

DEPARTMENT OF EDUCATION: FY 2010-11
Summary: As Reported by House Subcommittee
Senate Bill 1154 (H-1) Draft 1



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	FY 2009-10 Year to Date	FY 2010-11 Executive	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Conference	Difference: House From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	76,297,900	93,936,700	76,004,800	93,936,700		17,638,800	23.1
Local	7,008,700	7,220,000	7,103,900	7,220,000		211,300	3.0
Private	3,096,500	3,124,500	3,107,100	3,124,500		28,000	0.9
Restricted	7,038,900	6,992,900	6,911,200	6,992,900		(46,000)	(0.7)
GF/GP	19,429,600	20,011,900	19,795,700	21,612,100		2,182,500	11.2
Gross	\$112,871,600	\$131,286,000	\$112,922,700	\$132,886,200		20,014,600	17.7
FTEs	544.5	552.5	537.0	558.5		14.0	2.6

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

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 2009-10 YTD Appropriations

1. Race to the Top Education Reforms - Federal

Executive includes \$17.0 million and 14.0 FTEs supported by potential Federal Race to the Top funding to implement changes in the education reform package including developing assessments to measure students' knowledge growth in each grade, correlation of student achievement to individual teachers, creation of an alternative teacher certification process, and oversight of the school administrator certification program. (The Executive also requested a FY 2009-10 supplemental of \$25.0 million in assumed Federal Race to the Top funds.)

Senate does not include this funding.

House concurs with Executive.

	FY 2009-10 YTD	House Change From YTD
FTEs	0.0	14.0
Gross	\$0	\$17,000,000
Federal	0	17,000,000
GF/GP	\$0	\$0

2. Race to the Top Education Reforms - State

Executive includes \$1.7 million GF/GP and 13.0 FTEs to implement additional activities required in the State's education reform package that are not eligible for support from Federal Race to the Top funding. The new MDE responsibilities include the school reform/redesign officer, oversight of the new schools of excellence, and processing claims submitted to the basic instructional materials hotline. (PA 47 of 2010 approved a FY 2009-10 supplemental of \$492,800 GF/GP,) Senate reduces the Executive recommendation by \$150,000 and 1.5 FTE.

House concurs with Executive.

FTEs	0.0	13.0
Gross	\$0	\$1,715,900
GF/GP	\$0	\$1,715,900

Major Budget Changes From FY 2009-10 YTD Appropriations**House Change
From YTD****FY 2009-10 YTD****3. Library of Michigan**

Executive decreases the budget for the Library of Michigan operations by \$1.1 million and reduces FTEs by 13.0 positions to find savings pursuant to EO 2009-36 and EO 2009-43. The proposed reductions include eliminating maintenance and oversight of the non-Michigan Genealogy Collection, the Federal Documents Collection, and the Regional Depository Program; eliminating circulation of the remaining Library of Michigan collection materials; ending participation in the interlibrary loan program; and recognizing savings from reductions in collection purchases. Also revises FTEs further by 16.0 positions to adjust the authorization to recognize the actual number of positions transferred in under the EO.

Senate concurs.

House concurs but adds back \$350,000 and 5.0 FTEs for continuing participation in the interlibrary loan program and MelCat.

FTEs	59.0	(24.0)
Gross	\$4,601,400	(\$720,300)
GF/GP	\$4,601,400	(\$720,300)

4. State Aid to Libraries

Executive decreases funding for state aid to local libraries by \$150,000 or 2.5% to \$5,850,000.

Senate maintains current funding levels.

House adds \$1.0 million for a total of \$7.0 million.

Gross	\$6,000,000	\$1,000,000
GF/GP	\$6,000,000	\$1,000,000

5. Book Distribution Centers

Executive eliminates \$200,000 in funding for book distribution centers.

Senate includes a \$100 placeholder.

House adds a \$200 placeholder.

Gross	\$200,000	(\$199,800)
GF/GP	\$200,000	(\$199,800)

6. Office of the State Superintendent

Executive proposes an administrative reduction of \$105,500 or 9.3% of the line's GF/GP appropriation.

Senate concurs.

House concurs.

Gross	\$2,338,800	(\$105,500)
Federal	610,600	0
Private	27,000	0
Restricted	565,600	0
GF/GP	\$1,135,600	(\$105,500)

7. State School Nurse Consultant

House adds \$100,000 and 1.0 FTE for a State School Nurse Consultant.

Gross	\$0	\$100,000
GF/GP	\$0	\$100,000

8. Economic Adjustments

Executive provides an increase of \$2.5 million Gross and \$431,500 GF/GP for economic changes in salaries and wages, retirement, insurance, workers compensation, and building occupancy charges.

Senate eliminated the economic increases associated with a 3% salaries and wages increase equaling a decrease from the Executive recommendation of \$1,363,400 Gross and \$216,300 GF/GP.

House concurs with Executive.

Gross	N/A	\$1,169,000
Federal	N/A	775,700
Local	N/A	95,200
Private	N/A	10,600
Restricted	N/A	72,300
GF/GP	N/A	\$215,200

Major Boilerplate Changes From FY 2009-10**Sec. 207. Office of Safe Schools – DELETED**

Earmarks \$225,000 out of the federal drug-free grant for the safe school program and establishes program guidelines. Executive and Senate and House delete.

Sec. 210. Information Technology Work Projects – DELETED

Allows for funds appropriated in part 1 for information technology to be designated as work projects and carried forward into future fiscal years to support technology projects subject to the management and budget act.

Executive and Senate and House delete.

Sec. 211. Adequate Yearly Progress (AYP) Appeals – RETAINED

Requires that the department allow districts to appeal a determination of failure of AYP, consider and act upon each appeal within 30 days, and wait to publish a list of districts that failed AYP until all such appeals have been decided.

Executive deletes. Senate and House maintain current law.

Sec. 213. Hiring Freeze – REVISED

Establishes a hiring freeze for state civil service positions, allows for certain exceptions, and requires quarterly reports of the number of exceptions granted and their justification.

Executive deletes. Senate and House maintain this section but allows hiring for State activities related to recent Race to the Top related education reforms.

Sec. 215. Travel for Professional Development or Training – DELETED

Allows for only 1 departmental employee to attend a professional development conference or training seminar outside Michigan unless it is funded with federal and private funds and requires that more than 1 person attend or unless it includes multiple issues in which 1 employee does not have expertise.

Executive deletes. Senate maintains current law. House deletes.

Sec. 216. Communication with the Legislature – RETAINED

Prohibits disciplinary action against an employee for communicating truthfully and factually with a member of the legislature or his or her staff.

Executive deletes. Senate and House maintain current law.

Sec. 220. Information Requested by the Legislature – RETAINED

Requires that MDE provide data requested by a member of the legislature, his or her staff, or the fiscal agencies in a timely manner.

Executive deletes. Senate and House maintain current law.

Sec. 222. Policy Changes, Preparation of Regulatory Plans and Rule Promulgation – DELETED

Requires a report of policy changes made to implement enacted legislation; prohibits MDE from spending funds to prepare regulatory plans or promulgate rules that fail to reduce the disproportionate economic impact on small businesses.

Executive deletes. Senate maintains current law. House deletes.

Sec. 223. FTE Quarterly Reports – REVISED

Requires the department to report quarterly the number of FTEs in pay status by civil service classification.

Executive and Senate delete. House maintains current law and adds another subsection that would require that the department develop, post, and maintain on a user-friendly and publicly accessible Internet site, all expenditures made by the departments and agencies within a fiscal year. The bill would allow no more than \$10,000 of the funds appropriated in part 1 be spent to fulfill the new requirements.

Sec. 225. Pupil Membership Fraud – RETAINED

Provides intent that the State Superintendent of Public Instruction investigate and report on issues of pupil membership fraud, including the incidence of students being counted in membership but not remaining in the district.

Executive and Senate delete. House maintains current law.

Sec. 226. Lapse Report – DELETED

Requires a report of the projected year-end General Fund Lapse amount for FY 2009-10 by Oct. 15, 2010.

Executive deletes. Senate maintains current law. House deletes.

Sec. 227. Clearinghouse of Digital Content – NEW

House adds new language allowing the State Superintendent of Public Instruction to create a clearinghouse of digital content including electronic textbooks, open source textbooks and other digital content that meets Michigan core content standards.

Sec. 802. Book Distribution Centers – RETAINED

Requires that the funds appropriated for book distribution centers be distributed equally to the public enrichment foundation and the Michigan friends of education.

Executive deletes. Senate and House maintain current law.

Sec. 803. Keep Library Functions Together – RETAINED

Provides intent that the Library of Michigan and its related programs be kept together in a state department.

Executive deletes. Senate and House maintain current law.

Sec. 804. Keep Library Functions Together – NEW

Senate adds language that requires the department and Library of Michigan to maintain custody of all collections maintained, housed, owned, or otherwise kept by the Library in FY 2009-10 and prohibits the sale, lease or other disposal of those collections. Provides that the Library need not make the non-Michigan genealogy or federal documents collections available to the public.

House concurs with Senate.

Sec. 805. MeLCat – NEW

House adds language which designates \$350,000 and 5.0 FTEs in the library of Michigan operations line for maintaining the library's participation in interlibrary loans and MeLCat, the statewide elibrary catalog and borrowing service. Specifies that the revenue shall come from GF/GP revenue made available through the elimination of the double deduction allowed for state income tax purposes for indirect costs incurred in oil and gas production.

Sec. 806. State Aid to Libraries – NEW

House adds language specifying that \$1.15 million of the GF/GP funds for State Aid to Libraries shall come from revenue made available through the elimination of the double deduction allowed for state income tax purposes for indirect costs incurred in oil and gas production.

Sec. 902. State School Nurse Consultant – NEW

House adds new language which provides \$100,000 and 1.0 FTE for a State School Nurse Consultant. Specifies that the revenue shall come from GF/GP revenue made available through the elimination of the double deduction allowed for state income tax purposes for indirect costs incurred in oil and gas production.

Sec. 903. Cyber schools – REVISED

Requires MDE report on barriers to cyber schools for special student populations including dropouts and expelled students. Executive and Senate delete.

House revises to requires a report on the districts, pupils, and costs involved in online education programs operated as either a cyber school or under seat-time waivers.