



Senate Fiscal Agency
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Senate Bill 1069 (S-1 as reported)
Committee: Appropriations

FY 2003-04 Year-to-Date Gross Appropriation	\$12,375,969,000
Changes from FY 2003-04 Year-to-Date:	
1. FY 2003-04 Proration. The Senate Recommendation concurs with the Governor and restores the full amount of the FY 2003-04 proration.	131,100,000
2. School Bond Loan Fund. The Senate Recommendation concurs with the Governor and increases this line item to account for the increased cost in the State's obligation for making debt service payments in FY 2004-05 on behalf of participating school districts.	12,800,000
3. Proposal A Obligation Payment. The Senate Recommendation reduces this line item due to changes in pupil counts and taxable value estimates and keeping the current 80/20 blended pupil membership count.	(72,300,000)
4. Discretionary Payment. The Senate Recommendation increases funding to account for changes in pupil counts and taxable value estimates. Included in this line is the elimination of supplemental funding to Detroit Public Schools of \$15,000,000.	33,000,000
5. Renaissance Zones. The Senate Recommendation concurs with the Governor and increases this line item due to changes in taxable value estimates for FY 2004-05.	6,240,000
6. At-Risk. The Senate recommendation reduces funding for this line item by \$9,900,000 to \$304,300,000 for FY 2004-05 due to budgetary constraints.	(9,900,000)
7. School Lunch – State Share. The Senate Recommendation concurs with the Governor to slightly decrease funding for this line item due to changes in prior-year estimates.	(204,900)
8. School Readiness and Vocational Education. The Senate Recommendation reduces funding by \$2,000,000 for each of these line items due to budgetary constraints.	(4,000,000)
9. Federal No Child Left Behind (NCLB) Grants. Federal NCLB grants are reduced by \$1,232,600 in the Senate and Executive Recommendations. In addition, there is a reduction of \$600,000 in other Federal non-NCLB funding for FY 2004-05.	(1,832,600)
10. Special Education - State. The Senate Recommendation increases the net funding in the State portion of Special Education by \$23,650,000 (an increase of \$24,000,000 in general special ed funding and a reduction of \$200,000 in special ed hold harmless payments). Federal funding is reduced by \$150,000 from FY 2003-04 levels.	23,650,000
11. ISD General Operations. Line item is further reduced in the Senate Recommendation due to budgetary constraints, and excludes the Governor's proposed two new programs.	(12,500,000)
12. Center for Educational Performance and Information (CEPI). The Senate Recommendation concurs with the Governor to decrease Federal funding by \$311,300 for FY 2004-05.	(311,300)
13. Freedom to Learn Grants. The Senate Recommendation concurs with the Governor to increase this line item from the FY 2003-04 Year-to-Date appropriated level.	5,000,000
14. Comparison to Governor's Recommendation. The Senate bill is \$6,800,000 Gross and \$6,800,000 GF/GP over the Governor's recommendation.	
Total Changes.....	\$110,741,200
FY 2004-05 Senate Appropriations Committee Gross Appropriation	\$12,486,710,200

Changes from FY 2003-04 Year to Date:

1. **Blended Membership Count.** The Senate Recommendation does not concur with the Governor and retains the current-law blended pupil membership count at 80% weight on the current-year September count plus 20% weight on the prior-year February count. (Sec. 6(4))
2. **Declining Enrollment.** The Governor's elimination of the declining enrollment provision is not retained by the Senate Recommendation. (Sec. 6(4)(y))
3. **Proration Language.** The Senate Recommendation concurs with the Governor (and adds an additional section) and protects additional sections of the School Aid Act from any future proration. These sections include: **11j** (School Bond Loan Fund payments); **26a** (Renaissance Zone reimbursements); **51a(12)** (Payments for Special Ed juvenile detention pupils); **53a** (Special Ed court-placed pupils); and **56** (Special Ed millage equalization). (Sec. 11(3) and (4))
4. **Foundation Allowance.** The Senate Recommendation concurs with the Governor's Recommendation and maintains the basic foundation allowance at \$6,700 per pupil for FY 2004-05. (Sec. 20(1))
5. **Hold Harmless Adjustments.** Senate Recommendation does not include the Governor's provision to reduce the foundation allowances of districts with foundation allowances above \$9,000 per pupil. (Sec. 20j(2))
6. **Consolidation Language.** The Senate Recommendation does not concur with the Governor's Recommendation to appropriate a total of \$1,000,000 for FY 2004-05 to provide an incentive for districts to consolidate (or annex). (Proposed Sec. 20L)
7. **ISD 0-5 Grants Evaluation Language.** Current law requires ISD 0-5 grant recipients under Section 32j to perform an evaluation of the effectiveness of the program. The Senate Recommendation concurs with the Governor to eliminate this evaluation component of the program and concurs in renaming the program the "Great Parents, Great Start" program. (Sec. 32j(4))
8. **CEPI.** The Senate Recommendation concurs with the Governor to eliminate old language that required CEPI to pay ISDs for implementation costs; eliminates dual submission language; and eliminates a requirement that the CEPI submit proposals for new electronic data collections at least 30 days prior to implementation. The Senate Recommendation also adds language that requires the CEPI to continue the website developed by Standard and Poor's. (Sec. 94a)
9. **Freedom to Learn.** The Senate Recommendation does not concur with the Governor to eliminate several provisions in this section, including: Legislative intent language that all plans submitted to the U.S. Department of Education relating to the distribution of Federal Funds be for the purposes stated in this Section; the requirement that the MVU work in partnership with Ferris State University for professional development on technology integration; and Legislative intent language that the State seek private funding for this program. (Sec. 98b)
10. **Lapsed Math and Science Center Funding.** New language is added in the Governor's Recommendation to allow any funds that are declined by a Math and Science Center to be distributed to the remaining Centers on a pro rata basis as determined by the Department. The Senate Recommendation adds to this language that the funds from any center that closes to also be shared equally. (Sec. 99)
11. **Hours Requirement.** The Senate Recommendation adds a provision that adds up to an additional 30 hours that may be counted as hours of instruction if there is an extenuating circumstance that occurs after April 1 of each year. The Governor's recommended changes in this section are not included. (Sec. 101)
12. **Adult Education Funding Split.** The Senate Recommendation concurs with the Governor to change the funding split for adult education programs to 80% being based on enrollment and 20% being based on completion of the program. Currently, the split is 90% for enrollment and 10% for completion of the program. (Sec. 107)
13. **Pilot Adult Learning Program.** The Senate Recommendation does not include the Governor's Recommendation to add this new pilot program. (Proposed Sec. 107b)
14. **Health Benefits Feasibility Study.** The Senate Recommendation adds new language requiring a feasibility study be conducted to determine if a statewide purchasing pool, including public school, community college, and State university employees in State employee group health plans would result in any cost savings.. (Proposed Sec. 146)

Date Completed: 3-24-04

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

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