

SCHOOL AID

Summary: FY 2008-09 Supplemental Appropriations HB 4721 (H-2) As reported from Committee



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IDG/IDT	FY 2008-09 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	1,562,008,600	1,562,008,600	1,562,008,600	0	0	0	0.0
Fed ARRA	0	600,000,000	600,000,000	0	0	600,000,000	NA
Private	0	0	0	0	0	0	0.0
Restricted	11,776,098,200	11,019,798,200	11,019,798,200	0	0	(756,300,000)	(6.4)
GF/GP	40,800,000	78,000,000	78,000,000	0	0	37,200,000	91.2
Gross	\$13,378,906,800	\$13,259,806,800	\$13,259,806,800	\$0	\$0	(\$119,100,000)	(0.9)

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through May 15, 2009.

Overview

The School Aid budget makes appropriations to the state's 552 local school districts, 232 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.

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD</u>	<u>House Change From YTD</u>
1. Proposal A Obligation Payment (Sec. 22a) <u>Exec and House</u> reduce funding by \$84 million to incorporate estimates in taxable values and pupil membership blends.	Gross \$6,092,000,000 Restricted 6,092,000,000	(\$84,000,000) (84,000,000)
2. Discretionary Payment (Sec. 22b) <u>Exec and House</u> reduce state funding by \$598.8 million to reflect lower School Aid Fund (SAF) revenue estimates and changes to the pupil membership estimates. Also appropriates \$600.0 million in Federal State Fiscal Stabilization funds to cover the shortfall. The fund shift will equal \$370 per pupil.	Gross \$3,796,750,000 Fed ARRA 0 Restricted 3,796,750,000	\$1,250,000 600,000,000 (598,750,000)
3. School Bond Redemption Fund (Sec. 11j) <u>Exec and House</u> increase by \$1.0 million to a total of \$40.0 million to reflect an increase in the estimated required payment.	Gross \$39,000,000 Restricted 39,000,000	\$1,000,000 1,000,000
4. Small High School Infrastructure Program (Sec. 11n) <u>Exec and House</u> implement the intent of Executive Order 2009-22 by reducing funding by \$7.0 million.	Gross \$15,000,000 Restricted 15,000,000	(\$7,000,000) (7,000,000)
5. Renaissance Zone Reimbursement (Sec. 26a) <u>Exec and House</u> reduce funding by \$22.0 million to \$35.5 million as a result of changes from MBT-related personal property tax exemptions. Funding reimburses districts for lost local revenue from renaissance zones.	Gross \$57,500,000 Restricted 41,400,000 GF/GP \$16,100,000	(\$22,000,000) (15,100,000) (\$6,900,000)
6. Special Education Payment (Sec. 51a) <u>Exec and House</u> decrease funding by \$6.85 million to reflect estimated costs associated with educating special education students.	Gross \$1,448,483,000 Federal 424,700,000 Restricted 1,023,783,000	(\$6,850,000) 0 (6,850,000)
7. Center for Educational Performance-CEPI (Sec. 94a) <u>Exec and House</u> reduce CEPI operational funding by \$1.5 million.	Gross \$7,728,600 Federal 2,793,200 GF/GP \$4,935,400	(\$1,500,000) 0 (\$1,500,000)

Major Boilerplate Changes From FY 2007-08

Sec. 6(4)(r). Kindergarten Membership - REVISED

Deletes language requiring that beginning in 2009-10, to receive a full foundation allowance for developmental kindergarten students, the instructional hours scheduled need to equal the hours required for grades 1-12 and language requiring kindergarten instructional hours for a full foundation allowance to equal 60% of the hours required for grades 1-12 for FY 2010-11 and 70% for FY 2011-12.

Sec. 98a. Education Technology Grants- NEW

Provides legislative intent language that in FY 2009-10, there will be \$11.5 million in Federal ARRA Title II broadband access funds for competitive education technology grants to districts and partnerships to expand access to digital learning environments.

SCHOOL AID LINE ITEM SUMMARY



		FY 2008-09		
Sec.	Foundation Allowance Increases:	Enacted PA 268 of 2008	Supplemental HB 4721 (H-1) Draft 2	Revised Year-To-Date
		\$56 to \$112		
11g	Durant - Debt Service	\$42,000,000		\$42,000,000
11j	School Bond Redemption Fund	\$39,000,000	\$1,000,000	\$40,000,000
11m	Cash Flow Borrowing Costs	\$45,000,000		\$45,000,000
11n	Small High School Infrastructure Program	\$15,000,000	(\$7,000,000)	\$8,000,000
22a	Proposal A Obligation Payment	\$6,092,000,000	(\$84,000,000)	\$6,008,000,000
22b	Discretionary Payment - State	\$3,796,750,000	(\$598,750,000)	\$3,198,000,000
22b	Discretionary Payment - Federal ARRA	\$0	\$600,000,000	\$600,000,000
22d	Isolated District Funding	\$2,025,000		\$2,025,000
22e	MBT Impact on Out of Formula Districts	\$1,300,000		\$1,300,000
24	Court-Placed Pupils	\$8,000,000		\$8,000,000
24a	Juvenile Detention Facility Programs	\$2,828,500		\$2,828,500
24c	Challenge Program	\$1,284,600		\$1,284,600
26a	Renaissance Zone Reimbursement	\$57,500,000	(\$22,000,000)	\$35,500,000
26b	PILT Reimbursement	\$3,400,000		\$3,400,000
29	Declining Enrollment Grants	\$20,000,000		\$20,000,000
31a	"At Risk" Pupil Support	\$310,457,000		\$310,457,000
31a(6)	Adolescent Health Centers	\$4,743,000		\$4,743,000
31a(7)	Hearing and Vision Screening	\$5,150,000		\$5,150,000
31d	State School Lunch Programs	\$22,495,100		\$22,495,100
31d	Federal School Lunch Programs	\$332,506,000		\$332,506,000
31f	School Breakfast Program	\$9,625,000		\$9,625,000
32b	ECIC Collaborative Grants	\$6,750,000		\$6,750,000
32c	Early Childhood Grants	\$2,125,000		\$2,125,000
32d	School Readiness - District Grants	\$88,379,100		\$88,379,100
32j	Great Parents Great Start ISD programs	\$5,000,000		\$5,000,000
32l	School Readiness - Competitive (transfer to 32d)	\$15,150,000		\$15,150,000
39a1	Federal "No Child Left Behind"	\$752,987,500		\$752,987,500
39a2	Other Federal Funding	\$32,559,700		\$32,559,700
41	Bilingual Education - State	\$2,800,000		\$2,800,000
51a	Special Education - Federal	\$424,700,000		\$424,700,000
51a	Special Education - State	\$1,023,783,000	(\$6,850,000)	\$1,016,933,000
54a	Special Education Evaluation Lending Library	\$100,000		\$100,000
54c	Newsline Grant	\$80,000		\$80,000
57	Advanced & Accelerated Program	\$285,000		\$285,000
61a	Vocational Education	\$30,000,000		\$30,000,000
62	ISD Voc. Ed Millage Equalization	\$9,000,000		\$9,000,000
64	Health/Science Middle College Program	\$2,000,000		\$2,000,000
65	Precollege Engineering Grants	\$980,100		\$980,100
74	Bus Driver Safety Instruction	\$1,625,000		\$1,625,000
74	School Bus Inspections	\$1,403,500		\$1,403,500
81	ISD General Operations Support	\$81,721,100		\$81,721,100
94a	Center for Educational Performance (CEPI)	\$4,935,400	(\$1,500,000)	\$3,435,400
94a	CEPI - Federal	\$2,793,200		\$2,793,200
98	Michigan Virtual High School (MVHS)	\$2,250,000		\$2,250,000
98	MVHS - Federal	\$2,700,000		\$2,700,000
99	Math/Science Centers - State	\$3,500,000		\$3,500,000
99	Math/Science Centers - Federal	\$5,249,300		\$5,249,300
99a	Math Remediation Grants	\$725,000		\$725,000
99e	Financial Emergency District Funding	\$125,000		\$125,000
99i	Pontiac Crisis Intervention	\$300,000		\$300,000
99j	District Pilot Projects	\$1,500,000		\$1,500,000
99k	District Grants	\$850,000		\$850,000
99p	Cultural Access Grants	\$100,000		\$100,000
104	MEAP Testing - State	\$28,872,800		\$28,872,800
104	MEAP Testing - Federal	\$8,512,900		\$8,512,900
107	Adult Education - State	\$24,000,000		\$24,000,000
TOTAL APPROPRIATIONS		\$13,378,906,800	(\$119,100,000)	\$13,259,806,800
REVENUE BY SOURCE				
Federal Aid		\$1,562,008,600	\$0	\$1,562,008,600
Federal ARRA		\$0	\$600,000,000	\$600,000,000
School Aid Fund		\$11,776,098,200	(\$756,300,000)	\$11,019,798,200
General Fund/General Purpose		\$40,800,000	\$37,200,000	\$78,000,000
TOTAL REVENUE		\$13,378,906,800	(\$119,100,000)	\$13,259,806,800

SCHOOL AID BALANCE SHEET
(Dollars In Millions)

HB 4721
(H-1) Draft 2
Jun-09
FY 2008-09

ESTIMATES OF SCHOOL AID FUND

Beginning Balance	\$247.1
JAN 2009 Revenue Conference	\$11,368.7
Revenue Conference Revisions - MAY 2009	<u>(425.0)</u>
Subtotal	\$11,190.80

ESTIMATED OTHER SCHOOL AID REVENUE

General Fund/General Purpose Grant	\$33.8
Proposed General/Fund Increase	44.2
Federal ARRA Funding - State Fiscal Stabilization Fund	600.0
Federal Aid	<u>1,562.0</u>
Subtotal	\$2,240.0

TOTAL REVENUE

\$13,430.8

ESTIMATED EXPENDITURES

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YTD appropriations	\$13,378.9
Miscellaneous Adjustments - Cost Adjustments	(112.1)
21st Century Small High Schools - EO 2009-22	<u>(7.0)</u>

TOTAL EXPENDITURES

\$13,259.8

ESTIMATED SCHOOL AID FUND BALANCE

\$171.0

ESTIMATED ARRA BALANCE - State Fiscal Stabilization Fund

\$634.0