

SCHOOL AID
Summary: FY 2008-09 Supplemental Appropriations
HB 4721 (S-1): Senate Passed



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| | FY 2008-09 YTD | FY 2008-09 Executive | FY 2008-09 House | FY 2008-09 Senate | FY 2008-09 Enacted | Difference: Senate From FY 2008-09 YTD | |
|--------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------|--|--------------|
| | | | | | | Amount | % |
| IDG/IDT | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |
| Federal | 1,562,008,600 | 1,562,008,600 | 1,562,008,600 | 1,562,008,600 | 0 | 0 | 0.0 |
| Fed ARRA | 0 | 600,000,000 | 600,000,000 | 600,000,000 | 0 | 600,000,000 | NA |
| Private | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Restricted | 11,776,098,200 | 11,019,798,200 | 11,019,798,200 | 11,019,798,200 | 0 | (756,300,000) | (6.4) |
| GF/GP | 40,800,000 | 78,000,000 | 78,000,000 | 78,000,000 | 0 | 37,200,000 | 91.2 |
| Gross | \$13,378,906,800 | \$13,259,806,800 | \$13,259,806,800 | \$13,259,806,800 | \$0 | (\$119,100,000) | (0.9) |

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through May 15, 2009.

Overview

The School Aid budget makes appropriations to the state's 552 local school districts, 232 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.

| Major Budget Changes From FY 2008-09 YTD Appropriations | FY 2008-09 YTD | Senate Change From YTD |
|--|---|--|
| 1. Proposal A Obligation Payment (Sec. 22a) Exec. House and Senate reduce funding by \$84 million to incorporate estimates in taxable values and pupil membership blends. | Gross \$6,092,000,000 Restricted 6,092,000,000 | \$84,000,000 (84,000,000) |
| 2. Discretionary Payment (Sec. 22b) Exec. House and Senate reduce state funding by \$598.8 million to reflect lower School Aid Fund (SAF) revenue estimates and changes to the pupil membership estimates. Also appropriates \$600.0 million in Federal State Fiscal Stabilization funds to cover the shortfall. The fund shift will equal \$370 per pupil. | Gross \$3,796,750,000 Fed ARRA 0 Restricted 3,796,750,000 | \$1,250,000 600,000,000 (598,750,000) |
| 3. School Bond Redemption Fund (Sec. 11j) Exec. House and Senate increase by \$1.0 million to a total of \$40.0 million to reflect an increase in the estimated required payment. | Gross \$39,000,000 Restricted 39,000,000 | \$1,000,000 1,000,000 |
| 4. Small High School Infrastructure Program (Sec. 11n) Exec. House and Senate implement the intent of Executive Order 2009-22 by reducing funding by \$7.0 million. | Gross \$15,000,000 Restricted 15,000,000 | (\$7,000,000) (7,000,000) |
| 5. Renaissance Zone Reimbursement (Sec. 26a) Exec. House and Senate reduce funding by \$22.0 million to \$35.5 million as a result of changes from MBT-related personal property tax exemptions. Funding reimburses districts for lost local revenue from renaissance zones. | Gross \$57,500,000 Restricted 41,400,000 GF/GP \$16,100,000 | (\$22,000,000) (15,100,000) (\$6,900,000) |
| 6. Special Education Payment (Sec. 51a) Exec. House and Senate decrease funding by \$6.85 million to reflect estimated costs associated with educating special education students. | Gross \$1,448,483,000 Federal 424,700,000 Restricted 1,023,783,000 | (\$6,850,000) 0 (6,850,000) |
| 7. Center for Educational Performance-CEPI (Sec. 94a) Exec. House and Senate reduce CEPI operational funding by \$1.5 million. | Gross \$7,728,600 Federal 2,793,200 GF/GP \$4,935,400 | (\$1,500,000) 0 (\$1,500,000) |

Major Boilerplate Changes From FY 2007-08

Sec. 6(4)(r). Kindergarten Membership - REVISED

House and Senate delete language requiring that beginning in 2009-10, to receive a full foundation allowance for developmental kindergarten students, the instructional hours scheduled need to equal the hours required for grades 1-12 and language requiring kindergarten instructional hours for a full foundation allowance to equal 60% of the hours required for grades 1-12 for FY 2010-11 and 70% for FY 2011-12.

Sec. 31a. At-Risk Grants - REVISED

Senate increases the percentage that can be spent on school security from 15% to 20%.

Sec. 98a. Education Technology Grants- NEW

House provides legislative intent language that in FY 2009-10, there will be \$11.5 million in Federal ARRA Title II broadband access funds for competitive education technology grants to districts and partnerships to expand access to digital learning environments.

Senate concurs with House language with the following changes: 1) changes fund source to Federal ARRA Title VIII Ed Tech funding. 2) Revises the eligible online learning programs to full-time programs including 1,098 hours of instruction and certified teachers but waives current seat-time requirements such that the program can be done completely online.

SCHOOL AID LINE ITEM SUMMARY



| | | FY 2008-09 | | |
|-----------------------------|--|---------------------------|-------------------------|-------------------------|
| Sec. | Foundation Allowance Increases: | Enacted PA 268 of 2008 | Supplemental HB 4721 | Revised Year-To-Date |
| | | \$56 to \$112 | | |
| 11g | Durant - Debt Service | \$42,000,000 | | \$42,000,000 |
| 11j | School Bond Redemption Fund | \$39,000,000 | \$1,000,000 | \$40,000,000 |
| 11m | Cash Flow Borrowing Costs | \$45,000,000 | | \$45,000,000 |
| 11n | Small High School Infrastructure Program | \$15,000,000 | (\$7,000,000) | \$8,000,000 |
| 22a | Proposal A Obligation Payment | \$6,092,000,000 | (\$84,000,000) | \$6,008,000,000 |
| 22b | Discretionary Payment - State | \$3,796,750,000 | (\$598,750,000) | \$3,198,000,000 |
| 22b | Discretionary Payment - Federal ARRA | \$0 | \$600,000,000 | \$600,000,000 |
| 22d | Isolated District Funding | \$2,025,000 | | \$2,025,000 |
| 22e | MBT Impact on Out of Formula Districts | \$1,300,000 | | \$1,300,000 |
| 24 | Court-Placed Pupils | \$8,000,000 | | \$8,000,000 |
| 24a | Juvenile Detention Facility Programs | \$2,828,500 | | \$2,828,500 |
| 24c | Challenge Program | \$1,284,600 | | \$1,284,600 |
| 26a | Renaissance Zone Reimbursement | \$57,500,000 | (\$22,000,000) | \$35,500,000 |
| 26b | PILT Reimbursement | \$3,400,000 | | \$3,400,000 |
| 29 | Declining Enrollment Grants | \$20,000,000 | | \$20,000,000 |
| 31a | "At Risk" Pupil Support | \$310,457,000 | | \$310,457,000 |
| 31a(6) | Adolescent Health Centers | \$4,743,000 | | \$4,743,000 |
| 31a(7) | Hearing and Vision Screening | \$5,150,000 | | \$5,150,000 |
| 31d | State School Lunch Programs | \$22,495,100 | | \$22,495,100 |
| 31d | Federal School Lunch Programs | \$332,506,000 | | \$332,506,000 |
| 31f | School Breakfast Program | \$9,625,000 | | \$9,625,000 |
| 32b | ECIC Collaborative Grants | \$6,750,000 | | \$6,750,000 |
| 32c | Early Childhood Grants | \$2,125,000 | | \$2,125,000 |
| 32d | School Readiness - District Grants | \$88,379,100 | | \$88,379,100 |
| 32j | Great Parents Great Start ISD programs | \$5,000,000 | | \$5,000,000 |
| 32l | School Readiness - Competitive (transfer to 32d) | \$15,150,000 | | \$15,150,000 |
| 39a1 | Federal "No Child Left Behind" | \$752,987,500 | | \$752,987,500 |
| 39a2 | Other Federal Funding | \$32,559,700 | | \$32,559,700 |
| 41 | Bilingual Education - State | \$2,800,000 | | \$2,800,000 |
| 51a | Special Education - Federal | \$424,700,000 | | \$424,700,000 |
| 51a | Special Education - State | \$1,023,783,000 | (\$6,850,000) | \$1,016,933,000 |
| 54a | Special Education Evaluation Lending Library | \$100,000 | | \$100,000 |
| 54c | Newsline Grant | \$80,000 | | \$80,000 |
| 57 | Advanced & Accelerated Program | \$285,000 | | \$285,000 |
| 61a | Vocational Education | \$30,000,000 | | \$30,000,000 |
| 62 | ISD Voc. Ed Millage Equalization | \$9,000,000 | | \$9,000,000 |
| 64 | Health/Science Middle College Program | \$2,000,000 | | \$2,000,000 |
| 65 | Precollege Engineering Grants | \$980,100 | | \$980,100 |
| 74 | Bus Driver Safety Instruction | \$1,625,000 | | \$1,625,000 |
| 74 | School Bus Inspections | \$1,403,500 | | \$1,403,500 |
| 81 | ISD General Operations Support | \$81,721,100 | | \$81,721,100 |
| 94a | Center for Educational Performance (CEPI) | \$4,935,400 | (\$1,500,000) | \$3,435,400 |
| 94a | CEPI - Federal | \$2,793,200 | | \$2,793,200 |
| 98 | Michigan Virtual High School (MVHS) | \$2,250,000 | | \$2,250,000 |
| 98 | MVHS - Federal | \$2,700,000 | | \$2,700,000 |
| 99 | Math/Science Centers - State | \$3,500,000 | | \$3,500,000 |
| 99 | Math/Science Centers - Federal | \$5,249,300 | | \$5,249,300 |
| 99a | Math Remediation Grants | \$725,000 | | \$725,000 |
| 99e | Financial Emergency District Funding | \$125,000 | | \$125,000 |
| 99i | Pontiac Crisis Intervention | \$300,000 | | \$300,000 |
| 99j | District Pilot Projects | \$1,500,000 | | \$1,500,000 |
| 99k | District Grants | \$850,000 | | \$850,000 |
| 99p | Cultural Access Grants | \$100,000 | | \$100,000 |
| 104 | MEAP Testing - State | \$28,872,800 | | \$28,872,800 |
| 104 | MEAP Testing - Federal | \$8,512,900 | | \$8,512,900 |
| 107 | Adult Education - State | \$24,000,000 | | \$24,000,000 |
| TOTAL APPROPRIATIONS | | \$13,378,906,800 | (\$119,100,000) | \$13,259,806,800 |
| REVENUE BY SOURCE | | | | |
| | Federal Aid | \$1,562,008,600 | \$0 | \$1,562,008,600 |
| | Federal ARRA | \$0 | \$600,000,000 | \$600,000,000 |
| | School Aid Fund | \$11,776,098,200 | (\$756,300,000) | \$11,019,798,200 |
| | General Fund/General Purpose | \$40,800,000 | \$37,200,000 | \$78,000,000 |
| TOTAL REVENUE | | \$13,378,906,800 | (\$119,100,000) | \$13,259,806,800 |