



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2003-04 Year-to-Date Gross Appropriation	\$12,375,969,000
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Changes from FY 2003-04 Year-to-Date:

Items Included by the Senate and House

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| 1. FY 2003-04 Proration. The budget restores the full amount of the FY 2003-04 proration. | 131,100,000 |
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Conference Agreement on Items of Difference

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| 2. School Bond Loan Fund. The conference committee concurs with the Senate for increased SBLF payment costs and does not include the House's \$100 item-of-difference. | 12,800,000 |
| 3. Proposal A Obligation Payment. The House further reduced this line item to reflect changes in pupil counts, taxable value estimates, and consensus revenue estimates. The House and Senate retained the current 80/20 blended pupil membership count. The conference committee adopts a 75-25 blended pupil count. | (86,322,200) |
| 4. Discretionary Payment. The Senate and House increased this item to account for changes in pupil counts and consensus revenue estimates, and the House also included supplemental payments for the Wyandotte and Garden City school districts for millage revenue disputes. The conference committee increases overall funding and does not include the Wyandotte and Garden City supplemental payments. The conference committee also retains the supplemental funding of \$15 million for Detroit Schools. | 38,300,000 |
| 5. Renaissance Zones. The Senate concurred with the Governor's recommendation to increase funding to account for taxable value changes. The House further increased funding to provide reimbursement to two entities as a result of overpayments in two renaissance zones. The conference committee concurs with the Senate. | 6,240,000 |
| 6. School Lunch – State and Federal. Due to the revision of estimated available dollars after Senate passage, the House and conference committee concur with the revised Executive Recommendation to decrease the State portion of funding by \$204,900 due to decreased costs and to increase the available Federal funding for this line item by \$14,369,000. | 14,164,100 |
| 7. Federal No Child Left Behind (NCLB) Grants. The House and conference committee concur with the Revised Governor's Recommendation to decrease the available Federal funding. | (27,643,100) |
| 8. Special Education – State and Federal. The conference committee increases the State portion of funding by \$23,000,000 to account for pupil and taxable value changes and to account for the change to a 75-25 pupil membership blend, and concurs with the House to increase the available Federal portion of funding for this line item by \$49,350,000. | 72,350,000 |
| 9. ISD General Operations. The Senate reduced funding for this item by \$12,500,000 while the House reduced funding by \$12,000,000. The conference committee reduces funding by \$14,000,000 and concurs with the House's recommendation regarding the ISD 0-5 program described in Section 32j, to fund the program at least at the level in FY 2003-04. | (14,000,000) |
| 10. Other items. There were three other items on which the Senate and House differed originally. The conference committee increased funding for Freedom to Learn (\$3,700,000) and the Federal share for Math and Science Centers (\$1,093,600). One item, the Federal portion for CEPI, was decreased by \$311,300. | 4,482,300 |

Total Changes.....	\$151,471,100
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FY 2004-05 Enacted Gross Appropriation.....	\$12,527,440,100
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Changes from FY 2003-04 Year to Date:Items Included by the Senate and House

1. **Blended Membership Count.** The Senate and House did not concur with the Governor's proposed 50-50 blend and retained the current-law blended pupil membership count at 80% weight on the current-year September count plus 20% weight on the prior-year February count. The conference committee changes the blend to 75-25. (Sec. 6(4))
2. **Foundation Allowance.** The conference committee concurs with the Senate, House, and the Governor's Recommendation and maintained the basic foundation allowance at \$6,700 per pupil for FY 2004-05. (Sec. 20(1))
3. **Health Benefits Feasibility Study.** The Senate and House added new language requiring a feasibility study be conducted to determine if a statewide purchasing pool, including public school, community college, and State university employees in State employee group health plans would result in any cost savings. The conference committee does not include this study. (Proposed Sec. 146)

Conference Agreement on Items of Difference

4. **Declining Enrollment.** The Senate and House include declining enrollment grants, but the House also excludes districts that receive funding under a new Section 22d from also receiving declining enrollment allocations. The conference committee concurs with the House. (Sec. 6(4)(y))
5. **"Saving Paradise".** The House includes a new section (not included by the Senate) that would ensure a minimum level of funding to small, rural, and Upper Peninsula or island districts that are not near other schools or accessible by a bridge. The total allocation is capped at \$1,000,000, and the eligible districts include Burt Township, Beaver Island, DeTour, Mackinac Island, and Whitefish Point. The conference committee concurs with the House at \$750,000.(Sec. 22d)
6. **Court-Placed Pupils.** The House includes a change in the funding formula, with a phase in over three years to the new formula based on a per-pupil allocation. In addition, Senate language which allowed new facilities to open only with fair notice is eliminated by the House. The conference committee concurs with the Senate on the "fair notice" language, but does not include the House's formula change. (Sec. 24)
7. **ISD Early Childhood Programs.** The House includes numerous changes to Sec. 32j, including earmarking funds from Sec. 81 rather than a stand-alone appropriation; changing grant application to program plan, including promotion of marriage in the delivery of the program, and allowing ISDs to supplant State funds for this program with local or private funds, as long as the minimum level of funding is at least what was received for this program in FY 2003-04. The conference committee concurs with the House. (Sec. 32j)
8. **Before- and After-School Programs.** The House includes a new section, but no appropriation, to institute these programs where the Department of Education would work with the Family Independence Agency to award competitive grants when funding becomes available. The conference committee concurs with the House. (Sec. 32k)
9. **School Readiness Teacher Qualifications.** The House adds language (not included by the Senate) allowing for school readiness teachers that are employed by subcontractors to have qualifications other than a teaching certificate, mirroring the qualifications in the Department of Education's program. The conf. committee concurs. (Sec. 37)
10. **Professional Development.** The House (not included by the Senate) names Ferris State University as the provider of \$2.7 million in professional development training under Section 98b, Freedom to Learn; current law is silent on the provider. The conference committee concurs with the House, and also names Ferris to run the Freedom to Learn program if the Michigan Virtual University closes. (Sec. 98b)
11. **Adult Education and Pilot Adult Ed Site.** The House includes various new requirements proposed by the Governor (not included by the Senate), some of which are being part of an adult strategic plan, developing individual adult ed plans, and offering job and postsecondary counseling. The House also includes a new section, proposed by the Governor) setting up one pilot site (Capital Area) to be run by Michigan Works! where adult ed grants to existing facilities within that region instead would be pooled and distributed via competitive grants. The House did not adopt the Governor's and Senate's recommended formula change from 90% enrollment/10% completion to 80% enrollment/20% completion. The committee includes 107b with 2 sites for 2005-06, and the 90/10 formula calculation. (Sections 107 and 107b)

Date Completed: 10-6-04

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