

Legislative Analysis



REVISIONS TO SCHOOL AID ACT

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 926 (Substitute H-1)
Sponsor: Sen. Buzz Thomas
House Committee: Education
Senate Committee: Education

Complete to 12-10-09

A SUMMARY OF HOUSE BILL 5636 SUBSTITUTE H-1:

SB 926 (H-1) would amend the State School Aid Act to do the following:

- Amend **Section 6** to define a school of excellence as established under the Revised School Code and include a school of excellence in the definition of a public school academy.
- Amend **Section 29**, which provides for \$20 million in declining enrollment grants to districts with two consecutive years of declining enrollment, to create a second type of declining enrollment grant.

The creation of schools of excellence would change the distribution of school aid funds among school districts to the extent that students transfer from a school district into a school of excellence. Existing districts would lose per pupil funding for students that transfer to schools of excellence. The bill would amend this section to create a second type of declining enrollment grant specifically for a district in which a school of excellence is operating and the total number of pupils who reside in the district and are attending a school of excellence exceeds 2% of the total pupil membership of the district. Payments of the grant would be as follows:

- For the first full fiscal year that the school of excellence is operating, the grant would equal the number of resident pupils in membership in the school of excellence times 80% of the foundation allowance for the school of excellence.
- For the second full fiscal year that the school of excellence is operating, the grant would equal the number of resident pupils in membership in the school of excellence times 60% of the foundation allowance for the school of excellence.
- For the third full fiscal year that the school of excellence is operating, the grant would equal the number of resident pupils in membership in the school of excellence times 40% of the foundation allowance for the school of excellence.

The bill does not increase the appropriation for Section 29 but provides intent that the appropriation will be increased in the future by an amount necessary to maintain the current level of funding to districts receiving current declining enrollment grants.

The bill is tie-barred to Senate Bill 925.

Fiscal Analysts: Mary Ann Cleary
Bethany Wicksall

■ 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.