



June 30, 2021

School Aid Budget Sent to Governor Today

Today, the Senate passed [House Bill 4411](#), the School Aid Budget, with only a few changes from the House version. Under the bill, all districts at or below the target foundation allowance will be brought up to \$8,700 per pupil. This ends the gap between the minimum and target foundation amounts, something we've been working on since the passage of Proposal A in the early 1990s. It also raises the full-day slot rate for the Great Start Readiness Program to \$8,700 to match the foundation allowance. The bill passed 33-1 and was later sent to the Governor by the House by a vote of 106-3.

HB 4411 also includes a new \$240 million appropriation for grants for school psychologists, social workers, counselors and nurses in districts with the greatest need. This section is modeled after a program MASB and MASA had proposed to the Governor to increase access to mental health services in our schools. It would provide funding for staff hired under this section at 100% for the first year, 66% for the second year, 33% for the third year and then require the district to fully fund the position beginning in year four.

Following, we break down the School Aid Budget by relevant sections to reflect the enrolled version of the budget. Once presented to the Governor, she has 14 days to sign it with or without line-item vetoes. [Join us on July 8, 2021 at noon for a Views From the Capitol – Budget Edition webinar](#) where we will be joined by MSBO's Bob Dwan to go over the budget in detail and take your questions.

Sec. 6 (4) – Membership

Returns the pupil count to 90% of the current school year count day and 10% of the preceding year.

Sec. 11t – ESSER payment equalization

Includes \$362 billion of ESSER funds for 2020-2021 to ensure that all districts receive at least \$1,093 per pupil after all the funds through Title 1A are paid out ([HB 4421](#)). To be eligible for the equity payment, a district must submit a spending plan within 45 days of enactment.

Secs. 20, 20m and 22c – Per-pupil foundation allowance and hold harmless districts

Increases the target foundation allowance by \$171 to \$8,700 per pupil and increases all districts below the target foundation to match it. It also provides additional funding to ensure that hold-harmless districts (those above \$8,700 per pupil) get a \$171 per-pupil increase.

Sec. 22d – Rural and isolated districts

Increases the line item by \$1.42 million. This includes a \$600,000 increase to isolated districts and \$820,000 to expand to districts with more than 250 square miles and that do not already receive funding under this section.

Sec. 26d – Brownfield redevelopment reimbursement

Appropriates \$7.5 million to reimburse ISDs for taxes captured by brownfield redevelopment areas.

Sec. 31a – At-risk funding

Increases funding by \$2.5 million and concurs with language stating the allocation for each district should be equal to 35% of the eligible amount before any proration occurs and extending it to PreK.

Sec. 31n – School mental health and support services

Sets funding at \$52.6 million and maintains ISD grants at the 2019-2020 level of \$575,000. The remaining \$5.6 million is to be expended on a per-pupil basis across all ISDs.

Sec. 31o – Wraparound services

Includes a new \$240 million appropriation for grants for school psychologists, social workers, counselors and nurses in districts with the greatest need. It would provide funding for staff hired under this section at 100% for the first year, 66% for the second year, 33% for the third year and then require the district to fully fund the position beginning in year four.

Secs. 31y and 31z – Balanced calendar

Includes \$60 million to districts operating a balanced calendar for 2021-2022 as grants equal to 3% of a district's foundation allowance. Also includes \$75 million for one-time infrastructure, equipment and HVAC upgrades for districts that commit to operating a balanced calendar in 2022-2023.

Secs. 32d and 39 – Great Start Readiness Program

Increases funding by \$168.5 million to bring the full-day rate from \$7,255 to the foundation allowance of \$8,700.

Sec. 34a – Reading scholarships

Includes \$155 million for Grand Valley State University to implement and administer a reading scholarship program for eligible children in first through fifth grades.

Sec. 35g – Out-of-school learning

Creates a new section that appropriates \$1 million for districts to establish and/or maintain innovative community libraries.

Sec. 41 – English Language Learners

Increases funding by \$12.2 million to increase the per-pupil amounts for each tier.

Sec. 51f – Special education cost reimbursement

Increases funding by \$30 million for districts to be reimbursed 3% of costs.

Sec. 54d – Early On program grants

Increases funding by \$7 million.

Sec. 56 – Special education millage reimbursement

Increases funding by \$34.2 million for ISDs that levy a special education millage and creates a tiered allocation formula to create equity among rates. Those districts levying between 46.2 and 60% of their maximum millage rate allowed will receive a payment to ensure they are receiving \$251 per pupil. Those levying more than 60% will receive a payment to ensure they are receiving \$281 per pupil.

Sec. 61c – CTE equipment grants

Increases funding for CTE programs to improve their capital infrastructure by \$5 million.

Sec. 78 – Rural transportation

Includes \$1 million for transportation costs to districts with more than 7,800 and less than 20,000 students and with more than 98 square miles. The amount will be paid on a per-pupil basis and will be available to districts that do not receive Sec. 22d (rural and isolated districts) funds.

Sec. 81 – ISD funding

Increases funding to ISDs by \$2.8 million for a 4% increase over last year, but bases funding on the condition that charter schools be included in communications, particularly related to COVID-19.

Sec. 97 – School safety grants

Creates a new section appropriating \$10 million for competitive school safety grants with a cap of \$50,000 per building and \$250,000 per district.

Sec. 98b – Benchmark assessment reporting

Includes new reporting on benchmark and local assessments at a public board meeting and on the district website twice a year.

Sec. 101 – Days and hours

Removes all references to pandemic learning for 2020-2021; the section returns to language from the beginning of the 2019-2020 school year.

Sec. 104h – Benchmark assessments in 2022-2023 school year

Creates new section and appropriates \$11.5 million for districts to implement a benchmark assessment system for the 2022-2023 school year that meets certain requirements.

Sec. 147 – MPSERS rates

Makes annual adjustments to all the rates but allows for further adjustments as the retirement system deems necessary.

Sec. 147a – MPSERS offset

Maintains the \$100 million to offset district retirement costs and increases the funding to cover the increase in normal costs for districts by \$22.3 million.

Sec. 147c – MPSERS rate cap

Increases the average rate cap per-pupil amount by \$84, to \$911, and sets the rate cap per-pupil for districts to a range of \$5-4,200. Also allows for further adjustments as the retirement system deems necessary.

Sec. 152b – Reimbursement to nonpublic schools

Appropriates \$1 million for costs to nonpublic schools for complying with state mandates.

The most notable sections repealed throughout all the budgets are those that created flexibility needed to deal with starting and continuing school through the pandemic for the 2020-2021 school year. The related pandemic language was designed to only be for the 2020-2021 year, so the budget is back to the 2019-2020 school year language, including pupil count.

If you have questions, please [feel free to contact us](#).