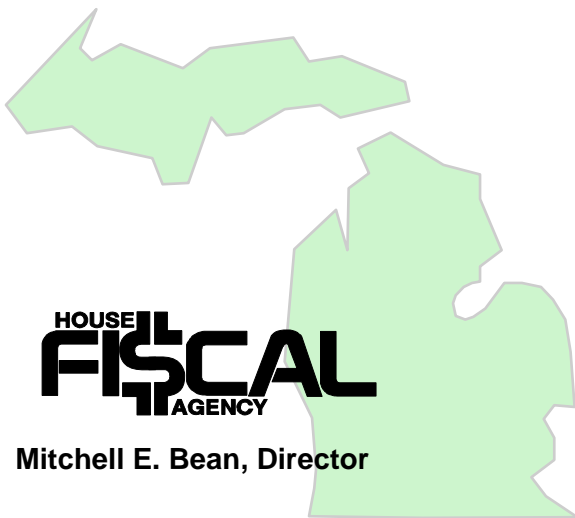


LINE ITEM AND BOILERPLATE SUMMARY

SCHOOL AID

**Fiscal Year 2006-07
Public Act 342 of 2006
Senate Bill 1095**

As Enacted



Mitchell E. Bean, Director

September 2006

Prepared and Compiled by:

**Mary Ann Cleary, Fiscal Analyst
Bethany Wicksall, Fiscal Analyst
Barbara Graves, Budget Assistant**

HOUSE FISCAL AGENCY GOVERNING COMMITTEE

Representatives:

Scott Hummel, Chair

Craig DeRoche

Chris Ward

Rich Brown, Vice Chair

Dianne Byrum

Mary Waters

MICHIGAN HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE

Representatives:

Scott Hummel, Chair

John Pastor, Vice Chair

Daniel Acciavatti

Fran Amos

Darwin Booher

Jack Brandenburg

Bruce Caswell

Bill Caul

David Farhat

Goeff Hansen

Roger Kahn

Jerry Kooiman

John Moolenaar

Rick Shaffer

Glenn Steil, Jr.

John Stewart

Shelley Taub

Howard Walker

Rich Brown, Minority Vice Chair

Marsha Cheeks

George Cushingberry, Jr.

Lee Gonzales

Morris Hood III

Chris Kolb

Michael Murphy

Jim Plakas

Michael Sak

Alma Wheeler Smith

Carl M. Williams

STATE OF MICHIGAN
HOUSE OF REPRESENTATIVES



HOUSE FISCAL AGENCY

MITCHELL E. BEAN, DIRECTOR

P.O. BOX 30014 ■ LANSING, MICHIGAN 48909-7514
PHONE: (517) 373-8080 ■ FAX: (517) 373-5874
www.house.mi.gov/hfa

GOVERNING COMMITTEE

SCOTT HUMMEL, CHAIR	RICH BROWN, VICE CHAIR
CRAIG DEROCHE	DIANNE BYRUM
CHRIS WARD	MARY WATERS

September 2006

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2006-07 appropriation acts. Each **Summary** contains line-by-line detail, including the amount and purpose of each appropriation line and information regarding related boilerplate sections, for a specific appropriation act. Following the line item detail, a brief explanation of each boilerplate section in the appropriation bill is provided.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below ~~strikeout~~ amounts reflect the effect of the veto.

Line Item Summaries are available on the HFA website (www.house.mi.gov/hfa), or from Jeanne Dee, Administrative Assistant (373-8080 or jdee@house.mi.gov).

Handwritten signature of Mitchell E. Bean in black ink.

Mitchell E. Bean, Director

TABLE OF CONTENTS

SCHOOL AID

Section 11f – <i>Durant</i> Non-Plaintiffs Cash Payment	
Section 11g – <i>Durant</i> Non-Plaintiffs Debt Service	
Section 11j – School Bond Redemption Fund	
Section 11m – Cash Flow Borrowing Costs	
Section 22a – Proposal A Obligation Payment	
Section 22b – Discretionary Payment	1
Section 22c – Equity Payment	
Section 24 – Court-Placed Children	
Section 24a – Juvenile Detention Facility Programs ⁰	
Section 24c – Youth Challenge Program	
Section 26a – Renaissance Zones	
Section 26b – Payment In Lieu of Taxes	
Section 29 – Declining Enrollment Grants	
Section 31a – At-Risk Pupil Support, Adolescent Health Centers, Hearing and Vision Screening, Mercy Education Project.....	2
Section 31c – Children of Incarcerated Parents	
Section 31d – School Lunch Programs	
Section 31f – School Breakfast Program	
Section 32b – Early Childhood Investment Corporation (Ecic) Collaborative Grants	
Section 32c – Interagency Early Childhood Grant	
Section 32d – School Readiness	
Section 32j – Great Parents Great Start	
Section 32l – School Readiness Competitive Program	3
Section 32m – Book A Month Program	
Section 34 – Early Intervention Program	
Section 39a – Federal Grant Programs	
Section 41 – Bilingual Education	
Section 51a – Special Education	
Section 54a – Special Education Evaluation Lending Library	
Section 54b – Conductive Learning Center	
Section 57 – Advanced and Accelerated Program	4

Section 57a – International Baccalaureate Grants	
Section 61a – Vocational/Technical Education Programs	
Section 62 – Intermediate School District Vocational Education Millage Equalization	
Section 64 – Health/Science Middle College Program	
Section 65 – Precollege Engineering	
Section 74 – Bus Driver Safety Instruction and School Bus Inspections	
Section 81 – Intermediate School District General Support	
Section 94a – Center for Educational Performance and Information	
Section 98 – Michigan Virtual High School	5
Section 98b – Freedom to Learn Grants	
Section 98c – Web Based Testing	
Section 99 – Mathematics and Science Centers	
Section 99c – Engineering Michigan’s Future	
Section 99d – Automatic External Defibrillators	
Section 99e – Financial Emergency District Funding	
Section 99f – School Building Security Maps	
Section 99g – Positive Behavioral Support Program	
Section 99h – First Robotics	
Section 104 – Michigan Educational Assessment Program (MEAP) Testing	6
Section 107 – Adult Education	7
BOILERPLATE INFORMATION SECTION	9

GLOSSARY: State Budget Terms

STATE BUDGET TERMS

Gross Appropriations (Gross): The total of all applicable appropriations (statutory spending authorizations) in a budget bill.

Adjusted Gross Appropriations (Adjusted Gross): The net amount of all gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Lapses: Appropriation amounts that are unspent/unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project: A statutorily-authorized account which allows a spending authorization to be carried over from one fiscal year to a succeeding fiscal year or years— i.e., allows funds to be spent over a period of years.

APPROPRIATION BILL TERMS

Line Item: Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes).

Boilerplate: Specific language sections in an appropriation bill which direct, limit or restrict line item expenditures, express legislative intent, and/or require reports.

REVENUE SOURCES

General Fund/General Purpose (GF/GP): Unrestricted General Fund revenue available to fund any activity accounted for in the General Fund; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

State Restricted (Restricted): State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.

Federal Revenue: Federal grant or matchable revenue dedicated to specific programs.

Local Revenue: Revenue from local units of government.

Private Revenue: Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, and gifts and bequests.

Interdepartmental Grant (IDG): Revenue or funds received by one state department from another state department (usually for a service provided by the receiving department).

Intradepartmental Transfer (IDT): Transfers or funds being provided from one appropriation unit to another in the same department.

MAJOR STATE FUNDS

Budget Stabilization Fund (BSF): The countercyclical economic and budget stabilization fund; also known as the "rainy day" fund.

School Aid Fund (SAF): A restricted fund; the primary funding source for K-12 schools and Intermediate School Districts (ISDs).

General Fund: The General Fund (funded from taxes and other general revenue) is used to account for the ordinary operations of a governmental unit that are not accounted for in another fund.

SCHOOL AID

The School Aid budget provides funding for the state's local school districts, public school academies (PSAs), and intermediate school districts (ISDs). It also includes a limited number of grants to other entities.

Section 11f – <i>Durant</i> Non-Plaintiffs Cash Payment	\$32,000,000	Pays local and intermediate school districts that were not plaintiffs in the <i>Durant v. State of Michigan</i> special education funding case decided by the Michigan Supreme Court in July 1997; total FY 2006-07 funds equal the sum of 10% of the non-plaintiff total cash settlement for all districts whose settlement is greater than \$75,000. Funding Source(s): Restricted 32,000,000
---	--------------	--

Related Boilerplate Section(s): 11, 11h

Section 11g – <i>Durant</i> Non-Plaintiffs Debt Service	34,961,000	Pays local and intermediate school districts that were not plaintiffs in the <i>Durant v. State of Michigan</i> special education funding case decided by the Michigan Supreme Court in July 1997; funds equal one-half of the non-plaintiff total settlement for all districts whose settlement is greater than \$75,000; monies are intended to pay debt service on bonds sold by non-plaintiff districts through Michigan Municipal Bond Authority. Funding Source(s): GF/GP 34,961,000
---	------------	---

Related Boilerplate Section(s): 11, 11f, 11h, 11i

Section 11j – School Bond Redemption Fund	48,000,000	Payments to the School Bond Redemption Fund in Department of Treasury. Funding Source(s): Restricted 48,000,000
---	------------	--

Related Boilerplate Section(s): 11

Section 11m – Cash Flow Borrowing Costs	22,800,000	Pays a portion of costs associated with cash-flow borrowing to meet the requirement to pay local and intermediate school districts over 11 payments. Funding Source(s): Restricted 22,800,000
---	------------	--

Related Boilerplate Section(s): 11

Section 22a – Proposal A Obligation Payment	6,207,000,000	Funds guarantee 1994-95 total state and local per pupil revenue for operating purposes as required by Michigan Constitution; payment is equal to a district's FY 1994-95 foundation allowance multiplied by the total number of general education and special education membership pupils in the district in FY 2006-07, minus the district's local revenue from nonhomestead millage revenue. Funding Source(s): Restricted 6,207,000,000
---	---------------	---

Related Boilerplate Section(s): 6, 11, 20, 20j, 22b, 104a, 105, 105c

Section 22b – Discretionary Payment	3,584,950,000	Provides funds equal to the sum of amounts calculated under Sec. 20 plus 20j (foundation allowance) and under Sec. 51a(2) plus Sec. 51a(3) plus Sec. 51a(12) (special education), minus amounts under Sec. 22a (Proposal A guarantee) and Sec. 51c (Headlee obligation payment). Funding Source(s): Restricted 3,584,784,000 GF/GP 166,000
-------------------------------------	---------------	--

Related Boilerplate Section(s): 6, 11, 20, 20j, 22a, 51a, 51c, 76, 101, 102, 104a, 105, 105c

Section 22c – Equity Payment	20,000,000	Payments to schools of up to \$23 per pupil for districts and PSAs whose 2006-07 foundation allowance is below \$7,360. Funding Source(s): Restricted 20,000,000
<i>Related Boilerplate Section(s): None</i>		
Section 24 – Court-Placed Children	8,000,000	Reimburses educating local school district or ISD for on-grounds program for pupils under court jurisdiction placed in or assigned to attend a juvenile detention facility or child-caring institution. Funding Source(s): Restricted 8,000,000
<i>Related Boilerplate Section(s): 6, 11, 53a</i>		
Section 24a – Juvenile Detention Facility Programs	3,000,000	Payments to ISDs for pupils placed in juvenile justice service facilities operated by Department of Human Services (DHS); each ISD receives an amount equal to the state share of costs directly attributable to educational programs for pupils in these facilities located within ISD boundaries; program previously funded in DHS budget. Funding Source(s): Restricted 3,000,000
<i>Related Boilerplate Section(s): None</i>		
Section 24c – Youth Challenge Program	1,253,100	Funds the Youth Challenge Program; program previously funded in Department of Military and Veterans Affairs budget. Funding Source(s): Restricted 1,253,100
<i>Related Boilerplate Section(s): None</i>		
Section 26a – Renaissance Zones	50,200,000	Reimburses local and intermediate school districts and the School Aid Fund for property tax revenue losses attributable to implementing the Michigan Renaissance Zone Act. Funding Source(s): Restricted 37,650,000 GF/GP 12,550,000
<i>Related Boilerplate Section(s): None</i>		
Section 26b – Payments In Lieu of Taxes	2,400,000	Reimburses local school districts, ISDs, and community colleges for payment in lieu of taxes obligations per 2004 PA 513. Funding Source(s): GF/GP 2,400,000
<i>Related Boilerplate Section(s): 11</i>		
Section 29 – Declining Enrollment Grants	20,000,000	Funds declining enrollment grants to districts (not Public School Academies) with two consecutive years of declining pupil enrollment based on their 3-year average pupil membership. Funding Source(s): Restricted 20,000,000
<i>Related Boilerplate Section(s): 11</i>		
Section 31a – At-Risk Pupil Support, Adolescent Health Centers, Hearing and Vision Screening, Mercy Education Project	319,450,000	Supports instructional programs and direct noninstructional services for at-risk pupils. Eligible recipients are local districts and PSAs with FY 2006-07 combined state/local revenue under Section 20 (foundation allowance calculation) of less than or equal to \$8,385 per pupil unless certain criteria are met; eligible districts receive an amount equal to 11.5% of their foundation allowance for each qualified student before any proration. Line item includes funding for adolescent health centers, hearing and vision screening, and the Mercy Education Project. Funding Source(s): Restricted 319,450,000
<i>Related Boilerplate Section(s): None</i>		

Section 31c – Children of Incarcerated Parents	1,875,000	Provides pilot grants to eligible districts to address needs of pupils whose parent or parents are incarcerated; eligible district must have free breakfast or lunch eligibility rate of 60% or more. Funding Source(s): Restricted 1,875,000
<i>Related Boilerplate Section(s): None</i>		
Section 31d – School Lunch Programs	345,001,100	Allocates state funds to ensure the state meets its obligation under <i>Durant v. State of Michigan</i> to fund 6.0127% of school lunch programs; allocates federal funds for National School Lunch Program and Emergency Food Assistance Program. Funding Source(s): Federal 322,506,000 Restricted 22,495,100
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 31f – School Breakfast Program	9,625,000	Reimburses districts for costs of providing breakfast; program was previously funded in Department of Education budget. Funding Source(s): Restricted 9,625,000
<i>Related Boilerplate Section(s): None</i>		
Section 32b – Early Childhood Investment Corporation (ECIC) Collaborative Grants	1,000,000	Provides for competitive grants to ISDs for creation of great start communities or other community purposes identified by ECIC. Funding Source(s): Restricted 1,000,000
<i>Related Boilerplate Section(s): None</i>		
Section 32c – Interagency Early Childhood Grant	1,750,000	Grants for community-based collaborative prevention services designed to foster positive parenting skills, support healthy family environments, promote access to needed community services, and provide other services that benefit young children. Funding Source(s): GF/GP 1,750,000
<i>Related Boilerplate Section(s): 11, 17b</i>		
Section 32d – School Readiness	78,800,000	Funds traditional school readiness programs for educationally-disadvantaged, four-year-old children; comprehensive program includes an age-appropriate curriculum, nutritional services, health screening, and parental involvement. Also allocates grant of \$200,000 to continue a longitudinal evaluation of program. Funding Source(s): Restricted 78,600,000 GF/GP 200,000
<i>Related Boilerplate Section(s): 11, 37, 38, 39, 40</i>		
Section 32j – Great Parents Great Start	5,000,000	Grants to ISDs to provide programs to parents of children age five or younger to encourage early literacy, improve school readiness, reduce the need for special education services, and foster stable families. Funding Source(s): Restricted 5,000,000
<i>Related Boilerplate Section(s): 11, 81</i>		
Section 32l – School Readiness Competitive Program	12,250,000	Funds provisions of competitive school readiness programs for educationally-disadvantaged, four-year-old children; comprehensive program includes an age-appropriate curriculum, nutritional services, health screening, and parental involvement; program transferred FY 2005-06 from Department of Education. Funding Source(s): GF/GP 12,250,000
<i>Related Boilerplate Section(s): 11</i>		

Section 32m – Book A Month Program	500,000	Grants to local school districts and ISDs to provide preschool children with a book each month from birth to age 5; local and intermediate school districts must provide local match to receive funding. Funding Source(s): Restricted 500,000
<i>Related Boilerplate Section(s): None</i>		
Section 34 – Early Intervention Program	400,000	Financial assistance to districts to help instruct classroom teachers and support staff on how to monitor pupil's learning and how to provide specific support or learning strategies to pupils to reduce the need for special education placement. Funding Source(s): Restricted 400,000
<i>Related Boilerplate Section(s): None</i>		
Section 39a – Federal Grant Programs	641,624,400	Appropriates \$637.0 million for grant programs under No Child Left Behind Act, appropriates \$4.6 million for other federal grants. Funding Source(s): Federal 641,624,400
<i>Related Boilerplate Section(s): 11</i>		
Section 41 – Bilingual Education	4,032,100	Supports bilingual instruction programs for pupils of limited English speaking ability; monies may only be used for bilingual instruction in speaking, reading, writing, or comprehension. Funding Source(s): Federal 1,232,100 Restricted 2,800,000
<i>Related Boilerplate Section(s): 11, 41a</i>		
Section 51a – Special Education	1,416,683,000	Funds for educational programs and services to special education pupils; includes allocations to local school districts and ISDs for special education memberships and for programs and services mandated under the federal Individuals with Disabilities Education Act; specific categorical support to comply with the provisions of 1997 <i>Durant v. State of Michigan</i> decision is made from Section 51a funds via Section 51c. Funding Source(s): Federal 424,700,000 Restricted 991,983,000
<i>Related Boilerplate Section(s): 6, 11, 51b, 51c, 52, 53a, 54, 56</i>		
Section 54a – Special Education Evaluation Lending Library	250,000	Funds Lending Library at Central Michigan University from which local school districts and ISDs may borrow special education assessment materials. Funding Source(s): Restricted 250,000
<i>Related Boilerplate Section(s): 11</i>		
Section 54b – Conductive Learning Center	250,000	Provides funds for Michigan State University to complete an evaluation of the benefits of conductive learning for children with cerebral palsy. Funding Source(s): Restricted 250,000
<i>Related Boilerplate Section(s): 11</i>		
Section 57 – Advanced and Accelerated Program	285,000	Funds enable an ISD to provide summer school institutes for advanced/accelerated students; any remaining funds enable local and intermediate districts to support comprehensive programs. Funding Source(s): Restricted 285,000
<i>Related Boilerplate Section(s): 6, 11</i>		

Section 57a – International Baccalaureate Grants	250,000	Provides up to five grants of \$50,000 each to districts for costs associated with implementing an International Baccalaureate or International Middle Years program. Funding Source(s): Restricted 250,000
<i>Related Boilerplate Section(s): 11</i>		
Section 61a – Vocational/ Technical Education Programs	30,000,000	Reimburses local districts and secondary area vocational/ technical centers for the added costs of vocational education; allocations determined on the basis of program type, number of pupils, and length of training period. Funding Source(s): Restricted 30,000,000
<i>Related Boilerplate Section(s): 6, 11, 20d</i>		
Section 62 – Intermediate School District Vocational Education Millage Equalization	9,000,000	Funds to guarantee that ISDs that levy vocational education millage will receive equalized revenue for each mill levied of at least \$160,500 per membership pupil in 2006-2007 school year. Funding Source(s): Restricted 9,000,000
<i>Related Boilerplate Section(s): 6, 11, 121</i>		
Section 64 – Health/Science Middle College Program	2,000,000	Grants to ISDs or Detroit Public Schools that are in a consortium with a community college or state university and a hospital to create a middle college focused on health sciences. Funding Source(s): Restricted 2,000,000
<i>Related Boilerplate Section(s): 11</i>		
Section 65 – Precollege Engineering	780,100	Funds pre-college engineering and science programs in Detroit, Grand Rapids, and Kalamazoo; program was transferred from Department of Labor and Economic Growth. Funding Source(s): Restricted 780,100
<i>Related Boilerplate Section(s): 11</i>		
Section 74 – Bus Driver Safety Instruction and School Bus Inspections	2,965,000	Supports bus driver safety instruction or evaluation, reimburses districts for non-special education auxiliary services transportation, and reimburses districts for cost of school bus inspections conducted by Michigan State Police. Funding Source(s): Restricted 2,965,000
<i>Related Boilerplate Section(s): 11</i>		
Section 81 – Intermediate School District General Support	80,110,900	Supports general operations of ISDs; funds ensure that each ISD will receive a 3.1% increase over FY 2005-06 levels. Funding Source(s): Restricted 80,110,900
<i>Related Boilerplate Section(s): 6, 11, 32j, former section 83</i>		
Section 94a – Center for Educational Performance and Information	5,893,200	Funds collection of education data required by state law and to fulfill federal reporting requirements. Funding Source(s): Federal 3,543,200 GF/GP 2,350,000
<i>Related Boilerplate Section(s): 11, 18, 19</i>		
Section 98 – Michigan Virtual High School	6,000,000	Funds to maintain Michigan Virtual High School at Michigan State University; Virtual High School facilitates on-line high school courses to expand curricular offerings; portion of funds is earmarked for online professional development. Funding Source(s): Federal 3,250,000 GF/GP 2,750,000
<i>Related Boilerplate Section(s): 11</i>		

Section 98b – Freedom to Learn Grants	1,500,000	Funds to provide wireless technology in the classroom for K-12 pupils through statewide and local public-private partnerships. Funding Source(s): Federal 1,500,000
<i>Related Boilerplate Section(s): 11</i>		
Section 98c – Web Based Testing	1,000,000	Funds a statewide contract for an online practice assessment and classroom remediation program for middle school students. Funding Source(s): Restricted 1,000,000
<i>Related Boilerplate Section(s): 11</i>		
Section 99 – Mathematics and Science Centers	7,956,000	Supports implementation of a statewide network of mathematics and science centers. Funding Source(s): Federal 4,456,000 Restricted 3,500,000
<i>Related Boilerplate Section(s): 11</i>		
Section 99c – Engineering Michigan's Future	20,000,000	Program provides districts with approximately \$54 per pupil enrolled in grades 6, 7, and 8 to improve performance in mathematics. Funding Source(s): Restricted 20,000,000
<i>Related Boilerplate Section(s): 11</i>		
Section 99d – Automatic External Defibrillators	100,000	Grants to districts for half the cost of purchasing automatic external defibrillators. Funding Source(s): Restricted 100,000
<i>Related Boilerplate Section(s): 11</i>		
Section 99e – Financial Emergency District Funding	125,000	Provides compensation to Inkster Schools for having received a reduced foundation allowance due to pro-ration while having a financial emergency manager in place. Funding Source(s): Restricted 125,000
<i>Related Boilerplate Section(s): 11</i>		
Section 99f – School Building Security Maps	350,000	Grants to local school districts and ISDs for school building mapping for the purpose of security for use by emergency first responders. Funding Source(s): Restricted 350,000
<i>Related Boilerplate Section(s): 11</i>		
Section 99g – Positive Behavioral Support Program	300,000	Funds to expand the school-based crisis intervention project operated by Pontiac Schools to additional school buildings. Funding Source(s): Restricted 300,000
<i>Related Boilerplate Section(s): 11</i>		
Section 99h – First Robotics	150,000	Grants to districts to participate in the FIRST Robotics Competition to improve math, science, and technology skills; districts must provide a 50% local match. Funding Source(s): Restricted 150,000
<i>Related Boilerplate Section(s): 11</i>		
Section 104 – Michigan Educational Assessment Program (MEAP) Testing	27,925,200	Funds the MEAP test and results analysis and reporting. Funding Source(s): Federal 8,425,200 Restricted 19,500,000
<i>Related Boilerplate Section(s): 11</i>		

Section 107 – Adult Education	24,000,000	Supports basic literacy, English as a second language (ESL), General Education Development (GED) test preparation, and high school completion courses for eligible adults. Districts are eligible to receive funds for a person 20 years of age and older who has not earned a GED or high school diploma; districts may also receive funds for a person with a GED or a high school diploma who is enrolled in an ESL course, or for a person under 20 years of age who is enrolled on the basis of a referral from his or her employer.
-------------------------------	------------	---

Funding Source(s): Restricted 24,000,000

Related Boilerplate Section(s): 6, 11

GROSS APPROPRIATION	\$13,093,745,100	Total of all applicable line item appropriations.
----------------------------	-------------------------	--

Total federal revenue	1,411,236,900	Total federal grant or matchable revenue.
-----------------------	---------------	---

Total state restricted revenue	11,647,508,200	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
--------------------------------	----------------	--

GENERAL FUND/ GENERAL PURPOSE	\$35,000,000	The state’s primary operating fund; the portion of the state’s General Fund that does not include restricted revenue.
--	---------------------	--

BOILERPLATE INFORMATION SECTION

Sec. 2. Definitions of Terms

States that for the purposes of this act the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

Sec. 3. Definitions, "A" to "D"

Provides definitions for terms beginning with the letter "A" to the letter "D."

Sec. 4. Definitions, "E" to "H"

Provides definitions for terms beginning with the letter "E" to the letter "H."

Sec. 5. Definitions, "I"

Provides definitions for terms beginning with the letter "I."

Sec. 6. Definitions, Additional Terms

Provides additional definitions of terms.

Sec. 6a. Supplemental Count Day

Requires a supplemental count day.

Sec. 6b. Nonresident Pupils

Describes the method for enrolling and counting in membership a nonresident pupil.

Sec. 7. Costs for School Operating Purposes

States that costs for school operating purposes include all expenditures necessary to carry out the powers of the district or intermediate district under the revised school code.

Sec. 8a. Grades K-3 Average Pupil Count Report

Requires reports of average K-3 class-sizes for all buildings that operate grades K-3.

Sec. 8b. Assignment of District Codes

Requires Department to assign district codes to public school academies within 30 days.

Sec. 11. Total Appropriations

Contains totals of all line-item appropriations.

Sec. 11a. School Aid Stabilization Fund

Establishes the school aid stabilization fund in the school aid act.

Sec. 11f. Cash Payments Pursuant to Nonplaintiff Districts Due to Durant v State of Michigan

Appropriates funds for cash payments pursuant to nonplaintiff districts due to *Durant v State of Michigan*.

Sec. 11g. Debt Service Payments to Nonplaintiff Districts Due to Durant v State of Michigan

Appropriates funds for debt service payments pursuant to nonplaintiff districts due to *Durant v State of Michigan*.

Sec. 11h. Amounts To Districts For Settlement of Durant v State Of Michigan

Lists amount to be paid to each nonplaintiff district which receives payments under *Durant v. State of Michigan*.

Sec. 11i. Borrowing Money and Issuing Bonds

Allows districts anticipating receiving funds under Section 11g to borrow from Michigan Municipal Bond Authority.

Sec. 11j. School Bond Redemption Fund

Provides payments to School Loan Bond Redemption Fund on behalf of local and intermediate school districts.

Sec. 11k. School Bond Loan Fund Repayments

Assigns school bond loan fund repayments to the Michigan Municipal Bond Authority.

Sec. 11m. Cash Flow Borrowing Costs

Provides funds to pay a portion of the interest costs of funds borrowed to make state aid payments due to the state's negative cash flow.

Sec. 13. Apportionments and Limitations of Apportionments

Describes apportionments.

Sec. 14. Defective Returns and Duties of Department

Allows Department to withhold payments for certain defective paperwork.

Sec. 15. Apportionment of Deficiency or Deduction of Excess in Remaining Apportionment

Allows Department to make adjustments to apportioned amounts under certain circumstances.

Sec. 17a. Withholding Payments to Local or Intermediate School Districts

Allows state aid to be withheld in order to repay debts upon which districts have defaulted.

Sec. 17b. Amounts to be Distributed in Installments to Districts

Provides for state aid to be made in 11 equal payments.

Sec. 18. Application of Money Received Under Act

Describes allowable uses of unrestricted state aid received under this act; requires annual audits, financial reports, and that district budgets are made available on their websites.

Sec. 18a. Grant Funds to be Expended by End of School Year

Requires grant funds to be spent by the end of the school fiscal year and requires return of non-expended funds.

Sec. 18b. Property of Public School Academy to be Transferred to State

Requires transfer of assets which are publicly-purchased by public school academies to the state if an academy ceases operations.

Sec. 18c. Contract Between Public School Administrator and Third Party

Exempts the state from liability for certain debts incurred by public school academies.

Sec. 19. Annual Progress Reports

Describes requirements for annual progress reports.

Sec. 20. Foundation Allowances

Describes the calculation of districts' foundation allowances.

Sec. 20d. Requirements for Final Determination Under Section 20

States requirements for making the final determination of amounts to be paid under Section 20.

Sec. 20j. Hold Harmless Payment

Describes the calculation for districts with a foundation allowance above the state maximum foundation allowance when the foundation increase is greater than the rate of inflation.

Sec. 20k. Hold Harmless Supplemental Payment

Requires hold harmless districts to use payments under Section 20j toward the loss in foundation allowance as a result of proration.

Sec. 21b. Postsecondary Tuition

Requires districts to pay tuition for pupils at eligible postsecondary institutions under the Postsecondary Enrollment Options Act.

Sec. 22a. Proposal A Guarantee

Allocates funds to pay school districts an amount sufficient to guarantee an amount equal to 1994-95 total state and local per pupil revenue for school operating purposes.

Sec. 22b. Discretionary Payment

Makes payments to districts using the calculations in Sections 20, 20j, and 51a.

Sec. 22c. Equity Payment

Provides up to \$23 per pupil as an equity payment for districts with a FY 2006-07 foundation allowance of less than \$7,360.

Sec. 22d. Isolated District's Allocation

Allocates funds to small, rural and Upper Peninsula or island districts with fewer than 250 students and with school buildings located at least 30 miles from any other school building, or located on an island not accessible by bridge.

Sec. 23. Instructional Program Operated by Public University

Allows funding for certain instructional programs operated by public universities.

Sec. 24. Court-Placed Pupils

Appropriates funds to pay for costs related to court-placed pupils.

Sec. 24a. Pupils in Juvenile Justice Facilities

Provides funding for educating pupils in juvenile justice facilities operated by the Department of Human Services.

Sec. 24b. Parents or Legal Guardian Residing in Different Districts

Allows students to enroll in a district in which either of the child's parents or legal guardian resides regardless of custody.

Sec. 24c. Youth Challenge Program

Provides funding for the Youth Challenge Program administered by Department of Military and Veterans Affairs.

Sec. 25. Enrollment of Expelled Pupil Enrolled in Alternative Education Program

Requires reimbursement for pupils who transfer to an alternative education program after the count date.

Sec. 25a. Enrollment of a Pupil Who Is a Victim of a Criminal Sexual Assault

Requires reimbursement for a pupil who transfers to a district after filing a complaint that he/she has been a victim of criminal sexual assault.

Sec. 25b. Enrollment of Pupils After the Count Day in Districts Other Than Detroit

Requires reimbursement for pupils who transfer to a district other than Detroit after the count date.

Sec. 25c. Enrollment of Pupils After the Count Day in Detroit

Requires reimbursement for pupils who transfer to the Detroit school district after the count date.

Sec. 26a. Renaissance Zone Reimbursement

Provides reimbursement to local and intermediate school districts and the School Aid Fund for property tax revenue losses attributable to implementing the Michigan Renaissance Zone Act.

Sec. 26b. Payment in Lieu of Taxes Reimbursement

Provides reimbursement funding to local and intermediate school districts and community colleges for payment in lieu of taxes (PILT) obligations per 2004 PA 513.

Sec. 29. Declining Enrollment

Provides funding for districts with two consecutive years of declining enrollment based on their 3-year average pupil membership.

Sec. 31a. At-Risk Funding

Provides funding for pupils at risk of academic failure; also funds school-based adolescent health centers and hearing and vision screening administered by the Department of Community health.

Sec. 31c. Children of Incarcerated Parents

Provides grants to districts for a pilot program to address the needs of children with incarcerated parents.

Sec. 31d. School Lunch

Provides funds to reimburse districts for 6.0127% of the necessary costs of the state-mandated portion of school lunch programs and appropriates federal dollars.

Sec. 31f. School Breakfast Program

Provides funding for the school breakfast program.

Sec. 32b. Early Childhood Investment Corporation (ECIC) Collaborative Grants

Provides grants for the creation of local great start collaboratives to address early childhood needs.

Sec. 32c. Interagency Early Childhood Grants

Provides funding for Interagency Early Childhood Grants.

Sec. 32d. School Readiness Grants

Provides funds for district school readiness programs for educationally-disadvantaged, four-year-old children.

Sec. 32j. Great Parents, Great Start Program

Provides funds to intermediate school districts for parenting programs.

Sec. 32l. School Readiness Competitive Program

Provides funds for competitive school readiness programs for educationally-disadvantaged, four-year-old children.

Sec. 32m. Book a Month Program

Awards grants to provide preschool children with a book each month from birth to age 5.

Sec. 34. Early Intervention Program

Provides professional development funds for early intervention program to reduce need for special education placement.

Sec. 37. Eligibility Requirements for School Readiness Grants

Lists requirements for districts to meet to receive funding under Section 32d.

Sec. 38. Children Eligible for Michigan School Readiness Funds

Defines calculation of the maximum number of children eligible in each district for School Readiness Funds.

Sec. 39. Priority in Funding the Michigan School Readiness Program

Describes how districts will be prioritized to receive Michigan School Readiness Program funds.

Sec. 39a. Federal Fund

Appropriates federal No Child Left Behind funds and other federal funds.

Sec. 40. Children in Need of Michigan School Readiness

Requires Department of Education to review alternative methods for determining the number of children construed to be in need of Michigan School Readiness Program services.

Sec. 41 and 41a. Bilingual Instruction

Provides funding (state and federal) for bilingual instruction.

Sec. 51a. Special Education Calculation

Describes the method for calculating special education funding.

Sec. 51b. Intermediate School District Compliance With Rules

Requires ISDs to comply with Article 3 (refers to Special Education) of Revised School Code.

Sec. 51c. Special Education Payment

Appropriates funds to reimburse districts for special education services.

Sec. 52. Limit on Special Education Reimbursement

States reimbursement for special education programs and services shall not exceed 75% of total program cost.

Sec. 53a. Special Education Programs for Certain Pupils

Describes methods to calculate reimbursement for certain types of special education costs.

Sec. 54. Michigan Schools for the Deaf and Blind

Appropriates funds for education of pupils at the Michigan Schools for the Deaf and Blind.

Sec. 54a. Special Education Evaluation Lending Library

Allocates funds for the special education lending library at Central Michigan University.

Sec. 54b. Conductive Learning Center

Allocates funds to Michigan State University for evaluation of Conductive Learning Center and Aquinas College.

Sec. 56. Intermediate School District Special Education Millage Equalization

Allocates funds to reimburse certain school districts levying millages for special education.

Sec. 57. Advanced and Accelerated Programs

Appropriates funds to ISDs for summer school institutes for advanced and accelerated students.

Sec. 57a. International Baccalaureate Program

Provides grants for the development and start up of International Baccalaureate and Middle Years Programs.

Sec. 58. Special Education Transportation Services

Requires reimbursement for special education transportation services to be based on data reported by districts.

Sec. 61a. Vocational-Technical Programs

Appropriates funds for vocational education programming.

Sec. 62. Intermediate School District Vocational Education Millage Equalization

Appropriates funds to reimburse intermediate districts levying millages for vocational education.

Sec. 64. Health Science Middle College Program

Provides grants to intermediate school districts or Detroit Public Schools that are in a consortium with a community college or university and a hospital to provide a middle college program in health sciences.

Sec. 65. Pre-College Engineering Program

Provides funds for pre-college engineering and science programs in Detroit, Grand Rapids and Kalamazoo.

Sec. 74. School Bus Driver Safety Instruction

Appropriates funds for the school Bus Driver Safety Instruction Program and for school bus inspections.

Sec. 76. Transporting Nonpublic School Students

Allows certain districts to use funds under Section 20 to transport nonpublic school students.

Sec. 81. Intermediate School District (ISD) Funding

Appropriates funds for the operations of intermediate school districts.

Sec. 91a. Cessation of a Pilot Intermediate District Schools of Choice Program

Requires districts to continue enrolling pupils enrolled in a district under a pilot intermediate district school of choice program.

Sec. 91c. Participation in Interscholastic Competition

Prohibits pupils enrolled in a district under a pilot intermediate district schools of choice program from participating in interscholastic athletic competition for one semester.

Sec. 94a. Center for Educational Performance and Information

Appropriates funds for the Center for Educational Performance and Information.

Sec. 98. Michigan Virtual High School

Appropriates funds to the Michigan Virtual High School.

Sec. 98b. Freedom to Learn Grants

Appropriates funds to provide classroom wireless technology K-12 students through public/private partnerships.

Sec. 99. Mathematics and Science Centers

Appropriates funds for Math and Science Centers.

Sec. 99c. Middle School Mathematics Initiative

Appropriates funds for the Middle School Mathematics Initiative.

Sec. 99d. Automatic External Defibrillators

Provides grants to districts for half the cost of purchasing automatic external defibrillators.

Sec. 99e. Financial Emergency District Funding

Compensates Inkster Schools for reduced funding due to proration while having a financial emergency manager.

Sec. 99f. School Building Security Maps

Provides grants for school mapping for the purposes of security.

Sec. 99g. Positive Behavioral Support Program

Appropriates funds to expand the school based crisis intervention program in Pontiac.

Sec. 99h. FIRST Robotics

Provides grants to districts to participate in the FIRST Robotics Competition.

Sec. 101. Eligibility to Receive State Aid

Describes requirements districts must meet in order to receive state aid, including providing a certain number of instructional days and hours.

Sec. 102. Deficit Budgets

Prohibits deficit budgets.

Sec. 104. Michigan Education Assessment Program (MEAP) Tests

Provides state and federal funding for the testing program.

Sec. 104a. State Assessments to High School Pupils

Requires state assessments to high school pupils.

Sec. 105. Schools of Choice Within Intermediate School Districts

Presents requirements for schools of choice within intermediate school districts.

Sec. 105a. Counting Nonresident Pupils in K-12 Districts

States that Sec. 105(16) does not apply to districts that do not operate all of grades K through 12.

Sec. 105b. Intermediate School District Pilot Schools of Choice Program

Exempts an ISD that operates a pilot school of choice program (and its constituent districts) from Section 105.

Sec. 105c. Schools of Choice Among Contiguous Intermediate School Districts

Presents requirements for schools of choice among contiguous intermediate school districts.

Sec. 106. Pupils Not Counted in Membership

Prohibits pupils enrolled in a program fully subsidized with federal/state funds from being counted in membership.

Sec. 107. Adult Education

Appropriates funds for adult education.

Sec. 109. Pupil Requiring Hospitalization or Confinement at Home

Requires districts to provide instruction to pupils who require hospitalization or confinement at home for more than five school days.

Sec. 111. Tuition Rates

Describes the requirements for determining tuition rates for nonresident pupils.

Sec. 118. Requirement to Pay Tuition

Requires districts to pay tuition for residents of the district educated outside of the district's boundaries.

Sec. 121. Determination of a District's Property Value

Describes the determination of property values for the purposes of calculating state aid.

Sec. 124. Adjustments of a District's Property Value

Describes adjustments to property values for the purposes of calculating state aid.

Sec. 147. Allocations to Public School Employees' Retirement System

Estimates the percent of payroll to contribute to the Public School Employees' Retirement System.

Sec. 151. Statement of Taxable Value

Requires county treasurers to submit a statement of taxable value to the state; describes duties of tax tribunals.

Sec. 152. Reporting Requirements

Requires districts to submit certain reports to the Department of Education.

Sec. 161. School Board Member Responsibility

States that a school official or board member who violates School Aid Act provisions is guilty of a misdemeanor.

Sec. 162. Failure to File Reports

States that a district that fails to file reports required by the School Aid Act will forfeit a day's worth of state aid for each day the reports are late.

Sec. 163. Teacher Certification Requirements

Requires districts to hire certified teachers and counselors.

Sec. 163a. Enrollment of Homeless Children

Requires districts to enroll homeless children residing in the district.

Sec. 164. Expenditures for Chauffeurs

Prohibits districts from expending state aid for chauffeurs.

Sec. 164a. Payment in Lieu of Vacation Time

Prohibits districts from paying school administrators in lieu of leave time to increase their retirement benefits.

Sec. 164b. Reimbursement of Board Member Expenses

Describes requirements for reimbursement of board members.

Sec. 164c. Purchase of Foreign Goods or Services

Prohibits districts from purchasing foreign goods or services if competitively priced American goods or services of comparable quality are available.

Sec. 164d. Discriminatory Rules

Prohibits districts from implementing policy or practices that discriminate against personnel solely because they have graduated from a particular state university.

Sec. 164e. Discrimination Against Student Teachers

Prohibits discrimination against a student teacher because the state university in which the person is enrolled serves as the authorizing body for one or more public school academies.

Sec. 165. Reimbursement for Shared Time Agreement

Requires reimbursement for shared time agreements under certain circumstances.

Sec. 166. Distributing Family Planning Drugs and Devices

Prohibits districts from distributing drugs or devices related to family planning.

Sec. 166a. Requirements Related to Sex Education

States the requirements related to sex education.

Sec. 166b. Enrollment in Nonpublic School or Home School

Describes the enrollment of nonpublic and home-schooled students in public schools.

Sec. 166d. Health Care Coverage for Abortion Services

Prohibits health care coverage for abortion services if not required by a collective bargaining agreement.

Sec. 166e. Competitive Bid Process

Requires districts to use competitive bidding for building construction and repair contracts.

Sec. 167. Immunization Process

Requires districts to report immunization status of pupils in grades K through 12 to their local health department.

Sec. 168. Access to Records and Audits

Requires districts to give the Department access to certain records and to audit certain records.

Sec. 168a. Removing Asbestos

Prohibits removal of asbestos unless removal is required.

Sec. 169. Advertisement by Public School Academies

Requires public school academies to advertise.

Sec. 169a. Information About the Michigan Schools for the Deaf and Blind

Requires information to be allowed to be given to deaf and blind pupils.

Sec. 169b. Board Member Conflicts of Interest

Prohibits school board members from voting on any contract in which the board member has a conflict of interest.

Sec. 171. Repealer Section

Repeals certain sections in this act or a former act.

Fourth Floor, North Tower, Anderson Building
 124 North Capitol Avenue, Lansing, Michigan 48933
 P.O. Box 30014, Lansing, Michigan 48909-7514
 Phone: 517-373-8080 FAX: 517-373-5874
 www.house.mi.gov/hfa



Mitchell E. Bean, Director
Bill Fairgrieve, Deputy Director

ECONOMIC/REVENUE FORECAST ▪ TAX ANALYSIS ▪ REVENUE SHARINGRebecca Ross, Senior Economist
 Jim Stansell, Economist

EDUCATION AND REGULATORY.....Mary Ann Cleary, Associate Director
 Community Colleges Viola Bay Wild, Fiscal Analyst
 Higher Education Kyle I. Jen, Senior Analyst
 Education ▪ School Aid Mary Ann Cleary, Associate Director; Bethany Wicksall, Senior Analyst
 Labor and Economic Growth Richard Child, Senior Analyst
 Transportation William E. Hamilton, Senior Analyst

FISCAL OVERSIGHT, AUDIT AND LITIGATION..... William E. Hamilton, Senior Analyst

GENERAL GOVERNMENT.....Al Valenzio, Associate Director
 Agriculture William E. Hamilton, Senior Analyst
 Capital Outlay ▪ Retirement ▪ Supplementals Al Valenzio, Associate Director
 Corrections Marilyn Peterson, Senior Analyst
 Judiciary Viola Bay Wild, Fiscal Analyst
 Environmental Quality ▪ Natural Resources ▪ NR Trust Fund ▪ Clean Michigan Initiative..... Kirk Lindquist, Senior Analyst
 Attorney General ▪ Civil Rights ▪ Civil Service ▪ Executive ▪ Information Technology ▪
 Legislature ▪ Lottery ▪ Auditor General ▪ Management and Budget ▪ State Robin Risko, Senior Analyst
 Treasury Mark Wolf, Fiscal Analyst; Robin Risko, Senior Analyst
 History, Arts, and Libraries Al Valenzio, Associate Director
 Military and Veterans Affairs ▪ State Police Jan Wisniewski, Senior Analyst
 Legislative Transfers Margaret Alston, Senior Analyst

HUMAN SERVICES Bill Fairgrieve, Deputy Director
 Community Health: Medicaid Steve Stauff, Senior Analyst
 Mental Health ▪ Substance Abuse Margaret Alston, Senior Analyst
 Public Health ▪ Aging Susan Frey, Senior Analyst
 Human Services Robert Schneider, Senior Analyst; Bill Fairgrieve, Deputy Director

LEGISLATIVE ANALYSISChris Couch, Associate Director
 Edith Best, Joan Hunault, Shannan Kane, Sue Stutzky, Legislative Analysts

SUPPORT STAFF
 Office Manager Sharon Risko, Administrative Assistant
 Publications and Data Jeanne Dee, Administrative Assistant
 Community Health ▪ Corrections ▪ Human Services ▪ Judiciary ▪ HFA Library Tumai Burris, Budget Assistant
 Agriculture ▪ Community Colleges ▪ Education ▪ Higher Education ▪ School Aid ▪
 Transportation ▪ Transfers ▪ HFA Internet ▪ Bill Analysis Barbara Graves, Budget Assistant
 Capital Outlay ▪ Environmental Quality ▪ General Government ▪ History, Arts, & Libraries ▪
 Labor and Economic Growth ▪ Military and Veterans Affairs ▪ Natural Resources ▪
 Retirement ▪ State Police ▪ Supplementals Kim O'Berry, Budget Assistant
 Facilities Coordinator Ericah Caughey, Receptionist

September 2006



House Fiscal Agency
P.O. Box 30014 ■ Lansing, MI 48909-7514
(517) 373-8080 ■ FAX (517) 373-5874
www.house.mi.gov/hfa