

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

FY 2001-02 Senate-Passed Gross Appropriations	\$11,420,961,700
--	-------------------------

House Changes to Senate-Passed:

- | | |
|--|-------------|
| 1. At-Risk Program. The House reduced current-year funding to reflect projected lapses; this funding is used to increase the FY 2002-03 At-Risk appropriation by the same amount. | (3,500,000) |
| 2. Teen Health Centers. The House eliminated separate categorical funding for Teen Health Centers in the current year, as passed by the Senate. Instead, funding is earmarked out of At-Risk funding projected to lapse at the end of FY 2001-02. | (1,400,000) |

Total Changes	(\$4,900,000)
---------------------	---------------

FY 2001-02 House-Passed Gross Appropriation	\$11,416,061,700
--	-------------------------



Changes from FY 2001-02 Senate-Passed:

1. **Declining Enrollment.** Extends the Declining Enrollment program into FY 2002-03. (Sec. 6(4)(y))
2. **Pupils From a Closed Charter School.** Allows a resident district to count pupils that previously attended a charter school that closed at the end of the school year at 100% in the Fall (current law allows 80%). (Sec. 6(4)(z))
3. **“Trigger” Language for GF/GP Grant.** The FY 2002-03 GF/GP grant to the School Aid Fund will be reduced by \$79.5 million if that amount is not transferred from **either** the Michigan Employment Security Act Contingent Fund **or** from the Budget Stabilization Fund. (Sec. 11) (The Senate-passed language only included the former.)
4. **Membership Dispute Debt Forgiveness.** Forgives the debt of a district stemming from a certain membership dispute (concerns the East Detroit Schools). (Sec. 18d)
5. **Certain Expenditures in Detroit Schools.** Restricts Detroit Public Schools to spending no more than 10% of the general operating revenue on business and administration. (Sec. 18e)
6. **Foundation Allowance Adjustments for Hold Harmless Districts.** Allows for foundation allowances of “hold-harmless” districts to increase by the greater of the dollar increase in the basic foundation allowance, or by the rate of inflation applied to the district’s foundation. (Sec. 20(3)(b))
7. **Pupil Growth.** Reinstates language requiring the GF/GP contribution to the SAF be sufficient to support pupil membership growth in excess of 101% of the previous year’s membership. (Sec. 20(15))
8. **Court-Placed Pupils.** Includes intent language requiring a study of charter schools within juvenile detention facilities, and language encouraging districts and intermediate districts to enter into arrangements with juvenile detention facilities to provide educational services for court-placed pupils. (Sec. 24)
9. **Dearborn Schools and At-Risk Funding.** Increases Dearborn Schools’ funding percentage from (current law) 5.75% of its foundation allowance to 11.5%. (Sec. 31a)
10. **Expenditure of Certain ASAP Program Funding.** Allows recipients of Parent Involvement and Education (PIE) grants and Reading grants to expend their grant funds without regard to a deadline. (Secs. 32b, 32f)
11. **Federal Funds.** Directs that Federal funds be used to the extent possible to support PIE programs, class size reduction, reading and literacy programs, and counseling services. (Sec. 39a(4))
12. **Center for Educational Performance and Information (CEPI).** Prohibits the CEPI from collecting any information that is in addition to that required by the Federal government for the Registry of Education Personnel (REP), and mandates the CEPI to pay districts \$2.00 per FTE for reimbursement of costs incurred from implementing the Single Record Student Database and \$2.00 per FTE for reimbursement of costs due to the REP system. (Secs. 94b, 94c)
13. **Release of CEPI Reports.** Requires reports issued by, or contracted for, CEPI to first be provided to districts and intermediate districts before being released to the media or public. (Sec. 94d)
14. **Days and Hours Provisions.** Eliminates the cap on number of travel hours that can be counted as pupil instruction hours (current law is 2.5 hours per week). (Sec. 101)
15. **Schools of Choice Membership Guarantee.** Makes it more difficult and less likely that districts will be “held harmless” and compensated for resident pupil membership losses due to schools of choice. (Current law provides a funding guarantee of 90% of a district’s resident pupil memberships.) (Sec. 105(17))
16. **Section-Specific Penalties.** Removes language in five sections establishing financial penalties for non-compliance with various requirements of the School Aid Act. (Sections 8, 18, 19, 31a, and 101)

Date Completed: 3-20-02

Fiscal Analyst: Joe Carrasco
Kathryn Summers-Coty

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.

hik12_hp



FY 2002-03 Senate-Passed Gross Appropriations		\$12,677,287,600
House Changes to Senate-Passed:		
1.	Consolidation Grants. Allocates funding to districts that consolidate before December 31, 2002, at a grant amount of \$350 per pupil.	1,000,000
2.	Proposal A Obligation Payment. Reduces the "cushion" in this line by \$6,000,000, but then includes \$4,200,000 for declining enrollment funding extended into FY 2002-03.	(1,800,000)
3.	Discretionary Payment. Reduces this appropriation by \$26,650,000 due to not rolling Class Size Reduction Grants into base foundations, but then includes \$1,800,000 to fund declining enrollment for FY 2002-03.	(24,850,000)
4.	At-Risk Program. Increases this line by the amount that was reduced in FY 2001-02.	3,500,000
5.	Interagency Early Childhood Grants. Continues this program into FY 2002-03.	2,000,000
6.	Class Size Reduction Grants (Categorical). Continues this program as a categorical in FY 2002-03 (Senate had rolled these grants into base foundations).	26,650,000
7.	Coordinating Counseling Services. Reinstates this FY 2000-01 program with a \$1,000 placeholder.	1,000
8.	Teen Health Center Funding. Eliminates FY 2002-03 funding for Teen Health Centers in the K-12 budget.	(3,743,000)
9.	Grand Valley State University Cooperative Autism Programs. Reduces funding for this program to a \$1,000 placeholder.	(499,000)
10.	Contaminated Water Costs. Includes \$10,000 to reimburse Coloma Schools (or any district found by the Department of Environmental Quality to have certain contaminated water) for the costs incurred due to the contamination.	10,000
11.	Wireless Technology. Includes \$1,000 for at least five pilot projects for developing ways to use wireless technology to improve academic achievement.	1,000
12.	Accreditation Assistance. Reduces this appropriation to the Department of Education by 50%.	(1,500,000)
13.	Partnership for Adult Learning. Increases this appropriation to \$20,000,000 to maintain funding at current-year levels.	15,000,000
Total Changes		\$15,770,000
FY 2002-03 House-Passed Gross Appropriation		\$12,693,057,600



Changes from FY 2002-03 Senate-Passed:

1. **Declining Enrollment.** Extends the Declining Enrollment program into FY 2002-03. (Sec. 6(4)(y))
2. **Pupils From a Closed Charter School.** Allows a resident district to count pupils that previously attended a charter school that closed at the end of the school year at 100% in the Fall (current law allows 80%). (Sec. 6(4)(z))
3. **“Trigger” Language for GF/GP Grant.** The FY 2002-03 GF/GP grant to the School Aid Fund will be reduced by \$79.5 million if that amount is not transferred from **either** the Michigan Employment Security Act Contingent Fund **or** from the Budget Stabilization Fund. (Sec. 11) (The Senate-passed language only included the former.)
4. **Membership Dispute Debt Forgiveness.** Forgives the debt of a district stemming from a certain membership dispute (concerns the East Detroit Schools). (Sec. 18d)
5. **Certain Expenditures in Detroit Schools.** Restricts Detroit Public Schools to spending no more than 10% of the general operating revenue on business and administration.
6. **Foundation Allowance Adjustments for Hold Harmless Districts.** Allows for foundation allowances of “hold-harmless” districts to increase by the greater of the dollar increase in the basic foundation allowance, or by the rate of inflation applied to the district’s foundation. (Sec. 20(3)(b))
7. **Pupil Growth.** Reinstates language requiring the GF/GP contribution to the SAF be sufficient to support pupil membership growth in excess of 101% of the previous year’s membership. (Sec. 20(15))
8. **Court-Placed Pupils.** Includes intent language requiring a study of charter schools within juvenile detention facilities, and language encouraging districts and intermediate districts to enter into arrangements with juvenile detention facilities to provide educational services for court-placed pupils. (Sec. 24)
9. **Dearborn Schools and At-Risk Funding.** Increases Dearborn Schools’ funding percentage from (current law) 5.75% of its foundation allowance to 11.5%. (Sec. 31a)
10. **Expenditure of Certain ASAP Program Funding.** Allows recipients of Parent Involvement and Education (PIE) grants and Reading grants to expend their grant funds without regard to a deadline. (Secs. 32b, 32f)
11. **Federal Funds.** Directs that Federal funds be used to the extent possible to support PIE programs, class size reduction, reading and literacy programs, and counseling services. (Sec. 39a(4))
12. **Center for Educational Performance and Information (CEPI).** Prohibits the CEPI from collecting any information that is in addition to that required by the Federal government for the Registry of Education Personnel (REP), and mandates the CEPI to pay districts \$2.00 per FTE for reimbursement of costs incurred from implementing the Single Record Student Database and \$2.00 per FTE for reimbursement of costs due to the REP system. (Secs. 94b, 94c)
13. **Release of CEPI Reports.** Requires reports issued by, or contracted for, CEPI to first be provided to districts and intermediate districts before being released to the media or public. (Sec. 94d)
14. **Days and Hours Provisions.** Eliminates the cap on number of travel hours that can be counted as pupil instruction hours (current law is 2.5 hours per week). (Sec. 101)
15. **Schools of Choice Membership Guarantee.** Makes it more difficult and less likely that districts will be “held harmless” and compensated for resident pupil membership losses due to schools of choice. (Current law provides a funding guarantee of 90% of a district’s resident pupil memberships.) (Sec. 105(17))
16. **Section-Specific Penalties.** Removes language in five sections establishing financial penalties for non-compliance with various requirements of the School Aid Act. (Sections 8, 18, 19, 31a, and 101)

Date Completed: 3-20-02

Fiscal Analyst: Joe Carrasco
Kathryn Summers-Coty

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.

