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MICHIGAN HOUSE OF REPRESENTATIVES

JOE HAVEMAN
STATE REPRESENTATIVE

COMMITTEES:
APPROPRIATIONS, CHAIR
SUBCOMMITTEE:
CORRECTIONS

December 5, 2013

Mr. John Nixon
Office of the State Budget
Department of Management and Budget
6th Floor Romney Building
Lansing, MI 48090

Dear Director Nixon:

For your information, the attached transfer package has been approved by a majority of the members of both the House and Senate Appropriations Committees.

The transfers approved are from the Office of the State Budget letter dated October 24, 2013, Legislative Transfer Request 2014-2. The transfers are for the School Aid budget.

If you need further information, please do not hesitate to contact us.

Sincerely,



Joseph Haveman, Chair
House Appropriations Committee



Roger Kahn, M.D. Chair
Senate Appropriations Committee

LEGISLATIVE TRANSFER PACKAGE

 Mary Ann Cleary, Director Margaret Alston, Transfer Coordinator Compiled by Tumai Burris, Budget Assistant	Summary Sheet SBO LETTER: 2014-2 October 24, 2013		
Department /Budget Area	Analyst	Page	Total Transfer
School Aid	Bethany Wicksall Karen Shapiro	1	\$25,000,000
Total			\$25,000,000

FY 2013-14 Legislative Transfers: Request 2014-2

Budget	Year-to-Date Total Approps	Standard Transfers (Within Existing Budget)						TOTAL	% of Budget Shifted
		IDG	Federal	Local	Private	Restricted	GF/GP		
School Aid	13,366,703,600					25,000,000	25,000,000	0.19%	
TOTAL*	\$51,050,790,800	\$0	\$0	\$0	\$0	\$25,000,000	\$25,000,000	0.05%	

*Including budget areas not affected by transfers.

LEGISLATIVE TRANSFER

BUDGET AREA: **SCHOOL AID**
 FISCAL YEAR: **2013-14**
 TRANSFER AMOUNT: **\$25,000,000**

S.B.O. LETTER: **10/24/13**
 S.B.O. REQUEST: **2014-2**
 ANALYSTS: **Bethany Wicksall/Karen Shapiro**

TRANSFER ITEMS	Y-T-D AUTH.	Y-T-D EXPEND. & ENCUMB. AS OF 10/28/13	BALANCE AVAILABLE AS OF 10/28/13	GOV'S REC. 10/24/13	SENATE ACTION 11/13/13	HOUSE ACTION 12/5/13
FROM: SEC. 32d. GREAT START READINESS RESERVE FUND	25,000,000	0	25,000,000	(25,000,000)	(25,000,000)	(25,000,000)
Funding source: State school aid fund	25,000,000	0	25,000,000	(25,000,000)	(25,000,000)	(25,000,000)
TO: SEC. 32d. GREAT START READINESS PROGRAM	149,575,000	15,841,313	133,733,687	25,000,000	25,000,000	25,000,000
Funding source: State school aid fund	149,275,000	15,841,313	133,433,687	25,000,000	25,000,000	25,000,000

This transfer would shift funds which were set aside in the Great Start Readiness Reserve Fund to the Great Start Readiness Program line pursuant to PA 60 of 2013, Section 32d(14), which requires a legislative transfer no later than January 31, 2014.

The total FY 2013-14 appropriation of \$174.3 million (including both the \$149.6 million for the program line and the \$25.0 million reserve fund line) was an increase of \$65.0 million from the FY 2012-13 funding level. The additional \$65.0 million supported both an increase in the per diem as well as an increase of nearly 16,000 half-day preschool placements, bringing the total number of funded half-day placements to approximately 48,000. Legislative intent in creating the reserve fund was to set aside \$25.0 million of the \$65.0 million increase until MDE could verify that intermediate school districts (ISDs) would be able to fill the additional half-day slots.

The number of half-day slots initially requested by ISDs prior to the start of the school year totaled 53,800, exceeding the funded level by 5,800 half-day placements. MDE anticipates feedback from ISDs regarding whether they were able to fill their initial placement allocations by late November or early December. Currently statute requires that if there are unused slots after the first round of funding, they are redistributed to ISDs that have more eligible children than allocated slots.