

Myth vs. Fact

FY25 Education Budget



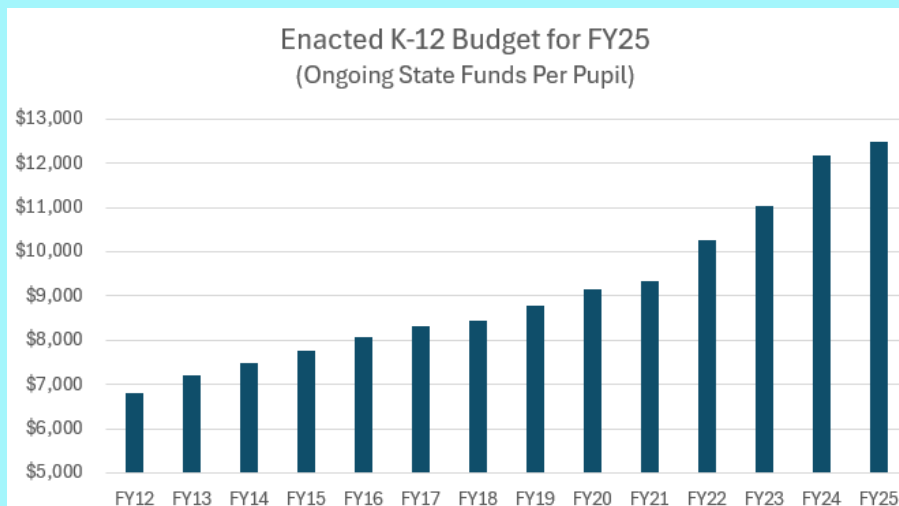
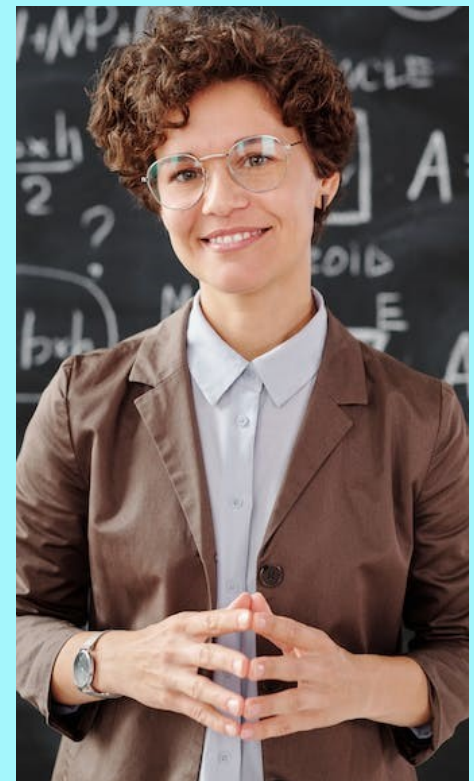
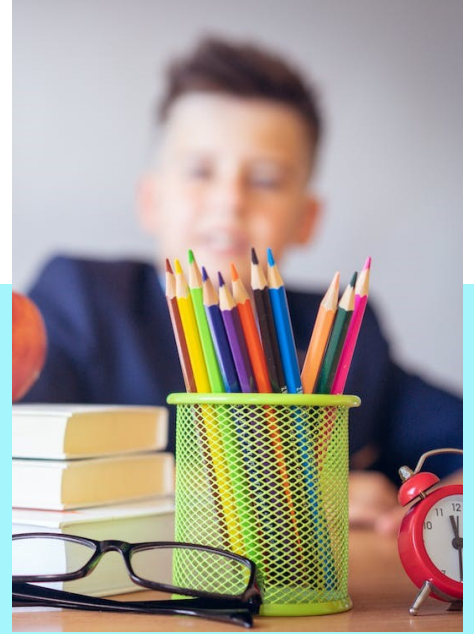
Gov. Gretchen Whitmer signed her sixth School Aid Fund budget on July 23, 2024.

The fiscal year 2025 education budget, totaling \$23 billion, continues record investments, from preschool to postsecondary education, and supports students and educators. Highlights include:

- Guaranteed access to free, high-quality education beginning with pre-K
- New record high for dollars into the classroom, for the sixth year in a row
- Tuition guaranteed community college for every high school graduate
- Historic investment in teachers

Myth: There's no per-pupil funding increase and current funding levels don't even match inflation.

- **Fact: This budget continues providing school districts an all-time high level of per-pupil support—more than \$10,000 per student.**
- Funding in the budget invests more than \$400 per pupil in K-12 classrooms, equivalent to a 4.2% foundation allowance increase, which outpaces the 2.8% rate of inflation.
- The foundation allowance, the minimum payment a district receives per-pupil, has increased by more than \$1,700 per pupil (22%) since Governor Whitmer took office.





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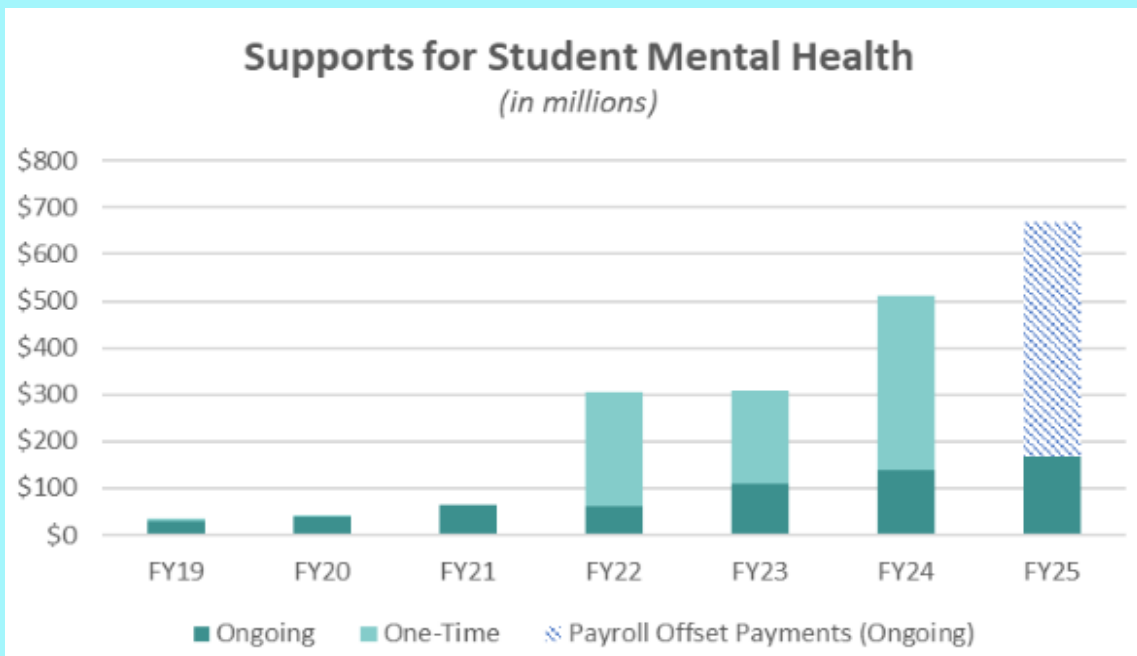
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Myth: Schools won't have the needed funds to educate children.

- **Fact:** Not only does the budget pump more than \$400 per pupil into Michigan classrooms, it also continues to focus resources on students who need additional supports by providing an additional \$98 million for academically at-risk students, English language learners, rural students, and students engaged in career and technical education.
- New flexibility is provided for funding dedicated for academically at-risk students (over \$1 billion) to allow high-poverty districts to allocate those resources as needed to improve student to teacher ratios and address staffing vacancies.
- The budget also maintains one-time payments for districts experiencing declining enrollment (\$71 million) and to reimburse districts for student transportation costs (\$125 million). These payments directly support the day-to-day operations of school districts.

Myth: Funding for school safety and mental health support was cut.

- **Fact:** The FY25 budget continues support for student mental health through existing programs (a total of \$108 million), access to adolescent health centers (\$33 million), and expands access to student hearing and vision screenings (a \$5 million increase, for a total of \$10.2 million).
- Additionally, school districts can direct the more than \$400 per pupil in additional flexible funding as needed. These funds, which districts asked to have discretion over, can be used to support student mental health, school safety, the educator workforce, and academic interventions.



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Myth: Teacher pensions were raided.

- **Fact: Each and every retiree in the Michigan Public School Employees' Retirement System will get what they were promised.**
- Teacher pensions are protected. The state continues to make payments to fund the pension system, in fact, it's on track to be fully funded by 2038.

Myth: The State stopped paying down teacher retirement debt.

- **Fact: The state has been aggressively depositing funding into both the MPSERS pension and healthcare systems to ensure all retirees are covered. Other post employment benefit liabilities are now completely funded, and the state will continue to pay down MPSERS pension liabilities aggressively and on schedule, as required by law.**
- The state's responsible actions to pay down debt freed up hundreds of millions of dollars that can now be invested back into classrooms.

Myth: This will cause teacher layoffs

- **Fact: Districts have flexibility on how to spend the additional per-pupil funds and they can direct the dollars to where the need is the greatest.**
- The FY25 budget marks the sixth straight year of record per pupil funding for Michigan's public schools.

Myth: Schools were blindsided about the lack of funding

- **Fact: The FY25 budget increases the amount of per-pupil funding K-12 districts will receive. The budget was passed ahead of the statutory July 1 deadline, giving districts vital funding information ahead of the start of the school year.**
- The budget signed into law by Governor Whitmer invests more in education than proposed in the executive budget recommendation or either of the initial budgets introduced by the Michigan House or Senate.


Myth: No guarantee that the savings will continue. The \$598M is one-time money and districts can't build budgets on one-time funds.

- **Fact: The savings realized from paying off certain liabilities early is an ongoing source available to the state to pump additional dollars into Michigan classrooms.**



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Myth: With minimum per-pupil spending remaining at \$9,608 this year, administrators say this year's budget amounts to a cut in state funding.

- **Fact:** The budget includes more ongoing per pupil funding for next fiscal year than the current fiscal year—plain and simple.
- Per pupil spending will reach an all-time high of \$10,008 in FY25. In fact, per-pupil equivalent funding has risen by 26% since Governor Whitmer took office—that's thousands more dollars invested directly into classrooms.

Myth: The state can just pass a supplemental to reinstate foundation allowance and 31aa funds.

- **Fact:** The state invested nearly all the School Aid dollars available into classrooms. Without additional revenue available, passing such a supplemental would mean cuts in other areas.

Myth: The reduction in the districts' obligation to pay into MPSERS isn't the same as an increase to per-pupil funding

- **Fact:** Districts asked for flexibility on how the additional funds could be used and that's what the budget provides. That's more than \$400 per pupil that can be used to support student mental health, school safety, the educator workforce, and academic interventions.