

**DEPARTMENT OF EDUCATION**  
**Summary of FY 2009-10**  
**HB 4438 (CR-1): Conference Report**



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	FY 2008-09 YTD	FY 2009-10 Revised Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Conference	Difference: Conference From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<b>Federal</b>	70,615,800	76,430,200	76,430,200	70,872,800	76,297,900	5,682,100	8.0
<b>Local</b>	6,924,600	7,008,700	7,008,700	7,008,700	7,008,700	84,100	1.2
<b>Private</b>	3,087,800	3,096,500	3,096,500	3,096,500	3,096,500	8,700	0.3
<b>Restricted</b>	6,980,800	7,038,900	7,338,900	7,338,900	7,038,900	58,100	0.8
<b>GF/GP</b>	7,438,100	26,389,700	26,749,700	6,802,500	19,429,600	11,991,500	161.2
<b>Gross</b>	<b>\$95,047,100</b>	<b>\$119,964,000</b>	<b>\$120,624,000</b>	<b>\$95,119,400</b>	<b>112,871,600</b>	<b>17,824,500</b>	<b>18.8</b>
<b>FTEs</b>	488.5	558.5	558.5	482.5	544.5	56.0	11.5

*Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.*

**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 2008-09 YTD Appropriations**

**1. Library of Michigan**

Revised Exec Rec increases the budget by \$22.6 million and 59.0 FTEs to recognize the transfer of the library functions from the Department of History, Arts, and Libraries (DHAL). This includes:

- \$5.1 million and 59.0 FTEs for the Library of Michigan operations,
- \$5.6 million and 2.0 FTEs for Library Services and Technology,
- \$10.0 million for State Aid to Libraries,
- \$1.3 million in building occupancy charges, and
- \$618,200 in IT costs.

House concurs with the Executive and also adds \$360,000 to maintain support for the 2 book distribution centers funded in the current DHAL budget.

Senate does not include library functions in the DOE budget but instead continues fund them as part of DHAL.

Conference Committee recognizes the Revised Exec Rec, but further reduces the following:

- Library Operations by \$511,300 to a total appropriation of \$4.6 million,
- State Aid to Libraries by \$4.0 million to a total of \$6.0 million, and
- IT by \$14,300 for a total of \$603,900.

The Conference Committee also partially restored funding for 2 book distribution centers at a total of \$200,000.

	<b><u>FY 2008-09 YTD</u></b>	<b><u>Conference Change From YTD</u></b>
FTEs	0.0	59.0
<b>Gross</b>	<b>\$0</b>	<b>\$18,279,200</b>
Federal	0	5,557,400
GF/GP	\$0	\$12,721,800

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 2008-09 YTD	Conference Change From YTD	
<b>2. Additional Staff</b>	FTEs	0.0	1.0
<u>Executive</u> includes an increase of \$250,000 and 3.0 FTEs to administer the 21st Century Schools Program and \$70,000 and 1.0 FTE for support to districts in deficit.	<b>Gross</b>	<b>\$0</b>	<b>\$70,000</b>
<u>House</u> includes an increase of \$125,000 and 1.5 FTEs for the 21st Century Schools Program, \$70,000 and 1.0 FTE for support to districts in deficit, \$95,000 and 1.0 FTE for a state school nurse consultant, and \$30,000 and 0.5 FTE to maintain the Blue Ribbon Exemplary Schools program.	GF/GP	\$0	\$70,000
<u>Senate</u> does not include additional personnel.			
<u>Conference Committee</u> includes \$70,000 for the deficit district FTE but does not include the 21st Century positions.			
<b>3. Teacher Certification Programs</b>	<b>Gross</b>	<b>\$300,000</b>	<b>(\$300,000)</b>
<u>Executive</u> eliminates earmarks of \$100,000 each for the alternative teacher certification programs at Central Michigan University (CMU) and Wayne State University (WSU). Also eliminates \$100,000 for grants to teachers who apply for National Board Certification.	Restricted	300,000	(300,000)
<u>House</u> maintains full funding for all three programs.	GF/GP	\$0	\$0
<u>Senate</u> maintains full funding for all three programs.			
<u>Conference Committee</u> eliminates all three programs.			
<b>4. Administrative Reductions and Technical Adjustments</b>	FTEs	N/A	(6.0)
<u>Executive</u> recognizes a number of adjustments including annualizing FY 2008-09 budget changes and Executive Order 2008-21 reductions, shifting fund sources among lines to satisfy Federal audits and to replace lost Federal funds, reducing assessment administration costs, transferring internal audit functions to DMB and recognizing computer updates and rent reductions.	<b>Gross</b>	<b>N/A</b>	<b>(\$357,900)</b>
<u>House</u> and <u>Senate</u> concur.	Federal	N/A	(398,000)
<u>Conference Committee</u> concurs.	Local	N/A	2,400
	Restricted	N/A	304,100
	GF/GP	N/A	(\$266,400)
<b>5. Additional reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$732,800)</b>
<u>Senate</u> further reduces GF/GP support to the following lines: Special Education Operations (\$115,000), School Improvement Operations (\$115,000), and School Finance/School Law Operations (\$7,000)	Federal	N/A	(132,300)
<u>Conference Committee</u> makes the following additional GF/GP reductions:	GF/GP	N/A	(\$600,500)
-State Board/ Superintendent Operations (\$130,100)			
-Central Support (\$45,000)			
-Special Education Operations (\$24,900)			
-Early Childhood Education (\$98,000) as well as (\$22,100) in federal funds.			
-Subject Area Content Expectations (\$80,000)			
-School Finance/School Law (\$55,100)			
-Grants Admin/School Support (\$112,900) and (\$55,700) in federal funds.			
-Career Tech (\$54,500) and (\$54,500) in federal funds.			
<b>6. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$866,000</b>
<u>Executive</u> provides \$866,000 gross (\$66,600 GF/GP) increase for economic changes in salaries and wages, retirement, insurance, workers compensation, and building occupancy charges.	Federal	N/A	655,000
<u>House</u> and <u>Senate</u> concur.	Local	N/A	81,700
<u>Conference Committee</u> concurs.	Private	N/A	8,700
	Restricted	N/A	54,000
	GF/GP	N/A	\$66,600

#### **Major Boilerplate Changes From FY 2008-09**

##### **Sec. 213. Hiring Freeze – RETAINED**

Imposes a hiring freeze and prohibits the department from filling civil service positions but allows the State Budget Director to grant exceptions to the hiring freeze. Executive and House delete. Senate restores this section. Conference Committee concurs with Senate.

**Sec. 215. Professional Development Travel – RETAINED**

Prohibits the travel of more than one employee to a specific out-of-state professional development conference or training seminar unless it is funded through federal or private funds and requires more than one employee to attend. Executive and House delete. Senate restores this section. Conference Committee concurs with Senate.

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

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 and House delete. Senate restores this section. Conference Committee concurs with Senate.

**Sec. 223. FTE Bi-Monthly Reports – NEW**

House adds language requiring the department to report every other month on FTEs by civil service classification. Senate deletes this section. Conference Committee concurs with House but amends reporting requirements to quarterly.

**Sec. 224. FTE Annual Report – DELETED**

House adds language requiring the department along with State Budget Office, once a year, to provide a more detailed FTE report along with salary and benefit cost and fund source information for each line item. Senate deletes this section. Conference Committee concurs with Senate.

**Sec. 225. Pupil Membership Fraud – NEW**

House adds language of 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 for the remainder of the year. Senate concurs. Conference Committee revises such that the Superintendent reports on the scope of and proposed solutions to the problem.

**Sec. 226. Lapse Report – NEW**

Senate adds language requiring a report of the projected year-end General Fund Lapse amount for FY 2010 by Oct. 15, 2010. Conference Committee concurs with Senate.

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

Provides \$100,000 each for Central Michigan University alternative route to certification program and Wayne State University pathways to teaching program. Requires a reporting requirement for the programs including number of teachers certified, time served in the classroom, and teacher evaluations. Executive deletes. House and Senate maintain current language. Conference Committee eliminates funding and deletes this section.

**Sec. 504. National Board Certification – DELETED**

Requires the Department to pay 1/2 the application fee for teachers applying to the national board certification program. Executive deletes. House and Senate maintain current language. Conference Committee eliminates funding and deletes this section.

**Sec. 602. Blue Ribbon Exemplary Schools – NOT INCLUDED**

House adds language providing that out of the appropriation for school improvement operations, \$30,000 and 0.5 FTE is allocated to maintain the operation of the Blue Ribbon Exemplary Schools Program which recognizes achievement by exemplary schools. Senate deletes this section. Conference Committee concurs with Senate.

**Sec. 802. Book Distribution Centers – NEW**

Requires that the funds appropriated for book distribution centers be distributed equally to the public enrichment foundation and the Michigan friends of education. House adds language transferred from the DHAL budget. Senate does not include the library funding in this budget. Conference Committee concurs with House.

**Sec. 803. Keep Library Functions together – NEW**

House provides intent that in a reorganization of the Department of History, Arts, and Libraries the State maintain all the functions of the Library of Michigan together in a state department. Senate does not include the library funding in this budget. Conference Committee revises to provide intent that the Library of Michigan and its related programs be kept together in a state department.

**Sec. 902. State School Nurse Consultant – NOT INCLUDED**

House adds language providing that out of the appropriation for grants administration and school support services, \$95,000 and 1.0 FTE is allocated for a state school nurse consultant to collect and analyze school health data, develop guidelines and standards for school health personnel, and develop mechanisms for funding school nurse services. Senate deletes this section. Conference Committee concurs with Senate.

**Sec. 903. Cyberschools – RETAINED**

Requires MDE to report on barriers to the operation of cyberschools for special student populations including dropouts and expelled students. Executive and House delete. Senate restores this section. Conference Committee concurs with Senate.