

**SCHOOL AID: FY 2010-11 Supplemental
Summary: Senate Passed
Senate Bill 4860 (S-4)**



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IDG/IDT	PA 110 of 2010	RTTT Contingency	FY 2010-11	FY 2010-11	FY 2010-11	Difference: Senate	
	FY 2010-11	FY 2010-11 YTD	Senate	House	Conference	From FY 2010-11 YTD	
	\$0	\$0	\$0	\$0	\$0	Amount	%
Federal							
ARRA	184,256,600	184,256,600	184,256,600	0	0	0	--
Non-ARRA	1,682,008,400	1,676,944,700	1,677,806,400	0	0	861,700	0.1
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	10,948,659,200	10,974,826,700	10,937,260,500	0	0	(37,566,200)	(0.3)
GF/GP	30,206,200	27,842,400	18,642,400	0	0	(9,200,000)	(33.0)
Gross	\$12,845,130,400	\$12,863,870,400	\$12,817,965,900	\$0	\$0	(\$45,904,500)	(0.4)

Note: FY 201011 figures reflect supplementals and Executive Order (EO) actions through September 1, 2010.

Overview

The School Aid budget makes appropriations to the state's 551 local school districts, 240 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 Energy, Labor and Economic Growth, and other entities to implement certain grants and other programs related to K-12 education.

Note

HOUSE: HB 4860 (H-1) as passed the House is a FY 2009-10 school aid supplemental and the current version of the Senate bill is a FY 2010-11 school aid supplemental thus this analysis does not include House action.

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2010-11 YTD	Senate From YTD
1. School Bond Loan Fund (Sec. 11j)	Gross	\$45,134,000	(\$39,966,200)
Senate decreases appropriation by \$40.0 million to recognize one-time savings created by refinancing the current bonds.	Restricted	45,134,000	(39,966,200)
2. MBT Impact on Out of Formula Districts (Sec. 22e)	Gross	\$1,300,000	\$500,000
Senate adds an additional \$500,000 for Pontiac School District.	Restricted	1,300,000	500,000
3. Challenge Grant Program (Sec. 24c)	Gross	\$642,300	\$100,000
Senate adds an additional \$100,000 for the Challenge grant program.	Restricted	642,300	100,000
4. Renaissance Zone Reimbursement (Sec. 26a)	Gross	\$35,500,000	(\$9,200,000)
Senate eliminates the State Education Tax (SET) reimbursement from the General fund to the School Aid Fund per the target agreement. Maintains School Aid reimbursements to districts.	Restricted	26,300,000	0
	GF/GP	\$9,200,000	(\$9,200,000)
5. Federal Grants (including No Child Left Behind) (Sec. 39a)	Gross	\$794,333,300	\$861,700
Senate increases funding by \$861,700 to recognize increased available Federal funding for rural and low income schools grant.	Federal	794,333,300	861,700
6. Postsecondary Agriculture Education Program (Sec. 92)	Gross	N/A	\$300,000
Senate appropriates \$300,000 to Saginaw Valley State University for the purpose of establishing an agriculture education program.	Restricted	N/A	300,000
7. State Aid to Libraries for MELCat Support (Sec. 93)	Gross	N/A	\$1,500,000
Senate appropriates \$1.5 million to the Library of Michigan for state aid to libraries to help support the Michigan electronic library (MELCat) in public schools and public libraries. This is a 26% increase in the amount appropriated in the Department of Education budget.	GF/GP	N/A	\$1,500,000

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	<u>FY 2010-11 YTD</u>		<u>Senate From YTD</u>
8. CEPI (Sec. 94a)	Gross	\$23,928,900	\$0
<u>Senate</u> recognizes the contingency appropriation of \$10.2 million GF/GP to support CEPI in the implementation of recent education reforms because Michigan did not receive a Federal Race to the Top award.	Federal	10,067,800	0
	GF/GP	\$13,861,100	\$0
9. MEAP Testing (Sec. 104)	Gross	\$43,444,400	\$0
<u>Senate</u> recognizes the contingency appropriation of \$13.6 million School Aid Fund and the transfer of \$5.1 million in Federal funds to the Department of Education for assessment requirements in the recent education reforms because Michigan did not receive a Federal Race to the Top award.	Federal	3,250,000	0
	Restricted	40,194,400	0

Major Boilerplate Changes From FY 2010-11

Sec. 81. ISD Operations – REVISED

Senate modifies language added in PA 110 of 2010 which would protect from future reductions the portion of an ISD's allocation under Section 81 equal to the amount transferred into Section 81 for each ISD in 1995-96 from former section 146 and section 147 related to FICA and retirement and revises base year to 1994-95.

Sec. 102. Deficit District Reporting – REVISED

Senate adds language to the deficit district reporting requirement by also requiring any district adopting a current year budget that projects a deficit fund balance to follow the same rules as a district currently in deficit.

Sec. 166b. Districts providing instruction for Nonpublic Schools – REVISED

Senate makes technical change to language added in PA 110 of 2010 which allows a PSA that is located in the district, or in a district contiguous to the district, in which the nonpublic school is located to provide instruction to a nonpublic student under the same conditions that apply to the contiguous district.