

Legislative Analysis



SCHOOL AID ACT REVISIONS

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House Bill 6726 (H-1)
Sponsor: Rep. Gillard
Committee: As Passed Appropriations
Committee Analysis

SUMMARY:

HB 6726 (H-1) would amend the State School Aid Act to make the following corrections to the FY 2008-09 School Aid Budget as passed under PA 268 of 2008:

- Sec. 20 - The bill would correct an error in the formula of the maximum public school academy allocation (PSA) to provide the foundation increase as was intended and to mirror the formula for other districts. The current formula would increase the PSA maximum allocation by \$111 rather than the \$105 on which the current appropriation was based.
- Sec. 20j - The bill would correct an error in the formula that calculates supplemental payments to hold harmless districts. The current formula fails to account for the use of the "2x" formula in FY 2007-08 and provides districts that receive a Section 20j payment an additional \$48 per student above what should be their actual allocations.
- Sec. 32b - The bill would correct amendments made for FY 2008-09 to clarify that the four members appointed by the Governor to the executive committee of the Early Childhood Investment Corporation (ECIC) were in addition to the 15 original ECIC executive committee positions as provided under the interlocal agreement creating the ECIC under the Urban Cooperation Act of 1967 (MCL 124.510 - 124.512).

In addition the bill would require that legislative leaders would have to provide their list of nominees to the Governor within 30 days of the convening of a regular legislative session in an odd-numbered year or within 30 days of a vacancy of one of their nominated members. It would also provide that in the absence of a list of nominees within the allotted time, the Governor could appoint any resident of the state.

FISCAL IMPACT:

The FY 2008-09 School Aid appropriation was based on formulas for sections 20 and 20j as written in HB 6726 (H-1). Failure to correct the formulas would create additional costs in School Aid of approximately \$440,000 related to the PSA maximum and of nearly \$10.3 million for the Section 20j payments.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.