

Legislative Analysis



PER PUPIL FUNDING INCREASE FOR CERTAIN SCHOOL DISTRICTS

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House Bill 4828 (Substitute H-2)
Sponsor: Rep. Philip LaJoy
First Committee: Appropriations
Second Committee: Education

Complete to 5-22-06

A SUMMARY OF HOUSE BILL 4828 (H-2)

House Bill 4828 (H-2) would amend the State School Aid Act to increase the per pupil foundation allowance for 2005-2006 by \$750 for any district that met certain criteria. A district would be eligible for the increase if the Department of Education determined that the district met all of the following criteria:

- The district was contiguous to at least three other districts that had a foundation allowance for 2005-2006 that is at least \$1,000 greater than that district's foundation allowance.
- On a per pupil basis, the district spends less than 10 percent of its total operating revenue on business and administrative costs, as determined by the department according to Bulletin 1014.
- On a per pupil basis, the district spends more than 60 percent of its total operating revenue on instruction, as determined by the department's Bulletin 1014.
- The district is making adequate yearly progress under the No Child Left Behind Act of 2001, as determined by the department.
- The percentage of the district's pupils who were determined to meet or exceed state standards in mathematics on the most recent MEAP assessment was higher than the statewide average.
- At least 50 percent of the pupils who were enrolled in the district in grade 11 for the immediately preceding fiscal year, and who took the appropriate assessments under the Revised School Code, received qualifying results as defined under the Michigan Merit Award Scholarship Act.

The bill specifies that for the fiscal year ending September 30, 2006, there would be appropriated for Michigan's public schools the sum of \$11,270,650,000, an increase from the current appropriation of \$11,257,600,000. Further, from that appropriation, there would be allocated an amount not to exceed \$3,211,036,800 for 2005-2006 to be used for discretionary non-mandated payments to districts.

FISCAL IMPACT:

The Plymouth Canton school district is the only district that qualifies for the foundation allowance adjustment under the proposed language. Their 2005-06 foundation allowance is \$7,200 per pupil and under the proposed legislation it would increase to \$7,950 per pupil. The estimated additional 2005-06 cost to the school aid fund for the adjustment is \$13.3 million. HB 4828 (H-2) appropriates an additional \$13.05 million in school aid funds.

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