

SCHOOL AID
Summary of FY 2009-10 Supplemental Appropriations
HB 4860 (H-1): As Passed by the House



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IDG/IDT	FY 2009-10 YTD	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Conference	Difference: House From FY 2009-10 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	1,601,759,400	0	1,601,759,400	0	0	0	0.0
Fed ARRA	450,000,000	0	634,131,000	0	0	184,131,000	40.9
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	10,741,605,400	0	10,615,755,600	0	0	(125,849,800)	(1.2)
GF/GP	30,206,200	0	31,800,000	0	0	1,593,800	5.3
Gross	\$12,823,571,000	\$0	\$12,883,446,000	\$0	\$0	59,875,000	0.5

Note: FY 2009-10 figures reflect supplementals and Executive Order (EO) actions through September 1, 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.

Major Budget Changes From FY 2009-10 YTD Appropriations	FY 2009-10 YTD	House Change From YTD
<p>1. Discretionary Payment (Sec. 22b) House replaces \$184.9 million in School Aid Fund revenue with \$184.1 million in Federal ARRA funds and \$793,800 in GF/GP. This will reduce the total proration required under the Executive proration letter based on the Executive's estimated School Aid Fund shortfall of \$212 million.</p>	<p>Gross \$3,722,300,000 Fed ARRA 450,000,000 Restricted 3,272,300,000 GF/GP 0</p>	<p>\$0 184,131,000 (184,924,800) \$793,800</p>
<p>2. School Bus Inspections (Sec. 74(4)) House restores \$800,000 in funding for School Bus Inspections which were previously funded at \$1.4 million in FY 2008-09 but were eliminated for FY 2009-10.</p>	<p>Gross \$0 GF/GP \$0</p>	<p>\$800,000 \$800,000</p>
<p>3. Sec. 20J Payments (Sec. 20j) House restores half the payment to adjust the foundation allowances for certain hold harmless districts. The additional payments were created to allow the foundation allowances of hold harmless districts to grow at the same per pupil increase as other districts from year to year in FYs 1999-2000, 2000-01, and 2001-02, when otherwise they would have been capped at the rate of inflation which was lower at the time than the rate at which other district foundation increases were growing. This appropriation is funded from the Michigan Future Fund.</p>	<p>Gross \$0 Restricted 0</p>	<p>\$25,750,000 25,750,000</p>
<p>4. Equity Payment (Sec. 20I) House creates an equity payment for districts with a foundation allowance of less than \$7,356 per pupil. The payment would be equal to the lesser of \$40 per pupil or the difference between \$7,356 and the district's foundation allowance. This appropriation is funded from the Michigan Future Fund.</p>	<p>Gross \$0 Restricted 0</p>	<p>\$25,750,000 25,750,000</p>

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		FY 2009-10 YTD	House Change From YTD
5. Great Start School Readiness Program-Competitive(Sec. 32d)	Gross	\$7,575,000	\$7,575,000
<u>House</u> restores the program for non-district preschools to its FY 2008-09 funding level, which was reduced by half for FY 2009-10.	Restricted	0	7,575,000
This additional appropriation is funded from the Michigan Future Fund.	GF/GP	\$7,575,000	\$0

Major Boilerplate Changes From FY 2009-10

Sec. 11. Total Appropriations – REVISED

House adds legislative intent that beginning with appropriations for FY 2010-11, the legislature shall enact the budget by June 1 of each year.

Sec. 101. Days and Hours Requirement – REVISED

PA 121 of 2009 revised this subsection (10) of this section such that districts may only count up to 38 hours of professional development toward their 1,098 required instructional hours *if 5 of those hours are online professional development*. The House would revise this section so that this change would not take effect until 2010-2011 and would not take effect until after current collective bargaining agreements ended if those agreements are in conflict with this subsection.

SCHOOL AID LINE ITEM SUMMARY



Sec.	Foundation Allowance Increases:	FY 2008-09		FY 2009-10		FY 2009-10	
		YTD PA 73 of 2009		Change From Enacted YTD	PA 121 of 09 (With Vetoes)	Change From PA 121 of 09	HB 4860 (H-1)
11d	Per Pupil Reduction			(\$263,000,000)	(\$263,000,000)		(\$263,000,000)
11g	Durant - Debt Service	\$42,000,000		(\$3,000,000)	\$39,000,000		\$39,000,000
11j	School Bond Redemption Func	\$40,000,000			\$40,000,000		\$40,000,000
11m	Cash Flow Borrowing Costs	\$45,000,000			\$45,000,000		\$45,000,000
11n	Small High School Infrastructure Program	\$8,000,000		(\$8,000,000)	\$0		\$0
20j	Sec. 20J Payments					\$25,750,000	\$25,750,000
20L	Equity Payment					\$25,750,000	\$25,750,000
22a	Proposal A Obligation Payment	\$6,008,000,000		(\$126,000,000)	\$5,882,000,000		\$5,882,000,000
22b	Discretionary Payment - State	\$3,198,000,000		\$74,300,000	\$3,272,300,000	(\$184,131,000)	\$3,088,169,000
22b	Discretionary Payment - Federal ARRA	\$600,000,000		(\$150,000,000)	\$450,000,000	\$184,131,000	\$634,131,000
22d	Isolated District Funding	\$2,025,000			\$2,025,000		\$2,025,000
22e	MBT Impact on Out of Formula Districts	\$1,300,000			\$1,300,000		\$1,300,000
24	Court-Placed Pupils	\$8,000,000			\$8,000,000		\$8,000,000
24a	Juvenile Detention Facility Programs	\$2,828,500		(\$305,300)	\$2,523,200		\$2,523,200
24c	Challenge Program	\$1,284,600		(\$642,300)	\$642,300		\$642,300
26a	Renaissance Zone Reimbursement	\$35,500,000			\$35,500,000		\$35,500,000
26b	PILT Reimbursement	\$3,400,000			\$3,400,000		\$3,400,000
29	Declining Enrollment Grants	\$20,000,000			\$20,000,000		\$20,000,000
31a	"At Risk" Pupil Support	\$310,457,000		(\$1,468,800)	\$308,988,200		\$308,988,200
31a(6)	Adolescent Health Centers	\$4,743,000		(\$1,185,700)	\$3,557,300		\$3,557,300
31a(7)	Hearing and Vision Screening	\$5,150,000			\$5,150,000		\$5,150,000
31d	State School Lunch Programs	\$22,495,100			\$22,495,100		\$22,495,100
31d	Federal School Lunch Programs	\$332,506,000		\$40,000,000	\$372,506,000		\$372,506,000
31f	School Breakfast Program	\$9,625,000			\$9,625,000		\$9,625,000
32b	ECIC Collaborative Grants	\$6,750,000		(\$750,000)	\$6,000,000		\$6,000,000
32c	Early Childhood Grants	\$2,125,000		(\$2,125,000)	\$0		\$0
32d	School Readiness - District Grants	\$88,379,100		\$20,900	\$88,400,000		\$88,400,000
32j	Great Parents Great Start ISD programs	\$5,000,000			\$5,000,000		\$5,000,000
32l	School Readiness - Competitive (transfer to 32d)	\$15,150,000		(\$7,575,000)	\$7,575,000	\$7,575,000	\$15,150,000
39a1	Federal "No Child Left Behind"	\$752,987,500		(\$50,000)	\$752,937,500		\$752,937,500
39a2	Other Federal Funding	\$32,559,700			\$32,559,700		\$32,559,700
41	Bilingual Education - State	\$2,800,000			\$2,800,000		\$2,800,000
51a	Special Education - Federa	\$424,700,000			\$424,700,000		\$424,700,000
51a	Special Education - State	\$1,016,933,000		\$44,350,000	\$1,061,283,000		\$1,061,283,000
54a	Special Education Evaluation Lending Libran	\$100,000		(\$100,000)	\$0		\$0
54c	Newsline Grant	\$80,000		(\$80,000)	\$0		\$0
57	Advanced & Accelerated Program	\$285,000		(\$285,000)	\$0		\$0
61a	Vocational Education	\$30,000,000		(\$3,388,700)	\$26,611,300		\$26,611,300
62	ISD Voc. Ed Millage Equalizator	\$9,000,000			\$9,000,000		\$9,000,000
64	Health/Science Middle College Program	\$2,000,000			\$2,000,000		\$2,000,000
65	Precollege Engineering Grants	\$980,100		(\$75,000)	\$905,100		\$905,100
74	Bus Driver Safety Instruction	\$1,625,000			\$1,625,000		\$1,625,000
74	School Bus Inspections	\$1,403,500		(\$1,403,500)	\$0	\$800,000	\$800,000
81	ISD General Operations Support	\$81,721,100		(\$16,344,300)	\$65,376,800		\$65,376,800
94a	Center for Educational Performance (CEPI)	\$3,435,400		\$50,700	\$3,486,100		\$3,486,100
94a	CEPI - Federal	\$2,793,200			\$2,793,200		\$2,793,200
98	Michigan Virtual High School (MVHS)	\$2,250,000		(\$562,500)	\$1,687,500		\$1,687,500
98	MVHS - Federal	\$2,700,000			\$2,700,000		\$2,700,000
99	Math/Science Centers - State	\$3,500,000		(\$875,000)	\$2,625,000		\$2,625,000
99	Math/Science Centers - Federa	\$5,249,300			\$5,249,300		\$5,249,300
99a	Math Remediation Grants	\$725,000		(\$725,000)	\$0		\$0
99e	Financial Emergency District Funding	\$125,000		(\$125,000)	\$0		\$0
99i	Pontiac Crisis Intervention	\$300,000			\$300,000		\$300,000
99j	District Pilot Projects	\$1,500,000		(\$1,500,000)	\$0		\$0
99k	District Grants	\$850,000		(\$850,000)	\$0		\$0
99p	Cultural Access Grants	\$100,000		(\$100,000)	\$0		\$0
104	MEAP Testing - State	\$28,872,800		(\$2,242,100)	\$26,630,700		\$26,630,700
104	MEAP Testing - Federal	\$8,512,900		(\$199,200)	\$8,313,700		\$8,313,700
107	Adult Education - State	\$24,000,000		(\$2,000,000)	\$22,000,000		\$22,000,000
TOTAL APPROPRIATIONS		\$13,259,806,800		(\$436,235,800)	\$12,823,571,000	\$59,875,000	\$12,883,446,000
REVENUE BY SOURCE							
Federal Aid		\$1,562,008,600		\$39,750,800	\$1,601,759,400	\$0	\$1,601,759,400
Federal ARRA		\$600,000,000		(\$150,000,000)	\$450,000,000	\$184,131,000	\$634,131,000
Michigan Future Func						\$59,075,000	\$59,075,000
School Aid Fund		\$11,019,798,200		(\$278,192,800)	\$10,741,605,400	(\$184,924,800)	\$10,556,680,600
General Fund/General Purpose		\$78,000,000		(\$47,793,800)	\$30,206,200	\$1,593,800	\$31,800,000
TOTAL REVENUE		\$13,259,806,800		(\$436,235,800)	\$12,823,571,000	\$59,875,000	\$12,883,446,000