

Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**SFA**



**BILL ANALYSIS**

Telephone: (517) 373-2768  
Fax: (517) 373-1986  
TDD: (517) 373-0543

House Bill 4301 (S-1 as reported)

Committee: Appropriations

|                                                                                                                                                                                                                                                                                                                                                                                                                              |                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>FY 1998-99 Year-to-Date Gross Appropriation .....</b>                                                                                                                                                                                                                                                                                                                                                                     | <b>\$870,083,700</b>   |
| <b>Changes from FY 1998-99 Year-to-Date:</b>                                                                                                                                                                                                                                                                                                                                                                                 |                        |
| 1. <b>Michigan Education Information System.</b> The House and Senate concur with the Governor's recommendation to fund a new pupil data warehouse and processing system. This project is funded entirely with GF/GP.                                                                                                                                                                                                        | 750,000                |
| 2. <b>Michigan Educational Assessment Program.</b> The House and Senate concur with the Executive to increase by 76% the test development and administration line by all but \$2,100 of the recommended appropriation. This line item further replaces the GF/GP source of funding with Michigan Merit Award Trust Fund dollars.                                                                                             | 5,611,600              |
| 3. <b>Special Education Operations.</b> The Governor, House, and Senate recommend an increase of \$1.6 million in this line, of which \$1.48 million reflects the larger available administrative funding of Individuals with Disabilities Education Act grants.                                                                                                                                                             | 1,600,400              |
| 4. <b>Professional Preparation Services.</b> The Governor, House, and Senate recommend \$500,000 restricted funding to improve the process of teacher certification.                                                                                                                                                                                                                                                         | 500,000                |
| 5. <b>Teacher Quality Enhancement.</b> The Governor, House, and Senate concur in comprehensive teacher quality reforms funded by a new Federal grant.                                                                                                                                                                                                                                                                        | 2,500,000              |
| 6. <b>Federal Grants.</b> Three new Federal grants, Class Size Reduction, Gear-Up, and Reading Excellence Act, totaling \$81.3 million are anticipated in FY 1999-2000. Also, an increase of \$35.8 million in existing grants is expected. The Senate further increases Federal funding of Reading Plan for Michigan (RPM) and Pre-School Grants.                                                                           | 117,107,800            |
| 7. <b>Office for Safe Schools.</b> The Senate appropriates the \$200,000 Federal funds earmarked by the House in Sec. 217 to operate the Office for Safe Schools.                                                                                                                                                                                                                                                            | 200,000                |
| 8. <b>Focus: HOPE.</b> The Senate includes funding for the Machinist Training Institute at Focus: HOPE. The funding is all GF/GP and may be expended over two fiscal years.                                                                                                                                                                                                                                                  | 681,000                |
| 9. <b>Economic Adjustments.</b> The House and Senate concur with the Executive to include \$1.45 million for economic changes, of which \$394,200 is GF/GP.                                                                                                                                                                                                                                                                  | 1,453,900              |
| 10. <b>Other Changes.</b> The Executive, House and Senate concur in other changes relating to increased Federal administration dollars. This proposal also increases administrative funding for the RPM and provides \$116,000 Federal funds for the reimbursement of advanced placement test fees. This proposal further "rolls-up" the postsecondary operations line and adds "First Step" to the "Fast Track" grant line. | 1,736,200              |
| 11. <b>Comparison to Governor's Recommendation.</b> The Senate bill exceeds the Governor's recommendation by \$19,008,700 Gross, \$681,000 GF/GP.                                                                                                                                                                                                                                                                            |                        |
| <b>Total Changes .....</b>                                                                                                                                                                                                                                                                                                                                                                                                   | <b>\$132,140,900</b>   |
| <b>FY 1999-2000 Senate Appropriations Subcommittee Gross Appropriation .....</b>                                                                                                                                                                                                                                                                                                                                             | <b>\$1,002,224,600</b> |

**Changes from FY 1998-99 Year to Date:**

1. **Hiring Freeze.** The Governor removed the reporting requirement on the number of exceptions to the hiring freeze that were granted; the House and Senate retain the report. (Sec. 204)
2. **Contingency Funds.** The Executive recommendation reduced Federal contingency funds from \$30 million to \$10 million. The House and this proposal designated \$20 million in Federal contingency funds. Further, the Governor, House and Senate concur in increasing the level of private contingency funds to \$3 million (up from \$250,000), and retain the prior year levels of State and restricted contingency funds. (Sec. 205)
3. **Y2K Progress Reports.** The Governor's proposal deleted the section requiring the Department to submit progress reports on their efforts to become Y2K compliant. The House and Senate reinstated the section. (Sec. 209)
4. **Leasing Guidelines.** The Executive recommendation removed several sections of boilerplate restricting the Department from leasing property for less than fair market value, or expending more on renovation than was received in lease revenues. The House and Senate concur.
5. **Proprietary Schools Oversight.** The Executive recommendation deleted this section earmarking \$250,000 and 3.0 FTEs to oversee proprietary schools. The House and Senate retain the section. (Sec. 212)
6. **Personal Service Contracts.** The Governor proposed to delete this report detailing personal service contracts awarded without competitive bidding. The House and Senate retain the section. (Sec. 214)
7. **Office for Safe Schools.** The Governor's proposal removed this section which mandates the Department to establish the Office to prevent school violence. The House retained the section, earmarked \$200,000 from Federal funds to fund the Office, and further reduced the Office's current responsibilities. The Senate concurs with the House, but specifies that the Office is funded from Innovation and Community Services. (Sec. 217)
8. **Reimbursement and Appeal.** The Senate strikes language requiring public school academies to reimburse the State for misrepresented enrollment, and language allowing public school academies to utilize the same appeal process as local school districts. (Guidelines for PSAs and local districts exist in the State Aid Act.)
9. **Early Retirement.** The House and Senate concur with the Executive to remove this section which currently prohibits the hiring of an early retiree for more than 500 professional or 250 management hours.
10. **Charter Schools Office.** The House and Senate concurred with the Executive to earmark \$500,000 and 5.0 FTEs from Innovation and Community Services to fund the Charter Schools Office. (Sec. 303)
11. **Michigan Educational Assessment Program.** The Executive deleted the allocation of \$200,000 to expedite test results reporting, but provided for the testing of home-schoolers. The House and Senate retain the \$200,000 allocation and further require a report detailing the method used to report results. (Sec. 501)
12. **Surplus Property.** The Governor proposed a new section allowing for the rental of excess property at the Michigan Schools for the Deaf and Blind and Camp Tuhsmeheeta. Rent proceeds must be used to renovate the campus at MSDB. The House and Senate removed references to Camp Tuhsmeheeta. (Sec. 604)
13. **Parental Involvement.** The House included two sections focused on increasing parental involvement. The first section earmarked \$900,000 Federal funds to be made available as competitive grants with a focus on increasing involvement in education; the second required the establishment of a parental involvement and community empowerment initiative (Secs. 807 and 808). The Senate strikes both Sec. 807 and Sec. 808.
14. **Standard Boilerplate.** The Executive recommendation deleted Buy American, Depressed and Deprived Communities, and Privatization Plans language. The Senate includes the sections and further includes boilerplate requiring Internal Audit Reporting and submission of Electronic Reports on the Internet. The House -passed version of the bill includes all of the sections except for the submission of electronic reports.

Date Completed: 5-5-99

Fiscal Analyst: K. Summers-Coty