



SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Fiscal Year 2014-15
PA 116 of 2014: HB 5314



SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
<p>Sec. 6 Pupil Membership Definitions</p>	<p>(4) Calculates a district's pupil membership blend equal to 90% of pupils counted on October count day plus 10% of pupils counted on following February count day.</p> <p>(5) Defines public school academy as defined in the Revised School Code.</p> <p>(6) Allows a district to count a pupil in membership without approval of resident district under certain conditions:</p> <p>(11) Defines a school district of the first class as a district with more than 60,000 pupils in membership in the previous fiscal year.</p>	<p>(4) Technical adjustments to reflect FY 2013-14 repeal of Sec. 25 and reflect FY 2013-14 move to a 100% current year membership blend.</p> <p>(5) No Change</p> <p>(6) Technical adjustments to reflect FY 2013-14 repeal of Sec. 25.</p> <p>(11) Revises definition to mean more than 45,000 pupils in the previous fiscal year. (Detroit Public Schools is the only district that previously qualified, but their membership dropped to 51,318 in FY 2012-13 and to 48,756 in FY 2013-14.)</p>	<p>(4) Concurs with Executive.</p> <p>(5) Updates reference to the appropriate Revised School Code section, MCL 380.5.</p> <p>(6) Concurs with Executive</p> <p>(11) Revises definition to mean more than 40,000 pupils in the previous fiscal year.</p>	<p>(4) Concurs with Executive.</p> <p>(5) Updates reference to the appropriate Revised School Code section, MCL 380.5.</p> <p>(6) Concurs with Executive.</p> <p>(11) Concurs with Executive but clarifies that this definition applies only to Article I of the School Aid Act.</p>	<p>(4) Concurs with Executive.</p> <p>(4)(l)(ii)(A) Revises to allow a PSA or alternative education program focused homeless students older than 20 but but younger than 22 to operate in a city of any size rather than limiting it to a city with a population greater than 175,000 people.</p> <p>(5) Concurs with House and Senate.</p> <p>(6) Concurs with Executive.</p> <p>(11) Concurs with House for 40,000 pupil membership floor. Concurs with Senate to restrict the use of the definition to the School Aid Act.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 11 Total Appropriations	<p><u>FY 2013-14</u></p> <p>School Aid Fund (SAF): \$11,211,382,300</p> <p>MPSERS Reserve Fund: \$156,000,000</p> <p>General Fund (GF/GP): \$234,900,000</p> <p>Federal Funds: \$1,764,421,300</p> <p><u>FY 2014-15</u></p> <p>Includes intent language for FY 2014-15 in Sec. 12.</p>	<p><u>FY 2013-14</u></p> <p>Supplemental 2014-2 would revise to:</p> <p>School Aid Fund: \$11,102,332,300.</p> <p>MPSERS Reserve Fund: \$156,000,000</p> <p>General Fund (GF/GP): \$234,900,000</p> <p>Federal Funds: \$1,816,158,800</p> <p><u>FY 2014-15</u></p> <p>School Aid Fund: \$11,790,976,900</p> <p>MPSERS Reserve Fund: \$18,000,000</p> <p>General Fund (GF/GP): \$180,000,000</p> <p>Federal Funds: \$1,808,162,700</p>	<p>PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 as follows:</p> <p>School Aid Fund: \$11,115,232,300.</p> <p>MPSERS Reserve Fund: \$156,000,000</p> <p>General Fund (GF/GP): \$234,900,000</p> <p>Federal Funds: \$1,816,158,800</p> <p><u>FY 2014-15</u></p> <p>School Aid Fund: \$11,775,067,400</p> <p>MPSERS Reserve Fund: \$18,000,000</p> <p>General Fund (GF/GP): \$180,000,000</p> <p>Federal Funds: \$1,808,162,700</p>	<p>PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 as follows:</p> <p>School Aid Fund: \$11,115,232,300.</p> <p>MPSERS Reserve Fund: \$156,000,000</p> <p>General Fund (GF/GP): \$234,900,000</p> <p>Federal Funds: \$1,816,158,800</p> <p><u>FY 2014-15</u></p> <p>School Aid Fund: \$11,921,271,600</p> <p>MPSERS Reserve Fund: \$18,000,000</p> <p>General Fund (GF/GP): \$30,000,000</p> <p>Federal Funds: \$1,801,912,700</p>	<p><u>FY 2013-14</u></p> <p>Revises to shift current year funding from General Fund to School Aid Fund.</p> <p>School Aid Fund: \$11,200,232,300.</p> <p>MPSERS Reserve Fund: \$156,000,000</p> <p>General Fund (GF/GP): \$149,900,000</p> <p>Federal Funds: \$1,816,158,800</p> <p><u>FY 2014-15</u></p> <p>School Aid Fund: \$11,929,262,900</p> <p>MPSERS Reserve Fund: \$18,000,000</p> <p>General Fund (GF/GP): \$114,900,000</p> <p>Federal Funds: \$1,808,162,700</p>
Sec. 11g Durant Bonding Payment	Appropriates \$39,500,000 in FY 2013-14 to districts for "Durant" court case mandated bond payments.	Maintains the appropriation at \$39,500,000 for FY 2014-15 which is the last year payments are required.	Appropriates \$39,500,000 for FY 2014-15.	Appropriates \$39,500,000 for FY 2014-15.	Appropriates \$39,500,000 for FY 2014-15.
Sec. 11j School Bond Redemption Fund	Appropriates \$131,660,000 for debt service in FY 2013-14 for the school bond loan program.	Increases the appropriation to \$142,600,000 for FY 2014-15 to recognize the increasing cost of required debt service payments.	Appropriates \$142,600,000 for FY 2014-15.	Appropriates \$142,600,000 for FY 2014-15.	Revises appropriation to \$126,000,000 for FY 2014-15 due to revised debt service costs.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 11m Cash-Flow Borrowing	Appropriates \$4,000,000 in FY 2013-14 to pay for costs associated with cash-flow borrowing related to the SAF.	Supplemental 2014-3 reduces FY 2013-14 appropriation to \$2,500,000. Appropriates \$4,000,000 for FY 2014-15 to recognize anticipated interest rates.	PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$2,500,000. Appropriates \$4,000,000 for FY 2014-15.	PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$2,500,000. Appropriates \$4,000,000 for FY 2014-15.	Appropriates \$4,000,000 for FY 2014-15.
NEW Sec. 11r Distressed Districts Emergency Grant Fund		(1) Appropriates \$10,000,000 into a school aid fund subaccount, the Distressed Districts Emergency Grant Fund, which is created under (2). (3) Eligible districts include those that voluntarily dissolve or receiving districts for pupils from a dissolved district (excluding the 2013 dissolutions in Buena Vista and Inkster.) (5) The state treasurer in consultation with the state superintendent will determine grant amounts, which shall not exceed remaining district costs for a voluntary dissolution or which shall be based on the transition grants in Sec. 20g for receiving districts. (6) Money in the fund at the end of the fiscal year will remain and will not lapse to the SAF.	(1) Appropriates \$10,000,000 for FY 2014-15. (3) Concurs with Executive. (5) Concurs with Executive. (6) Adds requirement that the State Treasurer notify the House and Senate Appropriations Subcommittees on School Aid and the House and Senate Fiscal Agencies prior to disbursing any funds under this section. Notification must include the district, amount, reason for funding, and intended use of funds. {6} (7) Concurs with Executive.	Not Included.	(1) Appropriates \$4,000,000 for FY 2014-15. (3) Concurs with Executive. (5) Concurs with Executive. (6) Concurs with House. {6} (7) Concurs with Executive.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
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.	Adds that MDE and Treasury may withhold payments related to two additional statutes: the Emergency Municipal Loan Act and the Local Financial Stability and Choice Act, and that they may withhold payments for "other financial obligations of a district or ISD" in addition to current law's outstanding obligations on which the district or ISD has defaulted. Adds reference to the newly proposed enhanced deficit elimination plan (see Sections 102 and 102a).	Concurs with Executive.	Concurs with Executive.	Concurs with Executive.
Sec. 18 Spending, Financial Reporting, and Audit Requirements	Specifies allowable uses of funds and requires yearly financial and pupil audits. Also requires budget transparency information on district and intermediate district websites.	(1) Amends the 20% cap on certain funds received which a district may transfer to pay for capital projects or debt retirement to fix an error in the statute that was inadvertently changed when the Higher Education and Community Colleges were added to the bill in FY 2011-12 and the articles of the act were revised. (2) Revises the budget transparency requirements to shorten the time by which a district must post budget information from 30 to 15 days after a board adopts its budget or subsequent revisions. Also adds that a district must include links to its deficit elimination plan or enhanced deficit elimination plan on its budget transparency page.	(1) Concurs with Executive. (2) Concurs with Executive.	(1) Concurs with Executive. (2) Concurs with Executive but revises as follows: Adds that a district must identify all district credit cards including authorized users and credit limits. Adds that a district must identify costs of out-of-state travel paid by the district.	(1) Concurs with Executive. (2) Concurs with Senate.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 18 Spending, Financial Reporting, and Audit Requirements (cont.)		<p>(4) Expands the potential frequency the MDE can require a district to have an audit and requires that records shall be retained for the current fiscal year and the three previous fiscal years.</p> <p>Requires that districts and ISDs provide all of their audited financial information by October 15 after the close of a fiscal year rather than November 15.</p> <p>(11) Deletes the required online course cost report.</p>	<p>(4) Concurs with Executive.</p> <p>Revises the due date to November 1.</p> <p>(10) Maintains current law.</p> <p>(11) Maintains current law and revises dates.</p>	<p>(4) Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>(10) Adds that the MDE shall not withhold the October 20 due to the operation of this subsection, to reflect moving the financial reporting due date up to October 15.</p> <p>(11) Concurs with Executive.</p>	<p>(4) Concurs with Executive.</p> <p>Concurs with Executive but postpones the change maintaining the November 15, 2014 deadline for the 2013-2014 data and moves the deadline to October 15 beginning with the 2014-2015 data in 2015.</p> <p>(10) Concurs with Senate.</p> <p>(11) Concurs with House with revisions.</p>
Sec. 19 Compliance with State and Federal reporting requirements	<p>Specifies district data reporting deadlines.</p> <p>(7) Provides legislative intent that by FY 2014-15 the state implement statewide standard reporting requirements for education data.</p>	<p>(7) Deletes this subsection.</p>	<p>(7) Maintains this subsection but postpones the required implementation date to FY 2016-17.</p>	<p>(7) Requires that not later than 2014-15 the department shall implement statewide standard reporting requirements.</p>	<p>(7) Concurs with House.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 20 Foundation Allowance Calculation	<p>Basic foundation allowance for FY 2013-14 is \$8,049 and the Minimum foundation is \$7,026.</p> <p>(3) Uses 2x formula which doubles the increase in the Basic foundation for those at the minimum foundation and provides an increase somewhere in between for districts with foundations in between.</p> <p>(12) Foundation allowance adjustments for districts that received a small class size grant in 2001-2002. Funds at 68.5% of FY 2010-11 adjustment for FY 2012-13.</p> <p>(15)(i) Under 2x formula the PSA maximum is equal to \$7,168.</p>	<p>Increases Basic foundation by \$83 to \$8,132 for FY 2014-15.</p> <p>Increases the Minimum foundation by \$111 to bring it to \$7,187 for FY 2014-15 (after rolling the FY 2013-14 Sec. 22c equity payment into the base).</p> <p>Also makes technical changes throughout Sec. 20 to simplify the language.</p> <p>(3) Uses the 2x formula for part of the total foundation increase, increasing the Basic by \$28 and the Minimum by \$56 per pupil.</p> <p>Provides an additional across-the-board per pupil increase of \$55.</p> <p>(12) Deletes reference to the FY 2013-14 adjustment for former small class size grant recipients, which effectively rolls the adjustment into those district foundations permanently.</p> <p>(15)(i)-(14)(j) With both the 2x formula increase and the \$55 across-the-board increase the PSA maximum for FY 2014-15 would be equal to \$7,278.</p>	<p>Increases Basic Foundation by \$56 to \$8,105 for FY 2014-15.</p> <p>Increases the Minimum foundation by \$112 to bring it to \$7,188 for FY 2014-15 (after rolling the FY 2013-14 Sec. 22c equity payment into the base).</p> <p>Concurs with Executive with further revisions/corrections.</p> <p>(3) Uses the 2x formula for part of the total foundation increase, increasing the Basic by \$56 and the Minimum by \$112 per pupil.</p> <p>(12)Concurs with Executive.</p> <p>(12) House adds a \$100 placeholder to replace a former Wayne Westland foundation adjustment that was ended in FY 2012-13.</p> <p>(15)(j) PSA maximum would be \$7,277.</p>	<p>Increases Basic Foundation by \$150 to \$8,199.</p> <p>Increases the Minimum foundation by \$300 to bring it to \$7,376 for FY 2014-15 (after rolling the FY 2013-14 Sec. 22c equity payment into the base).</p> <p>Concurs with Executive with further revisions/corrections.</p> <p>(3) Uses the 2x formula for part of the total foundation increase, increasing the Basic by \$150 and the Minimum by \$300 per pupil.</p> <p>(12) Concurs with Executive.</p> <p>(12) Adds a new subsection that would consider a district's total foundation allowance the amount calculated under Sec. 20 plus the amount per pupil for the MPSERS unfunded liability rate cap payment under Sec. 147c.</p> <p>(15)(j) PSA maximum would be \$7,458.</p>	<p>Increases Basic Foundation by \$50 to \$8,099.</p> <p>Increases the Minimum foundation by \$50 to bring it to \$7,126 for FY 2014-15 (after rolling the FY 2013-14 Sec. 22c equity payment into the base).</p> <p>Concurs with Executive with further revisions/corrections.</p> <p>(3) Provides across the board \$50 increase to all districts. The 2x formula is not used for FY 2014-15.</p> <p>(12) Concurs with Executive.</p> <p>Does not include either House or Senate (12).</p> <p>(15)(i) (14)(j) PSA maximum would be \$7,218.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 20f Hold Harmless Grants	Appropriates \$6,000,000 for FY 2013-14 for grants to districts so that no district receives less than a \$5 increase compared to FY 2012-13 when adding together the increases in the foundation allowances, equity payments and MPSERS offset reductions.	Maintains appropriation of \$6,000,000 for FY 2014-15. Allocates the same amount per pupil to each district that it received under this section for FY 2013-14. Adds allowable per pupil proration if the allocation is not enough to fully fund this section.	Appropriates \$6,000,000 for FY 2014-15. Concurs with Executive but maintains current law language describing the initial calculation for grant awards in FY 2013-14.	Appropriates \$31,000,000 for FY 2014-15. Creates a new hold harmless payment to guarantee that each district receives an increase of at least \$75 per pupil when adding up the following funding changes proposed under this bill: (a) The increase in their foundation allowance under Section 20. (b) The eliminated per pupil district performance grant under Sec 22j. (c) The eliminated per pupil amount for the MPSERS cost offset under Sec. 147a. (d) The eliminated per pupil best practices grant under Sec. 22f. (e) The per pupil amount received under this section in FY 2013-14.	Appropriates \$6,000,000 for FY 2014-15. Concurs with House.
Sec. 20g Dissolved District Transition Grant	Appropriates \$2,200,000 for FY 2013-14 for grants to districts that received portions of the dissolved districts of Buena Vista and Inkster.	Maintains appropriation of \$2,200,000 for FY 2014-15.	Appropriates \$2,200,000 for FY 2014-15.	Appropriates \$2,200,000 for FY 2014-15.	Appropriates \$2,200,000 for FY 2014-15.
NEW Sec. 20h Equal Per Pupil Payments	N/A	Not included.	Appropriates \$25,000,000 for equal per payments to all districts.	Not included.	Concurs with Senate.
Sec. 21b Dual Enrollment Tuition Payments		No Change.	No Change	Revises to align with changes that have been made to both the Postsecondary Enrollment Options Act and the Career and Technical Preparation Act.	Concurs with Senate.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 21f Online Courses	<p>(1) Allows pupils in grades 5 to 12 to enroll in online courses as provided below. Does not apply to cyber schools.</p> <p>(2) Requires district to enroll a pupil in up to 2 online courses per term, semester, or trimester with consent of the pupil's parent or legal guardian.</p> <p>Provides intent to study increasing the number of allowable online courses for pupils who demonstrate success beginning in FY 2014-15.</p> <p>(5) Allows educating district to prohibit enrollment in an online course if any of the following apply:</p> <p>(a) Pupil previously gained credits for that course. (b) Course not capable of generating academic credit. (c) Course is inconsistent with remaining graduation requirements or career interests of the pupil. (d) Pupil does not have the prerequisite knowledge and skills to succeed in course or demonstrated failure with previous online coursework in the same subject.</p>	<p>(1) Revises applicable grades to 7-12. Deletes the cyber school exception.</p> <p>(2) Adds that a district may not establish additional requirements that would prohibit a pupil from taking an online course.</p> <p>Deletes intent and replaces such that if a pupil has demonstrated previous success and the school leadership and parent or guardian determine that it is in the best interest of the pupil, a pupil may take more than 2 online courses per academic term.</p> <p>(5) Maintains the current conditions under which a district can prohibit enrollment and adds 2 more.</p> <p>(a) No Change. (b) No Change. (c) No Change. (d) No Change.</p>	<p>(1) Concurs with Executive.</p> <p>(2) Concurs with Executive and adds that pupil request for online course must be made prior to academic semester, trimester, or term.</p> <p>Concurs with Executive.</p> <p>(5) Concurs with Executive.</p> <p>(a) Concurs with Executive. (b) Concurs with Executive. (c) Concurs with Executive. (d) Concurs with Executive.</p>	<p>(1) Maintains current law for grades 5-12 but concurs with Executive to delete cyber school exception.</p> <p>(2) Concurs with Executive and adds that pupil request must be made prior to academic semester, trimester, or term.</p> <p>Concurs with Executive.</p> <p>(5) Concurs with Executive.</p> <p>(a) Concurs with Executive. (b) Concurs with Executive. (c) Concurs with Executive. (d) Concurs with Executive.</p>	<p>(1) Revises applicable grades to 6 -12 but concurs with Executive to delete cyber school exception.</p> <p>(2) Concurs with House and Senate and adds request must be made in academic semester, trimester, or term. "or summer" preceding enrollment.</p> <p>Concurs with Executive.</p> <p>(5) Concurs with Executive.</p> <p>(a) Concurs with Executive. (b) Concurs with Executive. (c) Concurs with Executive. (d) Concurs with Executive.</p>

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Sec. 21f Online Courses (cont.)	<p>(e) The course is of insufficient quality or rigor. A district must make effort to help pupil find appropriate alternative.</p> <p>(7) Requires district, if offering an online course, to provide MVU with the course syllabus for inclusion in the statewide catalog and link the catalog on its website.</p> <p>(8) Requires districts to use foundation allowance to pay for student's enrollment in online course if in the district or statewide catalog. Caps the amount a district must pay to no more than 1/12 of the district's foundation allowance for a semester course and 1/18 of the district's foundation allowance for a trimester course. Requires district to pay 80% upon enrollment and 20% upon completion.</p>	<p>(e) No Change.</p> <p>(f) If the cost of the course exceeds the amount identified in (8).</p> <p>(g) The enrollment request does not occur within the same timeline established by the district for face-to-face enrollment and schedule changes.</p> <p>(7) Includes an ISD as an allowable online course provider. (Also included in Supplemental 2014-3 for FY 2013-14.)</p> <p>Requires reports to MVU of districts' enrollments and the number that earned 60% or more of total course points.</p> <p>(8) Revises the cap to 6.25% of the Minimum foundation allowance per course.</p> <p>Deletes the 80% upon enrollment, 20% upon completion payment method.</p>	<p>(e) Concurs with Executive.</p> <p>(f) Concurs with Executive.</p> <p>(g) Concurs with Executive.</p> <p>(7) Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>(8) Concurs with Executive.</p> <p>Maintains current law.</p> <p>(12) Adds the portion of an FTE for which a pupil is enrolled in online courses under this section shall not be transferred under the process in Section 25e.</p>	<p>(e) Concurs with Executive.</p> <p>(f) Concurs with Executive.</p> <p>(g) Concurs with Executive.</p> <p>(7) Concurs with Executive.</p> <p>Shifts responsibility from MVU to MDE to align with elimination of funding for MVU under Sec. 98.</p> <p>(8) Revises to 8.33% (1/12) of the district's foundation allowance and deletes reference to trimester.</p> <p>Maintains current law.</p> <p>(12) Does not include this subsection.</p>	<p>(e) Concurs with Executive.</p> <p>(f) Concurs with Executive unless the parent is willing to pay the cost difference.</p> <p>(g) Concurs with Executive.</p> <p>(7) Concurs with Executive.</p> <p>Concurs with House.</p> <p>(8) Revises to 8.33% of the Minimum foundation allowance.</p> <p>Concurs with House and Senate.</p> <p>(12) Concurs with House.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 22a Proposal A Obligation Payment (The Constitutionally required part of the foundation)	FY 2013-14 appropriation of \$5,536,700,000.	Supplemental Request 2014-3 reduces FY 2013-14 appropriation to \$5,526,000,000 to reflect revised cost estimates based on consensus pupil estimates and taxable value estimates. FY 2014-15 appropriation is reduced to \$5,403,000,000 to reflect consensus cost estimates.	PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$5,526,000,000. Appropriates \$5,403,000,000 for FY 2014-15.	PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$5,526,000,000. Appropriates \$5,403,000,000 for FY 2014-15.	Appropriates \$5,393,000,000 for FY 2014-15.
Sec. 22b Discretionary Payment (The discretionary portion of the foundation allowance.)	FY 2013-14 appropriation of \$3,373,700,000.	Supplemental Request 2014-3 decreases FY 2013- 14 appropriation to \$3,335,000,000 for revised estimates for consensus pupils and taxable values. FY 2014-15 appropriation increased to \$3,578,000,000 to reflect cost estimates and the foundation allowance increases proposed under Sec. 20.	PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$3,335,000,000. Appropriates \$3,569,000,000 for FY 2014-15 to reflect the 2x formula increases in the foundation allowance equal to \$56 and \$112 per pupil. (12) Adds that if actual pupil counts are below May 2014 estimates, the savings up to \$35,000,000 shall be distributed equally to districts (excluding PSAs and the EAA) with at least a 1.2% pupil decline and that have not had a deficit for 3 consecutive years.	PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$3,335,000,000. Appropriates \$3,818,000,000 for FY 2014-15 to reflect the 2x formula increase in the foundation allowance equal to \$150 and \$300 per pupil. (12) Not included.	Appropriates \$3,492,000,000 for FY 2014-15 to reflect the \$50 across the board increase in the foundation allowance. (12) Concurs with Senate.
Sec. 22c Equity Payment	Appropriates \$36,000,000 for FY 2013-14 for an equity payment of up to \$50 per pupil to districts with a foundation less than \$7,076.	Section is repealed because the equity payment is rolled into the foundation in Sec. 20.	Concurs with Executive.	Concurs with Executive.	Appropriates \$103,000,000 for FY 2014-15 for an equity payment of up to \$125 per pupil to districts with a foundation allowance less than \$7,251.

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Sec. 22d Supplemental funding to Small, Isolated Districts	<p>Appropriates \$2,584,600 for FY 2013-14, with</p> <p>(2) \$957,300 to certain small, geographically isolated districts and</p> <p>(4) \$1,627,300 to districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200.</p>	<p>Maintains appropriation at \$2,584,600 for FY 2014-15.</p> <p>(2) Maintains \$957,300.</p> <p>(4) Maintains \$1,627,300.</p>	<p>Reduces the appropriation to FY 2012-13 levels, totaling \$2,025,000 for FY 2014-15.</p> <p>(2) Reduces to \$750,000.</p> <p>(4) Reduces to \$1,275,000.</p>	<p>Increases appropriation to \$2,713,800 for FY 2014-15.</p> <p>(2) Increases to \$1,005,200.</p> <p>(4) Increases to \$1,708,600.</p>	<p>Maintains appropriation at \$2,584,600 for FY 2014-15.</p> <p>(2) Maintains \$957,300.</p> <p>(4) Maintains \$1,627,300.</p>
Sec. 22f Best Practices Incentives	<p>Appropriates \$80,000,000 for FY 2013-14.</p> <p>(2) Provides \$52 per pupil for districts that meet 7 out of 8 criteria by June 1, 2014:</p> <p>(a) Act as policyholder for health care services benefits. A district that does not directly employ its staff or has a voluntary employee beneficiary association (VEBA) that pays no more than the health insurance employer hard cap under PA 152 of 2011 is considered to have met this requirement.</p> <p>(b) Competitively bid at least one non-instructional service (excluding retirement unfunded liabilities when comparing bids).</p>	<p>Maintains appropriation at \$80,000,000 for FY 2014-15.</p> <p>(2) Provides \$52 per pupil for districts that meet 7 out of 8 criteria by June 1, 2015:</p> <p>(a) No Change.</p> <p>(b) No Change.</p>	<p>Reduces appropriation to \$78,700,000 for FY 2014-15 to recognize decreased statewide pupil memberships.</p> <p>(2) Provides \$52 per pupil for districts that meet 6 out of 7 REVISED criteria by June 1, 2015:</p> <p>(a) No Change.</p> <p>(b) No Change.</p>	<p>Repeals this section.</p>	<p>Reduces appropriation to \$75,000,000 for FY 2014-15.</p> <p>(2) Provides \$50 per pupil for districts that meet 7 out of 9 revised criteria by June 1, 2015:</p> <p>(a) Concurs with Executive and House.</p> <p>(b) Concurs with Executive and House.</p>

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Sec. 22f Best Practices Incentives (cont.)	<p>(c) Participate in Schools of Choice under Section 105 and Section 105c. A PSA is considered to have met this.</p> <p>(d) Measure student growth twice annually.</p> <p>(e) Provide dual enrollment and other opportunities for postsecondary coursework</p> <p>(f) Provide online learning opportunities and publish syllabi for online courses.</p> <p>(g) Provide a dashboard of both academic and school finance.</p> <p>(h) Provide physical education or health classes.</p>	<p>(c) No Change.</p> <p>(d) No Change.</p> <p>(e) No Change.</p> <p>(f) No Change.</p> <p>(g) No Change.</p> <p>(h) No Change.</p>	<p>(c) No Change.</p> <p>(d) Deleted</p> <p>(e) Deleted</p> <p>(f) Deleted</p> <p>(g) Dashboard moves to (d).</p> <p>(h) Deleted.</p> <p>(e) Comply with a method of compensation for teachers and administrators that includes job performance as a significant factor in determining compensation as required under section 1250 of the Revised School Code, MCL 380.1250.</p> <p>(f) Collective bargaining agreements do not contain provisions that are prohibited subjects of bargaining as defined in the Public Employment Relations Act.</p> <p>(g) Implement the Michigan comprehensive guidance and counseling program.</p>		<p>(c) Concurs with Executive and House.</p> <p>(d) Concurs with House.</p> <p>(e) Concurs with House.</p> <p>(f) (d) Concurs with Executive.</p> <p>(g) Dashboard moves to (e).</p> <p>(h) Concurs with House.</p> <p>(i) (f) Concurs with House.</p> <p>(j) (g) Concurs with House.</p> <p>(k) (h) Concurs with House but strikes "the Michigan" and inserts "a".</p> <p>(i) Offer equivalent of 1 credit of foreign language in grades K – 8.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 22g Consolidation Innovation Grants	Appropriates \$5,000,000 for FY 2013-14 for competitive assistance grants to reimburse districts and ISDs for transition costs associated with the consolidation of two or more districts or ISDs.	Maintains appropriation of \$5,000,000 for FY 2014-15. Expands grants to cover the consolidation of operations or services between districts, ISDs, or other local units of government.	Appropriates \$5,000,000 for FY 2014-15. Concurs with Executive. Adds consolidation of technology between at least 50 districts or 5 ISDs. Gives priority to a system focused on dropout prevention or 3 rd grade reading.	Repeals this section.	Appropriates \$2,000,000 for FY 2014-15. Concurs with Executive. Concurs with House.
Sec. 22i Technology Infrastructure Grants	(1) Appropriates \$50,000,000 for grants to districts or ISDs on behalf of their constituent districts for shared technology/data service consolidation, to develop or improve their technology infrastructure, and purchase the necessary hardware in preparation for the planned implementation of online growth assessments in FY 2014-15. (2) Competitive grants up to \$2,000,000 for each district. (3) Earmarks \$5,000,000 of the funds appropriated in (1) to a single-provider of whole school technology.	(1) Maintains appropriation of \$50,000,000 for FY 2014-15. Strikes "growth" (2) No change. (3) Deletes this subsection. (3) Allocates \$8,500,000 for: (a) Converting to online assessments. (b) Providing paper/pencil tests for districts unprepared for online versions. (c) Expanding writing assessments to additional grade levels. (d) Providing more constructed response questions.	(1) Appropriates \$50,000,000 for FY 2014-15. Concurs with Executive. (2) Concurs with Executive. (3) Concurs with Executive. (3) Not Included.	(1) Appropriates \$50,000,000 for FY 2014-15. Maintains current law. Adds all funding be used to ensure that the district or ISD is technologically ready to give online assessments. (2) Concurs with Executive. (3) Concurs with Executive. (3) Not Included.	(1) Appropriates \$41,500,000 for FY 2014-15. Concurs with Executive. (2) Concurs with Executive. (3) Concurs with Executive. (3) Concurs with House and Senate but shifts \$8,500,000 and a revised version of Executive (3) to Section 104.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 22i Technology Infrastructure Grants (cont.)			(3) Allocates \$3,500,000 for competitive grants to consortia of ISDs or districts and ISDs for costs associated with the deployment of shared technology and data service centers serving large numbers of ISDs and districts. An applying consortium shall provide specifications on providing a single student data system for use by the entire consortium by June 30, 2016. (4) Makes the \$3,500,000 allocation under (3) a work project to be carried into FY 2015-16.	(3) Not Included. (4) Not included.	(3) Concurs with Senate. (3) Makes the appropriations in both FY 2013-14 and FY 2014-15 work projects which may be carried forward into FY 2015-16. (4) Concurs with Senate.
Sec. 22j District Performance Grants	Appropriates \$46,400,000 for FY 2013-14 for district performance grants. Districts receive a portion or all of the following: (3) \$30 per pupil for improving proficiency in mathematics for grades 3 to 8 on state assessments. (4) \$30 per pupil for improving proficiency in reading for grades 3 to 8 on state assessments. (5) \$40 per pupil for improving proficiency for high school assessments.	Maintains appropriation of \$46,400,000 for FY 2014-15. No Change. No Change. No Change. No Change.	Increases appropriation to \$51,100,000 to fully fund the estimated costs of district performance grants for FY 2014-15 based on updated 2012-2013 assessment data. Concurs with Executive. Concurs with Executive. Concurs with Executive. Concurs with Executive.	Repeals this Section.	Increases appropriation to \$51,100,000 for FY 2014-15. Concurs with Executive. Concurs with Executive. Concurs with Executive. Concurs with Executive.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 22k Student-Centric Grants	Appropriates \$8,000,000 for FY 2013-14 only. Grants to districts that organize instructional delivery to advance students based on individual mastery in each subject area and allow for school site-based autonomy.	Repeals this section.	Concurs with Executive.	Concurs with Executive.	Concurs with Executive.
Sec. 24 Court-Placed Pupils	Appropriates \$8,000,000 in FY 2013-14 to reimburse districts for added costs of educating court-placed pupils in a local juvenile detention facility institution.	Maintains appropriation of \$8,000,000 for FY 2014-15.	Appropriates \$8,000,000 for FY 2014-15.	Appropriates \$8,000,000 for FY 2014-15.	Appropriates \$8,000,000 for FY 2014-15.
Sec. 24a Educating Pupils in DHS Juvenile Justice Service Facilities	Appropriates \$2,167,500 for FY 2013-14 for payments to intermediate districts for pupils who are placed in Department of Human Services juvenile justice facilities.	Increases the appropriation to \$2,195,500 for FY 2014-15 to recognize economic increases for salary and wages, insurance, and retirement costs totaling \$28,000.	Appropriates \$2,195,500 for FY 2014-15.	Appropriates \$2,195,500 for FY 2014-15.	Appropriates \$2,195,500 for FY 2014-15.
Sec. 24c Youth Challenge Program	Appropriates \$1,500,000 in FY 2013-14 for the Youth Challenge Program. Payment goes through Marshall Public Schools to the Department of Military and Veterans' Affairs for the program.	Maintains appropriation of \$1,500,000 for FY 2014-15.	Appropriates \$1,500,000 for FY 2014-15.	Increases to \$1,550,000 for FY 2014-15.	Appropriates \$1,500,000 for FY 2014-15.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 26a Renaissance Zone Reimburse- ment	Appropriates \$26,300,000 SAF for FY 2013-14 to reimburse districts and ISDs and \$3,200,000 GF/GP for libraries for lost local revenue due to renaissance zones.	Maintains appropriation of \$26,300,000 for FY 2014-15 for districts and ISDs. Transfers \$3,200,000 for libraries to the MDE budget.	Appropriates \$26,300,000 for FY 2014-15. Concurs with Executive.	Appropriates \$26,300,000 for FY 2014-15. Concurs with Executive.	Appropriates \$26,300,000 for FY 2014-15. Concurs with Executive.
Sec. 26b PILT Reimburse- ment	Appropriates \$4,009,500 for FY 2013-14 to reimburse districts, intermediate districts, and community colleges for payment in lieu of taxes (PILT) obligations per PA 513 of 2004.	Increases the appropriation to \$4,210,000 for FY 2014-15 to fully fund reimbursements.	Appropriates \$4,210,000 for FY 2014-15.	Appropriates \$4,210,000 for FY 2014-15.	Appropriates \$4,210,000 for FY 2014-15.
Sec. 26c Promise Zones	Appropriates \$ 266,200 for FY 2013-14 to districts and ISDs with an approved promise zone development plan for the purposes of Promise Zone Authorities.	Increases appropriation to \$293,100 for FY 2014-15 based on current cost estimates.	Appropriates \$293,100 for FY 2014-15.	Appropriates \$293,100 for FY 2014-15.	Appropriates \$293,100 for FY 2014-15.
Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings	(1) Appropriates \$317,695,500 in FY 2013-14. At-Risk program funding equals \$308,988,200. (Total appropriation minus funds earmarked under (6) and (7) for other purposes.)	(1) Maintains appropriation of \$317,695,500 for FY 2014-15. Deletes duplicative language describing allocation of funds (see (3)). Creates a new purpose for the program funding of "ensuring that third graders are proficient in reading by the end of the third grade and that high school graduates are career and college ready." At-Risk program funding maintained at \$308,988,200. (Total appropriation minus funds earmarked under (6) and (7) for other purposes.)	Appropriates \$317,695,500 for FY 2014-15 and concurs with Executive. Allocates \$308,988,200 to At-Risk program funding.	Appropriates \$317,695,500 for FY 2014-15. Maintains current law. Allocates \$308,988,200 to At-Risk program funding.	Appropriates \$317,695,500 for FY 2014-15. Concurs with Executive. Allocates \$308,988,200 to At-Risk program funding.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
<p>Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings (cont.)</p>	<p>(2) Requires new districts or PSAs to apply. Must have a foundation allowance less than the Basic and agree to program purpose and accountability requirements under this section.</p> <p>(3) Allocates funding for At-risk program based on 11.5% of each district's foundation allowance times the number of pupils that qualify for free breakfast, lunch, or milk in the immediately preceding fiscal year.</p> <p>(4) Provides for allowable uses including instructional programs and direct non-instructional services including but not limited to medical or counseling services.</p> <p>Also includes tutorial services, early childhood programs, reading programs.</p> <p>Allows the use of paraprofessionals for tutoring if within the required pupil ratios and if under the supervision of a certificated teacher.</p> <p>Prohibits using funds to supplant another program or other funds.</p> <p>(6) Allocates \$3,557,300 for Child and Adolescent Health Centers.</p>	<p>(2) Deletes application and deletes requirement that districts agree to use funding to meet purpose and accountability requirements.</p> <p>(3) No Change.</p> <p>(4) Adds mental health and school wide reform for districts with a school improvement plan as allowable use.</p> <p>Deletes</p> <p>Deletes</p> <p>Deletes</p> <p>(6) Maintains \$3,557,300 for Child and Adolescent Health Centers.</p>	<p>(2) Maintains current law.</p> <p>(3) No Change.</p> <p>(4) Concurs with Executive.</p> <p>Maintains current law.</p> <p>Maintains current law.</p> <p>Maintains current law.</p> <p>(6) Allocates \$3,557,300 for Child and Adolescent Health Centers.</p>	<p>(2) Maintains current law.</p> <p>(3) No Change.</p> <p>(4) Maintains current law.</p> <p>Maintains current law.</p> <p>Maintains current law.</p> <p>Maintains current law.</p> <p>(6) Allocates \$3,557,300 for Child and Adolescent Health Centers.</p>	<p>(2) Concurs with Executive.</p> <p>(3) No Change.</p> <p>(4) Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>(6) Allocates \$3,557,300 for Child and Adolescent Health Centers.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings (cont.)	<p>(7) Allocates \$5,150,000 from total for hearing and vision screenings.</p> <p>(8) Reporting requirement.</p> <p>(10) Allows for at-risk funds to be used for reducing pupil/teacher ratios for certain districts with high concentration of poverty.</p> <p>(11) Allows districts to use funds for adult high school completion, GED test preparation, adult English as a Second Language, or adult basic education programs.</p> <p>(12) Allows certain districts to use up to 20% of their funds for other purposes than those identified elsewhere in this section.</p> <p>(13) Allows districts to use funds for early intervention programs to reduce the need for special education.</p> <p>(15) Allows for districts that consolidate to qualify for funding based on each former district's prior year pupil eligibility.</p>	<p>(7) Maintains \$5,150,000 for hearing and vision screenings.</p> <p>(8) Requires a district to share with MDE and DHS any data necessary to verify matching funds for the Temporary Assistance for Needy Families (TANF) program.</p> <p>(10) Deletes current law and replaces it to allow districts with more than 40% of its pupils identified as at-risk to spend funds on implementing school-wide reform consistent with a school's improvement plan.</p> <p>(11) Deleted</p> <p>(12) Deleted.</p> <p>(13) Deleted.</p> <p>(15) (12) Adds that when a district is dissolved, the receiving district can report and receive funds for students transferring from the dissolved district.</p>	<p>(7) Allocates \$5,150,000 for hearing and vision screenings.</p> <p>(8) Concurs with Executive.</p> <p>(10) Concurs with Executive.</p> <p>(11) Maintains current law.</p> <p>(12) Maintains current law.</p> <p>(13) Concurs with Executive.</p> <p>(15) (14) Concurs with Executive.</p>	<p>(7) Allocates \$5,150,000 for hearing and vision screenings.</p> <p>(8) Maintains current law.</p> <p>(10) Maintains current law.</p> <p>(11) Maintains current law.</p> <p>(12) Maintains current law.</p> <p>(13) Maintains current law.</p> <p>(15) Concurs with Executive.</p>	<p>(7) Allocates \$5,150,000 for hearing and vision screenings.</p> <p>(8) Concurs with Executive.</p> <p>(10) Concurs with Executive.</p> <p>(11) Concurs with Executive.</p> <p>(12) Concurs with Executive.</p> <p>(13) Concurs with Executive.</p> <p>(15) (12) Concurs with Executive.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings (cont.)	(16) Defines "at-risk pupil" (for the purposes of providing services, not for the purposes of funding eligibility.)	<p>(16) (13) Deletes current defining criteria and replaces with the following pupils:</p> <ul style="list-style-type: none"> (a) Enrolled in a priority or priority-successor school. (b) Enrolled in focus school. (c) Didn't achieve proficiency on state administered assessments. (d) Didn't receive satisfactory scores on local assessments for grades not assessed by the state. (e) In absence of local assessment data, pupil meets at least 2 of following: <ul style="list-style-type: none"> (i) Eligible for free breakfast, lunch, or milk. (ii) Absent more than 10% of enrolled days or more than 10 days during school year. (iii) Homeless. (iv) Migrant. (v) English language learner. (vi) Immigrant (vii) Did not complete high school in four years. <p>(14) If a district does not demonstrate improvement in at-risk pupil reading proficiency at the end of third grade or improvement in ACT composite scores after 3 subsequent school years, the district shall revise its school improvement plan regarding its at-risk funding expenditures.</p>	<p>(16) (15) Concurs with Executive.</p> <p>(16) Concurs with Executive.</p>	<p>(16) Maintains current law.</p> <p>(14) Not included.</p>	<p>(16) (13) Revises to include both current law as well as Executive changes.</p> <p>(14) If a district does not have at least 50% of at- risk 3rd graders reading at grade level or have improvement over 3 years in percentage of at-risk pupils that are college- and career-ready, then the district shall spend a proportionate share of half of its at-risk funds on either tutoring and improving 3rd grade reading or tutoring or activities to improve college and career readiness.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
<p>NEW Sec. 31b Year-round Instructional Program</p>		<p>(1) Appropriates \$2,000,000 for FY 2014-15 for districts implementing year-round instruction.</p> <p>(2) To qualify districts must qualify for the community eligibility option for free and reduced price lunch.</p> <p>(5) Funding may be used for modifications to instructional facilities, modifications to current contracts, and other nonrecurring costs.</p>	<p>Appropriates \$2,000,000 for FY 2014-15.</p> <p>(2) To qualify the district must qualify for the community eligibility option for free and reduced lunch for 2014-2015. And have a board resolution that the district will implement a year-round instructional calendar beginning in 2015-2016 in at least 1 school for at least 3 years.</p> <p>(4) Department shall award grants on a competitive basis but shall give priority based solely on consideration of: (a) Priority to districts with lower general fund balances as a percent of revenues. (b) Priority to districts that have at least 1 school identified as either a priority school or a focus school. (c) Ensuring that grant funding goes to both rural and urban districts.</p> <p>(5) Caps the maximum grant award at \$750,000 per district.</p> <p>(5) (6) Concur with Executive but strikes "modifications to current contracts".</p>	<p>Appropriates \$2,000,000 for FY 2014-15.</p> <p>(2) To qualify the district must qualify for the community eligibility option for free and reduced lunch for 2014-2015. And have a board resolution that the district will implement a year-round instructional calendar beginning in 2015-2016 in at least 1 school for at least 3 years.</p> <p>(4) Department shall award grants on a competitive basis but shall give priority based solely on consideration of: (a) Priority to districts with lower general fund balances as a percent of revenues. (b) Priority to districts that have at least 1 school identified as either a priority school or a focus school. (c) Ensuring that grant funding goes to both rural and urban districts.</p> <p>(5) Caps the maximum grant award at \$250,000 per district.</p> <p>(5) (6) Concur with Executive but strikes "modifications to current contracts".</p>	<p>Not Included.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 31d School Lunch Program	Appropriates \$22,495,100 SAF for FY 2013-14 for the State share of school lunch programs as required by <i>Durant</i> settlement. Includes \$463,200,000 in Federal funding.	Maintains the SAF appropriation of \$22,495,100 for FY 2014-15. Increases the Federal grant to \$513,200,000 recognize additional available funding.	Appropriates \$22,495,100 in SAF for FY 2014-15. Appropriates \$513,200,000 in federal funds.	Appropriates \$22,495,100 in SAF for FY 2014-15. Appropriates \$513,200,000 in federal funds.	Appropriates \$22,495,100 in SAF for FY 2014-15. Appropriates \$513,200,000 in federal funds.
Sec. 31f School Breakfast	Appropriates \$5,625,000 for FY 2013-14 to reimburse districts for the cost of providing breakfast.	Maintains the appropriation of \$5,625,000 for FY 2014-15.	Appropriates \$5,625,000 for FY 2014-15.	Appropriates \$5,625,000 for FY 2014-15.	Appropriates \$5,625,000 for FY 2014-15.
NEW Sec. 31g Online Nutrition Program			Appropriates \$100 GF/GP placeholder for FY 2014-15 for a single grant to a provider of online nutrition software.	Does not include this section.	Appropriates \$1,200,000 GF/GP for FY 2014-15. Concurs with House but funding is for 2 years instead of 3 years.
Sec. 32d Great Start Readiness Program (GSRP)	Appropriates \$174,275,000 SAF for FY 2013-14 for GSRP preschool programs and \$300,000 GF/GP to continue a longitudinal study of the GSRP. Allocates \$25,000,000 of the total \$174,275,000 into a Great Start Readiness Reserve Fund, to be used if Legislature approves a transfer by January 15, 2014. (See subsection (14)) (4) Required program components	Increases appropriation to \$239,275,000 SAF and maintains \$300,000 GF/GP for the longitudinal study for FY 2014-15. Does not include for FY 2015-16. (4) (d) Adds specific reference to physical and dental health. (e) Adds specific reference to mental health services. (h) Adds that the advisory committee shall make recommendations for program components and other community services.	Increases total appropriation to \$239,275,000 SAF and maintains \$300,000 GF/GP for the longitudinal study for FY 2014-15. Allocates \$25,000,000 of the total \$239,275,000 into the Great Start Readiness reserve fund to be used if Legislature approves transfer by January 31, 2015. (See subsection (14)). (4)(d) Concurs with Executive. (e) Concurs with Executive. (h) Concurs with Executive.	Increases appropriation to \$239,275,000 SAF and maintains \$300,000 GF/GP for the longitudinal study for FY 2014-15. Concurs with Executive. (4)(d) Concurs with Executive. (e) Concurs with Executive. (h) Concurs with Executive.	Increases appropriation to \$239,275,000 SAF and maintains \$300,000 GF/GP for the longitudinal study for FY 2014-15. Concurs with House but revises deadline for Legislative action in (14) (19) to December 15, 2014. (4)(d) Concurs with Executive. (e) Concurs with Executive. (h) Concurs with Executive.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
<p>Sec. 32d Great Start Readiness Program (GSRP) (cont.)</p>	<p>(5)(b) Requires that at least 90% of participating children live in families with income less than 250% of federal poverty level.</p> <p>(5)(c)(i) Requires a district or ISD managed program to have qualified personnel including teachers with a valid teaching certificate and an early childhood endorsement.</p> <p>Allows a teacher in an eligible child development program to have instead a teaching certificate with a child development associate credential, or a bachelor's degree in child development with a specialization in preschool teaching.</p>	<p>(5)(b) Allows an ISD to serve children in families with income up to 300% of the federal poverty level, if they determine they have served all eligible children and there are no children with a family income less than 250% of the federal poverty threshold on the waiting list. The ISD would have to consider income and risk factors to serve those children with the highest need.</p> <p>Adds that a child in foster care or who is experiencing homelessness or who has and individualized education plan recommending placement in an inclusive preschool setting would be considered to live in a family with income less than 250% of the federal poverty level.</p> <p>(5)(c)(i) Strikes "district or ISD" to expand application to all programs. Requires only that the "lead teacher" have the identified credentials.</p> <p>Deletes the option for a teaching certificate with a child development associate credential, but expands the bachelor's option to all lead teachers in all programs and also allows for a bachelor's in "early childhood development".</p>	<p>(5)(b) Maintains current law.</p> <p>Concurs with Executive.</p> <p>(5)(c)(i) Concurs with Executive.</p> <p>Concurs with Executive.</p>	<p>(5)(b) Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>(5)(c)(i) Concurs with Executive.</p> <p>Concurs with Executive.</p>	<p>(5)(b) Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>(5)(c)(i) Concurs with Executive.</p> <p>Concurs with Executive.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 32d Great Start Readiness Program (GSRP) (cont.)	<p>(8) Allows ISDs to contract with local districts or public or private providers and retain up to 7% of the grant amount for administration. Allows ISDs to expend not more than 2% of total grant amount for recruiting and public awareness.</p> <p>(9) Requires each provider to rank children based on income from lowest to highest and divide them into quintiles. Requires that the provider must enroll children in the lowest quintile first before moving to the next quintile until slots are filled. Also requires a provider to retain 10% of its funding to enroll eligible children after the start of the program.</p>	<p>(8) Requires an ISD to designate an early childhood coordinator.</p> <p>Provides that the 7% maximum spent for administrative services be for both the intermediate district and the sub-recipients.</p> <p>Adds "outreach" as available use of the 2% for recruiting and awareness.</p> <p>(9) Adds that a program may serve children with family income more than 300% of poverty level if income and risk factors are considered subject to serving all kids eligible under (5)(b) first.</p> <p>Adds that a child in foster care or who is experiencing homelessness or who has and individualized education plan recommending placement in an inclusive preschool setting would be considered to live in a family with income less than 250% of the federal poverty level.</p> <p>(10) Maintains current law.</p>	<p>(8) Concurs with Executive.</p> <p>Caps maximum expenditures for administrative services to 5% for the ISD, but designates expenses of the subrecipient as contracted program fee for service.</p> <p>Concurs with Executive.</p> <p>(9) Maintains current law.</p> <p>Concurs with Executive.</p> <p>(10) Adds that an ISD must allow a parent to pick a GSRP program offered by another ISD and must pay for it.</p> <p>(10) (11) Requires ISD to report a list of community-based providers by type and the number and proportion of total slots allocated to each. Requires ISDs to notify and provide timely information to eligible community-based providers</p>	<p>(8) Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>(9) Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>See Senate subsection (14).</p> <p>(10) Maintains current law.</p>	<p>(8) Concurs with Executive.</p> <p>(9) Caps ISD administration expenses at 7% if providing direct services. If contracting, the ISD may keep 2% and subrecipients may spend 5% on administration.</p> <p>(10) Concurs with Executive.</p> <p>(9) (11) Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>(12) Concurs with House subsection (10).</p> <p>(10) (13) Concurs with House.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 32d Great Start Readiness Program (GSRP) (cont.)	<p>(10) Requires an ISD to contract with interested and eligible public and private for-profit and nonprofit community-based providers for at least 30% of its total allocated slots. Allows an ISD to keep remaining slots if the department verifies that the ISD tried to contract at least 30% of their slots but was unable to do so.</p> <p>(13) Requires ISDs to establish a tuition sliding scale for families with income greater than 250% of federal poverty level.</p> <p>(14) Establishes Great Start Readiness Reserve Fund for use in FY 14 upon legislative transfer.</p>	<p>(13) Revises to family income greater than 300% of federal poverty level.</p> <p>(14) Deletes.</p>	<p>(10)-(12) Requires MDE to reduce ISD slot allocation if the ISD fails to submit evidence demonstrating its effort to contract for 30% of its slots.</p> <p>(13) Requires MDE to do the following: - provide ISDs with contact information for all community-based providers in the ISD. - provide a community-based provider with a star rating within 90 days of the provider having submitted a request and self-assessment. - ensure that all providers are rated on a first-come, first-served basis and that certain providers are not fast-tracked. - compile results of ISD reports under (10) and report to legislature.</p> <p>(13) (16) Maintains current law.</p> <p>(14) (17) Maintains current law and updates for FY 2014-15.</p> <p>Does not include Senate subsection (14).</p>	<p>Not included.</p> <p>Not included.</p> <p>(13) Maintains current law.</p> <p>(14) Concurs with Executive.</p> <p>(14) Allows a program in one ISD to serve a child from another ISD and requires the ISD of residence to pay the enrolling program for the funding awarded under this section for that child.</p>	<p>(10) (14) Concurs with the House.</p> <p>(13) (15) Concurs with House.</p> <p>(13) (18) Concurs with House and Senate.</p> <p>(14) (19) Concurs with House but revises deadline for legislative action to Dec. 15, 2014.</p> <p>Not included, see (12).</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 32d Great Start Readiness Program (GSRP) (cont.)			(15) Allocates \$10,000,000 of the total funding for transportation reimbursements in an amount up to \$150 per half-day slot.	(15) Allocates \$10,000,000 of the total funding for transportation reimbursements in an amount up to \$150 per half-day slot.	(15) (20) Concurs with House and Senate.
Sec. 32p Early Childhood Block Grants	(1) Appropriates \$10,900,000 for FY 2013-14 for early childhood funding block grants to ISDs. (4) Requires report of activities provided and number of families and children served by December 1 of each year. Requires that MDE compile the results and forward to the Legislature.	(1) Maintains the appropriation of \$10,900,000 for FY 2014-15. (4) Adds that MDE must compile results and send to the legislature by February 15 of each year.	(1) Appropriates \$10,900,000 for FY 2014-15. (4) Concurs with Executive.	(1) Appropriates \$10,900,000 for FY 2014-15. (4) Concurs with Executive.	(1) Appropriates \$10,900,000 for FY 2014-15. (4) Concurs with Executive.
Sec. 39 GSRP Per Pupil Allocation Formula	Per pupil allocation for GSRP half-day slot is \$3,625. Prescribes the application process, the determination of the number of children construed to be in need, and the funding allocation process.	Increases the half-day per pupil allocation to \$3,725.	Maintains current law.	Increases the half-day per pupil allocation to \$3,675.	Concurs with House.
Sec. 39a Federal Funds	(1) Appropriates \$811,828,500 for FY 2013-14 in Federal No Child Left Behind (NCLB) funds. (2) Appropriates \$31,700,000 in other Federal funds for education. (3) Early Intervention program as an allowable use.	(1) Decreases Federal grants to \$807,969,900 for NCLB funds for FY 2014-15. (2) Decreases to \$31,300,000 for other Federal funds for education for FY 2014-15. (3) Deletes.	(1) Appropriates \$807,969,900 for FY 2014-15. (2) Appropriates \$31,300,000 for FY 2014-15. (3) Concurs with Executive.	(1) Appropriates \$807,969,900 for FY 2014-15. (2) Appropriates \$31,300,000 for FY 2014-15. (3) Concurs with Executive.	(1) Appropriates \$807,969,900 for FY 2014-15. (2) Appropriates \$31,300,000 for FY 2014-15. (3) Concurs with Executive.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 41 Bilingual Education	(1) Appropriates \$1,200,000 for instruction to pupils with limited English-speaking ability. (2) Prohibits using funds to pupils illegally residing in the United States	(1) Maintains appropriation of \$1,200,000 for FY 2014-15. (2) Deletes.	(1) Appropriates \$1,200,000 for FY 2014-15. (2) Maintains current law.	(1) Appropriates \$1,200,000 for FY 2014-15. (2) Maintains current law.	(1) Appropriates \$1,200,000 for FY 2014-15. (2) Concurs with Executive.
NEW Sec. 43 Teacher Certification Tests Update					Appropriates \$1,800,000 GF/GP for FY 2014-15 to update teacher certification tests by September 30, 2016.
Sec. 51a (1) Total Special Education Funding	(1) Appropriates a total of \$980,446,100 SAF and \$370,000,000 Federal funding for FY 2013-14. Allocations of the total are below in Sec. 51a (2)(3)(6)(11), Sec. 51c, Sec. 53a, Sec. 54, and Sec. 56	(1) Supplemental Request 2014-3 reduces FY 2013-14 SAF appropriation to \$919,846,100 to reflect revised consensus cost estimates. Appropriates a total of \$938,946,100 SAF for FY 2014-15. Maintains federal funding levels at \$370,000,000 for FY 2014-15.	(1) PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$919,846,100. Appropriates \$938,946,100 SAF and \$370,000,000 Federal funds for FY 2014-15.	(1) PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$919,846,100. Appropriates \$938,946,100 SAF and \$370,000,000 Federal funds for FY 2014-15.	(1) Appropriates \$938,946,100 SAF and \$370,000,000 Federal funds for FY 2014-15.
(2) Special Ed -ISD Foundations and Costs	(2) Allocates \$257,800,000 for FY 2013-14.	(2) Supplemental Request 2014-3 reduces FY 2013-14 allocation to \$247,000,000. Allocates \$252,000,000 for FY 2014-15.	(2) PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$247,000,000. Allocates \$252,000,000 for FY 2014-15.	(2) PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$247,000,000. Allocates \$252,000,000 for FY 2014-15.	(2) Allocates \$252,000,000 for FY 2014-15.
(3) Special Ed -ISD Hold Harmless Payments	(3) Allocates \$1,000,000 for FY 2013-14.	(3) Maintains allocation at \$1,000,000 for FY 2014-15.	(3) Allocates \$1,000,000 for FY 2014-15.	(3) Allocates \$1,000,000 for FY 2014-15.	(3) Allocates \$1,000,000 for FY 2014-15.
(6) Special Ed Administrative Rule Changes	(6) Allocates \$2,200,000 for FY 2013-14.	(6) Maintains allocation at \$2,200,000 for FY 2014-15.	(6) Allocates \$2,200,000 for FY 2014-15.	(6) Allocates \$2,200,000 for FY 2014-15.	(6) Allocates \$2,200,000 for FY 2014-15.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
(7)(c) Itinerant Staffing	(7)(c) Allows unspent Sec. 51a funds at end of fiscal year to be allocated as additional reimbursements to ISDs based on the transfer of special education staff under certain situations since 2003-2004. Eliminates this funding after FY 2014-15.	(7)(c) Maintains this subdivision.	(7)(c) Concurs with Executive.	(7)(c) Concurs with Executive.	(7)(c) Concurs with Executive.
(11) Special Ed - ISD Foundations for Non Sec. 52	(11) Allocates \$4,300,000 for FY 2013-14.	(11) Supplemental Request 2014-3 reduces FY 2013-14 allocation to \$3,500,000. Decreases to \$3,300,000 for FY 2014-15.	(11) PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$3,500,000. Allocates \$3,300,000 for FY 2014-15.	(11) PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$3,500,000. Allocates \$3,300,000 for FY 2014-15.	(11) Allocates \$3,300,000 for FY 2014-15.
Sec. 51c Special Ed - <i>Durant</i> Payment	Allocates 662,200,000 from the appropriation in Sec. 51a(1) for FY 2013-14 to provide funding for costs associated with <i>Durant</i> settlement that guarantees districts 28.6138% of total approved costs of special education services and 70.4164% of total approved costs of special education transportation.	Supplemental Request 2014-3 reduces FY 2013-14 allocation to \$613,200,000 based on updated cost estimates. Increases the FY 2014-15 allocation to \$630,500,000 to reflect future cost estimates.	PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$613,200,000. Allocates \$630,500,000 for FY 2014-15.	PA 116 of 2014 (HB 4295) revised appropriations for FY 2013-14 to \$613,200,000. Allocates \$630,500,000 for FY 2014-15.	Allocates \$630,500,000 for FY 2014-15.
Sec. 51d Federal Special Education Funds	Appropriates \$74,000,000 in Federal special education grants for FY 2013-14.	Maintains the Federal appropriation at \$74,000,000 for FY 2014-15.	Appropriates \$74,000,000 in federal funds for FY 2014-15.	Appropriates \$74,000,000 in federal funds for FY 2014-15.	Appropriates \$74,000,000 in federal funds for FY 2014-15.
Sec. 53a Special Ed - Court Placed pupils	Allocates \$13,500,000 from the appropriation in Sec. 51a(1) for FY 2013-14.	Decreases allocation to \$10,500,000 for FY 2014-15.	Allocates \$10,500,000 for FY 2014-15.	Allocates \$10,500,000 for FY 2014-15.	Allocates \$10,500,000 for FY 2014-15.
Sec. 54 Special Ed - Schools for the Deaf and Blind	Allocates \$1,688,000 from the appropriation in Sec. 51a(1) for FY 2013-14.	Maintains the \$1,688,000 allocation for FY 2014-15.	Allocates \$1,688,000 for FY 2014-15.	Allocates \$1,688,000 for FY 2014-15.	Allocates \$1,688,000 for FY 2014-15.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 56 Special Education - Millage Equalization	<p>(2) Allocates \$37,758,100 from Sec. 51a(1) for FY 2013-14. Funding for intermediate districts for millage equalization to provide funding to guarantee a minimal amount per special education mill levied, on a per-pupil basis.</p> <p>(3) FY 2013-14 per-pupil equalization amount to \$169,900.</p> <p>(4) Provides that no intermediate district shall receive more under this section than 62.9% of the total allocation under (2).</p> <p>(5) Provides that no ISD shall receive less than 75% of its prior year allocation.</p>	<p>(2) Maintains the \$37,758,100 allocation for FY 2014-15.</p> <p>(3) For FY 2014-15 the per-pupil equalization amount is \$172,200.</p> <p>(4) No Change.</p> <p>(5) No Change.</p>	<p>(2) Allocates \$37,758,100 for FY 2014-15.</p> <p>(3) Concurs with Executive.</p> <p>(4) Concurs with Executive.</p> <p>(5) Concurs with Executive.</p>	<p>(2) Allocates \$37,758,100 for FY 2014-15.</p> <p>(3) Concurs with Executive.</p> <p>(4) Concurs with Executive.</p> <p>(5) Concurs with Executive.</p>	<p>(2) Allocates \$37,758,100 for FY 2014-15.</p> <p>(3) Concurs with Executive.</p> <p>(4) Concurs with Executive.</p> <p>(5) Concurs with Executive.</p>
Sec. 61a Vocational Education	<p>Appropriates \$27,611,300 for FY 2013-14 to support vocational education programs.</p> <p>(1) Allocates \$26,611,300 for reimbursements to districts and intermediate districts for vocational education programs</p> <p>(2) Allocates \$1,000,000 to districts and ISDs for career and technical education centers to integrate the state curriculum content standards into career and technical education programs.</p>	<p>Maintains the \$27,611,300 appropriation for FY 2014-15.</p> <p>(1) No Change.</p> <p>(2) No Change.</p>	<p>Increases to \$28,611,300 for FY 2014-15.</p> <p>(1) Increases to \$27,611,300.</p> <p>(2) Concurs with Executive.</p>	<p>Appropriates \$27,611,300 for FY 2014-15.</p> <p>(1) Concurs with Executive.</p> <p>(2) Concurs with Executive.</p>	<p>Appropriates \$27,611,300 for FY 2014-15.</p> <p>(1) Concurs with Executive.</p> <p>(2) Concurs with Executive.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 62 Vocational Education Millage Equalization	<p>(2) Appropriates \$9,190,000 for FY 2013-14 to provide funding to intermediate districts that levy vocational education mills to guarantee a minimal amount received per mill levied, on a per-pupil basis.</p> <p>(3) FY 2013-14 per-pupil equalization amount is \$186,500.</p> <p>(4) Provides that no intermediate district shall receive more under this section than 38.4% of the total allocation under (2).</p> <p>(5) Provides that no ISD shall receive less than 75% of its prior year allocation.</p>	<p>(2) Maintains the \$9,190,000 appropriation for FY 2014-15.</p> <p>(3) FY 2014-15 the per-pupil equalization amount is \$188,100.</p> <p>(4) No Change.</p> <p>(5) No Change.</p>	<p>(2) Appropriates \$9,190,000 for FY 2014-15.</p> <p>(3) Concurs with Executive.</p> <p>(4) Concurs with Executive.</p> <p>(5) Concurs with Executive.</p>	<p>(2) Appropriates \$9,190,000 for FY 2014-15.</p> <p>(3) Concurs with Executive.</p> <p>(4) Concurs with Executive.</p> <p>(5) Concurs with Executive.</p>	<p>(2) Appropriates \$9,190,000 for FY 2014-15.</p> <p>(3) Concurs with Executive.</p> <p>(4) Concurs with Executive.</p> <p>(5) Concurs with Executive.</p>
Sec. 64a Transfer and articulation agreements for post- secondary credit earned in high school	Appropriates \$1,000,000 to districts and ISDs to establish partnerships between high schools, early middle/colleges, public colleges and public universities that develop statewide transfer or articulation agreements to ensure postsecondary credit earned during high school is transcribed and transferable to postsecondary institutions.	Repeals this section.	Concurs with Executive.	Concurs with Executive.	Concurs with Executive.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
NEW Sec. 64b Dual Enrollment Incentive Payments		(1) Appropriates \$1,750,000 for FY 2014-15 in one-time payments to districts that provide dual enrollment options to students in grades 9-12. (2) Includes eligibility criteria for dual enrollment. (3) Payments equal to \$10 per credit hour for up to 3 credits for each student enrolled plus \$30 per pupil per course, if the pupil successfully completes and is awarded both high school and post-secondary credit for the course.	(1) Appropriates \$1,750,000 for FY 2014-15. (2) Concurs with Executive. (3) Adds eligibility criteria for concurrent enrollment. (3) (4) Concurs with Executive.	Appropriates \$1,750,000 for FY 2014-15. (2) Concurs with Executive. (3) Adds eligibility criteria for concurrent enrollment. (3) (4) Concurs with Executive.	Appropriates \$1,750,000 for FY 2014-15. (2) Concurs with Executive. (3) Concurs with House and Senate. (3) (4) Concurs with Executive.
NEW Sec. 64c Career Readiness Study		Appropriates \$250,000 for FY 2014-15 for the MDE to commission an independent third party to conduct a study and prepare a report analyzing the state's current career readiness education system. Requires report by September 30, 2015.	Does not include this section.	Does not include this section.	Appropriates \$250,000 for FY 2014-15. Concurs with Executive.
Sec. 74 Bus Driver Safety and School Bus Inspections	Appropriates \$3,299,000 for FY 2013-14. (2) \$1,625,000 for bus driver safety instruction. (4) \$1,674,000 to reimburse Michigan State Police for doing school bus inspections.	FY 2014-15 total appropriation of \$3,316,500. (2) Maintains funding at \$1,625,000. (4) Increases funding to \$1,691,500 to recognize economic increases for salaries and wages, insurance, and retirement costs totaling \$17,500.	Appropriates \$3,316,500 for FY 2014-15. (2) Allocates \$1,625,000. (4) Allocates \$1,691,500.	Appropriates \$3,316,500 for FY 2014-15. (2) Allocates \$1,625,000. (4) Allocates \$1,691,500.	Appropriates \$3,316,500 for FY 2014-15. (2) Allocates \$1,625,000. (4) Allocates \$1,691,500.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
NEW Sec. 74a Bus Fuel Conversion			Does not include this section.	Appropriates \$5,000,000 for FY 2014-15 for a pilot program to help districts convert school bus fuel from diesel to natural gas. Caps awards at \$8,000 per bus and \$50,000 per district.	Appropriates \$3,000,000 for FY 2014-15. Concurs with Senate but reduces district cap to \$30,000.
Sec. 81 Intermediate School Districts (ISD) General Operations Funding	(1) Appropriates \$64,115,000 for FY 2013-14 for basic operational funding of intermediate districts. (2) Allocates \$62,108,000 based on historical allocations. (4) Provides \$7,000 to recognize the consolidation of Mason-Lake ISD and Oceana ISD into West Shore ISD. Funding will be awarded for 3 years through FY 2014-15. (7) Allocates \$2,000,000 in grants to ISDs equal to 3.2% of their allocation under (2) if they fulfill 5 out of 6 best practices: (a) Develop or implement a consolidation plan to reduce costs. (b) Obtain competitive bids on at least 1 non-instructional service valued at \$50,000 or more for itself or its constituent districts, excluding retirement unfunded liabilities when comparing bids.	(1) Maintains appropriation at \$64,115,000 for FY 2014-15. (2) Maintains allocation of \$62,108,000 for FY 2014-15. (4) Maintains allocation of \$7,000. FY 2014-15 is the last year of funding. (7) (6) Maintains allocation of \$2,000,000 for ISD best practices. (a) No Change (b) No Change	(1) Appropriates \$62,115,000 for FY 2014-15. (2) Allocates \$62,108,000 for FY 2014-15. (4) Allocates \$7,000 for FY 2014-15. (6) Deletes this subsection.	(1) Appropriates \$66,682,000 for FY 2014-15. (2) Increases to \$66,675,000 for FY 2014-15. (4) Allocates \$7,000 for FY 2014-15. (6) Eliminates separate best practices. But keeps (a)(i)(ii)(iv) as a condition for receipt of all funds under this section.	(1) Appropriates \$67,115,000 for FY 2014-15. (2) Increases to \$65,108,000 for FY 2014-15. (4) Allocates \$7,000 for FY 2014-15. (7) (6) Allocates \$2,000,000 and concurs with Executive. Revises to 3.1% of allocation under (2) based on (2) increase. (a) No Change (b) No Change

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 81 Intermediate School Districts (ISD) General Operations Funding (cont.)	<p>(c) Develop or implement a technology plan in accordance with MDE policy on behalf of all of its constituent districts to integrate technology into the classroom and prepare teachers to use digital technology for instruction.</p> <p>(d) Provide to parents and community members a dashboard or report card including specified items demonstrating the ISD's efforts to manage its finances responsibly.</p> <p>(e) Work in a consortium with other ISDs and CEPI to develop local information management system requirements and bid specifications that result in a recommended model that supports interoperability to ensure linkage and connectivity in a manner that facilitates the efficient exchange of data between districts, ISDs, and CEPI.</p> <p>(f) Act as policyholder for health care services benefits. An ISD that does not directly employ its staff or an ISD with a voluntary employee beneficiary association (VEBA) that pays no more than the maximum allowed under PA 152 of 2011 is considered to have met this requirement.</p>	<p>(c) No Change</p> <p>(d) No Change</p> <p>(e) No Change</p> <p>(f) No Change</p>			<p>(c) No Change</p> <p>(d) No Change</p> <p>(e) No Change</p> <p>(f) No Change</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
NEW Sec. 94 Advanced Placement Incentive Program		Supplemental 2014-3 appropriates \$250,000 for FY 2013-14. Appropriates \$250,000 for FY 2014-15 to districts to pay for some or all of Advanced Placement (AP) and International Baccalaureate (IB) test fees for low-income students. Payments estimated at \$20 per test.	PA 116 of 2014 (HB 4295) added \$250,000 for FY 2013-14. Appropriates \$250,000 for FY 2014-15. Concurs with Executive but requires that a student pay at least \$5.00 toward each test.	PA 116 of 2014 (HB 4295) added \$250,000 for FY 2013-14. Appropriates \$250,000 for FY 2014-15. Concurs with Executive but requires that a student pay at least \$5.00 toward each test.	Appropriates \$250,000 for FY 2014-15. Concurs with House and Senate.
Sec. 94a Center for Educational Performance and Information (CEPI)	Appropriates \$9,435,100 GF/GP in FY 2013-14 to support the operations of the CEPI, which is in the Department of Technology, Management, and Budget (DTMB), and for the comprehensive data management and student tracking system. Appropriates \$193,500 in FY 2013-14 from Federal funds. (9) Intent for FY 2014-15 that districts would report to CEPI the number of pupils that have 10 or more unexcused absences in a school year.	Appropriates \$12,022,800 GF/GP for FY 2014-15 to support the longitudinal data system and the MI School Data web portal, which were originally funded with federal funds that are no longer available. Appropriates \$193,500 in Federal funds for FY 2014- 15. (9) Deletes.	Appropriates \$12,022,800 GF/GP for FY 2014-15. Appropriates \$193,500 Federal funds for FY 2014- 15. (9) Concurs with Executive.	Appropriates \$12,022,800 GF/GP for FY 2014-15. Appropriates \$193,500 Federal funds for FY 2014- 15. (9) Concurs with Executive.	Appropriates \$12,022,800 GF/GP for FY 2014-15. Appropriates \$193,500 Federal funds for FY 2014-15. (9) Concurs with Executive.
Sec. 95 Principal Educator Evaluator Training Grants	Appropriates \$500,000 in FY 2013-14 for a grant program to train principals and assistant principals in educator evaluations. MDE must approve the training program and grant awards may not exceed \$350 per participant.	Repeals this section.	Concurs with Executive.	Appropriates \$500,000 for FY 2014-15 and maintains current law.	Concurs with Executive.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
<p>NEW Sec. 95a Educator and Administrator Evaluations</p>		<p>(1) Appropriates \$22,070,000 in SAF and \$5,730,000 GF/GP to implement evaluation systems.</p> <p>(2) Requires RFP for vendors for evaluation tools. Allocates \$22,070,000 to districts and ISDs to implement one of the approved tools.</p> <p>(3) Allocates \$2,700,000 GF/GP to CEPI to develop a mechanism for educators and evaluators to edit and verify educator-student rosters necessary for local calculations of student growth.</p> <p>(4) Allocates \$3,030,000 GF/GP for value-added modeling, procuring an electronic reporting system that integrates observation tool data and value-added modeling data, and for pilots of alternative evaluations with districts for student populations that cannot be evaluated by the implemented evaluation system.</p>	<p>Appropriates a placeholder of \$100 for implementing evaluation systems if the Legislature adopts one.</p>	<p>Does not include this section.</p>	<p>Appropriates \$12,100,000 SAF and \$2,700,000 into the Educator Evaluation Reserve Fund and prohibits expenditures until House Bills 5223 and 5224 have been enacted.</p> <p>Requires MDE to submit a spending plan to the State Budget Office before spending funds.</p>
<p>NEW Sec. 97 Teacher Prep for Educating Urban Students</p>			<p>Adds \$100 placeholder for a district working with a postsecondary institution that provides a program specializing in educating children in urban schools.</p>	<p>Not included.</p>	<p>Concurs with Senate.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
<p>Sec. 98 Michigan Virtual University (MVU)</p>	<p>Appropriates \$9,387,500 GF/GP to MVU in FY 2013 - 14.</p> <p>(2) Requires MVU to establish the Michigan Virtual Learning Research Institute with proscribed objectives.</p>	<p>Maintains the appropriation of \$9,387,500 GF/GP for FY 2014-15.</p> <p>(2)(a)(iii) Deletes the objective to research, design, and recommend competency-based online assessments.</p> <p>(2)(b)(iv) Deletes requirement to recommend guidelines and standards for a new teacher endorsement credential for digital learning and replaces with “support implementation and improvements” related to effective digital learning instruction.</p> <p>(2)(b)(ix) Changes requirement for MVU to “provide” to “support” reviews of online courses.</p> <p>(2)(b)(ix)(B) Revises online course catalog requirement to report the number of “pupils who successfully completed” to “enrollments that earned 60 percent or more of total course points”</p> <p>(2)(b)(x) Adds that MVU must collaborate with key stakeholders to examine the need for incorporating registration, payment services, and transcript functionality to the statewide catalog.</p>	<p>Reduces appropriation to \$7,387,500 GF/GP for FY 2014-15.</p> <p>(2)(a)(iii) Concurs with Executive.</p> <p>(2)(b)(iv) Concurs with Executive.</p> <p>(2)(b)(ix) Concurs with Executive.</p> <p>(2)(b)(ix)(B) Concurs with Executive.</p> <p>(2)(b)(x) Concurs with Executive.</p>	<p>Repeals this section.</p>	<p>Reduces appropriation to \$7,387,500 GF/GP for FY 2014-15.</p> <p>(2)(a)(iii) Concurs with Executive.</p> <p>(2)(b)(iv) Concurs with Executive.</p> <p>(2)(b)(ix) Concurs with Executive.</p> <p>(2)(b)(ix)(B) Concurs with Executive.</p> <p>(2)(b)(x) Concurs with Executive.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 98 Michigan Virtual University (MVU) (cont.)		(2)(b)(xi) Adds that MVU must collaborate with key stakeholders to examine district level accountability and teacher effectiveness issues related to online learning under Sec. 21f and make recommendations and findings publicly available.	(2)(b)(xi) Concurs with Executive.		(2)(b)(xi) Concurs with Executive.
Sec. 99 Math and Science Centers	<p>Appropriates for FY 2013-14 \$2,850,000 SAF, \$375,000 GF/GP, and \$5,249,300 in Federal funds for the funding of 33 math and science centers.</p> <p>(7) Earmarks \$100,000 SAF and \$375,000 GF/GP for the Michigan STEM Partnership to administer a competitive grant program to organizations that provide classroom or extracurricular programs and competitions in science, technology, engineering and mathematics (STEM).</p> <p>(9) Requires MDE to update master plan by September 30, 2013.</p>	<p>Maintains total appropriation but revises fund sources to the following for FY 2014-15:</p> <p>\$2,750,000 SAF; \$475,000 GF/GP; and \$5,249,300 in Federal funds.</p> <p>(7) Revises to fund the entire \$475,000 to the STEM Partnership with GF/GP.</p> <p>Adds that funding may be used to support the goals and mission of the Michigan Stem Partnership.</p> <p>(9) Revises to reflect the next 5-year update by September 30, 2018.</p>	<p>Increases the total appropriation as follows for FY 2014-15:</p> <p>\$2,750,000 SAF; \$975,000 GF/GP; and \$5,249,300 Federal funds.</p> <p>(7) Allocates \$975,000 GF/GP including \$100,000 for the Michigan STEM Partnership administration and increases the total grant funding to \$875,000.</p> <p>Concurs with Executive.</p> <p>(9) Concurs with Executive.</p>	<p>Appropriates the following for FY 2014-15:</p> <p>\$2,750,000 SAF; \$475,000 GF/GP; and \$5,249,300 Federal funds</p> <p>(7) Allocates \$475,000 GF/GP.</p> <p>Concurs with Executive.</p> <p>(9) Maintains current law.</p>	<p>Appropriates the following for FY 2014-15:</p> <p>\$2,750,000 SAF; \$475,000 GF/GP; and \$5,249,300 Federal funds</p> <p>(7) Allocates \$475,000 GF/GP.</p> <p>Concurs with Executive.</p> <p>(9) Concurs with Executive.</p>
NEW Sec. 99b STEM Professional Development				Appropriates \$330,000 for FY 2014-15 for grants to districts to support professional development for teachers in a department-approved program for science, technology, and mathematics instruction.	Appropriates \$330,000 for FY 2014-15 and concurs with Senate.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 99h FIRST Robotics	Appropriates \$3,000,000 for FY 2013-14 to districts for grants for FIRST Robotics programs. Funds could be used for stipends for coaches and program and competition expenses.	Reduces appropriation to \$2,000,000 for FY 2014-15. Deletes the \$1,000,000 caps on each of the three award uses, and makes the funding a work project to allow funds to be used through FY 2016-17.	Appropriates \$2,000,000 for FY 2014-15. Concurs with Executive.	Appropriates \$2,000,000 for FY 2014-15. Concurs with Executive. Adds that a district must submit a spending plan and shall pay at least 25% of the cost of the program.	Appropriates \$2,000,000 for FY 2014-15. Concurs with Executive. Concurs with Senate.
Sec. 101 Instructional Days and Hours	(3) Maintains the minimum required 1,098 instructional hours but increases the minimum required days from 170 to 175 beginning in FY 2014-15. (10) Allows a district to count up to 38 hours of professional development for teachers as pupil instruction toward the required hours under (3). States that professional development will no longer count as instruction beginning in FY 2014-15.	(3) Provides that if a collective bargaining agreement was in place as of June 13, 2013, which was not in compliance with this subsection, then the subsection does not apply until agreement expires. Deletes FY 2012-13 snow day exemption. (10) No Change.	(3) Concurs with Executive and adds a 5% penalty for entering into a contract in conflict after June 30, 2013. (3)(b) Increases the required number of instructional days to 180 days beginning in FY 2016-17, but does not apply to contracts signed as of the effective date of this amendatory act. Concurs with Executive. (10) Concurs with Executive but exempts a district from this change if a bargaining agreement in place by June 13, 2013, provides for professional development qualifying as instructional time.	(3) Concurs with Executive and adds a 5% penalty for entering into a contract in conflict after June 30, 2013. (3)(b) Does not include. Concurs with Executive. (10) Concurs with Executive.	(3) Concurs with House and Senate but revises the date by which a contract had to be in place to July 1, 2013. (3)(b) Concurs with House. Concurs with Executive. (10) PA 116 of 2014 (HB 4295) concurred with House change, which is revised here to apply to contracts beginning July 1, 2013.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 102 Deficits and Deficit Elimination Plans	<p>(1) Prohibits a district or ISD from adopting or operating with a budget deficit. If a district or ISD has a deficit, this section requires that payments under this act are withheld until the district or ISD submits, and the department approves, a deficit elimination plan to eliminate the deficit within two years and the department ensures the current school fiscal year budget is balanced. Requires deficit elimination plan to be posted on district or ISD website.</p> <p>(3) Amount of permissible deficit shall not exceed amount of state aid reduced by an executive order during that school fiscal year.</p> <p>(4) Requires district or ISD with a deficit to submit monthly monitoring reports to MDE.</p>	<p>(1) Revises as follows:</p> <p>(a) District or ISD shall immediately notify the department if a deficit is incurred or a budget with a deficit is adopted.</p> <p>(b) Within 30 days of notifying the department, district or ISD shall submit to MDE and Treasurer a preplan financial report.</p> <p>(c) Department may withhold some or all of money payable under this act, in an amount necessary to incentivize the district or ISD to eliminate its deficit. Deletes two year deficit elimination requirement. Allows for the deficit elimination plan to include an education plan.</p> <p>(d) Department shall release funds after it approves the deficit elimination plan, but no longer requires the current year budget to be balanced for approval.</p> <p>(e) Requires deficit elimination plan to be posted on district or ISD website.</p> <p>(3) Strikes this provision.</p> <p>(4) (3) Adds Treasury as report recipient.</p>	<p>Retains current law.</p> <p>Retains current law.</p> <p>Retains current law.</p>	<p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p>	<p>Concurs with House. (Not included in the bill because no change from current law.)</p> <p>Concurs with House.</p> <p>Concurs with House.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 102 Deficits and Deficit Elimination Plans (cont.)		(5) If Treasury determines a district or ISD is subject to rapidly deteriorating financial circumstances, persistently declining enrollment, or indicators of financial stress likely to result in recurring operating deficits or financial stress, Treasury may require a district or ISD to submit an enhanced deficit elimination plan (DEP) or enter into a financial recovery agreement.	Retains current law.	Concurs with Executive.	Concurs with House.
		(6) Allows Treasury to withhold some or all of state aid funding to incentivize deficit elimination and release funds after approval of enhanced DEP. Treasury must establish period within which district or ISD must eliminate deficit and may set special conditions while enhanced DEP is in place.	Retains current law.	Concurs with Executive.	Concurs with House.
		(7) Enhanced DEP must be posted to district or ISD website.	Retains current law.	Concurs with Executive.	Concurs with House.
		(8) Superintendent and Treasurer must withhold funds until enhanced DEP is approved by Treasury.	Retains current law.	Concurs with Executive.	Concurs with House.
		(9) A district or ISD with an enhanced DEP must submit to MDE and Treasury an enhanced monthly monitoring report on revenue, expenditures, cash flow, liabilities, budget amendments, pupil membership, and other financial data.	Retains current law.	Concurs with Executive.	Concurs with House.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
NEW Sec. 102a Periodic Financial Status Reports		(1) Superintendent or Treasurer may require a district or ISD to submit periodic financial reports if potential financial stress exists, that a deficit may arise within next two fiscal years, or that the district or ISD may be unable to meet its financial obligations.	Not included.	Concurs with Executive.	Concurs with House.
		(3) Periodic financial report may be required to include, but is not limited to, <ul style="list-style-type: none"> - Pupil membership counts and projections - asset sufficiency ratio - operating reserve ratio - operating margin ratio - deficit fund balance ratio - fund balance change ratio - cash flow borrowing ratio - cash flow projection - Comparison of budgeted to actual expenditures - Outstanding accounts payable - Resident and nonresident pupil counts 	Not included.	Concurs with Executive.	Concurs with House.
		(4) District or ISD must allow Treasury access to all financial records and information requested.	Not included.	Concurs with Executive.	Concurs with House.
		(5) Treasury may require a district or ISD to submit an enhanced deficit elimination plan.	Not included.	Concurs with Executive.	Concurs with House.
		(7) District or ISD no longer required to submit periodic financial status reports if the conditions are reversed and when notified by Treasury under (8).	Not included.	Concurs with Executive.	Concurs with House.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
NEW Sec. 102b School Data Analytical Tools			Adds \$3,000,000 to reimburse districts for the costs of a licensing agreement for a school data analytical tool from 1 of 4 MDE-approved vendors.	Not included	Concurs with Senate.
Sec. 104 Assessment Funding	<p>Appropriates \$26,694,400 SAF for FY 2013-14 for reimbursement of costs associated with state student assessment requirements.</p> <p>Appropriates \$8,250,000 in Federal assessment funding for the purposes of complying with Federal NCLB Act.</p>	<p>Increases appropriation to \$33,894,400 SAF in FY 2014-15.</p> <p>Decreases Federal funding to \$6,250,000 for FY 2014-15.</p> <p>See below on Page 44 for Executive (5).</p> <p>(6) Allocates \$3,200,000 to the development or selection of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored.</p>	<p>Appropriates \$26,694,400 SAF for FY 2014-15.</p> <p>Concurs with Executive.</p> <p>(5) Not included.</p> <p>(6) Not included.</p>	<p>Appropriates \$26,694,400 SAF for assessments for FY 2014-15.</p> <p>Concurs with Executive.</p> <p>(5) Allocates \$0 for (a) Converting existing student assessments to online assessments. (b) Providing paper/pencil tests for districts unprepared for online versions. (c) Expanding writing assessments to additional grade levels. (d) Providing more constructed response questions.</p> <p>(6) Allocates \$0 to the development/selection of online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored. Prohibits sharing individually identifiable student data to the federal government.</p>	<p>Appropriates \$41,394,400 SAF for FY 2014-15.</p> <p>Concurs with Executive.</p> <p>(5) Allocates \$8,500,000 for: (a) Converting to online assessments. (b) Providing paper/pencil tests for districts unprepared for online versions. (c) Expanding writing assessments to additional grade levels. (d) Providing more constructed response questions.</p> <p>Transferred from Executive Section 22i (3).</p> <p>(6) Appropriates \$3,200,000 and concurs with Senate.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 104 Assessment Funding (cont.)		(5) Allocates \$4,000,000 from the increased funding for the multi-year development or selection of interim assessments to support local implementation of educator and administrator evaluation system.			(7) Appropriates \$3,000,000 for the purpose of implementing a summative assessment system pursuant to Section 104c.
Sec. 104b Michigan Merit Examination (MME)	(2) Identifies components of the MME. (5) Provides subject area scoring requirements. (6) MME administered between March 1 and June 1. (8) MME length and time is capped at 8 hours.	(2)(a) Deletes the extended writing sample component. (5) Deletes requirement that scoring include scaling and merging of test items for different subject areas. (6) Revises to administer MME during the last 12 weeks of each district's school year. (8) Strikes the 8 hour cap.	(2) Maintains current law. (5) Maintains current law (6) Concurs with Executive. (8) Maintains current law.	(2) Concurs with Executive. (5) Concurs with Executive. (6) Concurs with Executive. (8) Concurs with Executive.	(2) Revises to "shall include 1 or more writing component". (5) Concurs with House. (6) Concurs with Executive. (8) Concurs with House.
NEW Sec. 104c New Assessments			House adds new section to require MDE to develop a new Michigan education assessment program (MEAP) test for 2014-2015 and 2015-2016 for English language arts and math. Requires MDE to implement a new summative test for 2016-2017 with an RFP in place by September 1, 2014.	Senate adds new section to require MDE to develop a new Michigan education assessment program (MEAP) test for 2014-2015 and 2015-2016 for English language arts and math. Requires MDE to implement a new summative test for 2016-2017 with an RFP in place by September 1, 2014.	(2) Concurs with House and Senate but revises to require a new MEAP test for the spring of 2014-2015 only. Requires MDE to implement a new summative test for 2015-2016 with an RFP in place by September 1, 2014. (6) MDE shall seek a waiver or an amendment to an existing waiver from US Department of Education.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 107 Adult Education	<p>Appropriates \$22,000,000 in SAF for FY 2012-13.</p> <p>(4) Distributes funding based on full-time equivalent students capped at a district's allocation from the prior year.</p>	<p>Appropriates \$22,000,000 for FY 2014-15.</p> <p>(4) Deletes current distribution and replaces with the following: Funding to ISDs serving as the fiscal agent for each of the 10 prosperity regions.</p> <p>Uses a 3-year phase-in based on both FY 2013-14 total funding in each prosperity region plus the newly proposed factors:</p> <ul style="list-style-type: none"> - FY 2014-15: 2/3 old method, 1/3 new - FY 2015-16: 1/3 old method, 2/3 new - FY 2016-17: 100% new method <p>New factors for allocations are as follows:</p> <ul style="list-style-type: none"> - 60% based on each region's proportion of the total state population between ages 18-24 that are not high school graduates. - 35% based on each region's proportion of the total state population ages 25 or older that are not high school graduates. - 5% based on each region's proportion of the total state population ages 18 or older lacking basic English proficiency. 	<p>Appropriates \$22,000,000 for FY 2014-15.</p> <p>(4) Concurrs with Executive but prohibits funds from being used for administrative purposes.</p> <p>Concurrs with Executive.</p> <p>Concurrs with Executive.</p>	<p>Appropriates \$22,000,000 for FY 2014-15.</p> <p>(4) Maintains current law.</p> <p>Maintains current law.</p> <p>Maintains current law.</p>	<p>Appropriates \$22,000,000 for FY 2014-15.</p> <p>(4) Concurrs with Executive but caps administrative funds to 5% of funds. Requires department to ensure that the number of individuals served is at least as many as in FY 2013-14.</p> <p>Concurrs with Executive.</p> <p>Concurrs with Executive.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 107 Adult Education (cont.)	(5) Proportionally reallocates any funding available from a provider that decides not to operate a program to other providers.	(5) Deletes current language and replaces with the following: To be eligible an ISD must work with advisory groups and workforce development boards to develop a regional strategy to align programs and services into an effective delivery system and to create a local process and criteria to identify eligible adult education providers to receive funds based on location, demand for services, and cost to provide services. Process and criteria must be approved by the department.	(5) Concurs with Executive.	(5) Maintains current law.	(5) Concurs with Executive.
	(6) Allocates \$2,850 per full-time equated participant.	(6) Revises to "shall not exceed" \$2,850.	(6) Concurs with Executive.	(6) Concurs with Executive.	(6) Concurs with Executive.
	(11) A provider shall receive payments based 90% on enrollment and 10% on completion of basic adult education objectives by achieving - At least 1 grade level of proficiency in reading or math; - Basic English proficiency; - Obtaining GED or passing 1 or more GED tests; - Attaining a high school diploma; - Or for completion of course and demonstrated proficiency.	(11) Revises to 75% on enrollment and 25% on participant completion by achieving the revised objectives: - An education gain as defined by the national reporting system levels - Basic English proficiency; - Obtaining GED or passing 1 or more GED tests; - Attaining a high school diploma; - For enrollment in a postsecondary institution; - Or for entry or retainment of employment.	(11) Concurs with Executive.	(11) Maintains current law.	(11) Concurs with Executive.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 147 Retirement Contribution Rate	<p>Provides retirement rates separated into seven different subgroups based on hire date and benefit and contribution choices made under PA 300 of 2012.</p> <p>The maximum employer contribution capped rate ranges for the seven subgroups are below:</p> <p>FY 14: 20.96% - 24.79%</p> <p>FY 15: 20.96% - 25.78%</p> <p>The retirement rates for FY 2013-14 reflect an amortization period of 25 years.</p>	<p>Reduces the employer capped rate by 1.2 percentage points to recognize rolling in Sec. 147a funds:</p> <p>FY 15: 19.76% - 24.58%</p> <p>The retirement rates for FY 2014-15 reflect an amortization period of 24 years.</p>	<p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p>	<p>Does not reduce the cap.</p> <p>FY 15: 20.96% - 25.78%</p> <p>Concurs with Executive.</p>	<p>Concurs with Senate.</p> <p>FY 15: 20.96% - 25.78%</p> <p>Concurs with Executive.</p>
Sec. 147a MPSERS Cost Offset	<p>Appropriates \$100,000,000 for FY 2013-14 to offset a portion of MPSERS costs, based on each district's share of MPSERS payroll in the preceding fiscal year.</p>	<p>Repeals this section (Rolls funding into Sec. 147c.)</p>	<p>Concurs with Executive.</p>	<p>Repeals this section.</p>	<p>Appropriates \$100,000,000 and maintains current law.</p>
Sec. 147b MPSERS Retirement Obligation Reform Reserve Fund	<p>Directs the funds collected in FYs 2010-11 and 2011-12 for the employee 3% contributions for retiree health care, being held in escrow pursuant to a court injunction, to be deposited into the MPSERS reserve fund for the purposes of funding health care unfunded liabilities if the injunction is lifted.</p>	<p>(6) Transfers an additional \$50,000,000 from the School Aid Fund to the MPSERS reserve fund.</p>	<p>(6) Concurs with Executive.</p>	<p>Maintains current law with no additional deposit into the reserve.</p>	<p>Concurs with Senate.</p>

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 147c. MPSERS Prefunding - Unfunded Accrued Liability Payment	<p>Appropriates a total of \$404,600,000 to pay for the MPSERS unfunded accrued liability (UAL) that exceeds the maximum rate charged to MPSERS employers as required under the Public School Employees' Retirement Act, MCL 38.1341.</p> <p>Fund sources include: \$253,300,000 SAF and \$150,000,000 from the MPSERS reserve for district and ISD liabilities.</p> <p>(2) \$1,300,000 GF/GP for Library liabilities.</p>	<p>Increases the total appropriation to \$783,944,000 for FY 2014-15. Increase based on actuarial estimates for the state share of UAL costs (\$674,700,000) plus the transfer of \$100,000,000 from Sec. 147a to reduce the capped employer rate for the UAL from 20.96% to 19.76% for districts. Adds an additional \$9,244,000 to cover a comparable 1.2 percentage point UAL reduction for ISDs.</p> <p>Fund sources: \$765,944,000 SAF and \$18,000,000 from the MPSERS reserve.</p> <p>(2) Transfers library costs to the MDE budget.</p>	<p>Increases the total appropriation to \$783,944,000 for FY 2014-15. Increase based on actuarial estimates for the state share of UAL costs (\$674,700,000) plus the transfer of \$100,000,000 from Sec. 147a to reduce the capped employer rate for the UAL from 20.96% to 19.76% for districts. Adds an additional \$9,244,000 to cover a comparable 1.2 percentage point UAL reduction for ISDs.</p> <p>Fund sources: \$765,944,000 SAF and \$18,000,000 from the MPSERS reserve.</p> <p>(2) Concurs with Executive.</p>	<p>Increases the total appropriation to \$674,700,000 for FY 2014-15 based on actuarial estimates for the state share of UAL costs.</p> <p>Fund sources: \$656,700,000 SAF and \$18,000,000 from the MPSERS reserve.</p> <p>(2) Concurs with Executive.</p> <p>(2) Calculates an average per pupil under this section of \$441 per pupil and a range for districts between \$4 and \$1,400 per pupil.</p>	<p>Concurs with Senate.</p> <p>Concurs with Senate.</p> <p>(2) Concurs with Executive.</p> <p>(2) Concurs with Senate.</p> <p>(7) Requires the MDE to publish an estimated rate cap per pupil for each district by October 20, 2014.</p>
NEW Sec. 147d MPSERS Early Retirement Incentive Extra Payment					Appropriates \$108,000,000 for FY 2014-15 to make a one-time extra payment toward the MPSERS early retirement incentive costs from the 2010 early retirement.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Sec. 152a Adair Data collection and reporting costs	Appropriates \$38,000,500 for FY 2013-14 to reimburse districts for data collection and reporting costs as required in <i>Adair v. State of Michigan</i> .	Maintains appropriation of \$38,000,500 for FY 2014-15.	Appropriates \$38,000,500 for FY 2014-15.	Appropriates \$38,000,500 for FY 2014-15.	Appropriates \$38,000,500 for FY 2014-15.
Sec. 161 Violation of the Act	Provides that a school official or board member who neglects or refuses to do something required by the act or violates the act is guilty of a misdemeanor punishable by imprisonment for up to 90 days and/or a fine of up to \$1,500.	Adds that this penalty is in addition to all other financial penalties otherwise specified in this article.	Concurs with Executive.	Concurs with Executive.	Concurs with Executive.
Sec. 163 Prohibits hiring of non- certificated teachers and counselors	(3) Provides that a school official who knowingly employs non-certificated personnel after MDE notification is guilty of a misdemeanor punishable by a fine of up to \$1,500 for each instance.	Adds that this penalty is in addition to all other financial penalties otherwise specified in this article.	Concurs with Executive.	Concurs with Executive.	Concurs with Executive.
NEW Sec. 164f. Diesel Fuel Procurement			Not Included.	Allows a district or ISD to use funds received under this Act to enter into a swap, hedge, derivative, or similar agreement to procure diesel fuel. Caps the amount used in this way to 25% of a district's budget for diesel fuel.	Concurs with Senate.
Sec. 168 Audits	Requires district or ISD to allow MDE access to audit all records for a program for which it receives funds under this act.	Expands this requirement to cover funds received during the previous three fiscal years.	Concurs with Executive.	Concurs with Executive.	Concurs with Executive.

SECTION	CURRENT LAW (As of February 5, 2014)	EXECUTIVE RECOMMENDATION	HOUSE (HB 5314)	SENATE (SB 775)	CONFERENCE
Technical Adjustments	N/A	Includes date changes and other technical adjustments throughout the bill.	Includes date changes and other technical adjustments throughout the bill.	Includes date changes and other technical adjustments throughout the bill.	Includes date changes and other technical adjustments throughout the bill.
Enacting Section 1 State Spending and Payments to Locals	N/A	FY 2014-15 total state spending from state sources is \$11,988,976,900 and payments to locals are \$11,833,379,100.	FY 2014-15 total state spending from state sources is \$11,973,067,600 and payments to locals are \$11,803,732,300.	FY 2014-15 total state spending from state sources is \$11,969,271,600 and payments to locals are \$11,823,311,300.	FY 2014-15 total state spending from state sources is \$12,062,162,900 and payments to locals are \$11,905,777,600.
Enacting Section 2 Repeals Sections as of October 1, 2014.	N/A	Repeals the following sections: 22c - FY 2013-14 equity payment 22k – Student Centric Grants 64a – High School/Postsecondary Credit Transfers 82 – Model Intervening Program for K-3 95 – Principal Educator Evaluator Training 147a – MPSERS Cost Offset 166 – Penalty for Dispensing Family Planning Drugs or Devices/Abortion Referrals	Repeals the following sections: 22c - FY 2013-14 equity payment 22k – Student Centric Grants 64a – High School/Postsecondary Credit Transfers 82 – Model Intervening Program for K-3 95 – Principal Educator Evaluator Training 147a – MPSERS Cost Offset	Repeals the following sections: 22c - FY 2013-14 equity payment 22f – Best Practices Grants 22g – Consolidation Grants 22j – District Performance Grants 22k – Student Centric Grants 64a – High School/Postsecondary Credit Transfers 82 – Model Intervening Program for K-3 98 – Michigan Virtual University 147a – MPSERS Cost Offset	Repeals the following sections: 22k – Student Centric Grants 64a – High School/Postsecondary Credit Transfers 82 – Model Intervening Program for K-3 95 – Principal Educator Evaluator Training
Enacting Section 3 Effective Date			Effective date is October 1, 2014; however, gives immediate effect to Section 104c.	Effective date is October 1, 2014; however, gives immediate effect to Section 104c.	Effective date is October 1, 2014; however, gives immediate effect to Sections 11, 22i, 41, 101, and 104c.