

Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

Telephone: (517) 373-2768

Fax: (517) 373-1986

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 INITIAL APPROPS.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	614.5	614.5	0.0	0.0
GROSS	396,134,900	419,783,700	23,648,800	6.0
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	396,134,900	419,783,700	23,648,800	6.0
Less:				
Federal Funds	287,820,300	315,342,100	27,521,800	9.6
Local and Private	7,888,600	7,929,600	41,000	0.5
TOTAL STATE SPENDING	100,426,000	96,512,000	(3,914,000)	(3.9)
Less:				
Other State Restricted Funds	8,668,200	9,300,000	631,800	7.3
GENERAL FUND/GENERAL PURPOSE	91,757,800	87,212,000	(4,545,800)	(5.0)
PAYMENTS TO LOCALS	14,567,700	14,517,700	(50,000)	(0.3)

*As of September 30, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$396,134,900	\$91,757,800

Changes from FY 2018-19 Year-to-Date:Items Included by the Senate and House

- | | | |
|---|-----------|-------------|
| 1. Child Development and Care External Support. The Governor/Senate/House/Conference increased IDG payments to LARA to account for economic adjustments. | 323,200 | 0 |
| 2. Child Development and Care Matching Requirement. The Governor/Senate/House/Conference shifted Federal funds to GF/GP to meet Federal matching requirements. | 0 | 599,400 |
| 3. Adolescent and School Health. The Governor/Senate/House/Conference continued a \$319,900 supplemental appropriation that replaced lost Federal funding to support HIV/STD education prevention programs in schools. | 0 | 0 |
| 4. Supplemental Appropriation Removal. The Governor/Senate/House/Conference removed a \$5.0 million supplemental appropriation for E-rate enhancements and reversed a \$10.0 million CDC CREC adjustment. | 5,000,000 | (5,254,200) |
| 5. Renaissance Zone Reimbursement. The Governor/Senate/House/Conference reduced Renaissance Zone Reimbursement to libraries to align with current projections. | (300,000) | (300,000) |
| 6. Drinking Water Declaration of Emergency Placeholder. The Governor/Senate/House/Conference removed the placeholder. | (100) | 0 |
| 7. Economic Adjustments. Includes \$1,286,500 Gross and \$409,000 GF/GP for total economic adjustments, of which an estimated decrease of \$586,400 Gross and \$187,100 GF/GP is for legacy retirement costs (pension and retiree health). | 1,286,500 | 409,000 |

Conference Agreement on Items of Difference

8. Child Development and Care Public Assistance. The Governor increased appropriations to increase the child care provider reimbursement rate between \$0.20 and \$0.50 (\$16.4 million) and increase the entry threshold to 140% of the Federal Poverty Level (\$13.6 million). The funding would be for implementation on January 1 st . The Senate only included the increase to the child care provider reimbursement rate. The House included a \$100 placeholder to increase the entry threshold to 135%. The Conference included \$15.0 million to only increase the child care provider reimbursement rate between \$0.20 and \$0.30.	15,000,000	0
9. Office of Great Start Operations. The Governor increased appropriations \$3.6 million Gross and Federal for administration and oversight of the Child Development and Care program to meet Federal requirements. The Senate increased \$3.2 million Gross and Federal. The Conference increased \$1.8 million Gross and Federal split between Operations and Contracted Services.	1,800,000	0
10. Information Technology. The Governor/Conference increased teacher certification fees to support increased IT charges from the DTMB. The Senate did not include. The House reduced 25% from the Governor's recommendation.	300,000	0
11. Low Incident Outreach Fund. The Conference increased \$250,000 in Gross and State Restricted revenue.	250,000	0
12. Other. The Governor/Senate/Conference created the Office of Systems, Evaluation, and Technology, the Office of Financial Management, the Office of Strategic Planning and Implementation, the Office of Educator Excellence, and the Office of Educational Supports by reorganizing existing funds and FTEs throughout the Department.	0	0
13. Reserve Fund. The Conference reduced all line items 75% and moved the funds equally between three reserve funds. <i>The State Administrative Board, in Resolution 2019-5, transferred funds from the reserve fund line items to the reduced line items.</i>	0	0
14. Vetoed Report. <i>The Governor vetoed the Labor Day Study.</i>	(10,800)	0
Total Changes	\$23,648,800	(\$4,545,800)
FY 2019-20 Initial Ongoing/One-Time Gross Appropriation**	\$419,783,700	\$87,212,000

Boilerplate Changes from FY 2018-19 Year-to-Date:Items Included by the Senate and House

1. **Deleted Sections.** The **Governor/Senate/House/Conference** deleted several sections, which include: 221 (retention of sexual misconduct records), 234 (restrictions of Administrative Rules), 1005 (LARA funding requirements), and 1101 (Drinking Water Declaration of Emergency, CDC pilot program).
2. **Technical Changes.** The **Governor/Senate/House/Conference** made several technical modifications that include date changes, changes in Part 1 appropriations, legacy costs, and name changes. (Sec. 201, 203, 212, 214, 230, 501, 701, 804, 1004, and 1007)

Conference Agreement on Items of Difference

3. **Governor Deleted and Conference Retained Sections.** The **Governor** deleted and **Conference** retained a number of sections, which include: 222 (protects employees who testify to the Legislature), 223 (retention of all reports), 225 (School Aid grant award date requirement), 227 (responding to requests from the Legislature within 30 days and reporting on due dates), 229 (notification when entering into contracts above \$1.0 million or when changes are made

to Federal accountability plans), 230 (nonpublic school report), 302 (State Board travel expenditure cap), 325 (notification of grants received), 409 (Administrative hearing requirements), 602 (Adolescent and School Health funding), 803 (Legislative intent for the Library of Michigan), 1003 (ECIC report), 1010 (notification of Federal CDC changes), and 1011 (CDC biweekly block reimbursement implementation).

4. **Contingency Fund Authorization.** The **Senate** deleted the Department's contingency fund authorization language. The **Conference** reduced contingency fund authorize amounts by 50%. (Sec. 210)
5. **Sexual Abuse Report Modification.** The **Governor** modified the sexual abuse report requirement, by removing the requirement to issue the sexual abuse report to all schools, but required the collection of information on policies adopted by school districts, ISDs, and charter school academies. The **Senate/Conference** modified the section to only require schools, ISDs, and charter school academies that did not report adopting a policy or adopted a new policy since last year. (Sec. 231)
6. **Association Report.** The **Conference** included a new report that list all associations or consortiums that received allocations from the Department in the previous fiscal year, the amount received, and the purpose. (Sec. 235)
7. **Department Administrative Reserve Funds.** The **Conference** included new language that restricts funds to only be transferred through the Legislative Transfer process and Legislative intent language on the conditions for requesting a Legislative Transfer. (Sec. 236, 237, 238) **The Governor ruled the sections unenforceable.**
8. **Labor Day Achievement Study.** The **Conference** included new language that requires a study on student outcome differences between schools that start the school year before and after Labor Day. (Sec. 239) **The Governor vetoed the study.**
9. **Low Incidence Outreach Fund.** The **Governor/House** modified the language to allow the Department to spend funds in addition to those appropriated in Part 1. The **Senate/Conference** did not include. (Sec. 408)
10. **Allowable Teaching Experience.** The **Governor/Senate** deleted and **Conference** modified the section to only allow ¼ of the teaching experience requirement for certification to come from long term substitute teaching. (Sec. 502)
11. **A-F Accountability System.** The **Senate** included a new section that requires that the Superintendent of Public Instruction request a waiver and state accountability plan amendment to implement the A-F accountability system passed in Public Act 601 of 2018. The **Conference** did not include (Sec. 702)
12. **Child Development and Care Reimbursement Rate Increase.** The **Governor/Senate** increased the CDC reimbursement rate for providers. The increase includes a \$0.20 increase to all provides serving children between the ages of 0-5, a \$0.20 increase to all 0 to 2 star-rated providers, and a \$0.30 increase to all 3 to 5 star-rated providers. The **Conference** increased the CDC reimbursement rate \$0.30 for providers serving children between age 0 to 5 and \$0.20 for all other providers. (Sec. 1002)
13. **Child Development and Care Income Entry Level Increase.** The **Governor** increased the income entry threshold for the CDC program from 130% to 140% of the FPL. The **Senate/Conference** maintain the current entry threshold at 130%. (sec. 1009)

Date Completed: 10-2-19

Fiscal Analyst: Cory Savino

**This reflects action taken by the State Administrative Board on 10-1-19 if applicable.