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 4256 (S-1 as reported)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation	**$929,493,300**
Changes from FY 2000-01 Year-to-Date:	
1. **Federal Grants.** A total increase of $70.3 million in Federal grants is anticipated, comprising $45.7 million for the new Urgent School Renovation program, $12.2 million additional for School Lunch, $9.1 million additional for Special Education, $3 million additional for Charter School Subgrant Program, $400,000 additional for Competitive Child Care and Development Grants, and $100,000 additional for School Age Child Care Grants. Current-year funding of $250,000 GF/GP directed to Grand Valley State University for Autism Certification programs, was eliminated. A "placeholder" of $1,000 was added for "Unspecified Federal Grants" in anticipation of new Federal grants enacted in the upcoming weeks.	70,289,400
2. **State Grants.** The School Breakfast program receives an additional $1.2 million GF/GP. The Innovative Curriculum Development Grants ($560,000 GF/GP) and the Innovative Program Demonstration Grants ($400,000 GF/GP) are not funded in Fiscal Year 2001-02. Motorcycle Safety Education grants receive roughly an additional $300,000 (motorcycle registration fees). The Senate added $250,000 GF/GP for Autism Coordinated Services.	822,600
3. **Budgetary Savings.** The Executive proposed, and the House concurred in a budgetary reduction of ($174,100 GF/GP) equal to 0.5% of salary and wages in the Department. The Senate allocates the savings to various lines, the largest cuts occurring in Central Support ($75,900) and Office of School Excellence ($90,400).	(174,100)
4. **Michigan School for the Blind Former Site.** The Governor's budget removed all funding for this appropriation unit, in anticipation of liquidation of the property, declared surplus in December, 1999. The House and the Senate restored funding for the unit.	0
5. **Michigan Schools for the Deaf and Blind.** Funding for this line item is reduced by roughly $1.7 million in Local revenues to more accurately reflect actual payments from intermediate school districts based on declining enrollments.	(1,701,600)
6. **Teacher Quality Enhancement Grant.** The House and Senate reduced the appropriation for this Federal grant from $2.5 million to $1,000 to reflect the fact that, to date, the Department has not been approved for this grant.	(2,499,000)
7. **Items-of-Difference.** The Senate includes several $100 reductions in lines funded either entirely or partially by GF/GP in order to create items-of-difference between the House-passed and the Senate-passed versions of the bill.	(500)
8. **Economic Adjustments.** Proposed adjustments total $1,212,000 Gross, $424,100 GF/GP.	1,212,000
9. **Other Changes.** Other changes decrease funding by approximately $170,000.	(167,000)
10. **Comparison to Governor's Recommendation.** The Senate appropriates $249,400 GF/GP more than the Executive budget.	
Total Changes	$67,781,800
FY 2001-02 Senate Appropriations Committee Gross Appropriation	$997,275,100

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.

Changes from FY 2000-01 Year to Date:

1. **Hiring Freeze.** The Governor recommended disallowing an exception to the hiring freeze for those positions funded with 80% or more Federal or restricted funds. In addition, the Executive budget expands the justifications for the state budget director to grant exceptions to the hiring freeze. The House and Senate concurred. (Sec. 207)

2. **Privatization Plans.** The Executive deleted this section requiring submission of project plans before attempts to privatize are undertaken. The House and Senate restored the section. (Sec. 208)

3. **"Buy American".** Deleted by the Executive, retained by the House and Senate. (Sec. 210)

4. **Budgetary Savings.** The Executive inserted a new section stating that the negative appropriation for budgetary savings shall be satisfied by savings from the hiring freeze, and other savings identified by the Department. The House concurred with the Governor. The Senate deletes this language, but inserts boilerplate requiring the Department to receive and retain copies of reports funded from appropriations. (Sec. 206)

5. **Personal Service Contracts.** Deleted by the Executive which requires the reporting of personal service contracts awarded without competitive bidding under certain conditions. Retained by the House and Senate. (Sec. 218)

6. **Depressed and Deprived Communities.** The Governor deleted this section requiring reasonable steps be taken to encourage business in depressed/deprived communities. Retained by the House and Senate. (Sec. 211)

7. **The Emergency Food Assistance Program (TEFAP).** The Executive deleted this section which requires the Department to continue the TEFAP program as it currently exists. Retained by House and Senate. (Sec. 217)

8. **Office for Safe Schools.** The Governor's budget removed a $200,000 earmark to fund the Office, and deleted several directives (e.g., evaluation, distribution of model codes of conduct) to the Office. The House retained current law, and earmarked $50,000 out of the existing budget to advertise the toll-free school violence hotline. The Senate retains current law (did not adopt the $50,000 earmark). (Sec. 215)

9. **Draft Special Education Rules/CEPI.** The Executive recommended removing this section, which required the Department to provide drafts of changes in proposed special education rules to various parties. The House replaced the section with language that directs the Department to reimburse school districts out of Sec. 94a of the School Aid Act for the implementation of database for educational performance and information (DEPI), which is run by the Center for Educational Performance and Information. The reimbursement would equal $2.50 per student to each district. The Senate deletes the section. (Sec. 221)

10. **State Board Per Diems.** The House and Senate increased the maximum number of per diem days from 24 to 30. (Sec. 301)

11. **Professional Personnel Register.** The Executive recommended deleting this section requiring the maintenance of the register and revocation/felony conviction files. The House and Senate retained the section. (Sec. 501)

12. **Reading Plan for Michigan.** The House and Senate concurred with the Executive to replace several current program directives with a report on the progress of the goal of the RPM, that every child read at grade level by Grade 4. (Sec. 704)

13. **Comprehensive Community Plans.** The House included a new section which requires districts that apply for new ages 0-5 Federal, State and Local funding to be in agreement with their comprehensive community plans. The Senate modified the language to apply to new State funding only. (Sec. 707)

14. **Unexpended Autism Teacher Certification Funds.** The House included a new section which states that any unexpended autism teacher certification funds will be carried forward to the succeeding fiscal year, rather than lapsing to the general fund. The Senate concurred, and further directs the Department to continue to work with GVSU to enhance its autism certificate teacher training program. (Sec. 708)

Date Completed: 05-24-01 Fiscal Analyst: K. Summers-Coty