

**FY 2013-14: SCHOOL AID SUPPLEMENTAL
Summary: As Reported from Committee
House Bill 4295 (H-2)**



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	FY 2013-14 YTD as of 2/5/14	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	<i>Difference: House From FY 2013-14 YTD Amount %</i>	
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	1,764,421,300	1,816,158,800	1,816,158,800	0	\$0	51,737,500	2.9
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	11,367,382,300	11,258,332,300	11,262,432,300	0	0	(104,950,000)	(0.9)
GF/GP	234,900,000	234,900,000	241,500,000	0	0	6,600,000	2.8
Gross	\$13,366,703,600	\$13,309,391,100	\$13,320,091,100	\$0	\$0	(\$46,612,500)	(0.3)

Note: FY 2013-14 year-to-date (YTD) figures include mid-year budget adjustments through February 5, 2014.

Overview

The School Aid budget makes appropriations to the state's 548 local school districts, 296 public school academies, the Education Achievement System, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2013-14 House Change
1. Federal Early Learning Challenge Grant (Sec. 32r)	Gross	N/A	\$51,737,500
Reflects Michigan's receipt of a federal Race to the Top – Early Learning Challenge Grant of \$51.7 million. Funds would be spent according to the state's application which focused on 6 objectives:	Federal	N/A	51,737,500
<ul style="list-style-type: none"> Increasing access for high needs children to high-quality learning programs. Increasing opportunities to improve quality of licensed and unlicensed subsidized home care providers. Improving family engagement in children's early learning and development. Expanding efforts to promote children's physical, social, and emotional health. Increasing professional development for early learning care providers. Developing an early learning data system to monitor and evaluate quality standards of individual programs. 			
Funds would be spent over 4 years and would be designated as a work project with an estimated completion date of September 30, 2018.			
2. Foundation Allowances (Secs. 22a and 22b)	Gross	\$8,946,400,000	(\$49,400,000)
Decreases total funding for foundation allowances by \$49.4 million to reflect reduced costs related to revised consensus estimates for taxable values and pupil memberships.	Restricted	8,742,797,600	(49,150,000)
	GF/GP	\$203,602,400	(\$250,000)
3. Special Education Funding (Secs. 51a, 51c, 51d, 53a, 54, 56)	Gross	\$1,424,446,100	(\$60,600,000)
Decreases by \$60.6 million to a total of \$919.8 million in SAF to adjust for consensus estimates for lower than anticipated growth in special education reimbursement costs.	Federal	444,000,000	0
	Restricted	980,446,100	(60,600,000)

<u>Major Budget Changes From FY 2013-14 YTD Appropriations</u>		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2013-14 House Change
4. Dissolved District Transition Grants (Sec. 20g)	Gross	\$2,200,000	\$5,000,000
Increases by \$5.0 million to provide for building demolition or other costs including maintenance, utilities, security, and insurance incurred by receiving districts related to the buildings they inherited from the dissolution of Buena Vista and Inkster school districts. Caps the total reimbursable costs per dissolved district at \$2.5 million. The appropriation would be a work project through FY 2014-15.	Restricted	0	5,000,000
	GF/GP	\$2,200,000	\$0
5. Information Technology Certifications (Sec. 64d)	Gross	N/A	\$3,900,000
Provides \$3.9 million for a contract with a single provider to be awarded through a competitive bid process to provide information technology education opportunities to high school, career academy, and community college students to secure broad-based information technology certifications and college credit. The appropriation would be a work project to be spent over 3 years.	GF/GP	N/A	\$3,900,000
6. MPERS - State Share of Unfunded Liabilities (Sec. 147c)	Gross	\$404,600,000	\$2,200,000
Increases by \$2.2 million to a total of \$406.8 million to cover the share of the UAL costs that would have been paid by the Buena Vista and Inkster school districts had they not been dissolved.	Restricted	403,300,000	2,200,000
	GF/GP	\$1,300,000	\$0
7. Health and Nutrition Education Software (Sec. 31g)	Gross	N/A	\$1,800,000
Provides \$1.8 million for a contract with a single provider to be awarded through a competitive bid process to provide personal user health and nutrition data through secure dashboards to pupils and faculty in school district and ISDs for three years. Requires a report after three years on increase in the number of healthy food options offered in school cafeterias, increase in participation in school athletic and physical activities, increased in the software program participation and longevity of users, and alignment to the DCH Michigan Health and Wellness 4x4 plan.	GF/GP	N/A	\$1,800,000
8. Cash Flow Borrowing Costs (Sec. 11m)	Gross	\$4,000,000	(\$1,500,000)
Decreases costs from \$4.0 million to \$2.5 million to reflect lower than anticipated interest rates and reduced need for short-term borrowing related to the School Aid Fund.	Restricted	4,000,000	(1,500,000)
9. Advanced Placement Incentive Program (Sec. 94)	Gross	N/A	\$250,000
Provides \$250,000 to pay for some or all of Advanced Placement (AP) and International Baccalaureate (IB) test fees for low-income students.	GF/GP	N/A	\$250,000

Major Boilerplate Changes From FY 2012-13

Sec. 21f. Online Courses – REVISED

Revises to include ISDs as allowable providers of online courses to align with current MDE guidance.

Sec. 22g. Consolidation Innovation Grants – REVISED

Revises to return to FY 2012-13 statutory language allowing grants to be awarded based on the consolidation of operations or services between 2 or more districts or ISDs or other local units of government in addition to current law which rewards only consolidation of whole districts or ISDs.

Sec. 99h. FIRST Robotics – REVISED

Revises to allow more flexibility in making awards among the three allocations which currently caps each of the following at \$1.0 million: coaching stipends, expenses related to preparation and attendance at FIRST tech challenge and FIRST robotics competitions, and awards to teams that advance to state and world championship competitions. Also would make the appropriation a work project such that unexpended funds would carry over into FY 2014-15 for the same purpose.

Sec. 101. Days and Hours of Instruction – REVISED

Revises to clarify that language added to increase the number of instructional days required from 170 to 175 and language disallowing up to 38 hours of professional development from counting as instructional hours, both beginning in 2014-2015, would not apply to collective bargaining agreements that were in effect prior to the effective date of the amendatory language, which was October 1, 2013. Also strikes a provision that requires that districts provide at least the number of instructional days that they provided in 2009-2010.

SCHOOL AID LINE ITEM SUMMARY



Sec.	
11g	Durant - Debt Service
11j	School Bond Redemption Fund
11m	Cash Flow Borrowing Costs
20f	Hold Harmless Grants
20g	Dissolved District Transition Grants
22a	Foundations: Proposal A Obligation Payment
22b	Foundations: Discretionary Payment
22c	Foundations: Equity Payment
22d	Isolated District Funding
22f	Best Practices Incentive Grants
22g	Consolidation Innovation Grants
22i	Technology Infrastructure Improvement Grants
22j	District Performance Funding
22k	Competitive Student-Centric Grants
24	Court-Placed Pupils
24a	Juvenile Detention Facility Programs
24c	Youth ChalleNGe Program
26a	Renaissance Zone Reimbursement
26b	PILT Reimbursement
26c	Promise Zone Funding
31a	"At Risk" Pupil Support
31a(6)	School Based Health Centers
31a(7)	Hearing and Vision Screening
31d	State School Lunch Programs
31d	Federal School Lunch Programs
31f	School Breakfast Program
31g	Health and Nutrition Education Software - NEW
32d	Great Start School Readiness
32p	Early Childhood Block Grants
32r	Federal RTTT Early Learning Challenge Grants - NEW
39a1	Federal "No Child Left Behind"
39a2	Other Federal Funding
41	Bilingual Education Grants
51a(1)	Special Education - Federal Reimbursement
51a(2)	Special Ed ISD Foundation and Costs
51a(3)	Special Ed ISD Hold Harmless Payment
51a(6)	Special Ed Admin Rules Changes
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs
51c	Special Ed Headlee Obligation (Durant)
51d	Special Education - Other Federal Grants
53a	Special Ed for Court Placed Pupils
54	Special Ed Michigan School Blind/Deaf
56	Special Ed ISD Millage Equalization
61a	Career and Technical Education Programs
62	ISD Vocational Education Millage Equalization
64a	High School/Post Secondary Credit Transfers
64d	Information Technology Certifications - NEW
74	Bus Driver Safety Instruction
74	School Bus Inspections

FY 2013-14		
YTD	Supplemental Revisions from YTD	HB 4295 (H-2) Supplemental
\$39,500,000		\$39,500,000
\$131,660,000		\$131,660,000
\$4,000,000	(\$1,500,000)	\$2,500,000
\$6,000,000		\$6,000,000
\$2,200,000	\$5,000,000	\$7,200,000
\$5,536,700,000	(\$10,700,000)	\$5,526,000,000
\$3,373,700,000	(\$38,700,000)	\$3,335,000,000
\$36,000,000		\$36,000,000
\$2,584,600		\$2,584,600
\$80,000,000		\$80,000,000
\$5,000,000		\$5,000,000
\$50,000,000		\$50,000,000
\$46,400,000		\$46,400,000
\$8,000,000		\$8,000,000
\$8,000,000		\$8,000,000
\$2,167,500		\$2,167,500
\$1,500,000		\$1,500,000
\$29,500,000		\$29,500,000
\$4,009,500		\$4,009,500
\$266,200		\$266,200
\$308,988,200		\$308,988,200
\$3,557,300		\$3,557,300
\$5,150,000		\$5,150,000
\$22,495,100		\$22,495,100
\$463,200,000		\$463,200,000
\$5,625,000		\$5,625,000
\$0	\$1,800,000	\$1,800,000
\$174,575,000		\$174,575,000
\$10,900,000		\$10,900,000
\$0	\$51,737,500	\$51,737,500
\$811,828,500		\$811,828,500
\$31,700,000		\$31,700,000
\$1,200,000		\$1,200,000
\$370,000,000		\$370,000,000
\$257,800,000	(\$10,800,000)	\$247,000,000
\$1,000,000		\$1,000,000
\$2,200,000		\$2,200,000
\$4,300,000	(\$800,000)	\$3,500,000
\$662,200,000	(\$49,000,000)	\$613,200,000
\$74,000,000		\$74,000,000
\$13,500,000		\$13,500,000
\$1,688,000		\$1,688,000
\$37,758,100		\$37,758,100
\$27,611,300		\$27,611,300
\$9,190,000		\$9,190,000
\$1,000,000		\$1,000,000
\$0	\$3,900,000	\$3,900,000
\$1,625,000		\$1,625,000
\$1,674,000		\$1,674,000

SCHOOL AID LINE ITEM SUMMARY



81	ISD General Operations Support
94	Advanced Placement (AP) Incentive Program - NEW
94a	Center for Educational Performance
94a	Center for Educational Performance - Federal
95	Principal Educator Evaluation Training
98	Michigan Virtual School
99	Math and Science Centers - State
99	Math and Science Centers - Federal
99h	FIRST Robotics
104	Student Assessments - State
104	Student Assessments - Federal
107	Adult Education
147a	MPERS Cost Offset
147c	MPERS Prefunding - Unfunded Liability Payments
152a	Adair - Database Payment
TOTAL APPROPRIATIONS	

FY 2013-14		
YTD	Supplemental Revisions from YTD	HB 4295 (H-2) Supplemental
\$64,115,000		\$64,115,000
\$0	\$250,000	\$250,000
\$9,535,100		\$9,535,100
\$193,500		\$193,500
\$500,000		\$500,000
\$9,387,500		\$9,387,500
\$3,225,000		\$3,225,000
\$5,249,300		\$5,249,300
\$3,000,000		\$3,000,000
\$26,694,400		\$26,694,400
\$8,250,000		\$8,250,000
\$22,000,000		\$22,000,000
\$100,000,000		\$100,000,000
\$404,600,000	\$2,200,000	\$406,800,000
\$38,000,500		\$38,000,500
\$13,366,703,600	(\$46,612,500)	\$13,320,091,100

REVENUE BY SOURCE	
Federal Aid	
School Aid Fund	
MPERS Reserve Fund	
General Fund/General Purpose	
TOTAL REVENUE	

\$1,764,421,300	\$51,737,500	\$1,816,158,800
\$11,211,382,300	(\$104,950,000)	\$11,106,432,300
\$156,000,000		\$156,000,000
\$234,900,000	\$6,600,000	\$241,500,000
\$13,366,703,600	(\$46,612,500)	\$13,320,091,100