



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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[House Bill is H.B. 5372](#)

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<b>FY 2012-13 Senate-Passed Gross Appropriation.....</b>	<b>\$12,712,649,200</b>
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**House Changes to Senate-Passed:**

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|---|---------------|
| 1. <b>MPSERS Reimbursement.</b> House funded the MPSERS categorical at \$248.5 million. Senate eliminated this funding, and directed it to the foundation.  | 248,506,300   |
| 2. <b>Best Practices.</b> House funded the Best Practices categorical at \$115.0 million. Senate eliminated this funding, and directed it to the foundation.  | 115,000,000   |
| 3. <b>Pupil Performance.</b> House did not fund Pupil Performance grants; Senate funded these grants at \$40.0 million.   | (40,000,000)  |
| 4. <b>Technology Infrastructure Grants.</b> House funded a new grant program designed to provide dollars to districts for building infrastructure related to technology needs.                                  | 75,000,000    |
| 5. <b>Kindergarten Savings.</b> House did not assume \$50.0 million in savings (assumed by the Senate) would materialize from the change in funding for half-day kindergarten.                                  | 50,000,000    |
| 6. <b>Foundation Allowance.</b> House did not increase the foundation allowance as proposed by the Senate. Instead, as listed above, House funded MPSERS, Best Practices, and Technology Infrastructure grants. | (303,000,000) |
| 7. <b>Class-Size and Wayne-Westland.</b> House did not include restoration of class-size reduction grants or 50% funding for Wayne-Westland.  | (14,800,000)  |
| 8. <b>Computer Adaptive Testing.</b> House did not fund the Computer Adaptive Test that was funded in the Senate bill. (Both Senate and House did fund the MEAP.)   | (18,000,000)  |
| 9. <b>Great Start Readiness Grants.</b> House did not include the \$10.0 million increase in Great Start Readiness Program funding that was included by the Senate.   | (10,000,000)  |
| 10. <b>Education Reserve Fund.</b> House did not include the \$6.0 million appropriated by the Senate for a new Education Reserve Fund.   | (6,000,000)   |
| 11. <b>Vocational Education Increase.</b> House increased funding for vocational education reimbursement by \$3.4 million.  | 3,388,700     |
| 12. <b>Renaissance Zone Reimbursements for Libraries.</b> House included a restoration of Renaissance Zone reimbursements for public libraries.   | 3,000,000     |
| 13. <b>Intermediate School District (ISD) Best Practices.</b> While both the House and Senate included new funding for ISD best practices, House funded the program \$1.1 million more than the Senate version. | 1,105,000     |
| 14. <b>Math/Science and STEM.</b> House did not concur with the Senate's increase for math and science centers focused Science, Technology, Engineering, and Math (STEM).                                       | (100,000)     |

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Total Changes .....	\$104,100,000
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<b>FY 2012-13 House-Passed Gross Appropriation.....</b>	<b>\$12,816,749,200</b>
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**Changes from FY 2012-13 Senate-Passed:**

1. **Pupil Count Days.** House included language stating the intent to move away from the current two-count per year system, to a system of counting students eight times a year. (Sec. 6)
2. **Alternative and Vocational Education Boundaries.** House did not include Senate language allowing districts to operate alternative and vocational education programs outside of their boundaries, in the event the resident district does not provide such educational services. (Sec. 6)
3. **Study of Categoricals and Renaming of School Aid Fund.** House did not include two sections added by the Senate stating the intent to study categoricals to determine if they should be rolled into the base foundation allowance, and to rename the School Aid Fund as the Comprehensive Education Fund. (Sections 11t and 11u)
4. **Data Reporting Systems.** House included new language stating the intent to move to a single statewide data collection reporting system, or a limited number of systems approved by the Department. (Sec. 19)
5. **Early Childhood Block Grant.** House did not concur with the Senate to roll three early childhood categoricals into one block grant, to be distributed to ISDs. (Sections 32b, 32j, 32L in current law; Sec. 32p in Senate bill)
6. **Special Education Itinerant Lapsing Funds.** House included a phase-out of the language that allows for lapsing special education dollars to be redistributed to ISDs affected by itinerant caps enacted in 2003-04. (Sec. 51a(7))
7. **Grants for Principal Training.** House added language requiring the Department to, at a minimum, approve all training programs recommended by the Governor's Council on Educator Effectiveness, as eligible grantees under this new principal training program. (Sec. 95)
8. **Michigan Virtual University.** House did not concur with the Senate/Governor to allow the Michigan Virtual University to appoint an advisory council to make recommendations to accelerate innovation in the education system. (Sec. 98)
9. **District Reporting on Planned Instructional Hours.** House did not concur with Senate's proposal to remove a reporting requirement from districts on their planned instructional hours. (Sec. 101)
10. **Deficit Elimination Plans.** House did not concur with Senate to include a requirement that districts with approved deficit elimination plans post those plans on the districts' web sites. (Sec. 102)
11. **FY 2011-12 MPSERS Reserve.** House did not concur with the Senate to amend the current-year purpose for Section 147b, the MPSERS Reserve for Reforms. Senate proposed to appropriate this money to pay for the additional costs employers will face in the short-run associated with the "401k for health" for new hires proposed under Senate Bill 1040. (Sec. 147b)

Date Completed: 4-30-12

Fiscal Analyst: Kathryn Summers



**FY 2011-12 Year-to-Date Appropriations and  
FY 2012-13 Governor, Senate, and House Recommendations  
(Dollars in Thousands)**

Line Item Description	Year-to-Date* FY 2011-12	FY 2012-13 GOVERNOR		FY 2012-13 SENATE		FY 2012-13 HOUSE	
		Change from FY 12 Year-to-Date	Governor's Rec Appropriations	Change from FY 12 Year-to-Date	Senate Passed Appropriations	Change from FY 12 Year-to-Date	House Passed Appropriations
Sec. 11g Durant Non-plaintiff Debt Service	\$39,000.0	\$0.0	\$39,000.0	\$0.0	\$39,000.0	\$0.0	\$39,000.0
Sec. 11j School Bond Loan Fund Payments - Debt Service	\$93,575.3	\$26,814.7	\$120,390.0	\$26,814.7	\$120,390.0	\$0.0	\$120,390.0
Sec. 11m Cash Flow Borrowing Costs	\$8,500.0	\$1,500.0	\$10,000.0	\$1,500.0	\$10,000.0	\$0.0	\$10,000.0
Sec. 11p Education Jobs Fund	\$4,700.0	(\$4,700.0)	\$0.0	(\$4,700.0)	\$0.0	\$0.0	\$0.0
Sec. 11s Education Reserve Fund - NEW	\$0.0	\$0.0	\$0.0	\$6,000.0	\$6,000.0	(\$6,000.0)	\$0.0
Sec 22a Proposal A Obligation Payment	\$5,769,000.0	(\$62,000.0)	\$5,707,000.0	(\$62,000.0)	\$5,707,000.0	\$0.0	\$5,707,000.0
Sec. 22b Discretionary Payment - State	\$3,052,000.0	(\$25,000.0)	\$3,027,000.0	\$292,800.0	\$3,344,800.0	(\$267,800.0)	\$3,077,000.0
Sec. 22d Isolated Districts Funding	\$2,025.0	\$0.0	\$2,025.0	\$0.0	\$2,025.0	\$0.0	\$2,025.0
Sec. 22e MBT Impact on Out-of-Formula Districts	\$700.0	(\$700.0)	\$0.0	(\$700.0)	\$0.0	\$0.0	\$0.0
Sec. 22f Best Practices	\$154,000.0	\$36,000.0	\$190,000.0	(\$154,000.0)	\$0.0	\$115,000.0	\$115,000.0
Sec. 22g Consolidation Innovation Grants - NEW	\$0.0	\$10,000.0	\$10,000.0	\$10,000.0	\$10,000.0	\$0.0	\$10,000.0
Sec. 22h - Emergency Transition Grants	\$4,000.0	(\$4,000.0)	\$0.0	(\$4,000.0)	\$0.0	\$0.0	\$0.0
Sec. 22i Pupil Performance - NEW	\$0.0	\$0.0	\$0.0	\$40,000.0	\$40,000.0	\$35,000.0	\$75,000.0
Sec. 24 Court-Placed Pupils	\$8,000.0	\$0.0	\$8,000.0	\$0.0	\$8,000.0	\$0.0	\$8,000.0
Sec. 24a Juvenile Detention Facilities	\$2,114.8	\$21.0	\$2,135.8	\$21.0	\$2,135.8	\$0.0	\$2,135.8
Sec. 24c Challenge Program	\$765.6	\$0.0	\$765.6	\$734.4	\$1,500.0	\$0.0	\$1,500.0
Sec. 26a Renaissance Zone Costs	\$26,300.0	\$0.0	\$26,300.0	\$0.0	\$26,300.0	\$3,000.0	\$29,300.0
Sec. 26b PILT Reimbursement	\$1,838.0	\$0.0	\$1,838.0	\$0.0	\$1,838.0	\$0.0	\$1,838.0
Sec. 31a "At Risk" Pupil Support	\$308,988.2	\$0.0	\$308,988.2	\$0.0	\$308,988.2	\$0.0	\$308,988.2
Sec. 31a Vision/Hearing Screening	\$5,150.0	\$0.0	\$5,150.0	\$0.0	\$5,150.0	\$0.0	\$5,150.0
Sec. 31a Child and Adolescent Health Centers	\$3,557.3	\$0.0	\$3,557.3	\$0.0	\$3,557.3	\$0.0	\$3,557.3
Sec. 31d School Lunch Programs - State Share	\$22,495.1	\$0.0	\$22,495.1	\$0.0	\$22,495.1	\$0.0	\$22,495.1
Sec. 31d School Lunch Programs - Federal Share	\$402,506.0	\$0.0	\$402,506.0	\$0.0	\$402,506.0	\$0.0	\$402,506.0
Sec. 31f School Breakfast	\$9,625.0	\$0.0	\$9,625.0	\$0.0	\$9,625.0	\$0.0	\$9,625.0
Sec. 32b Great Start - ECIC Collaborative Grants	\$5,900.0	\$0.0	\$5,900.0	(\$5,900.0)	\$0.0	\$5,900.0	\$5,900.0
Sec. 32d Great Start - School Readiness	\$95,700.0	\$0.0	\$95,700.0	\$10,000.0	\$105,700.0	(\$10,000.0)	\$95,700.0
Sec. 32g Early Learning Assessment, Quality Rating - NEW	\$12,500.0	(\$12,500.0)	\$0.0	(\$12,500.0)	\$0.0	\$0.0	\$0.0
Sec. 32j Great Start - ISD 0-5 Grants	\$5,000.0	\$0.0	\$5,000.0	(\$5,000.0)	\$0.0	\$5,000.0	\$5,000.0
Sec. 32l Great Start - School Readiness to Non-Districts	\$8,875.0	\$0.0	\$8,875.0	(\$8,875.0)	\$0.0	\$8,875.0	\$8,875.0
Sec. 32p Great Start Early Childhood Block Grants - NEW	\$0.0	\$0.0	\$0.0	\$19,775.0	\$19,775.0	(\$19,775.0)	\$0.0
Sec. 39a(1) NCLB Federal DOE Grants	\$761,973.6	\$50,354.9	\$812,328.5	\$50,354.9	\$812,328.5	\$0.0	\$812,328.5
Sec 39a(2) Other Non-NCLB Federal DOE Grants	\$32,359.7	\$1,154.4	\$33,514.1	\$1,154.4	\$33,514.1	\$0.0	\$33,514.1
Sec. 51c Special Education Headlee - State Share	\$647,500.0	\$25,400.0	\$672,900.0	\$25,400.0	\$672,900.0	\$0.0	\$672,900.0
Sec. 51a(2) Spec. Ed. Foundations - State Share	\$247,000.0	\$10,300.0	\$257,300.0	\$10,300.0	\$257,300.0	\$0.0	\$257,300.0
Sec. 51a(3) Spec. Ed. Hold Harmless to ISDs - State Share	\$1,000.0	\$0.0	\$1,000.0	\$0.0	\$1,000.0	\$0.0	\$1,000.0
Sec. 51a(12) Spec. Ed. Non Sec. 52 to ISDs - State Share	\$5,000.0	(\$200.0)	\$4,800.0	(\$200.0)	\$4,800.0	\$0.0	\$4,800.0
Sec. 51a(6) Spec. Ed. Rules Change - State Share	\$2,200.0	\$0.0	\$2,200.0	\$0.0	\$2,200.0	\$0.0	\$2,200.0
Sec. 53a Court-Placed Spec. Ed. FTEs - State Share	\$13,500.0	\$0.0	\$13,500.0	\$0.0	\$13,500.0	\$0.0	\$13,500.0
Sec. 54 MI School for Deaf and Blind - State Share	\$1,688.0	\$0.0	\$1,688.0	\$0.0	\$1,688.0	\$0.0	\$1,688.0
Sec. 56 Spec. Ed. Millage Equalization - State Share	\$36,881.1	\$0.0	\$36,881.1	\$0.0	\$36,881.1	\$0.0	\$36,881.1

\*Note: FY 2011-12 Year-to-Date also reflects proposed Sec. 147b change



**FY 2011-12 Year-to-Date Appropriations and  
FY 2012-13 Governor, Senate, and House Recommendations  
(Dollars in Thousands)**

<u>Line Item Description</u>	Year-to-Date* FY 2011-12	FY 2012-13 GOVERNOR		FY 2012-13 SENATE		FY 2012-13 HOUSE	
		Change from FY 12 Year-to-Date	Governor's Rec Appropriations	Change from FY 12 Year-to-Date	Senate Passed Appropriations	Change from FY 12 Year-to-Date	House Passed Appropriations
Sec. 51a Special Education - Federal IDEA	\$363,400.0	\$1,600.0	\$365,000.0	\$1,600.0	\$365,000.0	\$0.0	\$365,000.0
Sec. 51d Special Education - Other Federal	\$74,000.0	\$0.0	\$74,000.0	\$0.0	\$74,000.0	\$0.0	\$74,000.0
Sec. 61a Vocational Education	\$26,611.3	\$0.0	\$26,611.3	\$0.0	\$26,611.3	\$3,388.7	\$30,000.0
Sec. 62 ISD Vocational Ed Millage Equalization	\$9,000.0	\$0.0	\$9,000.0	\$0.0	\$9,000.0	\$0.0	\$9,000.0
Sec. 74 Bus Driver Safety Instruction	\$1,625.0	\$0.0	\$1,625.0	\$0.0	\$1,625.0	\$0.0	\$1,625.0
Sec. 74 School Bus Inspections	\$1,608.9	\$26.0	\$1,634.9	\$26.0	\$1,634.9	\$0.0	\$1,634.9
Sec. 81 ISD General Operations Support	\$62,108.0	\$0.0	\$62,108.0	\$0.0	\$62,108.0	\$0.0	\$62,108.0
Sec. 81(7) ISD Best Practices - NEW	\$0.0	\$0.0	\$0.0	\$2,000.0	\$2,000.0	\$1,105.0	\$3,105.0
Sec. 93 State Aid to Libraries	\$1,304.3	\$0.0	\$1,304.3	\$0.0	\$1,304.3	\$0.0	\$1,304.3
Sec. 94a Center for Educ. Perf. and Information - State Share	\$5,768.7	\$3,449.7	\$9,218.4	\$3,449.7	\$9,218.4	\$0.0	\$9,218.4
Sec. 94a Center for Educ. Perf. and Information - Federal	\$2,893.2	(\$2,699.7)	\$193.5	(\$2,699.7)	\$193.5	\$0.0	\$193.5
Sec. 95 Principal Educator Evaluation Training - NEW	\$0.0	\$1,750.0	\$1,750.0	\$1,750.0	\$1,750.0	\$0.0	\$1,750.0
Sec. 98 Michigan Virtual High School - State	\$1,687.5	\$2,700.0	\$4,387.5	\$2,700.0	\$4,387.5	\$0.0	\$4,387.5
Sec. 98 Michigan Virtual High School - Federal	\$2,700.0	(\$2,700.0)	\$0.0	(\$2,700.0)	\$0.0	\$0.0	\$0.0
Sec. 99 Math/Science Centers - State	\$2,625.0	\$0.0	\$2,625.0	\$100.0	\$2,725.0	(\$100.0)	\$2,625.0
Sec. 99 Math/Science Centers - Federal	\$5,249.3	\$0.0	\$5,249.3	\$0.0	\$5,249.3	\$0.0	\$5,249.3
Sec. 104 MEAP Testing - State Share	\$35,194.4	(\$8,500.0)	\$26,694.4	(\$8,500.0)	\$26,694.4	\$0.0	\$26,694.4
Sec. 104 MEAP Testing - Federal Share	\$8,250.0	\$0.0	\$8,250.0	\$0.0	\$8,250.0	\$0.0	\$8,250.0
Sec. 104c Computer Adaptive Testing - NEW	\$0.0	\$0.0	\$0.0	\$18,000.0	\$18,000.0	(\$18,000.0)	\$0.0
Sec. 107 Adult Education - State	\$22,000.0	\$0.0	\$22,000.0	\$0.0	\$22,000.0	\$0.0	\$22,000.0
Sec. 147a MPSERS One-Time Cost Offset	\$155,000.0	\$24,000.0	\$179,000.0	(\$155,000.0)	\$0.0	\$248,506.3	\$248,506.3
Sec. 147b MPSERS Reserve for Retirement Obligation Reform	\$110,000.0	(\$110,000.0)	\$0.0	(\$110,000.0)	\$0.0	\$0.0	\$0.0
Sec. 152. Adair v State of Michigan	\$34,064.5	\$3,936.0	\$38,000.5	\$3,936.0	\$38,000.5	\$0.0	\$38,000.5
<b>TOTAL SCHOOL AID APPROPRIATIONS</b>	<b>\$12,721,007.8</b>	<b>(\$33,993.0)</b>	<b>\$12,687,014.8</b>	<b>(\$8,358.6)</b>	<b>\$12,712,649.2</b>	<b>\$104,100.0</b>	<b>\$12,816,749.2</b>
<b>TOTAL REVENUE</b>							
Federal Aid	\$1,653,331.8	\$47,709.6	\$1,701,041.4	\$47,709.6	\$1,701,041.4	\$0.0	\$1,701,041.4
School Aid Fund (SAF)	\$10,944,333.6	(\$158,360.2)	\$10,785,973.4	(\$229,242.2)	\$10,715,091.4	\$67,616.4	\$10,782,707.8
General Fund/General Purpose	\$118,642.4	\$81,357.6	\$200,000.0	\$177,874.0	\$296,516.4	\$36,483.6	\$333,000.0
Federal Education Jobs Fund	\$4,700.0	(\$4,700.0)	\$0.0	(\$4,700.0)	\$0.0	\$0.0	\$0.0
<b>TOTAL REVENUE</b>	<b>\$12,721,007.8</b>	<b>(\$33,993.0)</b>	<b>\$12,687,014.8</b>	<b>(\$8,358.6)</b>	<b>\$12,712,649.2</b>	<b>\$104,100.0</b>	<b>\$12,816,749.2</b>

\*Note: FY 2011-12 Year-to-Date also reflects proposed Sec. 147b change