

Senate Fiscal Agency
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FY 1999-2000 Year-to-Date Gross Appropriation \$10,160,831,200

Changes from FY 1999-2000 Year-to-Date:

Items Included by the Senate and House

- 1. **Database for Education and Performance Information (DEPI).** The Senate and House concur with the Executive's recommendation for a new program designed to improve the quality and use of information by combining and centralizing currently available school district data and reports and creating a single, comprehensive database containing all school-related data. 10,000,000

Conference Agreement on Items of Difference

- 2. **Foundation Allowance.** The Senate and House include a reduction in the appropriation to reflect lower than estimated pupils actually enrolled in FY 1999-2000 and the changes in local property tax values. The basic and minimum foundation allowance increase to \$5,700 per pupil. (98,332,000)
- 3. **Supplemental Payments to Hold Harmless Districts.** The Senate and House include additional appropriations to fully fund supplemental payments to hold harmless districts to ensure they receive their entire foundation allowances. 7,400,000
- 4. **Special Education.** The Senate and House include a reduction in the special education appropriation due to actual costs being lower than previously estimated. (7,011,000)
- 5. **Teacher Technology.** The House included full funding of the Executive-proposed teacher technology initiative. The Conference Report concurs with the House 110,000,000
- 6. **Golden Apples.** The House included funding of the Executive-proposed Golden Apples Program. The Conference Report concurs with the House. 8,000,000
- 7. **TANF Summer Enrichment Program.** The House included funding of the Executive-proposed family opportunity project and the Conference Report concurs. 10,000,000
- 8. **Revolving Fund.** The House funded a program at \$220,000,000 to allow cash flow borrowing by cash-strapped districts. The Conference Report funds this at \$50,000,000 50,000,000
- 9. **Other Changes.** The Conference Report includes miscellaneous adjustments in appropriations for school lunch programs, ISD vocational education millage equalization, and reimbursement to ISDs for losses in revenue due to changes in taxable values. (58,900)

Total Changes \$89,998,100

FY 1999-2000 Conference Report Gross Appropriation \$10,250,829,300

Amount Over/(Under) GF/GP Target: \$0



Changes from FY 1999-2000 Year-to-Date:Items Included by the Senate and House

1. **Non-Resident Pupils in a First Class School District.** Retains language requiring the permission of a first class district before counting nonresident pupils in the educating district if the pupils are residents of the first class district and the instructional site is located within the first class district. (Sec. 6(6)(j))
2. **General Fund Lapses.** New language is added requiring unexpended general fund allocations, except Renaissance Zone dollars, to lapse to the School Aid Fund. (Sec. 11(4))
3. **Foundation Allowance Reduction.** The Senate and House included language stating that each district's foundation allowance may be reduced if the Kids First! Yes! Constitutional Amendment is passed. (Sec. 20(20))
4. **Day of Pupil Instruction.** The Senate and House **do not concur** with the Executive recommendation of the requirement that a full day of instruction will not be counted unless at least 5.0 hours of pupil instruction are held. (Sec. 101(11))
5. **Non-Resident Schools of Choice Pupils.** Proposal adds language to the schools of choice Sections (105 and 105c) that guarantees students enrolled in a choice program under those sections to continue to enroll in that choice district until the pupil graduates from high school, even if the enrolling district discontinues offering a schools of choice program.
6. **Certificated Teachers and Counselors.** Proposal allows the use of non-certificated teachers and counselors only for the purposes of the Adult Learning program under Section 108. (Sec. 163)

Conference Agreement on Items of Difference

7. **Three-Year Blend.** The Conference Report concurs with the House to include a section that allows districts with less than 1,550 pupils to average their three most recent memberships, if their enrollment is declining. (Sec. 6(4)(Y))
8. **Recalculation of Foundation Allowance.** Conference Report includes language specifying that for a district whose 7.75 mills were not renewed from FY 1992-93 to FY 1993-94, the district's future foundation allowances shall be calculated as if its FY 1994-95 foundation allowance had been built off of its FY 1993-94 combined State and local revenue plus the value of the mills renewal. (Sec. 20(18))
9. **Transfer of Foundation Allowance.** The Conference Report concurs with the House to allow for foundation allowance funding to "follow the student" if they attend a different district after the count day (additional provisions apply). (Sec. 25B)
10. **Early Childhood.** The Conference Report increases the per pupil school readiness grant from \$3,100 to \$3,300 beginning in FY 2000-01. (Sec. 39)
11. **Hours of Pupil Instruction.** The Conference Report includes the 51 hour increase for FY 2000-01, but stops the increases in hours of instruction beginning in FY 2001-02. (Sec. 101(3))
12. **State-Wide Schools of Choice.** Conference Report allows for schools of choice within contiguous intermediate districts, and allows Statewide choice for the purposes of enrolling in the Michigan Virtual High School. (Sec. 105c)

Date Completed: 06-20-00

Fiscal Analyst: J. Carrasco
K. Summers-Coty

FY 2000-01 Year-to-Date Gross Appropriation	\$10,599,374,600
Changes from FY 2000-01 Year-to-Date:	
<u>Items Included by the Senate and House</u>	
1. Foundation Allowance. The Senate and House concur with the Governor in recommending the elimination of funding in Section 20 and adding language stating this Section will now be used for calculation purposes only to determine payments under new Section 22B.	(8,906,496,200)
2. Proposal A Obligation Payment. The Senate and House recommend creating Section 22A for the purposes of making the first payment under the new three-part payment method. Districts will be paid their 1994-95 foundation allowances for each pupil in membership (both general education and special education pupils) in the current year.	7,181,000,000
3. Special Education. The Senate and House recommend a reduction in the special education appropriation due to anticipated costs being lower than previously estimated, fewer than anticipated special education pupils, and the change to the new payment method. Payments to districts for special education beginning in FY 2000-01 will be paid from new Section 51C. This will be the second payment under the new three-part payment method.	(75,280,700)
4. Discretionary Payment. The Senate and House include Section 22B, which will fund the third payment and is the difference between the amount a district would have received under the current funding method and the sum of the new Proposal A obligation payments and the new special education payments.	1,811,000,000
5. Adult Learning Program. The Senate and House concur in creating this program but funding is reduced to \$20,000,000; current adult education remains funded at \$80,000,000.	20,000,000
<u>Conference Agreement on Items of Difference</u>	
6. Special Payment for Detroit Schools. The Senate proposed an additional payment to the Detroit Public Schools equal to \$15,000,000. The Conference Report appropriates \$15,000,000 for per pupil grants to districts that have been taken over.	15,000,000
7. Reading Intervention Grants. The Conference Report includes additional funding, of which \$15,000,000 will be paid on an equal per special education FTE basis to districts with at least 10% of their total membership classified as special education students; \$5,000,000 for grants to 8 regional literacy centers; \$2,500,000 for reading kits; \$2,500,000 for grants to higher education institutions concentrating on autism-impaired students; and \$50,000,000 for competitive grants to eligible districts for reading improvement programs.	70,250,000
8. Early Childhood. The Conference Report increases funding by \$17,600,000 for the expansion of the program to unserved children. An additional \$15,000,000 is appropriated to convert more of the current half-day programs to full-day programs.	32,600,000
9. New Programs and Other Changes. The Conference Report includes \$34,000,000 for infrastructure grants, \$18,000,000 for construction interest waivers, \$8,000,000 for Golden Apples, \$45,000,000 for parenting education, additional \$10,000,000 for class size grants, \$38,000,000 for summer school, \$10,000,000 for school counselors, \$10,000,000 for professional development, \$15,000,000 for the Virtual High School, and miscellaneous adjustments.	217,987,300
Total Changes	\$366,060,400
FY 2000-01 Conference Report Gross Appropriation	\$10,965,435,000

Amount Over/(Under) GF/GP Target: \$0

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.



Changes from FY 1999-2000 Year-to-Date:Items Included by the Senate and House

1. **Non-Resident Pupils in a First Class School District.** Retains language requiring the permission of a first class district before counting nonresident pupils in the educating district if the pupils are residents of the first class district and the instructional site is located within the first class district. (Sec. 6(6)(j))
2. **General Fund Lapses.** New language is added requiring unexpended general fund allocations, except Renaissance Zone dollars, to lapse to the School Aid Fund. (Sec. 11(4))
3. **Foundation Allowance Reduction.** The Senate and House included language stating that each district's foundation allowance may be reduced if the Kids First! Yes! Constitutional Amendment is passed. (Sec. 20(20))
4. **Day of Pupil Instruction.** The Senate and House **do not concur** with the Executive recommendation of the requirement that a full day of instruction will not be counted unless at least 5.0 hours of pupil instruction are held. (Sec. 101(11))
5. **Non-Resident Schools of Choice Pupils.** Proposal adds language to the schools of choice Sections (105 and 105c) that guarantees students enrolled in a choice program under those sections to continue to enroll in that choice district until the pupil graduates from high school, even if the enrolling district discontinues offering a schools of choice program.
6. **Certificated Teachers and Counselors.** Proposal allows the use of non-certificated teachers and counselors only for the purposes of the Adult Learning program under Section 108. (Sec. 163)

Conference Agreement on Items of Difference

7. **Three-Year Blend.** The Conference Report concurs with the House to include a section that allows districts with less than 1,550 pupils to average their three most recent memberships, if their enrollment is declining. (Sec. 6(4)(Y))
8. **Recalculation of Foundation Allowance.** Conference Report includes language specifying that for a district whose 7.75 mills were not renewed from FY 1992-93 to FY 1993-94, the district's future foundation allowances shall be calculated as if its FY 1994-95 foundation allowance had been built off of its FY 1993-94 combined State and local revenue plus the value of the mills renewal. (Sec. 20(18))
9. **Transfer of Foundation Allowance.** The Conference Report concurs with the House to allow for foundation allowance funding to "follow the student" if they attend a different district after the count day (additional provisions apply). (Sec. 25B)
10. **Early Childhood.** The Conference Report increases the per pupil school readiness grant from \$3,100 to \$3,300 beginning in FY 2000-01. (Sec. 39)
11. **Hours of Pupil Instruction.** The Conference Report includes the 51 hour increase for FY 2000-01, but stops the increases in hours of instruction beginning in FY 2001-02. (Sec. 101(3))
12. **State-Wide Schools of Choice.** Conference Report allows for schools of choice within contiguous intermediate districts, and allows Statewide choice for the purposes of enrolling in the Michigan Virtual High School. (Sec. 105c)

Date Completed: 06-20-00

Fiscal Analyst: J. Carrasco
K. Summers-Coty

FY 2000-01 Year-to-Date Gross Appropriation	\$10,965,435,000
Changes from FY 2000-01 Year-to-Date:	
<u>Items Included by the Senate and House</u>	
1. Proposal A Obligation Payment. The Senate and House decrease funding for the Proposal A Obligation Payment in FY 2001-02 due to an increase in projected taxable values. Again, this is the first payment of the three-part payment method equivalent to each district's 1994-95 foundation allowance multiplied by current-year total pupils.	(97,800,000)
2. Special Education. The Senate and House concur with an increase in the special education appropriation over the prior year due to anticipated higher costs. Payments to districts for special education will be paid from Section 51C. This is the second part of the payment under the three-part payment method. Intermediate districts (ISDs) will continue to be paid under Sec. 51a as they are currently.	59,740,000
3. Discretionary Payment. The Senate and House increase the appropriation due to the five percent increase in the basic foundation allowance over the prior year. Again, this Section funds the third payment under the new method and is the amount a district would have received under the current funding method minus the sum of the Proposal A obligation payment and the special education payment.	513,000,000
4. At-Risk. The Senate and House increase funding corresponding to the increase in the basic foundation allowance and remove the proration projected to occur in this section.	15,200,000
5. Early Childhood. The Senate and House increase funding by \$5,000,000 over the prior year for further expansion of wrap-around services and full-day programs.	5,000,000
<u>Conference Agreement on Items of Difference</u>	
6. Foundation Allowance. The Senate set the basic foundation allowance for FY 2001-02 at \$6,280 per pupil; a 5.0% increase over FY 2000-01. The House increased that amount to \$6,300 per pupil and added an equity payment of up to \$200 making the basic foundation allowance \$6,500 per pupil. The Conference Committee adopted the House changes.	N/A
7. Equity Payment. The Senate included an equity payment of \$32 in FY 2002-03 to bring the minimum foundation allowance to \$6,500 per pupil. The House increased this payment to \$200 per pupil and made the payment in FY 2001-02. The Conference Report includes an equity payment of up to \$200 to ensure that all districts in FY 2001-02 have a calculated foundation allowance of at least \$6,500 per pupil.	129,000,000
8. New Programs and Other Changes. The Conference Report includes miscellaneous adjustments in ISD operations, school lunch, millage equalizations, accreditation and the Virtual High School, and eliminates the \$15 million payment to Detroit.	(14,471,700)
Total Changes	\$609,668,300
FY 2001-02 Conference Report Gross Appropriation	\$11,575,103,300

Amount Over/(Under) GF/GP Target: \$0

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.



Changes from FY 1999-2000 Year-to-Date:Items Included by the Senate and House

1. **Non-Resident Pupils in a First Class School District.** Retains language requiring the permission of a first class district before counting nonresident pupils in the educating district if the pupils are residents of the first class district and the instructional site is located within the first class district. (Sec. 6(6)(j))
2. **General Fund Lapses.** New language is added requiring unexpended general fund allocations, except Renaissance Zone dollars, to lapse to the School Aid Fund. (Sec. 11(4))
3. **Foundation Allowance Reduction.** The Senate and House included language stating that each district's foundation allowance may be reduced if the Kids First! Yes! Constitutional Amendment is passed. (Sec. 20(20))
4. **Day of Pupil Instruction.** The Senate and House **do not concur** with the Executive recommendation of the requirement that a full day of instruction will not be counted unless at least 5.0 hours of pupil instruction are held. (Sec. 101(11))
5. **Non-Resident Schools of Choice Pupils.** Proposal adds language to the schools of choice Sections (105 and 105c) that guarantees students enrolled in a choice program under those sections to continue to enroll in that choice district until the pupil graduates from high school, even if the enrolling district discontinues offering a schools of choice program.
6. **Certificated Teachers and Counselors.** Proposal allows the use of non-certificated teachers and counselors only for the purposes of the Adult Learning program under Section 108. (Sec. 163)

Conference Agreement on Items of Difference

7. **Three-Year Blend.** The Conference Report concurs with the House to include a section that allows districts with less than 1,550 pupils to average their three most recent memberships, if their enrollment is declining. (Sec. 6(4)(Y))
8. **Recalculation of Foundation Allowance.** Conference Report includes language specifying that for a district whose 7.75 mills were not renewed from FY 1992-93 to FY 1993-94, the district's future foundation allowances shall be calculated as if its FY 1994-95 foundation allowance had been built off of its FY 1993-94 combined State and local revenue plus the value of the mills renewal. (Sec. 20(18))
9. **Transfer of Foundation Allowance.** The Conference Report concurs with the House to allow for foundation allowance funding to "follow the student" if they attend a different district after the count day (additional provisions apply). (Sec. 25B)
10. **Early Childhood.** The Conference Report increases the per pupil school readiness grant from \$3,100 to \$3,300 beginning in FY 2000-01. (Sec. 39)
11. **Hours of Pupil Instruction.** The Conference Report includes the 51 hour increase for FY 2000-01, but stops the increases in hours of instruction beginning in FY 2001-02. (Sec. 101(3))
12. **State-Wide Schools of Choice.** Conference Report allows for schools of choice within contiguous intermediate districts, and allows Statewide choice for the purposes of enrolling in the Michigan Virtual High School. (Sec. 105c)

Date Completed: 06-20-00

Fiscal Analyst: J. Carrasco
K. Summers-Coty

FY 2001-02 Year-to-Date Gross Appropriation	\$11,575,103,300
Changes from FY 2001-02 Year-to-Date:	
<u>Items Included by the Senate and House</u>	
1. Proposal A Obligation Payment. The Senate and House decrease funding for the Proposal A Obligation Payment in FY 2001-02 corresponding to an increase in projected taxable values. Again, this is the first payment of the three-part payment method equivalent to each district's 1994-95 foundation allowance multiplied by current-year total pupils.	(84,000,000)
2. Special Education. The Senate and House increase the special education appropriation over the prior year due to anticipated higher costs. Payments to districts for special education will be paid from Section 51C, which states that districts will receive 28.6138% of total approved costs of special education and 70.4165% of total approved costs of special education transportation costs. This is the second part of the payment under the three-part payment method. Intermediate districts (ISDs) will continue to be paid under Sec. 51a as they are currently.	57,950,000
3. Discretionary Payment. The Senate and House increase the appropriation due to the three percent increase in the basic foundation allowance over the prior year. Again, this Section funds the third payment under the new method and is the amount a district would have received under the current funding method minus the sum of the Proposal A obligation payment and the special education payment.	481,000,000
4. At-Risk. The Senate and House increase funding corresponding to the proposed increase in the basic foundation allowance and removes the proration projected to occur in this section.	9,895,200
5. Early Childhood. The Senate and House concur with the Executive to increase funding by \$5,000,000 over the current year for further expansion of wrap-around services and full-day programs	5,000,000
<u>Conference Agreement on Items of Difference</u>	
6. Foundation Allowance. The Senate set the basic foundation allowance for FY 2002-03 at \$6,468 per pupil; a 3.0% increase over FY 2001-02, while the House increased the basic foundation allowance further to \$6,700, a 3% increase as well. The Conference Committee adopted the House changes.	N/A
7. Other Changes. The Conference Report removes the one-time funding for the equity payment in the previous year, increases summer school funding, increases funding for accreditation, and makes miscellaneous adjustments for school lunch, ISD operations, and the DEPI program.	(107,974,700)
Total Changes	\$361,870,500
FY 2002-03 Conference Report Gross Appropriation	\$11,936,973,800

Amount Over/(Under) GF/GP Target: \$0



Changes from FY 1999-2000 Year-to-Date:Items Included by the Senate and House

1. **Non-Resident Pupils in a First Class School District.** Retains language requiring the permission of a first class district before counting nonresident pupils in the educating district if the pupils are residents of the first class district and the instructional site is located within the first class district. (Sec. 6(6)(j))
2. **General Fund Lapses.** New language is added requiring unexpended general fund allocations, except Renaissance Zone dollars, to lapse to the School Aid Fund. (Sec. 11(4))
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12. **State-Wide Schools of Choice.** Conference Report allows for schools of choice within contiguous intermediate districts, and allows Statewide choice for the purposes of enrolling in the Michigan Virtual High School. (Sec. 105c)

Date Completed: 06-20-00

Fiscal Analyst: J. Carrasco
K. Summers-Coty