

FY 2017-18: SCHOOL AID
Summary: Conference Report
House Bill 4235 (H-3) CR-1*



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	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	Difference: Conference From FY 2016-17 YTD	
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	%
Federal	1,818,632,700	1,726,943,500	1,726,943,500	1,726,943,500	1,726,943,500	(91,689,200)	(5.0)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	12,124,309,400	12,360,145,300	12,367,507,200	12,365,762,000	12,397,983,000	272,673,600	2.2
GF/GP	218,900,000	215,000,000	215,000,000	195,000,000	205,000,000	(13,900,000)	(6.3)
Gross	\$14,161,842,100	\$14,302,088,800	\$14,309,450,700	\$14,287,705,500	\$14,329,926,500	\$167,084,400	1.2

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The School Aid budget makes appropriations to the state's 536 local school districts, 300 public school academies, the Education Achievement System, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2016-17 YTD Appropriations

1. Foundation Allowance – Increase (Secs. 22a and 22b)

Executive increases foundation allowances from \$50 to \$100 using the 2x formula at a cost of \$128.0 million. The minimum foundation allowance would increase from \$7,511 to \$7,611, and the state maximum guaranteed foundation allowance would increase from \$8,229 to \$8,279.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
Gross	\$9,105,000,000	\$153,300,000
Restricted	8,932,597,200	153,300,000
GF/GP	\$172,402,800	\$0

House increases foundation allowances by \$100 per pupil across the board at a cost of \$143.0 million. The minimum foundation allowance would increase from \$7,511 to \$7,611, and the state maximum guaranteed foundation allowance would increase from \$8,229 to \$8,329.

Senate increases foundation allowances from \$88 to \$176 using the 2x formula at a cost of \$228.0 million. The minimum foundation allowance would increase from \$7,511 to \$7,687 and the maximum guaranteed foundation allowance would increase from \$8,229 to \$8,317.

Conference increases foundation allowances from \$60 to \$120 using the 2x formula at a cost of \$153.3 million. The minimum foundation allowance would increase from \$7,511 to \$7,631, and the state maximum guaranteed foundation allowance would increase from \$8,229 to \$8,289.

2. Foundation Allowance – Cyber Schools (Sec. 22b)

Executive reduces cyber foundation allowances to 80% of the minimum foundation allowance after the 1st year of operation, saving \$16.0 million.

House and Senate maintain cyber school foundations at 100% of the minimum foundation allowance.

Conference concurs with House and Senate.

Gross	\$80,000,000	\$0
Restricted	80,000,000	0
GF/GP	\$0	\$0

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
3. Shared-time Instruction for Nonpublic and Homeschool Pupils (Sec. 23f)		Gross	\$115,000,000	(\$2,000,000)
<u>Executive</u> revises state support for shared-time instruction programs where districts provide nonessential courses to nonpublic and home-schooled students from a per pupil foundation allowance to a categorical funding program. Caps total funding at \$60.0 million which is estimated to be a \$55.0 million reduction from current-year shared-time costs. Districts would receive prorated funding if total funding requests exceeded the appropriation.		Restricted	115,000,000	(2,000,000)
<u>House</u> maintains current law and funds shared-time instruction through the foundation allowance.		GF/GP	\$0	\$0
<u>Senate</u> concurs with House to fund shared-time instruction through the foundation allowance. However, caps the maximum FTE for which a nonpublic school pupil may be counted in a shared-time program at 0.75 FTE, reducing costs by \$2.0 million. See major boilerplate changes in Sec.6(4)(ii) and Sec. 166b.				
<u>Conference</u> concurs with the Senate.				
4. At-Risk (Sec. 31a)		Gross	\$378,988,200	\$120,011,800
<u>Executive</u> increases by \$150.0 million to a total of \$529.0 million. Expands to include hold harmless and out-of-formula districts that are currently excluded. Also revises the distribution formula from		Restricted	378,988,200	120,011,800
<ul style="list-style-type: none">11.5% x District Foundation x Free Lunch Eligible Pupils to11.5% x Statewide Weighted Average Foundation x Economically Disadvantaged Pupils.		GF/GP	\$0	\$0
Economically disadvantaged pupils are currently collected and reported by CEPI to the US Department of Education and include pupils who are eligible for both free and reduced-price lunch, Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), or are homeless, migrant, or in foster care. The expanded definition is estimated to increase the number of pupils for whom districts receive funding by 131,000.				
<u>House</u> increases by \$129.1 million to a total of \$508.1 million. Concurs with Executive change regarding eligible pupils. House concurs with the revised distribution formula but caps the at-risk per-pupil allocation for newly eligible hold harmless and out-of-formula districts at 50% of their total before any proration.				
<u>Senate</u> increases by \$100.0 million to a total of \$479.0 million. Concurs with Executive change regarding eligible pupils. Senate allocates \$433.0 million under existing formula to currently eligible districts, an increase of \$54.0 million. Allocates \$41.0 million to all districts on an equal per pupil basis, approximately \$60 per eligible pupil. Earmarks \$5.0 million to districts providing WIDA Access or Alternate Access assessments and services for English language learners.				
<u>Conference</u> increases by \$120.0 million to a total of \$499.0 million and concurs with formula revisions proposed by Executive but caps newly eligible Hold Harmless and Out-of-Formula districts at 30% funding. Fully funding the new formula would cost \$575.0 million, but payments would be prorated. Currently eligible districts would receive an estimated \$777 per eligible pupil and newly eligible districts would receive an estimated \$233 per pupil. Moves Senate funding for English language learners to Sec. 41.				
5. MPSERS Cost Offset (Sec.147a1)		Gross	\$100,000,000	\$0
<u>Executive</u> maintains current funding of \$100.0 million to offset a share of MPSERS costs.		Restricted	100,000,000	0
<u>House</u> concurs with Executive.		GF/GP	\$0	\$0
<u>Senate</u> eliminates current funding.				
<u>Conference</u> concurs with Executive and House.				

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
6. MPSERS Assumed Rate of Return (AROR) – Employer Normal Cost Increase Offset (Sec. 147a2) – NEW <u>Executive</u> reimburses districts, ISDs, and district libraries for the employer normal cost increases related to the AROR reduction from 8.0% to 7.5% at a cost of \$48.9 million for FY 2017-18 and a total cost of \$97.8 million in FY 2018-19, once fully phased-in over 2 years. <u>House and Senate</u> concur with Executive. <u>Conference</u> concurs with Executive, House, and Senate.	Gross	\$0	\$48,969,000
	Restricted	0	48,940,000
	GF/GP	\$0	\$29,000
7. MPSERS Assumed Rate of Return (AROR) – Unfunded Liability State Share (Sec. 147c) <u>Executive</u> proposes a 2-year phase-in to reduce the MPSERS AROR from 8.0% to 7.5% at a cost of \$90.8 million FY 2017-18 and double that in FY 2018-19. The FY 2017-18 cost increase is offset by savings due to improved health care cost experience and higher rates of investment returns during the most recent 5-year actuarial smoothing period. Total costs for the State Share are reduced by \$22.0 million to \$960.8 million for FY 2017-18. <u>House and Senate</u> concur with Executive. <u>Conference</u> concurs with Executive, House, and Senate.	Gross	\$982,800,000	(\$22,016,000)
	Restricted	982,200,000	(22,070,000)
	GF/GP	\$600,000	\$54,000
8. High School Per Pupil Bonus (Sec. 22n) – NEW <u>Executive</u> includes \$22.0 million to provide districts with an additional \$50 per pupil for each pupil in grades 9 to 12 to reflect the higher costs of high school instruction. <u>House and Senate</u> do not include this section. <u>Conference</u> concurs with House and Senate.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
9. Declining Enrollment (Sec. 29) – NEW <u>Executive</u> includes \$7.0 million to districts that have experienced enrollment declines of more than 5% over the last 2 years. Funding would equal 1/3 of a district's foundation allowance multiplied by the difference between a 2-year average pupil membership blend and the district's actual membership blend. A district would be eligible for this funding for 2 years. <u>House and Senate</u> do not include this section. <u>Conference</u> concurs with House and Senate.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
10. Career and Technical Education (CTE) Programs (Sec. 61a) <u>Executive</u> maintains current funding for CTE added costs and eliminates \$79,000 GF/GP to fund a non-profit organization that provides curriculum and training to CTE programs in restaurant management and culinary training. <u>House</u> concurs with Executive and adds \$1.0 million for competitive grants to up to 3 intermediate school districts (ISDs) to hire career and technical education counselors. Gives priority to the ISD with the greatest number of pupils, with the additional ISDs chosen in a way that distributes funding among urban and rural communities. <u>Senate</u> maintains current funding for both CTE added costs and CTE programs in restaurant management and culinary training. <u>Conference</u> maintains current funding for both CTE added costs and CTE programs in restaurant management and culinary training and concurs with House addition of \$1.0 million for CTE counselors.	Gross	\$36,690,300	\$1,000,000
	Restricted	36,690,300	1,000,000
	GF/GP	\$0	\$0
11. Career and Technical Education (CTE) – Early/Middle College (Sec. 61b) <u>Executive</u> maintains funding to expand CTE early/middle colleges. <u>House</u> eliminates this program. <u>Senate</u> concurs with Executive. <u>Conference</u> reduces by \$1.0 million to a total of \$8.0 million.	Gross	\$9,000,000	(\$1,000,000)
	Restricted	9,000,000	(1,000,000)
	GF/GP	\$0	\$0

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
12. Career and Technical Education (CTE) – Equipment Upgrades (Sec. 61c)		Gross	\$3,200,000	\$3,800,000
<p><u>Executive</u> increases by \$16.8 million to expand the CTE equipment grant program begun in FY 2016-17. Eliminates the \$200,000 earmark to the Hudson School District Mechatronics program. Revises from a formula allocation to regional career education planning districts and replaces it with a competitive grant program for districts or ISDs administered by both MDE and the department of Talent and Economic Development (TED). Grants could be between \$250,000 and \$1,000,000.</p> <p><u>House</u> increases by \$6.8 million to a total of \$10.0 million. Concurs with Executive in revising to a competitive grant program, but gives priority to districts that lease equipment from private industry partners. Increases the allocation for grants to districts with mechatronics programs from \$200,000 to \$1.0 million.</p> <p><u>Senate</u> increases by \$4.3 million to a total of \$7.5 million. Eliminates the \$200,000 earmark to the Hudson School District Mechatronics program. Revises the use of the funding from CTE programs supporting and driving economic development to those CTE programs identified in the highest 5 career cluster rankings in any of the 10 regional strategic plans approved for training on new equipment, professional development relating to computer science or coding, or new and emerging certified CTE programs to provide programming to enhance economic development.</p> <p><u>Conference</u> increases by \$3.8 million to a total of \$7.0 million and includes a \$300,000 earmark to district mechatronic grants.</p>		Restricted	3,200,000	3,800,000
		GF/GP	\$0	\$0
13. Flint Water Emergency Funds (Sec. 11s)		Gross	\$10,142,600	(\$1,412,500)
<p><u>Executive</u> reduces funding by \$1.4 million to Flint School District and Genesee ISD related to providing additional services for early childhood and supplemental school services, bringing the total to \$8.7 million for FY 2017-18. Funds would be allocated to expanded Great Start Readiness Program (GSRP) eligibility (\$3.0 million), school nurses and social workers (\$2.6 million) in Flint schools, ISD support to Flint residents that attend districts other than Flint (\$2.5 million), and nutrition programs (\$605,000).</p> <p><u>House and Senate</u> concur with Executive.</p> <p><u>Conference</u> concurs with Executive, House, and Senate.</p>		Restricted	0	0
		GF/GP	\$10,142,600	(\$1,412,500)
14. Categorical Offset Payments (Sec. 20f)		Gross	\$18,000,000	\$0
<p><u>Executive and House</u> maintain current year funding levels which maintain a base that ensured a minimum net increase of \$5 for all districts for FY 2013-14 and a minimum net increase of \$25 for all districts for FY 2015-16 after categorical reductions in those years reduced total district funding more than foundation allowance increases.</p> <p><u>Senate</u> increases total funding to \$19.4 million to ensure no district has a net decrease after adding increases in the foundation allowance and at risk payments with the elimination of MPSERS offset payments.</p> <p><u>Conference</u> concurs with Executive and House.</p>		Restricted	18,000,000	0
		GF/GP	\$0	\$0
15. State School Reform/Redesign (SRO) (Sec. 21)		Gross	\$5,000,000	(\$5,000,000)
<p><u>Executive</u> maintains current law for funding to districts in which the SRO has assigned a CEO.</p> <p><u>House</u> eliminates.</p> <p><u>Senate</u> provides a \$100 placeholder for districts with SRO CEOs and sets aside \$8.0 million in Sec. 21j, available by legislative transfer for purposes under Sec. 21 or 21h.</p> <p><u>Conference</u> concurs with House.</p>		Restricted	5,000,000	(5,000,000)
		GF/GP	\$0	\$0
16. Competency Based Funding Pilot (Sec. 21g)		Gross	\$500,000	(\$500,000)
<p><u>Executive</u> eliminates funding for a competency-based transcript and market place pilot.</p> <p><u>House</u> provides a \$100 placeholder to expand competency-based education programs.</p> <p><u>Senate</u> concurs with Executive.</p> <p><u>Conference</u> concurs with Executive and Senate.</p>		Restricted	0	0
		GF/GP	\$500,000	(\$500,000)

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
17. Competency-Based Education District Grants (Sec. 21j) – NEW			
<u>Conference</u> adds \$500,000 for competitive grants to districts that provide an education model that allows the use of multiple and innovative methods to determine pupils' achievement of grade-level competencies and Michigan merit curriculum credit.	Gross	\$0	\$500,000
	Restricted	0	0
	GF/GP	\$0	\$500,000
18. Partnership Model Districts (Sec. 21h) – NEW			
<u>Executive</u> provides \$3.0 million (along with \$641,800 and 4.0 FTEs in the MDE budget) for interventions in districts identified as needing additional academic supports. Target districts would be districts not yet under the authority of the School Reform Office. <u>House</u> does not include this section. <u>Senate</u> provides a \$100 placeholder for partnership model districts. Sets aside \$8.0 million in Sec. 21j, available by legislative transfer for purposes under Sec. 21 or 21h. <u>Conference</u> includes a \$100 placeholder.	Gross	\$0	\$100
	Restricted	0	100
	GF/GP	\$0	\$0
19. Consolidation Incentive Grants (Sec. 22g)			
<u>Executive</u> eliminates funding for competitive assistance grants to districts or ISDs for reimbursement of transition costs associated with the dissolution, consolidation, or annexation of districts or ISDs. <u>House</u> reduces to \$1.0 million. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Executive and Senate.	Gross	\$3,000,000	(\$3,000,000)
	Restricted	3,000,000	(3,000,000)
	GF/GP	\$0	\$0
20. Technology Regional Data Hubs (Sec. 22m) – NEW			
<u>Executive</u> provides \$2.2 million to support the Michigan Data Hub Network which was begun with former Sec. 22i Technology Readiness Infrastructure grants. The regional data hubs are designed to improve the efficiency of local school data collection and create common data reporting as required under Sec. 19. <u>House</u> appropriates \$1.2 million. <u>Senate</u> appropriates \$1.1 million for a competitive grant process to a network for upgrading data infrastructure, promoting data integration systems, promoting 100% district adoption of the Michigan data hub network, ensuring data security and privacy, providing actionable and consistent statewide reports and dashboards, creating a governance model to facilitate a sustainable model for the future, and evaluating future data initiatives. <u>Conference</u> concurs with House funding amount and Senate purpose revisions.	Gross	\$0	\$1,200,000
	Restricted	0	1,200,000
	GF/GP	\$0	\$0
21. Strict Discipline Academy (Sec. 25f)			
<u>Executive</u> eliminates funding for the added costs of educating strict discipline academy pupils. <u>House</u> and <u>Senate</u> maintain current funding. <u>Conference</u> concurs with House and Senate.	Gross	\$750,000	\$0
	Restricted	750,000	0
	GF/GP	\$0	\$0
22. Dropout Recovery Programs (Sec. 25g)			
<u>Executive</u> eliminates funding for the additional costs of educating pupils in a year-round dropout recovery program. <u>House</u> and <u>Senate</u> maintain current funding. <u>Conference</u> concurs with House and Senate.	Gross	\$750,000	\$0
	Restricted	750,000	0
	GF/GP	\$0	\$0
23. School Based Health Centers (Sec.31a(7))			
<u>Executive</u> maintains current funding for school based health centers. <u>House</u> concurs with Executive. <u>Senate</u> increases by \$500,000 and changes the spending directive from child and adolescent health centers to funding primary health care services provided to children and adolescents up to age 21. <u>Conference</u> concurs with Senate.	Gross	\$5,557,300	\$500,000
	Restricted	5,557,300	500,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
24. Year-Round Instruction Programs (Sec. 31b)		Gross	\$1,500,000	\$0
<u>Executive</u> increases the total for year-round, balanced-calendar instruction grants to \$3.0 million. Grants support districts with funds for building modifications or other nonrecurring costs related to the transition to a balanced-calendar.		Restricted	1,500,000	0
<u>House and Senate</u> maintain current year appropriation.		GF/GP	\$0	\$0
<u>Conference</u> concurs with House and Senate.				
25. Local Produce in School Meals (Sec. 31j)		Gross	\$250,000	\$125,000
<u>Executive</u> eliminates funding for a pilot project to support districts in the purchase of locally grown fruits and vegetables for use in school lunches.		Restricted	0	0
<u>House</u> concurs with Executive.		GF/GP	\$250,000	\$125,000
<u>Senate</u> maintains current funding.				
<u>Conference</u> adds \$125,000 for Prosperity Region 9.				
26. Early Learning Cooperative (Sec. 32q)		Gross	\$175,000	\$0
<u>Executive</u> eliminates funding for a preschool early learning cooperative pilot.		Restricted	175,000	0
<u>House</u> concurs with Executive.		GF/GP	\$0	\$0
<u>Senate</u> maintains current funding and updates intent language to provide that it is the 2nd of 3 years of funding.				
<u>Conference</u> concurs with Senate.				
27. Early Literacy District Grants (Sec. 35 and 35a)		Gross	\$24,900,000	\$4,500,000
<u>Executive</u> adds \$3.0 million to a total of \$6.0 million for early literacy coaches and eliminates \$1.0 million for Michigan Education Corps. Maintains funding for department implementation (\$1.0 million) professional development (\$950,000), screening and diagnostic tools (\$1.5 million), and added instructional time (\$17.5 million).		Restricted	22,900,000	3,000,000
<u>House</u> eliminates department implementation (\$1.0 million) and concurs to eliminate the Michigan Education Corps (\$1.0 million). House rolls up remaining funding along with a \$500,000 increase for a total of \$25.4 million distributed to eligible districts in an amount equal to \$245 for each 1 st grade pupil. Allows districts to use funds for all of the currently funded activities including professional development, screening and diagnostic tools, early literacy coaches, and additional instructional time.		GF/GP	\$2,000,000	\$1,500,000
<u>Senate</u> concurs with Executive but increases Michigan Education Corps by \$1.5 million to a total of \$2.5 million.				
<u>Conference</u> concurs with Senate to increase early literacy coaches by \$3.0 million bringing it to a total of \$6.0 million and Michigan Education Corps by \$1.5 million bringing it to \$2.5 million. Concurs with House to roll up department implementation, professional development, diagnostic tools funding, and added instructional time and distribute to districts in an amount equal to \$210 per 1 st grade FTE. Caps the funding that may be used for professional development at 5% and for diagnostic tools at 5%.				
28. Bilingual/English Language Learners (Sec. 41)		Gross	\$1,200,000	\$4,800,000
<u>Executive, House, and Senate</u> maintain current funding of \$1.2 million.		Restricted	1,200,000	4,800,000
<u>Conference</u> replaces the current bilingual education grants with \$6.0 million allocated to districts that use the WIDA Access and WIDA Alternative Access assessments to provide services to English Language learners. Allocates \$620 per FTE with scores between 1.0 and 1.9 and \$410 per FTE with scores between 2.0 and 2.9.		GF/GP	\$0	\$0
29. Michigan Behavior and Learning Support Initiative (MiBLSI) (Sec. 54b)		Gross	\$1,125,000	\$475,000
<u>Executive</u> increases by \$475,000 to a total \$1.6 million to continue to pilot the implementation of positive behavioral intervention and supports and to support a statewide structure to support local initiatives for an integrated behavior and reading program.		Restricted	1,125,000	475,000
<u>House and Senate</u> concur with Executive.		GF/GP	\$0	\$0
<u>Conference</u> concurs with Executive, House, and Senate.				

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
30. Conductive Learning Study (Sec. 55) <u>Executive</u> eliminates this section because intent language stated that FY 2016-17 was the 2nd of 2 years of funding. <u>House</u> concurs with Executive. <u>Senate</u> maintains funding at \$150,000 and revises intent language to say that this is the 3rd of 3 years of funding. <u>Conference</u> concurs with Senate.	Gross	\$150,000	\$0
	Restricted	150,000	0
	GF/GP	\$0	\$0
31. Information Technology Certifications (Sec. 64d/99u) – NEW <u>Executive</u> does not include this section. <u>House</u> adds \$1.0 million for a competitive grant to provide information technology education opportunities to students attending districts, ISDs, or PSAs, CTE programs, and Community Colleges. (Sec. 64d) <u>Senate</u> concurs with House but appropriates \$2.3 million for the 1 st of 3 years. (Sec. 99u) <u>Conference</u> concurs with House for the 1 st of 3 years.	Gross	\$0	\$1,000,000
	Restricted	0	0
	GF/GP	\$0	\$1,000,000
32. Detroit PreCollege Engineering (Sec. 65) <u>Executive</u> eliminates funding for the Detroit PreCollege Engineering program. <u>House</u> concurs with Executive. <u>Senate</u> maintains current funding. <u>Conference</u> concurs with Senate.	Gross	\$340,000	\$0
	Restricted	0	0
	GF/GP	\$340,000	\$0
33. Online Career Preparation (Sec. 67a) <u>Conference</u> includes \$1.0 million for an online career preparation tool.	Gross	\$0	\$1,000,000
	GF/GP	\$0	\$1,000,000
34. School Bus Driver Safety Instruction (Sec. 74) <u>Executive</u> maintains current funding for payments to state colleges and or universities and intermediate districts providing school bus driver safety instruction. <u>House</u> concurs with Executive. <u>Senate</u> adds \$400,000 for school bus driver safety instruction. <u>Conference</u> concurs with Senate.	Gross	\$1,625,000	\$400,000
	Restricted	1,625,000	400,000
	GF/GP	\$0	\$0
35. Statewide School Drinking Water Quality Program (Sec. 78) – NEW <u>Executive</u> transfers this program, begun in FY 2016-17, from the MDE budget to the School Aid budget. Reimburses districts and nonpublic schools with up to \$950 per school building for the costs of voluntary water testing. <u>House</u> and <u>Senate</u> do not include this section. <u>Conference</u> concurs with House and Senate.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
36. ISD General Operations Support (Sec. 81) <u>Executive</u> maintains current funding for ISD general operations support. <u>House</u> concurs with Executive. <u>Senate</u> increases ISD funding by 1.5%, or \$1.0 million, to a total of \$68.1 million. <u>Conference</u> concurs with Executive and House.	Gross	\$67,108,000	\$0
	Restricted	67,108,000	0
	GF/GP	\$0	\$0
37. Advanced Placement (AP) Incentive Program (Sec. 94) <u>Executive</u> maintains current funding for the AP incentive Program, which the department awards funds to cover all or part of the test or registration fees for the AP test or international baccalaureate. <u>House</u> concurs with Executive. <u>Senate</u> increases by \$750,000 for a total of \$1.0 million. <u>Conference</u> increases by \$500,000 for a total of \$750,000.	Gross	\$250,000	\$500,000
	Restricted	250,000	500,000
	GF/GP	\$0	\$0
38. Center for Educational Performance and Information (CEPI) (Sec. 94a) <u>Executive</u> provides an additional \$4.0 million in ongoing support for CEPI to replace Federal funds that have been available through work projects for several years which are used for the support of longitudinal data collection and a web-based school data portal. <u>House</u> increases by \$2.0 million. <u>Senate</u> increases by \$1.0 million. <u>Conference</u> includes only economic increases of \$42,800.	Gross	\$12,366,700	\$42,800
	Federal	193,500	0
	GF/GP	\$12,173,200	\$42,800

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
39. Educator Evaluations (Sec. 95a)		Gross	\$0
<u>Executive</u> includes \$7.0 million to fund professional development and training for teachers and administrators in implementing educator evaluations as required under PA 173 of 2015. Initial funding of \$14.8 million was provided in the FY 2015-16 budget, but carried forward as a work project into the current year. This would represent the cost of training the remaining evaluators.		Restricted	0
<u>House</u> and <u>Senate</u> do not include this section.		GF/GP	\$0
<u>Conference</u> concurs with House and Senate.			
40. Value-added Growth Model (Sec. 95b) – NEW		Gross	\$0
<u>Executive</u> does not include this section.		Restricted	0
<u>House</u> provides \$2.5 million GF/GP to develop a statewide value-added growth and projection analytics system.		GF/GP	\$0
<u>Senate</u> does not include this section.			
<u>Conference</u> concurs with House.			
41. Michigan Virtual University (Sec. 98)		Gross	\$7,387,500
<u>Executive</u> maintains current funding for the Michigan Virtual University		Restricted	0
<u>House</u> concurs with Executive.		GF/GP	\$7,387,500
<u>Senate</u> reduces by \$887,500 GF/GP to a total \$6.5 million GF/GP.			
<u>Conference</u> concurs with Senate.			
42. Civic Education (Sec. 99c)		Gross	\$0
<u>Executive</u> and <u>House</u> do not include this section.		Restricted	0
<u>Senate</u> includes \$60,000 GF/GP for a competitive grant for the delivery of programs that exemplify best practices in civic education.		GF/GP	\$0
<u>Conference</u> concurs with Senate.			
43. FIRST Robotics (Sec. 99h)		Gross	\$2,500,000
<u>Executive</u> maintains current year appropriation levels for FIRST Robotics.		Restricted	0
<u>House</u> concurs with Executive.		GF/GP	\$2,500,000
<u>Senate</u> adds \$250,000 GF/GP for competitive grants to nonpublic schools for FIRST Robotics.			
<u>Conference</u> adds \$300,000 GF/GP for competitive grants to nonpublic schools for FIRST Robotics or Science Olympiad programs.			
44. Cyber Security Competition Grants (Sec. 99k) – NEW		Gross	\$0
<u>Executive</u> adds \$500,000 for competitive grants to districts to support teams of pupils in grades 6-12 participating in cybersecurity competitive events through either the Michigan High School Cyber Challenge or CyberPatriot.		Restricted	0
<u>House</u> does not include this section.		GF/GP	\$0
<u>Senate</u> concurs with Executive.			
<u>Conference</u> concurs with House.			

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
45. MiSTEM Grants (Sec. 99r and 99s)		Gross	\$9,549,300	\$3,235,000
<u>Executive</u> increases by nearly \$1.0 million but adds \$1.5 million in additional state funds which are offset by a loss of \$549,300 in federal funds. Significantly revises the funding allocations as follows:		Federal	5,249,300	(549,300)
		Restricted	3,000,000	3,234,300
		GF/GP	\$1,300,000	\$550,000
<ul style="list-style-type: none">\$50,000 for MiSTEM Advisory Council Administration (No Change).\$3.0 million for MiSTEM Advisory Council grants (increase of \$2.0 million).\$7.5 million for the MiSTEM Centers Network which would replace 33 existing MathScience Centers with 10 regional MiSTEM Centers (decrease of \$549,300).Eliminates \$250,000 for Science Olympiad.Eliminates \$250,000 for VanAndel Education Institute.				
<u>House</u> concurs with Executive funding levels except provides \$2.85 million for MiSTEM Advisory Council grants and \$150,000 for VanAndel Education Institute.				
<u>Senate</u> increases gross funding by nearly \$1.0 million including \$1.5 million in additional state funds which are offset by a loss of \$549,300 in federal funds. Increases MiSTEM grants by nearly \$1.0 million. Backfills the loss of federal funds for Math and Science Centers with state funds, and does not include the Governor's proposal to reduce the number of and reorganize the centers. Maintains current year allocations for Science Olympiad (\$250,000) and Van Andel Education Institute (\$250,000).				
<u>Conference</u> revises to an increase of \$3.2 million and includes the following:				
<ul style="list-style-type: none">Adds \$250,000 for a director and staff for the MiSTEM Network in Sec. 99r.Maintains \$50,000 for MiSTEM Advisory Council administration.Increases to \$2.9 million for MiSTEM Council grants.Maintains \$3.3 million SAF and decreases to \$4.7 million Federal for the last year of existing Math/Science Centers.Adds \$1.5 million for ISD transition costs (\$85,000) and partial-year costs of starting the MiSTEM Network regional centers (\$1.4 million).Decreases to \$150,000 for Van Andel Insititute.				
46. Online Algebra Tool (Sec. 99t)		Gross	\$1,500,000	(\$400,000)
<u>Executive</u> eliminates funding for statewide access to an online algebra tool.		GF/GP	\$1,500,000	(\$400,000)
<u>House</u> reduces by \$500,000 for a total of \$1.0 million to continue the contract for FY 2017-18. Allocates a \$100 placeholder for an additional online math tool.				
<u>Senate</u> reduces by \$300,000 to a total of \$1.2 million.				
<u>Conference</u> reduces by \$400,000 to a total of \$1.1 million.				
47. Online Mathematics Tool (Sec. 99u)		Gross	\$0	\$1,000,000
<u>Conference</u> adds \$1.0 million for an online mathematics tool for students statewide aligned to state standards with personalized learning pathways and highly qualified, live teachers.		GF/GP	\$0	\$1,000,000
48. Financial Data Analysis Tools (Sec. 102d)		Gross	\$1,500,000	\$0
<u>Executive</u> eliminates funding to reimburse districts and ISDs for the licensing of school data analytical tools.		Restricted	1,500,000	0
<u>House</u> maintains current funding.		GF/GP	\$0	\$0
<u>Senate</u> increases by \$250,000.				
<u>Conference</u> concurs with House.				

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
49. Statewide Student Assessments (Sec. 104)		Gross	\$40,144,400	\$815,000
<u>Executive</u> reduces by \$185,000 to reflect the elimination of funding for the kindergarten readiness assessment pilot.		Restricted	33,894,400	815,000
<u>House</u> maintains total funding levels but allocates \$1.1 million from the total for the implementation of an assessment digital literacy preparation pilot project for pupils enrolled in grades K to 8 through a district contract with a third party experienced in the assessment of digital literacy skills.		Federal	6,250,000	0
<u>Senate</u> concurs with Executive's reduction for the kindergarten readiness assessment pilot (\$185,000), but adds \$1.0 million for implementation of a Michigan kindergarten entry observation tool for an ISD in prosperity region 9 with at least 3,000 kindergarten students.		GF/GP	\$0	\$0
<u>Conference</u> concurs with Senate.				
50. Computer Adaptive Tests (Sec. 104d)		Gross	\$4,000,000	\$0
<u>Executive</u> eliminates funding to reimburse districts for the purchase of computer adaptive tests and benchmark assessments.		Restricted	4,000,000	0
<u>House</u> maintains current funding.		GF/GP	\$0	\$0
<u>Senate</u> increases by \$1.0 million.				
<u>Conference</u> concurs with House.				
51. Digital Literacy Preparation Pilot (Sec. 104e)		Gross	\$0	\$250,000
<u>Conference</u> includes \$250,000 for the implementation of a pilot to assess pupil digital literacy skill levels.		GF/GP	\$0	\$250,000
52. Adult Education (Sec. 107)		Gross	\$25,000,000	\$2,000,000
<u>Executive</u> maintains current funding for Adult Education		Restricted	25,000,000	2,000,000
<u>House</u> concurs with Executive.		GF/GP	\$0	\$0
<u>Senate</u> adds \$2.5 million for grants to not more than 5 pilot programs at \$500,000, which are additional to the currently funded pilot program in a prosperity region with 2 or more subregions, to connect adult education participants with employers. Provides specific geographic requirements to be an eligible pilot program.				
<u>Conference</u> adds \$2.0 million but concurs with Senate pilots.				
53. Nonpublic School Reimbursement (Sec. 152b)		Gross	\$2,500,000	\$0
<u>Executive</u> eliminates funding to reimburse nonpublic schools for the costs of complying with state statute.		Restricted	0	0
<u>House</u> maintains \$2.5 million for reimbursements but revises language to specify that reimbursements are for complying with state statutory or administrative rule requirements related to the health, safety, and welfare of students. Also adds \$250,000 for competitive grants to nonpublic schools for FIRST Robotics and Science Olympiad programs.		GF/GP	\$2,500,000	\$0
<u>Senate</u> maintains \$2.5 million current year appropriation.				
<u>Conference</u> concurs with Senate.				
54. Program Eliminations		Gross	\$5,410,000	(\$5,410,000)
<u>Executive, House, and Senate</u> eliminate an additional 4 categorical programs including the following:		Restricted	5,410,000	(5,410,000)
<ul style="list-style-type: none">• Sec. 20g – Dissolved District Transition Grants (\$1.9 million)• Sec. 31c – Gang Prevention Programs (\$3.0 million)• Sec. 31h – Cooperative Education (Marshall/Albion) (\$300,000)• Sec. 63 – ISD Health Department Partnership for CTE/Health (\$250,000)		GF/GP	\$0	\$0
<u>Conference</u> concurs with Executive, House, and Senate.				
55. School Breakfast and Lunch Programs (Sec. 31d and 31f)		Gross	\$538,195,100	\$12,000,000
<u>Executive</u> increases by a total of \$12.0 million including \$10.0 million additional Federal funds for the school lunch program and an additional \$2.0 million SAF for the school breakfast program to reflect updated reimbursement cost estimates.		Federal	513,200,000	10,000,000
<u>House and Senate</u> concur with Executive.		Restricted	24,995,100	2,000,000
<u>Conference</u> concurs with Executive, House, and Senate.		GF/GP	\$0	\$0

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
56. Federal Grant Reductions (Sec. 39a)	Gross	\$852,739,900	(\$91,139,900)
<u>Executive</u> reduces Federal grants estimated under the Every Student Succeeds Act (ESSA) to reflect revised estimates for anticipated federal funds, the majority of which are being reduced for FY 2016-17 as well.	Federal	852,739,900	(91,139,900)
<u>House and Senate</u> concur with Executive.	GF/GP	\$0	\$0
<u>Conference</u> concurs with Executive, House, and Senate.			
57. Foundation Allowance – Cost Revisions (Secs. 22a and 22b)	Gross	\$9,105,000,000	(\$38,000,000)
<u>Executive</u> reduces the state share of foundation allowance costs to reflect estimated increases in the local share due to increased taxable values and estimated decreases in pupils.	Restricted	8,932,597,200	(15,564,200)
<u>House and Senate</u> concur with Executive.	GF/GP	\$172,402,800	(\$22,435,800)
<u>Conference</u> revises to recognize updated consensus cost estimates.			
58. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)	Gross	\$1,414,046,100	(\$26,300,000)
<u>Executive</u> updated to reflect revised consensus cost estimates based on actual FY 2015-16 year-end special education cost data.	Federal	441,000,000	(16,800,000)
<u>House</u> concurs with Executive.	Restricted	973,046,100	(9,900,000)
<u>Senate</u> provides \$500,000 in section 51a for ISDs to ensure that PSAs within their boundaries comply with sections 1701A, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code, applicable rules, and the individuals with disabilities education act public law 108-446.	GF/GP	\$0	\$500,000
<u>Conference</u> revises to reflect updated cost estimates and concurs with Senate addition.			
59. Other Major Cost Adjustments	Gross	NA	\$0
<u>Executive</u> revises the following sections to reflect updated cost estimates:	Restricted	NA	0
11j – School Bond Redemption Fund reduced by \$1.0 million to \$125.5 million.	GF/GP	NA	\$0
11m – Cash Flow Borrowing Costs increased by \$3.5 million to \$6.5 million.			
26a – Renaissance Zone Reimbursements decreased by \$2.0 million to \$18.0 million.			
26c – Promise Zone Funding increased by \$500,000 to \$1.5 million.			
<u>House and Senate</u> concur with Executive.			
<u>Conference</u> concurs but reduces Renaissance Zones by \$3.0 million to \$17.0 million to reflect revised cost estimates.			

Major Boilerplate Changes From FY 2016-17

Secs. 3(1)(2) and 4(1). Achievement Authority, Achievement School, Education Achievement System – DELETED

Executive deletes definitions and references throughout the budget to the Education Achievement Authority, as it will be dissolved at the end of the current fiscal year.

House, Senate, and Conference concur with Executive.

Sec. 6(4)(ii). Pupil Membership - Counting Shared-Time Pupils – REVISED

Executive and House do not include.

Senate revises the pupil membership definition to cap the maximum FTE for which a nonpublic school pupil may be counted in a shared-time program at 0.75 FTE.

Conference concurs with the Senate.

Sec. 6(4)(jj). Pupil Membership - Counting Dual Enrollment Across State Border– REVISED

Executive and House do not include this subdivision.

Senate revises the pupil membership definition to allow for a district that borders another state or a public school academy operating at least grades 9 to 12 and is within 20 miles of a border with another state to count in membership a pupil who is enrolled in a course at a college or university that is located in the bordering state and within 20 miles of the border.

Conference concurs with the Senate.

Sec. 6(4)(kk). Pupil Membership - Counting Middle College Pupils – REVISED

Executive and Senate do not include this subdivision.

House revises the pupil membership definition to allow for a pupil in a middle college program to be counted for more than 1.0 FTE if the pupil is enrolled in more than the minimum number of instructional days and hours required under section 101 such that the pupil is expected to complete the 5-year program with both a high school diploma and 60 transferable college credits or an associate's degree in fewer than 5 years.

Conference concurs with House.

Major Boilerplate Changes From FY 2016-17

Sec. 8b(3). Cyber Public School Academies (PSAs) – Assignment of District Codes – REVISED

Executive provides that for a cyber PSA that does not provide instruction at a specific location, and is authorized by a non-statewide entity, the ISD of assignment shall be the ISD that would normally provide programs and services to the resident school district in which the administrative office of the cyber PSA is located. Also provides that the ISD required to provide programs and services remains the same for as long as the cyber PSA is operating.

House, Senate, and Conference concur with Executive.

Sec. 31a. At-Risk – REVISED

Executive does the following:

- (1) Expands the goals of the program from A) English Language Arts (ELA) proficiency in grade 3 and B) college and career ready high school graduates to include C) math proficiency in grade 8 and D) pupils attending school regularly.
- (2) Deletes the prohibition of funding to hold harmless or out-of-formula districts.
- (3) Expands the requirement that the district uses a multi-tiered systems of supports (MTSS) from K-3 to K-8.
- (4) Revises to base the district allocation formula on economically disadvantaged pupils rather than free lunch eligible pupils. Economically disadvantaged pupils are currently collected and reported by CEPI to the US Department of Education and include pupils who are eligible for both free and reduced-price lunch, Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), or are homeless, migrant, or in foster care. The expanded definition is estimated to increase the number of pupils for whom districts receive funding by 131,000.
- (5) Revises to base the district allocation formula on 11.5% times a statewide weighted average foundation allowance rather than each district's foundation allowance to eliminate the variation in per pupil funding among districts.
- (6) Requires a district to use at-risk funds for 4 goals or metrics that will be used to measure a district's success beginning in FY 2020-21 including chronic absenteeism rates, ELA proficiency in grade 3, Math proficiency in grade 8 and that at least 65% of high school pupils enroll in CTE, advanced placement, international baccalaureate, or dual-enrollment programs and that at least 80% of those pupils have successfully completed the courses.
- (7) Allows a district to use up to 5% of its funds for professional development related to MTSS and improving the goal metrics.
- (8) Revises the definition of at-risk pupil for the provision of services to pupils who are economically disadvantaged or English language learners and who failed or is at risk of failing to be proficient in grade 3 ELA or grade 8 math or is chronically absent.
- (9) Requires that MDE identify districts that do not meet the goal metrics by FY 2020-21 and partner with the district to review and revise district programs and practices.

House concurs with Executive except does not allow a district to use up to 5% of its funds for professional development; requires MDE to identify districts that do not meet the goal metrics by FY 2018-19 rather than FY 2020-21; and requires that the form and manner prescribed by MDE for the district report on use of at-risk funds be prescribed in a way that does not limit a district's ability to use funds on any activity permissible under this section.

Senate concurs with the Executive except for the following: expands allowable professional development expenditures to include implementing K to 3 early literacy as required in Sec. 1280f of the Revised School Code; adds that in accounting for economically disadvantaged pupils in a community district in FY 2017-18 those pupils that were enrolled in the education achievement system in FY 2016-17 would be counted as pupils in the Detroit community district for FY 2016-17.

Conference concurs with Executive on points 1, 2, 3, 4, 5, 7, and 8 as outlined above. Does not include new metrics as outlined in (6) and (9) above. Concurs with House and Senate that the MDE reporting form may not limit a district's ability to use funds as permissible in this section. Concurs with Senate to count EAA eligible pupils in the Detroit community district.

Secs. 31a and 39a(1)(f). Transportation Reimbursement/Voucher – NOT INCLUDED

Executive does not include this section.

House adds intent language for FY 2018-19 that a portion funds appropriated in Sections 31a (At-Risk) and 39a(1)(f) (federal Title I) shall be used to reimburse districts that provide transportation or transportation vouchers or passes to students attending a district that is not their resident district or a public school academy.

Senate does not include this section.

Conference concurs with the Senate.

Sec 32d. Great Start Readiness Program (GSRP) – REVISED

Executive revises to require that 100% rather than 90% of GSRP participants meet the income eligibility of family income less than 250% of the federal poverty level. Deletes provision that allows a program to serve children in families with income up to 300% of the federal poverty level if all of the eligible children under 250% are served.

House concurs with Executive, but makes the following revisions: bars an entity that has an approved GSRP curriculum from being eligible for a grant to conduct a longitudinal evaluation of children who have participated in GSRP programs; adds Connect4Learning as an age-appropriate educational curriculum for GSRP.

Senate maintains current law.

Conference concurs with Senate regarding child eligibility, concurs with House regarding the Connect4Learning curriculum, and includes 2 new subsections: (20) Requires MDE to implement a process to review and approve at least 2 GSRP age-appropriate assessments by April 1, 2018 and (21) Allows an ISD to approve the use of supplemental curricula and would require MDE to create a review process if the department objects to a supplemental curriculum.

Major Boilerplate Changes From FY 2016-17

Sec. 39. Great Start Readiness Program (GSRP) Formula Allocation – REVISED

Executive eliminates the process whereby ISDs individually estimate the number of children eligible for the program and replaces it with an estimate provided by the MDE based on American Community Survey Census data.

Revises the formula allocation from being based on a half-day slot to number of children served in a school day program. The allocation for a child in a school day program would remain \$7,250 per day, or \$3,625 if in blended GSRP/Head Start program. An ISD would be allocated under the initial round of funding an amount equal to the amount they received in the prior year or an amount necessary to fund their available capacity if it is less than the prior year.

Creates a statewide benchmark of the percent of eligible children that were served by the program in previous year, currently at 60%. If funds remain after the initial allocations, remaining funding would be distributed to ISDs based on their proportional share of children unserved if they are below the state benchmark.

House, Senate, and Conference concur with Executive.

Sec. 51a (14)(15)(16). Special Education in Public School Academies – REVISED

Executive and House maintains current law. Subsection (14) provides that in the absence of an agreement special education for a student enrolled in a charter school is the responsibility of the resident district and ISD. Subsection (15) provides for a 10% state aid penalty if a district, PSA, or ISD fails to comply with state and federal rules regarding the provision of special education. Senate revises to do the following: Revises (14) such that a PSA must enter into a written agreement with a resident district or ISD regarding the provision and payment of special education services, and in the absence of that agreement the PSA may not charge and is not eligible for any payment from the resident district or ISD. Eliminates the penalty under (15) and requires the MDE to allocate any federal IDEA funds directly to a PSA rather than to the ISD in which it is located. Adds (16) which requires that the ISD in which a PSA is located must ensure that the PSA complies with state and federal special education rules and law. Allocates up to \$500,000 in funds to reimburse the ISDs for the added costs of ensuring this compliance.

Conference revises as follows: (14) a PSA that is not a cyber must enter into an agreement with the ISD in which it is located, and if it doesn't, it may not charge either the ISD in which it is located nor the resident ISD. (15) Eliminates the penalty and requires that a cyber school shall directly receive its share of federal special education funds from the ISD in which it is located, and if the ISD fails to do so, MDE may. (16) Requires that the ISD in which a cyber school is located must ensure that the cyber school complies with state and federal special education rules and law. Allocates up to \$500,000 in funds to reimburse the ISDs for the added costs of ensuring this compliance.

Sec. 104c. State Student Assessments – REVISED

Executive requires that MDE begin to develop and implement pilot programs or field testing of test content for the statewide use of benchmark assessments for grades 3 to 8 up to 3 times per year beginning in the 2018-2019 school year. Additionally, these benchmark assessments shall be fully aligned to the state content standards for English language arts and mathematics and may be computer-adaptive in nature.

House requires that MDE implement a request for information for a common formative assessment that is aligned with the state's content standards, but allows MDE to use information compiled from a request for proposal in 2016-2017 to satisfy this request.

Senate concurs with Executive.

Conference requires that MDE issue an RFP for a statewide summative assessment for grades 3 through 7 in Math and ELA that does not exceed 3 hours by October 1, 2017. Requires that by January 1, 2018 MDE shall approve a statewide summative assessment from that RFP. Requires that by October 1, 2017 MDE shall issue an RFP for not less than 3 benchmark assessments in grades 3 through 7 in Math and ELA that is computer adaptive and provides results within 48 hours. Requires that by January 1, 2018, MDE approve at least 2 benchmark assessments from that RFP.

Sec. 107. Adult Education – REVISED

Executive and House maintain current law.

Senate revises to push back the 2nd phase of the implementation of the new (began in FY 2014-15) funding formula by one year.

Conference concurs with Senate.

Sec. 147e. MPSERS Reform Reserve Fund – NEW

Creates a MPSERS Reform Reserve Fund in the state treasury and deposits \$200 million GF/GP and \$295 million School Aid Fund into the fund. Stipulates that money in the fund may not be used until appropriated and shall be expended to pay for the increased costs to MPSERS and other state retirement systems associated with proposed reforms under Senate Bill 401 or House Bill 4647.

Sec. 152b. Nonpublic Schools Reimbursements– REVISED

Conference revises to require that funds reimburse nonpublic schools for actual costs of complying with a health, safety, or welfare requirement mandated by state law or administrative rule. Adds that the cost of taking attendance, training fees, inspection fees, and criminal background checks be considered as costs of complying with the health, safety, and welfare requirements. Allows FY 2016-17 unexpended funds to be carried forward as a work project.

Major Boilerplate Changes From FY 2016-17

Sec. 160. Labor Day Waiver Hearing – NEW

Executive and House do not include this section.

Senate includes a new requirement that if a district requests a waiver to begin school before Labor Day, the district must hold a joint hearing with the MDE to be held in the district before said waiver can be granted.

Conference concurs with Senate.

Sec. 164g. Legal Action Against the State – NEW

Executive does not include this section.

House establishes a penalty in an amount equal to the amount spent if a district or ISD uses funds appropriated under this act to pay for an expense relating to any legal action initiated by the district or ISD against the state.

Senate does not include this section.

Conference concurs with House.

Sec. 164h. Collective Bargaining Agreement Penalty – NEW

Executive does not include this section.

House establishes a penalty equal to 5% of total state aid if a district or ISD enters into a collective bargaining agreement that does any of the following: establishes racial and religious preferences for employees; automatically deducts union dues from employee compensation; is in conflict with any state or federal laws regarding district transparency; includes a method of compensation that does not comply with the requirements of section 1250 of the Revised School Code, MCL 380.1250.

Senate does not include this section.

Conference concurs with House.

Sec. 166b. Nonpublic Shared-Time Instruction – REVISED

Conference revises to eliminate requirement that shared-time instruction for nonpublic students be nonessential courses that occur during the regular school day and revises the requirement that it be "offered" to other students to be "available". Defines nonessential courses for K-8 and 9-12 and provides that courses taken for postsecondary credit and college courses, while remedial courses for an essential course is also essential.

Supplemental Recommendations for FY 2016-17 Appropriations

FY 2016-17 Recommendation

1. Cash Flow Borrowing (Sec. 11m)

Executive increases by \$2.5 million to a total of \$5.5 million to reflect updated cost estimates for the interest costs of inter-fund borrowing between the School Aid Fund and the General Fund to balance the timing of revenue collections and required state aid payments.

House, Senate, and Conference concur with Executive.

Gross	\$2,500,000
Restricted	2,500,000
GF/GP	\$0

2. State Aid Payment Adjustments (Sec. 15)

House revises to permit the department to waive all or a portion of a district's adjusted school aid repayments and to extend repayment from a total of 5 to 10 years if the following all apply: district would experience a significant hardship in satisfying financial obligations; district would experience a significant hardship in its responsibility to provide instruction to its pupils; the district has taken corrective action to ensure that the circumstance that necessitated the adjustment does not recur.

Senate does not include.

Conference concurs with House.

Gross	NA
Restricted	NA
GF/GP	NA

3. Foundation Allowances (Secs. 22a and 22b)

Executive increases by \$10.0 million to a total of \$9,115.0 million to reflect updated consensus cost estimates for pupil membership counts and taxable values. Also provides technical revisions to shift the reimbursement for the Detroit Community School District's absence of local school operating revenue with revenue from the Community District Education Trust Fund from Sec. 22a to Sec. 22b to align with the requirements of PA 193 of 2016.

House and Senate concur with Executive.

Conferences revises to an increase of \$15.0 million based on updated cost estimates bringing it to a total of \$9,120.0 million.

Gross	\$15,000,000
Restricted	15,000,000
GF/GP	\$0

4. Renaissance Zone Reimbursements (Sec. 26a)

Executive reduces reimbursement payments by \$2.0 million to a total of \$18.0 million to reflect the reduction in required payments due to both expiring renaissance zones and the impact of reimbursements for personal property tax reductions through the Local Community Stabilization Authority under PA 86 of 2014.

House and Senate concur with Executive.

Conference revises to a reduction of \$3.0 million based on updated cost estimates to a total of \$17.0 million.

Gross	(\$3,000,000)
Restricted	(3,000,000)
GF/GP	\$0

Supplemental Recommendations for FY 2016-17 Appropriations**FY 2016-17
Recommendation****5. School Breakfast Programs (Sec. 31f)**

Executive increases by \$2.0 million to a total of \$4.5 million to reflect actual FY 2015-16 costs. The initial FY 2016-17 appropriation had been reduced based on a one-time decline in required reimbursements in FY 2014-15.

House, Senate, and Conference concur with Executive.

Gross	\$2,000,000
Restricted	2,000,000
GF/GP	\$0

6. Federal ESSA Grants (Sec. 39a)

Executive reduces Federal grants estimated under the Every Student Succeeds Act (ESSA) to reflect the following revised estimates for anticipated federal funds:

- \$30.0 million reduction in anticipated Title 1 grant funding bringing it to \$535.0 million.
- \$6.6 million reduction in anticipated School Improvement Grants (SIG) to \$18.0 million.
- \$40.5 million reduction in the Student Support and Academic Enrichment grants, which were newly added to the FY 2016-17 budget, down to a total of \$15.4 million.

House, Senate, and Conference concur with Executive.

Gross	(\$77,900,000)
Federal	(77,900,000)
GF/GP	\$0

7. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)

Executive reduces by a total of \$38.0 million to reflect revised consensus cost estimates based on actual FY 2015-16 year-end special education cost data. Total estimated special education costs for FY 2016-17 are \$1.4 billion (\$945.0 million SAF, \$431.0 million Federal).

House and Senate concur with Executive.

Conference reduces by \$41.1 million to reflect revised consensus cost estimates.

Gross	(\$41,100,000)
Federal	(13,100,000)
Restricted	(28,000,000)
GF/GP	\$0

8. Career and Technical Education (CTE) – Early/Middle College (Sec. 61b)

Executive maintains current law for funding to expand CTE early/middle colleges.

House reduces appropriation by \$1.0 million to a total of \$8.0 million.

Senate concurs with Executive.

Conference concurs with the House.

Gross	(\$1,000,000)
Restricted	(1,000,000)
GF/GP	\$0

9. Civic Education (Sec. 99c)

Executive and House do not include this section.

Senate includes \$60,000 GF/GP for a competitive grant for the delivery of programs that exemplify best practices in civic education.

Conference concurs with the Senate.

Gross	\$60,000
Restricted	0
GF/GP	\$60,000

10. MiSTEM Council Staff (Sec. 99r)

Conference adds \$75,000 for the transitional MiSTEM Network Director and staff.

Gross	\$75,000
GF/GP	\$75,000

SCHOOL AID LINE ITEM SUMMARY



Sec.														
11j	School Bond Redemption Fund	\$126,500,000		\$126,500,000	(\$1,000,000)	\$125,500,000	(\$1,000,000)	\$125,500,000	(\$1,000,000)	\$125,500,000	(\$1,000,000)	\$125,500,000	(\$1,000,000)	\$125,500,000
11m	Cash Flow Borrowing Costs	\$3,000,000	\$2,500,000	\$5,500,000	\$3,500,000	\$6,500,000	\$3,500,000	\$6,500,000	\$3,500,000	\$6,500,000	\$3,500,000	\$6,500,000	\$3,500,000	\$6,500,000
11s	Flint Declaration of Emergency	\$10,142,600		\$10,142,600	(\$1,412,500)	\$8,730,100	(\$1,412,500)	\$8,730,100	(\$1,412,500)	\$8,730,100	(\$1,412,500)	\$8,730,100	(\$1,412,500)	\$8,730,100
20f	Categorical Offset Payments	\$18,000,000		\$18,000,000		\$18,000,000		\$18,000,000		\$18,000,000	\$1,400,000	\$19,400,000		\$18,000,000
20g	Dissolved District Transition Grants	\$1,860,000		\$1,860,000	(\$1,860,000)	\$0	(\$1,860,000)	\$0	(\$1,860,000)	\$0	(\$1,860,000)	\$0	(\$1,860,000)	\$0
21	State School Reform/Redesign	\$5,000,000		\$5,000,000		\$5,000,000	(\$5,000,000)	\$0	(\$4,999,900)	\$100	(\$5,000,000)	\$0	(\$5,000,000)	\$0
21g	Competency-Based Funding Pilot	\$500,000		\$500,000	(\$500,000)	\$0	(\$499,900)	\$100	(\$500,000)	\$0	(\$500,000)	\$0	(\$500,000)	\$0
21h	Partnership Model Districts - NEW	\$0		\$0	\$3,000,000	\$3,000,000		\$0		\$100	\$100	\$100	\$100	\$100
21j	Academic Early Warning Restricted Fund - NEW	\$0		\$0		\$0		\$0		\$8,000,000	\$8,000,000			\$0
21j	Competency-Based Education District Grants - NEW	\$0		\$0		\$0		\$0		\$0		\$500,000		\$500,000
22a	Foundations: Proposal A Obligation Payment	\$5,205,000,000	\$2,000,000	\$5,207,000,000	(\$98,000,000)	\$5,107,000,000	(\$27,000,000)	\$5,178,000,000	(\$29,000,000)	\$5,176,000,000	(\$23,200,000)	\$5,181,800,000	(\$23,200,000)	\$5,181,800,000
22b	Foundations: Discretionary Payment	\$3,900,000,000	\$13,000,000	\$3,913,000,000	\$50,000,000	\$3,950,000,000	\$125,000,000	\$4,025,000,000	\$210,000,000	\$4,110,000,000	\$136,500,000	\$4,037,500,000	\$136,500,000	\$4,037,500,000
22d	Isolated District Funding	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000
22g	Consolidation Innovation Grants	\$3,000,000		\$3,000,000	(\$3,000,000)	\$0	(\$2,000,000)	\$1,000,000	(\$3,000,000)	\$0	(\$3,000,000)	\$0	(\$3,000,000)	\$0
22m	Technology Regional Data Hubs - NEW	\$0		\$0	\$2,200,000	\$2,200,000	\$1,200,000	\$1,200,000	\$1,100,000	\$1,100,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
22n	High School Per Pupil Bonus - NEW	\$0		\$0	\$22,000,000	\$22,000,000		\$0		\$0		\$0		\$0
23f	Shared Time Pupils - NEW	\$0		\$0	\$60,000,000	\$60,000,000		\$0		\$0		\$0		\$0
24	Court-Placed Pupils	\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000
24a	Juvenile Detention Facility Programs	\$1,328,100		\$1,328,100	\$10,900	\$1,339,000	\$10,900	\$1,339,000	\$10,900	\$1,339,000	\$10,900	\$1,339,000	\$10,900	\$1,339,000
24c	Youth ChalleNge Program	\$1,632,400		\$1,632,400	(\$104,000)	\$1,528,400	(\$104,000)	\$1,528,400	(\$104,000)	\$1,528,400	(\$104,000)	\$1,528,400	(\$104,000)	\$1,528,400
25f	Strict Discipline Academy	\$750,000		\$750,000	(\$750,000)	\$0		\$750,000		\$750,000		\$750,000		\$750,000
25g	Dropout Recovery Programs	\$750,000		\$750,000	(\$750,000)	\$0		\$750,000		\$750,000		\$750,000		\$750,000
26a	Renaissance Zone Reimbursement	\$20,000,000	(\$3,000,000)	\$17,000,000	(\$2,000,000)	\$18,000,000	(\$2,000,000)	\$18,000,000	(\$2,000,000)	\$18,000,000	(\$3,000,000)	\$17,000,000	(\$3,000,000)	\$17,000,000
26b	PILT Reimbursement	\$4,405,100		\$4,405,100		\$4,405,100		\$4,405,100		\$4,405,100		\$4,405,100		\$4,405,100
26c	Promise Zone Funding	\$1,000,000		\$1,000,000	\$500,000	\$1,500,000	\$500,000	\$1,500,000	\$500,000	\$1,500,000	\$500,000	\$1,500,000	\$500,000	\$1,500,000
29	Declining Enrollment Support - NEW	\$0		\$0	\$7,000,000	\$7,000,000		\$0		\$0		\$0		\$0
31a	"At Risk" Pupil Support	\$378,988,200		\$378,988,200	\$150,000,000	\$528,988,200	\$129,111,800	\$508,100,000	\$100,000,000	\$478,988,200	\$120,011,800	\$499,000,000	\$120,011,800	\$499,000,000
31a(7)	School Based Health Centers	\$5,557,300		\$5,557,300		\$5,557,300		\$5,557,300	\$500,000	\$6,057,300	\$500,000	\$6,057,300	\$500,000	\$6,057,300
31a(8)	Hearing and Vision Screening	\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000
31b	Year-round Instruction Grants	\$1,500,000		\$1,500,000	\$1,500,000	\$3,000,000		\$1,500,000		\$1,500,000		\$1,500,000		\$1,500,000
31c	Gang Prevention and Intervention Programs	\$3,000,000		\$3,000,000	(\$3,000,000)	\$0	(\$3,000,000)	\$0	(\$3,000,000)	\$0	(\$3,000,000)	\$0	(\$3,000,000)	\$0
31d	State School Lunch Programs	\$22,495,100		\$22,495,100		\$22,495,100		\$22,495,100		\$22,495,100		\$22,495,100		\$22,495,100
31d	Federal School Lunch Programs	\$513,200,000		\$513,200,000	\$10,000,000	\$523,200,000	\$10,000,000	\$523,200,000	\$10,000,000	\$523,200,000	\$10,000,000	\$523,200,000	\$10,000,000	\$523,200,000
31f	School Breakfast Program	\$2,500,000	\$2,000,000	\$4,500,000	\$2,000,000	\$4,500,000	\$2,000,000	\$4,500,000	\$2,000,000	\$4,500,000	\$2,000,000	\$4,500,000	\$2,000,000	\$4,500,000
31h	Cooperative Education Grant	\$300,000		\$300,000	(\$300,000)	\$0	(\$300,000)	\$0	(\$300,000)	\$0	(\$300,000)	\$0	(\$300,000)	\$0
31j	Local Produce in School Meals	\$250,000		\$250,000	(\$250,000)	\$0	(\$250,000)	\$0		\$250,000	\$125,000	\$375,000		\$375,000
32d	Great Start Readiness Program	\$243,900,000		\$243,900,000		\$243,900,000		\$243,900,000		\$243,900,000		\$243,900,000		\$243,900,000
32p	Early Childhood Block Grants	\$13,400,000		\$13,400,000		\$13,400,000		\$13,400,000		\$13,400,000		\$13,400,000		\$13,400,000
32q	Early Learning Cooperative	\$175,000		\$175,000	(\$175,000)	\$0	(\$175,000)	\$0	(\$175,000)	\$0	(\$175,000)	\$0	(\$175,000)	\$0
35	Early Literacy Implementation	\$1,000,000		\$1,000,000		\$1,000,000	(\$1,000,000)	\$0		\$1,000,000	(\$1,000,000)	\$0	(\$1,000,000)	\$0
35a(1)	Early Literacy District Grants	\$0		\$0		\$0	\$25,400,000	\$25,400,000		\$0		\$0		\$0
35a(2)	Early Literacy Professional Development	\$950,000		\$950,000		\$950,000	(\$950,000)	\$0		\$950,000	(\$950,000)	\$0	(\$950,000)	\$0
35a(3)	Early Literacy Diagnostic Tools	\$1,450,000		\$1,450,000		\$1,450,000	(\$1,450,000)	\$0		\$1,450,000	(\$1,450,000)	\$0	(\$1,450,000)	\$0
35a(4)	Early Literacy Teacher Coaches	\$3,000,000		\$3,000,000	\$3,000,000	\$6,000,000	(\$3,000,000)	\$0	\$3,000,000	\$6,000,000	\$3,000,000	\$6,000,000	\$3,000,000	\$6,000,000
35a(5)	Early Literacy Added Instructional Time	\$17,500,000		\$17,500,000		\$17,500,000	(\$17,500,000)	\$0		\$17,500,000	\$3,400,000	\$20,900,000	\$3,400,000	\$20,900,000
35a(6)	Early Literacy - Michigan Education Corps	\$1,000,000		\$1,000,000	(\$1,000,000)	\$0	(\$1,000,000)	\$0	\$1,500,000	\$2,500,000	\$1,500,000	\$2,500,000	\$1,500,000	\$2,500,000
39a(1)	Federal NCLB/ESSA Grant Funds	\$821,939,900	(\$77,900,000)	\$744,039,900	(\$90,339,900)	\$731,600,000	(\$90,339,900)	\$731,600,000	(\$90,339,900)	\$731,600,000	(\$90,339,900)	\$731,600,000	(\$90,339,900)	\$731,600,000
39a(2)	Other Federal Funding	\$30,800,000		\$30,800,000	(\$800,000)	\$30,000,000	(\$800,000)	\$30,000,000	(\$800,000)	\$30,000,000	(\$800,000)	\$30,000,000	(\$800,000)	\$30,000,000
41	English Language Learner Grants	\$1,200,000		\$1,200,000		\$1,200,000		\$1,200,000		\$1,200,000		\$1,200,000		\$1,200,000
51a(1)	Special Education - Federal Reimbursement	\$370,000,000		\$370,000,000		\$370,000,000		\$370,000,000		\$370,000,000		\$370,000,000		\$370,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$271,600,000	(\$10,900,000)	\$260,700,000	(\$5,600,000)	\$266,000,000	(\$5,600,000)	\$266,000,000	(\$5,600,000)	\$266,000,000	(\$7,400,000)	\$264,200,000	(\$7,400,000)	\$264,200,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,100,000	(\$100,000)	\$1,000,000	(\$100,000)	\$1,000,000	(\$100,000)	\$1,000,000	(\$100,000)	\$1,000,000	(\$100,000)	\$1,000,000	(\$100,000)	\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$3,700,000	(\$200,000)	\$3,500,000	(\$100,000)	\$3,600,000	(\$100,000)	\$3,600,000	(\$100,000)	\$3,600,000	(\$100,000)	\$3,600,000	(\$100,000)	\$3,600,000
51a(16)	Special Ed ISD Compliance Reimbursement	\$0		\$0		\$0		\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
51c	Special Ed Headlee Obligation (Durant)	\$644,500,000	(\$19,900,000)	\$624,600,000	(\$4,100,000)	\$640,400,000	(\$4,100,000)	\$640,400,000	(\$4,100,000)	\$640,400,000	(\$9,200,000)	\$635,300,000	(\$9,200,000)	\$635,300,000
51d	Special Education - Other Federal Grants	\$71,000,000	(\$10,000,000)	\$61,000,000	(\$10,000,000)	\$61,000,000	(\$10,000,000)	\$61,000,000	(\$10,000,000)	\$61,000,000	(\$10,000,000)	\$61,000,000	(\$10,000,000)	\$61,000,000
53a	Special Ed for Court Placed Pupils	\$10,500,000		\$10,500,000		\$10,500,000		\$10,500,000		\$10,500,000		\$10,500,000		\$10,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000
54b	Special Education Task Force Reforms (MiBLSI)	\$1,125,000		\$1,125,000	\$475,000	\$1,600,000	\$475,000	\$1,600,000	\$475,000	\$1,600,000	\$475,000	\$1,600,000	\$475,000	\$1,600,000
55	Conductive Learning Study	\$150,000		\$150,000	(\$150,000)	\$0	(\$150,000)	\$0		\$150,000		\$150,000		\$150,000
56	Special Ed ISD Millage Equalization	\$37,758,100		\$37,758,100		\$37,758,100		\$37,758,100		\$37,758,100		\$37,758,100		\$37,758,100
61a	Career & Tech Ed Programs	\$36,690,300		\$36,690,300	(\$79,000)	\$36,611,300	\$921,000	\$37,611,300		\$36,690,300	\$1,000,000	\$37,690,300	\$1,000,000	\$37,690,300
61b	Career & Tech Ed Early/Middle College	\$9,000,000	(\$1,000,000)	\$8,000,000		\$9,000,000	(\$9,000,000)	\$0		\$9,000,000	(\$1,000,000)	\$8,000,000	(\$1,000,000)	\$8,000,000
61c	Career & Tech Ed Equipment Upgrades	\$3,200,000		\$3,200,000	\$16,800,000	\$20,000,000	\$6,800,000	\$10,000,000	\$4,300,000	\$7,500,000	\$3,800,000	\$7,000,000	\$3,800,000	\$7,000,000
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000
63	ISD/Health Department Partnership for CTE/Health	\$250,000		\$250,000	(\$250,000)	\$0	(\$250,000)	\$0	(\$250,000)	\$0	(\$250,000)	\$0	(\$250,000)	\$0

SCHOOL AID LINE ITEM SUMMARY



		FY 2016-17			FY 2017-18			FY 2017-18			FY 2017-18			FY 2017-18		
		SB 801 (PA 249) Enacted	Change from FY17 YTD	HB 4235 Revised Supplemental	Change from FY17 YTD	Exec Rec		Change from FY17 YTD	HB 4313 (H-1) House Passed		Change from FY17 YTD	SB 149 (S-1) Senate Passed		Change from FY17 YTD	HB 4235 (H-3) CR-1* Conference	
Sec.																
64b	Dual Enrollment Incentive Payments	\$1,750,000		\$1,750,000		\$1,750,000			\$1,750,000			\$1,750,000			\$1,750,000	
64d/99u	Information Technology Certifications - NEW	\$0		\$0		\$0		\$1,000,000	\$1,000,000		\$2,300,000	\$2,300,000		\$1,000,000	\$1,000,000	
65	Detroit PreCollege Engineering	\$340,000		\$340,000	(\$340,000)	\$0		(\$340,000)	\$0			\$340,000			\$340,000	
67	Career and College Readiness Tools	\$3,050,000		\$3,050,000	(\$50,000)	\$3,000,000		(\$50,000)	\$3,000,000		(\$50,000)	\$3,000,000		(\$50,000)	\$3,000,000	
67a	Online Career Preparation - NEW	\$0		\$0		\$0			\$0			\$0		\$1,000,000	\$1,000,000	
74	School Bus Driver Safety Instruction	\$1,625,000		\$1,625,000		\$1,625,000			\$1,625,000		\$400,000	\$2,025,000		\$400,000	\$2,025,000	
74	School Bus Inspections	\$1,695,600		\$1,695,600	\$9,700	\$1,705,300		\$9,700	\$1,705,300		\$9,700	\$1,705,300		\$9,700	\$1,705,300	
78	Statewide School Drinking Water Quality Program - NEW	\$0		\$0	\$4,500,000	\$4,500,000			\$0			\$0			\$0	
81	ISD General Operations Support	\$67,108,000		\$67,108,000		\$67,108,000			\$67,108,000		\$1,000,000	\$68,108,000			\$67,108,000	
94	Advanced Placement (AP) Incentive Program	\$250,000		\$250,000		\$250,000			\$250,000		\$750,000	\$1,000,000		\$500,000	\$750,000	
94a	Center for Educational Performance and Information	\$12,173,200		\$12,173,200	\$4,042,800	\$16,216,000		\$2,042,800	\$14,216,000		\$1,042,800	\$13,216,000		\$42,800	\$12,216,000	
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500		\$193,500			\$193,500			\$193,500			\$193,500	
95a	Educator and Administrator Evaluations	\$0		\$0	\$7,000,000	\$7,000,000			\$0			\$0			\$0	
95b	Statewide Evaluation Tool - NEW	\$0		\$0		\$0		\$2,500,000	\$2,500,000			\$0		\$2,500,000	\$2,500,000	
98	Michigan Virtual University	\$7,387,500		\$7,387,500		\$7,387,500			\$7,387,500		(\$887,500)	\$6,500,000		(\$887,500)	\$6,500,000	
99c	Civic Education	\$0	\$60,000	\$60,000		\$0			\$0		\$60,000	\$60,000		\$60,000	\$60,000	
99h	FIRST Robotics	\$2,500,000		\$2,500,000		\$2,500,000			\$2,500,000		\$250,000	\$2,750,000		\$300,000	\$2,800,000	
99k	Cyber Security Competitions - NEW	\$0		\$0	\$500,000	\$500,000			\$0		\$500,000	\$500,000			\$0	
99r	MISTEM Staff - NEW	\$0	\$75,000	\$75,000					\$0			\$0		\$250,000	\$250,000	
99s(2)(3)	MISTEM Council and Grants - Council	\$1,050,000		\$1,050,000	\$2,000,000	\$3,050,000		\$1,850,000	\$2,900,000		\$950,700	\$2,000,700		\$1,850,000	\$2,900,000	
99s(4)	MISTEM Grants - Math and Science Centers - State	\$2,750,000		\$2,750,000		\$2,750,000			\$2,750,000		\$549,300	\$3,299,300		\$549,300	\$3,299,300	
99s(4)	MISTEM Grants - Math and Science Centers - Federal	\$5,249,300		\$5,249,300	(\$549,300)	\$4,700,000		(\$549,300)	\$4,700,000		(\$549,300)	\$4,700,000		(\$549,300)	\$4,700,000	
99s(5)(6)	MISTEM Centers Transition - NEW	\$0		\$0		\$0			\$0			\$0		\$1,485,000	\$1,485,000	
99s(5)	MISTEM Grants - Science Olympiad	\$250,000		\$250,000	(\$250,000)	\$0		(\$250,000)	\$0			\$250,000		(\$250,000)	\$0	
99s(6)	MISTEM Grants - Van Andel Education Institute	\$250,000		\$250,000	(\$250,000)	\$0		(\$100,000)	\$150,000			\$250,000		(\$100,000)	\$150,000	
99t	Online Algebra Tool	\$1,500,000		\$1,500,000	(\$1,500,000)	\$0		(\$500,000)	\$1,000,000		(\$300,000)	\$1,200,000		(\$400,000)	\$1,100,000	
99u	Online Mathematics Tool - NEW	\$0		\$0		\$0			\$0			\$0		\$1,000,000	\$1,000,000	
102d	Financial Data Analysis Tools	\$1,500,000		\$1,500,000	(\$1,500,000)	\$0			\$1,500,000		\$250,000	\$1,750,000			\$1,500,000	
104	Education Assessments - State	\$33,894,400		\$33,894,400	(\$185,000)	\$33,709,400		(\$185,000)	\$33,709,400		\$815,000	\$34,709,400		\$815,000	\$34,709,400	
104	Education Assessments - Federal	\$6,250,000		\$6,250,000		\$6,250,000			\$6,250,000			\$6,250,000			\$6,250,000	
104d	Computer Adaptive Test	\$4,000,000		\$4,000,000	(\$4,000,000)	\$0			\$4,000,000		\$1,000,000	\$5,000,000			\$4,000,000	
104e	Digital Learning Prep - NEW	\$0		\$0		\$0			\$0			\$0		\$250,000	\$250,000	
107	Adult Education	\$25,000,000		\$25,000,000		\$25,000,000			\$25,000,000		\$2,500,000	\$27,500,000		\$2,000,000	\$27,000,000	
147a	MPERS Cost Offset	\$100,000,000		\$100,000,000		\$100,000,000			\$100,000,000		(\$100,000,000)	\$0			\$100,000,000	
147a(2)	MPERS Normal Cost Offset - NEW	\$0		\$0	\$48,969,000	\$48,969,000		\$48,969,000	\$48,969,000		\$48,969,000	\$48,969,000		\$48,969,000	\$48,969,000	
147c	MPERS State Share of Unfunded Liability Payments	\$982,800,000		\$982,800,000	(\$22,016,000)	\$960,784,000		(\$22,016,000)	\$960,784,000		(\$22,016,000)	\$960,784,000		(\$22,016,000)	\$960,784,000	
152a	Adair - Database Payment	\$38,000,500		\$38,000,500		\$38,000,500			\$38,000,500			\$38,000,500			\$38,000,500	
152b	Nonpublic School Reimbursement	\$2,500,000		\$2,500,000	(\$2,500,000)	\$0		\$250,000	\$2,750,000			\$2,500,000			\$2,500,000	
TOTAL APPROPRIATIONS		\$14,161,842,100	(\$103,365,000)	\$14,058,477,100	\$140,246,700	\$14,302,088,800		\$147,608,600	\$14,309,450,700		\$125,863,400	\$14,287,705,500		\$167,084,400	\$14,329,926,500	
REVENUE BY SOURCE																
Federal Aid		\$1,818,632,700	(\$87,900,000)	\$1,730,732,700	(\$91,689,200)	\$1,726,943,500		(\$91,689,200)	\$1,726,943,500		(\$91,689,200)	\$1,726,943,500		(\$91,689,200)	\$1,726,943,500	
School Aid Fund		\$12,052,309,300	(\$15,465,000)	\$12,036,844,300	\$235,835,900	\$12,288,145,200		\$243,197,800	\$12,295,507,100		\$241,452,600	\$12,293,761,900		\$272,673,600	\$12,325,982,900	
Community District Trust Fund/Other Restricted Fund		\$72,000,100		\$72,000,100		\$72,000,100			\$72,000,100			\$72,000,100			\$72,000,100	
General Fund/General Purpose		\$218,900,000		\$218,900,000	(\$3,900,000)	\$215,000,000		(\$3,900,000)	\$215,000,000		(\$23,900,000)	\$195,000,000		(\$13,900,000)	\$205,000,000	
TOTAL REVENUE		\$14,161,842,100	(\$103,365,000)	\$14,058,477,100	\$140,246,700	\$14,302,088,800		\$147,608,600	\$14,309,450,700		\$125,863,400	\$14,287,705,500		\$167,084,400	\$14,329,926,500	

SCHOOL AID FUND (SAF) BALANCE SHEET
FY 2017-18: HB 4235/SB 149
(Dollars in Millions)

	HB 4235 Revised	Exec	House Passed	Senate Passed	Conference
	FY 2016-17	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18
TOTAL BEGINNING BALANCE	\$168.2	\$304.6	\$304.7	\$303.6	\$304.6
ESTIMATED REVENUE					
SCHOOL AID FUND (SAF) REVENUE					
Revenue Estimates (May 2017 CREC)	\$12,609.9	\$12,970.5	\$12,970.5	\$12,970.5	\$12,970.5
HMO Use Tax	\$60.8	\$0.0	\$0.0	\$0.0	\$0.0
Work Project Lapses	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Subtotal: SAF Revenue	\$12,670.7	\$12,970.5	\$12,970.5	\$12,970.5	\$12,970.5
OTHER REVENUE ADJUSTMENTS					
General Fund/General Purpose (GF/GP) Grant	\$218.9	\$215.0	\$215.0	\$195.0	\$205.0
Detroit Public Schools Trust Fund	\$72.0	\$72.0	\$72.0	\$72.0	\$72.0
Federal Aid	\$1,730.7	\$1,726.9	\$1,726.9	\$1,726.9	\$1,726.9
Prior Year Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Subtotal: Other Revenue	\$2,021.6	\$2,013.9	\$2,013.9	\$1,993.9	\$2,003.9
TOTAL REVENUE	\$14,692.3	\$14,984.4	\$14,984.4	\$14,964.4	\$14,974.4
ESTIMATED EXPENDITURES					
ESTIMATED SCHOOL AID EXPENDITURES					
Ongoing Baseline	\$14,161.8	\$14,302.1	\$14,309.5	\$14,287.7	\$14,329.9
2017 Federal funding reductions	(\$87.9)	\$0.0	\$0.0	\$0.0	\$0.0
Consensus Cost Revisions	(\$15.5)	\$0.1	\$0.1	\$0.1	\$0.0
Subtotal: SCHOOL AID EXPENDITURES	\$14,058.4	\$14,302.2	\$14,309.6	\$14,287.8	\$14,329.9
SAF Deposit into MPSERS Reserve					\$295.0
Community Colleges	\$260.4	\$395.1	\$395.1	\$395.1	\$398.3
Higher Education	\$237.1	\$235.6	\$235.6	\$235.6	\$235.6
Subtotal: Post Secondary Expenditures	\$497.5	\$630.7	\$630.7	\$630.7	\$633.9
TOTAL EXPENDITURES	\$14,555.9	\$14,932.9	\$14,940.3	\$14,918.5	\$15,258.8
Current Year: Revenues - Expenditures	\$136.4	\$51.5	\$44.1	\$45.9	(\$284.4)
TOTAL ENDING BALANCE	\$304.6	\$356.1	\$348.8	\$349.5	\$20.2