before budget deliberations continue.

After establishing new revenue estimates to guide deliberations, the state should also hold back \$450 million in ongoing GF/GP revenue to recognize the likely need to address the loss of IPA revenue. Or conversely, state lawmakers should identify the Medicaid

reductions that will become necessary with that IPA revenue loss should they determine they cannot or will not backfill the IPA revenue with GF/GP resources.

**Finally, discussions related to road funding will need to be recalibrated in light of these developments.** Budget deliberations have been at a standstill for some time, with the Republican-led House pushing for a road deal that would tap into upwards of \$2 billion in existing GF/GP revenue. The Democratic-led Senate has pushed for the completion of the FY2026 budget before turning to road funding and has passed a budget that suggests new road funding should come from new revenue. Governor Whitmer appears to have placed herself somewhere in the middle and has outlined a road proposal that itself necessitates the redirection of \$500 million to \$750 million of existing revenue. Regardless of the eventual outcome, all parties need to recognize that the OBBBA will bring a new \$1 billion challenge to these discussions.

For years since the onset of the COVID-19 pandemic, Michigan experienced an unexpected state revenue high driven largely by federal stimulus initiatives. Even before OBBBA, it was evident that those days were coming to an end, and state revenue growth was returning to pre-COVID trends. With the enactment of the OBBBA, Michigan now faces an added budget challenge that will be particularly severe over the next few budget cycles. State lawmakers should get to work on developing a budget plan that takes into account these new realities.