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House Bill 4438 (S-1, Draft 1 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FY 2008-09 Year-to-Date Gross Appropriation (does not include Federal stimulus monies or reductions related to EO 2009-22)	\$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. The Senate restored the Department of History, Arts, and Libraries and returned the library functions to that department. | 0 |
| 2. Additional Personnel. The Governor added \$320,000 GF/GP and personnel to provide: oversight of the 21 st Century Schools Program (\$250,000 and 3.0 FTE) and assistance to districts in deficit (\$70,000 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 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). The Senate did not add the personnel or funding. | 0 |
| 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 and Senate restored the funding. | 0 |
| 4. National Board Certification. The Governor eliminated \$100,000 in restricted fund grants for teachers seeking certification. The House and Senate restored the funding. | 0 |
| 5. General Fund Reductions. The Senate reduced General Fund appropriations to the following: Special Education Operations (\$115,000); School Improvement Operations (\$313,800); and School Finance/School Law Operations (\$7,000). | (435,800) |
| 6. Internal Fund Shifts. The Governor, House, and Senate 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 |
| 7. Administrative Efficiencies. The Governor, House, and Senate reduced Federal funding in the Office of Educational Assessment and Accountability. | (247,400) |
| 8. Economic Adjustments. The Governor, House, and Senate made standard economic adjustments, of which \$57,100 was GF/GP. | 821,100 |
| 9. Other Changes. The Governor, House, and Senate 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) |
| 10. Comparison to Governor's Recommendation. The Senate was \$24,844,600 Gross and \$19,587,200 GF/GP below the Governor's recommendation. | |

Total Changes	\$72,300
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FY 2009-10 Senate Appropriations Subcommittee Gross Appropriation.....	\$95,119,400
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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); authorization for the State Budget Director to grant exceptions to travel restrictions (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. The Senate restored all except Sec 214.
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 and Senate restored the language.
3. **Fund Carry-forwards.** Gov., House, and Sen. added language allowing unexpended year-end balances in the Gifts, Bequests, and Donations and 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 and Senate restored the funding and the language. (Sec. 503)
5. **National Board Certification.** The Governor deleted language concerning an earmark for a state subsidy for teachers applying for certification. The House and Senate 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. The Senate restored the language. (FY 2008-09 - Sec. 950; FY 2009-2010 - Sec 903)
7. **Library of Michigan - Fee Collection and Expenditure.** Gov. and House added language appropriating fees collected for specific purposes for expenditures related to those purposes. Senate did not include the Library of Michigan in this budget. (Sec. 801)
8. **Library of Michigan - Subregional State Aid to Libraries.** The Governor and House added language concerning local funding support. The Senate did not include the Library of Michigan in this budget. (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. The House concurred and added language concerning funding application and disbursement deadlines. The Senate did not include the Library of Michigan in this budget. (Sec. 803)
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. The Senate did not include the Library of Michigan in this budget. (Sec. 804)
11. **Bi-monthly FTE Reports.** The House added language requiring a bi-monthly report on FTE positions by civil service classification. The Senate removed the language. (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. The Senate removed the language. (Sec. 224)
13. **Pupil Membership Fraud.** The House and Senate 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 the Blue Ribbon Exemplary Schools Program. The Senate removed the language and the funding. (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. The Senate did not include the Library of Michigan in this budget. (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 Senate removed the language and the funding. (Sec. 902)
17. **Lapse Report.** Senate added language requiring a report on the projected year-end General Fund Lapse amount. (Sec 226)

Date Completed: 6-17-09

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.

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