



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 120 (as introduced)
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 133.](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 GOV.'S REC.	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	600.5	600.5	0.0	0.0
GROSS	287,096,100	313,212,200	26,116,100	9.1
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS.....	287,096,100	313,212,200	26,116,100	9.1
Less:				
Federal Funds.....	189,473,500	218,583,400	29,109,900	15.4
Local and Private	7,567,000	7,667,000	100,000	1.3
TOTAL STATE SPENDING.....	90,055,600	86,961,800	(3,093,800)	(3.4)
Less:				
Other State Restricted Funds.....	7,972,600	7,669,600	(303,000)	(3.8)
GENERAL FUND/GENERAL PURPOSE.....	82,083,000	79,292,200	(2,790,800)	(3.4)
PAYMENTS TO LOCALS	15,776,000	15,176,000	(600,000)	(3.8)

FY 2014-15 Year-to-Date Gross Appropriation \$287,096,100

Changes from FY 2014-15 Year-to-Date:

- 1. State Aid to Libraries.** The Governor increased State aid to libraries by \$1.0 million to support operations and programs that support early childhood literacy. This is supported by GF/GP. 1,000,000
- 2. Renaissance Zone Reimbursement.** The Governor increased Renaissance Zone Reimbursements to libraries to ensure that the program is fully funded for FY 2015-16. This is supported by GF/GP. 600,000
- 3. Educator Evaluations.** The Governor turned \$900,000 in one-time appropriations into ongoing and increased this line item by an additional \$200,000. This is intended to provide support to schools that are implementing educator evaluations. This is all supported by GF/GP 200,000
- 4. Child Development and Care.** The Governor increased the Child Development and Care program due to an increase in Federal funds. This increase requires no additional GF/GP. Of the total, \$23.6 million is for public assistance to increase the eligibility threshold to 250% of poverty (\$1.5 million), create a 12-month continuous eligibility model (\$16.0 million), and provide higher reimbursement to higher quality program. The remaining \$5.6 million is going to external support to hire additional licensing consultants at the Department of Human Services (DHS). 29,272,800
- 5. Private Gifts - Deaf.** The Governor increased private gifts to the Michigan Schools for the Deaf and Blind due to an increase in private donations. 100,000
- 6. Child Development and Care - Public Assistance.** The Governor reduced the GF/GP in this line item due to a decrease in caseloads that resulted in GF/GP that is no longer being needed to support Federal funds. (2,400,000)

7. MPSERS Payments to Libraries. The Governor transferred MPSERS payments for libraries to the School Aid budget, which reduced Gross as well as GF/GP.	(2,200,000)
8. Professional Preparation Services. The Governor reduced this line item due to a decrease in expected revenue from certification fees and was not replaced by other fund sources.	(289,200)
9. Economic Adjustments. Economic adjustments increased \$573,600 Gross and \$139,800 GF/GP. Also, included negative \$717,100 Gross and negative \$139,800 GF/GP for OPEB and negative \$15,900 Gross and negative \$4,100 GF/GP for other economic adjustments.	(159,400)
10. Other Changes. The Governor modified IDG payments to DHS (decreased Gross and Federal \$31,500) and the Department of Licensing and Regulatory Affairs (LARA) (increased Gross and GF/GP \$23,400) due to economic adjustments.	(8,100)
Total Changes	\$26,116,100
FY 2015-16 Governor's Recommendation	\$313,212,200

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

Boilerplate Changes from FY 2014-15 Year-to-Date:

1. **Deleted Reporting Requirements.** The Governor deleted a number of sections that required various reports to the Legislature, which includes sexual misconduct report, retaining previous reports, benchmarks for new and expanded programs, notification before entering into contracts above \$1.0 million and NCLB changes, nonpublic school mandates), grant notifications, Child Development and Care program, and Early Childhood Investment Corporation. (Secs. 208, 218, 234, 235, 236, 901, 1001, and 1003)
2. **Deleted Library Sections.** The Governor deleted two sections that involve libraries. One requires the library unit to remain intact. The second specifies MPSERS payments to libraries, this was deleted due to this line item being transferred to the School Aid budget. (Secs. 803 and 805)
3. **Other Deleted Sections.** The Governor deleted a number of other sections. This includes protecting employees who communicate to the Legislature, requiring reports and information requests within 30 days, requiring RFI before an RFP for contracts above \$5.0 million, cap on the per diem line item, allowing substitute teaching to be used towards teacher certifications, and restrictions on the teacher evaluation line item. (Secs. 216, 220, 233, 302, 502, and 702)
4. **Michigan Schools for the Deaf and Blind.** The Governor added a section that allows the Michigan Schools for the Deaf and Blind low incident outreach program to carry forward unexpended restricted revenue that is collected throughout the year. (Sec. 408)
5. **Teacher Evaluations.** The Governor added a section that provides guidelines on how the education evaluation line item is to be expended. The funds are to be used to assist in implementing teacher evaluations in schools. (Sec. 703)
6. **State Aid to Libraries Increase.** The Governor added a section that provides guidelines on how those increases should be spent. The increases are for general operations and for programs that focus on early childhood literacy and 3rd grade reading proficiency. (Sec. 806)
7. **Child Development and Care program.** The Governor added a section that provides guidelines on how increases in the program are to be used. The increases to the program are intended to increase access for low-income children to high quality preschool to increase preparation to kindergarten entry and 3rd grade reading proficiencies. (Sec. 1004)
8. **Technical Adjustments.** The Governor made technical adjustments which include date changes, definition changes due to transferring out MPSERS payments to libraries, legacy costs adjustments (totals \$15.9 million for FY 2015-16), and payments to locals adjustments (totals \$15.2 million for FY 2015-16). (Secs. 201, 227, 231, and 804)

Date Completed: 2-19-15

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