



Senate Fiscal Agency
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Senate Bill 1065 (S-1 as reported)
Committee: Appropriations

FY 2003-04 Year-to-Date Gross Appropriation	\$108,281,200
Changes from FY 2003-04 Year-to-Date:	
1. MEAP Transferred to DOE. Executive Order 2003-20 transferred the Michigan Educational Assessment Program back to the Department of Education from Treasury.	27,300,500
2. Federal Funding Adjustments. Technical adjustments in Federal funding are included to match available anticipated revenues from the U.S. Department of Education.	(18,303,400)
3. Reduction in Merit Award Funding of MEAP. A fund shift of \$3,000,000 is included which reduces the Merit Award funding and instead uses Federal NCLB work projects.	(3,000,000)
4. Balance of Driver's Ed Program Eliminated. EO 2003-23 eliminated State grants for the Driver's Education program for the balance of FY 2003-04. However, \$1,500,000 was retained to pay contracts through January 2004. This budget eliminates the \$1,500,000.	(1,500,000)
5. Employee-Related Savings. A total of \$1,079,800 Gross, \$141,300 GF/GP is reduced for yet-to-be negotiated employee-related savings.	(1,079,800)
6. Transfer Driver's Ed Administrative Funding to Department of State. With EO 2003-23 mentioned above, the administrative funding supporting FTEs in the Department of Education is transferred to the Department of State, which collects driver's license fees.	(528,000)
7. Technical Adjustment for School Breakfast Funding. Due to more precise data for estimates, School Breakfast funding is reduced \$345,100 GF/GP.	(345,100)
8. Miscellaneous FTE Issues. \$276,200 is appropriated to support both the MEAP Chief Assessment Officer and the NAEP Coordinator. Human resources optimization savings and partially offsetting user charges total \$19,600.	256,600
9. Information Technology (IT) Budgetary Savings and Services Reduction. The IT line is reduced \$136,100 Gross, and \$200,200 GF/GP as a combination of budgetary savings and corresponding services reductions.	(136,100)
10. Print Shop at the MSDB and Rent at MSB. The Print Shop for converting texts into products used by visually impaired students is moved to the Michigan Schools for the Deaf and Blind. There is an increased cost of \$120,000 associated with this move, supported with local fees to schools using the products. Also, the rent line at the Michigan School for the Blind former site is increased \$72,100 to align with the existing lease agreement.	192,100
11. Economic Adjustments. \$4,246,000 Gross, \$675,600 GF/GP for economics is included.	4,246,000
12. Other Changes. Other items include an increase of \$150,000 Gross, \$0 GF/GP for the Limited License to Instruct pilot project; an increase of \$24,400 Gross, \$0 GF/GP for Building Occupancy Charges; a decrease of \$5,000 in Motorcycle License Fees.	169,400
13. Senate Changes. Under this bill, Travel throughout the budget is reduced 50% (savings of \$409,250 Gross, \$37,750 GF/GP); State Board per diem payments are eliminated (savings of \$24,400 GF/GP); and National Board Certification Grants are eliminated (savings of \$100,000 Gross, \$0 GF/GP).	(533,650)
14. Comparison to Governor's Recommendation. The Senate bill is \$533,650 Gross, \$62,150 GF/GP below the Governor's recommendation.	
Total Changes.....	\$6,738,550
FY 2004-05 Senate Appropriations Committee Gross Appropriations	\$115,019,750

Changes from FY 2003-04 Year to Date:

1. **Hiring Freeze.** The Governor proposes to eliminate the section providing guidelines for the hiring freeze. The Senate bill restores hiring freeze language with exemptions for filling retiree vacancies, prevention of loss of Federal funds where Federal law mandates corresponding employees, and mandated employees. (Section 216)
2. **Safe School Program.** The Senate bill inserts a new directive for the Safe School Program to advance, promote, and encourage the awareness and use of the State Police antiviolence hotline. (Section 208)
3. **Special Education Auditor.** The Governor proposes to eliminate language that earmarks funds in Part 1 for the support of a special education auditor, and the Senate bill concurs. (current law Section 211)
4. **Receive and Retain Copies of Reports.** The Governor and Senate bill propose to eliminate the section requiring the Department to receive and retain copies of all reports funded from appropriations in Part 1. (current law Sec 214)
5. **Privatization Language.** The Governor proposes to eliminate privatization language which was standard across most agency budgets, and the Senate bill concurs. (current law Section 215)
6. **Preference for Michigan-made Products.** The Governor proposes adding language to "Buy American" to state that preference should be given to the purchase of Michigan-made goods and services of comparable price and value. The Senate bill concurs with the Executive recommendation. (Section 224)
7. **Depressed and Deprived Communities.** The Governor proposes elimination of language directing the Department to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services and supplies. The Senate bill restores the section. (Section 217)
8. **Personal Services Contracts.** The Governor proposes eliminating language detailing guidelines for the reporting of and engaging in personal service contracts awarded without competitive bidding, pricing, or rate setting. The Senate bill retains current law, except for allowing utility contractors more than 1 contract per year. (Sec 214)
9. **Departmental Travel.** The Senate bill inserts new language prohibiting the Department from using any funds for out-of-state travel unless the travel is required by legal mandate, court order, or to receive Federal funding. (Section 215)
10. **Motorcycle and ORV Safety Programs.** The Governor proposes elimination of two sections requiring the Department to work, respectively, with the Departments of State and Natural Resources to ensure these transferred programs are administered in the same manner as when the Department of Education oversaw them. The Senate bill concurs with the Governor's recommendation. (current law Sections 219 and 220)
11. **Contingency Funds.** The Governor inserts language providing for Federal, private, local, and State restricted contingency funds. This section is not included in the Senate bill.
12. **State Board Per Diems.** The Senate bill eliminates language on per diem payments for the State Board. (Sec. 301)
13. **State Board Travel.** The Governor removes the prohibition on out-of-state travel for the State Board of Education. The Senate bill prohibits the State Board from using Part 1 funds for any travel. (Section 302)
14. **Report on MSB Expenditures.** The Governor proposes elimination of a reporting requirement on expenditures made at the Michigan School for the Blind former site. The Senate bill concurs. (current law Section 407)
15. **Certification Programs.** The bill inserts new language directing the Department to split its funding of the WSU Limited License to Instruct Program between WSU and CMU's Alternative Route to Certification program. (Sec. 503)
16. **Legislative Intent Language on Charter School Office FTEs.** The Governor and the Senate bill remove language stating the intent of the Legislature to assess the number of FTEs allocated for the charter school office. (Sec. 601)
17. **National Board Certification Grants.** Language detailing the allocation of National Board Certification Grants is eliminated in the Senate bill since funding is eliminated in Part 1. (current law Sec. 704)
18. **MEAP.** The Governor and Senate bill insert a new section stating that the Department shall provide tests to nonpublic schools and home-schooled students upon request, and shall notify nonpublic schools they are eligible to receive the tests. The new section further requires the release of test results at the same time to all private schools and public school districts taking the tests, and that the results of each test shall include an item analysis. (Sec. 901)

Date Completed: 3-30-04

Fiscal Analyst: K. Summers-Coty