

**Summary: Executive Budget Recommendation
for Fiscal Years 2013-14 and 2014-15
DEPARTMENT OF EDUCATION**



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	FY 2012-13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
	Year-to-Date as of 2/7/13		Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	244,551,300	232,395,400	(12,155,900)	(5.0)	233,319,700	924,300	0.4
Local	5,560,400	5,633,700	73,300	1.3	5,690,000	56,300	1.0
Private	3,078,700	1,933,300	(1,145,400)	(37.2)	1,933,300	0	0.0
Restricted	7,626,300	8,032,100	405,800	5.3	8,155,500	123,400	1.5
GF/GP	68,093,200	70,893,900	2,800,700	4.1	71,831,100	937,200	1.3
Gross	\$328,909,900	\$318,888,400	(\$10,021,500)	(3.0)	\$320,929,600	\$2,041,200	0.6
FTEs	590.5	594.5	4.0	0.7	594.5	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations. (4) Budget changes described below are based on the "Schedule of Program" sections included in the Executive Budget; amounts listed in those schedules are informational in nature and could be potentially adjusted administratively, without legislative approval, within the larger line items into which programs have been rolled up.

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, providing technical assistance to school districts and libraries, and providing child day care support for low-income and other qualifying families.

	FY 2012-13 YTD (as of 2/7/13)	Executive Changes	
		FY 2012-13 to FY 2013-14	FY 2013-14 to FY 2014-15
Major Budget Changes From FY 2012-13 YTD Appropriations			
1. Child Development and Care (CDC) Funding	Gross	\$186,114,200	(\$11,820,600)
Reduces federal funds transferred to DHS by \$12.4 million for use in CDC-related activities performed by DHS. Funds are transferred to the child development care public assistance line item, where they replace \$11.8 million in federal TANF funds.	Federal	147,125,400	(11,820,600)
	GF/GP	\$38,988,800	\$0
			\$0
2. State Share of MPERS Reforms for Libraries	Gross	\$0	\$1,300,000
Provides \$1.3 million GF/GP for the State's share of MPERS costs for libraries, which exceed the capped employer contribution rate as required under PA 300 of 2012. Adds an additional \$700,000 GF/GP in FY 2014-15.	GF/GP	\$0	\$1,300,000
			\$700,000
3. Library Funding Transferred from School Aid Budget	Gross	N/A	\$2,804,300
Transfers \$1.5 million GF/GP from the School Aid budget to the Department of Education budget for renaissance zone reimbursements to libraries, as well as \$1.3 million from the School Aid budget designated for state aid to libraries.	GF/GP	N/A	\$2,804,300
			\$0
4. Michigan College Access Network Transferred to Higher Education Budget	Gross	N/A	(\$2,000,000)
Transfers \$2.0 million GF/GP for the Michigan College Access Network (MCAN) to the Higher Education budget. Removes related line items and boilerplate.	GF/GP	N/A	(\$2,000,000)
			\$0

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>		FY 2012-13 YTD (as of 2/7/13)	Executive Changes	
			FY 2012-13 to FY 2013-14	FY 2013-14 to FY 2014-15
5. Additional Support Staff	FTE	N/A	4.0	0.0
Funds an additional \$506,500 (\$278,700 GF/GP) for 4.0 FTEs.	Gross	N/A	\$506,500	\$0
Includes two new employees to provide support for new charter schools, as well accommodate increased departmental responsibilities related to charter schools as a result of PA 277 of 2011. One new employee for additional accounting support tied to the transfer of the CDC program from DHS in FY 2011-12. One new employee to review school improvement plans for priority schools.	Federal	N/A	217,500	0
	Restricted	N/A	10,300	0
	GF/GP	N/A	\$278,700	\$0
6. Creation of School Reform Office	Gross	\$2,078,100	\$0	\$0
Creates the School Reform Office, which was previously integrated between several units within the department. No new funds are provided for this line-item.	GF/GP	\$2,078,100	\$0	\$0
7. Maintenance of Effort for Carl D. Perkins Grants.	Gross	N/A	\$40,000	\$0
Appropriates \$40,000 GF/GP for career and technical education operations, to be used as maintenance of effort (MOE) for the Carl D. Perkins Career and Technical Education federal grant.	GF/GP	N/A	\$40,000	\$0
8. Economics Adjustments	Gross	N/A	\$2,400,600	\$1,341,200
Reflects increased costs of \$2.4 million Gross (\$510,100 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$1.3 million Gross (\$237,200 GF/GP) projected for FY 2014-15.	Federal	N/A	1,498,600	924,300
	Private	N/A	28,100	56,300
	Restricted	N/A	363,800	123,400
	GF/GP	N/A	\$510,100	\$237,200
9. Elimination of One-Time Appropriations	Gross	\$674,300	(\$674,300)	\$0
Discontinues the FY 2012-13 one-time appropriations for State employee lump-sum payments and the Central Michigan University Assessment Lending Library. No additional one-time appropriations are included in the FY 2013-14 executive budget.	Federal	429,100	(429,100)	0
	Local	16,500	(16,500)	0
	Restricted	64,600	(64,600)	0
	GF/GP	\$164,100	(\$164,100)	\$0

Major Boilerplate Changes From FY 2012-13

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2012-13 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections proposed to be deleted.

NOTE: No boilerplate language proposed specific to FY 2014-15.

Sec. 6-206. Departmental Scorecard – NEW

Adds language requiring that the department maintain a department scorecard on a publicly accessible website. This scorecard shall identify, track, and regularly update key metrics that are used to monitor and improve the agency's performance.

Sec. 208. Personnel Records – DELETED

Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct.

Sec. 211. Adequate Yearly Progress (AYP) – DELETED

Requires that MDE allow districts to appeal a determination of failure to meet AYP prior to MDE reporting those results.

Sec. 6-212. Funds for Sub-Recipient Monitoring Services – NEW

Adds language allowing for an additional appropriation of up to \$180,000 from payments for sub-recipient monitoring services provided to other departments. These funds may be expended for all expenses related to providing such monitoring services.

Sec. 501. Felony Conviction Files – DELETED

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

Sec. 601. Administration of Charter Schools – DELETED

Earmarks funds to operate the charter school office.

Major Boilerplate Changes From FY 2012-13

Sec. 6-603. MPSERS Payments to Libraries – NEW

Adds language describing the expenditure of the State share of MPSERS reform funds to libraries. These funds are to be allocated to each district library in proportion to their percentage of the total covered payroll for all district libraries that are participating entities in FY 2012-13. These funds are to be used by district libraries to pay a portion of their MPSERS retirement costs.

Sec. 803. Keep Library Funds Together – DELETED

Provides intent that the State maintain the Library of Michigan and its component programs, except for the genealogy collections, together in a state department.

Sec. 901. Federal and Private Grants – DELETED

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

Sec. 902. College Access Grant Program – DELETED

Boilerplate provisions related to the College Access Grant Program. Funding and related boilerplate were moved to the Higher Education budget.

Sec. 903. Online Education – DELETED

Directs MDE 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, 2013 detailing enrollments, resident districts, per pupil operating costs, and online education providers.

Sec 1001. Number of Child Care Providers – DELETED

Requires a report on the number of childcare providers (by type) receiving payment for childcare services on October 1, 2012.

Sec. 1002. Early Childhood Programs Funding Study – DELETED

Requires a report on various factors relating to the funding of early childhood activities, including a review of the roles and responsibilities of the Office of Great Start and the Early Childhood Investment Corporation.