

**Summary: House Floor  
House Bill 5531 (H-1)  
FY 2007-08 SCHOOL AID SUPPLEMENTAL**



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	FY 2007-08 YTD	FY 2007-08 Executive	FY 2007-08 House	FY 2007-08 Senate	FY 2007-08 Conference	Difference: House From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Federal</b>	1,479,326,300	1,476,003,900	1,476,003,900	0	0	(3,322,400)	(2.2)
<b>Local</b>	0	0	0	0	0	0	0.0
<b>Private</b>	0	0	0	0	0	0	0.0
<b>Restricted</b>	11,491,789,200	11,386,986,600	11,390,191,600	0	0	(101,597,600)	(0.9)
<b>GF/GP</b>	34,909,600	34,909,600	34,909,600	0	0	0	0.0
<b>Gross</b>	<b>\$13,006,025,100</b>	<b>\$12,897,900,100</b>	<b>\$12,901,105,100</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$104,920,000)</b>	<b>(0.8)</b>

Note: FY 2007-08 as of January 18, 2008.

**Overview**

The School Aid budget makes appropriations to the state's 552 local school districts, 230 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Education Performance and Information, Department of Labor and Economic Growth, and other entities to implement certain grants and other programs related to K-12 education.

**Budget Changes from FY 2007-08 YTD Appropriations**

		<b>FY 2007-08 YTD</b>	<b>Change</b>
<b>1. Proposal A Obligation Payment (Sec. 22a)</b>	<b>Gross</b>	<b>\$6,012,000,000</b>	<b>(\$61,000,000)</b>
<u>Exec and House</u> provides a reduction to the current year appropriation of \$61.0 million to reflect changes in taxable values and pupil membership blends.	Restricted	6,012,000,000	(61,000,000)
<b>2. Discretionary Payment (Sec. 22b)</b>	<b>Gross</b>	<b>\$3,722,000,000</b>	<b>(\$40,000,000)</b>
<u>Exec and House</u> reduces the current appropriation by \$40.0 million to reflect changes in pupil membership blends.	Restricted	3,722,000,000	(40,000,000)
<b>3. Supplemental Funding to Small, Isolated Districts (Sec. 22d)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,275,000</b>
<u>House</u> allocates \$1,275,000 to a new subsection that appropriates an estimated \$33 per pupil for school districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200.	Restricted	N/A	1,275,000
<u>Exec</u> allocates the \$1,275,000 to a new subsection that appropriates an estimated \$56 per pupil for school districts located in the upper peninsula and has 5.0 or fewer pupils per square mile.			
<b>4. Mercy Education Project. (Sec. 31h)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$100,000</b>
<u>House</u> adds \$100,000 to Wayne RESA for the Mercy Education Project.	Restricted	N/A	100,000
<b>5. Early Childhood Investment Corporation (ECIC) Collaborative Grants (Sec. 32b)</b>	<b>Gross</b>	<b>\$1,750,000</b>	<b>\$750,000</b>
<u>House</u> increases funding by \$750,000 for a total of \$2.5 million.	Restricted	1,750,000	750,000
<b>6. Early Childhood Grants (Sec. 32c)</b>	<b>Gross</b>	<b>\$2,125,000</b>	<b>\$375,000</b>
<u>House</u> increases funding by \$375,000 for a total of \$2.5 million for 0-3 abuse and neglect prevention grants.	GF/GP	\$2,125,000	375,000

<b>Budget Changes from FY 2007-08 YTD Appropriations</b>	<b>FY 2007-08 YTD</b>		<b>Change</b>
<b>7. School Readiness Program – Hold Harmless Grants (Sec. 32e)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$4,700,000</b>
<u>Exec and House</u> appropriates \$4.7 million to hold harmless districts that received less slots in FY 2007-08 than their FY 2006-07 allocation. (Sec. 32e)	Restricted	N/A	4,700,000
<b>8. Special Education Payment (Sec. 51a)</b>	<b>Gross</b>	<b>\$1,431,183,000</b>	<b>(\$16,000,000)</b>
<u>Exec and House</u> decreases funding by \$16.0 million to \$990.5 million to reflect changes in special education pupil counts and estimated special education costs.	Federal	424,700,000	0
	Restricted	1,006,483,000	(16,000,000)
<b>9. Newsline (Sec. 54c)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$80,000</b>
<u>House</u> allocates \$80,000 to the Department of Education to make Newsline electronically available statewide for the visually impaired.	GF/GP	N/A	80,000
<b>10. FIRST Robotics (Sec. 99h)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$300,000</b>
<u>Exec and House</u> allocate \$300,000 for competitive grants to districts that provide high school pupils with expanded opportunities to improve math, science, and technology skills by participating in the FIRST Robotics competition. Applicants must provide at least a 50% match from other private or local funds. (This program was funded in FY 2006-07 at \$150,000.)	Restricted	N/A	300,000
<b>11. Science Engineering Mathematics Aerospace Academy (Sec. 99m)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$100,000</b>
<u>House</u> allocates \$100,000 to Wayne State University for the SEMAA (science, engineering, mathematics, aerospace academy) program. SEMAA shall make available at no cost its program to all kindergarten through 12th graders.	Restricted	N/A	100,000
<b>12. Community College Access Grants (Sec. 99n)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,000,000</b>
<u>House</u> allocates \$1.0 million to districts and ISDs to enter into cooperative arrangements with community colleges to establish programs to allow students to complete community college courses and earn community college credit while enrolled in middle school or high school.	Restricted	N/A	1,000,000
<b>13. Cultural Access Grants (Sec. 99p)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$800,000</b>
<u>House</u> allocates \$800,000 for competitive grants to districts for programs that provide students with access to cultural, art, or music resources and experiences that are available in the community and that promote reading, literacy, and communications skills among students.	Restricted	N/A	800,000
<b>14. Assessment Testing Costs (Sec. 104)</b>	<b>Gross</b>	<b>\$34,200,000</b>	<b>\$600,000</b>
<u>Exec and House</u> increases funding by \$600,000 to begin to make secondary credit prototype assessments available to districts. Also replaces \$3.3 million in Federal funding with School Aid funds. Recommends transferring the federal funds to the MDE to develop a test item storage bank to assume responsibility for certain assessment functions currently done under contract.	Federal	8,800,000	(3,322,400)
	Restricted	25,400,000	3,922,400
<b>15. School Bond Loan Redemption Fund (Sec. 11j)</b>	<b>Gross</b>	<b>\$1,900,000</b>	<b>\$2,000,000</b>
<u>Exec and House</u> increases funding to make bond payments by \$2.0 million due to lower than anticipated market returns.	Restricted	\$1,900,000	\$2,000,000

## SCHOOL AID LINE-ITEM SUMMARY FY 2007-08



Sec.	Basic Foundation Allowance:	FY 2007-08		FY 2007-08		FY 2007-08	
		PA 137 of 2007 Year-to-Date	\$8,433	Change From YTD	Exec Rec. Supplemental	Change From YTD	House Supplemental as passed Appropriations HB 5531 (H-1)
				\$0	\$8,433	0	\$8,433
11f	Durant - Cash Payments	\$32,000,000		\$0	\$32,000,000	\$0	\$32,000,000
11g	Durant - Debt Service	\$141,000		\$0	\$141,000	\$0	\$141,000
11j	School Bond Redemption Fund	\$1,900,000		\$2,000,000	\$3,900,000	\$2,000,000	\$3,900,000
11m	Cash Flow Borrowing Costs	\$22,800,000		\$0	\$22,800,000	\$0	\$22,800,000
22a	Proposal A Obligation Payment	\$6,012,000,000		(\$61,000,000)	\$5,951,000,000	(\$61,000,000)	\$5,951,000,000
22b	Discretionary Payment	\$3,721,250,000		(\$40,000,000)	\$3,681,250,000	(\$40,000,000)	\$3,681,250,000
22d	Isolated School Districts	\$750,000		\$1,275,000	\$2,025,000	\$1,275,000	\$2,025,000
24	Court-Placed Pupils	\$8,000,000		\$0	\$8,000,000	\$0	\$8,000,000
24a	Juvenile Detention Facility Programs	\$3,103,400		\$0	\$3,103,400	\$0	\$3,103,400
24c	Challenge Program	\$1,283,900		\$0	\$1,283,900	\$0	\$1,283,900
26a	Renaissance Zone Reimbursement	\$50,000,000		\$0	\$50,000,000	\$0	\$50,000,000
26b	PILT Reimbursement	\$3,400,000		\$0	\$3,400,000	\$0	\$3,400,000
29	Declining Enrollment Grants	\$20,000,000		\$0	\$20,000,000	\$0	\$20,000,000
31a	"At Risk" Pupil Support	\$310,457,000		\$0	\$310,457,000	\$0	\$310,457,000
31a	Adolescent Health Centers	\$3,743,000		\$0	\$3,743,000	\$0	\$3,743,000
31a	Hearing and Vision Screening	\$5,150,000		\$0	\$5,150,000	\$0	\$5,150,000
31d	State School Lunch Programs	\$22,495,100		\$0	\$22,495,100	\$0	\$22,495,100
31d	Federal School Lunch Programs	\$332,506,000		\$0	\$332,506,000	\$0	\$332,506,000
31f	School Breakfast Program	\$9,625,000		\$0	\$9,625,000	\$0	\$9,625,000
31h	Mercy Education Project	\$0		\$0	\$0	\$100,000	\$100,000
32b	ECIC Collaborative Grants	\$1,750,000		\$0	\$1,750,000	\$750,000	\$2,500,000
32c	Early Childhood Grants	\$2,125,000		\$0	\$2,125,000	\$375,000	\$2,500,000
32d	School Readiness	\$81,179,100		\$0	\$81,179,100	\$0	\$81,179,100
32e	School Readiness - Hold Harmless	\$0		\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000
32j	Great Parents Great Start ISD programs	\$5,000,000		\$0	\$5,000,000	\$0	\$5,000,000
32l	School Readiness - Competitive	\$12,650,000		\$0	\$12,650,000	\$0	\$12,650,000
39a1	Federal "No Child Left Behind"	\$669,660,100		\$0	\$669,660,100	\$0	\$669,660,100
39a2	Other Federal Funding	\$32,411,000		\$0	\$32,411,000	\$0	\$32,411,000
41	Bilingual Education - State	\$2,800,000		\$0	\$2,800,000	\$0	\$2,800,000
51a	Special Education - Federal	\$424,700,000		\$0	\$424,700,000	\$0	\$424,700,000
51a	Special Education - State	\$1,006,483,000		(\$16,000,000)	\$990,483,000	(\$16,000,000)	\$990,483,000
54a	Special Education Evaluation Lending Library	\$250,000		\$0	\$250,000	\$0	\$250,000
54c	Newsline Grant	\$0		\$0	\$0	\$80,000	\$80,000
57	Advanced & Accelerated Program	\$285,000		\$0	\$285,000	\$0	\$285,000
61a	Vocational Education	\$30,000,000		\$0	\$30,000,000	\$0	\$30,000,000
62	ISD Voc. Ed Millage Equalization	\$9,000,000		\$0	\$9,000,000	\$0	\$9,000,000
64	Health/Science Middle College Program	\$2,000,000		\$0	\$2,000,000	\$0	\$2,000,000
65	Precollege Engineering	\$680,100		\$0	\$680,100	\$0	\$680,100
74	Bus Driver Safety Instruction	\$1,625,000		\$0	\$1,625,000	\$0	\$1,625,000

**SCHOOL AID LINE-ITEM SUMMARY FY 2007-08**



Sec.	Basic Foundation Allowance:
74	School Bus Inspections
81	ISD General Operations Support
94a	Center for Educational Performance (CEPI)
94a	CEPI Federal
98	Michigan Virtual High School (MVHS)
98	MVHS - Federal
99	Math/Science Centers - State
99	Math/Science Centers - Federal
99e	Financial Emergency District Funding
99h	FIRST Robotics
99i	Pontiac Crisis Intervention
99j	District Pilot Projects
99k	District Grants
99m	SEMAA Grants
99n	Community College Access Grants
99p	Cultural Access Grants
104	MEAP Testing - State
104	MEAP Testing - Federal
107	Adult Education - State
<b>TOTAL APPROPRIATIONS</b>	
<b>REVENUE BY SOURCE</b>	
Federal Aid	
School Aid Fund	
MPSER Reserve for Undistributed Investment	
School Aid Stabilization Fund	
General Fund/General Purpose	
<b>TOTAL REVENUE</b>	

FY 2007-08
PA 137 of 2007 Year-to-Date
\$8,433
\$1,400,800
\$80,912,000
\$2,435,400
\$3,543,200
\$2,250,000
\$3,250,000
\$3,500,000
\$4,456,000
\$125,000
\$0
\$300,000
\$500,000
\$1,950,000
\$0
\$0
\$0
\$25,400,000
\$8,800,000
\$24,000,000
<b>\$13,006,025,100</b>
\$1,479,326,300
\$11,491,789,200
\$0
\$0
\$34,909,600
<b>\$13,006,025,100</b>

FY 2007-08	
Change From YTD	Exec Rec. Supplemental
\$0	\$8,433
\$0	\$1,400,800
\$0	\$80,912,000
\$0	\$2,435,400
\$0	\$3,543,200
\$0	\$2,250,000
\$0	\$3,250,000
\$0	\$3,500,000
\$0	\$4,456,000
\$0	\$125,000
\$300,000	\$300,000
\$0	\$300,000
\$0	\$500,000
\$0	\$1,950,000
\$0	\$0
\$0	\$0
\$0	\$0
\$600,000	\$26,000,000
\$0	\$8,800,000
\$0	\$24,000,000
<b>(\$108,125,000)</b>	<b>\$12,897,900,100</b>
\$0	\$1,479,326,300
(\$108,125,000)	\$11,383,664,200
\$0	\$0
\$0	\$0
\$0	\$34,909,600
<b>(\$108,125,000)</b>	<b>\$12,897,900,100</b>

FY 2007-08	
Change From YTD	House Supplemental as passed Appropriations HB 5531 (H-1)
0	\$8,433
\$0	\$1,400,800
\$0	\$80,912,000
\$0	\$2,435,400
\$0	\$3,543,200
\$0	\$2,250,000
\$0	\$3,250,000
\$0	\$3,500,000
\$0	\$4,456,000
\$0	\$125,000
\$300,000	\$300,000
\$0	\$300,000
\$0	\$500,000
\$0	\$1,950,000
\$100,000	\$100,000
\$1,000,000	\$1,000,000
\$800,000	\$800,000
\$3,922,400	\$29,322,400
(\$3,322,400)	\$5,477,600
\$0	\$24,000,000
<b>(\$104,920,000)</b>	<b>\$12,901,105,100</b>
(\$3,322,400)	\$1,476,003,900
(\$101,597,600)	\$11,390,191,600
\$0	\$0
\$0	\$0
\$0	\$34,909,600
<b>(\$104,920,000)</b>	<b>\$12,901,105,100</b>