



SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Fiscal Year 2013-14
HB 4227 (H-1) Draft 2

Analyst:
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SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 6 Pupil Membership Definitions</p>	<p>(4) Calculates a district's pupil membership blend equal to 90% of pupils counted on October count day plus 10% of pupils counted on previous February count day.</p> <p>(4)(L) Allows a pupil to be counted in membership if older than 20 under certain conditions: (i) Special education student may be up to age 26. (ii) Former dropouts in a PSA or alternative high school program primarily focused on homeless students in a city with a population greater than 500,000 may be up to age 22.</p> <p>(4)(r) Beginning in FY 2012-13 requires districts to provide the same number of instructional hours as provided for grades 1-12 to count a full FTE for kindergarten pupils.</p>	<p>(4) Maintains current law.</p> <p>Adds that a pupil's participation in an online course as defined under the newly proposed Section 21f counts as regular daily attendance for the purposes of membership.</p> <p>(4)(L) Maintains current law.</p> <p>(4)(r) Maintains current law.</p>	<p>(4) Changes the pupil membership blend to 80% of pupils counted in October Count plus 20% of pupils counted on the FOLLOWING February count day.</p> <p>Concurs with Executive.</p> <p>(4)(L) (i) Maintains current law (ii) Decreases the population threshold to 175,000.</p> <p>(4)(r) Maintains current law.</p>		

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<p>Sec. 6 Pupil Membership Definitions (cont.)</p>	<p>For districts that provided full-day kindergarten in the preceding two fiscal years by using Federal Title I dollars as funding for the second half-day, requires half the number of instructional hours as those provided for grades 1-12.</p> <p>Requires the MDE, not later than December 1, 2012, to seek clarification from the USED that this is an allowable use of Title I funds. Provides that these changes do not mandate full-day kindergarten. Requires districts to report instructional hours for kindergarten pupils.</p> <p>(4)(u) Specifies instruction and materials districts must provide to pupils in an alternative or disciplinary education program educated apart from the general school population. Exempts computers from required materials.</p> <p>(4)(x) Establishes a membership calculation for a PSA that had suspended operations for at least 1 semester. 90% of next fall count plus 10% of the most recent supplemental count prior to suspending operations.</p> <p>(6) Allows a district to count a pupil in membership without the approval of his or her resident district under certain conditions:</p>	<p>Maintains current law.</p> <p>Deletes these provisions. The Department sought and received clarification from USED that this is an allowable use of Title I funds.</p> <p>(4)(u) Deletes the computers exemption.</p> <p>(4)(x) Maintains current law.</p> <p>(6) Maintains current law for subdivisions (a) through (o).</p>	<p>Maintains current law.</p> <p>Concurs with Executive, but retains language providing that these changes do not mandate full-day kindergarten.</p> <p>(4)(u) Concurs with Executive.</p> <p>(4)(x) Deletes this provision due to moving to a current year 80/20 blend for all districts.</p> <p>(6) Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
Sec. 6 Pupil Membership Definitions (cont.)	(p) If a former Highland Park pupil changed districts mid-year as allowed under former Section 22h.	<p>(p) Deletes this provision as Section 22h was in effect for the 2011-2012 school year only.</p> <p>NEW (p) If a pupil enrolls in an online program in another district as allowed under the newly proposed Section 21f.</p> <p>(16) Revises definition of "Tuition Pupil" to clarify the language in response to a complaint from the US Department of Civil Rights and in consultation with the Michigan Attorney General's Office.</p>	<p>(p) Concurs with Executive.</p> <p>NEW (p) Concurs with Executive.</p> <p>(16) Concurs with Executive.</p>		
Sec. 11 Total Appropriations	<p><u>FY 2012-13</u> School Aid Fund (SAF): \$10,961,087,100</p> <p>General Fund (GF/GP): \$282,400,000</p> <p>Federal Funds: Estimated at \$1,701,041,400</p> <p><u>FY 2013-14</u> Includes intent language for FY 2013-14 in Sec. 12.</p>	<p><u>FY 2012-13</u> School Aid Fund: Supplemental 2013-5 Revises to \$10,933,752,600.</p> <p>No Change</p> <p>No Change</p> <p><u>FY 2013-14</u> School Aid Fund: \$11,090,813,500</p> <p>MPSERS Reserve Fund: \$150,000,000</p> <p>General Fund (GF/GP): \$230,000,000</p> <p>Federal Funds: Estimated at \$1,764,421,300</p>	<p><u>FY 2012-13</u> Not included</p> <p><u>FY 2013-14</u> School Aid Fund: \$11,090,813,500</p> <p>MPSERS Reserve Fund: \$150,000,000</p> <p>General Fund (GF/GP): \$230,000,000</p> <p>Federal Funds: Estimated at \$1,764,421,300</p>		

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Sec. 11 Total Appropriations (cont.)		<p>FY 2014-15 School Aid Fund: \$11,393,154,500</p> <p>MPSERS Reserve Fund: \$100,000,000</p> <p>General Fund (GF/GP): \$233,000,000</p> <p>Federal Funds: Estimated at \$1,764,421,300</p>	<p>FY 2014-15 Includes intent for FY 2014-15 in Sec. 12.</p>		
Sec. 11g Durant Bonding Payment	Appropriates \$39,000,000 in FY 2012-13 to districts for "Durant" court case mandated bond payments, which will end after FY 2014-15.	Increases the appropriation \$39,500,000 for FY 2013-14 and FY 2014-15.	Increases the appropriation \$39,500,000 for FY 2013-14.		
Sec. 11j School Bond Redemption Fund	Appropriates \$120,390,000 for debt service in FY 2012-13 for the school bond loan program.	Increases the appropriation to \$131,660,000 for FY 2013-14 and \$139,900,000 for FY 2014-15 to recognize the increasing cost of required debt service payments.	Increases the appropriation to \$131,660,000 for FY 2013-14.		
Sec. 11m Cash-Flow Borrowing	Appropriates \$3,200,000 in FY 2012-13 to pay for costs associated with cash-flow borrowing related to the SAF.	Increases appropriation to \$6,000,000 for FY 2013-14 and \$8,000,000 for FY 2014-15 to recognize anticipated interest rates.	Increases appropriation to \$6,000,000 for FY 2013-14.		
Sec. 12 FY 2013-14 Appropriations	Intent language that FY 2013-14 appropriations will be at the same level as in FY 2012-13 adjusted for changes in taxable values, special education costs, pupil counts, interest costs and available revenue.	Repeals this section.	Maintains current law but revises to update fiscal years to create intent for FY 2014-15.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
Sec. 18 Spending and Audit Requirements	<p>Specifies allowable uses of funds and requires yearly financial and pupil audits. Also requires budget transparency information on district and intermediate district websites.</p> <p>(11) and (12) Includes reporting requirements regarding the costs of online education. Requires data submission to MDE by October 1, 2012 and a report from MDE to legislature by December 31, 2012.</p>	<p>(11) and (12) Deletes these reporting subsections.</p>	<p>(11) and (12) Concurs with Executive</p>		
Sec. 18b Transfer of Public School Academy (PSA) Property	<p>Requires that PSA property acquired substantially with public funds be transferred to the state if any of the following occur:</p> <p>(1) (a) PSA is ineligible to receive funding for 18 consecutive months. (b) PSA's contract has been revoked or terminated for any reason. (c) PSA's contract is not reissued by the authorizing body.</p>	<p>(1) Maintains current law.</p> <p>NEW (2) Requires that a PSA corporation must initiate a dissolution process within 30 days after its contract's expiration.</p>	<p>(1) Maintains current law.</p> <p>(2) Concurs with Executive but deletes "dissolution" and inserts "transfer".</p>		
Sec. 19 Compliance with State and Federal reporting requirements	<p>Specifies district data reporting deadlines.</p> <p>(6) Requires a district appeal process before the department publishes a list of schools or districts failing to make Adequate Yearly Progress.</p>	<p>(6) Deletes reference to Adequate Yearly Progress and replaces it with "school or district accountability designations" to update based on the revised school accountability system.</p>	<p>(6) Concurs with Executive.</p>		

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Sec. 19 Compliance with State and Federal reporting requirements (cont.)	(7) Provides legislative intent that by 2014-15 the state implement statewide standard reporting requirements for education data.	(7) Deletes this subsection.	(7) Maintains current law.		
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>(7) Allocates to the Educational Achievement Authority schools for each pupil in membership, a per pupil amount equal to the foundation allowance of the district in which the achievement school is located, capped at the basic foundation allowance.</p> <p>(8) Provides that the foundation allowance for a district created by the consolidation or annexation of two or more districts is a per pupil weighted average of the affected districts' foundations.</p>	<p>No change in the foundation allowance for FY 2013-14 or FY 2014-15.</p> <p>(7) Maintains current law.</p> <p>(8) Maintains current law.</p>	<p>Concurs with Executive</p> <p>(7) Concurs with Executive</p> <p>NEW (8) Beginning in FY 2014-15, the foundation for a cyber school is equal to 80% of the foundation of the district in which it is located, not to exceed the PSA max.</p> <p>NEW (9) Beginning in FY 2014-15, the foundation for pupils attending a district under a seat time waiver for a 100% online model under Section 101 is equal to 80% of the foundation of the district in which it is located, not to exceed the basic foundation.</p> <p>(8) (10) Provides that the foundation allowance would instead be either the highest foundation of the affected districts or the sum of the per pupil weighted average foundation of the affected districts plus \$100, whichever is less.</p>		

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<p>Sec. 20 Foundation Allowance Calculation (cont.)</p>	<p>(11) Calculates index, which is intended to be used to determine the annual growth in the lowest foundation allowance. In FY 2012-13, index was 1.00.</p> <p>(12) Former foundation allowance adjustment for Wayne Westland, which ended in FY 2011-12.</p> <p>(13) Former foundation allowance adjustment for Gibraltar, which ended in FY 2011-12.</p> <p>(14) Foundation allowance adjustments for districts that received a small class size grant in 2001-2002. Funds at 68.5% of FY 2010-11 adjustment for FY 2012-13.</p> <p>(15) Former foundation allowance adjustment for Garden City, which ended in FY 2011-12.</p> <p>(16) Former foundation allowance adjustment for Huron, which ended in FY 2011-12.</p>	<p>(11) Sets the index at 1.00 for FY 2013-14 and at 1.00 for FY 2014-15.</p> <p>(12) Deletes this subsection.</p> <p>(13) Deletes this subsection.</p> <p>(14) (12) Continues adjustments into FY 2013-14 but caps adjustments as follows: - not to exceed \$100 per pupil for districts with foundation allowances less than \$7,500. - not to exceed \$50 per pupil for districts with foundation allowances greater than \$7,500. Creates savings estimated at \$4.0 million</p> <p>(15) Deletes this subsection.</p> <p>(16) Deletes this subsection</p>	<p>(14) (13) Concurs with Executive.</p> <p>(12) Concurs with Executive.</p> <p>(13) Concurs with Executive.</p> <p>(14) Continues adjustments for FY 2013-14 but caps the adjustment at a cost of 70% of each district's adjustment for FY 2012-13. Assumes estimated savings of \$4.0 million.</p> <p>Clarifies that the foundation allowance of a district shall not fall below the minimum foundation allowance of \$6,966 due to the reduction or elimination of a small class size adjustment.</p> <p>(15) Concurs with Executive.</p> <p>(16) Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
NEW Sec. 21f Online Courses		<p>(1) Allows pupils in grades 5 to 12 to enroll in online courses as provided below. Does not apply to cyber schools.</p> <p>(2) Requires district to enroll a pupil in up to 2 online courses per term, semester, or trimester with consent of the pupil's parent or legal guardian.</p> <p>If pupil has demonstrated previous success in online courses, and district and parent or guardian determine it is in best interest of pupil, a pupil may enroll in more than 2 online courses per term, semester, or trimester.</p> <p>(3) Allows pupil to enroll in online courses published in the district's catalog of online courses or the statewide catalog of online courses maintained by the Michigan Virtual University (MVU) pursuant to Sec. 98.</p> <p>(4) Allows district to determine whether it has capacity to enroll nonresident pupils in online courses. If so, and if applicants exceed capacity, district must use a random draw system to abide by antidiscrimination laws.</p>	<p>(1) Revises to grades 7 to 12</p> <p>(2) Concurs with Executive.</p> <p>Strikes this provision and replaces it with intent to study increasing the number of allowable online courses for pupils who demonstrate success beginning in FY 2014-15.</p> <p>(3) Strikes the statewide catalog maintained by MVU.</p> <p>(4) Concurs with Executive</p>		

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<p>NEW Sec. 21f Online Courses (cont.)</p>		<p>(5) Allows educating district to prohibit enrollment in an online course if: (a) pupil previously gained credits for that course. (b) course not capable of generating academic credit. (c) course is inconsistent with remaining graduation requirements or career interests of the pupil. (d) pupil does not have the prerequisite knowledge and skills to succeed in course.</p> <p>(e) if pupil is denied enrollment, allows for an appeal process to the ISD.</p> <p>(6) Requires district, if offering an online course, to provide MVU with the course syllabus for inclusion in the statewide catalog and provide links to the catalog on the district's website.</p> <p>(7) Requires districts to use foundation allowance to pay for student's enrollment in online course if in the district or statewide catalog.</p> <p>(8) Provides same rights and access to technology for online pupils as all pupils in the district.</p>	<p>(5) Concurs with Executive.</p> <p>(6) Concurs with Exevutive.</p> <p>(7) Requires a district to provide a link to its course syllabi on its publicly accessible website. Deletes reference to MVU and statewide catalog.</p> <p>(8) Concurs with Executive but deletes reference to statewide catalog and 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 and 1/18 of the district's foundation allowance for a trimester course.</p> <p>(9) Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
NEW Sec. 21f Online Courses (cont.)		(9) If pupil successfully completes course, the district shall grant academic credit. (10) Defines "online course", "online course syllabus", and "online learning pupil".	(10) Concurs with Executive. (11) Concurs with Executive.		
Sec. 22a Proposal A Obligation Payment (The Constitutionally required part of the foundation)	FY 2012-13 appropriation of \$5,712,000,000.	Supplemental Request 2013-5 reduces FY 2012-13 appropriation to \$5,631,000,000 to reflect revised cost estimates based on consensus pupil estimates and taxable value estimates. FY 2013-14 appropriation is reduced to \$5,558,000,000 to reflect consensus cost estimates. FY 2014-15 appropriation is reduced to \$5,464,000,000 to reflect consensus cost estimates.	Not included Appropriates \$5,558,000,000 for FY 2013-14. Not included		
Sec. 22b Discretionary Payment (The discretionary portion of the foundation allowance.)	FY 201-13 appropriation of \$3,152,300,000.	Supplemental Request 2013-5 increases FY 2012-13 appropriation to \$3,217,000,000 to reflect revised cost estimates based on consensus pupil and taxable value estimates. FY 2013-14 appropriation increased to \$3,304,000,000 to reflect cost estimates. FY 2014-15 appropriation of \$3,383,000,000 to reflect consensus cost estimates.	Not included Appropriates \$3,304,000,000 for FY 2013-14. Not included (3)(e) To qualify for funding districts must comply with Sec. 21f.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
NEW Sec. 22c Equity Payment		Appropriates \$24,000,000 for FY 2013-14 for an equity payment to districts with foundation allowances less than \$7,000 equal to the lesser of \$34 per pupil or the difference between a district's foundation allowance and \$7,000. (The current minimum foundation allowance is \$6,966.)	Appropriates \$24,000,000 for FY 2013-14 and concurs with Executive.		
Sec. 22d Supplemental funding to Small, Isolated Districts	Appropriates \$2,025,000 for FY 2012-13, with \$750,000 to certain small, geographically isolated districts and \$1,275,000 to districts that have 5.0 or fewer pupils per square mile and a total square mileage greater than 200.	Maintains appropriation at \$2,025,000 for FY 2013-14 and FY 2014-15.	Appropriates \$2,025 for FY 2013-14.		
Sec. 22f Best Practices Incentives	<p>Appropriates \$80,000,000 for FY 2012-13.</p> <p>(2) Provides \$52 per pupil for districts that meet 7 out of 8 best practices by June 1, 2013</p> <p>(a) Act as policyholder for health care services benefits. A district that does not directly employ its staff is considered to have met this requirement.</p>	<p>Reduces appropriation to \$25,000,000 for FY 2013-14 and eliminates funding for FY 2014-15.</p> <p>(2) Provides \$16 per pupil for districts that meet 7 out of 8 best practices by June 1, 2014:</p> <p>(a) Adds that a district with a voluntary employee beneficiary association (VEBA) that pays no more than the maximum allowed under PA 152 of 2011 is considered to have met this requirement.</p>	<p>Reduces to a \$100 place holder for FY 2013-14.</p> <p>(2) \$0 per pupil</p> <p>(a) Concurs with Executive</p>		

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<p>Sec. 22f Best Practices Incentives (cont.)</p>	<p>(b) Competitively bid at least one non-instructional service in FY 2012-13.</p> <p>(c) Participate in Schools of Choice under Section 105 and Section 105c. Considers a PSA to have met this requirement.</p> <p>(d) Measure student growth twice annually and report to parents or provides MDE with a plan and show progress toward developing the technology infrastructure necessary for of student growth assessments by 2014-2015.</p> <p>(e) Provide dual enrollment and other opportunities for postsecondary coursework. If a district does not offer high school, it must make middle school students and their parents aware of available postsecondary options that are available in high school.</p> <p>(f) Provide online learning opportunities.</p> <p>(g) Provide a dashboard to parents and the community.</p>	<p>(b) Adds that the unfunded liability costs for retirement must be excluded from district costs when comparing competitive bids.</p> <p>(c) Maintains current law.</p> <p>(d) Maintains current law.</p> <p>(e) Maintains current law.</p> <p>(f) Adds that a district must publish syllabi for offered online courses, as required under Sec. 21f.</p> <p>(g) Adds additional dashboard items required including revenue and expenditure projections, list of all debt service obligations by project, including anticipated payments for FY 2013-14, and total outstanding debt.</p>	<p>(b) Concurs with Executive.</p> <p>(c) Concurs with Executive.</p> <p>(d) Concurs with Executive.</p> <p>(e) Concurs with Executive.</p> <p>(f) Concurs with Executive.</p> <p>(g) Concurs with Executive.</p>		

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Sec. 22f Best Practices Incentives (cont.)	(h) Provide physical education or health classes that meet State Board of Education standards. (4) Distributes remaining balance to all qualifying districts with a foundation less than \$8,019 on an equal per pupil basis.	(h) Maintains current law. (4) Maintains current law.	(h) Concurs with Executive (4) Concurs with Executive.		
Sec. 22g Consolidation Innovation Grants	Appropriates \$10,000,000 for competitive assistance grants to reimburse districts and ISDs for transition costs associated with the consolidation of operations or services between two or more districts or ISDs or the consolidation of districts or ISDs.	Repeals this section.	Concurs with Executive.		
Sec. 22i Technology Infrastructure Grants	(1) Appropriates \$50,000,000 for grants to districts or ISDs on behalf of their constituent districts to develop or improve their technology infrastructure and purchase the necessary hardware, software, and access to online computer adaptive testing in preparation for the planned implementation of online growth assessments in FY 2014-15. (2) The Department of Education determines grants based on a competitive process. The maximum allowable grant is \$2,000,000 for each district.	(1) Reduces appropriation to \$13,500,000 for FY 2013-14 and eliminates funding for FY 2014-15. Adds instructional practices and shared service consolidation of technology and data as allowable uses of funding. (2) Changes the grant process from a competitive bid process to a process in which all eligible districts and ISDs may participate.	(1) Maintains appropriation of \$50,000,000 for FY 2013-14. Restricts use of funds to technology infrastructure, the shared service consolidation of technology and data, and hardware. (2) Concurs with Executive.		

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Sec. 22i Technology Infrastructure Grants (cont.)			NEW (3) In order to qualify for funds, districts and intermediate districts must comply with language prohibiting the following: -- a contract extension or renewal between December 10, 2012 and March 28, 2013 under certain conditions unless they can realize 10% savings as certified by an independent certified public accounting firm, -- a contract which only includes an agreement on conditions of employment that include being a member of a labor organization or bargaining representative, paying dues or fees to a labor organization, or paying a charitable organization or third party any amount in lieu of or any portion of dues fees assessments required of members or employees represented by a labor organization or bargaining representative.		
Sec. 22j District Performance Grants	Appropriates \$30,000,000 for FY 2012-13 for district performance grants. Districts receive a portion or all of the following: (3)\$30 per pupil for improving proficiency in mathematics for grades 3 to 8. (4)\$30 per pupil for improving proficiency in reading for	Maintains appropriation of \$30,000,000 for FY 2013-14 and FY 2014-15.	Increases appropriation to \$46,400,000 to fully fund the estimated costs of district performance grants for FY 2013-14 based on updated 2011-2012 assessment data.		

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<p>Sec. 22j District Performance Grants (cont.)</p>	<p>grades 3 to 8.</p> <p>(5) \$40 per pupil for improving proficiency over 4 years for high school students in all subject areas on the Michigan Merit Examination (MME).</p>	<p>(5) Revises to replace MME with all state assessments for high school pupils.</p>	<p>(5) Concurs with Executive.</p> <p>NEW</p> <p>(7) In order to qualify for funds, districts must comply with language prohibiting the following:</p> <ul style="list-style-type: none"> -- a contract extension or renewal between December 10, 2012 and March 28, 2013 under certain conditions unless they can realize 10% savings as certified by an independent certified public accounting firm, -- a contract which only includes an agreement on conditions of employment that include being a member of a labor organization or bargaining representative, paying dues or fees to a labor organization, or paying a charitable organization or third party any amount in lieu of or any portion of dues fees assessments required of members or employees represented by a labor organization or bargaining representative. 		

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NEW Sec. 22k Student-Centric Grants		<p>Appropriates \$8,000,000 for FY 2013-14 only.</p> <p>(2) Eligible districts include those that do the following: (a) Provide rigorous curriculum aligned to state, national, and international standards. (b) Organize instructional delivery to advance students based on individual mastery in each subject area. (c) Allow for school site-based autonomy. (d) Provide teachers with access to student achievement data, best instructional practices, time to collaborate with others, mentors, and professional development tied to student needs.</p> <p>(3) Applications due by October 1, 2013. Department shall awards grants on a per pupil basis by December 30, 2013.</p>	<p>Appropriates \$7,000,000 for FY 2013-14.</p> <p>(2) Concurs with Executive.</p> <p>(3) Concurs with Executive.</p>		
Sec. 24 Court-Placed Pupils	Appropriates \$8,000,000 in FY 2012-13 to reimburse districts for added costs of educating court-placed pupils in a local juvenile detention facility institution.	Maintains appropriation of \$8,000,000 for FY 2013-14 and FY 2014-15.	Appropriates \$8,000,000 for FY 2013-14.		
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.	Increases the appropriation to \$2,167,500 for FY 2013-14 and FY 2014-15 to recognize economic increases for salary and wages, insurance, and retirement costs totaling \$31,700.	Appropriates \$2,167,500 for FY 2013-14.		

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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 to the Department of Military and Veterans' Affairs for the program.	Maintains appropriation of \$1,500,000 for FY 2013-14 and FY 2014-15.	Appropriates \$1,500,000 for FY 2013-14.		
Sec. 25 Pupil Transfer Process	Proposes a new pupil transfer process beginning in FY 2013-14.	Maintains current law.	Repeals this section in lieu of Section 25e.		
Sec. 25e Revised Pupil Transfer Process			<p>NEW</p> <p>(1) 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>(2) 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>		

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<p>Sec. 25e Revised Pupil Transfer Process (cont.)</p>			<p>Upon receipt of that report, the pupil transfer application would do the following:</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.</p> <p>(3) MDE shall do the following:</p> <p>(a) 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>(b) 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>(4) Changes under this section shall take effect as of the date the pupil becomes enrolled and in attendance in the educating districts.</p>		

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Sec. 25e Revised Pupil Transfer Process (cont.)			(5) Requires all affected districts and ISDs to provide CEPI and MDE with any necessary information to comply with this section. (6) Defines "educating district or intermediate district" as that in which a pupil enrolls after the pupil membership count day or after an adjustment was made to another district's or intermediate district's membership calculation due to the pupil's enrollment and attendance.		
Sec. 26a Renaissance Zone Reimbursement	Appropriates \$27,800,000 for FY 2012-13 to reimburse districts, ISDs and libraries for lost local revenue due to renaissance zones.	Decreases appropriation to \$26,300,000 for FY 2013-14 and FY 2014-15 to recognize the transfer of \$1,500,000 in library reimbursements to the Department of Education budget.	Appropriates \$26,300,000 for FY 2013-14. Concurs with Executive.		
Sec. 26b PILT Reimbursement	Appropriates \$3,328,000 for FY 2012-13 to reimburse districts, intermediate districts, and community colleges for payment in lieu of taxes (PILT) obligations per PA 513 of 2004.	Increases the appropriation to \$4,009,500 for FY 2013-14 and to \$4,410,500 FY 2014-15 to fully fund reimbursements.	Appropriates \$4,009,500 for FY 2013-14.		
Sec. 26c Promise Zones	Appropriates \$347,800 for FY 2012-13 to districts and ISDs with an approved promise zone development plan for the purposes of Promise Zone Authorities as directed under the Michigan Promise Zone Authority Act, 2008 PA 549.	Reduces appropriation to \$224,000 for FY 2013-14 and FY 2014-15 based on current cost estimates.	Appropriates \$224,000 for FY 2013-14.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings</p>	<p>Appropriates \$317,695,500 in FY 2012-13.</p> <p>At-Risk funding equals \$308,988,200.</p> <p>(4) Provides for allowable uses.</p> <p>(6) Allocates \$3,557,300 for Child and Adolescent Health Centers.</p> <p>(7) Allocates \$5,150,000 from total for hearing and vision screenings.</p> <p>(10) Allows districts to use funds to reduce class size in certain schools with a department waiver.</p> <p>(16) Defines "at-risk pupil"</p>	<p>Maintains appropriation of \$317,695,500 for FY 2013-14 and FY 2014-15.</p> <p>At-Risk funding maintained at \$308,988,200</p> <p>(4) Adds preschool programs under Sec. 32d as allowable use.</p> <p>(6) Maintains \$3,557,300 for Child and Adolescent Health Centers.</p> <p>(7) Maintains \$5,150,000 for hearing and vision screening.</p> <p>(10) Eliminates waiver requirement.</p> <p>(16) Adds pupils in a priority school as defined in the Elementary and Secondary Education Act Flexibility Request approved by USED. Adds pupils who did not achieve proficiency on the social studies component of the MME to pupils who did not achieve proficiency on the math, reading, and science components, who already qualify.</p>	<p>Appropriates \$317,695,500 for FY 2013-14.</p> <p>Concurs with Executive.</p> <p>Maintains current law.</p> <p>Concurs with Executive</p> <p>Concurs with Executive</p> <p>Concurs with Executive</p> <p>Concurs with Executive</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
Sec. 31d School Lunch Program	<p>Appropriates \$22,495,100 SAF for FY 2012-13 for the State share of school lunch programs as required by <i>Durant</i> settlement.</p> <p>Includes \$402,506,000 in Federal funding.</p>	<p>Maintains the SAF appropriation of \$22,495,100 for FY 2013-14 and FY 2014-15.</p> <p>Increases the Federal grant to \$463,200,000 for both years to recognize additional available federal funding.</p>	<p>Appropriates \$22,495,100 SAF for FY 2013-14.</p> <p>Appropriates \$463,200,000 federal funds for FY 2013-14.</p>		
Sec. 31f School Breakfast	<p>Appropriates \$9,625,000 for FY 2012-13 to reimburse districts for the cost of providing breakfast.</p>	<p>Reduces the appropriation to \$5,625,000 for FY 2013-14 and FY 2014-15 based on actual prior year costs.</p>	<p>Appropriates \$5,625,000 for FY 2013-14.</p>		
Sec. 32d Great Start Readiness Program (GSRP)	<p>Appropriates \$109,275,000 SAF for FY 2012-13 for GSRP preschool programs and \$300,000 GF/GP to continue a longitudinal study of the GSRP.</p> <p>(1)(a) Eligible pupils who are at least 4 but less than 5 years old by December 1.</p> <p>(b) Allows an ISD to fund a Parents Involved in Education (PIE) program operated by a district that had operated a program in the previous fiscal year but restricts funding to services to families with incomes below 300% of the federal poverty level.</p>	<p>Increases appropriations to \$174,275,000 SAF for FY 2013-14 and to \$239,275,000 SAF FY 2014-15, along with \$300,000 GF/GP for the longitudinal study for both years.</p> <p>(1) (a) Revises to align with new kindergarten age requirements, phased in over 3 years, to move the eligibility age cutoff date from December 1 to September 1.</p> <p>(b) Eliminates PIE as allowable use of funds.</p>	<p>Appropriates \$159,275,000 SAF for FY 2013-14 and \$300,000 GF/GP for the longitudinal study.</p> <p>(1)(a) Concurs with Executive</p> <p>(b) Maintains current law but revises to serve families with incomes below 250% of the federal poverty level.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 32d Great Start Readiness Program (GSRP) (cont.)</p>	<p>(2) The 2nd year of consolidation maintained ISDs as fiduciaries of all GSRP funding but maintained separate funds for district programs based on an ISD-wide need formula in Section 39 (\$100,400,000) and competitive grants to non-profit or private programs under Section 32I (\$8,845,000).</p> <p>(4) Required program components</p> <p>(5)(b) Requires that at least 75% of participating children live in families with income less than 300% of federal poverty level.</p> <p>(5)(d) Program budget</p> <p>(7) Allows ISDs to contract with for-profit or nonprofit preschool centers and retain up to 5% of the grant amount for administration. Allows ISDs to expend not more than 10% of total grant amount for administration.</p>	<p>(2) For the 3rd year of the consolidation plans, distributes 100% of the funding through the Section 39 formula, and requires all entities including ISDs, districts, public or private for-profit and nonprofit entities, receiving funding to comply with Sections 32d and 39.</p> <p>(4)(j) Adds that a program receiving funds under this section must participate in the state's Great Start to Quality Process with a rating of at least 3 stars.</p> <p>(5)(b) Increases requirement to at least 90% of participating children must live in families with income less than 300% of federal poverty level.</p> <p>(5)(d) Adds transportation costs as eligible program costs.</p> <p>(7) Allows ISDs to contract with local districts or public or private providers and retain up to 7% of the grant amount for administration. Allows ISDs to expend not more than 2% of total grant amount for recruiting and public awareness.</p>	<p>(2) Concurs with Executive.</p> <p>(4)(j) Concurs with Executive.</p> <p>(5)(b) Revises such that 80% of participating children must live in families with income less than 250% of the federal poverty level.</p> <p>(5)(d) Concurs with Executive</p> <p>(7) Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 32d Great Start Readiness Program (GSRP) (cont.)</p>	<p>(8) Application for competitive grants.</p> <p>(11) Encourages grant recipients to create a sliding scale of tuition rates based on family income and allows a program to charge tuition based on that sliding scale for children who do not meet the program eligibility requirements.</p> <p>(12) Requires the department to create a multi-year phased in approach to consolidating early childhood programs.</p>	<p>(8) Deletes former subsection as now all grant funding will be allocated through the ISD formula to ISDs, which may then contract with districts or for-profit or nonprofit agencies.</p> <p>NEW (8) 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 department if ISD unable to meet this requirement.</p> <p>(11) Requires grant recipients to use a sliding scale of tuition rates based on household income for children who do not meet the income eligibility requirements. The tuition scale must be approved by the department and shall be used uniformly by all providers.</p> <p>(12) Deletes this subsection, as FY 2013-14 is the 3rd year in this multi-year phased-in approach.</p>	<p>(8) Concurs with Executive.</p> <p>NEW (8) Concurs with Executive but revises to allow an ISD to keep remaining slots if the department verifies that the intermediate district tried to contract at least 20% of their slots but was unable to do so.</p> <p>NEW (9) Requires an intermediate district to allow a parent to choose among any of the ISD providers or another ISD's providers and requires the resident ISD to pay for the slot.</p> <p>(11)(12) Concurs with Executive but reduces the poverty threshold to 250% of the federal poverty level.</p> <p>(12) Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 32p Early Childhood Block Grants</p>	<p>(1) Appropriates \$10,900,000 for FY 2012-13 for early childhood funding block grants to ISDs.</p> <p>Allocates to each ISD the same funding as was received in FY 2011-12 under Sections 32b and 32j.</p> <p>Requires ISDs to submit an application to Office of Great Start by August 15, 2012 detailing planned activities.</p> <p>(2) Requires each ISD receiving funding to convene a parent coalition and great start collaborative to address the availability of 6 components of a great start system in it community: physical health, social-emotional health, family supports, basic needs, economic stability and safety, and parenting education and early education and care.</p>	<p>(1) Maintains the appropriation of \$10,900,000 for FY 2013-14 and FY 2014-15.</p> <p>Clarifies purpose to support activities under (2) and adds to support former PIE programs.</p> <p>Allocates to each ISD 100% of its allocation under this section in FY 2012-13.</p> <p>Revises annual reporting requirement to September 15 of each fiscal year.</p> <p>(2) (a) Revises the program goals to achieve the following outcomes: (i) Children born healthy. (ii) Children health, thriving, and developmentally on track from birth to third grade. (iii) Children developmentally ready to succeed in school at the time of school entry. (iv) Children prepared to succeed in fourth grade and beyond by reading proficiently by the end of third grade.</p>	<p>(1) Appropriates \$10,900,000 for FY 2013-14.</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 department's office of great start in order to provide equitable funding statewide.</p> <p>Concurs with Executive.</p> <p>(2) Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
Sec. 32p Early Childhood Block Grants (cont.)	(3) Requires report of activities provided and children served by December 1, 2013. Requires that MDE compile the results and forward to the Legislature.	(b) Requires each local great start collaborative and parent coalition to convene a workgroup to serve as a school readiness advisory committee to ensure that its local great start system include the following supports for children birth to age 8: (i) Physical health (ii) Social-emotional health (iii) Family supports and basic needs (iv) Parent education and child advocacy. (v) Early education and care. (3) Revises reporting requirement to December 1 of each year detailing activities provided in the prior school year and the families and children actually served. Deletes requirement that MDE compile results and send to Legislature.	(3) Concurs with Executive. (3) (4) Concurs with Executive Maintains current law.		
Sec. 39 GSRP Per Pupil Allocation Formula	Per pupil allocation for GSRP half-day slot is \$3,400. Prescribes the application process, the determination of the number of children construed to be in need, and the funding allocation process.	Increases per pupil allocation for half-day slot to \$3,625.	Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
Sec. 39a Federal Funds	<p>(1) Appropriates \$812,328,500 for FY 2012-13 in Federal No Child Left Behind (NCLB) funds.</p> <p>(2) Appropriates \$33,514,100 in other Federal funds for education.</p>	<p>(1) Decreases Federal grants to \$811,828,500 for NCLB funds for FY 2013-14 and FY 2014-15.</p> <p>(2) Decreases to \$31,700,000 for other Federal funds for education for FY 2013-14 and FY 2014-15.</p>	<p>(1) Appropriates an estimated \$811,828,500 for NCLB funds for FY 2013-14.</p> <p>(2) Appropriates an estimated \$31,700,000 for other Federal grants for FY 2013-14.</p>		
<p>Sec. 51a (1) Total Special Education Funding</p> <p>(2) Special Ed -ISD Foundations and Costs</p> <p>(3) Special Ed -ISD Hold Harmless Payments</p> <p>(6) Special Ed Administrative Rule Changes</p>	<p>(1) Appropriates a total of \$996,269,100 SAF and \$365,000,000 Federal funding for FY 2012-13.</p> <p>Allocations of the total are below in Sec. 51a (2)(3)(6)(11), Sec. 51c, Sec. 53a, Sec. 54, and Sec. 56</p> <p>(2) Allocates \$257,400,000 for FY 2012-13.</p> <p>(3) Allocates \$1,000,000 for FY 2012-13.</p> <p>(6) Allocates \$2,200,000 for FY 2012-13.</p>	<p>(1) Supplemental Request 2013-5 reduces FY 2012-13 appropriation to \$954,569,100 to reflect revised consensus cost estimates.</p> <p>Appropriates a total of \$980,569,100 SAF for FY 2013-14 and \$1,004,869,100 for FY 2014-15. Increases federal funding levels to \$370,000,000 for FY 2013-14 and FY 2014-15.</p> <p>(2) Supplemental Request 2013-5 reduces FY 2012-13 allocation to \$250,700,000.</p> <p>Allocates \$258,300,000 for FY 2013-14 and \$263,000,000 for FY 2014-15.</p> <p>(3) Maintains allocation at \$1,000,000 for both FY 2013-14 and FY 2014-15.</p> <p>(6) Maintains allocation at \$2,200,000 for both FY 2013-14 and FY 2014-15.</p>	<p>(1) FY 2012-13 not included.</p> <p>Appropriates \$980,569,100 SAF for FY 2013-14.</p> <p>Appropriates \$370,000,000 for FY 2013-14.</p> <p>(2) FY 2012-13 not included.</p> <p>Allocates \$258,300,000 for FY 2013-14.</p> <p>(3) Allocates \$1,000,000 for FY 2013-14.</p> <p>(6) Allocates \$2,200,000 for FY 2013-14.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
(7)(c) Itinerant Staffing	(7)(c) Allows unspent Sec. 51a funds at the end of the fiscal year to be allocated as additional reimbursements to ISDs based on the transfer of special education staff under certain situations since 2003-2004. Eliminates this funding after FY 2014-15.	(7)(c) Deletes this subdivision.	(7)(c) Concurs with Executive.		
(11) Special Ed - ISD Foundations for Non Sec. 52	(11) Allocates \$5,600,000 for FY 2012-13.	(11) Reduces allocation to \$4,500,000 for FY 2013-14 \$4,600,000 for FY 2014-15.	(11) Allocates \$4,500,000 for FY 2013-14.		
Sec. 51c Special Ed - <i>Durant</i> Payment	Allocates \$678,000,000 from the appropriation in Sec. 51a(1) for FY 2012-13 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.	Supplemental Request 2013-5 reduces FY 2012-13 allocation to \$643,000,000 based on updated cost estimates. Increases the FY 2013-14 allocation to \$662,500,000 to reflect future cost estimates. Allocates \$682,000,000 for FY 2014-15 to reflect future cost estimates.	FY 2012-13 not included. Allocates \$662,500,000 for FY 2013-14.		
Sec. 51d Federal Special Education Funds	Appropriates \$74,000,000 in Federal special education grants for FY 2012-13.	Maintains the Federal appropriation at \$74,000,000 for FYs 2013-14 and 2014-15.	Appropriates \$74,000,000 for FY 2013-14.		
Sec. 53a Special Ed - Court Placed pupils	Allocates \$13,500,000 from the appropriation in Sec. 51a(1) for FY 2012-13.	Maintains the \$13,500,000 allocation for FY 2013-14 and FY 2014-15.	Allocates \$13,500,000 for FY 2013-14.		
Sec. 54 Special Ed - Schools for the Deaf and Blind	Allocates \$1,688,000 from the appropriation in Sec. 51a(1) for FY 2012-13.	Maintains the \$1,688,000 allocation for FY 2013-14 and FY 2014-15.	Allocates \$1,688,000 for FY 2013-14.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
Sec. 56 Special Education - Millage Equalization	<p>(2) Allocates \$36,881,100 from Sec. 51a(1) for FY 2012-13. Funding for intermediate districts for millage equalization to provide funding to guarantee a minimal amount per special education mill levied, on a per-pupil basis.</p> <p>(3) For FY 2012-13 only, freezes each ISD's allocation at the FY 2011-12 level.</p>	<p>(2) Maintains the \$36,881,100 allocation for FY 2013-14 and FY 2014-15.</p> <p>(3) Returns to formula in place prior to the FY 2012-13 frozen allocations, and for FY 2013-14 the per-pupil equalization amount is \$166,000.</p> <p>(4) Adds that allocations for FY 2014-15 will be made using the same distribution method using applicable data.</p>	<p>(2) Allocates \$36,881,100 for FY 2013-14.</p> <p>(3) Concurs with Executive but revises the FY 2013-14 per-pupil equalization amount to \$169,900 based on the addition of (4) below.</p> <p>NEW (4) Provides that no intermediate district shall receive more under this section than 62.9% of the total allocation under (2).</p> <p>FY 2014-15 not included.</p>		
Sec. 61a Vocational Education	Appropriates \$26,611,300 for FY 2012-13 to support vocational education programs.	Maintains the \$26,611,300 appropriation for FY 2013-14 and FY 2014-15.	Appropriates \$26,611,300 for FY 2013-14.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 62 Vocational Education Millage Equalization</p>	<p>(2) 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.</p> <p>(3) For FY 2012-13 only, freezes each ISD's allocation at the FY 2011-12 level.</p>	<p>(2) Maintains the \$9,000,000 appropriation for FY 2013-14 and FY 2014-15.</p> <p>(3) Returns to formula in place prior to the FY 2012-13 frozen allocations, and for FY 2013-14 the per-pupil equalization amount is \$185,300.</p> <p>(4) Adds that allocations for FY 2014-15 will be made using the same distribution method using applicable data.</p>	<p>(2) Appropriates \$9,000,000 for FY 2013-14.</p> <p>(3) Concurs with Executive but revises the FY 2013-14 per-pupil equalization amount to \$186,500 based on the addition of (4) below.</p> <p>NEW (4) Provides that no intermediate district shall receive more under this section than 38.4% of the total allocation under (2).</p> <p>FY 2014-15 not included.</p>		
<p>Sec. 74 Bus Driver Safety and School Bus Inspections</p>	<p>Appropriates \$3,259,900 for FY 2012-13.</p> <p>(2) \$1,625,000 is to reimburse intermediate districts and universities for providing bus driver safety instruction.</p> <p>(4) \$1,634,900 to reimburse Michigan State Police for doing school bus inspections.</p>	<p>FY 2013-14 and FY 2014-15 total appropriation of \$3,299,000.</p> <p>(2) Maintains funding at \$1,625,000</p> <p>(4) Increases funding to \$1,674,000 to recognize economic increases for salaries and wages, insurance, and retirement costs totaling \$39,100.</p>	<p>Appropriates a total of \$3,299,000 for FY 2013-14.</p> <p>(2) Concurs with Executive.</p> <p>(4) Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 81 Intermediate School Districts (ISD) General Operations Funding</p>	<p>(1) Appropriates \$64,108,000 for FY 2012-13 for basic operational funding of intermediate districts.</p> <p>(2) Allocates \$62,108,000 based on historical allocations.</p> <p>(4) Requires payment of additional \$3,500 per participating ISD for 3 years if more than one ISD merge. However, this subsection does not have an associated appropriation.</p> <p>(7) Allocates \$2,000,000 in grants to ISDs equal to 3.2% of their allocation under (2) if they fulfill 4 out of 5 best practices:</p> <p>(a) Develop a consolidation plan in 2012-2013 to reduce costs and to implement that plan in 2013-2014 and report progress by Feb. 1, 2014.</p> <p>(b) Obtain competitive bids on at least 1 non-instructional service valued at \$50,000 or more for itself or its constituent districts.</p>	<p>(1) Supplemental Request 2013-5 increases total funding to \$64,115,000 for FY 2012-13 (see (4)).</p> <p>Maintains appropriation at \$64,115,000 for FY 2013-14 and FY 2014-15.</p> <p>(2) Maintains allocation of \$62,108,000 for FY 2013-14 and FY 2014-15.</p> <p>(4) Supplemental Request 2013-5 provides \$7,000 to recognize the consolidation of Mason-Lake ISD and Oceana ISD into West Shore ISD. Funding will be awarded for 3 years through FY 2014-15.</p> <p>(7) (6) Maintains allocation of \$2,000,000 for ISD best practices.</p> <p>Increases eligibility requirements to meeting 5 out of 6 best practices:</p> <p>(a) Revises to require implementation of the plan in FY 2013-14 for ISDs that developed a plan in FY 2012-13.</p> <p>(b) Adds that the unfunded liability costs for retirement must be excluded from district costs when comparing competitive bids.</p>	<p>(1) FY 2012-13 not included.</p> <p>Decreases total appropriation to \$62,115,100 for FY 2013-14.</p> <p>(2) Concurs with Executive.</p> <p>(4) Concurs with Executive.</p> <p>(7)(6) Reduces to \$100 placeholder for FY 2013-14.</p> <p>Concurs with Executive.</p> <p>(a) Concurs with Executive.</p> <p>(b) Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 81 Intermediate School Districts (ISD) General Operations Funding (cont.)</p>	<p>(c) Develop a technology plan in accordance with MDE policy on behalf of all of its constituent districts to integrate technology into the classroom and prepare teachers to use digital technology for instruction.</p> <p>(d) Provide to parents and community members a dashboard or report card including specified items demonstrating the ISD's efforts to manage its finances responsibly.</p> <p>(e) Work in a consortium with other ISDs to develop information management system requirements and bid specifications for use as statewide models including student management systems, learning management tools, and business services.</p>	<p>(c) Revises to require implementation of the plan in FY 2013-14 for ISDs that developed a plan in FY 2012-13.</p> <p>(d) Adds additional dashboard items required including revenue and expenditure projections, list of all debt service obligations by project, including anticipated payments for FY 2013-14, and total outstanding debt.</p> <p>(e) Revises to work in a consortium with other ISDs and CEPI to develop local system requirements and bid specifications that result in a recommended model information system that supports interoperability to ensure linkage and connectivity in a manner that facilitates the efficient exchange of data between districts, ISDs, and CEPI.</p> <p>(f) Act as policyholder for health care services benefits. An ISD that does not directly employ its staff or an ISD with a voluntary employee beneficiary association (VEBA) that pays no more than the maximum allowed under PA 152 of 2011 is considered to have met this requirement.</p>	<p>(c) Concurs with Executive.</p> <p>(d) Concurs with Executive.</p> <p>(e) Concurs with Executive.</p> <p>(f) Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
Sec. 93 State Aid to Libraries for MeLCat	Appropriates \$1,304,300 to the Library of Michigan for state aid to libraries to help support the (MeLCat) in public schools and libraries.	Transfers this funding to the Department of Education budget and repeals this section.	Concurs with Executive.		
Sec. 94a Center for Educational Performance and Information (CEPI)	Appropriates \$9,218,400 GF/GP in FY 2012-13 to support the operations of the CEPI, which is in the Department of Technology, Management, and Budget (DTMB), and for the comprehensive data management and student tracking system. Appropriates \$193,500 in FY 2012-13 from Federal funds.	Appropriates \$9,435,100 GF/GP for both FY 2013-14 and FY 2014-15 to recognize economic increases for salary and wages, insurance, and retirement costs totaling \$216,700. Appropriates \$193,500 in Federal funds for both FY 2013-14 and FY 2014-15.	Appropriates \$9,534,900 GF/GP for FY 2013-14. Concurs with Executive increases for economics and adds \$99,800 for CEPI to develop the pupil transfer application as required under Sec. 25. Appropriates \$193,500 in federal funds for FY 2013-14.		
Sec. 95 Principal Educator Evaluator Training Grants	Appropriates \$1,750,000 in FY 2012-13 for a grant program to train principals and assistant principals in educator evaluations. MDE must approve the training program and grant awards may not exceed \$350 per participant.	Appropriates \$500,000 in FY 2013-14. (2) Priority given to districts with new building administrators who have not yet had training.	Appropriates \$500,000 in FY 2013-14. NEW (2) Adds legislative intent to appropriate any unallocated funds appropriated under this section in FY 2012-13 for use in FY 2013-14. (2) (3) Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 98 Michigan Virtual University (MVU)</p>	<p>Appropriates \$4,387,500 GF/GP to MVU in FY 2012-13.</p> <p>(2) Requires MVU to establish the Center for Online Learning Research and Innovation with prescribed objectives.</p>	<p>Increases the appropriation to of \$14,387,500 GF/GP for FY 2013-14 and reduces it to \$9,387,500 for FY 2014-15.</p> <p>(2) Requires MVU to operate the center created in FY 2012-13 but renames it to Michigan Virtual Learning Research Institute.</p> <p>(a)(vi) Provide extensive professional development to at least 1,000 education personnel before August 31, 2014, that focuses on integration of digital learning into curricula and instruction. Report to legislature by December 1, 2014.</p> <p>(a)(vii) Award up to \$2,200,000 in competitive grants to ISDs or consortia of ISDs to expand integration of online and blended learning.</p> <p>(b)(iv) Adds that the Institute shall report its recommendations for a new digital learning teacher endorsement credential no later than September 30, 2013 and in FY 2013-14 convene a statewide cohort of higher education faculty members to implement the new teacher endorsement credential within their higher education institution's teacher preparation programs.</p>	<p>Appropriates \$4,387,500 GF/GP to MVU for FY 2012-13.</p> <p>(2) Concurs only in name change and otherwise maintains current law.</p> <p>(a)(vi) Maintains current law.</p> <p>(a)(vii) Maintains current law, but adds that MVU should identify and share best practices for planning, implementing, and evaluating online and blended education deliver models.</p> <p>(b)(iv) Maintains current law but adds that the recommendations they are working on in FY 2012-13 shall be reported no later than September 30, 2013.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 98 Michigan Virtual University (MVU) (cont.)</p>	<p>(3) Allocates \$500,000 for the MVU to conduct a yearlong pilot study of a new performance-based funding model.</p>	<p>(b)(viii) Adds that the institute must research and establish an internet-based platform that educators can use to create and share student-centric learning tools.</p> <p>(b)(ix) Requires institute to create and maintain a public statewide catalog of online learning courses being offered by all public schools in the state. Determine a list of nationally recognized best practices for online learning and use them to provide reviews of online course vendors, courses, and instructional practices through the statewide catalog, which shall be on MVU's website and linked to each district's website.</p> <p>(3) and (7)(6)(c) Delete language regarding 2012 pilot program and related reports.</p> <p>(9) (8) Provides revised definitions for "blended learning", "cyber school", "digital learning", and "online course".</p>	<p>(b)(viii) Not included</p> <p>(b)(ix) Not included.</p> <p>(3) and (7)(6)(c) Concurs with Executive.</p> <p>(9) (8) Concurs with Executive.</p>		
<p>Sec. 99 Math and Science Centers</p>	<p>Appropriates for FY 2012-13 \$2,725,000 SAF and \$5,249,300 in Federal funds for the funding of 33 math and science centers.</p>	<p>Maintains the total appropriation at \$2,725,000 SAF and \$5,249,300 in Federal funds for FY 2013-14 and FY 2014-15.</p>	<p>Appropriates \$2,725,000 SAF and \$5,249,300 in Federal funds for FY 2013-14.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
Sec. 101 Instructional Days and Hours	<p>Provides for the minimum number of days and hours of required instruction.</p> <p>(3) In FY 2012-13, 1,098 instructional hours and a minimum of 170 instructional days are required.</p> <p>(10) Allows a district to count up to 38 hours of professional development for teachers as pupil instruction toward the required hours under (3).</p>	Maintains current law.	<p>(3) Maintains the minimum required 1,098 instructional hours but increases the minimum required days to 175 beginning in FY 2014-15.</p> <p>(10) Deletes this subsection.</p>		
Sec. 101a	<p>For 2012-2013, if a district wants to enroll a pupil after the pupil has dropped out of another district and the pupil's most recent educating district has failed to immediately update the pupil's status in the Michigan student data system (MSDS) operated by the center, the district may submit evidence to the department indicating that the pupil was a dropout. The department shall review evidence submitted by a district under this section to determine if the pupil was a dropout from another district. If the department determines that the pupil was a dropout, the department shall allow the pupil to be enrolled as a dropout in the new district.</p>	Repeals this section.	Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	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.</p> <p>Appropriates \$8,250,000 in Federal assessment funding for the purposes of complying with Federal NCLB Act.</p>	<p>Maintains appropriation of \$26,694,400 SAF in FY 2013-14 and FY 2014-15.</p> <p>Maintains Federal funding of \$8,250,000 for FY 2013-14 and FY 2014-15.</p>	<p>Appropriates \$26,694,400 SAF in FY 2013-14.</p> <p>Appropriates \$8,250,000 for FY 2013-14.</p>																										
Sec. 107 Adult Education	<p>Appropriates \$22,000,000 in SAF for Adult Education programs for FY 2012-13.</p>	<p>Appropriates \$22,000,000 for FY 2013-14 and FY 2014-15.</p>	<p>Appropriates \$22,000,000 for FY 2013-14.</p> <p>NEW (20) Adds legislative intent to begin allocating grant funds under this section on a competitive basis beginning in FY 2014-15.</p>																										
Sec. 147 Retirement Contribution Rate	<p>Estimated rates are as follows, and the amortization period is 26 years.</p> <p>Employees Pre July 2010:</p> <table border="0" data-bbox="262 982 598 1096"> <tr> <td></td> <td style="text-align: center;"><u>FY 13</u></td> <td style="text-align: center;"><u>FY 14</u></td> </tr> <tr> <td>Pension:</td> <td style="text-align: center;">18.62%</td> <td style="text-align: center;">22.46%</td> </tr> <tr> <td>Health:</td> <td style="text-align: center;">8.75%</td> <td style="text-align: center;">8.75%</td> </tr> <tr> <td>Total:</td> <td style="text-align: center;">27.37%</td> <td style="text-align: center;">31.21%</td> </tr> </table> <p>Employees Post July 2010:</p> <table border="0" data-bbox="262 1185 598 1299"> <tr> <td></td> <td style="text-align: center;"><u>FY 13</u></td> <td style="text-align: center;"><u>FY 14</u></td> </tr> <tr> <td>Pension:</td> <td style="text-align: center;">17.39%</td> <td style="text-align: center;">21.19%</td> </tr> <tr> <td>Health:</td> <td style="text-align: center;">8.75%</td> <td style="text-align: center;">8.75%</td> </tr> <tr> <td>Total:</td> <td style="text-align: center;">26.14%</td> <td style="text-align: center;">29.94%</td> </tr> </table>		<u>FY 13</u>	<u>FY 14</u>	Pension:	18.62%	22.46%	Health:	8.75%	8.75%	Total:	27.37%	31.21%		<u>FY 13</u>	<u>FY 14</u>	Pension:	17.39%	21.19%	Health:	8.75%	8.75%	Total:	26.14%	29.94%	<p>Retirement rates are now broken out for seven different subgroups based on hire date and benefit and contribution choices made under PA 300 of 2012.</p> <p>FY 14: 20.96% - 24.79%</p> <p>FY 15: 20.96% - 25.78%</p> <p>The retirement rates for FY 2013-14 reflect an amortization period of 25 years.</p> <p>Employer rates do not include contributions into an employees' defined contribution plan.</p>	<p>Concurs with Executive with technical language revisions from the Office of Retirement Services.</p>		
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Sec. 147a MPSERS Cost Offset	Appropriates \$155,000,000 SAF for FY 2012-13 to offset a portion of MPSERS costs for districts, based on each district's share of MPSERS payroll in the preceding fiscal year.	Maintains appropriation of \$155,000,000 for FY 2013-14 and FY 2014-15.	Appropriates \$155,000,000 for FY 2013-14.		
Sec. 147b MPSERS Retirement Obligation Reform Reserve Fund	Appropriates \$41,000,000 into the MPSERS reserve fund bringing the balance in the fund to \$174,000,000.	<p>Makes no appropriation into the MPSERS reserve fund, and instead begins to use available funds as a source of revenue to under Sec. 147c.</p> <p>(5) Adds new language which would direct the funds collected in FY 2010-11 and FY 2011-12 for the employee 3% contributions for retiree health care, which are currently being held in escrow pursuant to a court injunction, to be deposited into the MPSERS reserve fund for the purposes of funding health care unfunded liabilities if the injunction is lifted.</p>	Concurs with Executive.		
Sec. 147c. MPSERS Prefunding - Unfunded Accrued Liability Payment	Appropriates \$130,000,000 to pay for the MPSERS unfunded accrued liability that exceeds the maximum rate charged to MPSERS employers as required under the Public School Employees' Retirement Act, MCL 38.1341.	Supplemental Request 2013-5 increases the appropriation to \$160,500,000 SAF to recognize additional costs for FY 2012-13 to reflect changes made in PA 300 of 2012 and to reflect the postponed contribution and election periods under PA 359 of 2012.	FY 2012-13 not included.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Sec. 147c. MPSERS Prefunding - Unfunded Accrued Liability Payment (cont.)</p>		<p>Increases the appropriation to \$403,300,000 (\$253,300,000 SAF and \$150,000,000 from the MPSERS reserve) for FY 2013-14 based on actuarial estimates of the costs of unfunded liabilities for retiree health care.</p> <p>Increases the appropriation to \$649,200,000 (\$549,200,000 SAF and \$100,000,000 from the MPSERS reserve) for FY 2014-15 based on actuarial estimates of the costs of unfunded liabilities for retiree health care.</p> <p>Rather than paying the MPSERS funds directly to MPSERS, it would pay districts and ISDs a proportional share and then require them to pay the exact amount back to the MPSERS system.</p> <p>(2) Calculates the total cost of the required payments.</p> <p>(3) Calculates each district's and ISD's share of total payments.</p> <p>(4) Requires that each recipient forward to MPSERS an amount equal to their payment under this section.</p>	<p>Appropriates \$403,300,000 (\$253,300,000 SAF and \$150,000,000 from the MPSERS reserve) for FY 2013-14.</p> <p>FY 2014-15 not included.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
Sec. 152a Adair Data collection and reporting costs	Appropriates \$38,000,500 for FY 2012-13 to reimburse districts for data collection and reporting costs as required in <i>Adair v. State of Michigan</i> .	Maintains appropriation of \$38,000,500 for FY 2013-14 and FY 2014-15.	Appropriates \$38,000,500 for FY 2013-14.		
Technical Adjustments	N/A	Includes date changes and other technical adjustments in sections throughout the bill.	Concurs with Executive.		
Enacting Section 1 State Spending and Payments to Locals	N/A	<p>Supplemental Request 2013-15 revises total state spending from state sources to \$11,216,152,600 and payments to locals to \$11,037,656,700 for FY 2012-13.</p> <p>FY 2013-14 state spending from state sources is \$11,470,813,500 and payments to locals are \$11,309,030,900.</p> <p>FY 2014-15 state spending from state sources is \$11,726,154,500 and payments to locals are \$11,559,131,900.</p>	<p>FY 2012-13 not included.</p> <p>FY 2013-14 state spending from state sources is \$11,470,813,500 and payments to locals are \$11,318,931,100.</p> <p>FY 2014-15 not included.</p>		
Enacting Section 2 Repeals Sections as of October 1, 2012.	N/A	<p>Repeals the following sections:</p> <p>11q - FY 2011-12 Federal Education Jobs Funds</p> <p>11t - Legislative intent to change name of School Aid Act</p> <p>11u - Legislative intent to examine categoricals</p>	<p>Repeals the following sections:</p> <p>11q - FY 2011-12 Federal Education Jobs Funds</p> <p>11t - Legislative intent to change name of School Aid Act</p> <p>11u - Legislative intent to examine categoricals</p>		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	HOUSE SUBCOMMITTEE	SENATE	CONFERENCE
<p>Enacting Section 2 Repeals Sections as of October 1, 2012.</p>		<p>12 - Intent for FY 2013-14 appropriations</p> <p>22g - Consolidation Innovation Grants</p> <p>22h - FY 2011-12 appropriation for distressed districts</p> <p>25d - Sec. 25 guidelines for FY 2012-13 only</p> <p>32g - FY 2011-12 appropriation for kindergarten assessments and Tiered Quality Rating Improvement System</p> <p>32l - Preschool Competitive Programs</p> <p>93 - State Aid to Libraries</p> <p>101a - Reporting of Drop Outs</p> <p>166 - Penalty for dispensing family planning products</p>	<p>22g - Consolidation Innovation Grants</p> <p>22h - FY 2011-12 appropriation for distressed districts</p> <p>25 - Pupil transfer process</p> <p>25d - Sec. 25 guidelines for FY 2012-13 only</p> <p>32g - FY 2011-12 appropriation for kindergarten assessments and Tiered Quality Rating Improvement System</p> <p>32l - Preschool Competitive Programs</p> <p>93 - State Aid to Libraries</p> <p>101a - Reporting of Drop Outs</p>		