

**FY 2007-08 INTERIM BUDGET
School Aid
Senate Bill 773 (H-1)**



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	<u>FY 2006-07 YTD</u>	<u>FY 2007-08 Senate</u>	<u>FY 2007-08 House</u>	<u>FY 2007-08 Enacted</u>
IDG/IDT	\$0	\$0	\$0	
Federal	1,411,236,900	1,468,951,500	1,468,951,500	
Local	0	0	0	
Private	0	0	0	
Restricted	11,561,963,200	1,049,101,200	1,049,123,900	
GF/GP	35,000,000	3,181,800	3,181,800	
Gross	\$13,008,200,100	\$2,521,234,500	\$2,521,257,200	

Note: FY 2006-07 figures include the results of supplementals and Executive Order (EO) actions through June 1, 2007.

Overview

The School Aid budget makes appropriations to the state's 552 local school districts, 229 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.

Budget Changes from FY 2006-07 YTD Appropriations

1. 1 Month Continuation Budget – State Funds

Amends the State School Aid Act by appropriating 1/11th of the Fiscal Year 2006-07 appropriation for all state funded line items with the exception of Sec. 11j which provides debt service for the School Bond Redemption fund. Language is added that states that all funds shall be used for the same purposes, from the same funding sources, and under the same conditions as state funds were allocated under the Act for FY 2006-07.

	<u>FY 2006-07 YTD</u>	<u>House Total</u>
Gross	\$11,596,963,200	\$1,052,305,700
Restricted	11,561,963,200	1,049,123,900
GF/GP	35,000,000	3,181,800

2. Federal Funds

Amends the State School Aid Act by appropriating full year funding for Federal funds. Most federal grant appropriations are updated for current estimates.

Gross	\$1,411,236,900	\$1,468,951,500
Federal	1,411,236,900	1,468,951,500

Boilerplate Changes from FY 2006-07

Sec. 8b. Public School District Codes– REVISED

Includes language to provide district codes to charter schools in the event more than 100 schools open in one county.

Sec. 17b. Payment Schedule - REVISED

Provides for the payment schedule to be a fiscal period beginning October 1, 2007 and ending October 31, 2007.

Sec. 147. MPSEER Contribution Rate - REVISED

Provides for the FY 2007-08 retirement rate to districts to be 16.72%.

Enacting Section – Tie-Bars

The bill also contains two tie-bars. In order for the bill to take effect, the following would have to occur:

- (1) House Bill 5194, which would amend the Income Tax Act, would have to be enacted into law AND
- (2) House Bill 5198, which would amend the Use Tax Act, would have to be enacted into law OR all of the following bills would have to be enacted into law: House Bills 5252, 5253, 5254, 5255, and 5256—all of which, as passed by the House, eliminate certain state tax expenditures. (If House Bill 5198 were enacted, House Bills 5252-5256 would not have to be enacted, and vice versa.)

SCHOOL AID LINE-ITEM SUMMARY
FY 2006-07 Year to Date and FY 2007-08 1-Month Continuation
(Dollars in Thousands)



		FY 2006-07	FY 2007-08
		PA 6 of 2007 (SB 221) Total (5/1/07)	SB 773 (H-1) 1-Month Continuation Budget
		\$7,085	
Sec.	Basic Foundation Allowance:		
11f	Durant - Cash Payments	\$32,000.0	\$2,909.1
11g	Durant - Debt Service	\$141.0	\$12.8
11j	School Bond Redemption Fund	\$42,500.0	\$1,900.0
11m	Cash Flow Borrowing Costs	\$22,800.0	\$2,072.7
22a	Proposal A Obligation Payment	\$6,204,700.0	\$564,063.6
22b	Discretionary Payment	\$3,566,000.0	\$324,181.8
22c	Equity Payment	\$20,000.0	\$1,818.2
24	Court-Placed Pupils	\$8,000.0	\$727.3
24a	Juvenile Detention Facility Programs	\$3,000.0	\$272.7
24c	Challenge Program	\$1,253.1	\$113.9
26a	Renaissance Zone Reimbursement	\$50,200.0	\$4,563.6
26b	PILT Reimbursement	\$3,400.0	\$309.1
29	Declining Enrollment Grants	\$20,000.0	\$1,818.2
31a	"At Risk" Pupil Support	\$310,457.0	\$28,223.4
31a	Adolescent Health Centers	\$3,743.0	\$340.3
31a	Hearing and Vision Screening	\$5,150.0	\$468.2
31d	State School Lunch Programs	\$22,495.1	\$2,045.0
31d	Federal School Lunch Programs	\$322,506.0	\$322,506.0
31f	School Breakfast Program	\$9,625.0	\$875.0
32b	ECIC Collaborative Grants	\$1,000.0	\$90.9
32c	Early Childhood Grants	\$1,750.0	\$159.1
32d	School Readiness	\$78,800.0	\$7,163.6
32j	Great Parents Great Start ISD programs	\$5,000.0	\$454.5
32l	School Readiness - Competitive	\$12,250.0	\$1,113.6
39a1	Federal "No Child Left Behind"	\$636,978.0	\$669,660.1
39a2	Other Federal Funding	\$4,646.4	\$32,411.0
41	Bilingual Education - State	\$2,800.0	\$254.5
41a	Bilingual Education - Federal	\$1,232.1	\$0.0
51a	Special Education - Federal	\$424,700.0	\$424,700.0
51a	Special Education - State	\$971,983.0	\$88,362.1
54a	Special Education Evaluation Lending Library	\$250.0	\$22.7
54b	Conductive Learning Center	\$250.0	\$22.7
57	Advanced & Accelerated Program	\$285.0	\$25.9
61a	Vocational Education	\$30,000.0	\$2,727.3
62	ISD Voc. Ed Millage Equalization	\$9,000.0	\$818.2
64	Health/Science Middle College Program	\$2,000.0	\$181.8
65	Precollege Engineering	\$680.1	\$61.8
74	Bus Driver Safety Instruction	\$1,625.0	\$147.7
74	School Bus Inspections	\$1,340.0	\$121.8
81	ISD General Operations Support	\$80,110.9	\$7,282.8
94a	Center for Educational Performance (CEPI)	\$2,350.0	\$213.6
94a	CEPI Federal	\$3,543.2	\$3,543.2
98	Michigan Virtual High School (MVHS)	\$2,750.0	\$250.0
98	MVHS - Federal	\$3,250.0	\$3,250.0
98b	Freedom To Learn - Federal	\$1,500.0	\$0.0
99	Math/Science Centers - State	\$3,500.0	\$318.2
99	Math/Science Centers - Federal	\$4,456.0	\$4,456.0
99c	Middle School Math - District	\$20,000.0	\$1,818.2
99e	Financial Emergency District Funding	\$125.0	\$11.4
99h	FIRST Robotics	\$150.0	\$13.6
104	MEAP Testing - State	\$19,500.0	\$1,772.7
104	MEAP Testing - Federal	\$8,425.2	\$8,425.2
107	Adult Education - State	\$24,000.0	\$2,181.8
	TOTAL APPROPRIATIONS	\$13,008,200.1	\$2,521,257.2
REVENUE BY SOURCE			
	Federal Aid	\$1,411,236.9	\$1,468,951.5
	School Aid Fund	\$11,299,963.2	\$1,049,123.9
	MPSER Reserve for Undistributed Investment	\$262,000.0	\$0.0
	General Fund/General Purpose	\$35,000.0	\$3,181.8
	TOTAL REVENUE	\$13,008,200.1	\$2,521,257.2