



Senate Fiscal Agency
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BILL ANALYSIS



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 CONFERENCE	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	600.5	588.5	(12.0)	(2.0)
GROSS	290,498,700	305,876,200	15,377,500	5.3
Less:				
Interdepartmental Grants Received	0	0	0	--
ADJUSTED GROSS.....	290,498,700	305,876,200	15,377,500	5.3
Less:				
Federal Funds.....	201,279,200	215,640,900	14,361,700	7.1
Local and Private	7,567,000	7,667,000	100,000	1.3
TOTAL STATE SPENDING.....	81,652,500	82,568,300	915,800	1.1
Less:				
Other State Restricted Funds.....	7,972,600	7,669,600	(303,000)	(3.8)
GENERAL FUND/GENERAL PURPOSE.....	73,679,900	74,898,700	1,218,800	1.7
PAYMENTS TO LOCALS	13,576,000	15,176,000	1,600,000	11.8

FY 2014-15 Year-to-Date Gross Appropriation \$290,498,700

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

Items Included by the Senate and House

1. **Child Development and Care.** The Governor, Senate, and House increased the Child Development and Care program in addition to keeping the increase from HB 4112. This increase requires no additional GF/GP. Of the total, \$11.8 million is for public assistance to increase the exit threshold to 250% of poverty (\$0.8 million), create a 12-month continuous eligibility model (\$8.0 million), and provide higher-tiered reimbursement (\$3.0 million). 11,805,600
2. **State Aid to Libraries.** The Governor, Senate, and House increased State aid to libraries by \$1.0 million to support operations and increase early childhood literacy programs. This is supported by GF/GP. 1,000,000
3. **Renaissance Zone Reimbursement.** The Governor, Senate, and House 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
4. **Private Gifts - Deaf.** The Governor, Senate, and House increased private gifts to the Michigan Schools for the Deaf and Blind due to an increase in private donations. 100,000
5. **Child Development and Care-Public Assistance.** The Governor, Senate, and House continued the mid-year supplemental reduction in GF/GP to this line item due to a decrease in caseloads that resulted in GF/GP that is no longer needed to support Federal funds. 0
6. **MPSERS Payments to Libraries.** The Governor, Senate, and House continued the transfer in MPSERS payments for libraries to the School Aid budget, which was first done in HB 4112 and reduced both Gross and GF/GP. 0
7. **Professional Preparation Services.** The Governor, Senate, and House reduced this line item due to a decrease in expected revenue from certification fees. (289,200)

FY 2015-16 DEPARTMENT OF EDUCATION BUDGET

- 8. **Economic Adjustments.** Standard economic adjustments increased \$575,700 Gross, \$141,900 GF/GP. However, economic adjustments for OPEB more than offset the increase in standard economics, and totaled a negative \$717,100 Gross and negative \$139,800 GF/GP. Other economic adjustments totaled a negative \$15,900 Gross and negative \$4,100 GF/GP. (157,300)
- 9. **Other Changes.** The Governor, Senate, and House modified IDG payments to the Department of Human Services (decreased Gross and Federal \$31,500) and the Department of Licensing and Regulatory Affairs (increased Gross and GF/GP \$23,400) due to economic adjustments. 4.0 FTEs were moved from Educational Improvement and Innovative Services to the Office of School Reform. (8,100)

Conference Agreement on Items of Difference

- 10. **Child Development and Care-External Support.** \$5.6 million in Federal funds was proposed by the Governor for external support to hire licensing consultants at the Department of Licensing and Regulatory Affairs. The Senate concurred with the Governor; the House did not concur. Conference included the \$5.6 million, and added an additional \$3.5 million. 9,161,600
- 11. **Child Development and Care (CDC) - Caseload Adjustments.** Conference reduced CDC funding \$7.3 million (\$860,800 GF/GP) due to caseload adjustments from the May, 2015 CREC. (7,303,300)
- 12. **Financial Independence Team.** The Governor and the Senate restored reductions in the financial independence team, which were done in HB 4112. The House did not restore the reductions. Conference restored GF/GP reductions to the financial independence team. 389,100
- 13. **Educator Evaluations.** The Senate and House did not restore this line item after being eliminated in EO 2015-5. Conference restored \$2.5 million, funded with GF/GP. 2,500,000
- 14. **School Reform Office.** Conference moved the school reform line to the Department of Technology, Management, and Budget in accordance with Executive Revision 2016-3, all GF/GP. (2,420,900)

Total Changes \$15,377,500

FY 2015-16 Conference Report Ongoing/One-Time Gross Appropriation \$305,876,200

Amount Over/(Under) GF/GP Target: \$0

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

Items Included by the Senate and House

- 1. **Deleted Sections.** The Governor, Senate, and House deleted a number of sections. These included sections capping per diem pay (Sec. 302), restrictions on the teacher evaluation line item (Sec. 702), and specifying MPERS payments to libraries (Sec. 805).
- 2. **Sections Deleted by Governor, but Retained by Senate and House.** The Senate and House retained a number of sections that the Governor deleted. These included sections requiring a report on sexual misconduct (Sec. 208), protecting employees who communicate to the Legislature (Sec. 216), requiring the retaining of previous reports (Sec. 218), responding to the Legislature within 30 days (Sec. 220), requiring notification before entering into contracts above \$1.0 million and amending the NCLB waiver (Sec. 235), requiring a report on nonpublic school mandates (Sec. 236), allowing substitute teaching to be used towards teacher certifications (Sec. 502), keeping the library unit intact (Sec. 803), requiring notifications on grants (Sec. 901), requiring a report on Child Development and Care (Sec. 1001), and requiring a report on the Early Childhood Investment Corporation (Sec. 1003).
- 3. **Added Sections.** The Senate and House concurred with a number of sections that were added by the Governor. These included sections allowing the Michigan Schools for the Deaf and Blind low-incident outreach program to carry forward unexpended restricted revenue (Sec. 408) and the Child Development and Care program (Sec. 1004).
- 4. **Benchmarks and Metrics Section.** The Governor deleted and the Senate and House retained this section but removed subsection (2), which was legislative intent language that any new proposed program have a list of benchmarks, and included language that requires compliance with metrics required under section 431 of the Management and Budget Act. (Sec. 234)

5. **School Fund Raisers.** The Senate and House added a section that requires the Department to set the minimum number of fund raisers during school that sell food/drinks that do not meet new nutrition standards, to at least three per week. (Sec. 237)
6. **Educator Evaluation.** The Senate and House did not concur with a new section that was added by the Governor that provided guidelines and benchmarks for educator evaluation funding. (Sec. 703)
7. **Technical Adjustments.** The Governor, Senate, and House made a number technical adjustments including, date changes, definition changes, legacy costs adjustments (totals \$15.9 million), and payments to locals adjustments (totals \$15.2 million).

Conference Agreement on Items of Difference

8. **RFI Prior to RFP.** The Governor and Senate deleted a section that requires the Department to consider an RFI prior to an RFP for contracts above \$5.0 million. The House retained the section and lowered the amount to \$1.0 million. Conference concurred with the House. (Sec. 233)
9. **Teacher Certification Test.** The Senate added a section that requires the Department to adopt a teacher certification test that ensures that teachers can deliver evidence-based literacy instruction. The House did not include; Conference concurred with the House. (Sec. 507)
10. **State Aid to Libraries.** The Governor and Senate added a section providing benchmarks and guidelines for increases in State aid to libraries. The House did not include; Conference concurred with the section, but added legislative intent language. (Sec. 806)
11. **Kindergarten Entry Assessment.** The Senate added a section that ensures that kindergarten entry assessments include an indicator for a child who participated in the Great Start Readiness Program. The House did not include; Conference concurred with the Senate. (Sec. 1005)
12. **Best Practices Clearinghouse.** The Senate included a section that establishes a clearinghouse for best practices to improve reading proficiency in grades K to 3. The House did not include; Conference included the section, but modified it to direct the Department to link to the Federal clearinghouse and disseminate the information. (Sec. 1006)
13. **Report for Child Provider Licensors.** Conference included a new reporting requirement on progress being made by child care provider licensors in improving child care quality due April 1 and September 30, 2016. (Sec. 1007)
14. **Supplemental.** Conference included a negative supplemental of \$2.7 million GF/GP to adjust for caseloads for FY 2014-15 (Sec. 1B, 2201)

Date Completed: 5-28-15

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