

**Summary: SCHOOL AID Supplemental, FY 2003-04
Senate Bill 556: Conference Report**



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Summary of Major Budget Issues

School Bond Loan Refinance Deposit – Moves the fiscal year in which the approximately \$128.3 million in School Bond Loan Fund refunding proceeds are deposited to the School Aid Fund from FY 2003-04 to FY 2002-03 to avoid closing FY 2002-03 in a deficit position.

School Aid Stabilization Fund Deposit – Appropriates \$45.6 million to the School Aid Fund in FY 2003-04 from the anticipated pause in the Income Tax rate rollback.

Renaissance Zone Supplemental Amount – Appropriates an additional \$4.7 million to fund expanded utilization of the zones in the current year.

Career Preparation System – Eliminates the FY 2003-04 Career Preparation program, currently funded at \$1 million.

Partnership for Adult Learning – Eliminates the FY 2003-04 Partnership for Adult Learning (PAL) program, currently funded at \$1 million.

	FY 2003-04 YTD (as of 12/15/03)	Proposed	Change from FY 2003-04 YTD	
			Amount	%
IDG/IDT	0	0	0	0
Federal	1,316,681,900	1,316,681,900	0	0
Local	0	0	0	0
Private	0	0	0	0
Restricted	11,005,287,100	10,962,387,100	(42,900,000)	(0.4%)
GF/GP	282,100,000	327,700,000	45,600,000	16.2%
Gross	\$12,604,069,000	\$12,606,769,600	\$2,700,600	0.0%

NOTE: The figures in the table above do not reflect the FY 2003-04 School Aid proration.

<u>Major Budget Changes from Current Law Appropriations:</u>		<u>YTD</u>	<u>Change</u>
		<u>FY 2003-04</u>	<u>FY 2003-04</u>
<i>1. Renaissance Zone Reimbursement</i>	Gross	\$25,260,000	\$4,700,000
Increases the appropriation for Renaissance Zone reimbursements by \$4.7 million.	Restricted	\$25,260,000	\$4,700,000
<i>2. Career Preparation System</i>	Gross	\$1,000,000	(\$1,000,000)
Funding for the Career Preparation System would be eliminated.	GF/GP	\$1,000,000	(\$1,000,000)
<i>3. Partnership for Adult Learning</i>	Gross	\$1,000,000	(\$1,000,000)
Funding for the Partnership for Adult Learning program would be eliminated.	GF/GP	\$1,000,000	(\$1,000,000)

Major Boilerplate Changes from Current Law:

None.



Budget Proposals
(Dollars in Millions)

	Senate Passed <u>SB 556 (S-2)</u>	House Passed <u>SB 556 (H-1)</u>	Conference Proposal <u>SB 556 (Cr-1)</u>
Current Estimated Deficit	\$ (349.6)	\$ (349.6)	\$ (349.6)
Revenue Adjustments			
Lowered Personal Property Tax Audit Estimate	\$ (11.5)	\$ (11.5)	\$ (11.5)
Revised Lottery Estimate for New Games	10.0	10.0	10.0
Personal Property Tax Amnesty/Penalties	20.0	20.0	20.0
Increase Tax Collection Enforcement	28.6	28.6	28.6
Carry-Forward Balance from FY 2003	19.7	19.7	19.7
Additional Estimated Revenue from State Education Tax	40.0	40.0	40.0
General Fund Transfer	<u>45.6</u>	<u>23.1</u>	<u>45.6</u>
Revenue Adjustments	\$ 152.4	\$ 129.9	\$ 152.4
Appropriation Adjustments			
Elimination of Career Preparation (Sec. 68)	\$ (1.0)	\$ (1.0)	\$ (1.0)
Elimination of Partnership for Adult Learning (Sec. 108)	(1.0)	(1.0)	(1.0)
Reduction in Class-Size Allocation	-	(2.5)	-
Reduction in Reform Board Allocation (Detroit)	-	(5.0)	-
Reduction in Section 20j Allocation	-	(5.0)	-
Reduction in ISD General Operations Funding (Sec. 81)	-	(10.0)	-
Renaissance Zone Reimbursement (Sec. 26a)	4.7	4.7	4.7
Projected Lapse of Freedom to Learn Program (Sec. 98b)	<u>(22.0)</u>	<u>(22.0)</u>	<u>(22.0)</u>
Appropriation Adjustments	\$ (19.3)	\$ (41.8)	\$ (19.3)
Estimated Year-End Balance	(177.9)	(177.9)	(177.9)
Estimated Per Pupil Proration	\$ 100.00	\$ 100.00	\$ 100.00