



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1085 (as introduced)
 Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation \$117,475,600

Changes from FY 2005-06 Year-to-Date:

- 1. **Assessment Testing.** The Governor proposed funding for the Michigan Educational Assessment Program (MEAP) contracts (not FTEs) to be transferred out to the K-12 budget and supported with School Aid Fund revenues instead of Merit Award Trust Fund dollars. Federal dollars supporting the contracts were also transferred out. (24,784,500)
- 2. **School Breakfast.** The Governor proposed funding for the School Breakfast program to be transferred out to the K-12 budget and supported with School Aid Fund revenues instead of General Fund/General Purpose (GF) dollars. (9,625,000)
- 3. **Unspecified Federal and Private Grants.** The Executive budget included a new line appropriating \$2.0 million Federal and \$1.0 million Private funds in anticipation of the Department being awarded grants throughout the year. 3,000,000
- 4. **Federal Administrative Testing Funds.** The Executive budget included nearly \$1.7 million in additional Federal dollars to support administration of student testing. 1,694,400
- 5. **Additional Staff at the Michigan Schools for the Deaf and Blind (MSDB).** The Governor's budget included 8.0 FTEs supported with Federal funds at the MSDB due to increasing enrollments. 560,000
- 6. **Programs Transferred In.** Completing the transfer of MEAP from Treasury per Executive Order 2003-20, the MEAP Test Center Administration and \$119,300 Federal was transferred to the DOE. Also, the Educator on Loan grants (\$400,000 Federal) were transferred in from the K-12 budget to support the contracting of educators on loan. 519,300
- 7. **System Upgrades and Additional Analyst.** The Executive recommendation included \$107,000 GF to upgrade the school aid payment system, \$64,000 GF for an analyst to monitor district budgets and spending plans, and \$100,000 in restricted Certification Fees to begin planning for the teacher licensure database rewrite. 271,000
- 8. **Adjustments in Federal Administrative Dollars.** The Governor's budget included adjustments in administrative amounts from two grants: 21st Century Community Learning Centers (\$66,300) and Special Education Preschool funds (\$201,700). The appropriations support the Early Childhood Education and Family Services unit. 268,000
- 9. **Program Eliminations.** The Executive recommendation eliminated restricted funding for the Central Michigan University Alternative Route to Certification (\$75,000) and restricted funding for the Middle School Math Project (\$100,000). (175,000)
- 10. **Administrative Reductions.** The Governor's budget reduced State Board/Superintendent Operations by \$25,000 GF and Central Support by \$95,000 GF. (120,000)
- 11. **Economic Adjustments.** The Governor's budget included agency economic adjustments of \$1,205,700 Gross, \$119,500 GF. Also, economic adjustments for the DOE's share of Department of Information Technology costs included \$81,800 Gross, \$27,800 GF. 1,287,500
- 12. **Human Resources Service Center User Charges.** Consistent across all budgets, user charges were reduced by \$6,200 Gross and GF. (6,200)

Total Changes..... (\$27,110,500)

FY 2006-07 Governor's Recommendation..... \$90,365,100

Changes from FY 2005-06 Year to Date:

1. **"Whistleblower" Protection.** The Governor's budget removed a section prohibiting the Department from taking disciplinary action against an employee for communicating with the Legislature. (Current law Sec. 215)
2. **Auditor General (AG) Costs.** The Governor's budget removed a section requiring the Department to pay within 60 days bills from the AG whose costs were incurred auditing Federally funded programs. (Current law Sec. 217)
3. **Contingency Funds.** The Executive budget recommended a new section appropriating \$5,000,000 in Federal contingency funds, \$700,000 in State restricted contingency funds, \$250,000 in Local contingency funds, and \$3,000,000 for Private contingency funds. (Sec. 218)
4. **Out-of-State Travel for State Board of Education Members.** Current language allowed out-of-state travel only if it's directly related to the duties of the Board. The Governor proposed to expand this restriction to in-State travel also. (Sec. 302)
5. **Study of Best Practices Language.** The Executive budget removed language earmarking \$350,000 for a study of best practices to advise the Legislature and Governor on these matters. However, the funds (first added in FY 2005-06) remain in the State Board/Superintendent Operations line for FY 2006-07. (Current law Sec. 303)
6. **Capital Improvement Spending at the Mid-Michigan Leadership Academy (MMLA).** The Governor's budget removed a section of current law allowing the Department to receive and expend funds from the MMLA for capital improvements, and providing the fiscal agencies and budget office of any expenditures. (Current law Sec. 409)
7. **Michigan School for the Blind (MSB) Former Site.** The Executive recommended eliminating a section of current law, which requires a report on expenditures made from General Services funding at MSB. (Current law Sec. 410)
8. **Alternative Route to Certification at CMU.** Reflecting the reduction in Part 1, the Governor's budget removed a section earmarking \$75,000 to CMU for the Alternative Route to Certification Program. (Current law Sec. 503)
9. **School Breakfast Program.** Two sections concerning the School Breakfast program were removed in the Executive budget for DOE, since the program is transferred to the School Aid budget. (Current law Sections 701 and 702)
10. **Reporting of Federal and Private Grants Received.** A new section was recommended by the Executive requiring the DOE to report within 10 days of receiving a grant appropriated in the new Federal and Private Grants line in Part 1. The DOE shall notify the House and Senate chairs of the appropriation subcommittees of the receipt of the grant, including the funding source, purpose and amount of the grant. (Sec. 1001)

Date Completed: 2-28-06

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