



April 27, 2018

School Aid Budget—A Look at the Three Proposals

The House and Senate K-12 Appropriations Subcommittees have each presented its version of the budget. The following highlights some of the differences between the House version, Senate version and Gov. Rick Snyder's proposed budget. For more information, the [Senate Fiscal Agency has a chart](#) outlining the entire School Aid Budget.

The House proposal and the Governor's revised proposal include sections dealing with the Marshall Plan for Talent and funds them through the Talent Development Fund. The Senate does not include most of these sections and we expect it to be very fluid throughout the coming weeks. The Senate has now introduced [Senate Bills 941 & 942](#) which include the Marshall Plan for Talent and establishes the fund. (The sections include: 21j, 61c, 67a, 68, 68a, 68b, 68c, and 99k).

Foundation Allowance (Sec. 20)

Governor—proposed increases in the foundation allowance from \$120-240 per pupil distributed through the 2x formula.

Senate—proposed an increase from \$115-230 per pupil distributed through the 2x formula.

House – concurs with the Governor.

Cyber Schools Foundation Allowance (Secs. 20 & 22b)

Governor—reduced the foundation allowance for cyber schools to 75% of the minimum foundation.

Senate—maintains foundation allowance at 100%.

House – maintains foundation allowance at 100%.

Partnership Model Districts (Sec. 21h)

Governor—increases funding by \$2 million to \$8 million.

Senate—maintains funding at \$6 million and adds language: to outline goals that must be in the agreement; to allow the State Superintendent to waive some administrative rules; and require that MDE, and if possible the partner district, report in person to the Legislature on how funding is spent.

House – maintains current funding at \$6 million and maintains current law.

Isolated Districts/Transportation Funding (Sec. 22d)

Governor—maintains current funding level at \$5 million.

Senate—increases the funding to \$6 million, with the additional \$1 million going to districts that have 7.7 or fewer pupils per square mile.

House – concurs with the Governor.

Transportation Payments (Sec 22o)

Governor – does not include this section.

Senate – Does not include this section.

House – includes a \$100 placeholder to create a \$25 per-pupil to districts that provide transportation for general education riders.

Discretionary Payments to Partnership Districts (Sec. 22p)

Governor—did not include.

Senate—creates a new section for districts in a partnership agreement with MDE. In order to receive the \$400 million under this section, a district would have to meet certain academic outcomes. If the measures are not met, accountability measures would be taken that may include reconstitution or closure.

House – did not include.

Shared-Time Payments (Sec. 23f)

Governor—creates a new section defining shared-time pupils, limits payment to no more than 5% of a district’s student population and excludes kindergarten programs.

Senate—does not include this section and maintains funding under other sections of law. Does exclude kindergarten programs and limits the amount of FTE that can be claimed at .67 (under Sec. 6).

House – does not include this section and maintains funding under other sections of law. Does require districts to place the curricular offerings in a course catalog provided to the district’s full time students and changes reference to “grade progression” to “contains substantially all of grade level model core curriculum content standards”.

"At-Risk" Pupil Support (Sec. 31a)

Governor—maintains current funding level but changes requirements. Changes K-3 to K-12, sets new academic standards for grades 3, 8 and 11. If a district fails to meet them, new accountability standards kick in including department oversight if the academic standards are not met by October 1, 2021.

Senate—maintains current funding levels and current requirements

House – maintains current funding levels but adjusts requirements. It adds math proficiency by the end of grade 8 to the standards and states the funds should “address early literacy and numeracy” for grades K-12. Otherwise it maintains current law.

Year-Round School Grants (Sec. 31b)

Governor – repeals this section

Senate – repeals this section

House – maintains this section at current year funding level of \$1.5 million.

Third Grade Reading/Early Literacy Programs (Secs. 35 & 35a)

Governor—moves the \$1 million for the administrative funding of the early literacy section to the MDE budget and eliminates Sec. 35. Early literacy funding remains the same but funding for MI Education Corps is removed.

Senate— increases funding by \$3.5 million, for \$3 million for MI Education Corps funding and \$500,000 summer reading pilot program. Also increases allocation to ISDs by \$1 million for literacy coaches and reduces the allocation to districts by \$1 million.

House – concurs with the Governor.

State Early On Programs (New Sec. 54d)

Governor—creates \$5 million for competitive grants to ISDs to provide Early On programs for children from birth to 3 years of age with development delays or disabilities.

Senate—concurs with Governor, but changes it from competitive grants to funding based on federal Early On funding.

House -- concurs with Governor

ISD Special Education Millage Equalization (Sec. 56)

Governor—maintains current appropriation.

Senate—increases appropriation by \$4.5 million.

House – maintains current appropriation.

Career & Technical Education (Sec. 61a)

Governor – maintains standard CTE appropriation at \$36.6 million but removes funding for culinary arts and CTE counselors. Proposes moving CTE counselor funding to the Marshall Plan with funding from the Talent Development Fund.

Senate – concurs with Governor but reinstates culinary arts grant.

House – increases appropriation by \$10 million, reinstates culinary arts grant and \$1 million for CTE counselors. (funding includes \$22.7 million from the Talent Development Fund)

CTE Skilled Trades Equipment Grants (Sec. 61c)

Governor— eliminates the \$12.5 million from the General Fund for this section and replaces it with \$11.6 million from the Talent Development Fund.

Senate—maintains the section and funds it at \$5 million. Funding would be distributed to CEPDs located in an ISD that does not levy a vocational education millage.

House – Increases the appropriation to \$14 million and funds it from the Talent Development Fund and maintains current law programs. Adds \$10 million from the Talent Development Fund for competitive grants for ISDs.

Payments for CTE Pupils (New Sec. 61d)

Governor—creates new section with \$5 million to provide districts an additional \$25 per pupil for each pupil in CTE programs and an additional \$25 for pupils in high-demand career fields.

Senate—does not include and puts funding under 61c (see above).

House – does not include this section.

Mi Bright Future (Sec. 67a)

Governor – Increases funding to \$4 million from the Talent Development Fund also requires at least \$1 million in matching funds

Senate – does not include (but does have separate Marshall Plan/Talent Development Fund legislation)

House – Increases funding to \$1.5 million from the Talent Development Fund and requires a 25% matching grant.

Competency Grants (New Sec. 68)

Governor – part of Marshall Plan proposal, funded with Talent Development Funds, \$21.9 million to expand K-12 education programs focused on creating competencies in high demand fields

Senate – does not include (but does have separate Marshall Plan/Talent Development Fund legislation)

House – concurs with Governor

Curriculum Grants (New Sec. 68a)

Governor – part of Marshall Plan proposal, funded with Talent Development Funds, \$6.1 million for development of curriculum and other materials in high demand fields.

Senate – does not include (but does have separate Marshall Plan/Talent Development Fund legislation)

House – concurs with Governor but does not include funding for community colleges or universities.

Innovative Education Corps (New Sec. 68c)

Governor – part of Marshall Plan proposal, funded with Talent Development Funds, \$4.6 million for creation of Innovative Education Corps program.

Senate – does not include (but does have separate Marshall Plan/Talent Development Fund legislation)

House – concurs with Governor

ISD General Operations Funding (Sec. 81)

Governor—maintains current-year funding.

Senate—increases funding by 1% to \$67.78 million.

House – maintains current-year funding.

FIRST Robotics (Sec. 99h)

Governor—continues funding at \$2.5 million, adds ISDs as eligible grantees but removes the funding for nonpublic schools.

Senate—concurs with Governor but includes the \$300,000 for nonpublic school grantees and expands to other competitions.

House – maintains current year funding but does not expand to ISDs. It does expand to other competitions.

MPSERS Offset (Sec. 147a)

Governor—maintains \$100 million appropriation.

Senate—concurs with the Governor and includes \$5 million for ISDs to receive some reimbursement as well.

House – concurs with the Governor.

Nonpublic Mandate Reimbursement (Sec. 152b)

Governor—repeals this section.

Senate— includes a \$100 placeholder.

House – maintains current appropriation and provides that all funds under this section from the last 2 years may be expended in future fiscal years.

Pre-Labor Day Start Waivers (Sec. 160)

Governor—removes the requirement that MDE be involved in the public hearings.

Senate—maintains current law.

House – repeals this section.

Legal Action Against the State (Sec. 164g)

Governor—repeals this section.

Senate—maintains current law.

House – maintains current law.

Collective Bargaining Agreement Penalty (Sec. 164h)

Governor—repeals this section.

Senate—maintains current law.

House – maintains current law.

We are still early in the budget process, which means you can still influence the outcome. [Contact your Senator](#), let them know what you like and don't like about their proposal.