

**SCHOOL AID**  
**Summary of FY 2009-10**  
**HB 4447 (S-1): Senate Passed**



**Analysts: Mary Ann Cleary and Bethany Wicksall**

IDG/IDT	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Senate From FY 2008-09 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Federal</b>	1,562,008,600	1,561,809,400	1,561,809,400	1,561,809,400	0	(199,200)	(0.0)
<b>Fed ARRA</b>	0	0	220,074,275	634,100,000	0	634,100,000	NA
<b>Local</b>	0	0	0	0	0	0	0.0
<b>Private</b>	0	0	0	0	0	0	0.0
<b>Restricted</b>	11,776,098,200	11,360,990,600	11,310,800,100	10,516,254,900	0	(1,259,843,300)	(10.7)
<b>GF/GP</b>	40,800,000	40,800,000	39,625,000	31,800,100	0	(8,999,900)	(22.1)
<b>Gross</b>	<b>\$13,378,906,800</b>	<b>\$12,963,600,000</b>	<b>\$13,132,308,775</b>	<b>\$12,743,964,400</b>	<b>\$0</b>	<b>(\$634,942,400)</b>	<b>(4.7)</b>

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

**Overview**

The School Aid budget makes appropriations to the state's 552 local school districts, 232 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Education Performance and Information, Department of Labor and Economic Growth, and other entities to implement certain grants and other programs related to K-12 education.

**Major Budget Changes From FY 2008-09 YTD Appropriations**

**1. Proposal A Obligation Payment (Sec. 22a)**

**Executive** reduces funding by \$242.7 million to incorporate estimates in taxable values and pupil membership blends and including a savings of \$5.3 million for the changes recommended in Sec. 6(4)(y) (see major boilerplate changes below for additional information on Sec. 6(4)(y) changes.)

**House** reduces funding by \$237.5 million to incorporate estimates in taxable values and pupil membership blends.

**Senate** reduces funding by \$219.0 million to incorporate estimates in taxable values and pupil memberships from the May consensus conference and the elimination of Sec. 6(4)(y) declining enrollment for small rural districts estimated at \$9.0 million.

	FY 2008-09 YTD	Senate Change From YTD
<b>Gross</b>	<b>\$6,092,000,000</b>	<b>(\$219,000,000)</b>
Restricted	6,092,000,000	(219,000,000)

<b>Major Budget Changes From FY 2008-09 YTD Appropriations</b>	<b>FY 2008-09 YTD</b>	<b>Senate Change From YTD</b>
<b>2. Discretionary Payment (Sec. 22b)</b>	<b>Gross \$3,796,750,000</b>	<b>(\$198,750,000)</b>
<b>Executive</b> decreases funding by \$94.4 million for a \$59 per pupil reduction in the foundation allowances. Eliminates district specials for Wayne Westland by \$6.1 million, Gibraltar by \$0.9 million, hold harmless millage adjustments by \$0.7, Huron and Garden City by \$1.2 million and \$5.8 million for assumed savings due to developmental kindergarten funding in Sec. 6(4)(r). Also includes a \$10.0 million reduction for Sec. 20j allocations. (See additional information for Sec. 6(4)(r) and Sec. 20j in major boilerplate changes below.)	Fed ARRA 0	634,100,000
<b>House</b> decreases state funding by \$250.2 million and appropriates \$220.1 million in Federal State Fiscal Stabilization (FSFS) funds in order to fully fund current foundation payments. Grants formerly under Sec. 99i and Sec. 99k were added to each school district's foundation allowance. (Clintondale, Chippewa Valley, Redford Union, and Pontiac).	Restricted 3,796,750,000	(832,850,000)
<b>Senate</b> decreases state funding by \$832.85 million and replaces apportionment of it with \$634.1 million in FSFS funds. The reduction also includes a decrease of \$174.2 million for a \$110 per pupil reduction in foundation allowances and \$1.6 million for the elimination of Sec. 6(4)(y) declining enrollment for small rural districts.		
<b>3. School Bond Redemption Fund (Sec. 11j)</b>	<b>Gross \$39,000,000</b>	<b>\$1,000,000</b>
<b>Executive, House and Senate</b> increase by \$1.0 million to a total of \$40.0 million to reflect the estimated required payment for FY 2009-10.	Restricted 39,000,000	1,000,000
<b>4. Isolated District Funding (Sec. 22d)</b>	<b>Gross \$2,025,000</b>	<b>(\$2,024,800)</b>
<b>Executive</b> eliminates grants totaling \$750,000 to certain small, geographically isolated districts and eliminates grants totaling \$1,275,000 to districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200.	Restricted 2,025,000	(2,024,800)
<b>House</b> maintains current year funding level of \$2,025,000.		
<b>Senate</b> appropriates \$100 for small, geographic isolated districts and \$100 for districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200.		
<b>5. MBT Impact on Out of Formula Districts (Sec. 22e)</b>	<b>Gross \$1,300,000</b>	<b>\$100</b>
<b>Executive</b> eliminates \$1.3 million for districts that do not receive state foundation allowance payments but will see reduced local revenue from school operating taxes due to the property tax exemptions contained in the MBT.	Restricted 1,300,000	100
<b>House</b> maintains current year funding level of \$1.3 million.		
<b>Senate</b> concurs with House but adds an additional \$100.		
<b>6. Consolidation Transition Grants (Sec. 22f)</b>	<b>Gross N/A</b>	<b>\$0</b>
<b>House</b> appropriates \$3.0 million for grants to districts at \$50 per pupil for districts that merge prior to July 1, 2010. Priority in awarding grants should be given to districts that formed with another district that had an operating deficit.	Restricted N/A	0
<b>Senate</b> does not include.		
<b>7. Youth Challenge Grant (Sec. 24c)</b>	<b>Gross \$1,284,600</b>	<b>(\$1,284,500)</b>
<b>Executive and House</b> appropriates an additional \$10,500 related to economic increases.	Restricted 1,284,600	(1,284,500)
<b>Senate</b> appropriates \$100.		

<b>Major Budget Changes From FY 2008-09 YTD Appropriations</b>		<b>FY 2008-09 YTD</b>	<b>Senate Change From YTD</b>
<b>8. Renaissance Zone Reimbursement (Sec. 26a)</b>	<b>Gross</b>	<b>\$57,500,000</b>	<b>(\$18,000,000)</b>
<u>Executive, House and Senate</u> reduce funding by \$18.0 million to \$39.5 million as a result of changes from MBT-related personal property tax exemptions. Funding is to reimburse districts for lost local revenue from renaissance zones.	Restricted	41,400,000	(13,000,000)
	GF/GP	\$16,100,000	(\$5,000,000)
<b>9. Declining Enrollment Grants (Sec. 29)</b>	<b>Gross</b>	<b>\$20,000,000</b>	<b>(\$20,000,000)</b>
<u>Executive and House</u> maintain current law funding level.	Restricted	20,000,000	(20,000,000)
<u>Senate</u> eliminates funding and repeals section.			
<b>10. "At-Risk" Grants (Sec. 31a)</b>	<b>Gross</b>	<b>\$310,457,000</b>	<b>(\$5,875,100)</b>
<u>Executive</u> eliminates exceptions to the funding formula for Dearborn and Baldwin School Districts.	Restricted	310,457,000	(5,875,100)
<u>House</u> reduces the exceptions to the funding formula for Dearborn School District by 25%.			
<u>Senate</u> concurs with Executive and increases the percentage that can be spent on school security from 15% to 20%.			
<b>11. Adolescent Health Center Grants (Sec. 31a(6))</b>	<b>Gross</b>	<b>\$4,743,000</b>	<b>(\$4,742,900)</b>
<u>Executive and House</u> maintain current law funding level.	Restricted	4,743,000	(4,742,900)
<u>Senate</u> appropriates \$100.			
<b>12. Early Childhood Investment Corporation (ECIC) Collaborative Grants (Sec. 32b)</b>	<b>Gross</b>	<b>\$6,750,000</b>	<b>(\$750,000)</b>
<u>Executive and House</u> maintain current law funding level.	Restricted	6,750,000	(750,000)
<u>Senate</u> reduces funding by \$750,000 to \$6.0 million.			
<b>13. Early Childhood Grants (Sec. 32c)</b>	<b>Gross</b>	<b>\$2,125,000</b>	<b>(\$2,125,000)</b>
<u>Executive and Senate</u> eliminate funding for interagency early childhood grants and repeals section.	Restricted	2,125,000	(2,125,000)
<u>House</u> maintains current year funding level of \$2.1 million.			
<b>14. Great Start Readiness Program - District Grants (Sec. 32d)</b>	<b>Gross</b>	<b>\$88,379,100</b>	<b>(\$88,378,900)</b>
<u>Executive and House</u> appropriate current law appropriations level.	Restricted	88,100,000	(88,099,900)
<u>Senate</u> appropriates \$100 aid funds and \$100 in GF/GP.	GF/GP	\$279,100	(\$279,000)
<b>15. Great Parents Great Start ISD Programs (Sec. 32j)</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>(\$4,999,900)</b>
<u>Executive</u> eliminates funding for the Great Parents Great Start ISD program which provided services to children age 0-5 and their families and repeals section.	Restricted	5,000,000	(4,999,900)
<u>House</u> maintains current year funding level of \$5.0 million.			
<u>Senate</u> appropriates \$100.			
<b>16. Great Start Readiness Program - Competitive Grants (Sec. 32i)</b>	<b>Gross</b>	<b>\$15,150,000</b>	<b>(\$15,150,000)</b>
<u>Executive and House</u> appropriate current law appropriations level and moved the appropriation to Sec. 32d.	Restricted	15,150,000	(15,150,000)
<u>Senate</u> eliminates funding and repeals section.			
<b>17. Bilingual Education State Grants (Sec. 41)</b>	<b>Gross</b>	<b>\$2,800,000</b>	<b>(\$2,800,000)</b>
<u>Executive and Senate</u> eliminate funding for the bilingual education program which awarded grants to districts to provide bilingual education programs and repeal section.	Restricted	2,800,000	(2,800,000)
<u>House</u> maintains current year funding level of \$2.8 million.			

<b><u>Major Budget Changes From FY 2008-09 YTD Appropriations</u></b>	<b>FY 2008-09 YTD</b>	<b>Senate Change From YTD</b>
<b>18. Special Education Payment (Sec. 51a)</b>	<b>Gross \$1,448,483,000</b>	<b>\$618,900</b>
<b>Executive</b> increases funding by \$40.9 million to \$1.1 billion to reflect changes in the number of special education students and estimated additional costs associated with educating these students.	Federal 424,700,000	0
<b>House</b> increases by \$41.7 million to \$1.1 billion.	Restricted 1,023,783,000	618,900
<b>Senate</b> increases total funding by \$618,900 to \$1.0 billion. The appropriation includes an increase of \$37.5 million to reflect changes in special education pupil estimates and the elimination of Sec. 56 funding for special education millage equalization. (See below)		
<b>19. Special Education Evaluation Lending Library (Sec. 54a)</b>	<b>Gross \$100,000</b>	<b>(\$100,000)</b>
<b>Executive and House</b> maintain current law funding levels.	Restricted 100,000	(100,000)
<b>Senate</b> eliminates funding and repeals section.		
<b>20. Newsline Grant (Sec. 54c)</b>	<b>Gross \$80,000</b>	<b>(\$80,000)</b>
<b>Executive and Senate</b> eliminate funding to the Department to make Newsline electronically available statewide for the visually impaired and repeals section.	GF/GP \$80,000	(\$80,000)
<b>House</b> maintains current year funding level of \$80,000.		
<b>21. Special Education Millage Equalization (Sec. 56)</b>	<b>Gross \$36,881,100</b>	<b>(\$36,881,100)</b>
<b>Executive and House</b> maintain current law funding levels and sets the equalization amount at \$179,700 per mill.	Restricted 36,881,100	(36,881,100)
<b>Senate</b> eliminates funding and repeals section. (Funding is appropriated from Sec. 51a)		
<b>22. Advanced and Accelerated Grants (Sec. 57)</b>	<b>Gross \$285,000</b>	<b>(\$285,000)</b>
<b>Executive and Senate</b> eliminate funding for the advanced and accelerated competitive grants to ISDs for middle school summer institutes and comprehensive programs for advanced and accelerated students and repeals section.	Restricted 285,000	(285,000)
<b>House</b> maintains current year funding level of \$285,000.		
<b>23. Vocational Education Added Costs (Sec. 61a)</b>	<b>Gross \$30,000,000</b>	<b>(\$3,000,000)</b>
<b>Executive</b> eliminates funding of \$388,700 to Oakland ISD.	Restricted 30,000,000	(3,000,000)
<b>House</b> reduces funding by 25% to \$291,525 for Oakland ISD.		
<b>Senate</b> reduces funding by 10% or \$3.0 million to a total of \$27.0 million.		
<b>24. ISD Vocational Education Millage Equalization (Sec. 62)</b>	<b>Gross \$9,000,000</b>	<b>(\$9,000,000)</b>
<b>Executive and House</b> maintain current law funding levels and sets the equalization amount at \$189,600 per mill.	Restricted 9,000,000	(9,000,000)
<b>Senate</b> eliminates fund and repeals section.		
<b>25. Health/Science Middle College Grants (Sec. 64)</b>	<b>Gross \$2,000,000</b>	<b>(\$1,999,900)</b>
<b>Executive and House</b> maintain current law funding levels.	Restricted 2,000,000	(1,999,900)
<b>Senate</b> appropriates \$100.		
<b>26. Precollege Engineering and Science Grants (Sec. 65)</b>	<b>Gross \$980,100</b>	<b>(\$980,100)</b>
<b>Executive and Senate</b> eliminate funding for Detroit and Grand Rapids programs and Kalamazoo, Huron, Tuscola and Bay-Arenac ISDs programs and repeals section.	Restricted 980,100	(980,100)
<b>House</b> maintains current year funding level of \$980,100.		
<b>27. School Bus Inspections (Sec. 74)</b>	<b>Gross \$1,403,500</b>	<b>(\$1,403,500)</b>
<b>Executive and House</b> maintain current law funding levels.	Restricted 1,403,500	(1,403,500)
<b>Senate</b> eliminates funding and strikes subsection.		

<b>Major Budget Changes From FY 2008-09 YTD Appropriations</b>		<b>FY 2008-09 YTD</b>	<b>Senate Change From YTD</b>
<b>28. ISDs General Operations (Sec. 81)</b>	<b>Gross</b>	<b>\$81,721,100</b>	<b>(\$4,086,100)</b>
<b>Executive</b> reduces funding by \$16.3 million or 20% for ISD general operations.	Restricted	81,721,100	(4,086,100)
<b>House</b> maintains current year funding level of \$81.7 million.			
<b>Senate</b> reduces funding by 5% or \$4.1 million to \$77.6 million.			
<b>29. Center for Educational Performance-CEPI (Sec. 94a)</b>	<b>Gross</b>	<b>\$7,728,600</b>	<b>(\$1,449,300)</b>
<b>Executive and Senate</b> reduce CEPI operational funding by \$1.4 million.	Federal	2,793,200	0
<b>House</b> maintains current year funding level of \$7.7 million.	GF/GP	\$4,935,400	(\$1,449,300)
<b>30. Michigan Virtual School - MVS (Sec. 98)</b>	<b>Gross</b>	<b>\$4,950,000</b>	<b>(\$2,250,000)</b>
<b>House</b> reduces operational funding by \$900,000 to \$850,000.	Federal	2,700,000	0
<b>Senate</b> reduces all State support for operations.	Restricted	500,000	(500,000)
	GF/GP	\$1,750,000	(\$1,750,000)
<b>31. Math and Science Centers Grants (Sec. 99)</b>	<b>Gross</b>	<b>\$8,749,300</b>	<b>(\$3,500,000)</b>
<b>Executive and House</b> maintain current law funding levels.	Federal	5,249,300	0
<b>Senate</b> eliminates all State support for operations.	Restricted	3,390,000	(3,390,000)
	GF/GP	110,000	(110,000)
<b>32. Math Remediation Grants (Sec. 99a)</b>	<b>Gross</b>	<b>\$725,000</b>	<b>(\$725,000)</b>
<b>Executive and Senate</b> eliminate \$725,000 for grants to pilot programs for after-school and summer mathematics for eighth grade students and repeals section.	Restricted	725,000	(725,000)
<b>House</b> maintains current year funding level of \$725,000.			
<b>33. Assessment Testing Costs (Sec. 104)</b>	<b>Gross</b>	<b>\$37,385,700</b>	<b>(\$3,541,300)</b>
<b>Executive and House</b> decreases the total appropriation by \$0.9 million as a result of revised cost estimates for the testing contract.	Federal	8,512,900	(199,200)
<b>Senate</b> concurs with Executive and House reductions and further reduces the appropriation by \$2.6 million. The reductions are from estimated saving by not allowing an enhanced social studies exam, no pattern scoring, and no assessments developed by the department. Appropriates \$1.0 million for the "Explore" exam with the intent that the Iowa test will be used.	Restricted	28,872,800	(3,342,100)
<b>34. Adult Education (Sec. 107)</b>	<b>Gross</b>	<b>\$24,000,000</b>	<b>(\$2,400,000)</b>
<b>Executive</b> reduces adult education funding by \$4.0 million to a total of \$20.0 million and changes the distribution of funds to a competitive grant process rather than formula funding for existing recipients. Eliminates earmarks to Grand Rapids Community College and the Department of Corrections funded at \$700,000 total.	Restricted	24,000,000	(2,400,000)
<b>House</b> appropriates \$23.7 million for current law adult education programs. Eliminates earmarks to Grand Rapids Community College funded at \$200,000 and the Department of Corrections funded at \$500,000. Maintains current law language but requires DELEG in conjunction with the Adult Education Advisory Board to create an Adult Learning Planning Group by Sept. 30, 2009 and evaluate a number of proposed issues and changes and make reports to DELEG and to the Legislature by Dec. 1, 2009 and March 31, 2010.			
<b>Senate</b> reduces appropriation by 10% or \$2.4 million to \$21.6 million. Concurs with House on creating an Adult Learning Planning Group.			

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Senate Change From YTD</u>
<b>35. <i>Miscellaneous Grants (Sections 99e, 99i, 99j, 99k and 99p)</i></b>	<b>Gross</b>	<b>\$2,875,000</b>	<b>(\$2,575,000)</b>
<b><u>Executive</u></b> eliminates the following grants:	Restricted	2,875,000	(2,575,000)
Sec. 99e - Financial Emergency District (Inkster) at \$125,000.			
Sec. 99i - Pontiac crisis intervention program at \$300,000.			
Sec. 99j- Grosse Pointe at \$1,050,000 and Harper Woods at \$450,000.			
Sec. 99k - Redford Union at \$450,000, Chippewa Valley at \$150,000, and Clintondale at \$250,000.			
Sec. 99p - Cultural access grants at \$100,000.			
<b><u>House</u></b> concurs on eliminating Sections 99e and 99j.			
Transfers grants into each district's foundation allowance:			
Sec. 99i - Pontiac crisis intervention: \$300,000.			
Sec. 99k - Redford Union at \$450,000, Chippewa Valley at \$150,000 and Clintondale at \$250,000			
Maintains current year funding for:			
Sec.99p Cultural Access Grants at \$100,000.			
<b><u>Senate</u></b> concurs on eliminating the following grants:			
Sec. 99e - Financial Emergency District (Inkster) at \$125,000.			
Sec. 99j- Grosse Pointe at \$1,050,000 and Harper Woods at \$450,000.			
Sec. 99k - Redford Union at \$450,000, Chippewa Valley at \$150,000, and Clintondale at \$250,000.			
Sec. 99p - Cultural access grants at \$100,000.			
Maintains funding for:			
Sec. 99i - Pontiac crisis intervention program at \$300,000.			

**Major Boilerplate Changes From FY 2008-09**

***Sec. 6(4)(r). Kindergarten Membership – REVISED***

**Executive** provides that beginning in FY 2009-10 to receive a full foundation allowance for pupils in a developmental kindergarten program, the number of instructional hours will need to match that of grades 1-12, but clarifies that this pertains to instructional hours for developmental kindergarten. Maintains additional kindergarten instruction hours required for full reimbursement for FYs 2010-11 and 2011-12.

**House** postpones implementation dates for funding changes for 2 years, so the developmental kindergarten changes would take effect for 2011-2012 and the required kindergarten instructional hours for a full foundation allowance would move to 60% for 2012-2013 and 70% for 2013-2014. Also includes intent that districts increase parent-school contact.

**Senate** deletes language requiring that beginning with 2009-10, to receive a full foundation allowance for developmental kindergarten students, the instructional hours scheduled need to equal the hours required for grades 1-12 and language requiring kindergarten instructional hours for a full foundation allowance to equal 60% of the hours required for grades 1-12 for FY 2010-11 and 70% for FY 2011-12.

**House and Senate** concur with similar language included in ***HB 4721*** (FY 2008-09 supplemental) to delete language requiring that beginning in 2009-10, to receive a full foundation allowance for developmental kindergarten students, the instructional hours scheduled need to equal the hours required for grades 1-12 and language requiring kindergarten instructional hours for a full foundation allowance to equal 60% of the hours required for grades 1-12 for FY 2010-11 and 70% for FY 2011-12.

***Sec. 6(4)(y). Pupil Membership Definition for Small Districts – REVISED***

**Executive** revises the definition of pupil membership for small rural districts from a three-year average blend to a two-year average blend resulting in a \$5.3 million reduction in Sec. 22a payments.

**House** maintains current law.

**Senate** deletes this subsection resulting in savings of \$10.6 million.

***Sec. 6(4)(cc). Pupil Membership Definition for United States Olympic Education Center – NEW***

**House and Senate** allow a district that educates a pupil who attends a United States Olympic Education Center to count pupils in membership if they are not a resident of Michigan.

## **Major Boilerplate Changes From FY 2008-09**

### ***Sec. 6(6). Instructional Sites Within the Boundaries of Another District – REVISED***

**Executive** prohibits a district from counting pupils in membership at an instructional site within the boundaries of a first class district unless given approval by the first class district. This is the only remaining subsection in the School Aid Act that defines a first class district as it is defined in the Revised School Code with a membership greater than 100,000 pupils. The Executive removes this definition, thereby allowing the definition in Sec. 6(11) to stand which defines a school district of the first class as a district with greater than 60,000 pupils.

**House** prohibits any district after 2008-2009 from counting pupils in membership at an instructional site within the boundaries of another district unless given approval by the resident district.

**Senate** deletes paragraph which will allow district to count pupils in memberships at an instructional site within the boundaries of another district without the approval of the resident district.

### ***Sec. 20j. Hold Harmless Districts – REVISED***

**Executive** reduces funding for section 20j payments by \$10.0 million or almost 20% through a formula that reduces funding for districts with higher foundation allowances more than those with lower foundation allowances.

**House** maintains current law.

**Senate** creates an item of difference by adding \$0.01 for FY 2009-10.

### ***Sec. 24. Court Placed Pupils – REVISED***

**Senate** adds intent language stating if a court placed pupil is counted in membership in one district or ISD and is then educated by another district or ISD after the count day the funding associated with that pupil should also follow proportionately to the number of school days remaining.

### ***Sec. 32a. Great Start Strategic Fund Intent – NEW***

**House** provides intent language stating the department along with early childhood investment corporation (ECIC) study the feasibility of consolidating early childhood funds and distributing early childhood grants through a centralized process. Creates a great start strategic fund in the Department of Treasury and appropriates \$100.

**Senate** does not include section.

### ***Sec. 32d. Great Start School Readiness – District Grants – MAINTAINED***

**Executive** provides appropriations for school district preschool programs and moves the appropriation for private competitive preschool grants from Sec. 32l into this section. Eliminates the Parents Involved in Education (PIE) option as an allowable use for the grants. Merges language from Sec. 32l and Sec. 37 into this section to eliminate duplication between sections. Allows the department to promulgate administrative rules for required teacher and paraprofessional credentials.

**House** provides appropriations for school district preschool programs and moves the appropriation for private competitive preschool grants from Sec. 32l into this section. Maintains the Parents Involved in Education (PIE) option as an allowable use for the grants. Merges language from Sec. 32l and Sec. 37 into this section to eliminate duplication between sections. Maintains the current language or required teacher and paraprofessional credentials.

**Senate** maintains current law.

### ***Sec. 32l. Great Start School Readiness – Competitive Grants – REPEALED***

**Executive and House** retains certain requirements for competitive grant recipients but transfers duplicative language and the appropriation to Sec. 32d.

**Senate** repeals section.

### ***Secs. 37 and 38. Great Start School Readiness Eligibility and Eligibility Formula – REPEALED***

**Executive** repeals these sections and merges much of the current language into Sec. 32d and Sec. 39. The teacher and paraprofessional requirements have been deleted and are now left to the department to determine through administrative rules under Sec. 32d.

**House** repeals these sections and merges much of the current language including the teacher and paraprofessional requirements into Sec. 32d and Sec. 39.

**Senate** repeals sections.

### ***Sec. 39. Great Start School Readiness Application and Formula – REPEALED***

**Executive and House** includes the application and formula language formerly under Sections 37 and 38. Allows for a consortium of 2 or more districts or ISDs to be eligible to apply for a school readiness grant. The consortium may allow any child residing in any district in the consortium to be served at any location and allows the consortium to allocate slots based either on participating district allocations or the allocation for the consortium as a whole.

**Senate** repeals section.

## **Major Boilerplate Changes From FY 2008-09**

### ***Sec. 51a(7)(c). Special Education Lapse for Itinerant Staff Reimbursement – MAINTAINED***

**Executive** provides language that allows unspent Sec. 51a funds at bookclosing to be allocated as additional reimbursements in certain situations for FY 2007-08.

**House and Senate** maintains current law.

### ***Sec. 64. Health/Science Middle College Grants – REPEALED***

**Executive and House** provides grants to intermediate districts or Detroit Public Schools that are in consortium with a community college or state university and a hospital to create and implement a middle college focused on health sciences and adds new language allowing consortia for "other fields" and with entities other than hospitals as approved by the State Superintendent to apply for a grant.

**Senate** maintains current law.

### ***Secs. 98 and 99. Michigan Virtual University (MVU) and Math and Science Centers – REVISED***

**Executive, House and Senate** add new language that requires both the MVU and Math and Science Network in conjunction with the Department to implement an "Algebra 4 All" initiative to offer online and face-to-face professional development opportunities for mathematics teachers in grades 8 to 12 that promote best practices for teaching algebra to all students.

### ***Sec. 101. Hours Requirement and Online Education Program Waiver – REVISED***

**House** adds to the current 1,098 hours requirement that a district must provide at least 170 days of instruction. A day is defined as at least 5 hours of student contact time.

**Senate** adds to the current 1,098 hours requirement that a district must provide at least 165 days beginning in 2010-11 and 170 days in 2012-13, however districts may not provide fewer days than were provided in 2008-09. A day is not defined. Adds new language to mandate that the Department approve an alternative education on-line program if it meets certain criteria.

### ***Sec. 147. MPSERS Retirement Rate – REVISED***

**Executive, House and Senate** estimates percentage of payroll districts must pay for public school employee retirement at 16.94%.

## ***Enacting Section 2 – REPEALS SECTIONS***

**Executive** repeals the following: Sec. 22d (isolated district grants), Sec. 22e (MBT impact grants to out of formula districts), Sec. 32c (early childhood grants), Sec. 32j (great parents great start ISD programs), Sec. 37 and Sec. 38 (great start school readiness language), Sec. 41 (bilingual education grants), Sec. 54c (newsline grant), Sec 57 (advanced and accelerated grants), Sec 65 (precollege engineering grants), Sec. 99a (math remediation grants), Sec. 99e (financial emergency district grant), Sec. 99i (Pontiac crisis intervention grant), Sec. 99j (district pilot grants), Sec. 99k (district grants), Sec. 99n (community college access intent language), Sec. 99p (cultural access grants), Sec. 104a and Sec. 104b (duplicative assessment language) and Sec. 166 (5% penalty if providing family planning drugs and abortion referrals).

**House** repeals the following: Sec. 37 and Sec. 38 (great start school readiness language, Sec. 99e (financial emergency district grant), Sec. 99i (Pontiac crisis intervention grant), Sec. 99j (district pilot grants), 99k (district grants), and Sec. 104a and Sec. 104b (duplicative assessment language).

**Senate** repeals the following: Sec. 11n (small high school grants), Sec. 29 (declining enrollment grants), Sec. 32c (early childhood grants), Sec. 37 and Sec. 38 (great start school readiness language), Sec. 41 (bilingual education grants), Sec. 54a (special education evaluation lending library), Sec. 54c (newsline grant), Sec. 56 (special education millage equalization), Sec 57 (advanced and accelerated grants), Sec. 62 (vocational education millage equalization), Sec 65 (precollege engineering grants), Sec. 99a (math remediation grants), Sec. 99e (financial emergency district grant), Sec. 99j (district pilot grants), Sec. 99k (district grants), Sec. 99n (community college access intent language), Sec. 99p (cultural access grants), and Sec. 104a (duplicative assessment language).



## SCHOOL AID LINE ITEM SUMMARY



Sec.	Foundation Allowance Increases:	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10
		Enacted PA 268 of 2008	Executive Recommendation	House Passed	Senate Passed
		<b>\$56 to \$112</b>			
11g	Durant - Debt Service	\$42,000,000	\$42,000,000	\$42,000,000	\$42,000,000
11j	School Bond Redemption Fund	\$39,000,000	\$40,000,000	\$40,000,000	\$40,000,000
11m	Cash Flow Borrowing Costs	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000
11n	Small High School Infrastructure Program	\$15,000,000	\$15,000,000	\$15,000,000	\$0
22a	Proposal A Obligation Payment	\$6,092,000,000	\$5,849,300,000	\$5,854,500,000	\$5,873,000,000
22b	Discretionary Payment - State	\$3,796,750,000	\$3,647,677,700	\$3,546,575,725	\$2,963,900,000
22b	Discretionary Payment - Federal ARRA		\$0	\$220,074,275	\$634,100,000
22d	Isolated District Funding	\$2,025,000	\$0	\$2,025,000	\$200
22e	MBT Impact on Out of Formula Districts	\$1,300,000	\$0	\$1,300,000	\$1,300,100
22f	Consolidation Transition Grants		\$0	\$3,000,000	\$0
24	Court-Placed Pupils	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,100
24a	Juvenile Detention Facility Programs	\$2,828,500	\$2,523,200	\$2,523,200	\$2,523,200
24c	Challenge Program	\$1,284,600	\$1,295,100	\$1,295,100	\$100
26a	Renaissance Zone Reimbursement	\$57,500,000	\$39,500,000	\$39,500,000	\$39,500,000
26b	PILT Reimbursement	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000
29	Declining Enrollment Grants	\$20,000,000	\$20,000,000	\$20,000,000	\$0
31a	"At Risk" Pupil Support	\$310,457,000	\$304,582,000	\$308,988,250	\$304,581,900
31a(6)	Adolescent Health Centers	\$4,743,000	\$4,743,000	\$4,743,000	\$100
31a(7)	Hearing and Vision Screening	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000
31d	State School Lunch Programs	\$22,495,100	\$22,495,100	\$22,495,100	\$22,495,100
31d	Federal School Lunch Programs	\$332,506,000	\$332,506,000	\$332,506,000	\$332,506,000
31f	School Breakfast Program	\$9,625,000	\$9,625,000	\$9,625,000	\$9,625,100
32a	Great Start Strategic Fund		\$0	\$100	\$0
32b	ECIC Collaborative Grants	\$6,750,000	\$6,750,000	\$6,750,000	\$6,000,000
32c	Early Childhood Grants	\$2,125,000	\$0	\$2,125,000	\$0
32d	School Readiness - District Grants	\$88,379,100	\$88,400,000	\$88,400,000	\$200
32j	Great Parents Great Start ISD programs	\$5,000,000	\$0	\$5,000,000	\$100
32l	School Readiness - Competitive (transfer to 32d)	\$15,150,000	\$15,150,000	\$15,150,000	\$0
39a1	Federal "No Child Left Behind"	\$752,987,500	\$752,987,500	\$752,987,500	\$752,987,500
39a2	Other Federal Funding	\$32,559,700	\$32,559,700	\$32,559,700	\$32,559,700
41	Bilingual Education - State	\$2,800,000	\$0	\$2,800,000	\$0
51a	Special Education - Federal	\$424,700,000	\$424,700,000	\$424,700,000	\$424,700,000
51a	Special Education - State	\$1,023,783,000	\$1,064,683,000	\$1,065,483,000	\$1,024,401,900
54a	Special Education Evaluation Lending Library	\$100,000	\$100,000	\$100,000	\$0
54c	Newslite Grant	\$80,000	\$0	\$80,000	\$0
57	Advanced & Accelerated Program	\$285,000	\$0	\$285,000	\$0
61a	Vocational Education	\$30,000,000	\$29,611,300	\$29,902,825	\$27,000,000

## SCHOOL AID LINE ITEM SUMMARY



		FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10
		Enacted PA 268 of 2008	Executive Recommendation	House Passed	Senate Passed
62	ISD Voc. Ed Millage Equalization	\$9,000,000	\$9,000,000	\$9,000,000	\$0
64	Health/Science Middle College Program	\$2,000,000	\$2,000,000	\$2,000,000	\$100
65	Precollege Engineering Grants	\$980,100	\$0	\$980,100	\$0
74	Bus Driver Safety Instruction	\$1,625,000	\$1,625,000	\$1,625,000	\$1,625,000
74	School Bus Inspections	\$1,403,500	\$1,436,500	\$1,436,500	\$0
81	ISD General Operations Support	\$81,721,100	\$65,376,900	\$81,721,100	\$77,635,000
94a	Center for Educational Performance (CEPI)	\$4,935,400	\$3,486,100	\$4,935,400	\$3,486,100
94a	CEPI - Federal	\$2,793,200	\$2,793,200	\$2,793,200	\$2,793,200
98	Michigan Virtual High School (MVHS)	\$2,250,000	\$2,250,000	\$1,350,000	\$0
98	MVHS - Federal	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
99	Math/Science Centers - State	\$3,500,000	\$3,500,000	\$3,500,000	\$0
99	Math/Science Centers - Federal	\$5,249,300	\$5,249,300	\$5,249,300	\$5,249,300
99a	Math Remediation Grants	\$725,000	\$0	\$725,000	\$0
99e	Financial Emergency District Funding	\$125,000	\$0	\$0	\$0
99i	Pontiac Crisis Intervention	\$300,000	\$0	\$0	\$300,000
99j	District Pilot Projects	\$1,500,000	\$0	\$0	\$0
99k	District Grants	\$850,000	\$0	\$0	\$0
99p	Cultural Access Grants	\$100,000	\$0	\$100,000	\$0
104	MEAP Testing - State	\$28,872,800	\$28,130,700	\$28,130,700	\$25,530,700
104	MEAP Testing - Federal	\$8,512,900	\$8,313,700	\$8,313,700	\$8,313,700
107	Adult Education - State	\$24,000,000	\$20,000,000	\$23,700,000	\$21,600,000
<b>TOTAL APPROPRIATIONS</b>		<b>\$13,378,906,800</b>	<b>\$12,963,600,000</b>	<b>\$13,132,283,775</b>	<b>\$12,743,964,400</b>
<b>REVENUE BY SOURCE</b>					
Federal Aid		\$1,562,008,600	\$1,561,809,400	\$1,561,809,400	\$1,561,809,400
Federal ARRA			\$0	\$220,074,275	\$634,100,000
School Aid Fund		\$11,776,098,200	\$11,360,990,600	\$11,310,800,100	\$10,516,254,900
General Fund/General Purpose		\$40,800,000	\$40,800,000	\$39,600,000	\$31,800,100
<b>TOTAL REVENUE</b>		<b>\$13,378,906,800</b>	<b>\$12,963,600,000</b>	<b>\$13,132,283,775</b>	<b>\$12,743,964,400</b>