

Summary: House Bill 4346 (H-1, Draft 1)
DEPT OF EDUCATION
FY 2007-08



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IDG/IDT	FY 2006-07 YTD	FY 2007-08 Executive	FY 2007-08 House	FY 2007-08 Senate	FY 2007-08 Enacted	Difference: House From FY 2006-07 YTD	
						Amount	%
	\$0	\$0	\$0			\$0	0.0
Federal	67,570,600	69,181,000	69,181,000			1,610,400	2.4
Local	5,985,600	6,410,900	6,410,900			425,300	7.1
Private	2,914,400	3,171,800	3,171,800			257,400	8.8
Restricted	7,527,000	7,800,500	7,200,500			(326,500)	(4.4)
GF/GP	6,592,500	6,580,500	7,810,500			1,218,000	18.5
Gross	\$90,590,100	\$93,144,700	\$93,774,700			\$3,184,600	3.6
FTEs	435.5	441.5	448.5			13.0	3.0

Note: FY 2006-07 figures include the results of supplementals and Executive Order (EO) actions through March 1, 2007.

Overview

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, disbursing funds to educational organizations, and providing technical assistance to school districts.

Major Budget Changes From FY 2006-07 YTD Appropriations

1. Professional Preparation Services

Assumes an additional \$1,558,400 from a proposed increase in teacher certification fees and new teacher college review fees, as well as a one time addition of \$200,000 available from the carry forward of teacher testing fees.

	FY 2006-07 YTD	House Change From YTD
Gross	\$5,826,800	\$1,158,400
Federal	2,687,300	0
Restricted	3,139,500	1,158,400
GF/GP	\$0	\$0

\$904,400 of the additional revenue would fund the upgrade and conversion of the teacher licensing database. The balance of the cert fee revenue would help eliminate the structural deficit between cert fee revenue and expenditures. \$54,000 would reimburse the department for reviewing teacher college programs.

The House also includes \$200,000 to maintain the CMU and WSU alternative teacher certification programs.

2. School Employee Salary and Benefit Study

The House includes \$350,000 in the state board/superintendent operations line for a study to compare Michigan school employee salaries and benefits, focusing on school administrators, to those in peer states and with the private sector.

Gross	\$0	\$350,000
GF/GP	\$0	\$350,000

3. Consolidation

The house includes \$300,000 and 2.0 FTEs in School Finance and School law operations to support the department's effort to study, encourage and determine the impact of consolidation.

FTEs	21.0	2.0
Gross	\$2,891,400	\$300,000
Federal	1,385,800	0
Restricted	513,500	0
GF/GP	\$992,100	\$300,000

<u>Major Budget Changes From FY 2006-07 YTD Appropriations</u>		FY 2006-07 YTD	House Change From YTD
4. Early Childhood Education			
The House includes \$400,000 and 4 FTEs to support the new early childhood programming included in the School Aid budget.	FTEs	25.0	4.0
	Gross	\$4,372,200	\$400,000
	Federal	3,186,800	0
	Private	187,700	0
	Restricted	57,400	0
	GF/GP	\$940,300	\$400,000
5. Education Technology and Data Coordination			
The Executive shifts \$800,300 and 7.7 FTEs from several units in the department to a new Education Technology and Data Coordination unit.	FTEs	0.0	2.0
	Gross	\$0	\$900,300
	Federal	0	800,300
	GF/GP	\$0	\$100,000
The House adds an additional \$100,000 and 1.0 FTE to support the new 21 st Century Learning Environment Initiative in the School Aid budget.			
6. Special Education Operations			
The House adds \$80,000 to the line so the Department can make Newsline electronically available statewide.	Gross	\$11,416,700	\$80,000
	Federal	10,972,800	0
	Private	104,800	0
	Restricted	38,400	0
	GF/GP	\$80,000	\$80,000
7. Michigan School for the Deaf and Blind (MSDB)			
Includes the addition of 7.0 FTEs at the MSDB in anticipation of growth in student membership as well as an increase for summer programs at the school and at Camp Tuhsmeheeta: additional \$973,400 in Federal, Local and Private revenues.	FTEs	96.0	103.0
	Gross	\$11,893,900	\$973,400
	Federal	5,375,400	469,300
	Local	5,804,700	259,100
	Private	495,200	245,000
	Restricted	218,600	0
	GF/GP	\$0	\$0
8. Lansing School for the Blind – Former Site			
Reflects the sale of the Lansing School for the Blind and the elimination of \$1,821,100 in lease revenue and maintenance costs associated with the property.	Gross	\$1,821,100	(\$1,821,100)
	Federal	1,811,100	(1,811,100)
	Private	10,000	(10,000)
	GF/GP	\$0	\$0
9. Administrative/Program Reductions			
Recognizes the savings from not filling vacancies in Special Education Operations and School Improvement Operations as well as the elimination of funding for the National Best Practices Study.	Gross	N/A	(\$355,000)
	Federal	N/A	(180,000)
	GF/GP	N/A	(\$175,000)
10. Economics			
Provides a gross increase of \$1,704,000 (\$189,600 GF/GP) for economic increases in salaries and wages, retirement, insurance, workers compensation, and building occupancy charges.	Gross	N/A	\$1,704,000
	Federal	N/A	1,211,000
	Local	N/A	167,100
	Private	N/A	22,400
	Restricted	N/A	113,900
	GF/GP	N/A	\$189,600

Major Boilerplate Changes From FY 2006-07

Sec. 215. Departmental Employee Contact with Legislature – DELETED

Prohibits disciplinary action against a department employee for communicating with a Legislator or his or her staff. Executive and House delete.

Sec. 217. Auditor General Bills - DELETED

Requires Department pay Auditor General bills within 60 days for costs incurred while conducting audits of federally funded programs. Executive and House delete.

Sec. 218. Automated External Defibrillators (AEDs) – MAINTAINED

Encourages Department to promote benefits of AEDs and work with districts who receive grants for AED purchases to secure a bulk-purchase discount. Executive deletes. House maintains current law.

Sec. 220. *Timely Data* – DELETED

Requires Department to provide data requested by Legislature, staff, and fiscal agencies in a timely manner. Executive and House delete.

Sec. 221. *Contingency Funds* – NEW

Appropriates up to \$5.0 million in Federal contingency funds, up to \$700,000 in State restricted contingency funds, up to \$250,000 in private contingency funds, and \$3.0 million in local contingency funds. Executive and House add.

Sec. 222. *School Employee Salary and Benefits Study* – NEW

Appropriates up to \$350,000 for a study of school employee salaries and benefits, focusing on school administrators and including comparisons to peer states and private sector. House adds.

Sec. 303. *Best Practices Study* – DELETED

Earmarks \$175,000 to State Board of Education to study and advise the Legislature and Governor on local, state, and national education best practices. The Governor recommends eliminating this funding for both FY 2006-07 and FY 2007-08. Executive and House delete.

Sec. 350. *Newsline* – NEW

Appropriates \$80,000 from the Special Education Operations line to make Newsline electronically available statewide.

Sec. 403. *Michigan School for the Blind-Lansing Site* – DELETED

Allows for leasing the property. This section is no longer needed as the property was recently sold. Executive and House delete.

Sec. 503. *Teacher Preparation Programs* – MAINTAINED

Provides \$100,000 for CMU alternative route to certification program and WSU pathways to teaching program. Executive deletes. House maintains current law.

Sec. 801. *Education Assessment* - DELETED

Requires Department to provide nonpublic and home schooled students education assessment tests if they are eligible to take them, and describes how assessment results should be provided. Executive and House delete.

Sec. 801. *Consolidation* - NEW

Appropriates \$300,000 and 2.0 FTEs to support the department's efforts to study, encourage, and determine the impact of consolidation.