

DEPARTMENT OF EDUCATION: FYs 2011-12 and 2012-13
Summary: As Reported from House Subcommittee
House Bill 4273 (H-1) Draft 2



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	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	0.0	\$0	\$0	--
Federal	87,772,100	77,929,200	(9,842,900)	(11.2)	78,869,000	939,800	1.2
Local	7,199,400	7,159,200	(40,200)	(0.6)	7,269,600	110,400	1.5
Private	3,124,500	3,044,400	(80,100)	(2.6)	3,053,700	9,300	0.3
Restricted	6,949,800	7,166,300	216,500	3.1	7,313,600	147,300	2.1
GF/GP	21,914,100	20,013,900	(1,900,200)	(8.7)	20,253,200	239,300	1.2
Gross	\$126,959,900	\$115,313,000	(\$11,646,900)	(9.2)	116,759,100	\$1,446,100	1.3
FTEs	562.5	559.0	(3.5)	(0.6)	559.0	0.0	0.0

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and would not be legally-binding appropriations.

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, and providing technical assistance to school districts and libraries.

Major Budget Changes From FY 2010-11 YTD Appropriations	FY 2010-11 YTD (as of 2/17/11)	House Changes	
		FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
1. State Aid to Libraries	Gross \$5,750,000	(\$2,304,300)	\$0
<u>Executive</u> reduces the Department of Education appropriation for state aid to libraries by \$2.3 million to \$3.4 million. In addition, the \$1.5 million appropriation in the School Aid budget was eliminated under the Executive budget, for a total reduction equal to 52.4% of current state support to libraries. <u>House</u> concurs with Executive.	GF/GP \$5,750,000	(\$2,304,300)	\$0
2. Michigan eLibrary (MeL)	Gross \$0	\$950,000	\$0
<u>Executive</u> provides additional GF/GP support for the MeL due to the potential loss of federal funds which are likely to decrease based on diminishing state maintenance of effort (MOE) levels from recent reductions in state aid to libraries. <u>House</u> concurs with Executive.	GF/GP \$0	\$950,000	\$0
3. 2009 State Education Reform Activities	FTEs 25.0	(1.0)	0
<u>Executive</u> eliminates three pieces of the recent education reform which required new activities for the Department. This includes eliminating the State Reform/Redesign Office, which was supposed to identify and propose reforms for the bottom 5% of districts, to save \$1.4 million. It also eliminates the online testing platform to save \$500,000 and eliminates the basic instructional supplies hotline and appeals process to save \$76,000. <u>House</u> concurs on the elimination of the online testing platform and the basic instructional supplies hotline and appeals process but maintains the funding and FTEs for the School Reform and Redesign Office.	Gross \$8,977,800	(\$576,000)	\$0
	Federal 5,063,700	0	0
	GF/GP \$3,914,100	(\$576,000)	\$0

House Changes

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
4. Excess Federal and Private Spending Authorization	FTEs	N/A	(3.5)	0.0
<u>Executive</u> decreases spending authorization in several units of the bill to reflect the anticipated availability of funds. This includes \$3,967,800 in Special Education, \$1,500,000 in Professional Preparation, \$346,000 and 3.5 FTEs in School Finance/School Law, and \$198,700 in Early Childhood.	Gross	N/A	(\$6,012,500)	\$0
<u>House</u> concurs with Executive.	Federal	N/A	(5,813,800)	0
	Private	N/A	(198,700)	\$0
	GF/GP	N/A	\$0	
5. Office of Education Assessment and Accountability (OEAA)	Gross	\$9,652,300	(\$5,000,000)	\$0
<u>Executive</u> removes the one-time federal funds used for the rewrite of the OEAA secure site.	Federal	9,652,300	(5,000,000)	0
<u>House</u> concurs with Executive.	GF/GP	\$0	\$0	\$0
6. Recognize Savings from 2010 Early Retirement	Gross	N/A	(\$370,900)	\$0
<u>Executive</u> recognizes the GF/GP savings throughout the department associated with the early retirement.	GF/GP	N/A	(\$370,900)	\$0
<u>House</u> concurs with Executive.				
7. Michigan Schools for the Deaf and Blind	Gross	\$90,000	\$110,000	\$0
<u>Executive</u> increases spending authorization for private gifts for blind services in order to allow expenditure of carry forward funds that were not spent in FY 2009-10.	Private	90,000	110,000	0
<u>House</u> concurs with Executive.	GF/GP	\$0	\$0	\$0
8. Reorganize School Finance/School Law Unit	FTEs	16.5	1.0	0.0
<u>Executive</u> reorganizes this unit into three new units and shifts \$106,000 and 1.0 FTE to the existing Grants Administration unit. Creates a net change of 1.0 FTE. The transfers would include the following:	Gross	\$2,844,100	\$0	\$0
	Federal	1,335,600	0	0
	Restricted	493,400	0	0
	GF/GP	\$1,015,100	\$0	\$0
State Aid and School Finance Services: \$854,500 and 7.5 FTEs				
Audit Services: \$481,300 and 3.5 FTEs				
Administrative Law Services: \$1,056,300 and 2.0 FTEs				
<u>House</u> concurs with Executive.				
9. FTE Adjustments	FTEs	N/A	0.0	0.0
<u>Executive</u> recommends positive FTE adjustments for four units:	Gross	N/A	\$0	\$0
	GF/GP	N/A	\$0	\$0
Grants Administration: 2.0 FTEs				
Field Services: 3.0 FTEs				
Education Improvement/Innovation: 3.0 FTEs				
Career/Technical Education: 1.0 FTE				
<u>House</u> does not include increased FTEs.				
10. Economic Adjustments	Gross	N/A	\$1,556,800	\$1,446,100
<u>Executive</u> includes economic adjustments for retirement, insurances, workers' compensation, and building occupancy charges totaling \$1.6 million for FY 2011-12 and \$1.4 million for FY 2012-13.	Federal	N/A	902,500	939,800
	Local	N/A	103,200	110,400
	Private	N/A	8,600	9,300
	Restricted	N/A	141,500	147,300
	GF/GP	N/A	\$401,000	\$239,300
<u>House</u> concurs.				

Major Boilerplate Changes From FY 2010-11

NOTE: No boilerplate language is proposed for FY 2012-13.

Sec. 204. Civil Service Fee – RETAINED

Specifies administrative fee charged to each state department for personnel services. Executive deletes. House maintains current law.

Major Boilerplate Changes From FY 2010-11

Sec. 205. *Internet Reporting* – RETAINED

Requires department to use Internet or email to fulfill reporting requirements.
Executive moves to general sections of omnibus bill. House maintains current law.

Sec. 206. *State Board of Education Information* – RETAINED

Requires the department to forward board agendas and documents to various governmental agencies electronically.
Executive deletes. House maintains current law.

Sec. 208. *Personnel Records* – RETAINED

Directs the department require districts to retain teacher personnel records regarding sexual misconduct.
Executive deletes. House maintains current law.

Sec. 207. *Department Financial Information* – NEW

House adds new section requiring that the department develop, post, and maintain on a user-friendly and publicly accessible internet site, all expenditures and purpose for each expenditure made by the agency within a fiscal year.

Sec. 209. *Information Technology User Fees* – RETAINED

Directs the department to pay user fees to Department of Technology, Management and Budget for technology-related services and projects.
Executive deletes. House maintains current law.

Sec. 210. *Information Technology Work Projects* – NEW

House adds new section allowing appropriations for information technology work projects to be carried forward into following fiscal year according to the Management and Budget Act.

Sec. 211. *Adequate Yearly Progress (AYP)* – RETAINED

Requires that the department allow districts to appeal a determination of failure to meet AYP prior to the department publishing AYP reports.
Executive deletes. House maintains current law.

Sec. 212. *Purchase of Foreign Goods* – RETAINED

Prohibits the purchase of foreign-made goods if comparable American or Michigan goods are available. Gives preference to Michigan businesses owned or operated by veterans.
Executive deletes. House maintains current law.

Sec. 213. *Hiring Freeze* – RETAINED

Establishes a hiring freeze for state civil service with exceptions under certain circumstances.
Executive deletes. House maintains current law.

Sec. 214. *Out-of-State Travel* – RETAINED

Limits out-of-state travel for certain circumstances and requires reporting on all out-of-state travel.
Executive deletes. House maintains current law.

Sec. 215. *Out-of-State Professional Development* – RETAINED

Limits out-of-state travel for professional development conferences or training seminars.
Executive deletes. House maintains current law.

Sec. 216. *Communication with the Legislature* – RETAINED

Prohibits the department from taking disciplinary action against an employee for communicating with a legislator or his/her staff.
Executive deletes. House maintains current law.

Sec. 217. *Economically Distressed Areas* – RETAINED

Encourages the department to contract with businesses in economically distressed areas.
Executive deletes. House maintains current law.

Sec. 218. *Report Retention* – NEW

House adds new language requiring the department to retain all reports funded from appropriations in part 1 according to federal and state guidelines for short-term and long-term retention of records. Allows for electronic copies unless otherwise required by federal or state guidelines.

Sec. 220. *Providing the Legislature with Timely Data* – RETAINED

Requires the department to provide data requested by legislature, staff, and fiscal agencies in a timely manner.
Executive deletes. House maintains current law.

Sec. 221. *Hire of Outside Legal Counsel* – RETAINED

Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General but exempts legal services for bonding or other activities authorized by the Attorney General.
Executive deletes. House maintains current law.

Major Boilerplate Changes From FY 2010-11

Sec. 222. Impact of New Legislation and Administrative Rules – DELETED

Requires a report on specific policy changes adopted to implement new public acts. Prohibits the department from adopting administrative rules that have a disproportionate impact on small business.

Executive deletes. House concurs.

Sec. 225. Pupil Membership Fraud – RETAINED

Requires the State Superintendent of Public Instruction to investigate and report on issues of pupil membership fraud, and report on the scope of and proposed solutions to the problem.

Executive deletes. House maintains current law.

Sec. 226. Lapse Report – RETAINED

Requires the department to report on the projected year-end General Fund Lapse amount for a given year by Oct. 15 of the next fiscal year.

Executive deletes. House maintains current law.

Sec. 301. State Board of Education Expenses – REVISED

Authorizes the department to make per diem payments to members of the State Board of Education and report quarterly on Board of Education member expenses.

Executive eliminates the reporting requirement. House concurs.

Sec. 401. Michigan Schools for the Deaf and Blind Employees – DELETED

Stipulates that employees who work on a school year basis shall be considered annual employees for purposes of service credits, retirement, and insurance benefits.

Executive deletes. House concurs.

Sec. 405. Federal Medicaid Program – RETAINED

Allows the department to assist other departments and school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program.

Executive deletes. House maintains current law.

Sec. 501. Felony Conviction Files – RETAINED

Requires that the department maintain professional personnel registry and certificate revocation/felony conviction files.

Executive deletes. House maintains current law.

Sec. 601. Administration of the Charter School Office – DELETED

Earmarks funds to operate the charter school office.

Executive deletes. House concurs.

Sec. 701. Collaboration with Center for Education Performance and Information (CEPI) – DELETED

Directs the department to work collaboratively with CEPI to support data collection.

Executive deletes. House concurs.

Sec. 803. Keep Library Functions Together – RETAINED

Provides intent that the State maintain the Library of Michigan and its component programs together in a state department.

Executive deletes. House maintains current law.

Sec. 804. Library Collections – RETAINED

Requires that the department and the Library of Michigan maintain custody of the non-Michigan genealogy and all Michigan-specific collections and continue to make these collections available to the public.

Executive deletes. House maintains current law.

Sec. 805. Library Minimum Hours Waivers – NEW

House adds new language requiring the department to grant waivers to any library requesting a waiver for the minimum hours of operation required under the state aid to public libraries minimum standards.

Sec. 901. Federal and Private Grants – RETAINED

Requires that the department notify House and Senate Appropriations subcommittee chairs with ten days of receipt of a grant appropriated in the federal and private grants line item including funding source, purpose, and amount of grant.

Executive deletes. House maintains current law.

Sec. 903. Cyber Schools – RETAINED

Directs the department to work with districts that operate a cyber school or an alternative education program with a seat-time waiver to provide a report by March 1, detailing enrollments resident districts, per pupil operating costs, and online education providers.

Executive deletes. House maintains current law.

Sec. 904. Federal Education Jobs – DELETED

Designated a portion of Federal Education Jobs funds for administration of the Education Jobs funds distributed to districts in the School Aid budget.

Executive deletes. House concurs.

