

**SCHOOL AID: FY 2010-11
Summary: Conference Report
Senate Bill 1163 (CR-1*)**



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IDG/IDT	FY 2009-10 YTD	FY 2010-11 Executive	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Conference	Difference: Conference	
						From FY 2009-10 YTD Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal							
ARRA	450,000,000	184,256,600	184,256,600	184,256,600	184,256,600	(265,743,400)	(59.1)
Non-ARRA	1,601,759,400	1,680,072,300	1,680,072,300	1,680,072,400	1,682,870,100	81,110,700	5.1
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	10,741,605,400	10,968,776,900	10,617,876,900	11,052,638,600	10,949,559,200	207,953,800	1.9
GF/GP	30,206,200	30,206,200	225,606,200	31,706,200	30,206,200	0	0.0
Gross	\$12,823,571,000	\$12,863,312,000	\$12,707,812,000	\$12,948,673,800	\$12,846,892,100	\$23,321,100	0.2

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 From FY 2009-10 YTD Appropriations

1. Per Pupil Reduction of \$165 (Sec. 11d)

Executive maintains the FY 2009-10 reduction of \$165 per pupil. Continues to allow districts to absorb the cut by reducing or eliminating any other funded program except Secs. 11g (Durant bond payment), 22a (Proposal A portion of the foundation allowance), 31d (school lunch program), 51a(12) (foundation allowance for special education students), 51c (special education 28% cost requirement), 53a (added costs for special education students) and adds Sec. 32d (school readiness district and competitive grants) to the protected list.

Senate increases the \$165 per pupil reduction to \$283 for a further reduction of \$118 per pupil and does not concur with protecting Sec. 32d (school readiness district and competitive grants).

House restores \$65 per pupil of the \$165 per pupil reduction in FY 2009-10 and adds Sec. 32d (school readiness district and competitive grants) to the protected list of programs.

Conference restores \$11 per pupil of the \$165 per pupil reduction in FY 2009-10 and continues the same per pupil level for FY 2010-11. Beginning in FY 2010-11 Sec. 32d (school readiness district and competitive grants) is added to the protected list of programs which can not be reduced.

(See major boilerplate for additional language changes.)

	FY 2009-10 YTD	Conference Change From YTD
Gross	(\$263,000,000)	\$20,034,200
Restricted	(263,000,000)	20,034,200

2. Proposal A Obligation Payment (Sec. 22a)

Executive and Senate reduce funding by \$90.0 million to incorporate estimates in taxable values and pupil memberships.

House reduces by \$118.0 million to incorporate updated estimates in taxable values and pupil memberships from the May consensus estimates.

Conference concurs with House.

Gross	\$5,882,000,000	(\$118,000,000)
Restricted	5,882,000,000	(118,000,000)

Major Budget Changes From FY 2009-10 YTD Appropriations	FY 2009-10 YTD	Conference Change From YTD
3. Discretionary Payment (Sec. 22b)	Gross \$3,722,300,000	\$35,456,600
Executive appropriates \$3,583.0 million in state funds and \$184.3 in Federal ARRA funds for a total increase in overall funding of \$45.0 million from the current year to adjust for estimated decreases in taxable values and declining pupil estimates. Includes \$1.0 million for litigation costs related to property tax appeals that impact School Aid Fund revenues.	FedARRA 450,000,000	(265,743,400)
Senate concurs with Executive and adds an additional \$51.5 million for foundation allowance increases of \$10-\$20 per pupil under the 2x formula and restoration of Sec. 20j payments at 50% of FY 2008-09 levels. The \$51.5 million is contingent on passage of SB 884 (tax amnesty) by September 30, 2010.	Restricted 3,272,300,000	301,200,000
House appropriates \$3,578.6 million in state funds and \$184.3 in Federal ARRA funds for a total increase in overall funding of \$40.6 million. Includes \$10.3 million to restore the foundation allowance of six hold harmless districts (Avondale, Clarenceville, East Lansing, Harper Woods, Livonia, and Northville) to the basic foundation allowance level of \$8,489. Also includes a reduction of \$5.7 million due to a change in membership for pupils in a cyber school or in a program under a seat-time waiver to 75% of a full-time equivalent student.		
Conference appropriates \$3,573.5 million in state funds and \$184.3 in Federal ARRA funds for a total increase in overall funding of \$36.0 million to reflect current pupil and taxable value estimates. (See major boilerplate for additional language changes.)		
4. School Bond Loan Fund (Sec. 11j)	Gross \$40,000,000	\$5,134,000
Executive, Senate and House increase by \$5.1 million to pay increased interest payments.	Restricted 40,000,000	5,134,000
Conference concurs.		
5. MBT Impact on Out of Formula Districts (Sec. 22e)	Gross \$1,300,000	\$500,000
Executive and Senate maintain current law funding levels.	Restricted 1,300,000	500,000
House increases by \$700,000 to \$2.0 million		
Conference concurs with Senate language but adds an additional \$500,00 for Pontiac School District. (See major boilerplate for additional language changes.)		
6. Juvenile Detention Facilities (Sec. 24a)	Gross \$2,523,200	(\$1,083,200)
Executive and House decrease costs due to facility closures and therefore fewer pupils.	Restricted 2,523,200	(1,083,200)
Senate does not concur with economic increases of \$86,200.		
Conference concurs with Senate.		
7. Youth Challenge Program (Sec. 24c)	Gross \$642,300	\$0
Executive and House maintain funding with an economic increase of \$10,900.	Restricted 642,300	0
Senate does not concur with economic increases of \$10,900.		
Conference concurs with Senate.		
8. Declining Enrollment Grants (Sec. 29)	Gross \$20,000,000	\$0
Executive and House maintain funding at the current year level of \$20.0 million.	Restricted 20,000,000	0
Senate eliminates funding and repeals the section.		
Conference concurs with Executive and House.		
9. At-Risk, Adolescent Health and Hearing and Vision (Sec. 31a)	Gross \$317,695,500	\$0
Executive and Senate maintain funding at current year level of \$317.7 million.	Restricted 317,695,500	0
House appropriates an additional \$1.2 for adolescent health centers for a total appropriation of \$4.7 million.		
Conference concurs with Executive and Senate. (See major boilerplate for additional language changes.)		

Major Budget Changes From FY 2009-10 YTD Appropriations	FY 2009-10 YTD		Conference Change From YTD
10. School Lunch Programs (Sec. 31d)	Gross	\$395,001,100	\$30,000,000
Executive, Senate and House appropriate increased available Federal funds for free and reduced lunch reimbursements.	Federal	372,506,000	30,000,000
Conference concurs.	Restricted	22,495,100	0
11. Early Childhood Grants (Sec. 32c)	Gross	\$0	\$0
Executive and Senate repeal section that was vetoed in FY 2009-10 budget.	GF/GP	0	0
House provides a contingency appropriation of up to \$1.5 million; however, funding is contingent on the elimination of the double deduction allowed for state income tax purposes for indirect costs incurred in oil and gas production.			
Conference concurs with House.			
12. Great Start School Readiness (Sec. 32d)	Gross	\$95,975,000	\$2,600,000
Executive and Senate maintain funding at current year level of \$88.1 million of School Aid Fund revenue and \$7.9 million of GF/GP revenue.	Federal	0	0
House appropriates an additional \$7.6 to the great start school readiness competitive program for a total funding of \$15.2 million. Adds intent language requiring any additional lottery revenue resulting from implementation of new technology pull-tab distribution of lottery games shall be used to increase funding for school readiness programs under this section.	Restricted	88,100,000	1,300,000
Conference appropriates an additional \$1.3 million for school readiness district programs and \$1.3 million for school readiness competitive programs. This would provide a total of 764 additional preschool slots for district and competitive programs.	GF/GP	7,875,000	1,300,000
13. Federal Grants (including No Child Left Behind)	Gross	\$785,497,200	\$8,836,100
Executive, Senate and House increase funding by \$8.8 million to recognize increased available Federal funding.	Federal	785,497,200	8,836,100
Conference concurs.			
14. Special Education Payment (Sec. 51a)	Gross	\$1,485,983,000	\$31,600,000
Executive and Senate increase funding by \$34.4 million to recognize increased available Federal funding and estimated special education costs.	Federal	424,700,000	35,000,000
House increases funding by \$31.6 million to recognize available Federal funding and incorporates updated May cost estimates.	Restricted	1,061,283,000	(3,400,000)
Concurs with House.			
15. School Bus Inspections (Sec. 74)	Gross	\$0	\$433,800
Executive restores funding for this section at a significantly reduced appropriation. Inspections would be done by school districts, with random audits conducted by the Michigan State Police.	Restricted	0	433,800
Senate concurs with executive but does not include with economic increases of \$19,800.			
House increases funding to FY 2008-09 levels and maintains that State Police inspect the school buses.			
Conference concurs with Senate.			
<i>See pg 9 for additional FY 2009-10 appropriation revisions.</i>			
16. ISDs General Operations (Sec. 81)	Gross	\$65,376,800	\$0
Executive and Senate maintain FY 2009-10 funding level of \$65.4 million.	Restricted	65,376,800	0
House increases funding by \$8.0 million to a total of \$73.4 million.			
Conference concurs with Executive and Senate.			
<i>See pg 9 for additional FY 2009-10 appropriation revisions.</i>			
17. Postsecondary Agriculture Education Program (Sec. 92)	Gross	N/A	\$300,000
Senate and House appropriate \$300,000 to Saginaw Valley State University for the purpose of establishing an agriculture education program.	Restricted	N/A	300,000
Conference concurs.			

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD</u>	<u>Conference Change From YTD</u>
18. On-line Administration Grant (Sec. 93)	Gross	N/A	\$0
House appropriates \$250,000 to GENnet for administration of their statewide online education program.	Restricted	N/A	0
Conference does not include funding for this program.			
19. CEPI (Sec. 94a)	Gross	\$6,279,300	\$7,409,600
Executive and House increase the budget for the Center for Education Performance and Information (CEPI) for economics and in anticipation of federal grants to fund additional data requirements associated with the Race to the Top education reform package.	Federal	2,793,200	7,274,600
Senate does not concur with economic increases of \$170,000.	GF/GP	3,486,100	135,000
Conference increases funding for CEPI by \$135,000 in state funds and \$7.3 million in anticipation of federal grants to fund additional data requirements associated with the Race to the Top education reform package. (See major boilerplate for additional language changes and contingency appropriations.)			
20. Michigan Virtual School (Sec. 98)	Gross	\$4,387,500	\$0
Executive and Senate maintain current year appropriation levels.	Federal	2,700,000	0
House reduces funding by \$250,000 GF/GP.	GF/GP	1,687,500	0
Conference concurs with Executive and Senate.			
21. On-line Courses (Sec. 98d)	Gross	N/A	\$0
House appropriates \$100 for online courses. Funding must provide students with no-cost access to high quality online course option if one of the following conditions exists: (a) student is pregnant or has health issues, (b) student has dropped out, (c) student has failed at least on course, (d) the course is not offered, (e) student is pursuing the arts or athletics, and (e) student has been expelled or suspended.	Restricted	N/A	0
Conference does not include funding for this program.			
22. Cultural Access Grants (Sec. 99p)	Gross	\$0	\$100,000
Executive and Senate repeal section that was vetoed in FY 2009-10 budget.	Restricted	0	100,000
House appropriates \$100,000 for a competitive grant to provide students with access to cultural, art, zoos or music resources.			
Conference concurs with House.			

Major Boilerplate Changes From FY 2009-10

Sec. 6(4)(FF). Pupil Membership Definition – NEW

House adds language that counts a pupil in a cyber school or in a program under a seat-time waiver as 75% of a full-time equivalent student.

Conference does not include this language but adds a reporting requirement to sec. 101(12) to study the actual cost of providing distance learning or other alternative instructional delivery by September 10, 2012.

Sec. 6(6)(J). Requiring Permission of a Resident District to Count a Nonresident Pupil in Membership – REVISED

House revises this subsection to allow a district to count the child of an employee who was enrolled in the district under this subsection prior to the parent being laid off because of a reduction in the district's workforce.

Conference concurs with House.

Sec. 6(6)(O). Requiring Permission of a Resident District to Count a Nonresident Pupil in Membership – NEW

Executive and Senate exempt a district from seeking permission from the resident district if the pupil transfers as a requirement of the resident district not making Adequate Yearly Progress (AYP) under No Child Left Behind.

House exempts a district from seeking permission from the resident district if the pupil transfers as a requirement of the pupil's school not making AYP under No Child Left Behind.

Conference concurs with House.

Major Boilerplate Changes From FY 2009-10

Sec. 11(d). Implementation of Service Consolidation Plans – REVISED

Executive requires districts to implement service consolidation plans beginning with in 2011-2012. The plans shall implement the most cost-effective method of providing the following services: purchasing, payroll, financial accounting, facilities maintenance, pupil transportation, human resources, technology, and food services. Requires each district and ISD to calculate a per-pupil cost for each of the services in the most cost-effective method possible.

If the district method is the most cost efficient, they may use it, but if not, it would require districts to use the ISD for those services for 2011-2012 or forfeit 1% of its foundation allowance. ISDs shall provide the most cost-effective method and may charge districts for the service. An ISD shall have 10% of its funding under Sec. 81 reduced if it does not offer any of the above services. Per-pupil costs shall be reported to the ISD by March 1, 2011 and all reports shall be made public at the next ISD board meeting.

Senate does not include Executive proposed language but requires districts to report on current efforts to consolidate services by February 1, 2011.

House requires districts to begin consolidating services they identified in their service consolidation plans not later than February 1, 2011 and shall report on the status of the implementation of the service consolidation plans to the department. Also requires districts and ISDs to explore coordinating regional purchasing of diesel fuel.

Conference requires districts to report on current efforts to consolidate services by February 1, 2011 and requires districts and ISDs to explore coordinating regional purchasing of diesel fuel.

Sec. 18. Pupil Accounting Field Audits - REVISED

Executive, Senate and House allow for districts operating a single building with less than 700 pupils to have field audit conducted biennially. An eligible district must have a stable pupil count and their previous two pupil count field audits must have had less than a 2% error rate.

Conference concurs.

House makes revision to the additional reporting requirements for online budget information required of districts and ISDs which were added in FY 2009-10 by changing the reporting threshold from \$100,000 to \$90,000 for compensation packages.

Conference revises the reporting requirement for ISDs to avoid duplication requirements already in the school code. Limits ISD requirements to annual budgets, personnel cost pie chart and links to bargaining agreements, health care benefit plans and audit reports.

Sec. 19. Required Annual Progress Reports - REVISED

Executive, Senate and House eliminate the annual progress report to the department on the continued implementation of the following sections in the school code; Sec. 1204a (annual education report), Sec. 1277 (school improvement plan), Sec. 1278 (core academic curriculum), and Sec. 1280 (accreditation). This does not eliminate the reporting requirement under No Child Left Behind.

Conference concurs.

Sec. 20. Foundation Allowance Adjustments - REVISED

House adjusts the foundation allowances of 6 hold harmless districts whose foundation allowance dropped below the basic foundation allowance back to the basic foundation allowance of \$8,489. (Avondale, Clarenceville, East Lansing, Harper Woods, Livonia, and Northville) These adjustments are contingent on a change in the School Code which would exempt these 6 districts from hold harmless status. **Sec. 20(3)(d)**

Conference concurs with House however the change would not take effect until FY 2011-12.

Executive, Senate and House correct a technical issue impacting foundation allowances for PSAs located in a district that is funded with 100% local revenue. Current formula allows for an increase in the foundation allowance for PSAs to be based on total state and local revenue and not actual foundation allowance. All future increases to PSA foundation allowances shall be calculated on increases to the foundation allowance of the school district the PSA is located in. **Sec. 20(6)**

Conference concurs.

House revises the foundation allowance adjustments under subsection 19 such that the funds may be used to maintain small class sizes in grades K-8 as opposed to K-3 as is currently allowed. **Sec. 20(19)**

Conference does not concur.

Senate increases the foundation allowance by \$10-\$20 per pupil under the 2x formula for FY 2009-10 and FY 2010-11. The increase in funding is contingent on passage of SB 884 (tax amnesty) by September 30, 2010. **Sec. 20(25)**

Conference concurs with Senate but begins for FY 2010-11.

Major Boilerplate Changes From FY 2009-10

Sec. 20j. Additional Calculation for Hold Harmless Districts - REVISED

Senate restores 50% of the funding that was vetoed by the Governor in the FY 2009-10 enacted budget for FY 2009-10 and FY 2010-11. The increase in funding is contingent on passage of SB 884 (tax amnesty) by September 30, 2010.d

House does not include this section.

Conference concurs with Senate but begins for FY 2010-11

Sec. 22e. MBT Impact on Out of Formula Districts – REVISED

Executive changes eligibility requirements such that a district must have received a grant in FY 2008-09 to receive further funding. Caps the amount a district may receive to the lesser of the amount they received in FY 2008-09 or the calculated amount in the current year.

Senate changes eligibility requirements to allow new grantees to receive funding, however, no grantee could receive more than 15% of the appropriation. This change is effective starting in FY 2009-10.

House changes eligibility requirements such that if a district first received a grant in FY 2008-09 they would receive that same amount in FY 2010-11 and if a district first received a grant in FY 2009-10 they would receive that same amount in FY 2010-11 and prohibits any new districts from receiving funding under this section.

Conference concurs with Senate formula starting FY 2010-11 but adds \$500,000 for Pontiac School District.

Sec. 31a. At-Risk – REVISED

House revises the 25% reduction made to Dearborn's at-risk allocation such that it would be reduced after all payments made under this section are prorated rather than before. This change is effective starting in FY 2010-11.

Conference concurs with House.

Sec. 31d and 31f. School Lunch and School Breakfast – REVISED

House adds language that would give preference to food grown or produced by Michigan businesses.

Conference concurs with House.

Sec. 32d. Great Start School Readiness - District and Competitive Grants – REVISED

Executive eliminates the Parents Involved in Education (PIE) option as an allowable use for the grants. Changes the requirement that programs serve at least 75% of students (up from 50%) from families with a household income of 300% or less of the federal poverty level. Strikes language that allows teachers in subcontracted programs with out the required degrees to be able to continue to teach if they have 90 credit hours and at least four years' teaching experience.

Senate maintains the PIE option as an allowable use for the grants. Changes the requirement that programs serve at least 75% of students (up from 50%) from families with a household income of 300% or less of the federal poverty level.

House concurs with Senate and modifies language that allows teachers who are currently employed as a teacher in a subcontracted program without the required degrees to be able to continue to teach if they have 90 credit hours and at least four years' teaching experience.

Conference concurs with House.

Sec. 32i. Great Start School Readiness - Competitive Grants – REVISED

Executive, Senate and House give priority for continued funding in FY 2011-12 and FY 2012-13 to programs that receive a new grant in FY 2010-11.

Conference concurs with technical changes.

Sec. 39. Great Start School Readiness - Formula Calculation – REVISED

Conference revises to count the slots received by districts in FY 2009-10 that were used to satisfy reductions in Sec. 11d as part of the number of slots used by a district in FY 2009-10 in order to calculate the number of slots they are eligible for in FY 2010-11.

Sec. 39a. Federal Grants – REVISED

House adds language that would allow an ISD to file consolidated applications for federal grants on behalf of two or more districts with the agreement of those districts.

Conference concurs with House.

Sec. 51a(7)(c). Special Education Lapse for Itinerant Staff Reimbursement– MAINTAINED

Executive eliminates language that allows Sec. 51a funds unspent at bookclosing to be allocated as additional reimbursements in certain situations for FY 2009-10.

Senate and House maintain current law language with date change.

Conference concurs with Senate and House.

Sec. 81. ISD Operations – REVISED

House adds language which would protect from future reductions the portion of an ISD's allocation under Section 81 equal to the amount transferred into Section 81 for each ISD in 1994-95 from former section 146 and section 147 related to FICA and retirement.

Conference concurs with House but does not take effect until after FY 2010-11 and revises base year 1995-96.

Major Boilerplate Changes From FY 2009-10

Sec. 94a. Center for Educational Performance (CEPI) – REVISED

Executive clarifies and adds language stating the main functions of CEPI are to: (1) coordinate data collection, (2) create, maintain and enhance the statewide longitudinal data system, (3) collect data in the most efficient manner possible including the electronic transcript services, and (4) create, maintain and enhance the web-based educational portal. Creates a P-20 advisory council.

Senate and House clarify and add language stating the main functions of CEPI are to: (1) coordinate data collection, (2) create, maintain and enhance the statewide longitudinal data system, (3) collect data in the most efficient manner possible including the electronic transcript services, and (4) create, maintain and enhance the web-based educational portal. Does not include the P-20 advisory council.

Conference concurs with Senate and House. Provides contingency appropriations of \$1.8 million general fund and \$8.4 million school aid fund to support CEPI on the implementation of recent education reforms in the event that Michigan does not receive a Federal Race to the Top award.

Sec. 101. Professional Development Requirement – REVISED

Executive clarifies implementation date of language that was added in 2009 that allows a district to count up to 38 hours of professional development as instructional hours only if at least 5 of those hours are provided online either by Michigan Virtual University or by another department-approved intermediate district provider of online professional development. It would take effect for school year 2010-11 or, if this subsection conflicts with a current bargaining agreement, after that agreement expires.

Senate removes the requirement of 5 hours of online professional development. Requires districts that currently provide 170 days of instruction or more in FY 2009-10 to provide no fewer than 170 days of instruction in FY 2010-11.

House concurs with removing the requirement of 5 hours of online professional development and maintains current law on districts providing no fewer than 165 days of instruction.

Conference concurs with House.

Sec. 104. Assessment Testing and Funding – REVISED

Executive, Senate and House strike language which requires the Department to replace the MEAP social studies test with the "Explore" exam if it is as robust as the MEAP test, and to apply for a federal waiver if replacing the MEAP. The Department sent a letter to the Legislature (February 11, 2010) stating that the "Explore" test is not more robust than the MEAP. Also strikes language requiring the Department to seek a federal waiver to replace the 3rd through 8th grade MEAP test with an "off the shelf" test.

Conference concurs. Provides contingency appropriations of \$13.6 million school aid fund for assessments requirements on the implementation of recent education reforms in the event that Michigan does not receive a Federal Race to the Top award.

Sec. 147. MPSERS Retirement Rate – REVISED

Executive and House includes the Office of Retirement Services estimated percentage of payroll districts that must pay for public school employee retirement at 19.41% which is a 2.47% increase over FY 2009-10's rate of 16.94%. Also decreases the amortization period from 28 years to 27.

Senate estimates percentage of payroll districts must pay for public school employee retirement at 17.08% which is a .14% increase over FY 2009-10's rate of 16.94%. Also decreases the amortization period from 28 years to 27.

Conference concurs with Executive and House.

Sec. 166b. Districts providing instruction for Nonpublic Schools – REVISED

Senate allows a PSA that is located in the district, or in a district contiguous to the district, in which the nonpublic school is located to provide instruction to a nonpublic student under the same conditions that apply to the contiguous district.

House maintains current law.

Conference concurs with Senate.

Sec. 166c. Basic Materials Hotline/Claims Process – MAINTAINED

Senate requires districts to ensure that teachers have adequate access to basic instructional supplies. Allows the district to determine what constitutes basic instructional supplies, rather than the Department, and strikes the claims process and hotline. Also strikes the financial penalty language.

House maintains current law.

Conference revises to require districts to develop and implement a policy addressing adequate supplies. Requires the department to develop a model policy and make available on its website. Establishes a protocol to follow if a teacher determines they do not have access to adequate instructional supplies. A teacher would make claims first to a principal or superintendent, then the school board, then the department if the claim is not resolved. Requires the department to investigate the claim.

Major Boilerplate Changes From FY 2009-10

Sec. 166d. Non-disclosure Penalty– NEW

House prohibits a district or an education management organization contracted by the district from requiring an employee or someone working in the district to sign an agreement prohibiting them from disclosing information about their salary or other compensation. A district who violates this section would have their total state aid payment reduced by 5%.

Conference prohibits a school of excellence that is a cyber school or a management organization with which the cyber school has a contract to sign an agreement prohibiting them from disclosing information about their salary or other compensation. A cyber school who violates this section would have their total state aid payment reduced by 2%.

Enacting Section 2 – REPEALS SECTIONS

Executive repeals the following: Sec. 32c (early childhood grants), Sec. 32n (before- and after-school program), Sec. 57 (advanced and accelerated program), Sec. 98a (intent language to fund 21st century learning initiatives), Sec. 99p (cultural access grants) and Sec. 166 (5% penalty if providing family planning drugs or abortion referrals).

Senate repeals the following: Sec. 29 (declining enrollment grants), Sec. 32c (early childhood grants), Sec. 32n (before- and after-school program), Sec. 57 (advanced and accelerated program), Sec. 98a (intent language to fund 21st century learning initiatives), and Sec. 99p (cultural access grants).

House repeals the following: 32n (before- and after-school program), Sec. 57 (advanced and accelerated program), and Sec. 98a (intent language to fund 21st century learning initiatives).

Conference concurs with House.

Supplemental Budget Request For FY 2009-10	FY 2009-10 YTD	Conference Change From YTD
<p>1. Per Pupil Reduction of \$165 (Sec. 11d) Executive and Senate maintains the FY 2009-10 reduction of \$165 per pupil. House restores \$65 per pupil of the \$165 per pupil reduction in FY 2009-10. Conference restores \$11 per pupil of the \$165 per pupil reduction in FY 2009-10.</p>	<p>Gross (\$263,000,000) Restricted (263,000,000)</p>	<p>\$17,254,500 17,254,500</p>
<p>2. Cash Flow Borrowing Costs (Sec. 11m) Executive, Senate and House reduce the FY 2009-10 appropriation for School Aid Fund borrowing costs due to lower interest costs. Conference reduces the FY 2009-10 appropriation for School Aid Fund borrowing costs to reflect May estimates on interest costs.</p>	<p>Gross \$45,000,000 Restricted 45,000,000</p>	<p>(\$25,000,000) (25,000,000)</p>
<p>3. Proposal A Obligation Payment (Sec. 22a) Executive and Senate reduce funding by \$85.0 million to incorporate estimates in taxable values and pupil memberships. House reduces funding \$97.0 million to incorporate May estimates in taxable values and pupil memberships. Concurs with House.</p>	<p>Gross \$5,882,000,000 Restricted 5,882,000,000</p>	<p>(\$97,000,000) (97,000,000)</p>
<p>4. Discretionary Payment (Sec. 22b) Executive increases funding by \$19.7 million to adjust for changes in taxable value and pupil estimates. Senate concurs with Executive and adds an additional \$51.5 million for \$10 per pupil foundation allowance increases and Sec. 20j payments (at 50% of original level). The \$51.5 million is contingent on passage of SB 884 (tax amnesty) by September 30, 2010. House increases funding \$16.7 million for changes in May pupil estimates and adds an additional \$10.3 million to restore the foundation allowance of 6 hold harmless districts to the basic foundation allowance of \$8,489. Conference increases funding \$16.7 million for changes in May pupil estimates.</p>	<p>Gross \$3,722,300,000 FedARRA 450,000,000 Restricted 3,272,300,000</p>	<p>\$16,700,000 0 16,700,000</p>
<p>5. Juvenile Detention Facilities (Sec. 24a) Executive, Senate and House decrease costs due to facility closures and therefore fewer pupils. Conference concurs.</p>	<p>Gross \$2,523,200 Restricted 2,253,200</p>	<p>(\$771,900) (771,900)</p>

<u>Supplemental Budget Request For FY 2009-10</u>	<u>FY 2009-10 YTD</u>	<u>Conference Change From YTD</u>
6. Special Education Payment (Sec. 51a)	Gross \$1,485,983,000	(\$41,700,000)
<u>Executive and Senate</u> decrease funding by \$42.7 million to reflect changes in January special education cost estimates.	Federal 424,700,000	0
<u>House</u> decreases funding by \$41.7 million to reflect changes in May special education cost estimates.	Restricted 1,061,283,000	(41,700,000)
<u>Conference</u> concurs with House.		
7. School Bus Inspections (Sec. 74)	Gross \$0	\$1,403,500
<u>Conference</u> appropriates \$1.4 million for school bus inspections.	Restricted 0	1,403,500
8. ISDs General Operations (Sec. 81)	Gross \$65,376,800	\$2,400,000
<u>Executive and Senate</u> maintain FY 2009-10 funding level of \$65.4 million.	Restricted 65,376,800	2,400,000
<u>House</u> increases funding by \$8.0 million to a total of \$73.4 million.		
<u>Conference</u> restores \$2.4 million of the \$16.3 million originally cut in the enacted budget.		
9. CEPI (Sec. 94a)	Gross \$6,279,300	\$10,623,400
<u>Executive, Senate and House</u> increase the budget for the Center for Education Performance and Information (CEPI) in anticipation of federal grants to fund additional data requirements associated with the Race to the Top education reform package.	Federal 2,793,200	10,623,400
<u>Conference</u> appropriates the revised estimate of anticipated federal grants.	Restricted 3,486,100	0

SCHOOL AID BALANCE SHEET
(Dollars In Millions)

	SB 1163 (CR-1)	SB 1163 (CR-1*)
	Jun-10	Jun-10
ESTIMATES OF SCHOOL AID FUND	FY 2009-10	FY 2010-11
Beginning Balance	\$238.2	\$371.8
Revenue Estimate (May 2010)	10,749.9	10,832.9
Subtotal	\$10,988.08	\$11,204.7
 ESTIMATED OTHER SCHOOL AID REVENUE		
General Fund/General Purpose Grant (PA 73 of 2009)	\$30.2	\$30.2
Misc Adjustments (including Bookclosing)	(1.4)	2.3
Additional Lottery	-	5.0
Federal AARA (PA 73 of 2009)	450.0	184.3
Federal Aid	1,612.4	1,682.9
Subtotal	\$2,091.2	\$1,904.7
 TOTAL REVENUE	 \$13,079.3	 \$13,109.4
 ESTIMATED EXPENDITURES		
ESTIMATED EXPENDITURES		
YTD appropriations (including vetoes) / Baseline Est.	\$12,823.6	\$12,846.9
SB 1163 Conference Adjustments	(116.1)	-
Race to the Top Contingency Appropriation	-	26.2
TOTAL EXPENDITURES	\$12,707.5	\$12,873.1
 ESTIMATED YEAR-END SCHOOL AID FUND BALANCE	 \$371.8	 \$236.3
 ESTIMATED ARRA BALANCE	 \$184.3	 \$0.0
 ESTIMATED TOTAL CARRY FORWARD AVAILABLE	 \$556.1	 \$236.3