



Senate Fiscal Agency
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FY 2003-04 Year-to-Date Gross Appropriation	\$12,696,906,100
Changes from FY 2003-04 Year-to-Date:	
<u>Items Included by the House and Senate</u>	
1. Durant Non-plaintiff Debt Service. This reduction is the result of the refinancing of the existing bonds by the Department of Treasury and thus no payments will be due.	(39,859,000)
2. Renaissance Zones. This line item is increased due to new renaissance zones designated after the prior appropriation as well as updated taxable value changes.	15,086,000
<u>Conference Agreement on Items of Difference</u>	
3. School Bond Loan Fund. Neither the House or the Senate included this payment for debt service for the remaining school district loans with the School Bond Loan Fund.	28,300,000
4. Proposal A Obligation Payment. The House and Senate included reductions reflecting changes in updated pupil and taxable value estimates. The conference report includes an additional reduction of \$27,000,000 to be generated by personal property tax audits.	(137,000,000)
5. ISD 0-5 Grants. The Governor and House both included a new grant for 0-5 year olds. The Senate did not include this grant. The conference report concurs with the Governor.	3,326,000
6. School Readiness. The House maintained full funding while the Senate reduced funding by \$5,871,600. The conference report concurs with the House on funding and retains Senate language to expand the uses of these funds to include preschool and parenting programs.	0
7. Federal No Child Left Behind (NCLB) Grants. The House increased funding by \$13,206,900; Senate increased funding by \$3,075,900. The conference report increases funding by \$29,465,600.	29,465,600
8. Special Education (State and Federal). The House increased only the State portion of funding by \$32,461,100; Senate increased State and Federal funding by \$76,140,900. The conference report Increases State funding by \$29,961,100 and Federal funding by \$50,662,800.	80,623,900
9. Career Preparation. The House eliminated funding for this line item. The Senate appropriated \$10,000,000 (State). The conference report appropriates \$1,000,000 (State).	(20,850,000)
10. Center for Educational Performance and Information. The House appropriated \$3,000,000 (State) and \$1,931,500 (Federal); Senate appropriated \$2,000,000 (State) and \$2,931,500 (Federal). The conference report appropriates \$1,863,400 (State) and \$1,931,500 (Federal), including \$1,500,000 of the State funding for the contract with Standard and Poor's.	(3,062,700)
11. Michigan Virtual High School. The House appropriated \$1,000,000 (State); Senate appropriated \$4,000,000 (State) and \$2,250,000 (Federal). The conference report appropriates \$750,000 (State) and \$2,250,000 (Federal).	(8,584,700)
12. Wireless Technology. The House appropriated \$8,000,000 (State) and \$16,712,700 (Federal); Senate appropriated all \$21,393,100 in Federal funds. The conference report appropriates \$22,000,000 (State) and \$17,343,200 (Federal).	39,343,200
13. Adult Education. The House appropriated \$28,456,700 (State); the Senate appropriated \$19,303,700 (State) and \$20,696,300 (Federal). The conference report appropriates \$20,000,000 all in State funds.	(57,500,000)
14. Partnership for Adult Learning. The House eliminated this line item while the Senate appropriated \$10,000,000 (State). The conference report appropriates \$1,000,000.	(19,000,000)
15. Other Changes. Significant items either reduced or eliminated include: Advanced & Accelerated Pupils (\$4,750,000), Vocational Education (\$1,027,600), Accreditation Assistance (\$2,000,000), Golden Apples (\$1,320,000), ISD general operations (\$3,326,000) and Math and Science Centers (\$5,244,600). Various changes totaling (\$3,349,900) changed due to budgetary constraints.	(21,018,100)
Total Changes	(\$110,729,800)
FY 2003-04 Conference Report Gross Appropriation	\$12,586,176,300
Amount Over/(Under) GF/GP Target:	\$0

Changes from FY 2003-04 Year to Date:Items Included by the House and Senate

1. **Pupil Membership Blend.** The Executive recommended a change in the membership blend from the current-law blend of 20% on prior year February count and 80% current-year September count to a 50% prior-year February count and a 50% current-year September count. The conference report retains current law blend of 80-20. (Sec. 6(4))
2. **Declining Enrollments.** The Executive recommended elimination of the provision that allows certain districts in the lower peninsula with declining enrollments to use a three-year average membership count. The conference report retains this provision and also expands the language to include districts in the upper peninsula. (Sec. 6(4)(y))
3. **School District Consolidation.** Current law gives districts that consolidate a foundation allowance equal to the lesser of \$8,000 or the highest foundation allowance plus \$50. The Executive recommended a new section (Sec. 20L) that would give consolidating districts a foundation allowance equal to the pupil-weighted average of the consolidating districts plus \$10 up to a maximum of \$8,000. The conference report deletes the new section and instead grants a foundation allowance that is the pupil-weighted average of the consolidating districts with no additional per pupil dollar amount. (Sec. 20(10))

Conference Agreement on Items of Difference

4. **School Aid Stabilization Fund.** The conference report creates a new stabilization fund into which excess School Aid Fund dollars shall be deposited for either future use or to avoid a proration. (Sec. 11a)
5. **Proration Language.** Current law requires an across-the-board proration whenever revenues fall short of the amount necessary to fund the enacted appropriations. The conference report adopts Senate language stating that in the future, if a reduction becomes necessary, 95% of that reduction amount shall taken from local school districts on an equal dollar amount per pupil. The remaining 5% of the reduction shall be taken from ISDs on an equal percentage basis. (Sec. 11(4))
6. **General Fund Transfer.** For FY 2002-03, the conference report appropriates an additional \$51,000,000 from the general fund to the school aid fund to avert a further proration in FY 2002-03. (Sec. 11(5))
7. **Basic Foundation Allowance.** The Executive retained the per-pupil basic foundation allowance at the same level as FY 2002-03, \$6,700. The conference report concurs with the Executive and retains the basic foundation of \$6,700. The House reduced small class size grants that were rolled into recipient districts' foundation allowances by 24.75% as well as unrolling and eliminating 100% of the grant that was rolled into the foundation allowance of a district with a Reform Board. The Senate reduced the small class size grants by 10.16%. The conference report maintains full funding for the small class size grants and concurs with the House and Senate in eliminating 100% of the grant to Detroit. (Secs. 20(1), (19), and (20))
8. **At-Risk Program.** The Executive expanded the allowable uses of funds to include tutorial services and programs that combine academic, enrichment, and recreational activities. The House further expanded the allowable uses to include early childhood programs, adult ESL programs, and wireless technology. The Senate retained current law uses and added tutorial services, early childhood, and reading programs. The conference report combines the House and Senate uses minus the use for wireless technology. (Sec. 31a)
9. **Bilingual Education.** The Executive and House retained the current-law appropriation of \$4,212,000. The Senate appropriated \$4,299,900 (\$3,067,800 in State funding and \$1,232,100 in Federal funding) and limits funding for any student to a maximum of three years. The conference report concurs with the Senate but changes the amount of funding to \$2,800,000 in State funding and moves the Federal funding to a new Section 41a. (Secs. 41 and 41a)
10. **Days and Hours.** The House did not include this section. The Senate includes the flexibility language contained in Senate Bill 364 as passed by the Senate. The days requirement is eliminated and school districts are given the flexibility to provide any number of days of instruction so long as they meet a minimum of 1,098 hours of pupil instruction. The conference report concurs with the Senate. (Sec. 101)
11. **Sexual Contact.** The House did not include this section. The Senate includes new language stating that sex education courses offered must include information regarding the criminal nature of sexual contact with individuals under age 16 and consequences resulting from such criminal activity. The conference report concurs with the Senate. (Sec. 166a©))

Date Completed: 7-16-03

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