



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 577 (as introduced 10-10-19)  
Sponsor: Senator Curtis Hertel, Jr.  
Committee: Appropriations

Date Completed: 10-10-19

**CONTENT**

The bill would amend the State School Aid Act in two places: Article I (School Aid), to add additional funds for literacy coaches, and Article III (Higher Education), to add new funds and implementing language for the Michigan Reconnect grant program.

The bill would increase School Aid Fund spending in Section 35a by increasing funding for literacy coaches under subsection (9). Appropriations for literacy coaches in fiscal year (FY) 2019-20 currently are \$21.0 million. In current law, the funding in subsection (9) requires intermediate school districts (ISDs) to provide a match of at least 50% of the grant awarded by the State, with the State paying \$75,000 per coach, and the ISD paying at least \$37,500. Under these criteria, and with the \$21.0 million appropriated under current law, 280 literacy coaches can be funded.

The bill would remove the ISD cost-sharing that is found in current law, and replace it with State grants. The bill would increase overall spending for literacy coaches from \$21.0 million to \$31.5 million, or an increase of \$10.5 million. The number of literacy coaches funded would remain at 280 since, under the bill, the increase in State funds would replace the local match that currently exists.

The bill would appropriate \$110.0 million from the Talent Investment Fund (TIF) for the Michigan Reconnect Program for FY 2019-20. Michigan Reconnect, which would be established in a separate Public Act, was included in Governor Whitmer's budget recommendation for FY 2019-20, and would provide a last-payer scholarship for community college students age 25 and over to enable those students to attend a community college without paying tuition out-of-pocket. The bill also would transfer \$50.0 million from the State General Fund to the TIF, and allow any unspent and unencumbered portion of the \$110.0 million appropriation to be carried forward to FY 2020-21 under a work project account.

MCL 388.1611 et al

**FISCAL IMPACT**

The bill would increase State spending by \$120.5 million, consisting of a \$10.5 million increase in State School Aid Fund spending; a \$50.0 million increase in General Fund/General Purpose spending; and, a \$60.0 million increase in Talent Investment Fund spending. Payments to local ISDs would increase by \$10.5 million.

Fully implemented, the Reconnect program is expected to cost between \$40.0 million and \$60.0 million per year, assuming it is enacted in a form that is substantially similar to the proposal the Governor made earlier this year. If that is the case, the \$110.0 million appropriation would be sufficient to fund the program through the end of FY 2020-21.

Fiscal Analyst: Josh Sefton  
Kathryn Summers

SAS\S1920\s577sa

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.