



**SCHOOL AID  
S.B. 182**

04/25/2013

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FULL-TIME EQUATED (FTE) POSITIONS/ FUNDING SOURCE	FY 2012-13 YEAR-TO-DATE	FY 2013-14 GOV'S REC.	FY 2013-14	FY 2013-14	CHANGES FROM FY 2012-13 YEAR-TO-DATE			
			SENATE PASSED	HOUSE PASSED	<u>GOVERNOR</u> AMOUNT	<u>SENATE</u> AMOUNT	<u>HOUSE</u> AMOUNT	
FTE Positions.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>GROSS.....</b>	<b>12,944,687,000</b>	<b>13,235,234,800</b>	<b>13,225,686,900</b>	<b>13,236,535,000</b>	<b>290,547,800</b>	<b>280,999,900</b>	<b>291,848,000</b>	
Less:								
Interdepartmental Grants Received.....	0	0	0	0	0	0	0	0
<b>ADJUSTED GROSS.....</b>	<b>12,944,687,000</b>	<b>13,235,234,800</b>	<b>13,225,686,900</b>	<b>13,236,535,000</b>	<b>290,547,800</b>	<b>280,999,900</b>	<b>291,848,000</b>	
Less:								
Federal Funds.....	1,701,041,400	1,764,421,300	1,764,421,300	1,764,421,300	63,379,900	63,379,900	63,379,900	
Local and Private.....	0	0	0	0	0	0	0	0
<b>TOTAL STATE SPENDING.....</b>	<b>11,243,645,600</b>	<b>11,470,813,500</b>	<b>11,461,265,600</b>	<b>11,472,113,700</b>	<b>227,167,900</b>	<b>217,620,000</b>	<b>228,468,100</b>	
Less:								
Other State Restricted Funds.....	10,961,245,600	11,240,813,500	11,231,665,600	11,242,113,600	279,567,900	270,420,000	280,868,000	
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>282,400,000</b>	<b>230,000,000</b>	<b>229,600,000</b>	<b>230,000,100</b>	<b>(52,400,000)</b>	<b>(52,800,000)</b>	<b>(52,399,900)</b>	
<b>PAYMENTS TO LOCALS.....</b>	<b>10,935,149,700</b>	<b>11,309,030,900</b>	<b>11,309,482,400</b>	<b>11,320,231,200</b>	<b>373,881,200</b>	<b>374,332,700</b>	<b>385,081,500</b>	

**SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS**  
**Current Law and Governor's, Senate-Passed, and House-Passed Recommendations**  
**Fiscal Years 2012-13, 2013-14, and 2014-15**

**SFA Analysts:**  
 Kathryn Summers  
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SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 6 Definitions	Provides definitions including those for pupils in membership.	<p>(4) Adds a pupil's participation in an online course defined in Section 21f to the definition of pupil membership.</p> <p>(4)(r) Removes old language pertaining to seeking Federal clarification on title I money and kindergarten, and the reporting requirement of children in half-day kindergarten programs.</p> <p>(4)(t)(ii) Changes the requirement for home-bound education to include computers.</p> <p>(6) Allows a nonresident to enroll a pupil in membership in online learning under Section 21f without first receiving permission from the district of residence.</p> <p>(16) Amends the definition of 'tuition pupil' to specify that tuition may be charged to <i>the district of residence</i>. Further, the definition is amended to state that tuition pupil does not include a pupil whose parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's resident district.</p>	<p>Sec. 6(4) Changes the pupil membership blend definition from 90% of the current-year fall count plus 10% of the <i>previous</i> spring count to 90% fall plus 10% of the <i>same</i> school year spring count.</p> <p>Concurs with Governor's changes in (4), (4)(r), (4)(t)(ii), (6), and (16).</p> <p>Adds kindergarten language allowing parents to enroll kids with a waiver if not meeting the age 5 date requirement (but turning age 5 by Dec 1).</p> <p>Adds language allowing a student <i>located in a city with a population of more than 175,000 (instead of the current 500,000 threshold)</i> who is more than age 20 but less than 22 and attending a PSA or alternative education high school program primarily focused on educating homeless pupils to be counted in membership.</p>	<p>Sec. 6(4) Changes the pupil membership blend definition from 90% of the current-year fall count plus 10% of the <i>previous</i> spring count to 80% fall plus 20% of the <i>same</i> school year spring count.</p> <p>Concurs with Governor's changes in (4), (4)(r), (4)(t)(ii), (6), and (16).</p> <p>Adds two other changes:                      -- allowing a student <i>located in a city with a population of more than 175,000 (instead of the current 500,000 threshold)</i> who is more than age 20 but less than 22 and attending a PSA or alternative education high school program primarily focused on educating homeless pupils to be counted in membership.                       -- eliminates (4)(x) which provides an 80/20 current-year membership calculation for a PSA that suspends operations for at least one semester and then resumes operations.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 11 Total Appropriations	Provides a summation of the total School Aid Fund, General Fund, and Federal funding in the Act. Also includes a method for proration if SAF revenue is not sufficient to support appropriations.	<p>FY 2012-13 School Aid Fund (SAF) revised appropriation of \$10,933,752,600 and General Fund appropriation of \$282,400,000.</p> <p>FY 2013-14 SAF appropriation of \$11,090,813,500, MPSERS retirement obligation reserve fund appropriation of \$150,000,000, and General Fund appropriation of \$230,000,000.</p> <p>FY 2014-15 SAF appropriation of \$11,393,154,500, MPSERS reserve fund appropriation of \$100,000,000, and GF appropriation of \$233,000,000.</p> <p>*Note that throughout the budget, the Governor recommends FY 2014-15 funding levels that are adjusted by economic factors, caseload, etc., with exceptions noted explicitly in this document.</p>	<p>FY 2013-14 SAF appropriation of \$11,081,665,600, MPSERS retirement obligation reserve fund appropriation of \$150,000,000, and General Fund appropriation of \$229,600,000.</p> <p>Does not include FY 2012-13 supplemental which is expected to be addressed separately.</p> <p>Does not include explicit FY 2014-15 appropriations (see Sec. 12).</p>	<p>Adds \$1,300,100 SAF and \$100 GF/GP above the Governor's recommended spending levels for FY 2013-14.</p> <p>Does not include FY 2012-13 supplemental which is expected to be addressed separately.</p> <p>Does not include explicit FY 2014-15 appropriations (see Sec. 12).</p>	
Sec. 11g Durant Bond payment	FY 2012-13 appropriation of \$39,000,000.	FY 2013-14 and FY 2014-15 appropriation is increased by \$500,000 to \$39,500,000.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 11j Debt Service on School Bond Loan Fund	FY 2012-13 appropriation of \$120,390,000 for debt service payments on school bond loan revolving fund obligations.	Proposes to increase the required payment in FY 2013-14 to \$131,660,000, and to \$139,900,000 for FY 2014-15.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 11m School Aid Fund Cash Flow Borrowing Costs	FY 2012-13 appropriation of \$3,200,000 to pay for cash-flow borrowing costs at the State level.	FY 2013-14 appropriation is proposed to be \$6,000,000 and FY 2014-15 appropriation is \$8,000,000.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 11t Renaming of School Aid Fund	States intent of the Legislature to enact legislation renaming the State School Aid Fund as the "Comprehensive Education Fund".	Repealed	Concurs with Governor.	Concurs with Governor.	
Sec. 11u Study of Categoricals	States intent of the Legislature to examine existing categoricals and determine, to what extent, if any, the categorical funding should instead be allocated under the foundation allowance.	Repealed	Concurs with Governor.	Concurs with Governor.	
Sec. 12 FY 2013-14 Appropriations	States intent of the Legislature to appropriate the same funding amounts in FY 2013-14 as FY 2012-13, adjusted for revenue, taxable value, special education costs, and pupil counts.	Repealed	Retains this section and updates fiscal years to reflect intent to appropriate for FY 2014-15.	Retains this section and updates fiscal years to reflect intent to appropriate for FY 2014-15.	
Sec. 18 Spending and Audit Requirements	Specifies allowable uses of funds and requires yearly financial and pupil audits.	Removes report due by December 31, 2012 that analyzes the per-pupil costs of online learning offered by districts or intermediate districts.	Does not remove the reporting requirement; language is clarified to provide more standardized reporting by districts of per-pupil costs of online learning.	Concurs with Governor.	
Sec. 18b Public School Academy Property	Describes the process/conditions by which property of a PSA should be transferred to the State.	Adds a subsection requiring a public school academy corporation to initiate a dissolution process within 30 days after its contract's expiration.	Clarifies one of the conditions ((1)(c)) under which property of a PSA that was acquired substantially with State funds be transferred to the State to read that the contract has "expired and has" not been reissued by the authorizing body.	Clarifies one of the conditions ((1)(c)) under which property of a PSA that was acquired substantially with State funds be transferred to the State to read that the contract has "expired and has" not been reissued by the authorizing body.	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
			Further clarifies the Governor's new language to read that a PSA corporation shall initiate the process of transferring property to the State as required after the occurrence of the event that triggers the process.	Further clarifies the Governor's new language to read that a PSA corporation shall initiate the process of transferring property to the State as required after the occurrence of the event that triggers the process.	
Sec. 19 Data Reporting Requirements	<p>Prescribes the pupil reporting requirements and other data requirements that must be submitted to the Center for Educational Performance and Information (CEPI).</p> <p>States intent to move to either a single statewide education data reporting system or a limited number of systems approved by the Michigan Department of Education in conjunction with CEPI. Requires that the Department work with CEPI, ISDs, and districts to develop recommendations on the implementation of this change.</p>	Removes language stating intent to implement not later than 2014-15 statewide standard reporting requirements for education data approved by the Michigan Department of Education (MDE) in conjunction with the CEPI.	Does not concur with Governor to remove intent language.	Does not concur with Governor to remove intent language.	
Sec. 20 Foundation Allowance Calculation	<p>Basic foundation allowance for FY 2012-13 is \$8,019 and the minimum foundation is \$6,966.</p> <p>Maintains class-size reduction foundation allowance adjustments at \$13.3 million (2/3 of the full-funding amount).</p>	Basic foundation allowance for FY 2013-14 and FY 2014-15 is \$8,019, and the minimum is \$6,966. (However, in Sec. 22c, a one-time nonbase equity payment is proposed for districts below \$7,000 per pupil to receive \$7,000 per pupil in FY 2013-14. This one-time payment is not proposed to be built into base funding for FY 2014-15.)	<p>Basic foundation allowance for FY 2013-14 and FY 2014-15 is \$8,028, and the minimum is \$6,984.</p> <p>PSA Max of \$7,128.</p>	<p>Concurs with Governor such that the basic foundation allowance for FY 2013-14 remains at \$8,019 and the equity payment under Sec. 22c is one-time.</p> <p>(8) Beginning in FY 2014-15, the foundation allowance for a cyber school is 85% of the foundation allowance of the district in which it is located, not to exceed the PSA max.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>In years of increases in the foundation allowance, uses the "2x" equity formula which doubles the increase in the basic foundation for those at the minimum foundation and provides an increase somewhere in between for districts with foundations in between.</p>	<p>(12) Proposes a change in the class-size grant formula such that districts with foundation allowances below \$7,500 per pupil would receive not more than \$100 per pupil for class size reduction, and districts with foundations at or above \$7,500 would receive not more than \$50 per pupil for class size grants. This change in funding formula results in savings of \$4.0 million from the current formula.</p>	<p>(10) Consolidation incentive is included to provide the lesser of: 1) the highest foundation allowance of the affected districts, or 2) the sum of the per-pupil weighted average foundation of the affected districts plus \$100.</p> <p>(12) Continues class size grants but at 85% of their FY 2012-13 levels, instead of the new formula proposed by the Governor.</p>	<p>(9) Beginning in FY 2014-15, the foundation allowance for pupils attending a district under a seat time waiver for a 100% online model under Sec. 101 is equal to 80% of the foundation allowance in which it is located, not to exceed the PSA max.</p> <p>(10) Consolidation incentive is included to provide the lesser of: 1) the highest foundation allowance of the affected districts, or 2) the sum of the per-pupil weighted average foundation of the affected districts plus \$100.</p> <p>(12) Continues class size grants but at 70% of their FY 2012-13 levels, instead of the new formula proposed by the Governor.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 21F – NEW ONLINE LEARNING	N/A	<p>Allows a pupil enrolled in any of grades 5 to 12 to enroll in up to two online courses per academic term with the consent of the parent or guardian. However, if the pupil has demonstrated previous success with online courses and the district and the parent/guardian determine that it is in the best interest of the pupil, the pupil may be enrolled in more than two online courses per academic term. The pupil may enroll in online courses offered by the educating district or in courses found in the statewide catalog of online courses maintained by the Michigan Virtual University (MVU).</p> <p>A district is required to determine whether it has capacity to accept applications from nonresidents and may use that limit as the reason for refusal to enroll an applicant.</p> <p>However, if the district has capacity, it must accept all applicants. An educating district may prohibit pupil enrollment in online courses if any of the following apply: the pupil has previously gained the credits provided from the completion of the online course; the online course is not capable of</p>	<p>Concurs with Governor with the following additions or changes:</p> <p>1) adds language ensuring that a pupil enrolling in an online course is not double-counted (by both the resident and educating districts) for purposes of pupil membership.</p> <p>Students enrolled in cyber schools are also allowed to enroll in courses at other districts under Sec. 21f.</p> <p>The statewide catalog of online courses will be maintained by the MDE instead of MVU.</p> <p>Payment will be made as follows:</p> <p>50% upon enrollment and 50% upon successful completion, where successful completion is determined by the enrolling (resident) district.</p> <p>If a pupil successfully completes an online course <i>as determined by the educating district</i>, the resident district shall grant appropriate credit and count that credit toward completion of graduation and subject area requirements <i>as determined by the educating district</i>.</p>	<p>Allows pupils in grades 7 to 12 to enroll in online courses.</p> <p>Does not allow for enrollment in more than two online courses per term, and instead states intent to study increasing the number of allowable online courses for pupils who demonstrate success.</p> <p>Eliminates the statewide catalog maintained by MVU, but does require a district to provide a link to its course syllabi on its website.</p> <p>Caps the amount a district must pay for an online course to no more than 1/12 of the district's foundation allowance for a semester course (or 1/18 if on trimesters).</p>	

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		<p>generating academic credit; the online course is inconsistent with the remaining graduating requirements or career interests of the pupil, or the pupil does not possess the prerequisite knowledge and skills to be successful in the online course.</p> <p>A district offering online courses must provide MVU with the course syllabi and a link to the syllabi, and provide a link to the statewide catalog maintained by MVU. The district also must offer online courses on an open entry and exit method, or aligned to the appropriate academic term.</p> <p>For a pupil enrolled in one or more online courses, the district shall use foundation allowance funds to pay for the expenses associated with the course(s). If a pupil successfully completes an online course, the educating district shall grant appropriate academic credit and count that credit toward completion of graduation and subject area requirements.</p>			



SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
<p>Sec. 22a Proposal A Obligation Payment (The Constitutionally required portion of the foundation allowance.)</p>	<p>FY 2012-13 appropriation of \$5,712,000,000.</p> <p>This section provides funding equal to the FY 1994-95 Proposal A foundation allowance levels multiplied by pupils.</p>	<p>FY 2012-13 appropriation is \$5,631,000,000.</p> <p>FY 2013-14 appropriation is \$5,558,000,000.</p> <p>FY 2014-15 appropriation is \$5,464,000,000.</p> <p>(6) removes outdated FY 2011-12 language regarding property tax settlements.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p>	
<p>Sec. 22b Discretionary Payment (The discretionary portion of the foundation allowance.)</p>	<p>FY 2012-13 appropriation of \$3,152,300,000.</p> <p>This funding provides roughly the difference between the current foundation allowance and the 1994-95 foundation allowance, multiplied by general education pupils.</p> <p>Special education funding is paid under Section 51a.</p>	<p>FY 2012-13 appropriation revised to \$3,217,000,000.</p> <p>FY 2013-14 appropriation of \$3,304,000,000.</p> <p>FY 2014-15 appropriation of \$3,383,000,000.</p> <p>For FY 2013-14, the appropriation reflects \$10.0 million in assumed savings from kindergarten age eligibility changes and \$4.0 million in savings from the formulaic change in class size grants.</p> <p>In FY 2014-15, the savings are increased to \$20.0 million for kindergarten age eligibility and class size grants are eliminated.</p>	<p>FY 2013-14 appropriation level of \$3,429,500,000 which reflects a \$9 increase in the basic and an \$18 increase in the minimum, paid for from the elimination of proposed equity payments.</p> <p>The line also reflects the proposed 15% reduction in class-size grants.</p> <p>Adds a requirement that in order to receive Sec. 22b funding, a district must comply with Sec. 21f.</p> <p>Adds language prohibiting the Education Achievement Authority from expending any funds from any sources unless the funds are appropriated by the Legislature. If failing to do so, Sec. 22b funding is withheld.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p> <p>Adds a requirement that in order to receive Sec. 22b funding, a district must comply with Sec. 21f.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 22C– NEW EQUITY PAYMENT	N/A	\$24,000,000 to provide funding for all districts with foundation allowances below \$7,000 in FY 2013-14 to receive a one-time payment such that they receive \$7,000 per pupil in FY 2013-14. This is not proposed to be built into the base for FY 2014-15.	Does not appropriate anything for this categorical. Funding was rolled into the foundation allowance.	Appropriates \$36,000,000 to provide a one-time payment to bring districts up to \$7,016, a maximum one-time payment of \$50 per pupil.	
Sec. 22d Isolated Districts/ Transportation Funding	Appropriates \$2,025,000 in FY 2012-13 for two purposes: \$750,000 as supplemental payments to isolated districts, and \$1,275,000 for supplemental payments to districts covering large square miles, and thereby significant transportation costs.	Continues the appropriation into both FY 2013-14 and FY 2014-15.	Appropriates \$957,300 for supplemental payments to isolated districts and \$1,627,300 for payments to eligible districts covering large square miles, for a total appropriation of \$2,584,600. This represents a 5% increase compounded annually since 2008.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 22f Best Practices	<p>FY 2012-13 appropriation of \$80,000,000 to provide payments of \$52 per pupil for districts meeting six out of eight of the following "best practices" criteria, by not later than June 1, 2013:</p> <p>a) The district is the health insurance policy holder. If a district directly employs staff, this condition is considered to have been met.</p> <p>b) Competitively bid at least one noninstructional service in FY 2012-13.</p> <p>c) Participate in schools of choice under section 105 and 105c. A public school</p>	<p>Reduces funding to \$25,000,000 for FY 2013-14, and eliminated for FY 2014-15.</p> <p>Grants of \$16 per pupil for districts that meet 7 out of 8 criteria by June 1, 2014.</p> <p>The criteria remain the same as those in FY 2012-13, with the following exceptions:</p> <p>a) adds a VEBA as a qualifying entity</p> <p>b) Requires competitive bids to exclude the unfunded accrued liability costs for retirement and other benefits from the district's current costs for comparison of the costs of providing services.</p>	Repeals.	Reduces funding to a \$100 placeholder, but concurs in changes recommended on the criteria.	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>academy is considered to have met this requirement.</p> <p>d) Measure student growth at least twice annually and report to parents or provides the Department with a plan and is able to show progress toward developing the technology infrastructure necessary for the implementation of student growth assessments by FY 2014-15.</p> <p>e) The district supports opportunities for students to receive postsecondary credit while attending high school (can be met in one of four ways: dual enrollment, advanced placement, middle college, or other opportunities for high school diploma plus coursework applied toward satisfaction of a degree). Districts not offering all high school grades may inform parents of postsecondary opportunities for students while in high school.</p> <p>f) The district offers online instructional programs or blended learning opportunities to all eligible pupils.</p>	<p>f) requires a district to publish an online course syllabus as described in section 21f for every online course offered</p> <p>g) requires the dashboard to also include revenue and expenditure projections for the district for fiscal years 2013-14 and 2014-15, a listing of all debt service obligations, detailed by project, and a listing of total outstanding debt</p>			

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	<p>g) The district makes public a dashboard with financial indicators and other items, including graduation/dropout rates, MEAP and Merit Exam scores, fund balances, and other items.</p> <p>h) The district provides physical education or health education consistent with State-board adopted policies.</p>				
<p>Sec. 22g. Competitive Assistance Grants to Districts and ISDs – Consolidation Costs</p>	<p>One-time appropriation in FY 2012-13 of \$10,000,000 for competitive assistance grants to districts and ISDs, for the reimbursement of transition costs associated with the consolidation of operations or services between two or more districts, between a district or ISD and a local unit of government, or the consolidation of districts or ISDs. Grant funding is available for consolidations that occur on or after June 1, 2012.</p>	<p>Repeals.</p>	<p>Repeals.</p>	<p>Repeals.</p>	
<p>Sec. 22i Technology Infrastructure Grants</p>	<p>FY 2012-13 appropriation of \$50,000,000 for grants to districts or ISDs on behalf of their constituent districts to develop or improve their technology infrastructure in preparation for online growth assessments, or for accessing a computer adaptive test. The Department will determine grants based on</p>	<p>FY 2013-14 appropriation reduced to \$13,500,000, and language is added specifying that the funding is for the second year of the two-year technology grants.</p> <p>Adds "instructional practice and the shared service consolidation of technology, and data" to the allowable uses for the grants.</p>	<p>Repeals.</p>	<p>Retains funding of \$50,000,000 for FY 2013-14.</p> <p>Restricts the uses of funds to technology infrastructure, the shared service consolidation of technology and data, and hardware.</p>	

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	<p>a competitive process. The maximum allowable grant would be \$2,000,000 per district, and ISDs could receive up to \$2,000,000 per constituent district if they could demonstrate savings if done on an ISD-wide basis.</p>				
<p>Sec. 22j District Performance Grants</p>	<p>FY 2012-13 appropriation of \$30,000,000 for district performance grants based on the following:</p> <p>Districts may earn up to \$100 per pupil for student academic performance, as follows:</p> <p>\$30 per pupil for students meeting a specified level of growth in MEAP performance in math, in grades 3-8.</p> <p>\$30 per pupil for students meeting a specified level of growth in MEAP performance in reading, in grades 3-8.</p> <p>\$40 per pupil for students meeting a specified level of growth over a four-year period on the high school assessment.</p> <p>The Department is allowed to prorate grant funding on an equal percentage basis.</p>	<p>\$30,000,000 is appropriated for both FY 2013-14 and FY 2014-15. The program is unchanged.</p>	<p>Appropriates \$46,400,000 for FY 2013-14 to fully fund the program due to higher student achievement results.</p> <p>Adds intent language that the FY 2014-15 pupil performance grants will be based on computer adaptive test growth scores achieved during the 2013-14 school year.</p>	<p>Appropriates \$46,400,000 to fully fund the estimated costs.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 22K – NEW STUDENT- CENTRIC GRANTS	N/A	<p>New section appropriating \$8,000,000 for FY 2013-14 only for competitive student-centric grants to eligible districts. In order to be eligible, a district must:</p> <p>a) provide a rigorous curriculum aligned to State, nation and international standards.</p> <p>b) organize instructional delivery in such a way that individual students advance to the next level of learning based on their individual mastery of each subject area.</p> <p>c) allow for school site-based autonomy in decision making.</p> <p>d) ensure that teachers have access to timely and meaningful student academic achievement data, best instructional practices, time to collaborate with others, mentors, and professional development tied to student needs as demonstrated by data.</p>	Concurs with Executive but adds new language limiting any individual grant to not more than \$1,000,000.	Concurs with Executive but reduces the appropriation to \$7,000,000.	
Sec. 22m – NEW Computer Adaptive Testing	n/a	n/a	\$18,000,000 appropriation for the support of computer-adaptive testing. This funding would be sufficient to provide year-long access to online, computer-adaptive tests for all students. The MDE would have to choose a provider of the test via an RFP developed	Not included.	

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			<p>during the summer of 2013. The provider and test chosen by the MDE would have to provide immediate feedback, be delivered online, target the instructional level of each student, and provide unlimited testing opportunities. The funding also could be used by districts to acquire the hardware necessary to host computer-adaptive testing.</p> <p>Language is included to prohibit the MDE from expanding the uses of the grants to anything beyond what is listed in the section.</p>		
Sec. 24 Court-Placed Pupils	Appropriates \$8,000,000 in FY 2012-13 to reimburse districts for the additional costs of educating students placed in the district by the court system.	Continues the \$8,000,000 appropriation into both FY 2013-14 and FY 2014-15.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 24a Educating Pupils in DHS Juvenile Justice Service Facilities	Appropriates \$2,135,800 in FY 2012-13 for payments to intermediate districts for pupils who are placed in juvenile justice facilities.	Appropriates \$2,167,500 in both FY 2013-14 and FY 2014-15.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 24c Youth Challenge Program	Appropriates \$1,500,000 in FY 2012-13 for the Youth Challenge Program. Payment goes through Battle Creek Public Schools, which contracts with Department of Military and Veterans' Affairs (DMVA) for the program.	Continues the \$1,500,000 appropriation into both FY 2013-14 and FY 2014-15.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 25 Adjusting Memberships for Pupils Moving after the Count Day	Allows for the adjustment of FTE counts when pupils enroll after the count day, with the educating district notifying the Department and the district in which the student was previously enrolled. The Department is instructed to adjust state aid payments accordingly.	No change. Will become effective with the 2013-14 school year.	Repeals.	Repeals.	
Sec. 25e Adjusting Memberships for Pupils Moving after the Count Day	N/A	N/A	<p>Requires CEPI to work with MDE, districts and intermediate districts to develop a pupil transfer application <i>not later than November 1, 2013</i> modeled on the graduation and dropout application and to develop a pupil transfer process.</p> <p>If a pupil enrolls after the fall count day and was not enrolled previously, allows a district to report their enrollment through the pupil transfer application up until the supplemental count day in February.</p> <p>If a pupil transfers from another district after the count day, allows the newly enrolling district to report the enrollment through the pupil transfer application up until the supplemental count day in February.</p> <p>Upon receipt of that report, the pupil transfer application would do the following:</p>	<p>Requires CEPI to work with MDE, districts and intermediate districts to develop a pupil transfer application modeled on the graduation and dropout application and to develop a pupil transfer process.</p> <p>If a pupil enrolls after the fall count day and was not enrolled previously, allows a district to report their enrollment through the pupil transfer application up until the supplemental count day in February.</p> <p>If a pupil transfers from another district after the count day, allows the newly enrolling district to report the enrollment through the pupil transfer application up until the supplemental count day in February.</p> <p>Upon receipt of that report, the pupil transfer application would do the following:</p>	



SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
			<p>a) notify the district in which the pupil was previously enrolled. That district would provide exit dates and other necessary information.</p> <p>b) notify the pupil auditing staff from both the ISD in which the educating district is located and the ISD in which the district that previously enrolled the pupil is located. The pupil auditing staff shall edit if necessary and approve the transfer.</p> <p>c) aggregate the district-wide changes and notify MDE for use in making adjustments to the State aid payment system. MDE shall do the following:</p> <p>-- adjust the pupil membership calculation for the previously enrolling district to prorate based on 1/180 for each day the student was enrolled and in attendance.</p> <p>-- adjust the pupil membership calculation to include 1/180 for the number of school days between the day the pupil enrolled in that district and the supplemental count day.</p> <p>Changes under this section shall take effect as of the date the pupil becomes enrolled and in attendance in the educating districts.</p>	<p>a) notify the district in which the pupil was previously enrolled. That district would provide exit dates and other necessary information.</p> <p>b) notify the pupil auditing staff from both the ISD in which the educating district is located and the ISD in which the district that previously enrolled the pupil is located. The pupil auditing staff shall edit if necessary and approve the transfer.</p> <p>c) aggregate the district-wide changes and notify MDE for use in making adjustments to the State aid payment system. MDE shall do the following:</p> <p>-- adjust the pupil membership calculation for the previously enrolling district to prorate based on 1/180 for each day the student was enrolled and in attendance.</p> <p>-- adjust the pupil membership calculation to include 1/180 for the number of school days between the day the pupil enrolled in that district and the supplemental count day.</p> <p>Changes under this section shall take effect as of the date the pupil becomes enrolled and in attendance in the educating districts.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 26a Renaissance Zone Reimbursement	In FY 2012-13, appropriates \$26,300,000 from the School Aid Fund to reimburse districts for lost local revenue due to taxes not collected in Renaissance Zones, and \$1,500,000 from the General Fund to reimburse libraries for lost revenue.	Continues the School Aid Fund appropriation into both FY 2013-14 and FY 2014-15.  Transfers the \$1,500,000 GF library funding to the Department of Education budget.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 26b PILT Reimbursement	Appropriates \$3,169,500 in FY 2012-13 to reimburse districts for lost local revenue due to taxes not collected on State-owned land.	Appropriates \$4,009,500 in FY 2013-14 and \$4,410,500 in FY 2014-15.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 26c Promise Zone Reimbursement	This categorical is necessary to reimburse local districts and ISDs for Promise Zone reimbursements. FY 2011-12 reimbursement of \$276,800 and FY 2012-13 reimbursement of \$347,800.	Appropriates \$224,000 for both FY 2013-14 and FY 2014-15.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings	Appropriates \$317,695,500 to the section in FY 2012-13.  Out of the total funding, the earmark for At-Risk funding equals \$308,988,200.  (6) Out of the total, this subsection allocates \$3,557,300 for Child and Adolescent Health Centers.	Continues the \$317,695,500 appropriation into FY 2013-14 and FY 2014-15.  Adds preschool programs under the Great Start Readiness Program as an allowable use of At-Risk funds.  Allows any district to use at-risk funding for class size reduction instead of requiring a waiver first.	Concurs with Governor on FY 2013-14 appropriation level and on recommended language changes.	Concurs with Governor on FY 2013-14 appropriation level and most language changes, but does not concur with allowing at-risk funds to be used for GSRP purposes.	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	(7) Out of the total, this subsection allocates \$5,150,000 for hearing and vision screenings.	Adds to the definition of 'at-risk pupil' those pupils in a priority school as defined by the Federal Elementary and Secondary Education Act of 2001 flexibility request approved by the US Department of Education.			
Sec. 31d School Lunch Program	Appropriates \$22,495,100 SAF for FY 2012-13 to fund the State share of the school lunch programs as required by the <i>Durant</i> settlement and includes \$402,506,000 Federal.	Continues the State appropriations into FY 2013-14 and FY 2014-15. Federal funds are increased both years to \$463,200,000.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 31f School Breakfast	Appropriates \$9,625,000 in FY 2012-13 to provide reimbursement for the State school breakfast program.	Reduces the appropriation in FY 2013-14 and FY 2014-15 to \$5,625,000 to reflect actual disbursements.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 32d Great Start Readiness Program (GSRP)	Appropriates \$100,400,000 from the School Aid Fund for FY 2012-13 to operate the district Great Start Readiness Program (GSRP) and \$300,000 GF/GP to continue a longitudinal study of the GSRP, and \$8,875,000 for competitive GSRP grants to entities other than schools.	For FY 2013-14, the appropriation for the GSRP grants is increased by \$65,000,000, and the money previously earmarked for private providers is rolled into the funding allocated to intermediate districts and consortia, for total available funding of \$174,275,000. For FY 2014-15, the appropriation is further increased another \$65,000,000 to \$239,275,000.  For both FY 2013-14 and FY 2014-15, the longitudinal study remains funded at \$300,000 GF/GP.	Concurs with Governor to increase funding by \$65,000,000 to \$174,275,000.  Concurs with Governor on majority of language changes, with the following exceptions:  The program must ensure that all of the children served are live in families with income levels at or below 300% of the Federal Poverty Level (FPL), and that the children living with families whose income is in the poorest quintile are served first, then filling slots with the next lowest quintile, and so on. Additionally, providers must retain 10% of funding to be able to enroll eligible children after the start of the program.	Increases funding by \$38,000,000 to \$147,575,000.  (b) Maintains current law but revises to serve families with incomes below 200% of the Federal poverty level.  Revises such that 80% of participating children must live in families with income less than 200% of the Federal poverty level.	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>(1)(b) Allows funds to be used for preschool and parenting programs under former section 32b (PIE program); caps funding spent by each district for the former PIE program to the amount spent in the prior fiscal year. Can only be spent on families with incomes below 300% of the Federal poverty level.</p>	<p>(1)(b) is deleted.</p> <p>Aligns the age eligibility for GSRP to the age eligibility for attending school as provided under Sec. 1147 of the Revised School Code.</p> <p>Programs eligible for funding must participate in the State's Great Start to Quality process with a rating of at least three stars.</p> <p>The program must ensure that at least 90% (current law requires 75%) of children participating in the program for whom the provider is receiving GSRP funds are children who live with families whose household income is less than 300% Federal poverty level.</p> <p>Transportation costs are newly included as eligible costs.</p> <p>Requires an ISD receiving funds to conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers for at least 20% of its total allocated slots. Requires notification to the MDE if ISD unable to meet this requirement.</p> <p>ISDs or consortia of ISDs may provide services directly or may contract with local</p>	<p>New language added in a new (7) that requires blended GSRP/Head Start programs to apply all GSRP and Head Start policies to the pupils served, with the higher standard for each program component adhered to.</p> <p>Does not require a rating of at least three stars to participate.</p> <p>Concurs with Executive but revises to allow an ISD to keep remaining slots if the MDE verifies that the intermediate district tried to contract at least 20% of their slots but was unable to do so.</p> <p>Adds \$100 placeholder earmark for a pilot program in Kalamazoo ISD to evaluate an innovative, local, prekindergarten system involving private preschools, braided funding from public and private sources, quality</p>	<p>Concurs with Executive but reduces the poverty threshold to 200% of the Federal poverty level.</p> <p>Concurs with Executive but revises to allow an ISD to keep remaining slots if the MDE verifies that the intermediate district tried to contract at least 30% of their slots but was unable to do so.</p> <p>Requires an intermediate district to allow a parent to choose among any of the providers for which the ISD administers a program as long as the program has capacity as determined by the intermediate district.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
		<p>districts, or public or private for-profit or nonprofit providers, and may retain 7% of the grant for administrative services (an increase from 5% in current law). A reduction from 10% to 2% is proposed for expense on recruiting and public awareness.</p> <p>An ISD or consortium of ISDs must conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers.</p> <p>Grant recipients are required (instead of encouraged under current law) to establish a sliding scale of tuition rates based upon household income for children participating in GSRP who live in families with household income that is more than 300% of the FPL. A grant recipient is required (instead of allowed) to charge tuition for children above 300% FPL.</p>	<p>preschool development through mentoring, and other items.</p>		
<p>Sec. 32p Early Childhood Block Grant Program</p>	<p>Appropriates \$10,900,000 as a new early childhood block grant program, using funding previously allocated under sections 32b and 32j. ISDs receive in FY 2012-13 the total amount of funding received under those sections in FY 2011-12, after first submitting an</p>	<p>Continues the appropriations into FY 2013-14 and FY 2014-15.</p> <p>The goals of the program are changed from the previous six components of a great start system (physical health, social-emotional health, family supports, basic needs,</p>	<p>Concurs with Executive.</p> <p>Concurs with Executive to fund ISDs at their prior-year levels.</p>	<p>Concurs with Executive.</p> <p>Provides that beginning in FY 2013-14, funding for each intermediate district shall be determined by a distribution formula established by the MDE's Office of Great Start in order to provide equitable funding statewide.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>application detailing proposed uses of early childhood funding. ISDs would be required to submit reports after the end of the fiscal year indicating actual programs offered and children served.</p> <p>Each ISD that receives funding is required to convene a local Great Start collaborative to address the availability of the physical health, social-emotional health, family supports, basic needs, economic stability and safety, and parenting education and early education and care. ISDs must fund not only a local Great Start collaborative, but also a parent collation, and if the collaborative is found to be ineffective, the ISD may dissolve it.</p>	<p>economic stability and safe, and parenting education and early education and care) to the following four outcomes:</p> <ul style="list-style-type: none"> <li>i) children born healthy</li> <li>ii) children healthy, thriving, and developmentally on track from birth to 3<sup>rd</sup> grade</li> <li>iii) children developmentally ready to succeed in school at the time of school entry</li> <li>iv) children prepared to succeed in fourth grade and beyond by reading proficiently by the end of the 3<sup>rd</sup> grade</li> </ul> <p>The previous six components become the responsibility of each local great start collaborative.</p>	<p>Maintains reporting requirement.</p>	<p>Maintains a reporting requirement on results of the program sent to the Legislature.</p>	
<p>Sec. 32Q – NEW Communities in Schools</p>	<p>n/a</p>	<p>n/a</p>	<p>Adds a \$100 placeholder for a grant to Communities in Schools, charged with improving the coordination, availability, delivery, and effectiveness of integrated services and comprehensive supports for pupils and families; acting as a liaison with other organization, and improving coordination between schools and families. The organization would make grants to nonprofit community-based organizations operating in partnership with schools to</p>		

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
			implement a model of integrated student services and comprehensive supports proven to increase student achievement.		
Sec. 39 School Readiness Per-Pupil Grant and Formula	Per-pupil grant is \$3,400.	Per-pupil grant is increased to \$3,625, roughly ½ of the average district foundation allowance.	Does not concur and instead retains current year per-slot funding of \$3,400.	Per-pupil grant is increased to \$3,500 per pupil.	
Sec. 39a Federal Funds	(1) Appropriates \$818,328,500 for FY 2012-13 in Federal No Child Left Behind (NCLB) funds. (2) Appropriates \$33,514,100 in other Federal funds for education.	Appropriates \$811,828,500 in FY 2013-14 and FY 2014-15 in Federal NCLB grants, and \$31,700,000 in other Federal funds.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 41 – NEW Bilingual Education	N/A	N/A	N/A	Appropriates \$1,300,000 for bilingual education grants in FY 2013-14.	
Sec. 51a(1) Total Special Education Funding  Includes funding for sections 54 (Schools for the Deaf and Blind) and 56 (special education millage equalization), which are paid out of the appropriation in Section 51a.	Appropriation of \$954,769,100 from SAF and \$437,400,000 in Federal funding for special education programs for FY 2011-12.  (7)(c) Provides for the allocation until FY 2014-15 of lapsing funds under Section 51a to ISDs adversely impacted by the "itinerant" language change implemented in 2003-04.	FY 2012-13 SAF revised appropriation of \$954,569,100 and Federal appropriation of \$439,000,000.  FY 2013-14 SAF appropriation of \$980,569,100, and Federal appropriation of \$444,000,000.  FY 2014-15 SAF appropriation of \$1,004,869,100 and Federal appropriation of \$444,000,000.  (7)(c) Strikes the provision for allocating until 2014-15 any lapsing funds under Section 51a to ISDs adversely impacted by the "itinerant" language change implemented in 2003-04.	Concurs with Governor on FY 2013-14 appropriation level, but retains (7)(c), itinerant language.	Concurs with Governor on FY 2013-14 appropriation level, but retains (7)(c), itinerant language.	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 51c Special Education - <i>Durant</i> Payment	Appropriates \$647,500,000 from the appropriation in Sec. 51a(1) for FY 2011-12 to provide funding for costs associated with <i>Durant</i> settlement that guarantees districts 28.6138% of total approved costs of special education services and 70.4164% of total approved costs of special education transportation.	FY 2012-13 revised appropriation of \$643,000,000.  FY 2013-14 appropriation of \$662,500,000.  FY 2014-15 appropriation of \$682,000,000.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 56 ISD Special Education Millage Equalization	Appropriates \$36,881,100 to ensure that the millage levied by ISDs for special education brings in a minimum amount per mill. For FY 2012-13, each ISD's payment was equal to their 2011-12 payment.	Continues the \$36,881,100 appropriation into FY 2013-14 and FY 2014-15, but returns the formula to its previous methodology, stating a minimum per-mill guarantee.	Increases the FY 2013-14 appropriation to \$37,758,100 but freezes Wayne RESA at FY 2012-13 allocation (at no more than 62.9% of the total appropriation) and adjusts taxable value equalization amounts accordingly. Adds intent language to further study the equalization process under this section. Adds additional language ensuring no ISD loses more than 25% funding compared to the prior year.	Concurs with Governor on FY 2013-14 appropriation level but freezes Wayne RESA at FY 2012-13 allocation (at no more than 62.9% of the total appropriation) and adjusts taxable value equalization amounts accordingly.	
Sec. 61a Vocational Education	Appropriates \$26,611,300 for FY 2012-13 to support career and technical education programs.	Continues the \$26,611,300 appropriation into FY 2013-14 and FY 2014-15.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 62 Vocational Education Millage Equalization	Appropriates \$9,000,000 for FY 2012-13 to provide funding to intermediate districts that levy vocational education mills to guarantee a minimal amount received per mill levied, on a per-pupil basis.	Continues the \$9,000,000 appropriation into FY 2013-14 and FY 2014-15, but returns the formula to its previous methodology, stating a minimum per-mill guarantee.	Increases the FY 2013-14 appropriation level to \$9,190,000 but freezes Genesee ISD at FY 2012-13 allocation (at no more than 38.4% of the total appropriation) and adjusts taxable value equalization amounts accordingly. Adds intent language to further	Concurs with Governor on FY 2013-14 appropriation level but freezes Genesee ISD at FY 2012-13 allocation (at no more than 38.4% of the total appropriation) and adjusts taxable value equalization amounts accordingly.	



SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	For FY 2012-13, each ISD's payment was equal to their 2011-12 payment.		study the equalization process under this section.		
Sec. 74 Bus Driver Safety	<p>Appropriates \$3,259,900 for FY 2012-13.</p> <p>Of the total appropriation, \$1,625,000 is to reimburse intermediate districts and universities for providing bus driver safety instruction.</p> <p>The remaining \$1,634,900 is to reimburse districts and ISDs for the cost of the Michigan State Police to inspect school buses.</p>	<p>Increases the appropriation to \$3,299,000 to pay for economic increases of the MSP.</p> <p>Removes the 75% cap on reimbursement of actual costs.</p> <p>Bus driver safety instruction remains funded at \$1,625,000 and MSP reimbursement increases to \$1,674,000.</p>	Concurs with Governor on FY 2013-14 appropriation level and language changes.	Concurs with Governor on FY 2013-14 appropriation level and language changes.	
Sec. 81 Intermediate School Districts (ISD) General Operations Funding	<p>Appropriates \$64,108,000 for basic operational funding in FY 2012-13.</p> <p>Of the total appropriation, \$2,000,000 is earmarked for Best Practices for ISDs that meet four of five of the following best practices by June 1, 2013:</p> <p>a) develop a service consolidation plan and implement the plan;</p> <p>b) obtain competitive bids for non-instructional services for the ISD or its constituent districts with a value of at least \$50,000;</p> <p>c) develop a technology plan, in accordance with department policy, on behalf of constituent districts;</p>	<p>Increases the appropriation by \$7,000 to \$64,115,000 in both FY 2013-14 and FY 2014-15 (and for FY 2012-13) to pay the incentive payment to two ISDs that consolidated (Oceana and Mason Lake) for three years, ending after FY 2014-15.</p> <p>Removes an outdated subsection of language that prohibited the MDE for increasing an ISD's allocation because of an adjustment made by the MDE during the fiscal year in the ISD's taxable value for a prior year. Instead, the language directed the MDE to report the adjustment and the estimated amount of the increase.</p> <p>Requires ISDs to meet five out of six criteria to receive best practices funding, with the new</p>	<p>Rolls the \$2,000,000 for best practices into base funding and removes best practices language. Total appropriation remains at \$64,115,000.</p> <p>Concurs with Governor in removing outdated language.</p>	<p>Appropriates \$62,115,000 for ISD operations plus a \$100 placeholder for best practices.</p> <p>Concurs with Governor's recommended changes for best practices criteria.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>d) provide a dashboard with specified information;</p> <p>e) work in a consortium to develop information management system requirements addressing student management systems, learning management tools, and business services.</p>	<p>criterion being that the ISD be the policyholder if providing health care, or a VEBA would qualify as well.</p> <p>Also requires an ISD that developed a service consolidation plan to implement it, or if it didn't develop one, to go ahead and do so, and make the plan publicly available. Requires UAL costs to be excluded from competitive bid comparisons. Requires a tech plan to be implemented. Adds revenue and expenditure projections, and indebtedness.</p>			
<p>Sec. 93 State Aid to Libraries</p>	<p>Appropriates \$1,304,300 in GF for FY 2012-13 to supplement the Department of Education budget bill funding for State Aid to public libraries.</p>	<p>Transferred to Department of Education budget bill and repealed from the School Aid Act.</p>	<p>Concurs with Executive.</p>	<p>Concurs with Executive.</p>	
<p>Sec. 94a Center for Educational Performance and Information (CEPI)</p>	<p>Appropriates \$9,218,400 GF/GP and \$193,500 in Federal funds in FY 2012-13 to support the operations of the CEPI and the development and implementation of a comprehensive P-20 data management and student tracking system.</p> <p>Of the total funding, \$850,000 is earmarked for competitive grants to support collaborative efforts on the P-20 longitudinal data system. Grants will be awarded to eligible ISDs or a</p>	<p>Increases GF/GP appropriation by \$216,700 to \$9,435,100 for CEPI operations in FY 2013-14 and FY 2014-15 and continues appropriation of \$193,500 in Federal funds. The increase in General Fund is to pay for economic adjustments.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level, with the following addition:</p> <p>-- adds \$99,800 for CEPI to develop the pupil transfer application as required under Sec. 25.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>consortium of ISDs, and activities funded under the grant may include portal hosting, hardware and software acquisition, maintenance, enhancements, and other items.</p>				
<p>Sec. 95 Grants for Principal Training</p>	<p>FY 2012-13 appropriation of \$1,750,000 to make grants to districts to support professional development for principals and assistance principals in a Department-approved training program for implementing educator evaluations as required under MCL 380.1249.</p> <p>The Department is required to approve all training programs recommended by the Governor's Council on Educator Effectiveness.</p> <p>Grants are not to exceed \$350 per participant.</p>	<p>Continues the program but at a reduced ongoing cost of \$500,000 for both FY 2013-14 and FY 2014-15.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p> <p>Adds legislative intent to appropriate any unallocated funds appropriated under this section in FY 2012-13 for use in FY 2013-14.</p>	
<p>Sec. 98 Michigan Virtual University (MVU)</p>	<p>Appropriates \$4,387,500 GF/GP to MVU in FY 2011-12 for operations of the Virtual High School and the Center for Online Learning Research and Innovation.</p> <p>The MVU is charged with establishing the Center for Online Learning Research and Innovation, tasked with numerous items, including: a) support and</p>	<p>Increases the GF appropriation to \$14,387,500 in FY 2013-14 and then reduces that funding to \$9,387,500 in FY 2014-15.</p> <p>The name of the Center is changed to the Michigan Virtual Learning Research Institute. The Institute is charged with providing an extensive professional development program to a minimum of 1,000 education</p>	<p>Increases the General Fund appropriation by four \$100 placeholders in FY 2013-14 to \$4,387,900.</p> <p>All of the Governor's recommended changes are concurred in but funded with \$100 placeholders for each of the new initiatives, with the exception of MVU maintaining a statewide catalog of online courses and researching and making available benchmarks.</p>	<p>Appropriates \$4,387,500 GF/GP to MVU for FY 2012-13. Essentially maintains current law with the following exceptions:</p> <p>Concurs in name change from Center to Michigan Virtual Learning Research Institute.</p> <p>Adds that MVU should identify and share best practices for <b>planning, implementing, and evaluating</b> online and</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>accelerate innovation (including research of online and blended education models, and analyzing the effectiveness of online learning in preparing students to be career or college ready); and, b) provide leadership for Michigan's system of online and blended learning education (including making policy recommendations that accelerate the expansion of effective online learning).</p> <p>Of the total funding, \$500,000 is earmarked for the Michigan Virtual School, operated by the MVU, to conduct and report on a year-long pilot study of a new performance-based funding model for the Michigan Virtual School. The purpose of the study is to demonstrate the merits of a payment system for online instructional programs based on student performance rather than solely on enrollment and attendance factors. The \$500,000 is to be paid out using an amount per online course enrollment not to exceed 1/12 of the State's minimum per-pupil foundation allowance.</p>	<p>personnel prior to August 31, 2014 that focuses on integration of digital learning into curricula and instruction.</p> <p>Beginning in FY 2013-14, MVU is required to award up to \$2,200,000 in competitive grants to ISDs or consortia of ISDs to support and accelerate statewide efforts to expand the integration of online and blended learning. MVU is required to report to the appropriations subcommittees on the barriers and other opportunities to encourage the acceptance of digital learning in public education no later than December 1, 2014.</p> <p>The Institute is required to report its recommendations for a new digital learning teacher endorsement credential no later than September 30, 2013, and MVU is required to convene and support a statewide cohort of higher education faculty members to implement the new teacher endorsement.</p> <p>MVU is also required to research and establish an internet-based platform that educators can use to create student-centric learning tools and resources and facilitate a user network to assist</p>	<p>Instead, those functions are added to a new line/unit in the MDE.</p> <p>Adds a reporting requirement for MVU to provide to the appropriations subcommittees detailed budget information including operational costs, staffing levels, fund sources, fund balances, and cost model with respect to charging school districts for online courses and professional development.</p>	<p>blended education deliver models.</p> <p>Adds that the recommendations they are working on in FY 2012-13 shall be reported no later than September 30, 2013.</p>	

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		<p>educators in using the platform.</p> <p>Further, MVU is required to create and maintain a public statewide catalog of online learning courses being offered by all public schools in Michigan. The Institute is required to determine a list of nationally recognized best practices for online learning and use the list to provide reviews of online course vendors, courses, and instructional practices, with these results made available to the public through the catalog. By 2014-15, the catalog also shall include the number of pupils enrolled in each online course in the previous year, the number of pupils who successfully completed each online course in the previous year, and the completion rate for each online course.</p> <p>The \$500,000 pilot study is removed.</p> <p>A definition of 'digital learning' is included to mean instruction delivered via a web-based educational delivery system that uses various information technologies to provide a structured learning environment, including online and blended learning instructional methods.</p>			

<b>SECTION</b>	<b>CURRENT LAW</b>	<b>GOVERNOR</b>	<b>SENATE</b>	<b>HOUSE</b>	<b>CONFERENCE</b>
Sec. 99 Math and Science Centers	Appropriates for FY 2012-13 \$2,625,000 SAF and \$5,249,300 in Federal funds for the funding of 33 math and science centers throughout the state (of which \$750,000 is identified for centers able to provide professional development in implementing the Merit Curriculum, and \$100,000 to a single center participating in STEM to connect math and science centers for STEM purposes.	Continues the \$2,725,000 in total funding into both FY 2013-14 and FY 2014-15.	Increases the appropriation by \$125,000 to \$2,850,000.	Concurs with Governor on FY 2013-14 appropriation level.  Further adds a \$100 GF/GP placeholder for STEM coalition pilot grants.	
Sec. 99b – NEW STEM Professional Development	N/A	N/A	N/A	Adds \$100 placeholder for professional development of teachers in STEM fields.	
Sec. 101 Days and Hours	Provides the minimum number of days of pupil instruction (170 beginning in FY 2012-13). Minimum number of hours in any year is 1,098.	Changes the reporting requirement for pupil count data to be remitted to the CEPI from the seventh Wednesday after count day to the sixth Wednesday after count day.	Concurs with Governor.	Concurs with Governor and further increases the minimum required days to 175 beginning in FY 2014- 15 (1,098 hours of instruction requirement remains same).  Also eliminates provision allowing for 38 hours of professional development to be counted as hours of instruction.	
Sec. 102 Deficit Districts	Prescribes the process for districts in deficit or anticipating deficit to submit a deficit reduction plan.	Changes the term 'deficit reduction plan' to 'deficit elimination plan'.	Concurs with Governor.	Concurs with Governor.	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 104 Assessment Funding	<p>Appropriates \$26,694,400 for FY 2012-13 from the SAF for reimbursement of costs associated with state student assessment requirements. Also appropriates \$8,250,000 in Federal assessment funding for the purposes of complying with Federal NCLB Act.</p> <p>Requires that in order to receive state aid a district must administer assessments in compliance with the following sections of the School Code: 1249, 1278a, 1278b, 1279, 1279g, and 1280b.</p>	Continues the \$26,694,400 State funding and \$8,250,000 Federal funding for assessments into both FY 2013-14 and FY 2014-15.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Sec. 107 Adult Education	Appropriates \$22,000,000 in FY 2012-13 for Adult Education programs.	Continues the \$22,000,000 appropriation into both FY 2013-14 and FY 2014-15.	Concurs with Governor on FY 2013-14 appropriation level.	<p>Concurs with Governor on FY 2013-14 appropriation level.</p> <p>Adds intent language that, beginning in FY 2014-15, the grants awarded under this section shall be done on a competitive basis, rather than on a formulaic basis (current law, which pays based on previous year's allocations).</p>	
Sec. 147 Retirement Contribution Rate	For FY 2012-13, the employer rates vary between 20.96% and 24.32% of payroll paid by the employer and the remainder of the total retirement contribution rate by the State under Section 147c. The variation in rates is driven by the different plans available/chosen by	The employer rate for FY 2013-14 varies between 20.96% and 24.79% of payroll paid by the employer and the remainder of the total rate paid by the State under Section 147c. The variation in rates is driven by the different plans available/ chosen by employees based on hire date.	Concurs with Executive with technical language revisions from the Office of Retirement Services.	Concurs with Executive with technical language revisions from the Office of Retirement Services.	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
	<p>employees based on hire date.</p> <p>The employer rates shown above do not include defined contribution amounts paid by the employer directly into the employee's DC account(s).</p>	<p>The employer rate for FY 2014-15 varies between 20.96% and 25.78% of payroll paid by the employer and the remainder of the total rate paid by the State under Section 147c. The variation in rates is driven by the different plans available/ chosen by employees based on hire date.</p> <p>The employer rates shown above do not include defined contribution amounts paid by the employer directly into the employee's DC account(s).</p>			
<p>Sec. 147a MPSERS Payment to Districts</p>	<p>Appropriates \$155,000,000 from the FY 2012-13 SAF for payments to districts (not ISDs) to assist with their current-year MPSERS liabilities.</p> <p>Distributions are calculated based on share of MPSERS payroll. On a statewide basis, this averages to \$100 per pupil for eligible districts, but varies based on share of MPSERS payroll.</p>	<p>Continues the \$155,000,000 appropriation into FY 2013-14 and FY 2014-15.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p>	
<p>Sec. 147b MPSERS Reserve Fund</p>	<p>Appropriates \$41,000,000 in FY 2012-13 for an appropriation/transfer to the MPSERS reserve for retirement obligation reform.</p>	<p>Adds legal language that first says that money available in the fund may not be expended without a specific appropriation, and second, that if the employee retiree health care 3% contributions described in Section 43e of the MPSERS Act (currently in an escrow account) are found</p>	<p>Concurs with Governor.</p>	<p>Concurs with Governor.</p>	



SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
		<p>constitutional, that those monies be deposited into the MPSERS reforms fund to be used solely for health care unfunded accrued liabilities.</p>			
<p>Sec. 147c MPSERS Rate Cap</p>	<p>Appropriates \$130,000,000 to the Michigan Public School Employees' Retirement System pursuant to Section 41 of the MPSERS Act.</p>	<p>FY 2012-13 supplemental request for total funding of \$160,500,000 to pay for the "granny clause" on retiree health care under SB 1040 and the two-month window extension.</p> <p>FY 2013-14 appropriation of \$253,300,000 from the SAF and \$150,000,000 from the MPSERS reforms fund (Sec. 147b).</p> <p>FY 2014-15 appropriation of \$549,200,000 from the SAF and \$100,000,000 from the MPSERS reforms fund.</p> <p>The payments are equal to the difference between the unfunded accrued liability rate and the maximum employer rate of 20.96% stipulated under Section 41 of the Public School Employees' Retirement Act.</p> <p>Money will be appropriated to districts that will in turn make payments to the MPSERS system.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p> <p>However, also funds a \$1.3 million GF/GP appropriation to cover MPSERS rate cap costs for district libraries. Under the Governor's recommendation, this payment for libraries was paid for in the MDE budget.</p>	<p>Concurs with Governor on FY 2013-14 appropriation level.</p>	

SECTION	CURRENT LAW	GOVERNOR	SENATE	HOUSE	CONFERENCE
Sec. 152a Adair Lawsuit: Data Collection Costs	FY 2012-13 appropriation of \$38,000,500 for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data.	FY 2013-14 and FY 2014-15 appropriations remain at \$38,000,500.	Concurs with Governor on FY 2013-14 appropriation level.	Concurs with Governor on FY 2013-14 appropriation level.	
Repealers	N/A	Sections 11q (Ed Jobs Fund), 11t (intent to rename School Aid Fund), 11u (intent to examine categoricals), 12 (intent to appropriate same funding for FY 2013-14), 22g (\$10.0 million one-time consolidation incentive grants), 22h (\$4.0 million one-time Highland Park student transition grants), 25d (FY 2012-13 language on alternative education programs), 32g (kindergarten assessments and tiered quality ratings system), 32L (competitive GSRP grants), 93 (state aid to libraries), 101a (enrollment of individual who has dropped out of another district), and 166 (forfeiture of 5% State aid for dispensing/referrals of family planning drugs or referrals for abortions) are recommended for repeal.	Sections 11q, 11t, 11u, 22f (best practices), 22g, 22h, 25, 25d, 32g, 32L, 93, and 101a.	Sections 11q, 11t, 11u, 22g, 22h, 25, 25d, 32g, 32L, 93, 101a.	



**Revised Recommendation for FY 2012-13 and  
Governor's and Senate Recommendations for FY 2013-14  
(Dollars in Thousands)**

Line Item Description	Revised Rec Appropriations FY 2012-13	Governor's Recommendations		FY 2013-14 Senate Recommendation	Difference from Governor's Recommendation
		Change from FY 13 Revised Rec	FY 2013-14 Gov Appropriations		
Sec. 11g Durant Non-plaintiff Debt Service	\$39,000.0	\$500.0	\$39,500.0	\$39,500.0	\$0.0
Sec. 11j School Bond Loan Fund Payments - Debt Service	\$120,390.0	\$11,270.0	\$131,660.0	\$131,660.0	\$0.0
Sec. 11m Cash Flow Borrowing Costs	\$3,200.0	\$2,800.0	\$6,000.0	\$6,000.0	\$0.0
Sec. 11s Deposit to Education Reserve Fund - NEW	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec 22a Proposal A Obligation Payment	\$5,631,000.0	(\$73,000.0)	\$5,558,000.0	\$5,558,000.0	\$0.0
Sec. 22b Discretionary Payment - State	\$3,217,000.0	\$87,000.0	\$3,304,000.0	\$3,329,500.0	\$25,500.0
Sec. 22c Equity Payment	\$0.0	\$24,000.0	\$24,000.0	\$0.0	(\$24,000.0)
Sec. 22d Isolated Districts Funding	\$2,025.0	\$0.0	\$2,025.0	\$2,584.6	\$559.6
Sec. 22f Best Practices	\$80,000.0	(\$55,000.0)	\$25,000.0	\$0.0	(\$25,000.0)
Sec. 22g Consolidation Innovation Grants	\$10,000.0	(\$10,000.0)	\$0.0	\$0.0	\$0.0
Sec. 22i Technology Infrastructure	\$50,000.0	(\$36,500.0)	\$13,500.0	\$0.0	(\$13,500.0)
Sec. 22j Pupil Performance	\$30,000.0	\$0.0	\$30,000.0	\$46,400.0	\$16,400.0
Sec. 22k Competitive Student-Centric Grants - NEW	\$0.0	\$8,000.0	\$8,000.0	\$8,000.0	\$0.0
Sec. 22m Computer Adaptive Tests - NEW	\$0.0	\$0.0	\$0.0	\$18,000.0	\$18,000.0
Sec. 24 Court-Placed Pupils	\$8,000.0	\$0.0	\$8,000.0	\$8,000.0	\$0.0
Sec. 24a Juvenile Detention Facilities	\$2,135.8	\$31.7	\$2,167.5	\$2,167.5	\$0.0
Sec. 24c Challenge Program	\$1,500.0	\$0.0	\$1,500.0	\$1,500.0	\$0.0
Sec. 26a Renaissance Zone Costs	\$27,800.0	(\$1,500.0)	\$26,300.0	\$26,300.0	\$0.0
Sec. 26b PILT Reimbursement	\$3,328.0	\$681.5	\$4,009.5	\$4,009.5	\$0.0
Sec. 26c Promise Zone	\$347.8	(\$123.8)	\$224.0	\$224.0	\$0.0
Sec. 31a "At Risk" Pupil Support	\$308,988.2	\$0.0	\$308,988.2	\$308,988.2	\$0.0
Sec. 31a Vision/Hearing Screening	\$5,150.0	\$0.0	\$5,150.0	\$5,150.0	\$0.0
Sec. 31a Child and Adolescent Health Centers	\$3,557.3	\$0.0	\$3,557.3	\$3,557.3	\$0.0
Sec. 31d School Lunch Programs - State Share	\$22,495.1	\$0.0	\$22,495.1	\$22,495.1	\$0.0
Sec. 31d School Lunch Programs - Federal Share	\$402,506.0	\$60,694.0	\$463,200.0	\$463,200.0	\$0.0
Sec. 31f School Breakfast	\$9,625.0	(\$4,000.0)	\$5,625.0	\$5,625.0	\$0.0
Sec. 32d Great Start - School Readiness	\$109,575.0	\$65,000.0	\$174,575.0	\$174,575.0	\$0.0
Sec. 32p Great Start Early Childhood Block Grants	\$10,900.0	\$0.0	\$10,900.0	\$10,900.0	\$0.0
Sec. 32Q Communities in Schools	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1
Sec. 39a(1) NCLB Federal DOE Grants	\$812,328.5	(\$500.0)	\$811,828.5	\$811,828.5	\$0.0
Sec 39a(2) Other Non-NCLB Federal DOE Grants	\$33,514.1	(\$1,814.1)	\$31,700.0	\$31,700.0	\$0.0
Sec. 51c Special Education Headlee - State Share	\$643,000.0	\$19,500.0	\$662,500.0	\$662,500.0	\$0.0
Sec. 51a(2) Spec. Ed. Foundations - State Share	\$250,700.0	\$7,600.0	\$258,300.0	\$258,300.0	\$0.0
Sec. 51a(3) Spec. Ed. Hold Harmless to ISDs - State Share	\$1,000.0	\$0.0	\$1,000.0	\$1,000.0	\$0.0
Sec. 51a(11) Spec. Ed. Non Sec. 52 to ISDs - State Share	\$5,600.0	(\$1,100.0)	\$4,500.0	\$4,500.0	\$0.0
Sec. 51a(6) Spec. Ed. Rules Change - State Share	\$2,200.0	\$0.0	\$2,200.0	\$2,200.0	\$0.0
Sec. 53a Court-Placed Spec. Ed. FTEs - State Share	\$13,500.0	\$0.0	\$13,500.0	\$13,500.0	\$0.0
Sec. 54 MI School for Deaf and Blind - State Share	\$1,688.0	\$0.0	\$1,688.0	\$1,688.0	\$0.0
Sec. 56 Spec. Ed. Millage Equalization - State Share	\$36,881.1	\$0.0	\$36,881.1	\$37,758.1	\$877.0
Sec. 51a Special Education - Federal IDEA	\$365,000.0	\$5,000.0	\$370,000.0	\$370,000.0	\$0.0
Sec. 51d Special Education - Other Federal	\$74,000.0	\$0.0	\$74,000.0	\$74,000.0	\$0.0
Sec. 61a Vocational Education	\$26,611.3	\$0.0	\$26,611.3	\$26,611.3	\$0.0
Sec. 62 ISD Vocational Ed Millage Equalization	\$9,000.0	\$0.0	\$9,000.0	\$9,190.0	\$190.0
Sec. 74 Bus Driver Safety Instruction	\$1,625.0	\$0.0	\$1,625.0	\$1,625.0	\$0.0
Sec. 74 School Bus Inspections	\$1,634.9	\$39.1	\$1,674.0	\$1,674.0	\$0.0
Sec. 81 ISD General Operations Support	\$62,115.0	\$0.0	\$62,115.0	\$64,115.0	\$2,000.0
Sec. 81(7) ISD Best Practices	\$2,000.0	\$0.0	\$2,000.0	\$0.0	(\$2,000.0)
Sec. 93 State Aid to Libraries	\$1,304.3	(\$1,304.3)	\$0.0	\$0.0	\$0.0
Sec. 94a Center for Educ. Perf. and Information - State Share	\$9,218.4	\$216.7	\$9,435.1	\$9,435.1	\$0.0
Sec. 94a Center for Educ. Perf. and Information - Federal	\$193.5	\$0.0	\$193.5	\$193.5	\$0.0
Sec. 95 Principal Educator Evaluation Training	\$1,750.0	(\$1,250.0)	\$500.0	\$500.0	\$0.0
Sec. 98 Michigan Virtual High School - State	\$4,387.5	\$10,000.0	\$14,387.5	\$4,387.9	(\$9,999.6)
Sec. 99 Math/Science Centers - State	\$2,725.0	\$0.0	\$2,725.0	\$2,850.0	\$125.0
Sec. 99 Math/Science Centers - Federal	\$5,249.3	\$0.0	\$5,249.3	\$5,249.3	\$0.0
Sec. 104 MEAP Testing - State Share	\$26,694.4	\$0.0	\$26,694.4	\$26,694.4	\$0.0
Sec. 104 MEAP Testing - Federal Share	\$8,250.0	\$0.0	\$8,250.0	\$8,250.0	\$0.0
Sec. 107 Adult Education - State	\$22,000.0	\$0.0	\$22,000.0	\$22,000.0	\$0.0
Sec. 147a MPSERS District Reimbursement	\$155,000.0	\$0.0	\$155,000.0	\$155,000.0	\$0.0
Sec. 147b MPSERS Reserve for Retirement Obligation Reform	\$41,000.0	(\$41,000.0)	\$0.0	\$0.0	\$0.0
Sec. 147c MPSERS Rate Cap (Section 41 of MPSERS Act)	\$160,500.0	\$242,800.0	\$403,300.0	\$404,600.0	\$1,300.0
Sec. 152. Adair v State of Michigan	\$38,000.5	\$0.0	\$38,000.5	\$38,000.5	\$0.0
<b>TOTAL SCHOOL AID APPROPRIATIONS</b>	<b>\$12,917,194.0</b>	<b>\$326,915.8</b>	<b>\$13,235,234.8</b>	<b>\$13,225,686.9</b>	<b>(\$9,547.9)</b>
<b>TOTAL REVENUE</b>					
Federal Aid	\$1,701,041.4	\$63,379.9	\$1,764,421.3	\$1,764,421.3	\$0.0
School Aid Fund (SAF)	\$10,933,752.6	\$165,935.9	\$11,090,813.5	\$11,081,665.6	(\$9,147.9)
General Fund/General Purpose	\$282,400.0	(\$52,400.0)	\$230,000.0	\$229,600.0	(\$400.0)
MPSERS Reforms Fund	\$0.0	\$150,000.0	\$150,000.0	\$150,000.0	\$0.0
Withdrawal from MPSERS Escrow	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>TOTAL REVENUE</b>	<b>\$12,917,194.0</b>	<b>\$326,915.8</b>	<b>\$13,235,234.8</b>	<b>\$13,225,686.9</b>	<b>(\$9,547.9)</b>