



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1095 (as introduced)
Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation	\$12,757,151,300
Changes from FY 2005-06 Year-to-Date:	
1. Proposal A Obligation Payment. Line item is decreased to reflect changes in taxable value and pupil estimates and savings from PPT audits.	(245,000,000)
2. Discretionary Payment. The Gov. proposed to increase the basic foundation allowance by \$200 per pupil to \$7,075 and adjust the foundation allowances of seven districts.	379,263,200
3. Declining Enrollment. The Gov. proposed a new line item to make supplemental payments to districts experiencing declining enrollments in the two previous fiscal years.	50,000,000
4. School Readiness. The Gov. increased this line item to provide funding for an additional 8,727 four-year-old pre-school pupils.	28,800,000
5. ISD 0-5 Program. Line item is increased to \$10.0 million and usage is refined to include learning opportunities that promote age-appropriate language, math, and early reading skills.	6,674,000
6. Detroit Transition Payment. The payment to help Detroit transition back to an elected school board is no longer needed and thus eliminated.	(7,000,000)
7. Elementary Math and Reading Programs. The Gov. proposed a new line item to award competitive grants to eligible districts for math and reading literacy programs in grades K-3.	10,000,000
8. Middle School After-School Programs. The Gov. proposed a new line item for grants to implement, expand, or enhance after-school programs in math, science, and computer technology.	15,000,000
9. Special Education. Total funding for this line item was increased to meet <i>Durant</i> requirements and costs associated with the \$200 increase in the foundation allowance. State funding increased by \$35.8 million while Federal funding increased by \$13.9 million.	49,650,000
10. Middle School Math Initiative. The Gov. eliminated funding for this program and instead created the new Middle School After-School program discussed above.	(3,850,000)
11. Other New Programs. The Gov. proposed four additional new line items that included: Collaborative Grants to ISDs for creation of Great Start communities, Health/Science Middle College Program, Vocational Education Curriculum Development and FIRST Robotics competition grants.	9,000,000
12. Programs Transferred. The Gov. proposed to transfer seven program items totaling nearly \$49.0 million that were funded in other department budgets with GF/GP in FY 2005-06. These included: Juvenile Detention Education, Youth Challenge Program, Vision and Hearing Screenings, School Breakfast Program, Pre-College Engineering Program, School Bus Safety Inspections and MEAP Assessments.	48,973,400
13. Other Changes. Several other line items were changed. Items increased included: School Bond Loan Fund, Court-Placed Children, Renaissance Zones, School Lunch (Federal Share), ISD operations, CEPI (State Share), Michigan Virtual High School (State Share), Math and Science Centers (State Share) and Adult Education. Items decreased included: Federal "No Child Left Behind" grants and Freedom to Learn (Federal Share).	20,352,800
Total Changes.....	\$361,863,400
FY 2006-07 Governor's Recommendation.....	\$13,119,014,700

Changes from FY 2005-06 Year to Date:

1. **Developmental Kindergarten.** The Gov. eliminated current law that stated that beginning in FY 2006-07, costs for educating pre-kindergarten pupils shall be reported and reimbursed under Section 31b. (Sec. 6(4)(r))
2. **Pupil Membership Count Day.** The Gov. proposed to change the fall count day to the fourth Wednesday following Labor Day to account for the now mandatory post-Labor Day school start. (Sec. 6(7))
3. **Expenditures Guidelines and Financial Audits.** The Gov. added new language requiring districts and ISDs to post their annual operating budget on their website within 30 days of adoption or revision. (Sec. 18(2))
4. **Foundation Allowance Index.** The Gov. eliminated language that required the basic foundation allowance to increase by the index determined at the Consensus Revenue Estimating Conference. (Sec. 20(14))
5. **Foundation Allowance Adjustments.** The Gov. proposed new language making permanent foundation allowance adjustments for districts that in 1993 levied deficit millage and did not have that millage revenue counted in their 1994 base calculation after implementation of Proposal A. Seven districts are affected by this change and include: Cliontondale, Detroit, Garden City, Highland Park, Huron, Madison, and Pontiac. (Sec. 20(18))
6. **Supplemental Foundation Allowance Payment for FY 2005-06.** The Gov. appropriated \$41,500,000 to make an additional payment of \$25 per pupil in FY 2005-06. (Sec. 22e)
7. **Declining Enrollment Grants.** The Gov. proposed to make supplemental payments to a district whose FY 2006-07 pupil membership was less than their 2005-06 membership and their 2005-06 membership was less than their 2004-05 membership. Payment would be equal to the district's foundation allowance multiplied by the difference between the district's 3-year average pupil membership and the actual pupil membership. (Sec. 29)
8. **School Readiness Competitive Grants.** The Gov. added clarification language that the grants are for the purpose of preparing children for success in school, including language, early literacy, and early mathematics. (Sec. 32l)
9. **Middle School After-School Programs.** The Gov. proposed a new grant program for districts to implement, expand, or enhance middle school after-school programs in math, science, and computer technology. Priority to districts with poverty rates of 50% or more, buildings with 30% or more students eligible for free or reduced lunch, buildings that did not achieve AYP, and buildings that are in consortium with at least one community-based organization. Programs must operate at least 3 hours per day, five days per week during the school year. (Sec. 35)
10. **Health/Science Middle College Program.** The Gov. proposed a new program for grants to ISDs or the Detroit Public Schools that are in consortium with a community college and a hospital to create a middle college focused on health sciences. A "middle college" is defined as a series of courses that allow a pupil to graduate with a high school diploma and a certificate or associate degree from a community college. (Sec. 64)
11. **Career and Technical Education Curricula.** The Gov. proposed a new grant program for ISDs or consortiums of ISDs and community colleges to aid the DOE and DLEG to identify existing and developing new career and technical education curricula that incorporate the Michigan Merit core content standards and credit requirements. (Sec. 66)
12. **ISD General Operations.** The Gov. provided \$500,000 for ISDs to collaborate with the DOE to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan Merit core content standards and credit requirements. (Sec. 81(2))
13. **Michigan Virtual High School.** The Gov. added new language requiring the MVHS to provide online preparation resources for pupils that would be web-based tools for the ACT and the revised MEAP exam, and would include practice tests, test-taking strategies, diagnostic tools, self-paced online instructional tutorials, and electronic feedback reports for students and schools. (Sec. 98)
14. **Math and Science Centers.** The additional \$1,00,000 was earmarked for those centers determined by the DOE as able to provide curriculum and professional development support to assist districts in implementing the Michigan Merit core curriculum components for math and science. (Sec. 99)
15. **Adult Education.** The Gov. changed the payment to be based on 75% for enrollment and 25% for completion compared to current law 90% enrollment and 10% completion. (Sec. 107)
16. **Retirement Rate.** The Gov. proposed the rate to be increased by 1.4 percentage points to a total of 17.74% of payroll, compared to the FY 2005-06 rate of 16.34%. (sec. 147)