

**Summary: SCHOOL AID Supplemental, FY 2003-04  
Senate Bill 556: Conference Report**



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**Summary of Major Budget Issues**

**School Bond Loan Refinance Deposit** – Moves the fiscal year in which the approximately \$128.3 million in School Bond Loan Fund refunding proceeds are deposited to the School Aid Fund from FY 2003-04 to FY 2002-03 to avoid closing FY 2002-03 in a deficit position.

**School Aid Stabilization Fund Deposit** – Appropriates \$45.6 million to the School Aid Fund in FY 2003-04 from the anticipated pause in the Income Tax rate rollback.

**Renaissance Zone Supplemental Amount** – Appropriates an additional \$4.7 million to fund expanded utilization of the zones in the current year.

**Career Preparation System** – Eliminates the FY 2003-04 Career Preparation program, currently funded at \$1 million.

**Partnership for Adult Learning** – Eliminates the FY 2003-04 Partnership for Adult Learning (PAL) program, currently funded at \$1 million.

	FY 2003-04		Change from	
	YTD (as of 12/15/03)	Proposed	FY 2003-04 YTD Amount	%
<b>IDG/IDT</b>	0	0	0	0
<b>Federal</b>	1,316,681,900	1,316,681,900	0	0
<b>Local</b>	0	0	0	0
<b>Private</b>	0	0	0	0
<b>Restricted</b>	11,005,287,100	10,962,387,100	(42,900,000)	(0.4%)
<b>GF/GP</b>	282,100,000	327,700,000	45,600,000	16.2%
<b>Gross</b>	<b>\$12,604,069,000</b>	<b>\$12,606,769,600</b>	<b>\$2,700,600</b>	<b>0.0%</b>

NOTE: The figures in the table above do not reflect the FY 2003-04 School Aid proration.

<b><u>Major Budget Changes from Current Law Appropriations:</u></b>		<b><u>YTD</u></b>	<b><u>Change</u></b>
		<b><u>FY 2003-04</u></b>	<b><u>FY 2003-04</u></b>
<b><i>1. Renaissance Zone Reimbursement</i></b>	<b>Gross</b>	<b>\$25,260,000</b>	<b>\$4,700,000</b>
Increases the appropriation for Renaissance Zone reimbursements by \$4.7 million.	Restricted	\$25,260,000	\$4,700,000
<b><i>2. Career Preparation System</i></b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</b>
Funding for the Career Preparation System would be eliminated.	GF/GP	\$1,000,000	(\$1,000,000)
<b><i>3. Partnership for Adult Learning</i></b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</b>
Funding for the Partnership for Adult Learning program would be eliminated.	GF/GP	\$1,000,000	(\$1,000,000)

**Major Boilerplate Changes from Current Law:**

None.



**Budget Proposals**  
(Dollars in Millions)

	<b>Senate Passed <u>SB 556 (S-2)</u></b>	<b>House Passed <u>SB 556 (H-1)</u></b>	<b>Conference Proposal <u>SB 556 (Cr-1)</u></b>
<b>Current Estimated Deficit</b>	\$ (349.6)	\$ (349.6)	\$ (349.6)
<b>Revenue Adjustments</b>			
Lowered Personal Property Tax Audit Estimate	\$ (11.5)	\$ (11.5)	\$ (11.5)
Revised Lottery Estimate for New Games	10.0	10.0	10.0
Personal Property Tax Amnesty/Penalties	20.0	20.0	20.0
Increase Tax Collection Enforcement	28.6	28.6	28.6
Carry-Forward Balance from FY 2003	19.7	19.7	19.7
Additional Estimated Revenue from State Education Tax	40.0	40.0	40.0
General Fund Transfer	<u>45.6</u>	<u>23.1</u>	<u>45.6</u>
<b>Revenue Adjustments</b>	<b>\$ 152.4</b>	<b>\$ 129.9</b>	<b>\$ 152.4</b>
<b>Appropriation Adjustments</b>			
Elimination of Career Preparation (Sec. 68)	\$ (1.0)	\$ (1.0)	\$ (1.0)
Elimination of Partnership for Adult Learning (Sec. 108)	(1.0)	(1.0)	(1.0)
Reduction in Class-Size Allocation	-	(2.5)	-
Reduction in Reform Board Allocation (Detroit)	-	(5.0)	-
Reduction in Section 20j Allocation	-	(5.0)	-
Reduction in ISD General Operations Funding (Sec. 81)	-	(10.0)	-
Renaissance Zone Reimbursement (Sec. 26a)	4.7	4.7	4.7
Projected Lapse of Freedom to Learn Program (Sec. 98b)	<u>(22.0)</u>	<u>(22.0)</u>	<u>(22.0)</u>
<b>Appropriation Adjustments</b>	<b>\$ (19.3)</b>	<b>\$ (41.8)</b>	<b>\$ (19.3)</b>
<b>Estimated Year-End Balance</b>	<b>(177.9)</b>	<b>(177.9)</b>	<b>(177.9)</b>
<b>Estimated Per Pupil Proration</b>	<b>\$ 100.00</b>	<b>\$ 100.00</b>	<b>\$ 100.00</b>