



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2004-05 Senate-Passed Gross Appropriation	\$12,486,710,200
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House Changes to Senate-Passed:

1. Proposal A Obligation Payment. The House further reduced this line item to reflect changes in pupil counts and taxable value estimates as well as changes in consensus revenue estimates. The House concurred in the Senate change to retain the current 80/20 blended pupil membership count. The Governor's Recommendation changed the blend to 50/50.	(2,700,000)
2. Discretionary Payment. The House reduced this line item to account for changes in pupil counts and consensus revenue estimates. The House changes also include supplemental payments for the Wyandotte and Garden City school districts for millage revenue disputes.	(3,300,000)
3. Renaissance Zones. The House increased funding to provide reimbursement to two entities as a result of overpayments in two renaissance zones.	137,200
4. At-Risk. The House did not concur with the Senate's reduction in At-Risk payments and thus returned the line item to the full FY 2003-04 amount of \$314,200,000.	9,900,000
5. School Lunch – Federal Share. The House concurred with the Revised Governor's Recommendation to increase the available Federal funding for this line item.	14,369,000
6. ISD 0-5 Grants. The House eliminated this line item that provides funding to ISDs to provide parenting skills programs for parents of 0-5 year-olds.	(3,326,000)
7. Federal No Child Left Behind (NCLB) Grants. The House concurred with the Revised Governor's Recommendation to decrease the available Federal funding for this line item.	(25,810,500)
8. Special Education. The House concurred with the Revised Governor's Recommendation to increase the available Federal portion of funding for this line item by \$49,500,000 and to reduce the State portion of funding by \$300,000 to reflect revised pupil estimates.	49,200,000
9. ISD General Operations. The House increases funding for this line item and requires ISDs to provide the same ISD 0-5 program as described in Section 32j and at the same funding level as in FY 2003-04. Also, \$100,000 is allocated for a pilot cooperative purchasing program.	3,826,000
10. Math and Science Centers – Federal. The House concurred with the Revised Governor's Recommendation to increase the available Federal funding for this line item.	1,093,600
11. Items-of-Difference. The House included \$100 items-of-difference in 20 line items in order to create points-of-difference with the Senate-passed version of the bill.	(2,000)
Total Changes.....	\$43,387,300

FY 2004-05 House-Passed Gross Appropriation	\$12,530,097,500
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Changes from FY 2004-05 Senate-Passed:

1. **Declining Enrollment.** The House includes declining enrollment grants, but excludes districts that receive funding under a new Section 22d from also receiving declining enrollment allocations. (Sec. 6(4)(y))
2. **Proration.** The House includes new language exempting any district with an emergency financial manager in place from any future proration. (Sec. 11(3))
3. **Unaccredited Penalty.** The House concurs with the Governor to eliminate the 5% financial penalty to schools that are not accredited; the Senate had retained the penalty written in current law. (Sec. 19)
4. **Consolidation Incentive.** The House concurs with the Governor to include a new incentive for schools to consolidate. The Governor had appropriated \$1,000,000, but the House included only \$100 and the new language. The Senate did not include the section. (Sec. 20L)
5. **"Saving Paradise".** The House includes a new section that would ensure a minimum level of funding to small, rural, and Upper Peninsula or island districts that are not near other schools or accessible by a bridge. The total allocation is capped at \$1,000,000, and the eligible districts include Burt Township, Beaver Island, DeTour, Mackinac Island, and Whitefish Point. (Sec. 22d)
6. **Court-Placed Pupils.** The House includes a change in the funding formula, with a phase in over three years to the new formula based on a per-pupil allocation. In addition, Senate language which allowed new facilities to open only with fair notice is eliminated by the House. (Sec. 24)
7. **Teen Health Centers.** The House includes a new requirement that, in order to receive funding, teen health centers must have an advisory committee, and that at least 1/3 of the members be parents or legal guardians. (Sec. 31a(6))
8. **ISD Early Childhood Programs.** The House includes numerous changes to Sec. 32j, including earmarking funds from Sec. 81 rather than a stand-alone appropriation; changing grant application to program plan, including promotion of marriage in the delivery of the program, and allowing ISDs to supplant State funds for this program with local or private funds, as long as the minimum level of funding is at least what was received for this program in FY 2003-04. (Sec. 32j)
9. **Before- and After-School Programs.** The House includes a new section, but no appropriation, to institute these programs where the Department of Education would work with the Family Independence Agency to award competitive grants when funding becomes available. (Sec. 32k)
10. **School Readiness Teacher Qualifications.** The House adds language allowing for school readiness teachers that are employed by subcontractors to have a Bachelor's degree in child care or child development, or a child development associate credential combined with an Associate's degree in early childhood education. Currently, teachers must possess a valid teaching certificate as well as a CDA or an early childhood endorsement. (Sec. 37)
11. **CEPI Data Analysis.** The House does not include language inserted by the Senate, which would require the Center for Educational Performance and Information (CEPI) to provide on a website the information previously provided by Standard and Poor's School Evaluation Services website when it was under contract with the State. (Sec. 94a)
12. **Professional Development.** The House names Ferris State University as the provider of \$2.7 million in professional development training under Section 98b, Freedom to Learn; current law is silent on the provider. (Sec. 98b)
13. **Spring Storm Days.** The House does not include Senate language to allow up to an extra 30 hours to be counted as pupil instruction beyond the standard 30 "snow hours", if a district can't provide school for extenuating circumstances (such as bad spring storms) that occur after April 1 of each year. (Sec. 101)
14. **Adult Education and Pilot Adult Ed Site.** The House includes various new requirements proposed by the Governor (not included by the Senate), some of which are being part of an adult strategic plan, developing individual adult ed plans, and offering job and postsecondary counseling. The House also includes a new section (proposed by the Governor and not included by the Senate) setting up one pilot site (Capital Area) to be run by Michigan Works! where adult ed grants to existing facilities within that region instead would be pooled and distributed via competitive grants. The House did not adopt the Governor's and Senate's recommended formula change from 90% enrollment/10% completion to 80% enrollment/20% completion. (Sections 107 and 107b)

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

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