

**Summary: Conference Report
House Bill 5531 (Cr-1)
FY 2007-08 SCHOOL AID SUPPLEMENTAL**



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IDG/IDT	FY 2007-08	Difference: House					
	YTD	Executive	House	Senate	Conference	From FY 2007-08 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	1,479,326,300	1,476,003,900	1,476,003,900	1,476,003,900	1,476,003,900	(3,322,400)	(2.2)
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	11,491,789,200	11,386,986,600	11,391,191,600	11,386,686,600	11,386,866,600	(104,922,600)	(0.9)
GF/GP	34,909,600	34,909,600	34,909,600	34,909,600	34,909,600	0	0.0
Gross	\$13,006,025,100	\$12,897,900,100	\$12,902,105,100	\$12,897,600,100	\$12,897,780,100	(\$108,245,000)	(0.8)

Note: FY 2007-08 as of January 18, 2008.

Overview

The School Aid budget makes appropriations to the state's 552 local school districts, 230 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Education Performance and Information, Department of Labor and Economic Growth, and other entities to implement certain grants and other programs related to K-12 education.

Budget Changes from FY 2007-08 YTD Appropriations

1. Proposal A Obligation Payment (Sec. 22a)

Exec, House and Senate provide a reduction to the current year appropriation of \$61.0 million to reflect changes in taxable values and pupil membership blends.

	FY 2007-08 YTD	Change
Gross	\$6,012,000,000	(\$61,000,000)
Restricted	6,012,000,000	(61,000,000)

2. Discretionary Payment (Sec. 22b)

Exec, House and Senate reduce the current appropriation by \$40.0 million to reflect changes in pupil membership blends.

	FY 2007-08 YTD	Change
Gross	\$3,721,250,000	(\$40,000,000)
Restricted	3,721,250,000	(40,000,000)

3. Supplemental Funding to Small, Isolated Districts (Sec. 22d)

House and Senate allocate \$1,275,000 to a new subsection that appropriates an estimated \$32 per pupil for school districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200.

Exec allocates the \$1,275,000 to a new subsection that appropriates an estimated \$56 per pupil for school districts located in the upper peninsula and has 5.0 or fewer pupils per square mile.

Conference Committee concurs with House and Senate.

	FY 2007-08 YTD	Change
Gross	\$750,000	\$1,275,000
Restricted	750,000	1,275,000

4. Mercy Education Project. (Sec. 31h)

House adds \$100,000 to Wayne RESA for the Mercy Education Project.

Senate does not include section.

Conference Committee does not include section.

	FY 2007-08 YTD	Change
Gross	N/A	\$0
Restricted	N/A	0

5. Early Childhood Investment Corporation (ECIC) Collaborative Grants (Sec. 32b)

House increases funding by \$750,000 for a total of \$2.5 million.

Senate does not include section.

Conference Committee does not include section.

	FY 2007-08 YTD	Change
Gross	\$1,750,000	\$0
Restricted	1,750,000	0

<u>Budget Changes from FY 2007-08 YTD Appropriations</u>	<u>FY 2007-08 YTD</u>		<u>Change</u>
6. Early Childhood Grants (Sec. 32c)	Gross	\$2,125,000	\$0
<u>House</u> increases funding by \$375,000 for a total of \$2.5 million for 0-3 abuse and neglect prevention grants.	GF/GP	2,125,000	0
<u>Senate</u> does not include section.			
<u>Conference Committee</u> does not include section.			
7. School Readiness Program – Hold Harmless Grants (Sec. 32e)	Gross	N/A	\$4,700,000
<u>Exec, House and Senate</u> appropriate \$4.7 million to hold harmless districts that received fewer slots in FY 2007-08 than their FY 2006-07 allocation.	Restricted	N/A	4,700,000
8. Special Education Payment (Sec. 51a)	Gross	\$1,431,183,000	(\$16,000,000)
<u>Exec, House and Senate</u> decrease funding by \$16.0 million to \$990.5 million to reflect changes in special education pupil counts and estimated special education costs.	Federal	424,700,000	0
	Restricted	1,006,483,000	(16,000,000)
9. Newsline (Sec. 54c)	Gross	N/A	\$80,000
<u>House</u> allocates \$80,000 to the Department of Education to make Newsline electronically available statewide for the visually impaired.	GF/GP	N/A	80,000
<u>Senate</u> does not include section.			
<u>Conference Committee</u> concurs with House.			
10. Middle School Math - Algebra Pilot Grants (Sec. 99c)	Gross	\$0	\$0
<u>House</u> allocates \$1.0 million for pilot programs designed to achieve the middle school mathematics standards and benchmarks for algebra. The pilot programs shall be summer programs and shall include online courses.	Restricted	0	0
<u>Senate</u> does not include section.			
<u>Conference Committee</u> does not include section.			
11. FIRST Robotics (Sec. 99h)	Gross	N/A	\$0
<u>Exec and House</u> allocate \$300,000 for competitive grants to districts that provide high school pupils with expanded opportunities to improve math, science, and technology skills by participating in the FIRST Robotics competition. Applicants must provide at least a 50% match from other private or local funds. (This program was funded in FY 2006-07 at \$150,000.)	Restricted	N/A	0
<u>Senate</u> does not include section.			
<u>Conference Committee</u> does not include section.			
12. Science Engineering Mathematics Aerospace Academy (Sec. 99m)	Gross	N/A	\$0
<u>House</u> allocates \$100,000 to Wayne State University for the SEMAA (science, engineering, mathematics, aerospace academy) program. SEMAA shall make available at no cost its program to all kindergarten through 12th graders.	Restricted	N/A	0
<u>Senate</u> does not include section.			
<u>Conference Committee</u> does not include section.			
13. Community College Access Grants (Sec. 99n)	Gross	N/A	\$0
<u>House</u> allocates \$1.0 million to districts and ISDs to enter into cooperative arrangements with community colleges to establish programs to allow students to complete community college courses and earn community college credit while enrolled in middle school or high school.	Restricted	N/A	0
<u>Senate</u> does not include section.			
<u>Conference Committee</u> includes 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			

Budget Changes from FY 2007-08 YTD Appropriations**FY 2007-08 YTD****Change**

enrolled in middle school or high school. 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.

14. Cultural Access Grants (Sec. 99p)

House allocates \$800,000 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.

Senate does not include section.

Conference Committee concurs with House language with a \$100,000 appropriation.

Gross	N/A	\$100,000
Restricted	N/A	100,000

15. Assessment Testing Costs (Sec. 104)

Exec, House and Senate increase funding by \$600,000 to begin to make secondary credit prototype assessments available to districts. Also replaces \$3.3 million in Federal funding with School Aid funds. Recommends transferring the federal funds to the MDE to develop a test item storage bank so it can assume responsibility for certain assessment functions currently done under contract.

Gross	\$34,200,000	\$600,000
Federal	8,800,000	(3,322,400)
Restricted	25,400,000	3,922,400

16. School Bond Loan Redemption Fund (Sec. 11j)

Exec, House and Senate increase funding to make bond payments by \$2.0 million due to lower than anticipated market returns.

Gross	\$1,900,000	\$2,000,000
Restricted	1,900,000	2,000,000

Major Boilerplate Changes from FY 2007-08**Sec. 56 and 62. Special Education and Vocational Education Millage Equalization – REVISED**

Senate adjusts the per pupil equalization amount in each section to reflect new taxable value estimates.

Conference Committee concurs with Senate.

SCHOOL AID LINE-ITEM SUMMARY FY 2007-08

Sec.	Basic Foundation Allowance:	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	
		PA 137 of 2007 Year-to-Date	Exec Rec. Supplemental	House Passed HB 5531 (H-1)	Senate Passed HB 5531 (S-1)	Change From YTD	Conference HB 5531 (Cr-1)
		\$8,433	\$8,433	\$8,433	\$8,433	0	\$8,433
11f	Durant - Cash Payments	\$32,000,000	\$32,000,000	\$32,000,000	\$32,000,000	\$0	\$32,000,000
11g	Durant - Debt Service	\$141,000	\$141,000	\$141,000	\$141,000	\$0	\$141,000
11j	School Bond Redemption Fund	\$1,900,000	\$3,900,000	\$3,900,000	\$3,900,000	\$2,000,000	\$3,900,000
11m	Cash Flow Borrowing Costs	\$22,800,000	\$22,800,000	\$22,800,000	\$22,800,000	\$0	\$22,800,000
22a	Proposal A Obligation Payment	\$6,012,000,000	\$5,951,000,000	\$5,951,000,000	\$5,951,000,000	(\$61,000,000)	\$5,951,000,000
22b	Discretionary Payment	\$3,721,250,000	\$3,681,250,000	\$3,681,250,000	\$3,681,250,000	(\$40,000,000)	\$3,681,250,000
22d	Isolated School Districts	\$750,000	\$2,025,000	\$2,025,000	\$2,025,000	\$1,275,000	\$2,025,000
24	Court-Placed Pupils	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$0	\$8,000,000
24a	Juvenile Detention Facility Programs	\$3,103,400	\$3,103,400	\$3,103,400	\$3,103,400	\$0	\$3,103,400
24c	Challenge Program	\$1,283,900	\$1,283,900	\$1,283,900	\$1,283,900	\$0	\$1,283,900
26a	Renaissance Zone Reimbursement	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$0	\$50,000,000
26b	PILT Reimbursement	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000	\$0	\$3,400,000
29	Declining Enrollment Grants	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	\$20,000,000
31a	"At Risk" Pupil Support	\$310,457,000	\$310,457,000	\$310,457,000	\$310,457,000	\$0	\$310,457,000
31a	Adolescent Health Centers	\$3,743,000	\$3,743,000	\$3,743,000	\$3,743,000	\$0	\$3,743,000
31a	Hearing and Vision Screening	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$0	\$5,150,000
31d	State School Lunch Programs	\$22,495,100	\$22,495,100	\$22,495,100	\$22,495,100	\$0	\$22,495,100
31d	Federal School Lunch Programs	\$332,506,000	\$332,506,000	\$332,506,000	\$332,506,000	\$0	\$332,506,000
31f	School Breakfast Program	\$9,625,000	\$9,625,000	\$9,625,000	\$9,625,000	\$0	\$9,625,000
31h	Mercy Education Project	\$0	\$0	\$100,000	\$0	\$0	\$0
32b	ECIC Collaborative Grants	\$1,750,000	\$1,750,000	\$2,500,000	\$1,750,000	\$0	\$1,750,000
32c	Early Childhood Grants	\$2,125,000	\$2,125,000	\$2,500,000	\$2,125,000	\$0	\$2,125,000
32d	School Readiness	\$81,179,100	\$81,179,100	\$81,179,100	\$81,179,100	\$0	\$81,179,100
32e	School Readiness - Hold Harmless	\$0	\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000
32j	Great Parents Great Start ISD programs	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$5,000,000
32l	School Readiness - Competitive	\$12,650,000	\$12,650,000	\$12,650,000	\$12,650,000	\$0	\$12,650,000
39a1	Federal "No Child Left Behind"	\$669,660,100	\$669,660,100	\$669,660,100	\$669,660,100	\$0	\$669,660,100
39a2	Other Federal Funding	\$32,411,000	\$32,411,000	\$32,411,000	\$32,411,000	\$0	\$32,411,000
41	Bilingual Education - State	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$0	\$2,800,000
51a	Special Education - Federal	\$424,700,000	\$424,700,000	\$424,700,000	\$424,700,000	\$0	\$424,700,000
51a	Special Education - State	\$1,006,483,000	\$990,483,000	\$990,483,000	\$990,483,000	(\$16,000,000)	\$990,483,000
54a	Special Education Evaluation Lending Library	\$250,000	\$250,000	\$250,000	\$250,000	\$0	\$250,000
54c	Newsline Grant	\$0	\$0	\$80,000	\$0	\$80,000	\$80,000
57	Advanced & Accelerated Program	\$285,000	\$285,000	\$285,000	\$285,000	\$0	\$285,000
61a	Vocational Education	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$0	\$30,000,000
62	ISD Voc. Ed Millage Equalization	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$0	\$9,000,000
64	Health/Science Middle College Program	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$0	\$2,000,000
65	Precollege Engineering	\$680,100	\$680,100	\$680,100	\$680,100	\$0	\$680,100
74	Bus Driver Safety Instruction	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000	\$0	\$1,625,000
74	School Bus Inspections	\$1,400,800	\$1,400,800	\$1,400,800	\$1,400,800	\$0	\$1,400,800

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		\$8,433	\$8,433	\$8,433	\$8,433	0	\$8,433
81	ISD General Operations Support	\$80,912,000	\$80,912,000	\$80,912,000	\$80,912,000	\$0	\$80,912,000
94a	Center for Educational Performance (CEPI)	\$2,435,400	\$2,435,400	\$2,435,400	\$2,435,400	\$0	\$2,435,400
94a	CEPI Federal	\$3,543,200	\$3,543,200	\$3,543,200	\$3,543,200	\$0	\$3,543,200
98	Michigan Virtual High School (MVHS)	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$0	\$2,250,000
98	MVHS - Federal	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000	\$0	\$3,250,000
99	Math/Science Centers - State	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$0	\$3,500,000
99	Math/Science Centers - Federal	\$4,456,000	\$4,456,000	\$4,456,000	\$4,456,000	\$0	\$4,456,000
99c	Middle School Math - Algebra Pilot Grants	\$0	\$0	\$1,000,000	\$0	\$0	\$0
99e	Financial Emergency District Funding	\$125,000	\$125,000	\$125,000	\$125,000	\$0	\$125,000
99h	FIRST Robotics	\$0	\$300,000	\$300,000	\$0	\$0	\$0
99i	Pontiac Crisis Intervention	\$300,000	\$300,000	\$300,000	\$300,000	\$0	\$300,000
99j	District Pilot Projects	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$500,000
99k	District Grants	\$1,950,000	\$1,950,000	\$1,950,000	\$1,950,000	\$0	\$1,950,000
99m	SEMAA Grants	\$0	\$0	\$100,000	\$0	\$0	\$0
99n	Community College Access Grants	\$0	\$0	\$1,000,000	\$0	\$0	\$0
99p	Cultural Access Grants	\$0	\$0	\$800,000	\$0	\$100,000	\$100,000
104	MEAP Testing - State	\$25,400,000	\$29,322,400	\$29,322,400	\$29,322,400	\$3,922,400	\$29,322,400
104	MEAP Testing - Federal	\$8,800,000	\$5,477,600	\$5,477,600	\$5,477,600	(\$3,322,400)	\$5,477,600
107	Adult Education - State	\$24,000,000	\$24,000,000	\$24,000,000	\$24,000,000	\$0	\$24,000,000
TOTAL APPROPRIATIONS		\$13,006,025,100	\$12,897,900,100	\$12,902,105,100	\$12,897,600,100	(\$108,245,000)	\$12,897,780,100
REVENUE BY SOURCE							
	Federal Aid	\$1,479,326,300	\$1,476,003,900	\$1,476,003,900	\$1,476,003,900	(\$3,322,400)	\$1,476,003,900
	School Aid Fund	\$11,491,789,200	\$11,386,986,600	\$11,391,191,600	\$11,386,686,600	(\$104,922,600)	\$11,386,866,600
	MPSER Reserve for Undistributed Investment	\$0	\$0	\$0	\$0		\$0
	School Aid Stabilization Fund	\$0	\$0	\$0	\$0		\$0
	General Fund/General Purpose	\$34,909,600	\$34,909,600	\$34,909,600	\$34,909,600		\$34,909,600
TOTAL REVENUE		\$13,006,025,100	\$12,897,900,100	\$12,902,105,100	\$12,897,600,100	(\$108,245,000)	\$12,897,780,100