

**SCHOOL AID: FY 2010-11 Supplemental Appropriation
Summary: Enacted with Veto
House Bill 5872 (S-5)**



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IDG/IDT	FY 2010-11 YTD	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2010-11 YTD	
						Amount	%
Federal	0	N/A	\$0	\$0	\$0	0	0
EdJobs	0	N/A	312,000,000	316,270,300	70,270,300	70,270,300	N/A
ARRA	184,256,600	N/A	0	0	0	0	0
Non-ARRA	1,682,870,100	N/A	0	0	0	0	0
Local	0	N/A	0	0	0	0	0
Private	0	N/A	0	0	0	0	0
Restricted	10,975,726,700	N/A	0	0	0	0	0
GF/GP	27,842,400	N/A	0	0	0	0	0
Gross	\$12,870,695,800	N/A	\$312,000,000	\$316,270,300	\$70,270,300	70,270,300	0.5

Note: FY 2009-10 figures reflect supplementals and Executive Order (EO) actions through January 31, 2010.

Overview

The School Aid budget makes appropriations to the state's 551 local school districts, 240 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Education Performance and Information, Department of Energy, Labor and Economic Growth, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes

1. Federal Education Jobs (Ed Jobs) Funding

	FY 2010-11 YTD	Enacted Change from YTD
Gross	N/A	\$70,270,300
Federal	N/A	70,270,300

House appropriates the district and ISD portion of the federal Ed Jobs funding totaling \$312.0 million based on the federal guidelines that require that funds be distributed through the state's primary funding formula.

First, it distributes \$246.0 million to districts in a one-time payment equal to \$154 per pupil to restore the per pupil reductions under Section 11d of the School Aid Act, to restore them to FY 2008-09 funding levels.

Second, it distributes \$16.0 million to ISDs in a one-time payment equal to 24.5% of their current Section 81 payments to nearly restore them to FY 2008-09 funding levels.

Finally, it distributes the remaining \$50.0 million to districts in a one-time per pupil increase based on the 2x formula. Under the 2x formula a district at the minimum foundation allowance level receives an allocation equal to twice the amount received by a district at the basic foundation level, and districts in between receive an allocation between the lowest and highest based on a sliding scale. Each district's allocation is equal to a per pupil amount between \$17 and \$34.

Estimated district and ISD impact under the House bill can be found at:

<http://www.legislature.mi.gov/documents/2009-2010/billanalysis/House/pdf/2009-HLA-5872-1.pdf>

For further detail on Federal Ed Jobs funding see the House Fiscal Agency memo dated August 18, 2010:

http://www.house.mi.gov/hfa/PDFs/FederalEdJobs_2010Memo.pdf

Senate appropriates the district and ISD portion of the federal Ed Jobs funding totaling \$316.3 million based on the federal guidelines that require that funds be distributed through the state's primary funding formulae.

First, it distributes \$246.0 million to districts in a one-time payment equal to \$154 per pupil to restore the per pupil reductions under Section 11d of the School Aid Act, to restore them to FY 2008-09 funding levels.

Second, it distributes \$4.5 million to ISDs in a one-time payment equal to 6.9% of their current FY 2010-11 Section 81 payments.

Finally, it distributes the remaining \$65.8 million to districts in a one-time per pupil increase based on the 2x formula. Each district's allocation is equal to a per pupil amount between \$23 and \$46.

Estimated district and ISD impact under the Senate bill is attached.

Enrolled concurs with Senate.

VETO The Governor vetoed the \$246.0 million distributed through a one-time restoration of \$154 per pupil.