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BILL ANALYSIS



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Senate Bill 134 (Substitute H-1 as passed by the Senate)
Sponsor: Representative Dave Hildenbrand
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 9-29-15

CONTENT

Senate Bill 134 (H-1) is a fiscal year (FY) 2015-16 School Aid supplemental that would appropriate \$4,325,000 in School Aid Fund revenue for an increase in funding to the Great Start Readiness Program (GSRP), and would make several boilerplate changes, discussed below. The \$4.3 million increase in GSRP appropriations would ensure that every intermediate school district (ISD) would receive funding for at least the same number of half-day preschool slots as in the previous year, FY 2014-15.

Slots are allocated based on a formula in statute that ranks ISDs by the percentage of elementary students eligible for free lunch. For FY 2015-16, ISDs with higher poverty (and higher ranking) increased their program size, thereby leaving fewer slots available to ISDs further down the poverty ranking list. The supplemental would ensure that those ISDs currently projected to be funded with fewer half-day slots than in FY 2014-15 would receive funding to bring their slot allocation to the FY 2014-15 level. There are 12 ISDs that would be affected. [Table 1](#) lists those ISDs and their additional slot allocation under this bill, ranked from highest to lowest poverty.

The bill includes five boilerplate changes, three of which are technical clarifications. The first nontechnical boilerplate change, found in Section 6, would strike "as determined by the department in accordance with the pupil accounting manual" as a condition of determining that a pupil's participation in a cyber school's educational program is considered regular daily attendance, as well as striking the same condition in determining that, for the Education Achievement System (EAS), a pupil's participation in an online educational program of the EAS or of an achievement school is considered regular daily attendance. The pupil accounting manual recently was amended to require that this participation include being counted through a teacher-initiated, two-way interaction each week for the four weeks following the pupil count date; the bill would make that change ineffective for cyber or online EAS programming.

The second nontechnical boilerplate change, also found in Section 6, would allow programs that counted pupils who were 20-22 years of age in membership in FY 2014-15 at schools primarily focused on educating homeless pupils to continue to do so. Current law restricts this provision only to pupils defined as homeless by Federal law.

The first of the three technical clarifications, found in Section 21f, would correct the definition of "primary district" for online learning to mean the district that enrolls the pupil and reports the pupil as a full-time equated pupil for pupil membership purposes, rather than the pupil's resident district. The second technical clarification, found in Section 31a, would clarify that the three-year "shot clock" for demonstrating third grade reading and college/career readiness proficiency begins in FY 2015-16, with penalties beginning in FY 2018-19. The third

technical boilerplate change, in Section 107, would restore the words "at least" to refer to adults "at least 20 years of age", instead of adults who are exactly 20 years of age, in a condition for eligibility for Adult Education.

MCL 388.1606 et al.

FISCAL IMPACT

The bill would increase State spending by \$4.3 million, and would increase local revenue of 12 ISDs by that \$4.3 million in the form of additional appropriations for the Great Start Readiness Program. Out of 56 total ISDs, 12 are projected to have fewer half-day preschool slots in FY 2015-16 absent this supplemental, but if the bill is enacted, those 12 ISDs would receive slot allocations to ensure the same number of slots for FY 2015-16 as funded in FY 2014-15. The 12 affected ISDs are shown in Table 1.

Table 1

Intermediate School Districts and Their GSRP Slot Shortfalls from FY 2014-15 Levels		
Intermediate School District	Slot Shortfall	Dollar Shortfall
Gratiot-Isabella	81	\$293,625
Bay-Arenac	134	485,750
Eastern Upper Peninsula	126	456,750
Shiawassee	144	522,000
Huron.....	55	199,375
Menominee	10	36,250
Charlevoix-Emmett	83	300,875
Marquette-Alger	29	105,125
Midland	172	623,500
Washtenaw	77	279,125
Ottawa	159	576,375
Clinton	121	438,625
Statewide Totals to Achieve "Hold-Harmless" Status ...	1,191	\$4,317,375

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.