



**Senate Fiscal Agency**  
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ANALYSIS

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Senate Bill 174 (as introduced)

[Vehicle for Governor's Recommendation line items is Senate Bill 199](#)

Committee: Appropriations

<b>FY 2010-11 Year-to-Date Gross Appropriation .....</b>	<b>\$126,959,900</b>
<b>Changes from FY 2010-11 Year-to-Date:</b>	
1. <b>Reduce State Aid to Libraries 40.0%.</b> Governor proposed to reduce State Aid to Libraries payments from \$5.75 million to \$3.4 million, all GF/GP. These funds support local libraries and their participation in the Michigan eLibrary system, and are used for maintenance of effort spending to garner \$5.6 million in Federal library funding.	(2,304,300)
2. <b>Eliminate Certain State Education Reform Activities.</b> Governor proposed to eliminate certain activities that are part of the Race to the Top education reforms, enacted in early 2010. Specifically, the Governor eliminated the \$1.4 million GF/GP State Reform/Redesign Office (charged with identifying the lowest 5.0% of performing schools and working with those districts on turnaround plans, or taking them over if turnaround plans were not approved); proposed to rent an online testing platform rather than developing one (savings of \$500,000 GF), and eliminating the basic instructional supplies hotline and appeals process (savings of \$76,000 GF). These proposals require statutory changes.	(1,945,700)
3. <b>Michigan eLibrary.</b> Governor proposed to "redirect" \$950,000 GF/GP of the State Aid to Libraries reduction by setting the funding aside in a new line item to support the Michigan eLibrary system, in the event the cut in State Aid to Libraries results in a \$1.0 million loss in Federal Library Services and Technology Act funding.	950,000
4. <b>Early Retirement GF/GP Savings.</b> Governor reduced by \$370,900 the GF/GP in the budget attributable to employees who retired under the retirement incentive of 2010.	(370,900)
5. <b>Removal of Excess Authorization.</b> Governor eliminated excess funding authorization of more than \$6.0 million, most of which was excess Federal authorization.	(6,012,500)
6. <b>Removal of One-Time Cost for Database Rewrite.</b> Governor eliminated \$5.0 million in Federal funding used to establish a database that can link teachers with student achievement data. This database was one of the required education reforms.	(5,000,000)
7. <b>Scholarships for the Blind.</b> Private donations were increased \$110,000 to provide more scholarships for the blind.	110,000
8. <b>Economic Adjustments.</b> Economics totaling \$1,556,800 Gross, \$401,000 GF/GP were included in the recommendation.	1,556,800
Total Changes .....	(\$13,016,600)
<b>FY 2011-12 Governor's Recommendation .....</b>	<b>\$113,943,300</b>

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

**Changes from FY 2010-11 Year to Date:**

1. **Omnibus.** Governor proposed to include Department of Education funding in a general omnibus spending bill, found under Article 6 of that bill, rolled up into five lines and 13 boilerplate sections. Two sections of "standard" boilerplate were eliminated under the particular article, but were retained in general boilerplate sections affecting all departments funded in the omnibus. These sections (found in current law) are 202 (appropriations subject to Management and Budget Act) and 205 (use of Internet to fulfill reporting requirements).
2. **"Standard Boilerplate" Deleted.** Governor proposed to eliminate several sections of "standard" boilerplate that were consistent among departmental budgets. These include: 204 (civil service commission billing); 209 (DIT user charges); 212 (Buy American/Buy Michigan); 213 (hiring freeze); 214 (out-of-state travel); 215 (out-of-state travel limitations); 216 (employees who communicate with Legislature); 217 (depressed and deprived communities); 220 (providing data in a timely manner); 221 (hiring of legal services); 222 (reporting on policy changes and prohibition on rules disproportionate to small business); and, 226 (reporting on GF/GP lapse).
3. **Other Deleted Sections.** Governor proposed to eliminate the following sections specific to the Department of Education budget: 206 (providing State Board of Education agendas and supporting documents to budget office and fiscal agencies); 208 (requiring districts to maintain complete personnel records); 211 (appeal of AYP status); 225 (investigation and report of pupil membership fraud); 301(3) (report on State Board of Education board member expenses); 401 (employees at Michigan Schools for Deaf and Blind are annual employees); 405 (Department of Education may work with Department of Community Health to secure Medicaid reimbursement); 501 (maintain professional personnel register and certificate revocation/felony conviction files); 601 (\$350,000 earmark for charter schools office); 701 (departmental collaboration with CEPI for data collection); 803 (intent for Library of Michigan to keep its component programs together); 804 (requiring Library of Michigan to maintain its non-Michigan genealogy and Michigan-specific collections); 901 (notification of Federal and private grants received); 903 (report on cyber schools), and, 904 (\$1.9 million appropriation for Federal Education Jobs Fund grant).

Date Completed: 2-25-11

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