

Senate Fiscal Agency
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SFA



BILL ANALYSIS

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FY 2000-01 Year-to-Date Gross Appropriations	\$10,932,335,000
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Changes from FY 2000-01 Year-to-Date:

Items Included by the House and Senate

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| 1. Infrastructure Payments. The section that was designed to make infrastructure payments to schools never went into effect because of a tie-bar issue. The section is repealed, thus freeing up those funds for other uses within the School Aid Act. | (34,000,000) |
| 2. Proposal A Obligation Payment. Reductions in this line item are necessary due to updated pupil and taxable value estimates. | (30,000,000) |
| 3. Discretionary Payment. Increases are needed in this line item to reflect changes due to updated pupil and taxable value estimates. | 53,000,000 |
| 4. School Readiness. The Senate proposal retains the original \$72,600,000 yearly appropriation for the standard school readiness program. However, due to funds that will lapse at the end of the fiscal year in the competitive full day program funds, this line item is reduced by the anticipated amount of lapse. | (3,950,000) |
| 5. Elementary Summer School Program. Reduces funding in this line item by the amount expected to lapse at the end of the fiscal year. | (10,000,000) |
| 6. Coordinating Counseling Services. Reduces most of the funding for this program in this fiscal year, leaving only the amount necessary to pay for grants allocated to date. | (8,400,000) |
| 7. Special Education (State). Decreases are needed in this line item to reflect lower than previously estimated costs due to updated special education pupil and cost estimates. | (7,100,000) |
| 8. Professional Development. This program is eliminated entirely, beginning in FY 2000-01. | (10,000,000) |
| 9. Golden Apple MEAP Incentive. Funding is reduced to \$50,000 in FY 2000-01 for prior-year adjustments, and completely eliminated beginning in the next fiscal year. | (7,950,000) |
| 10. Special Education (Federal). Additional revenues are expected to be received by the State for providing special education services. | 15,000,000 |
| 11. Other Changes. Miscellaneous lines items are revised primarily to reflect anticipated reductions in revenues. One line item is increased (School Lunch programs) while two line items are reduced (Small Class-Size program and Career Preparation Implementation grants). | (4,600,000) |

Conference Agreement on Items of Difference

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| 12. Interagency Early Childhood Grants. The Conference Committee restores funding to this program in the current fiscal year (i.e., current law is retained). | 0 |
| Total Changes | (48,000,000) |

FY 2000-01 Conference Report Gross Appropriation	\$10,884,335,000
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2000-01 Year-to-Date:Items Included by the House and Senate

1. **Infrastructure.** Proposal eliminates the section that appropriates \$34,000,000 annually to award grants to local school districts for infrastructure projects. This section of the bill was tie-barred to another bill that was vetoed by the Governor, thereby not allowing these funds to be expended. (Sec. 11k)
2. **Foundation Allowance Calculations.** The proposal includes several technical changes, including elimination of the “catch-up” formula language, since all districts are above the basic foundation allowance; and deletion of language pertaining to paying costs associated with Federal court cases. (Sec. 20)
3. **At-Risk Funding.** The proposal removes language which required the appropriations in this section to increase at the same rate as the basic foundation allowance. (Sec. 31a(13))
4. **Golden Apple MEAP Awards.** Technical changes are included that allow for schools to qualify for an award even though they have split grade levels between two different buildings. However, no funding will be attached to the awards. (Sec. 96)
5. **Full Funding Language.** The proposal includes language added to Sections 22a, 22b, and 51c to allow for transfers between these sections to ensure they are fully funded. (Secs. 22a, 22b, and 51c)
6. **School Code Repealer.** The proposal repeals Section 1282a of the Revised School Code which would have required mandatory summer school if certain conditions were met.

Conference Agreement on Items of Difference

7. **Miscellaneous Sections Not Included.** The Conference Report does not include several items, including recalculation of foundation allowances for districts above the “hold-harmless” cap, additional “At-Risk” provisions for Dearborn Schools, recalculation of Gibraltar Schools’ foundation allowance, intent language for restoring funding to Adult Education and Math and Science Centers, and language requiring the Budget Director to review and approve all of the Department of Education’s Federal grant applications.
8. **Tribal Community Colleges.** The repealer of Sec. 1475 of the Revised School Code is not included.
9. **Education Information Database.** Language is added allowing districts or intermediate districts to seek reimbursement of up to \$2.00 per pupil for net costs incurred from implementing the creation of the Single Record Student Database so long as those costs were incurred from 1998-99 through 2002-2003. (Sec. 94a)
10. **Membership Count Disputes.** The Conference Report includes language discharging any debt owed to the State arising out of a membership count dispute occurring on or before March 1, 1997 (Romulus Schools). (Sec. 18d)
11. **Federal Reading Program Dollars.** The Conference Report includes language in the Literacy Grant Program, stating that any Federal funding received that could be used for the State literacy program would be expended before any School Aid Fund dollars. (Sec. 32f)

Date Completed: 09-21-01

Fiscal Analyst: Joe Carrasco
Kathryn Summers-Coty

FY 2001-02 Year-to-Date Gross Appropriations	\$11,521,053,300
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Changes from FY 2001-02 Year-to-Date:Items Included by the House and Senate

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| 1. Infrastructure Payments. The section that was designed to make infrastructure payments to schools never went into effect because of a tie-bar issue. The section is repealed, thus freeing up those funds for other uses within the School Aid Act. | (34,000,000) |
| 2. Proposal A Obligation Payment. Changes in this line item are necessary due to changes in updated pupil and taxable value estimates, and \$3.1 million in additional costs for payments to certain declining enrollment districts. | (32,900,000) |
| 3. Discretionary Payment. Increases are included in this line item to reflect updated pupil and taxable value estimates and \$1.2 million for certain declining enrollment districts. | 57,200,000 |
| 4. Elementary Summer School Program. Funding for this line item is eliminated beginning in this fiscal year. | (38,000,000) |
| 5. Coordinating Counseling Services. Beginning this fiscal year, all of the funding for this line item is eliminated. | (10,000,000) |
| 6. Golden Apple MEAP Incentive. Funding is completely eliminated beginning in FY 2001-02. | (8,000,000) |
| 7. Other Changes. Line items include: Court Placed Pupils and School Lunch programs, Small Class-Size programs, Gifted and Talented programs, Vocational Education Technical Centers, Career Preparation Implementation grants, and Math/Science Centers, Federal (increase of \$58,000,000) and State Special Education, and Professional Development. | 29,710,100 |

Conference Agreement on Items of Difference

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| 8. At-Risk Funding. The percentage increase for this line item is reduced from 5.0% to 3.4%. Originally, funding for this line item was to increase at the same percentage as the increase in the basic foundation allowance. | (5,000,000) |
| 9. School Readiness. The Conference Report retains the original \$72,600,000 yearly appropriation for the standard school readiness program. All of the funding for the competitive full day program is eliminated. | (25,000,000) |
| 10. Reading Programs. The competitive reading grants are funded at \$43,000,000 and the Michigan Literacy Progress Profile training centers are funded at \$2,000,000. Funding for READY Kits is eliminated. | (12,750,000) |
| 11. Accreditation Assistance. Reduces the amount of funding beginning this fiscal year for departmental technical assistance to districts for accreditation purposes. | (2,000,000) |
| 12. Adult Education. Reduces the appropriation by \$5,000,000 bringing the total appropriation for this line item down to \$75,000,000. | (5,000,000) |
| 13. Partnership for Adult Learning (PAL). Funding for this program is eliminated beginning this fiscal year. | (20,000,000) |
| 14. Detroit Public Schools. \$15,000,000 is appropriated to Detroit Schools and any additional "takeover" districts. | \$15,000,000 |
| Total Changes | (\$90,739,900) |

FY 2001-02 Conference Report Gross Appropriation	\$11,430,313,400
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2000-01 Year-to-Date:Items Included by the House and Senate

1. **Infrastructure.** Proposal eliminates the section that appropriates \$34,000,000 annually to award grants to local school districts for infrastructure projects. This section of the bill was tie-barred to another bill that was vetoed by the Governor, thereby not allowing these funds to be expended. (Sec. 11k)
2. **Foundation Allowance Calculations.** The proposal includes several technical changes, including elimination of the "catch-up" formula language, since all districts are above the basic foundation allowance; and deletion of language pertaining to paying costs associated with Federal court cases. (Sec. 20)
3. **At-Risk Funding.** The proposal removes language which required the appropriations in this section to increase at the same rate as the basic foundation allowance. (Sec. 31a(13))
4. **Golden Apple MEAP Awards.** Technical changes are included that allow for schools to qualify for an award even though they have split grade levels between two different buildings. However, no funding will be attached to the awards. (Sec. 96)
5. **Full Funding Language.** The proposal includes language added to Sections 22a, 22b, and 51c to allow for transfers between these sections to ensure they are fully funded. (Secs. 22a, 22b, and 51c)
6. **School Code Repealer.** The proposal repeals Section 1282a of the Revised School Code which would have required mandatory summer school if certain conditions were met.

Conference Agreement on Items of Difference

7. **Miscellaneous Sections Not Included.** The Conference Report does not include several items, including recalculation of foundation allowances for districts above the "hold-harmless" cap, additional "At-Risk" provisions for Dearborn Schools, recalculation of Gibraltar Schools' foundation allowance, intent language for restoring funding to Adult Education and Math and Science Centers, and language requiring the Budget Director to review and approve all of the Department of Education's Federal grant applications.
8. **Tribal Community Colleges.** The repealer of Sec. 1475 of the Revised School Code is not included.
9. **Education Information Database.** Language is added allowing districts or intermediate districts to seek reimbursement of up to \$2.00 per pupil for net costs incurred from implementing the creation of the Single Record Student Database so long as those costs were incurred from 1998-99 through 2002-2003. (Sec. 94a)
10. **Membership Count Disputes.** The Conference Report includes language discharging any debt owed to the State arising out of a membership count dispute occurring on or before March 1, 1997 (Romulus Schools). (Sec. 18d)
11. **Federal Reading Program Dollars.** The Conference Report includes language in the Literacy Grant Program, stating that any Federal funding received that could be used for the State literacy program would be expended before any School Aid Fund dollars. (Sec. 32f)

Date Completed: 9-21-01

Fiscal Analyst: Joe Carrasco
Kathryn Summers-Coty

FY 2002-03 Year-to-Date Gross Appropriations	\$11,885,323,800
Changes from FY 2002-03 Year-to-Date:	
<u>Items Included by the House and Senate</u>	
1. Infrastructure Payments. The section that was designed to make infrastructure payments to schools never went into effect because of a tie-bar issue. The section is repealed, thus freeing up those funds for other uses within the School Aid Act.	(34,000,000)
2. Proposal A Obligation Payment. Reductions in this line item are necessary due to changes in updated pupil and taxable value estimates.	(37,000,000)
3. Elementary Summer School Program. Elimination of the funding for this line item is continued in this fiscal year.	(50,000,000)
4. Coordinating Counseling Services. Elimination of the funding for this line item is continued in this fiscal year.	(10,000,000)
5. Golden Apple MEAP Incentive. Elimination of the funding for this line item is continued in this fiscal year.	(8,000,000)
6. Partnership for Adult Learning (PAL). Elimination of the funding for this line item is continued in this fiscal year.	(20,000,000)
7. Other Changes. Lines items include: Court Placed Pupils and School Lunch programs, Interagency Early Childhood grants, Small Class-Size programs, Gifted and Talented programs, Vocational Education Technical Centers, Career Preparation Implementation grants, and Math/Science Centers, Federal (increase of \$90,000,000) and State Special Education, and Professional Development.	56,250,000
<u>Conference Agreement on Items of Difference</u>	
8. Discretionary Payment. The Conference Report removes the \$15 million built into Detroit Schools' base and the \$600,000 built into Gibraltar Schools' base in the Senate-passed version. Increases are needed in this line item to reflect changes due to updated pupil and taxable value estimates	44,000,000
9. At-Risk Funding. The Conference Report reduces the percentage increase for this line item from 3.1% to 1.6%. Originally, funding for this line item was to increase at the same percentage as the increase in the basic foundation allowance.	(10,000,000)
10. School Readiness. The Conference Report retains the original \$72,800,000 yearly appropriation for the standard school readiness program. Elimination of the funding for the competitive full day program is continued.	(30,000,000)
11. Reading Programs. All funding for this line item is eliminated in this fiscal year.	(57,750,000)
12. Accreditation Assistance. Again reduces the amount of funding this fiscal year for departmental technical assistance to districts for accreditation purposes.	(5,000,000)
13. Adult Education. Continues the reduction of the appropriation by \$5,000,000 bringing the total appropriation for this line item down to \$75,000,000.	(5,000,000)
14. Parent Involvement and Education. The Conference Report eliminates this program beginning in FY 2002-03.	(\$45,250,000)
Total Changes	(\$211,750,000)
FY 2002-03 Conference Report Gross Appropriation	\$11,673,573,800
Amount Over/(Under) GF/GP Target: \$0	

Changes from FY 2000-01 Year-to-Date:Items Included by the House and Senate

1. **Infrastructure.** Proposal eliminates the section that appropriates \$34,000,000 annually to award grants to local school districts for infrastructure projects. This section of the bill was tie-barred to another bill that was vetoed by the Governor, thereby not allowing these funds to be expended. (Sec. 11k)
2. **Foundation Allowance Calculations.** The proposal includes several technical changes, including elimination of the "catch-up" formula language, since all districts are above the basic foundation allowance; and deletion of language pertaining to paying costs associated with Federal court cases. (Sec. 20)
3. **At-Risk Funding.** The proposal removes language which required the appropriations in this section to increase at the same rate as the basic foundation allowance. (Sec. 31a(13))
4. **Golden Apple MEAP Awards.** Technical changes are included that allow for schools to qualify for an award even though they have split grade levels between two different buildings. However, no funding will be attached to the awards. (Sec. 96)
5. **Full Funding Language.** The proposal includes language added to Sections 22a, 22b, and 51c to allow for transfers between these sections to ensure they are fully funded. (Secs. 22a, 22b, and 51c)
6. **School Code Repealer.** The proposal repeals Section 1282a of the Revised School Code which would have required mandatory summer school if certain conditions were met.

Conference Agreement on Items of Difference

7. **Miscellaneous Sections Not Included.** The Conference Report does not include several items, including recalculation of foundation allowances for districts above the "hold-harmless" cap, additional "At-Risk" provisions for Dearborn Schools, recalculation of Gibraltar Schools' foundation allowance, intent language for restoring funding to Adult Education and Math and Science Centers, and language requiring the Budget Director to review and approve all of the Department of Education's Federal grant applications.
8. **Tribal Community Colleges.** The repealer of Sec. 1475 of the Revised School Code is not included.
9. **Education Information Database.** Language is added allowing districts or intermediate districts to seek reimbursement of up to \$2.00 per pupil for net costs incurred from implementing the creation of the Single Record Student Database so long as those costs were incurred from 1998-99 through 2002-2003. (Sec. 94a)
10. **Membership Count Disputes.** The Conference Report includes language discharging any debt owed to the State arising out of a membership count dispute occurring on or before March 1, 1997 (Romulus Schools). (Sec. 18d)
11. **Federal Reading Program Dollars.** The Conference Report includes language in the Literacy Grant Program, stating that any Federal funding received that could be used for the State literacy program would be expended before any School Aid Fund dollars. (Sec. 32f)

Date Completed: 9-21-01

Fiscal Analyst: Joe Carrasco
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