

HOUSE
FISCAL
AGENCY

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Overview

Summary of FY 2004-05 Major Budget Issues

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)****House
Changes**

1. Michigan Education Assessment Program (MEAP)	Gross	\$0	\$24,969,100
The Executive, Senate, and House create a new Educational Assessment unit to house the MEAP program, which was transferred from the Department of Treasury.	Federal	0	11,283,700
	Restricted	0	13,685,400
2. Federal Grants	Gross	\$20,000,000	(\$18,999,900)
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.	Federal	20,000,000	(18,999,900)
3. Driver Education Grants	Gross	\$1,500,000	(\$1,499,900)
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.	Restricted	1,500,000	(1,499,900)
4. School Breakfast Program	Gross	\$10,370,100	(\$2,345,100)
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.	GF/GP	10,370,100	(2,345,100)
5. Limited License to Instruct Pilot Project	Gross	\$0	\$150,000
The Executive proposed \$150,000 for the <i>Limited License to Instruct Pilot Project</i> in partnership with Wayne State University to help teachers meet certification requirements. The Senate and House instead allocate \$75,000 to the <i>Alternative Route to Certification Program</i> at Central Michigan University and \$75,000 to the <i>Limited License</i> program.	Restricted	0	150,000
6. Per Diem Payments	Gross	\$24,400	\$0
The Senate eliminates per diem payments to State Board of Education members. The House restores the per diem payments to the current-year level.	GF/GP	24,400	0
7. National Board Certification Grants	Gross	\$100,000	\$0
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.	Restricted	100,000	0

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.