



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
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Gov. Gretchen Whitmer's 2021 budget centered on quality education, healthy families, clean environment

*Governor's budget calls for more dollars for teacher classroom supplies,
paid parental leave for state employees, resources to clean up drinking
water and fight climate change*

LANSING, Mich. — Gov. Gretchen Whitmer's second executive budget was released today, delivering on her commitment to education and skills training, families and public health, and protecting Michigan's water. State Budget Director Chris Kolb outlined the recommendations to a joint session of the House and Senate Appropriations Committees.

"This is a thoughtful budget that focuses on increased funding for education and skill development, providing for the health and needs of working families, and protecting Michigan's water," said **Gov. Whitmer**. "Our future depends on making strong investments in these core priorities, and while we cannot correct decades of underfunding overnight, particularly in the area of education, this budget builds on last year's budget to provide additional funding in these critical areas."

The state's general fund, which serves as the operating fund for state government services, is at roughly the same level today as it was more than 20 years ago. In addition, the spending pressures on the General Fund are significant. The general fund is also under great strain due to nearly \$2 billion in tax cuts for businesses put in place in 2011, along with mounting liabilities the state is facing due to major lawsuits filed against state government during the previous administration.

"This is a strong budget recommendation with some key investments in needed areas," said State Budget Director Chris Kolb. "There's more work to do to address the large structural problems and we have to change the mentality that led to hundreds of millions in spending on the last day of a lame duck legislature. This budget was put together to reflect the governor's priorities around education, health care, and the environment, but past decisions from Republican-controlled

legislatures have severely hampered our ability to invest more broadly in things that matter to the people of Michigan.”

The budget recommendation totals \$61.9 billion, up 3.9% from the current fiscal year 2020 budget, and it includes a general fund total of \$11 billion (up 5.8%) and a school aid fund total of \$15.9 billion (up 4.9%). The increase in general fund spending is the result of various spending pressures, including Medicaid cost increases and federal match rate changes, declining restricted fund revenues in the DHHS budget, and statutory indigent defense reimbursement grants.

Budget Priorities on Education and Skills

The Governor’s recommended budget makes strong investments in public education, providing the largest funding increase for classroom operations in 20 years. Centered on helping students and teachers obtain the resources they need to be successful, the budget plan for education includes:

- Continuing to move towards a weighted foundation formula based on science and equity.
 - The school aid fund includes a base funding increase of \$150 to \$225 per pupil, which equates to \$8,336 per pupil for districts at the minimum and \$8,679 per pupil for districts at the maximum, reducing the gap between the highest and lowest funded districts to \$343 per pupil.
 - \$60 million (a 100% increase over FY20) in additional funding for special education services to help districts address the wide variety of needs for special education students.
 - \$60 million (an 11.5% increase over FY20) in additional funding to support academically at-risk and economically disadvantaged students to allow for additional instructional supports.
 - \$5 million (a 38% increase over FY20) in additional funding for English language learners.
- Continuing to fund literacy coaches and expanding resources to improve training for other educators in best practices of literacy learning.
- \$42 million in new funding to expand access to preschool programming for the children who need it most.
- \$250 for each teacher for classroom supplies, in recognition that teachers spend their own money to supply their classrooms.
- \$35 million for the Michigan Reconnect program to provide a tuition-free pathway for adults looking to upskill and earn a postsecondary certificate or associate degree. Implementing Reconnect will help close the skills gap and move the state closer to reaching 60% postsecondary educational attainment by 2030.

- \$27.9 million for the Going Pro program to support job training grants to businesses to support training for current and new employees in high-demand, skilled trades industries.
- Funding to eliminate all school lunch debt for Michigan students.

Budget Priorities for Families and Their Health

Knowing that investing in the health and security of families across Michigan is at the core of creating a vibrant state, the Governor's budget recommendation includes:

- \$37.5 million for the Healthy Moms, Healthy Babies programs to ensure Michiganders are given the care they need to have a healthy pregnancy and to expand support for interventions that are proven to increase outcomes for women.
- \$27 million to expand access to childcare for families by increasing the income limit from 130% to 150% of the federal poverty level, expanding childcare services to an estimated 5,900 children.
- \$12.3 million to expand response to the opioid crisis and assist families and communities with this continued epidemic.
- \$10 million for a Lead Poisoning Prevention Fund to protect Michigan families from lead in their homes.
- \$86.5 million to double the number of physicians in rural and underserved areas by eliminating debt for medical residency programs.
- Funding for paid parental leave to provide state employees up to 12 weeks paid leave if they are the parent of a newborn or newly adopted child.

Budget Priorities for the Environment, Climate, and Water

The budget also calls for investments centered on the environment, climate change, and clean water to help ensure that Michigan's abundance of natural resources is protected and preserved for generations to come. These investments include:

- \$40 million for local climate resilient infrastructure grants for local units of government to help plan for and prevent the negative impacts of Michigan's changing climate conditions like high water levels.
- \$40 million in grants to school districts for infrastructure upgrades to ensure students have healthy learning environments. These grants will cover air and water filter replacement, lead and asbestos abatement, and other facility upgrades.
- \$20 million for rapid response to environmental contamination to provide additional resources to protect Michiganders from contamination across the state.

- \$10 million for farmers to implement conservation practices to help mitigate toxic algal blooms in the Great Lakes and impaired watersheds.
- \$2.5 million for the construction of the new Milliken Visitors Center located at Arch Rock on Mackinac Island.
- \$15 million for the Pure Michigan program, with an invitation for the tourism industry to contribute additional funding to support the campaign.

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Copies and more details of the governor's recommended budget are available at www.michigan.gov/budget. Join the conversation on Twitter at #mibudget.