

**Summary: Conference Committee  
House Bill 4346 (CR-1)  
FY 2007-08 DEPARTMENT OF EDUCATION**



**Analysts: Mary Ann Cleary, Bethany Wicksall**

	FY 2006-07 Original Appropriation	FY 2007-08 Revised Executive	FY 2007-08 House	FY 2007-08 Senate (SB 511)	FY 2007-08 Conference	<i>Difference: Conf. From FY 2006-07 YTD</i>	
						<i>Amount</i>	<i>%</i>
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Federal</b>	67,570,600	72,749,800	72,749,800	72,749,800	72,749,800	5,179,200	7.7
<b>Local</b>	5,985,600	6,448,900	6,448,900	6,448,900	6,448,900	463,300	7.8
<b>Private</b>	2,914,400	3,171,800	3,171,800	3,171,800	3,171,800	257,400	8.9
<b>Restricted</b>	7,527,000	7,836,500	7,236,500	7,236,500	7,036,500	(490,500)	(6.6)
<b>GF/GP</b>	6,592,500	7,257,800	8,187,900	3,714,600	7,075,400	482,900	7.4
<b>Gross</b>	<b>\$90,590,100</b>	<b>\$97,464,800</b>	<b>\$97,794,900</b>	<b>\$93,321,600</b>	<b>\$96,482,400</b>	<b>\$5,892,300</b>	<b>6.5</b>
<b>FTEs</b>	435.5	466.5	473.5	422.6	466.5	31.0	7.2

**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 Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE 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. Career and Technical Education (CTE) Operations**

Appropriates over \$4.3 million to a new CTE operations line and several others to recognize the transfer of the unit from the Department of Labor and Economic Growth to the MDE.

FTEs	0.0	25.0
<b>Gross</b>	<b>\$0</b>	<b>\$4,320,100</b>
Federal	0	3,642,800
GF/GP	\$0	\$677,300

**2. Professional Preparation Services**

Assumes an additional \$1,743,400 is generate from a proposed increase in teacher certification fees and new teacher college review fees (HB 4591), as well as a one time addition of \$200,000 available from the carry forward of teacher testing fees.

<b>Gross</b>	<b>\$5,826,800</b>	<b>\$980,600</b>
Federal	2,687,300	0
Restricted	3,139,500	980,600
GF/GP	\$0	\$0

\$904,400 of the additional revenue would fund the upgrade and conversion of the teacher licensing database (\$700,000) and restore savings from retirement rate reductions. The balance of the certification fee revenue would shore up this revenue stream, which is no longer expected to meet its current appropriation levels. \$54,000 would reimburse the department for reviewing teacher college programs.

**3. Early Childhood Education**

Reduced by \$79,100 to eliminate the department funding used to subsidize the High Scope study of the Michigan School Readiness Program currently funded at \$200,000 in the School Aid budget. The School Aid Budget will now include the entire \$279,100 appropriation.

<b>Gross</b>	<b>\$4,372,200</b>	<b>(\$79,100)</b>
Federal	3,186,800	0
Private	187,700	0
Restricted	57,400	0
GF/GP	\$940,300	(\$79,100)

<b><u>Major Budget Changes From FY 2006-07 YTD Appropriations</u></b>		<b>FY 2006-07 YTD</b>	<b>Conf Change From YTD</b>
<b>4. Education Technology and Data Coordination</b>			
Shifts \$800,300 and 7.7 FTEs from several units within the department to a new Education Technology and Data Coordination unit.		FTEs 0.0	7.7
		<b>Gross \$0</b>	<b>\$800,300</b>
		Federal 0	800,300
		GF/GP \$0	\$0
<b>5. Michigan School for the Deaf and Blind (MSDB)</b>			
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
		<b>Gross \$11,893,900</b>	<b>\$973,400</b>
		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
<b>6. Lansing School for the Blind – Former Site</b>			
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.		<b>Gross \$1,821,100</b>	<b>(\$1,821,100)</b>
		Federal 1,811,100	(1,811,100)
		Private 10,000	(10,000)
		GF/GP \$0	\$0
<b>7. Information Technology</b>			
Reduces the IDG to the Dept of Information Technology by \$103,300. \$3,300 is to recognize the reduction from E.O. 2007-3. The balance of the reduction eliminates funds dedicated to the rewrite of the State Aid to Schools Database.		<b>Gross \$2,614,700</b>	<b>(\$103,300)</b>
		Federal 1,531,500	0
		Local 101,800	0
		Restricted 204,400	0
		GF/GP \$777,000	(\$103,300)
<b>8. Economics</b>			
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.		<b>Gross N/A</b>	<b>\$1,704,000</b>
		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. 217. Auditor General Bills***

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

##### ***Sec. 219. Contingency Funds***

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. Senate deletes. Conference concurs with Executive and House.

##### ***Sec. 220. Timely Data***

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

##### ***Sec. 221. Attorney General Responsibilities***

Senate adds new language prohibiting Dept from spending funds on legal services that are the responsibility of the Attorney General. Conference concurs with Senate.

##### ***Sec. 222. Policy Changes, Preparation of Regulatory Plans and Rule Promulgation***

Senate adds new language requiring a report of policy changes made to implement enacted legislation. It also prohibits the department from spending funds to prepare regulatory plans or promulgate rules that fail to reduce the disproportionate economic impact on small businesses. Conference concurs with Senate.

##### ***Sec. 223. Continuous Improvement Efficiency Mechanisms***

Senate adds new language requiring the department to implement continuous improvement efficiency mechanisms in the programs administered by the department and to report on efficiencies achieved. Conference does not include.

**Sec. 224. Detroit Public Schools Audit**

Senate adds new language requiring the department to conduct a comprehensive performance audit of the Detroit public schools. Conference does not include.

**Sec. 503. Teacher Preparation Programs – REVISED**

Provides \$100,000 each for CMU alternative route to certification program and WSU pathways to teaching program. Executive deletes. House maintains appropriation but adds a report requirement including number of teachers certified, time served in the classroom, and teacher evaluations. Senate deletes. Conference concurs with House.