



# SCHOOL EQUITY CAUCUS

*Making a difference for the public school children of Michigan*

121 W Allegan • Lansing, Michigan 48933  
www.schoolequitycaucus.org  
schoolequitycaucus@gmail.com  
269-806-6159

## CAUCUS INFORMATION ALERT

February 6, 2020

### ***Re: Governor Whitmer's FY 2021 Budget Proposal***

Dear Colleagues:

This morning Governor Gretchen Whitmer's K-12 education budget proposal was released as part of her overall budget proposal for FY 2021. Additionally, the governor also submitted her request for additional supplemental expenditures out of the current year's budget.

As was the case last year, Governor Whitmer's budget incorporates elements of a weighted funding formula, with additional funding provided for students with disabilities, at-risk students, and ELL students.

Attached to this email are a few other documents from the governor's State Budget Office that provide more detail of her proposal (including for other areas of the budget beyond K-12), but here is a quick overview of some of the highlights relative to schools:

### Overview of the Governor's FY 2021 K-12 Education Proposal

- Total increase in K-12 funding of more than \$745 million
- MPSERS rate buy-down continues (\$1.5 billion, includes over \$180 million to account for lower anticipated rate of return)
- \$235 million increase to foundation allowances
  - \$225 to minimum foundation districts (\$8,336 per student, 2.8% increase)
  - \$150 to those above the minimum
  - 1.5x (not 2x)
  - This proposal closes the gap between minimum and maximum foundation districts to \$343
- \$60 million additional for special education reimbursement
  - Increases reimbursement above the mandated 28% from 2.1% additional (30.1% total) to 4.2% (32.2 % total)
- \$60 million more for At Risk funding
  - Increases amount from about \$744 per student to \$829 (up \$85 per pupil)
  - Districts above the maximum foundation allowance would receive 50% of the per pupil allocation; up from the current 30%
- \$5 million additional funding for ELL student support
  - Equates to approximately \$185 per ELL student (up \$50 per pupil)

- \$25 million (up to \$250 per teacher) for reimbursement of teachers who purchase their own classroom supplies
- Increased GSRP per pupil allocation to \$8,336 (same as minimum foundation allowance, first increase since 2014); increase of \$35.5 million
- \$42 million for expanded preschool access in 26 high-poverty, high-academic-need districts (beyond GSRP increases described above)
- Community colleges remain 100% in the School Aid Fund (SAF) with an increase of \$8.1 million (2.5% increase)
- University funding from the SAF proposed at \$356 million (increase of \$6.6 million)
- Cyber school foundation allowance reduced by 20%
- Increase for ISD Operations of 3%
- \$5 million for additional literacy coach training
- \$40 million in one-time grants for facility upgrades
- Most other programming funded at current levels
- General Fund support for the School Aid Fund would increase by over \$17 million to a total of \$80 million
- The budget proposal also assumes additional revenue for the SAF as a result of HB 4125 (reversing the income tax earmark change passed in the lame duck session of 2018). This bill has not yet passed the legislature. See last week's Caucus Newsletter for more information.

#### FY 2020 Supplemental Budget Proposal

- Primarily allocates \$35 million from the Talent Investment Fund (remnant of the Marshall Plan) to the Michigan Reconnect program as part of a two-year funding plan. This program would assist working adults over the age of 25 in obtaining an industry certificate or associates degree.

#### Initial Comments

We very much appreciate the governor's commitment to providing more money to Michigan's K-12 schools. The School Equity Caucus has, from its inception, advocated for equity in funding for all of Michigan's school districts. While we have not yet reached that point, the addition of more funding on a weighted basis continues to incorporate elements of the School Finance Research Collaborative's recommendations, and is welcome as we strive to bring equity to funding Michigan's schools based on the true costs associated with educating all children.

Obviously, the governor's budget proposal is just the beginning of a lengthy budget process. We will look forward to hearing the budget proposals that will be put forth by both the House and the Senate K-12 Appropriations Committees, and look forward to being a part of budget discussions as they move forward.

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Please be sure to contact us if you have additional questions or need more information.



Dirk Weeldreyer  
 Executive Director  
 (269) 806-6159  
[schoolequitycaucus@gmail.com](mailto:schoolequitycaucus@gmail.com)