



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



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

Senate Bill 1095 (S-1 as passed by the Senate)

Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation	\$12,757,151,300
Changes from FY 2005-06 Year-to-Date:	
1. Foundation Allowance Payments. Between sections 22a and 22b, the Senate increased the basic foundation allowance to \$7,100, a \$225 per pupil increase over the current year.	161,813,200
2. Reimbursement for Finger Printing. The Senate added a new line item to reimburse districts for cost of re-fingerprinting anyone previously finger printed between 1-1-93 and 12-31-05.	3,500,000
3. Equity Payment. The Senate added a new line item to provide additional per pupil payment of up to \$60 to districts with FY 2006-07 foundation allowances below \$7,160.	41,200,000
4. Place Holders. The Senate added 10 \$100 place holders: deficit mills adjustments, ECIC collaborative grants, declining enrollment, elementary math/reading grants, middle school afterschool program, health sciences middle college program, career/technical education curriculum alignment, and competitive grants to districts to enroll students in Michigan Virtual High School courses.	1,000
5. School Readiness. The Senate increased this line item by 10% and increased the per pupil allocation to \$3,400.	7,400,000
6. ISD 0-5 Program. The Senate and Governor increased this line item and refined usage to include learning opportunities promoting age-appropriate language, math, and early reading skills.	6,674,000
7. Detroit Schools' Transition Payment. The Senate and Governor eliminated this payment to help Detroit Schools transition back to an elected school board since it was no longer needed.	(7,000,000)
8. Child and Adolescent Health Centers. The Senate added additional funding for 11 centers that received planning grants, but no operational funding, in 2005.	2,000,000
9. Children of Incarcerated Parents. The Senate added a new line item for a pilot program to address the needs of children with incarcerated parents.	1,875,000
10. Special Education. The Senate increased this line item to meet costs associated with the \$225 increase in the foundation allowance and <i>Durant</i> . State funding increased by \$38.3 million while Federal funding increased by \$13.9 million.	52,150,000
11. Middle School Math Initiative. The Senate and Governor eliminated funding for this program.	(3,850,000)
12. Book-A-Month Program and AEDs. The Senate added new line items for district grants to provide children with a book each month from birth to age 5 (\$1,000,000) and to buy AEDs (\$100,000).	1,100,000
13. SAF Cash Flow Borrowing Costs. The Senate concurred with the Governor to have the SAF pay a portion of costs associated with borrowing dollars to provide sufficient cash flow throughout the year.	22,800,000
14. Programs Transferred. The Senate and Gov. transferred programs formerly 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
15. Other Changes. Increases include: School Bond Loan Fund, Court-Placed Children, Ren Zones, At-Risk, School Lunch, ISD operations, CEPI, Michigan Virtual High School, Math and Science Centers and Adult Education. Decreases include: Federal NCLB grants and Freedom to Learn.	20,802,800
16. Comparison to Governor's Recommendation. This substitute is \$2,424,000 Gross below the Governor's Recommendation and matches the Governor's GF/GP funding level.	
Total Changes	\$359,439,400
FY 2006-07 Senate Gross Appropriation	\$13,116,590,700

Changes from FY 2005-06 Year to Date:

1. **Developmental Kindergarten.** The Senate substitute concurred with the Gov. and 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 Senate substitute concurred with the Gov. and 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 Senate substitute concurred with the Gov. to require 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. Senate substitute retained current law. (Sec. 20(14))
5. **Garden City Foundation Allowance Adjustment.** The Senate included language to adjust Garden City's foundation allowance to account for deficit mills revenue raised in 1993, with the adjustment capped at \$500,000. (Sec. 20(20))
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. Senate substitute does not include this supplemental payment; however, this Section was used as a place holder for deficit adjustments. (Sec. 22e)
7. **Child and Adolescent Health Centers.** The Senate substitute added \$2.0 million to fund 11 centers that previously received planning grants. Also increased the number of grant years to 5 beginning with FY 2003-04. (Sec. 31a(6))
8. **Children of Incarcerated Parents.** The Senate substitute added a new pilot program for children with incarcerated parents. Eligible districts must have a free breakfast or lunch eligibility rate of 60% or more and must use the funds to provide video and/or audio conferencing and academic or social support from qualified personnel. (Sec. 31c)
9. **School Readiness Competitive Grants.** The Senate substitute concurred with Gov. and 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)
10. **Early Intervening Program.** The Senate included a new section allocating \$500,000, where 76% of the funding would award \$40,000 grants to districts for grades K-3 to monitor individual pupil learning and 24% of the funding would provide grants to districts for use of research-based schoolwide systems of academic and behavioral supports. (Sec. 34)
11. **ISD General Operations.** The Senate substitute concurred with the Gov. and 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))
12. **Michigan Virtual High School.** The Senate substitute concurred with the Gov. and 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)
13. **Math and Science Centers.** Senate substitute concurred with the Gov. and stated that 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)
14. **Hours of Instruction.** Senate substitute changed the number of professional development hours that can be used as hours of instruction from 51 to 38. Also added exemption for districts with union contracts allowing up to 51 hours to be used to continue to do so until those contracts expire. (Sec. 101)
15. **Enrollment of Pupils Under Schools of Choice.** The Senate Substitute added a new provision stating that if a district enrolls and counts a nonresident pupil in membership under the schools of choice provisions, the district must continue to enroll that pupil regardless of the pupil having been suspended or expelled from another district prior to the pupil being enrolled and counted in membership in that nonresident district. (Sec. 105(10) and Sec. 105c(10))
16. **Adult Education.** The Gov. changed the payment to be based on 75% for enrollment and 25% for completion. The Senate substitute retained current law such that payment remains at 90% for enrollment and 10% for completion. In addition, the Senate substitute added new language stating that the additional \$4.0 million must first be used for new programs with any additional funds allocated equally among existing programs. (Sec. 107)
17. **Retirement Rate.** The Senate substitute concurred with the Gov. and 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)

Date Completed 3-30-06

Fiscal Analyst: Joe Carrasco, Jr. & Kathryn Summers-Coty

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.