

State of Michigan Budget Updates

July 22, 2021

With summer recess in full swing, work on the state of Michigan's general fund budget continues. The Senate also voted to push back the state's budget deadline for this year to September 1 (from July 1) so we continue to hope for an increase in state aid to libraries. The Governor's and House version of the budget called for a flat budget for state aid. The Senate version called for a \$2M increase. Our hope is that the Senate version will be adopted (of course!) and we will continue to advocate for this increase when legislators return to work.

While we wait for consensus-building on the general fund budget, Governor Whitmer has already signed into law the School Aid budget. In early July, House Bill 4411 marked a historical moment for the state by reaching the goal of eliminating the funding gap between districts at the minimum and maximum foundation allowances, as set forth by Proposal A of 1994. The bill finalizes the fiscal year 2022 School Aid budget, which totals \$17.1 billion including \$85.4 million from the state's general fund and provides cost adjustments and supplemental funding for the current 2021 year.

The budget includes \$723 million to eliminate the gap between the minimum and maximum foundation allowance by setting both at \$8,700 per pupil, an increase of \$589 per pupil from the current year minimum amount, and an increase of \$171 per pupil from the current year target amount. In addition, intermediate school districts receive a 4% operational funding increase.

Of note to libraries: In further reading, the School Aid budget also includes an allocated amount not to exceed \$1M for competitive grants to eligible school districts that have established innovative community libraries and meet all of the following criteria. (a) The library provides for the engagement and connection of readers. (b) The library provides for resources that are used to further reading skills. (c) The library provides for the involvement of community volunteers and donations.

An eligible school district may partner with an existing library to provide an innovative community library and doesn't necessarily need to be in a physical building.

To receive funding, an eligible district must apply for the funding to the department's innovation council not later than March 15, 2022. The department's innovation council must develop an application process and will award up to 20 grants based on the following criteria, by no later than July 15, 2022: (a) How the innovative community library has addressed early childhood literacy gaps. (b) How community partners of the innovative community library have engaged in addressing literacy gaps. (c) How the innovative community library has connected different readers together. (d) How the innovative community library will promote its approach to other districts or communities in addressing early literacy gaps.

We will continue to watch and share details with you on this specific section of the School Aid Budget as more becomes known.