

FY 2013-14: DEPARTMENT OF EDUCATION
Summary: House Subcommittee Chair's Recommendation
House Bill 4214 (H-1) Draft 2



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IDG/IDT	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2032-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
	\$0	\$0	\$0			\$0	0.0
Federal	244,551,300	232,395,400	232,145,300			(12,406,000)	(5.1)
Local	5,560,400	5,633,700	5,633,700			73,300	1.3
Private	3,078,700	1,933,300	1,933,300			(1,145,400)	(37.2)
Restricted	7,626,300	8,032,100	8,015,300			389,000	5.1
GF/GP	68,093,200	70,893,900	70,558,300			2,465,100	3.6
Gross	\$328,909,900	\$318,888,400	\$318,285,900			(\$10,624,000)	(3.2)
FTEs	590.5	594.5	590.5			0.0	0.0

Notes: (1) FY 2012-13 year-to-date (YTD) 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.

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.

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2012-13 Year-to-Date (as of 2/7/12)</u>	<u>FY 2013-14 House Change</u>
1. Child Development and Care (CDC) Funding	Gross	\$186,114,200	(\$11,820,600)
<u>Executive</u> 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. <u>House</u> concurs.	Federal	147,125,400	(11,820,600)
	GF/GP	\$38,988,800	\$0
2. State Share of MPSERS Reforms for Libraries	Gross	\$0	\$1,300,000
<u>Executive</u> provides \$1.3 million GF/GP for the State's share of MPSERS 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. <u>House</u> concurs.	GF/GP	\$0	\$1,300,000
3. State Aid to Libraries	Gross	\$6,208,100	\$1,304,300
<u>Executive</u> transfers \$1.3 million from the School Aid budget designated for state aid to libraries. <u>House</u> concurs.	GF/GP	\$6,208,100	\$1,304,300
4. Renaissance Zone Reimbursements for Libraries	Gross	N/A	\$1,460,000
<u>Executive</u> transfers \$1.5 million from School Aid budget for renaissance zone reimbursements to libraries. <u>House</u> concurs, but reduces funding amount by \$40,000.	GF/GP	N/A	\$1,460,000
5. 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. <u>House</u> concurs.	GF/GP	N/A	(\$2,000,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/12)	FY 2013-14 House Change
6. Additional Support Staff	FTE	N/A	0.0
<u>Executive</u> funds an additional \$506,500 (\$278,700 GF/GP) for 4.0 FTEs. Includes two new employees to provide support for new charter schools, as well as 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. <u>House</u> does not include any additional staff.	Gross	N/A	\$0
	GF/GP	N/A	\$0
7. Creation of School Reform Office	Gross	\$2,078,100	\$0
<u>Executive</u> creates the School Reform Office, which was previously integrated between several units within the department. No new funds are provided for this line-item. <u>House</u> concurs.	GF/GP	\$2,078,100	\$0
8. Maintenance of Effort for Carl D. Perkins Grants.	Gross	N/A	\$40,000
<u>Executive</u> 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. <u>House</u> concurs.	GF/GP	N/A	\$40,000
9. Economics Adjustments	Gross	N/A	\$2,400,600
<u>Executive</u> budget 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. <u>House</u> concurs with FY 2013-14 economics adjustments, does not include estimates of FY 2014-15 adjustments.	Federal	N/A	1,498,600
	Private	N/A	28,100
	Restricted	N/A	363,800
	GF/GP	N/A	\$510,100
10. Elimination of One-Time Appropriations	Gross	\$674,300	(\$674,300)
<u>Executive</u> 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 FY 2013-14. <u>House</u> concurs.	Federal	429,100	(429,100)
	Local	16,500	(16,500)
	Restricted	64,600	(64,600)
	GF/GP	\$164,100	(\$164,100)

Major Boilerplate Changes From FY 2012-13

Sec. 208. Personnel Records - RETAINED

Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct. Executive deletes, House retains.

Sec. 209. 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. Executive creates as section 6-206, House concurs.

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. Executive deletes, House concurs with deletion.

Sec. 212. Purchase of Foreign Goods - RETAINED

Prohibits use of state funds to purchase foreign-made goods if comparable American or Michigan goods are available. Gives preference to Michigan businesses owned and operated by veterans. Executive deletes, House retains.

Sec. 213. 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. Executive creates as section 6-212, House concurs.

Sec. 501. Felony Conviction Files - RETAINED

Requires that MDE maintain professional personnel registry and certificate revocation/felony conviction files. Executive deletes, House retains.

Sec. 601. Administration of Charter Schools - DELETED

Earmarks funds to operate the charter school office. Executive deletes, House concurs with deletion.

Major Boilerplate Changes From FY 2012-13

Sec. 803. Keep Library Funds Together - RETAINED

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

Sec. 804. 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. Executive creates, House concurs.

Sec. 805. Renaissance Zone Reimbursements - NEW

Executive adds language directing funds for renaissance zone reimbursements be used to offset lost tax revenue from the Michigan renaissance zone act. If funds are not sufficient to fully pay offset lost revenue, payments shall be prorated. House concurs with language.

Sec. 901. Federal and Private Grants - RETAINED

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. Executive deletes, House retains.

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. Executive deletes, House concurs with deletion.

Sec. 903. Online Education – REVISED

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. Executive deletes, House retains with an updated report date of March 1, 2014.

Sec 1001. Number of Child Care Providers - REVISED

Requires a report on the number of childcare providers (by type) receiving payment for childcare services on October 1, 2012. Executive deletes, House retains with an updated report date of November 1, 2013.

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. Executive deletes, House concurs with deletion.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.