



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4438 (H-1 as passed by the House)
Committee: Appropriations

FY 2008-09 Year-to-Date Gross Appropriation (does not include Federal stimulus monies)	\$95,047,100
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Changes from FY 2008-09 Year-to-Date:

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| 1. Library of Michigan. The Governor transferred the State Library and library grants to the Department of Education budget. This transfer involves \$24.4 million Gross (\$18.8 million GF/GP) and 72.0 FTE positions. The House concurred and also added \$360,000 GF/GP to restore full funding for book distribution centers. | 24,748,800 |
| 2. Additional Personnel. The Governor added funding and personnel to provide: oversight of the 21 st Century Schools Program (\$250,000 GF/GP and 3.0 FTE) and assistance to districts in deficit (\$70,000 GF/GP and 1.0 FTE). The House added the same amount and number of positions, but recommended a different distribution: oversight of the 21 st Century Schools Program (\$125,000 and 1.5 FTE); assistance to districts in deficit (\$70,000 GF/GP and 1.0 FTE); state school nurse consultant (\$95,000 and 1.0 FTE); and administration of the Blue Ribbon Exemplary Schools program (\$30,000 and 0.5 FTE). | 320,000 |
| 3. Alternative Teacher Certification Programs. The Governor eliminated \$200,000 in restricted fund earmarks for the Central Michigan University and Wayne State University programs. The House restored the funding. | 0 |
| 4. National Board Certification. The Governor eliminated \$100,000 in restricted fund grants for teachers seeking National Board certification. The House restored the funding. | 0 |
| 5. Internal Fund Shifts. The Governor and House recommended fund shifts between budgetary units to address U.S. Department of Education concerns over the use of Federal funds. The net impact is the addition of \$47,700 GF/GP. | 47,700 |
| 6. Administrative Efficiencies. The Governor and House reduced Federal funding in the Office of Educational Assessment and Accountability. | (247,400) |
| 7. Economic Adjustments. The Governor and House made standard economic adjustments, of which \$57,100 was GF/GP. | 821,100 |
| 8. Other Changes. The Governor and House made other adjustments including: increase for annualization of prior year adjustments (\$162,000); statewide Microsoft upgrade (\$69,300); elimination of private rent paid (\$200,000); transfer internal audit funding to DMB (\$100,000); reduction to teacher tenure case funding (\$26,800); shift of Longitudinal Study funding to School Aid budget (\$20,900); reduction in subject area content expectations (\$20,000); reduction in DIT virtual storage costs (\$18,200); DIT economics (\$44,900); and DIT administrative reduction (\$3,900). | (113,300) |
| 9. Comparison to Governor's Recommendation. The House was \$660,000 Gross and \$360,000 GF/GP over the Governor's recommendation. | |

Total Changes.....	\$25,576,900
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FY 2009-10 House-Passed Gross Recommendation	\$120,624,000
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Changes from FY 2008-09 Year to Date:

1. **Language Removed from All Department Budgets.** The Governor removed language sections from all budgets: IT work projects (Sec. 210); hiring freeze (Sec. 213); monthly out-of-state travel report (Sec. 214); travel by more than one department employee (Sec. 215); disciplinary action (Sec. 216); legislative data requests (Sec. 220); and impact of enacted legislation (Sec. 222). The House restored Secs. 216 and 220.
2. **Publication of List of Schools Not Meeting AYP.** The Governor deleted language directing the Department to allow schools or districts to appeal decisions on failure to meet AYP before a list of those schools or districts is published (Sec. 211). The House restored the language.
3. **Fund Carry-forwards.** The Governor and House added language allowing unexpended year-end balances in the Gifts, Bequests, and Donations and the Teacher Testing Fees restricted funds to carry forward to the succeeding fiscal year. (Sec. 407 & 506)
4. **Alternative Teaching Certification Programs.** The Governor removed language related to earmarks for alternative teaching certification programs at Central Michigan University and Wayne State University. Those earmarks were eliminated from the budget. The House restored the funding and the language. (Sec. 503)
5. **National Board Certification.** The Governor deleted language concerning the state subsidy for teachers applying for national board certification. The line item was eliminated from the budget. The House restored the funding and the language. (Sec. 505)
6. **Cyberschools.** The Governor and House deleted language requiring the Department to report on barriers to the operation of cyberschools focusing on special student populations such as dropouts or expelled students. (Sec. 604)
7. **Library of Michigan - Fee Collection and Expenditure.** The Governor and House added language appropriating fees collected for specific purposes for expenditures related to those purposes. The new language is similar to language in prior year Department of History, Arts, and Libraries budget bills. (Sec. 801)
8. **Library of Michigan - Subregional State Aid to Libraries.** The Governor and House added language concerning local funding support. This language is identical to language in prior year Department of History, Arts, and Libraries budget bills. (Sec. 802)
9. **Library of Michigan - Subregional Library Budgets.** The Governor added language prohibiting the release of funds for regional or subregional libraries until a budget from those libraries has been approved by the Department. This language is identical to language in prior year Department of History, Arts, and Libraries budget bills. (Sec. 803) The House concurred and added language concerning funding application and disbursement deadlines.
10. **Library of Michigan - Book Distribution Centers.** The Governor deleted language related to book distribution centers. The program was eliminated from the budget (Sec. 607 in FY 08-09 HAL budget). The House restored funding and transferred language from prior year Department of History, Arts, and Libraries budget bills. (Sec. 804)
11. **Bi-monthly FTE Reports.** The House added language requiring a bi-monthly report on FTE positions by civil service classification. (Sec. 223)
12. **Annual FTE Report.** The House added language requiring an annual report on the number and fund source for FTE positions in each line item. (Sec. 224)
13. **Pupil Membership Fraud.** The House added language expressing its intent that the State Superintendent of Public Instruction investigate and report on incidences of pupil membership fraud. (Sec. 225)
14. **Blue Ribbon Exemplary Schools.** The House added language earmarking \$30,000 and 0.5 FTE positions for maintenance of the Blue Ribbon Exemplary Schools Program. (Sec. 602)
15. **Library of Michigan.** The House added language expressing its intent that the current component programs of the Library of Michigan be kept together in one state department in any reorganization of the Department of History, Arts, and Libraries. (Sec. 805)
16. **State School Nurse Consultant.** The House added language earmarking \$95,000 and 1.0 FTE for a State School Nurse Consultant position. The language also outlined the duties of the position. (Sec. 902)

Date Completed: 4-15-09

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