



**SCHOOL AID
H.B. 4447**

06/25/2009

Analyst: Kathryn Summers and Debra Hollon

Phone: 3-2768

FULL-TIME EQUATED (FTE) POSITIONS/ FUNDING SOURCE	FY 2008-09 YEAR-TO-DATE	FY 2009-10 GOV'S REC.	FY 2009-10	FY 2009-10	CHANGES FROM FY 2008-09 YEAR-TO-DATE						
			SENATE	HOUSE	GOVERNOR		SENATE		HOUSE		
			PASSED	PASSED	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	
FTE Positions.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GROSS.....	13,371,906,800	12,963,600,000	12,743,964,400	13,132,308,775	(408,306,800)	(3.1)	(627,942,400)	(4.7)	(239,598,025)	(1.8)	
Less:											
Interdepartmental Grants Received.....	0	0	0	0	0	0.0	0	0.0	0	0.0	
ADJUSTED GROSS.....	13,371,906,800	12,963,600,000	12,743,964,400	13,132,308,775	(408,306,800)	(3.1)	(627,942,400)	(4.7)	(239,598,025)	(1.8)	
Less:											
Federal Funds.....	1,562,008,600	1,561,809,400	2,195,909,400	1,781,883,675	(199,200)	(0.0)	633,900,800	40.6	219,875,075	14.1	
Local and Private.....	0	0	0	0	0	0.0	0	0.0	0	0.0	
TOTAL STATE SPENDING.....	11,809,898,200	11,401,790,600	10,548,055,000	11,350,425,100	(408,107,600)	(3.5)	(1,261,843,200)	(10.7)	(459,473,100)	(3.9)	
Less:											
Other State Restricted Funds.....	11,776,098,200	11,360,990,600	10,516,254,900	11,310,800,100	(415,107,600)	(3.5)	(1,259,843,300)	(10.7)	(465,298,100)	(4.0)	
GENERAL FUND/GENERAL PURPOSE.....	33,800,000	40,800,000	31,800,100	39,625,000	7,000,000	20.7	(1,999,900)	(5.9)	5,825,000	17.2	
PAYMENTS TO LOCALS.....	11,595,465,900	11,267,973,800	10,439,173,200	11,116,249,800	(327,492,100)	(2.8)	(1,156,292,700)	(10.0)	(479,216,100)	(4.1)	

**FYs 2008-09, 2009-10, and 2010-11 School Aid Fund
Revenue, Expenditures and Year-End Balances
(millions of dollars)**

**Cuts proposed for FY 2009-10 and carried into FY 2010-11 are the reductions necessary AFTER appropriating Federal ARRA funds.

**Without Federal ARRA funds, a minimum of \$814.1 million would have had to have been cut in FY '10 to achieve a balanced FY '10 budget.

	FY 2008-09 <u>Estimate</u>	FY 2009-10 <u>Estimate</u>	FY 2010-11 <u>Estimate</u>
Revenue:			
Beginning Balance	\$247.1	\$171.0	\$232.7
Consensus Revenue Estimates for FY 2008-09, FY 2009-10	10,943.7	10,563.0	10,882.7
General Fund/General Purpose Grant	78.0	31.8	31.8
Federal Aid	<u>1,562.0</u>	<u>1,561.8</u>	<u>1,561.8</u>
Total Estimated Revenue	\$12,830.8	\$12,327.6	\$12,709.0
Expenditures:			
Appropriations - CURRENT SERVICES BASELINE - i.e., the cost of continuing today's programs	13,259.8	13,156.7	13,145.1
**Senate Cuts - H.B. 4447 (S-1)	<u>0.0</u>	<u>(412.7)</u>	<u>(408.0)</u>
Total Estimated Expenditures	\$13,259.8	\$12,744.0	\$12,737.1
Anticipated Balance Without Tax or Fee Increases or ARRA Funding	(\$429.0)	(\$416.4)	(\$28.1)
Proposed Lottery Revenue (but no tax or fee increases)	0.0	15.0	30.8
Balance After Proposed Additional Lottery Revenue but Before ARRA	(\$429.0)	(\$401.4)	\$2.7
ARRA Funding:			
State Fiscal Stabilization Fund (Available for K-12)	600.0	634.1	0.0
Balance Using ARRA Funding With Lottery Revenue	\$171.0	\$232.7	\$2.7

Assumptions:

1. FY 2010-11 School Aid Fund revenue assumes 3.1% growth
2. Assume cuts made in FY 2009-10 are carried forward into FY 2010-11, and no new cuts in FY 2010-11
3. Assumptions made on pupils, taxable values, and technical cost adjustments for FY 2010-11

**Adjustments to Current Services Baseline
House Bill 4447 (S-1) As Passed the Senate
Fiscal Year 2009-10**

\$110 Per Pupil Reduction	(\$174,200,000)
School Readiness District Programs	(88,399,800)
Special Ed ISD Millage Equalization	(36,881,100)
Declining Enrollment - Section 29	(20,000,000)
Non-District School Readiness	(15,150,000)
Declining Enrollment - Section 6(4)(y)	(10,600,000)
Voc Ed ISD Millage Equalization	(9,000,000)
Small High Schools	(8,000,000)
Dearborn's At-Risk Payment	(5,875,100)
ISD Ages 0-5 Early Childhood	(4,999,900)
Child/Adolescent Health	(4,742,900)
5% Cut to ISD Operations	(4,086,100)
Math/Science Centers	(3,500,000)
Voc Ed 10% Reduction	(3,000,000)
Bilingual Education	(2,800,000)
MEAP and MME Program Changes	(2,600,000)
Adult Ed 10% Reduction	(2,400,000)
Michigan Virtual University	(2,250,000)
Interagency Early Childhood	(2,125,000)
Health/Science Middle Colleges	(1,999,900)
Grosse Pointe/Harper Woods Pilot Programs	(1,500,000)
School Bus Inspections	(1,436,500)
Youth Challenge	(1,295,000)
Transportation Grants	(1,274,900)
Precollege Engineering	(980,100)
Redford Union, Chippewa Valley, Clintondale	(850,000)
Isolated Districts	(749,900)
Early Childhood Investment Corporation	(750,000)
After School Math	(725,000)
Advanced and Accelerated	(285,000)
Cultural Access Grants	(100,000)
Central Michigan University Lending Library	(100,000)
Newsline	<u>(80,000)</u>
Total Reductions	(\$412,736,200)



Analysts:
Kathryn Summers
Debra Hollon

SECTION-BY-SECTION HIGHLIGHTS
House Bill 4447 Governor's Recommendation, House-Passed,
Senate-Passed Recommendations
Fiscal Years 2008-09 and 2009-10

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
Sec. 3(6) Definition of District When "District" does not mean a Charter School	Provides instances where district does not include a charter school.	Deletes Sections 11n (21 st Century Schools Fund), 99j, and 99k from the list of sections where district does not include a charter school. (Sec. 99j and 99k are proposed to be repealed.)	Concurs with Governor to strike 11n and 99j, but retains 99k, though the 99k is proposed to be repealed by the House.	Deletes section 99j. (Even though sections 11n and 99k are repealed in the bill, they aren't repealed from this section, but would be in a subsequent school aid bill.)	
Sec. 6(4)(r) Kindergarten Membership	Provides that for 2008-09, full funding for kindergarten is provided as long as the program is operated at least a half day. Beginning in 2009-10, full funding for developmental kindergarten is only provided if the program is a full day. In 2010-11, full funding for "regular" kindergarten is provided if the program is operated 60% of a day, and beginning in 2011-12, full funding is provided if the program is operated 70% of a day.	No changes recommended.	Delays the implementation date for developmental kindergarten to 2011-12, and the implementation date for "regular" kindergarten to 2012-13 for the 60% requirement, and to 2013-14 for the 70% requirement. In other words, the changes are delayed for two years.	Proposes to return to what was in place for FY 2008-09, that any developmental kindergarten or "regular" kindergarten program only need be operated a half day in order to generate full foundation allowance funding.	
Sec. 6(4)(y) Declining Enrollment Calculation for Small, Sparsely Populated Districts	For districts with 1,550 or fewer pupils and 4.5 or fewer pupils per square mile, and with three years of declining enrollment, to be paid for the average pupil enrollment over the three-year period rather than the current pupil count.	Proposes to change the three-year smoothing period to a two-year calculation. This change would reduce by approximately 50% (or \$5.3 million) the funding attributable to this calculation.	Does not include this change or the reduction in funding.	Repeals this subsection. This saves the State an estimated \$10.6 million.	
Sec. 6(4)(dd) NEW Pupil in a U.S. Olympic Education Center	Not applicable.	Not included.	Includes a new section clarifying that a district need not get permission from the resident district in order to count a pupil in	Concurs with House.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
			membership, if the pupil attends a U.S. Olympic Education Center, regardless of whether the pupil is a resident of the State.		
Sec. 6(6) and (11) Schools of Choice within Detroit Public Schools' Boundaries	Prohibits a district from opening up a school-of-choice within the boundaries of a first class district, where a first class district is defined as one with at least 100,000 pupils. Essentially, since DPS fell below this threshold, current law allows for other districts to operate within DPS' boundaries.	Proposes to use the definition of first-class district as one with at least 60,000 pupils. Essentially, this change would prohibit other districts from operating schools of choice within DPS' boundaries.	Amends this section such that, after 2008-09, no district can open an instructional site in any other district, without the approval of the other district.	Strikes the subsection entirely, meaning a continuation of effective current law such that any district may operate an instructional site within the boundaries of any other district.	
Sec. 8b PSA Contract and District Code	Requires the Department to assign a district code to a new charter school within 30 days after a contract has been submitted by an authorizing body.	Requires a "complete" contract to be submitted before assigning a district code.	Concurs with the Governor to include the word "complete".	Retains current law.	
Sec. 11 Total Appropriations	<p>School Aid Fund (SAF) FY 2008-09 SAF appropriation of \$11,776,098,200.</p> <p>General Fund (GF/GP) FY 2007-08 appropriation of \$40,800,000</p>	<p>School Aid Fund (SAF) FY 2008-09 SAF appropriation of \$11,615,798,200.</p> <p>FY 2009-10 SAF appropriation of \$11,360,990,600.</p> <p>General Fund (GF/GP) FY 2008-09 appropriation of \$85,000,000.</p> <p>FY 2009-10 appropriation of \$40,800,000.</p>	<p>School Aid Fund (SAF) FY 2008-09 SAF appropriation of \$11,617,298,200. The difference from the Gov's Rec is no CEPI reduction.</p> <p>FY 2009-10 SAF appropriation of \$11,310,800,100.</p> <p>General Fund (GF/GP) FY 2008-09 appropriation of \$85,000,000.</p> <p>FY 2009-10 appropriation of \$39,625,000.</p> <p>Federal Stimulus Funds FY 2008-09 Ed Tech appropriation of</p>	<p>School Aid Fund (SAF) FY 2008-09 SAF appropriation of \$11,019,798,200.</p> <p>FY 2009-10 SAF appropriation of \$10,516,254,400.</p> <p>General Fund (GF/GP) FY 2008-09 appropriation of \$78,000,000.</p> <p>FY 2009-10 appropriation of \$31,800,000.</p> <p>Federal Stimulus Funds FY 2008-09 State Fiscal Stabilization Fund appropriation of \$600,000,000.</p>	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
			\$24,533,000. FY 2009-10 State Fiscal Stabilization Fund appropriation of \$220,074,275.	FY 2009-10 State Fiscal Stabilization Fund appropriation of \$634,100,000.	
Sec. 11j School Bond Loan Fund Debt Service	Appropriates \$39,000,000 for FY 2008-09 to pay for debt service costs associated with the School Bond Loan Fund.	Increases the appropriation by \$1,000,000 for both FY 2008-09 and FY 2009-10 (to \$40,000,000).	Concurs with Governor.	Concurs with Governor and House.	
Sec. 11n Small High Schools	After EO 2009-22, funding for the 21 st Century Schools program is \$8,000,000.	Proposes to retain the program at \$15,000,000 (the original FY 2008-09 appropriation).	Concurs with Governor.	Repeals the section.	
Sec. 20 Foundation Allowance Calculation	<p>(1) Reestablishes the formula in place after Proposal A, which sets a "new" basic foundation allowance in FY 2008-09 at \$8,489.</p> <p>Districts above the basic foundation allowance received a \$56 per pupil increase. Districts at the FY 2007-08 minimum foundation of \$7,204 received twice that increase, or \$112 per pupil. Districts in between received an increase on a sliding scale based on the formula between \$56 and \$112 per pupil.</p> <p>(8) Allocates a state payment in lieu of hold harmless taxes when the tax rate would be less than 0.5 mills. (Northville Schools.)</p> <p>(9) Allocates a state payment in lieu of hold</p>	<p>Proposes to maintain the basic foundation allowance at \$8,489, with the minimum foundation allowance remaining \$7,316. However, as seen in Section 20j and 22b, the Governor proposes to reduce operational funding under those sections by 20% and \$59 per pupil respectively, meaning the new effective minimal per-pupil funding would be \$7,257.</p> <p>(8) The Governor proposes to eliminate this payment, which would save the State (but cost the district) \$348,000.</p> <p>(9) The Governor proposes to eliminate this payment, which would save the State (but cost the districts) \$355,500.</p> <p>(15) Proposes to eliminate this intent language.</p>	<p>House does not concur in the 20% reduction in Section 20j or the \$59 per pupil reduction, funded in Section 22b.</p> <p>House does not concur in the Governor's eliminations of specific allocations under Section 20, found in subsections (8), (9), (16), (17), (18), (21), and (22). The House also did not concur to eliminate the intent language in (15).</p> <p>The House also rolled what was categorical grant funding to Clintondale, Chippewa Valley, Redford Union, and Pontiac (currently in sections 99i and 99k) into the affected districts' base foundation allowances. These adjustments are found in subsections (23), (24), (25), and (26).</p>	<p>Concurs with House not to eliminate specific subsections as proposed by the Governor, except it does not roll Clintondale, Chippewa Valley, Redford Union, or Pontiac's supplemental payments into those districts' base foundation allowances.</p> <p>Similar to the Governor's Recommendation, this bill does include a per pupil reduction, but at \$110 per pupil, with the reduction reflected in Section 22b. This means that the new effective minimum foundation allowance would be \$7,206. This reduced level of per-pupil funding is after already spending Federal ARRA State Fiscal Stabilization dollars. In other words, this would be a real reduction, not a fund shift.</p>	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	<p>harmless taxes for districts with fewer than 350 pupils. (Burt Twp., Detour, Port Hope, Mackinac Island, Republic-Michigamme)</p> <p>(15) Intent requiring a GF/GP amount sufficient to support pupil membership growth in excess of 101% of the previous year membership.</p> <p>(16) Provides that Bois Blanc will receive at least \$67,000 in combined State and local revenue.</p> <p>(17) Adjusted Wayne-Westland's foundation allowance beginning in 2000-01 to reflect the operating mills that were levied in 1992 but which were not renewed in 1993 (and therefore not included in the district's original foundation allowance calculations).</p> <p>(18) Adjusted Gibraltar's foundation allowance beginning in 2002-03 by \$250 per pupil due to the original exclusion of taxes for an industrial facilities exemption certificate in the district.</p> <p>(21) Adjusted Garden City's foundation allowance beginning in 2006-07 to reflect the deficit mills that were levied in 1993 but whose revenue was not included in the calculation</p>	<p>(16) Proposes to eliminate this allocation.</p> <p>(17) Proposes to eliminate this foundation allowance adjustment, which would save the State (but cost the district) \$6,075,300.</p> <p>(18) Proposes to eliminate this foundation allowance adjustment, which would save the State (but cost the district) \$913,000.</p> <p>(21) and (22) are proposed to be eliminated.</p>			

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	<p>of the district's original foundation allowance.</p> <p>(22) Adjusted Huron's foundation allowance beginning in 2006-07 to reflect the deficit mills that were levied in 1993 but whose revenue was not included in the calculation of the district's original foundation allowance.</p>				
<p>Sec. 20j(2) Foundation Allowance Supplemental Payments to "Hold-Harmless Districts"</p>	<p>Provides State funding to ensure that "hold-harmless" districts received the full dollar increase in the basic foundation allowance under certain circumstances.</p>	<p>Reduces the foundation allowance for those districts above \$8,489 per-pupil in FY 2008-09 on a sliding scale, where the total reduction in payments among the affected districts is 19%, but where the highest funded districts are reduced the most. This provision saves the State \$10 million.</p>	<p>Does not concur with the Governor's proposal to reduce this payment.</p>	<p>Adds \$0.01 to the calculation of foundation allowances in order to make this section a point of difference.</p>	
<p>Sec. 22a Proposal A Obligation Payment (The Constitutionally required portion of the foundation allowance.)</p>	<p>Appropriates \$6,092,000,000 for FY 2008-09.</p>	<p>REVISED. Reduces the FY 2008-09 appropriation to \$5,998,400,000 to incorporate the lower costs due to pupil estimates and taxable values. FY 2009-10 appropriation is \$5,849,300,000.</p>	<p>Concurs with Executive on FY 2008-09 appropriation. For FY 2009-10, the appropriation is \$5,854,500,000.</p>	<p>FY 2008-09 appropriation is \$6,008,000,000.00. FY 2009-10 appropriation is \$5,873,000,000. This appropriation reflects the elimination of declining enrollment grants in Sec. 6(4)(y).</p>	
<p>Sec. 22b Discretionary Payment (The discretionary portion of the foundation allowance.)</p>	<p>Appropriates \$3,796,750,000 for FY 2008-09.</p>	<p>REVISED. Increases the FY 2008-09 appropriation to \$3,802,000,000 to incorporate newer cost estimates.</p> <p>FY 2009-10 appropriation is \$3,647,677,700. This appropriation reflects the reductions itemized in Sections 6(4)(y), 20, and</p>	<p>Concurs with Executive on FY 2008-09 appropriation. For FY 2009-10, the appropriation from the SAF is \$3,546,575,275. In addition, \$220,074,275 is appropriated from the Federal State Fiscal Stabilization Fund stimulus dollars.</p>	<p>FY 2008-09 appropriation is \$3,198,000,000 from State funds and \$600,000,000 from Federal ARRA funds.</p> <p>FY 2009-10 appropriation is \$2,963,900,000 from State funds and \$634,100,000 from Federal ARRA funds. This appropriation reflects the rest of the elimination of declining</p>	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
		20j, as well as a \$59 per pupil reduction to all districts, which saves the State \$94.4 million.		enrollment grants in Sec. 6(4)(y) and the cost of not implementing the developmental kindergarten full-day requirements. It also reflects a \$110 per pupil reduction, which saves the State \$174.2 million. The \$110 per-pupil reduction is net of the Federal ARRA funds, meaning it is a real reduction in discretionary payments, not a fund shift.	
Sec. 22d Small, Isolated Districts and Transportation Grants	Appropriates in FY 2008-09 a total of \$2,025,000, of which \$1,275,000 was for assisting in the funding of the transportation costs of districts with large square miles, and \$750,000 was to cover some of the operational costs of rural, isolated districts.	REPEALED - \$0 appropriated for FY 2009-10.	Does not repeal this section and continues its funding into FY 2009-10.	Retains the section with \$100 placeholders for both the Isolated Districts grants and the Transportation grants.	
Sec. 22e Holding Harmless Districts from Changes in the Michigan Business Tax	Appropriates \$1,300,000 in FY 2008-09 to reimburse districts whose total operational funding comes from local property taxes (and no State aid) for the loss in local revenue attributable to changes in the MBT.	REPEALED - \$0 appropriated for FY 2009-10.	Does not repeal this section and continues its funding into FY 2009-10.	Continues the funding into FY 2009-10, with a \$100 change to make it a point of difference. Total appropriation is \$1,300,100.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
Sec. 22f – NEW Consolidation Incentive Grants	Not applicable.	Not included.	Adds a new grant appropriated at \$3,000,000 in FY 2009-10, designed to provide payments of \$50 per pupil for transition costs associated with district consolidation. Districts must consolidate after April 1, 2009 and before July 1, 2010 to be eligible, and if funds are insufficient, the Department shall give priority to districts that were formed from at least one district with an operating deficit at the end of the preceding fiscal year.	Not included.	
Sec. 24 Court Placed Pupils	\$8,000,000 appropriation for FY 2008-09 to pay the added costs of educating children placed by the court into a district or ISD.	Continues the appropriation into FY 2009-10.	Concurs with Governor.	Adds \$100 to the appropriation (for a total of \$8,000,100) to make the item a point of difference, and adds a subsection stating the intent of the legislature that the district or ISD receiving the funding educate the student, or if the student transfers after the count day, that the funds follow the student.	
Sec. 24a Educational Costs of Pupils in DHS Facilities	Appropriates \$2,828,500 in FY 2008-09 for payments to intermediate districts for pupils who are placed in juvenile justice facilities operated by the Department of Human Services.	Reduces the appropriation to \$2,523,200 to reflect savings anticipated at the DHS facilities.	Concurs with Governor.	Concurs with House and Governor.	
Sec. 24c Youth Challenge Grant	Appropriates \$1,284,600 in FY 2008-09 to pay for the Youth Challenge program.	Increases the FY 2009-10 appropriation to \$1,295,100 to reflect economics.	Concurs with Governor.	Retains the section with a \$100 placeholder.	
Sec. 26a Renaissance Zone Reimbursement	In FY 2008-09, appropriates \$41,400,000 from the School Aid Fund and \$16,100,000 from the General Fund to reimburse	Reduces the SAF appropriation in FY 2008-09 to \$26,300,000, and the GF appropriation to \$9,200,000 due to the implementation of	Concurs with Governor.	Concurs with House and Governor.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	districts, intermediate districts and the State School Aid Fund for tax revenue foregone in Renaissance Zones.	the Michigan Business Tax. Appropriates \$29,400,000 from the SAF and \$10,100,000 from the GF in FY 2009-10.			
Sec. 29 Declining Enrollment Grants	Appropriates \$20,000,000 for FY 2008-09 for declining enrollment grants to local districts (not charter schools) with two consecutive years of declining enrollment. If the district receives funding under Sections 6(4)(y) or 22d, it would not be eligible for a grant under this section. The payment is equal to the district's foundation allowance multiplied by the difference between the district's 3-year average pupil membership and the actual pupil membership. The allocation is prorated if funding is insufficient.	FY 2009-10 appropriation of \$20,000,000, the same as FY 2008-09. No language changes are recommended.	Concurs with Governor to maintain funding at current year levels.	Repeals the section.	
Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings	(1) FY 2008-09 total appropriation of \$320,350,000. At-Risk Funding equals \$310,457,000 (6) Allocates \$4,743,000 out of (1) for Child and Adolescent health centers. (7) Allocates \$5,150,000 out of (1) for the state portion of	(1) FY 2009-10 total appropriation of \$314,475,000. Eliminates Dearborn's At-Risk Funding of \$5,875,300, which reduces the total spent on At-Risk to \$304,581,700. (6) Allocates \$4,743,000 out of (1) for Child and Adolescent Health Centers. (7) Allocates \$5,150,000 out of (1) for the state portion of	(1) FY 2009-10 total appropriation of \$318,881,250. Reduces Dearborn's At-Risk funding by 25%, instead of the full elimination as proposed by the Governor. (6) Concurs with Governor. (7) Concurs with Governor.	Eliminates Dearborn's At-Risk payment and all but \$100 of the funding for Child and Adolescent Health Centers. Funding for Vision and Hearing remains, as does the remainder of the program. Total appropriation \$304,581,900 for the At-Risk program, \$5,150,000 for Vision and Hearing screening, and \$100 for Adolescent Health Centers. Increases the percentage that can be spent on school security from 15% to 20%.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	the hearing and vision screenings described in Section 9301 of the Public Health Code. A local public health department shall pay at least 50% of the total cost of the screenings.	the hearing and vision screenings. Subsection (16) contains Dearborn's eligibility criteria and is eliminated in the Governor's budget, along with eligibility for Baldwin Schools, in subsection (17).	Retains (16) and (17), which were proposed for elimination by the Governor, but reduces Dearborn's allocation by 25%.		
Sec. 32a – NEW ECIC Study of Consolidating Early Childhood Funding	Not applicable.	Not included.	Includes new intent language that the Early Childhood Investment Corporation study the feasibility of consolidating statewide early childhood funding into a single Great Start Strategic Fund and distributing that funding through a centralized process to eliminate duplication of services and allow a streamlined grant request process. The fund is created as a restricted fund within Treasury, with a \$100 appropriation.	Does not include.	
Sec. 32b Early Childhood Investment Corporation	Appropriates \$6,750,000 to the ECIC for mapping out local early childhood collaboratives.	Continues the appropriation.	Concurs with Governor.	Reduces the appropriation by \$750,000 to \$6,000,000 in FY 2009-10.	
Sec. 32c. Early Childhood Grants	Appropriates \$2,125,000 GF/GP for interagency early childhood grants for FY 2008-09.	REPEALED - \$0 appropriation in FY 2009-10.	Does not concur with the Governor, and retains the funding into FY 2009-10.	Repeals the section.	
Sec. 32d Great Start Readiness Program (GSRP) Half-Day Allocation	Allocates \$88,100,000 SAF for FY 2008-09 to operate the Great Start Readiness Program (GSRP) and \$279,100 GF/GP to continue a longitudinal study of the GSRP.	Combines Sections 32d (school readiness programs run by school districts) and 32/ (school readiness programs not operated by school districts) funding into one section and consolidates many of the program guidelines into this section.	Concurs with the majority of the changes proposed, but retains language that GSRP dollars can be spent on preschool and parenting programs under former section 32b (PIE) and also does not include the language proposed by the Governor that gave the	Retains the section with a \$100 placeholder.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	(1)(b) Allows funds to be used for preschool and parenting programs under former section 32b (PIE program); caps funding spent by each district for the former PIE program to the amount spent in the prior fiscal year.	Notable policy changes include the disallowance of using GSRP for preschool and parenting programs under former section 32b (PIE program). Also, the Executive recommendation removed language spelling out the guidelines for qualified teachers, and replaced it with language permitting the Department to promulgate applicable rules.	Department rule-making authority over teacher qualification guidelines under this program.		
Sec. 32j ISD Ages 0-5 Grants	Provides \$5,000,000 in FY 2008-09 to ISDs to operate early childhood education programs (called Great Parents, Great Start) for children ages 0-5.	REPEALED - \$0 appropriated for FY 2009-10.	Does not concur with the Governor, and retains the funding into FY 2009-10.	Retains the section with a \$100 appropriation as a placeholder.	
Sec. 32/ School Readiness Competitive Grant	FY 2008-09 appropriation is \$15,150,000 GF/GP for competitive school readiness program grants to entities other than local school districts. Per-child funding is \$3,400.	Removes the funding (which is instead appropriated in Section 32d) and consolidates much of the program guidelines into Section 32d as well.	Concurs with Governor.	Repeals the section.	
Sec. 39 MSRP Per Pupil Allocation	Provides the calculation to determine the number of slots to be funded in each district. Per pupil allocation for MSRP students is \$3,400. Allows for two slots to be used for one student for a full-day option.	Proposes a number of consolidating, technical cleanup changes, basically incorporating the formula from Section 38 into this section, and referencing the changes in Section 32d. Eliminates the allowance that pupils enrolled in a full-day are counted as two slots and given twice the funding.	Concurs with the Governor. Also adds language that a consortium of two or more districts may be eligible for an allocation under Section 32d if the districts designate a district or ISD to serve as the fiscal agent for the consortium's allocation. The language says the consortium may decide to serve numbers of children based on the allocation to each district, or based on the allocation to the entire consortium, allowing children residing in any district in the consortium to	Repeals the section.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
			be served at any location.		
Sec. 41 Bilingual Education	Appropriates \$2,800,000 in FY 2008-09 to reimburse districts for bilingual education programs.	REPEALED - \$0 appropriated for FY 2009-10.	Does not concur with Governor to repeal this funding, and continues the allocation into FY 2009-10.	Repeals the section.	
Sec. 51a(1) Total Special Education Funding	Allocates \$1,023,783,000 in SAF and \$350,700,000 in Federal funding for special education programs for FY 2008-09. (7)(c) Allows unspent Sec. 51a funds at bookclosing to be allocated as additional reimbursements in certain situations for FY 2007-08.	REVISED. Reduces the allocation in FY 2008-09 to \$1,018,533,000 from the SAF. Appropriates \$1,064,683,000 and \$350,700,000 in FY 2009-10 in Federal funding for special education. Deletes (7)(c).	Concurs with the FY 2008-09 revised allocation. Appropriates \$1,065,483,000 in State funds and \$350,700,000 in Federal funds for FY 2009-10 for special education. Does not eliminate (7)(c).	FY 2008-09 appropriation is \$1,016,933,000. FY 2009-10 appropriation is \$1,024,401,900. The FY 2009-10 appropriation reflects the elimination of funding for Section 56, special education millage equalization payments to ISDs.	
Sec. 54a CMU's Special Education Lending Library	Appropriates \$100,000 in FY 2008-09 to support a lending library of special education materials and equipment housed at Central MI University.	Continues the appropriation into FY 2009-10.	Concurs with Governor.	Repeals the section.	
Sec. 54c Newsline Grant	Allocates \$80,000 in FY 2008-09 to the Department to make Newsline electronically available statewide for the visually impaired.	REPEALED - \$0 appropriation in FY 2009-10.	Does not repeal this section, and continues its funding into FY 2009-10.	Repeals the section.	
Sec. 56 Special Education Millage Equalization	Provides funding to intermediate districts to guarantee a minimal amount per Special Education mill levied, on a per-pupil basis. Appropriates \$36,881,100 for FY 2008-09 for millage equalization. FY 2008-09 per pupil equalization dollar amount of \$172,800.	Appropriates \$36,881,100 for FY 2009-10 for millage equalization. FY 2009-10 per pupil equalization dollar amount at \$179,700.	Concurs with Governor.	Repeals the section.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
Sec. 57 Advanced and Accelerated Programs	Appropriates \$285,000 in FY 2008-09 for competitive grants to intermediate districts for middle school summer institutes and comprehensive programs for advanced and accelerated students. Each intermediate district could receive up to \$5,000.	REPEALED - \$0 appropriation in FY 2009-10.	Does not repeal this section, and continues its funding into FY 2009-10.	Repeals the section.	
Sec. 61 Vocational Education	Appropriates \$30,000,000 in FY 2008-09 to reimburse vocational education programs on an added cost basis, determined by the types of programs offered.	Eliminates \$388,700 allocation to Oakland ISD, which served as a fiscal agent for State Board-designated area vocational education center in 1993-94. Continues the remaining appropriation (\$29,611,300) into FY 2009-10.	Reduces Oakland ISD's earmark by 25%, rather than full elimination as proposed by the Governor. Thus, the appropriation for this section is \$29,902,825.	Reduces funding by 10% to a total of \$27,000,000. The earmark to Oakland ISD is retained.	
Sec. 62 Vocational Education Millage Equalization	Provides funding to intermediate districts that levy vocational education mills to guarantee a minimal amount received per mill levied, on a per-pupil basis. Appropriates \$9,000,000 for FY 2008-09. FY 2008-09 per-pupil equalization amount is \$181,900.	Appropriates \$9,000,000 for FY 2009-10. FY 2009-10 per-pupil equalization amount is \$189,600.	Concurs with Governor.	Repeals the section.	
Sec. 64 Health/Science Middle College Program	Appropriates \$2,000,000 in FY 2008-09 for grants to intermediate districts or Detroit Public Schools that are in consortium with a community college or state university and a hospital to create and implement a middle college focused on health sciences. Specifies that grants shall be awarded for four	Continues the \$2,000,000 appropriation into FY 2009-10 and adds that the Superintendent of Public Instruction can identify other fields besides health sciences that can qualify for funding.	Concurs with Governor.	Retains the section with a \$100 appropriation as a placeholder.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	consecutive years, and that recipient shall receive 100% of their prior year grant award in Year 2 and 50% of their prior year grant award for each year after				
Sec. 65 Precollege Engineering and Science Grants	Appropriates \$980,100 for FY 2008-09 for two \$340,050 grants to Detroit and Grand Rapids Schools for eligible precollege programs in engineering and the sciences, and four \$75,000 grants to Kalamazoo, Huron, Tuscola, and Bay Arena to train pupils in alternative energy.	REPEALED - \$0 appropriation in FY 2009-10.	Does not concur with Governor to repeal, and continues funding into FY 2009-10.	Repeals the section.	
Sec. 74 Bus Driver Safety and School Bus Inspections	In FY 2008-09, provides \$1,625,000 for reimbursement to districts for bus driver safety education courses, and \$1,403,500 for the reimbursement of State Police bus inspection costs.	For FY 2009-10, increases the appropriation for the inspection of school buses to \$1,436,500 to reflect economic adjustments to State Police officers undertaking the inspections. Bus driver safety funding remains the same.	Concurs with Governor.	Retains funding only for bus driver safety instruction, and removes funding for school bus inspections. FY 2009-10 appropriation is \$1,625,000.	
Sec. 81 Intermediate School Districts (ISD) General Operations Funding	FY 2008-09 appropriation is \$81,721,100 for basic operational funding of intermediate districts.	FY 2009-10 appropriation is reduced by 20% to \$65,376,900. Each ISD would receive a 20% reduction in basic funding.	Does not concur with the proposed reduction, and instead continues the current-year appropriation of \$81,721,100 into FY 2009-10.	Reduces the FY 2009-10 appropriation by 5%, to \$77,635,000.	
Sec. 94a Center for Educational Performance and Information (CEPI)	Appropriates GF/GP of \$4,935,400 in FY 2008-09 to support the operations of the CEPI and for the development and implementation of a comprehensive data management and student tracking system.	REVISED. Reduces the FY 2008-09 GF appropriation by \$1.5 million to \$3,435,400. Continues this reduction into FY 2009-10, adjusted slightly by economic increases. The total GF appropriation in FY 2009-10 is proposed to be \$3,486,100.	Does not concur with the proposed reductions. The FY 2008-09 GF appropriation remains \$4,935,400, and is continued into FY 2009-10. Federal funds are concurred in, and appropriated at \$2,793,200.	Concurs with Governor.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	Appropriates \$2,793,200 in FY 2008-09 from Federal funds for Federal reporting requirements.	Continues the Federal appropriation of \$2,793,200 into FY 2009-10.			
Sec. 98 Michigan Virtual University (MVU)	In FY 2008-09, appropriates \$500,000 from the School Aid Fund, \$1,750,000 from the General Fund, and \$2,700,000 from Federal funds to operate the Virtual High School, provide professional development for educators, etc.	Continues the appropriations into FY 2009-10. The changes to the section include the elimination of language saying that the MVHS shall explore options for providing rigorous civics curricula online, the clarification that professional development programs teach educators how to develop and deliver online instructional services, and that the MVHS offer courses, resources, and interactive learning materials in the fields of science, technology, engineering, and math for middle and high school students, developed in conjunction with the Math and Science Centers and the MDE. The MVU, again in conjunction with the Math and Science Centers and the MDE, shall implement an Algebra 4 All initiative for math teachers in grades 8-12.	Reduces GF funding to \$850,000. Continues SAF and Federal fund appropriations as found in current year. Concurs with the language changes recommended by the Governor.	Removes all State funding, leaving only the Federal appropriation of \$2,700,000 in FY 2009-10.	
Sec. 98a – NEW Education Technology Grants	Not applicable.	Not included.	Appropriates \$24,533,000 in FY 2008-09 from Federal stimulus funds enacted for Education Technology grants. Up to one-half of the grants shall be for formula grants, and up to one-half shall be used for competitive grants.	Not included since these were enacted in HB 4308.	
Sec. 99 Math and Science Centers	FY 2008-09 State appropriations of \$3,500,000 and \$5,249,300	Continues the appropriations into FY 2009-10. Adds language	Concurs with Governor.	Removes all State funding and retains only the Federal funding of \$5,249,300 for FY	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	in Federal funds for the funding of 33 math and science centers throughout the state.	requiring the centers to work with MVU to develop and implement an Algebra 4 All program of professional development for math teachers in grades 8-12.		2009-10.	
Sec. 99a After School and Summer Math Programs for 8 th Graders	Appropriates \$725,000 in FY 2008-09 to Math and Science Centers and MVU to pilot after school and summer school programs for 8 th graders in math.	REPEALED - \$0 appropriated for FY 2009-10.	Does not concur with the Governor to repeal this section, and continues its funding into FY 2009-10.	Repeals the section.	
Sec. 99e Academic Improvement Grant	FY 2008-09 appropriation of \$125,000 to Inkster Public Schools as compensation for having received a reduced foundation allowance due to proration while having had an emergency financial manager in place. This was the last of three years' funding.	REPEALED since FY 2008-09 was the intended last year of funding.	Concurs with Governor.	Concurs with Governor and House.	
Sec. 99i Pontiac Grant	Appropriates \$300,000 in FY 2008-09 to expand the crisis intervention program at Pontiac.	REPEALED - \$0 appropriated for FY 2009-10.	Concurs with the repeal of the categorical funding, but instead builds it into Pontiac's base foundation allowance (Sec. 20).	Continues the \$300,000 appropriation into FY 2009-10.	
Sec. 99j District Pilot Programs	Appropriates \$1,500,000 in FY 2008-09. \$1,050,000 to Grosse Pointe for demonstration projects in math and science. \$450,000 to Harper Woods for programs for the academically talented, a district-wide improvement initiative and a positive behavior support program.	REPEALED - \$0 appropriated for FY 2009-10.	Concurs with the Governor.	Repeals the section.	
Sec. 99k	Appropriates \$850,000 in	REPEALED - \$0	Concurs with the repeal of	Repeals the section.	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
District Grants	FY 2008-09 . \$450,000 to Redford Union, \$150,000 to Chippewa Valley, and \$250,000 to Clintondale.	appropriated for FY 2009- 10.	the categorical funding, but instead builds it into the base foundation allowances of Redford Union, Chippewa Valley, and Clintondale (Sec. 20).		
Sec. 99n Community College Access Grants	1) Legislative intent that in 2008-09 funding is included for competitive grants for districts that enter into cooperative arrangements with a community college to establish programs to allow pupils to earn community college credit while enrolled in middle school or high school. (2) Legislative intent that a district that formerly operated a community college program and that ceased to operate that program after 1995 be merged with a community college district located in a city with a population more than 750,000.	REPEALED.	Does not concur with the Governor to repeal the section.	Repeals the section.	
Sec. 99p Cultural Access Grants	Appropriates \$100,000 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.	REPEALED - \$0 appropriated for FY 2009- 10.	Does not concur with the Governor to repeal, and instead continues the \$100,000 appropriation into FY 2009-10.	Repeals the section.	
Sec. 101 Pupil Count Reporting, Days and Hours	Provides guidelines that districts and intermediate districts must follow with regard to pupil accounting	Removes the ISD from the process of a district submitting pupil count information to the Center for	Concurs with the Governor, and also requires, beginning in 2009-10, school to be in session at	Requires at least 165 days beginning in 2010-11, and 170 days in 2012-13. However, districts may not	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	and days and hours requirements.	Educational Performance and Information (CEPI).	least 170 days per year, where a day of instruction is at least five hours of student contact time.	provide fewer days than were provided in 2008-09. A day of instruction is not defined. Also adds language requiring the department to approve online education program that meets the requirements laid out in this section, including that it be full-time online learning, increasing the number of online enrollments and completion by at-risk pupils, and uses certificated teachers.	
Sec. 104 State Assessments	For FY 2008-09, appropriates \$28,872,800 from the SAF for reimbursement of costs associated with complying with Sections 104a and 104b of the Act, and sections 1279 and 1280b of the Revised School Code. Also appropriates \$8,512,900 in Federal assessment funding for the purposes of complying with Federal NCLB Act. Requires that test results include item analyses that list all items counted for student scores and the percentage of students choosing each possible response.	FY 2009-10 SAF appropriation declines slightly to \$28,130,700, and Federal funds decline slightly to \$8,313,700. Adds language stating that in order to receive State aid, a district must administer the assessments pursuant to the relevant sections in the Revised School Code.	Concurs with Governor.	Concurs with the Governor's reductions, and further reduces the appropriation by \$2.6 million, to \$25,530,700 State funds. These reductions stem from estimated savings by not allowing an enhanced social studies exam, no pattern scoring, and no assessments developed by the Department. \$1.0 million is appropriated for the "Explore" exam, and intent for the Iowa test to be used.	
Sec. 104a & 104b Assessment Funding	Requires districts to comply with these sections in order to receive State aid. These sections outline assessment requirements.	REPEALED since these sections are duplicated in the Revised School Code.	Concurs with Governor.	Concurs with Governor and House to repeal 104a, but retains 104b due to changes in Sec. 104.	
Sec. 107 Adult Education Appropriation	Appropriates \$24,000,000 in SAF for Adult Education programs for FY 2008-09.	Reduces the appropriation to \$20,000,000 in FY 2009-10 and changes the	Reduces the appropriation by \$300,000 to \$23,700,000. The	Reduces the appropriation by 10% to \$21,600,000, and reduces the per-student	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
	<p>Up to \$23,300,000 shall be distributed to programs who received grants in FY 2007-08 in an amount equal to their FY 2007-08 awards.</p> <p>Not more than one grant may be awarded up to \$200,000 for expansion of an existing innovative community college program.</p> <p>Earmarks \$500,000 out of the appropriation for competitive grants to districts who go into prisons to provide GED or high school completion programs. For each participant, the district would receive \$2,850, the same as for other adult education students.</p>	<p>program to a competitive grant requiring regional collaboration between a district or ISD, at least one postsecondary institution, and at least one workforce development partner. Other partners may include employers, literacy councils, libraries, community- and faith-based organization, local offices of State government, and local foundations. The ability to leverage other resource must be demonstrated, to support a comprehensive and integrated approach of delivering educational programs to adult learners in the region. Other program guidelines also are outlined in the proposal.</p>	<p>\$200,000 earmark to a community college focused on educating adults is removed, as is a \$500,000 earmark for competitive grants to districts who educate prisoners. However, the changes proposed by the Governor where the Adult Education program would change from a formula reimbursement to a competitive grant process were not concurred in. Instead, the House adds language requiring the Department to create an adult learning planning group to evaluate the provisions of this section and to submit recommendations for change.</p>	<p>allocation to \$2,550. Eliminates earmarks for prisons and an eligible community college. Inserts the study group language recommended by the House, and adjusts testing language to be "department-approved" assessments.</p>	
Sec. 147 MPSERS Retirement Rate	MPSERS rate for FY 2008-09 is 16.54%, with an amortization period of 29 years.	MPSERS rate increases to 16.94% in FY 2009-10, with an amortization period of 28 years.	Concurs with Governor.	Concurs with House and Governor.	
Sec. 164c Buy American, Buy Michigan	Requires purchase of American goods if available and of comparable quality and price, and preference should be given to Michigan-made goods and services of comparable quality and price.	Changes the "should" to "shall" when discussing preference for Michigan goods and services.	Concurs with Governor.	Concurs with House and Governor.	
Sec. 166 5% Penalty for Offering Contraception or Abortion Referrals	Applies a 5% penalty to a district's State aid payment if the district offers family planning drugs or abortion referrals.	REPEALED.	Does not repeal this section.	Concurs with House.	
Various sections –	If a section merely	Sections 11g (\$42.0 m for	Concurs with date changes.	Concurs with date changes	

SECTION	CURRENT LAW	GOVERNOR RECOMMENDATION	HOUSE RECOMMENDATION	SENATE RECOMMENDATION	CONFERENCE
date changes	continued its appropriation into the next year and only saw a date change proposed, it's listed here.	Durant bonds debt service), 11m (\$45.0 m for SAF cash-flow borrowing costs), 11n (\$15 m for 21 st Century Schools Fund), 26b (\$3.4 m Payments in Lieu of Taxes), 29 (\$20 m for Declining Enrollment grants), 31d (\$22.5 m SAF and \$332.5 m Federal for School Lunch), 31f (\$9.6 m School Breakfast), 32b (\$6.8 m for the Early Childhood Investment Corporation), 39a (\$785.6 for Federal Grants), and 54a (CMU's Lending Library at \$100,000).		for sections not repealed.	
Enacting Section 1 State Spending and Payments to Locals	N/A	Total state spending for FY 2009-10 is estimated at \$11,401,790,600 and payments to locals are \$11,267,973,800.	Total state spending for FY 2009-10 is estimated at \$11,350,425,100 and payments to locals are \$11,116,249,800.	Total state spending is estimated at \$10,548,055,000. Total payments to locals are estimated at \$10,439,173,200.	