STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: September 2, 2025

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Michael F. Rice, Ph.D., State Superintendent

SUBJECT: State Budget

Stop! If you aren't concerned about the absence of an approved state budget, you don't need to read the rest of this brief message at this busy time of year.

If you're still reading, you share my concern—and those of many other educators. We are currently 29 days away from a potential state government shutdown. In a shutdown, no state school aid flows. **A shutdown could jeopardize your October 20 state aid payment.**

If you have not done so already, **please call your state representative and state senator and let them know** that you, your students, your staff, and your community have begun the school year without a state budget—and **what that uncertainty means for your students and district.** If you feel particularly called, ask a parent a day to do the same, until we have a budget that supports Michigan's children.

Some legislators may tell you or may have told you that, back in the day (pre-2011), the legislature didn't approve the budget until late September. That's true. Those of us who have been in it for more than a minute recall, however, that the range among the three budgets (governor's, House, and Senate) was typically quite narrow. In other words, we knew roughly what we could expect in this pre-2011 era as we began school. The same is not the case today. Given federal cuts to Medicaid and the Supplemental Nutrition Assistance Program (SNAP) this summer, the adverse impact of tariffs on state revenue, the president's proposed fiscal year 2026 federal budget cuts, and the potential adverse impact of a roads budget plan on the school aid budget, no one knows where the fiscal year 2026 budget will land for schools. This is unacceptable.

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Your state legislators care about your views, superintendents, and need to hear from you and your parents. If you've been regularly calling, not just to ask what's up but to advocate for a reasonable budget expeditiously, props to you. If you haven't, however, it's more than time to do so.

Both the executive budget proposed by Governor Whitmer and the State Senate school aid budget make recommendations with which educators could work. If either budget were passed today, schools would largely be able to operate reasonably relative to the last school year. However, the State House budget is an outlier budget, which would significantly disrupt services to children.

According to the National Conference of State Legislatures (NCSL), Michigan, Pennsylvania, and North Carolina are the only three states in the country without budgets, but both Pennsylvania and North Carolina have provisions to operate in the absence of an approved budget. Michigan does not. There's no reason that Michigan should be an outlier in the nation.

The need for a roads plan dates back many years, and three governors in a row have acknowledged the importance of increasing revenue to meet the state's structural budget needs, including fully funding roads and schools, the latter consistent with 2018 School Finance Research Collaborative (SFRC) recommendations. These recommendations noted that children's pre-K-12 education is billions of dollars underfunded in the state. Notwithstanding a run of three strong education budgets, Michigan schools continue to be underfunded on an inflation-adjusted basis by billions of dollars.

If it were to fully fund schools and roads, the state would clearly need additional revenue. While efforts to increase roads funding are not explicitly intended to adversely affect education funding, the practical implication of adding $3 billion more in roads funding to the budget without increasing revenue would be to create significant harm to children and families. Additional revenue is required to address additional need.

The Michigan Department of Education will continue to advocate for an approved education budget as soon as possible. Help us help legislators understand the problem for children of further delays in enacting a reasonable budget for students, staff, and schools--one that provides the funding of a sufficient foundation allowance, children's mental health and school safety, school meals, school transportation, students with disabilities, economically disadvantaged students, efforts to rectify the teacher shortage, and many other important aspects of the state school aid act.

Thank you for your consideration of this communication at this busy time of year. Best wishes to your students, staff, families, and communities for a strong school year for children!

cc: Michigan Education Alliance
Confederation of Michigan Tribal Education Departments