

FY 2017-18: DEPARTMENT OF EDUCATION
Summary: As Reported by the House Subcommittee
House Bill 4234 (H-1) Draft 2



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	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: House From FY 2016-17 YTD Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	--
Federal	239,821,900	251,854,700	251,854,700			12,032,800	5.0
Local	5,557,200	5,817,200	5,817,200			260,000	4.7
Private	2,034,200	2,034,300	2,034,300			100	0.0
Restricted	8,380,700	8,567,600	8,567,600			186,900	2.2
GF/GP	76,181,200	81,035,700	79,118,900			2,937,700	3.9
Gross	\$331,975,200	\$349,309,500	\$347,392,700			\$15,417,500	4.6
FTEs	603.5	609.5	605.5			2.0	0.3

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

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 libraries, providing technical assistance to school districts and libraries, and providing early education and child day care support for low-income and other qualifying families.

Major Budget Changes From FY 2016-17 YTD Appropriations

1. Child Development and Care (CDC) – Provider Reimbursement Rate Increase

Executive provides \$27.2 million Gross (\$18.8 million federal Child Care Development Fund (CCDF) and \$8.4 million GF/GP) to increase the reimbursement rate for childcare providers delivering services through the CDC program. Increased funding is intended to more closely match the federal recommendation that reimbursement rates equal the 75th percentile of market rates.

House concurs with Executive.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 House Change
Gross	\$133,966,100	\$27,200,000
Federal	108,185,400	18,800,000
GF/GP	\$25,780,700	\$8,400,000

2. CDC – Licenses-Exempt Monitoring

Executive provides \$1.4 million federal CCDF to ensure that license-exempt providers—providers offering care in their own home to a related child or providers unrelated to the child but offering care in the child's own home—are offering care that meets health and safety requirements.

House concurs with Executive.

Gross	\$23,177,400	\$1,365,500
Federal	15,814,900	1,365,500
Private	250,000	0
Restricted	64,600	0
GF/GP	\$7,047,900	\$0

3. CDC – Background Check Staffing in Licensing and Regulatory Affairs (LARA)

Executive provides \$800,000 federal CCDF for staff in LARA to implement a new federally required background check and fingerprinting process and to notify providers of any employee ineligible to work in childcare settings.

House concurs with Executive.

Gross	\$27,374,500	\$800,000
Federal	27,374,500	800,000
GF/GP	\$0	\$0

4. State Assessments Staffing

Executive provides \$2.6 million GF/GP to support 10.0 FTEs, currently authorized in the budget but unfunded, to improve the quality, validity, and reliability of state academic assessments and to measure student academic growth and achievement. Federal funding for state assessments have decreased in recent years, thus reducing funding for FTE positions.

House revises to provide \$1.3 million GF/GP with the intent to fund 5.0 of the 10.0 Executive Recommendation FTEs.

Gross	\$14,619,400	\$1,275,000
Federal	13,476,200	0
GF/GP	\$1,143,200	\$1,275,000

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 House Change
5. Federal Funds Adjustment	Gross	\$14,619,400	(\$1,000,000)
<u>Executive</u> recognizes a \$1.0 million net reduction in federal Title VI funds to the Accountability Services Unit related to assessment support funding. The net change includes a \$2.0 million reduction in the "State Assessments and Related Activities" grant and a new \$1.0 million "Enhanced Assessment Instruments" grant.	Federal	13,476,200	(1,000,000)
<u>House</u> concurs with Executive.	GF/GP	\$1,143,200	\$0
6. Partnership Model with Districts	FTE	NA	0.0
<u>Executive</u> creates a new unit titled Partnership District Support and provides \$641,800 GF/GP and 4.0 FTEs (along with \$3.0 million for eligible districts in the School Aid budget) for the unit to work with other education stakeholders to assist districts struggling with poor student academic performance. Interventions would be provided to districts not yet under the authority of the School Reform Office (SRO).	Gross	NA	\$0
<u>House</u> does not include this Executive Recommendation.	GF/GP	NA	\$0
7. Field Services – Every Student Succeeds Act (ESSA) Required Staffing	FTE	45.0	2.0
<u>Executive</u> provides 2.0 FTEs to the Field Services Unit for new ESSA staffing requirements: 1) 1.0 FTE for a nonpublic schools ombudsman to ensure equity of Title I and Title VIII funds of ESSA for private school children, teachers, and other educational personnel; 2) 1.0 FTE for a foster care liaison to act as a point of contact for child welfare agencies and to oversee the stability of children in foster care as dictated in section 1111(1)(E) of ESSA and the Fostering Connections Act.	Gross	\$9,349,200	\$0
<u>House</u> concurs with Executive.	Federal	8,599,200	0
	Restricted	37,300	0
	GF/GP	\$712,700	\$0
8. Transfer of FTEs and Funds from the Office of Education Improvement and Innovation (OEII) to the Michigan Schools for the Deaf and Blind	FTE	NA	0.0
<u>Executive</u> shifts 5.0 FTEs and \$712,900 federal funding from OEII and provides the Michigan Schools for the Deaf and Blind with 5.0 FTES and \$712,900 Gross (\$365,900 federal and \$347,000 Local cost sharing, Schools for the Deaf and Blind). The funding and FTEs do not indicate increases to the overall budget, but instead are interunit transfers. This funding and FTE shift is necessitated by the increased Enrollment at the Michigan School for the Deaf from 122.7 FTEs in the 2012 school year to 171.2 FTEs in the 2017 school year.	Gross	NA	\$0
<u>House</u> concurs with Executive.	Federal	NA	(347,000)
	Local	NA	347,000
	Restricted	NA	0
	GF/GP	NA	\$0
9. Michigan Schools for the Deaf and Blind Operations	Gross	\$12,812,700	(\$150,000)
<u>Executive</u> there is a reduction of \$312,500 in local school district service fees, which is partially offset by an increase of \$162,500 in local cost sharing for the Schools for the Deaf and Blind.	Federal	7,048,600	0
<u>House</u> concurs with Executive.	Local	5,545,500	(150,000)
	Restricted	218,600	0
	GF/GP	\$0	\$0
10. Low Incidence Outreach Program	Gross	\$300,000	\$150,000
<u>Executive</u> provides \$150,000 restricted fund to the Low Incidence Outreach program. A majority of the increased appropriations authority for the Low Incidence program comes from the specialized Braille books they produce. The authority will also allow for increasing the amount of professional development for staff, parents, and students and the ability to upgrade equipment.	Restricted	300,000	150,000
<u>House</u> concurs with Executive.	GF/GP	\$0	\$0
11. Renaissance Zones Adjustment	Gross	\$5,300,000	(\$2,000,000)
<u>Executive</u> reduces reimbursements to libraries for local revenue lost due to renaissance zones by \$2.0 million GF/GP to reflect the expiration of existing zones.	GF/GP	\$5,300,000	(\$2,000,000)
<u>House</u> concurs with Executive.			

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 House Change
12. One-Time Appropriation – Drinking Water Declaration of Emergency		Gross	NA
<u>Executive</u> provides a \$100 restricted fund placeholder for the Drinking Water Declaration of Emergency.		Restricted	NA
<u>House</u> concurs with Executive.		GF/GP	NA
			\$100
13. Economic Adjustments		Gross	NA
<u>Executive</u> reflects increased costs of \$827,000 Gross (\$206,000 GF/GP) for negotiated salary and wage increase (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.		Federal	NA
<u>House</u> concurs with Executive.		Local	NA
		Private	NA
		Restricted	NA
		GF/GP	NA
			\$827,000
			516,000
			63,000
			100
			41,900
			\$206,000

Major Boilerplate Changes From FY 2016-17

Sec. 216. Adequate Yearly Progress (AYP) – DELETED

Requires that MDE allow districts to appeal a determination of failure to meet AYP prior to MDE reporting those results.

Executive deletes this section.

House concurs with Executive.

Sec. 219. Kindergarten Entry Assessment Participation – RETAINED

Requires the department to ensure that the kindergarten entry assessment includes a method for information to be provided regarding a child's participation in the great start readiness program.

Executive deletes this section.

House maintains current law.

Sec. 221. Personnel Records – RETAINED

Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct.

Executive deletes this section.

House maintains current law.

Sec. 222. Communication with the Legislature – RETAINED

Prohibits MDE from taking disciplinary action against an employee for communicating truthfully and factually with a legislator or his/her staff.

Executive deletes this section.

House maintains current law.

Sec. 223. Records Retention – RETAINED

Requires MDE to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records.

Executive deletes this section.

House maintains current law.

Sec. 227. Timely Data – RETAINED

Requires MDE to provide data requested by legislature, staff, and fiscal agencies in a timely manner; subjects the State Board/Superintendent Operations line item to a penalty of 1% of state funds if reasonably requested data is not received within 30 days or if reports required by boilerplate or statute are not submitted within 30 days after it is due.

Executive deletes this section.

House maintains current law.

Sec. 228. Requests for Proposals – REVISED

Prohibits department from issuing a request for proposal for a contract exceeding \$1.0 million unless it first considers issuing a request for information or request for qualification.

Executive deletes this section.

House maintains current law with a technical change.

Sec. 229. Contract Notification – RETAINED

Requires MDE to notify the House and Senate appropriations committees and the State Budget Director before entering into a contract that exceeds \$1.0 million or seeking a federal waiver form, or amending the federal waiver form.

Executive deletes this section.

House maintains current law.

Major Boilerplate Changes From FY 2016-17

Sec. 230. Nonpublic School Mandates – REVISED

Requires MDE to compile a report that identifies any new, or lack thereof, mandates required of nonpublic schools by April 1, 2017.

Executive deletes this section.

House revises to update the dates.

Sec. 302. Travel Expenditures – REVISED

Prohibits spending over \$35,000 for in-state and out-of-state travel for Board of Education members.

Executive deletes this section.

House revises to update the date.

Sec. 325. Federal and Private Grants – RETAINED

Requires the department to notify the Legislature within 10 days of receiving a federal or private grant appropriated in part 1 under the federal and private grants line.

Executive deletes this section.

House maintains current law

Sec. 350. Special Education Reform Task Force Guidelines – REVISED

Requires the Office of Special Education to address the Special Education Reform Task Force Guidelines to design and distribute parent-friendly information for all Individualized Education Plans (IEPs), as well as train mediators knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities.

Executive revises the recipients of this boilerplate from “all parents” with an Individualized Education Plans (IEP) to “all parents of a newly identified student with a disability” concerning the rights and protections of students with disabilities.

House maintains current law with a technical change.

Sec. 408. Carry Forward of Programmatic Service Fund – REVISED

Allows the Michigan Schools for the Deaf and Blind to carry forward funds available for expenditure into next succeeding year for the low incidence program: conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software for required services.

Executive revises to make a technical change to remove the beginning text of “for the funds appropriated in part 1 for the low incidence outreach fund” and instead begins the section with “The funds collected by.” Also, adds “and blind” to Michigan Schools for the deaf.

House does not concur with Executive, but revises current law to make a technical reorganization of the section without changing the intent of the section.

Sec. 502. Student Teaching Credits – RETAINED

Authorize teacher preparation institutions to provide alternative programs in which one-half of all student teaching credits can be earned through substitute teaching.

Executive deletes this section.

House maintains current law.

Sec. 503. Professional Development Coordination – REVISED

Currently, requires the department to coordinate professional development with the Michigan Virtual Learning Research Institute (MVU) and external stakeholders.

Executive revises to remove the specification of which unit and line item within MDE is responsible for coordination of professional development coordination with Michigan Virtual University (MVU) and modifies it to coordinate between the entire department and MVU.

House concurs with the Executive but makes further revisions to refer specifically to section 35a of the state school aid act of 1979 pa 94, MCL 388.1635a.

Sec. 701. MTSS K-3 At-Risk Funding Report – REVISED

Currently, requires the department to produce a report detailing the progress made by districts with grades K-3 receiving at-risk funding under section 31a of the state school aid act in implementing Multi-Tiered Systems of Supports (MTSS) in the prior school fiscal year.

Executive revises to expand the grade range and clarifies the grade range for districts that do not have certain grades. Revises the grade range from “K to 3” to “K to 8” or “all of the grades a district operates if the district operates less than grades K to 8.”

House concurs with Executive with a technical change.

Sec. 803. Keep Library Functions Together – RETAINED

Provides intent that the State maintain the Library of Michigan and its component programs, except for the genealogy collections, together in a state department.

Executive deletes this section.

House maintains current law.

Major Boilerplate Changes From FY 2016-17

Sec. 1001. Number of Childcare Providers – REVISED

Requires a report by November 1, 2016 on the number of childcare providers (by type) receiving a payment for childcare services on October 1, 2016.

Executive deletes this section

House revises the report to be the average number of eligible child care providers by type receiving payment for child care services from the department during the previous fiscal year rather than the number for a specific date during the previous fiscal year.

Sec. 1003. Early Childhood Investment Corporation Annual Report – REVISED

Requires the department to submit an annual report on all funding appropriated to the Early Childhood Investment Corporation (ECIC) for FY 2015-16 by February 15. Report must detail the amounts of grants awarded, grant recipients, the activities funded by each grant, and an analysis of the work of each grantee. Also requires contracts for early childhood comprehensive systems planning to be bid through a statewide RFP process.

Executive deletes this section.

House revises to remove the specific reference of the early childhood investment corporation. Also, revises to require there be at least three bids submitted for the early childhood comprehensive systems planning contract, and if there are not three bids submitted, the process must start over until there are at least three bids submitted.

Sec. 1005. CDC Childcare Monitoring – NEW

Executive provides a new section that requires the MDE to coordinate with LARA to provide fingerprint services and background checks of employees of childcare providers as required by the federal Child Care and Development Block Grant.

House concurs with Executive.

Sec. 1007. CDC Progress Reports – REVISED

Executive revises the biannual CDC progress reports to a single report and makes the following changes to the report: clarifies and identifies the types of onsite visits that are to be reported (initial licensure visits, annual monitoring inspections, complaint investigations, follow-up visits, and other visits required); rather than reporting on the number of visits for each type of onsite visit, the report would require the average number of onsite visits per consultant by licensing type; and revises to remove the requirement to track the number of times consultants and managers participate in professional development and instead requires them to list the activities of professional development that improve performance and quality.

House concurs with Executive.

Sec. 1009. CDC Increase to Eligibility Entrance Threshold – REVISED

Requires the Department to use \$7.7 million federal CCDF to increase the eligibility entrance threshold of the CDC program from 121% of the federal poverty guidelines to 125% of the federal poverty guidelines.

Executive deletes this section.

House revises to sets the eligibility entrance threshold at 125% of the federal poverty guidelines and removes the specific amount necessary to increase the CDC program eligibility entrance threshold from 121% to 125% of the federal poverty guidelines, which was achieved in the FY 2016-17 MDE budget.

Sec. 1010. Drinking Water Declaration of Emergency Work Project – DELETED

Provides that funding for the drinking water declaration of emergency, if not fully expended by September 30, 2017, is a work project and may be spent in the following fiscal year.

Executive deletes this section.

House concurs with Executive.

Sec. 1101. Drinking Water Declaration of Emergency CDC Pilot – REVISED

Requires that from the funds for the drinking water declaration of emergency, the MDE must perform the following activities: pilot the expansion of CDC eligibility to children ages 0 to 3 for half-day childcare services for household income up to 300% of the federal poverty guidelines; provide information to childcare providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead; and provide a report on various metrics associated with the pilot's outcomes.

Executive deletes this section

House revises to make a technical revision to a reference to the Department.

Sec. 1102. Lead Water Testing – DELETED

Requires a reimbursement of \$4.5 million and up to \$950 per school building for the costs for water testing, fixture replacement, filter purchases, plumbing assessments, and/or technical assistance incurred from July 1, 2016 to September 30, 2017.

Executive deletes this section.

House concurs with Executive.

Sec. 1201. FY 2017-18 – DELETED

Expresses intent that FY 2017-18 appropriations are anticipated to be the same as FY 2016-17 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.

Executive deletes this section.

House concurs with Executive.