Summary: HOUSE-PASSED

DEPARTMENT OF EDUCATION: Senate Bill 1065

400.0

FY 2004-05

6/10/04

Analysts: Mary Ann Cleary Laurie Cummings

Difference: House from FY 2003-04 YTD

(20.1)

(4.6)

	FY 2003-04 YTD					Trom FY 2003-04 YID	
	(as of 2/12/04)	Executive	Senate	House	Enacted	Amount	%
IDG/IDT	\$1,000,000	1,072,100	1,072,100	1,072,100		72,100	7.2
Federal	65,876,900	60,654,600	60,324,250	60,654,700		(5,222,200)	(7.9)
Local	4,791,600	5,198,800	5,196,550	5,198,800		407,200	8.5
Private	701,400	701,400	701,400	702,100		700	0.1
Restricted	6,851,600	19,472,200	19,333,300	19,473,100		12,621,500	184.2
GF/GP	29,059,700	28,454,300	28,392,150	26,456,600		(2,603,100)	(9.0%)
Gross	\$108,281,200	115,553,400	115,019,750	113,557,400		\$5,276,200	4.9%

<u>Overview</u>

FTEs

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

413.0

413.0

Summary of FY 2004-05 Major Budget Issues

433.1

MEAP Program Allocation

Appropriates \$25 million for the Michigan Educational Assessment Program (MEAP), which has been transferred from the Department of Treasury to the Department of Education.

Departmental Reorganization

Recommends a departmental reorganization involving the shifting of some functions to different units and the addition of a new "Educational Assessment" unit, where the administration of the MEAP will be located.

Phase out of Federal Program

Reduces \$19.0 million in federal grant funds to reflect the continued phase-out of the Urgent School Renovation program, which will be discontinued at the Federal level.

School Breakfast Programs

Reduces School Breakfast grants by \$2.3 million to reflect revised estimates of program costs and moves \$2 million of this reduction to the At-Risk program in the School-Aid budget.

Line-Item Unrolling and Travel Reductions

"Unrolls" the line-items to show the amounts for Salaries and Fringes, Travel, and Other Operational Expenses included in each. **House** proposal restores the 50% reduction in appropriations for travel made in the **Senate**.

New Teacher Certification Programs

Appropriates \$75,000 for the *Limited License to Instruct* program at Wayne State University and \$75,000 to the *Alternative Route to Certification Program* at Central Michigan University.

Major Budget Changes from FY 2003-04 YTD Appropriations:	FY 2003-04 YTD (as of 2/12/04)	<u>House</u> <u>Changes</u>	
 Michigan Education Assessment Program (MEAP) The Executive, Senate, and House create a new Educational Assessment unit to house the MEAP program, which was transferred from the Department of Treasury. 	Gross	\$0	\$24,969,100
	Federal	0	11,283,700
	Restricted	0	13,685,400
2. Federal Grants The Executive, Senate, and House reduce funding for Urgent School Renovation by \$19.0 million to \$1.0 million to reflect a continued phase-out of the program at the federal level.	Gross	\$20,000,000	(\$18,999,900)
	Federal	20,000,000	(18,999,900)
3. Driver Education Grants The Executive, Senate, and House eliminate from the Department of Education budget \$1.5 million in Driver Education grants to complete that elimination of the program per EO 2003-23 of 2003.	Gross	\$1,500,000	(\$1,499,900)
	Restricted	1,500,000	(1,499,900)
4. School Breakfast Program The Executive and Senate provide a reduction of \$345,100 in GF/GP to adjust for lower program costs. The House further reduces the line item by \$2 million with the intent that this \$2 million instead be appropriated to the At-Risk program in the School Aid budget.	Gross GF/GP	\$10,370,100 10,370,100	(\$2,345,100) (2,345,100)
5. Limited License to Instruct Pilot Project The Executive proposed \$150,000 for the Limited License to Instruct Pilot Project in partnership with Wayne State University to help teachers meet certification requirements. The Senate and House instead allocate \$75,000 to the Alternative Route to Certification Program at Central Michigan University and \$75,000 to the Limited License program.	Gross	\$0	\$150,000
	Restricted	0	150,000
6. Per Diem Payments The Senate eliminates per diem payments to State Board of Education members. The House restores the per diem payments to the current-year level.	Gross	\$24,400	\$0
	GF/GP	24,400	O
7. National Board Certification Grants The Senate eliminates a grant which pays for 50% of the fee to become certified by the National Board for Professional Teaching Standards. The House restores the grants to their current-year level.	Gross	\$100,000	\$0
	Restricted	100,000	O

Major Boilerplate Changes from FY 2003-04:

Sec. 211. Special Education Auditor – DELETED

The **Executive**, **Senate**, **and House** remove language requiring that the Department provide funding for a special education auditor to audit school districts' funds for special education services.

Sec. 214. Personal Services Contracts - REVISED

The **House** strikes current-law language that requires the Department to competitively bid contracts valued at more than \$10,000 and that prohibits the Department from entering into more than one personal service contract with any one contractor in a fiscal year.

Sec. 218. Contingency Funds – NEW

The **Executive** and **House** add language to provide federal, state, local, and private contingency funds, which could be transferred by the Legislature to another line item to cover shortfalls. The **Senate** does not include this language.

Sec. 302. Prohibition on Out-of-State Travel – RETAINED

The **Executive** deletes current-law language stating that the State Board of Education may not spend any funds on out-of-state travel. The **Senate** restores the language and revises it to prohibit the spending of funds for in-state or out-of-state travel. The **House** retains current law language.

Sec. 901. Michigan Educational Assessment Program Tests - NEW

The **Executive**, **Senate**, **and House** require the Department to provide MEAP tests to nonpublic and home-schooled students upon request, funded with state funds.