

FY 2015-16: DEPARTMENT OF EDUCATION
Summary: As Reported from House Subcommittee
House Bill 4097 (H-1) Draft 1



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IDG/IDT	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: House From FY 2014-15 YTD	
						Amount	%
	0	0	0			0	--
Federal	201,279,200	218,583,400	212,921,900			11,642,700	5.8
Local	5,633,700	5,633,700	5,633,700			0	0.0
Private	1,933,300	2,033,300	2,033,300			100,000	5.2
Restricted	7,972,600	7,669,600	7,669,600			(303,000)	(3.8)
GF/GP	73,679,900	79,292,200	75,291,300			1,611,400	2.2
Gross	\$290,498,700	\$313,212,200	\$303,549,800			\$13,051,100	4.5
FTEs	606.5	606.5	605.5			(1.0)	(0.2)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5, and House Bill 4112). (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 2014-15 YTD Appropriations	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
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1. Child Development and Care (CDC) — Increase Exit Threshold
Executive increases funding by \$763,700 federal Child Care Developmental Fund (CCDF) to raise the exit threshold for determining CDC eligibility from 121% to 250% of the federal poverty level to reflect full-year funding, in addition to the FY 2014-15 partial-year increase of \$764,000 federal CCDF in HB 4112, for a total increase of \$1.5 million federal CCDF compared to the original FY 2014-15 budget.

Gross	\$119,697,700	\$763,700
Federal	83,108,900	763,700
GF/GP	\$36,588,800	\$0

House concurs with the Executive.

2. Child Development and Care (CDC) — 12-month Continuous Eligibility Model
Executive increases funding by \$8.0 million federal CCDF to allow 12-month continuous child eligibility regardless of income after enrollment for CDC public assistance to reflect full-year funding, in addition to a FY 2014-15 partial-year increase of \$8.0 million federal CCDF in HB 4112, for a total increase of \$16.0 million federal CCDF compared to the original FY 2014-15 budget.

Gross	\$119,697,700	\$7,973,300
Federal	83,108,900	7,973,300
GF/GP	\$36,588,800	\$0

House concurs with the Executive.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
3. Child Development and Care (CDC) — Increasing Provider Rates for Tiered Reimbursement	Gross	\$119,697,700	\$3,068,600
<u>Executive</u> increases funding by \$3.1 million federal CCDF to increase provider reimbursement rates for the high quality licensed and registered programs as defined by the Great Start to Quality provider rating system to reflect full-year funding, in addition to a FY 2014-15 partial-year increase of \$3.1 million federal CCDF in HB 4112, for a total increase of \$6.1 million federal CCDF compared to the original FY 2014-15 budget.	Federal	83,108,900	3,068,600
	GF/GP	\$36,588,800	\$0
<u>House</u> concurs with the Executive.			
4. Child Development and Care (CDC)—Additional Child Care Licensing Consultants	Gross	\$17,766,500	\$0
<u>Executive</u> increases the interdepartmental grant to Department of Human Services by \$5.7 million in federal CCDF to increase the number of Child Care Licensing (CCL) consultants by 39.0 FTEs.	Federal	17,766,500	0
	GF/GP	\$0	\$0
<u>House</u> does not include this increase.			
5. Educator Evaluations	Gross	NA	\$0
<u>Executive</u> provides \$3.6 million GF/GP for educator evaluations. Funding would be used for staffing, compliance monitoring, and information technology systems modifications. This would restore a \$3.4 million GF/GP reduction to this line in Executive Order 2015-5 and add an additional \$200,000. This line item originally comprised \$2.5 million GF/GP in ongoing funds and \$900,000 GF/GP in one-time funds. However, for the FY 2015-16 line item, all \$3.6 million GF/GP would be ongoing funds.	GF/GP	NA	\$0
<u>House</u> does not include this appropriation.			
6. State Aid to Libraries Increase	Gross	\$8,876,000	\$1,000,000
<u>Executive</u> increases state aid to libraries by \$1.0 million GF/GP for a total of \$9.9 million.	GF/GP	\$8,876,000	\$1,000,000
<u>House</u> concurs with the Executive.			
7. Renaissance Zone Reimbursements to Libraries	Gross	\$4,700,000	\$600,000
<u>Executive</u> increases reimbursements to libraries for local revenue lost due to renaissance zones by \$600,000 GF/GP to reflect the amount necessary to fully fund the payments at \$5.3 million. In FY 2014-15 the renaissance zone reimbursements were prorated.	GF/GP	\$4,700,000	\$600,000
<u>House</u> concurs with the Executive.			
8. Financial Independence Team: State Aid and School Finance Services	FTE	2.0	(1.0)
<u>Executive</u> restores the original FY 2015 authorization of \$500,000, which necessitates a \$350,000 restoration of funds which were reduced in the FY 2015 negative supplemental in HB 4112. The financial independence team, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	Gross	\$150,000	\$0
	GF/GP	\$150,000	\$0
<u>House</u> does not include this increase and reduces this line by 1.0 FTE.			

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 Year-to-Date (as of 3/12/15)</u>	<u>FY 2015-16 House Change</u>
9. Financial Independence Team: Educational Improvement and Innovation Services	Gross	\$9,343,400	\$0
<u>Executive</u> restores the original FY 2015 authorization of \$278,100, which necessitates a \$39,100 restoration of funds which were reduced in the FY 2015 negative supplemental in HB 4112. The financial independence team, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	Federal	6,514,500	0
	Restricted	558,100	0
	GF/GP	\$2,270,800	\$0

House does not include this increase.

10. FTE shift from OEII to School Reform Office	FTE	0.0	0.0
<u>Executive</u> Shifts 4.0 FTEs from the Educational Improvement and Innovation Services (OEII) Section 115 to the School Reform Office (SRO), which increases the SRO FTEs to 12.0.	Gross	\$0	\$0
	GF/GP	\$0	\$0

House concurs with the Executive.

11. Economic Adjustments	Gross	NA	(\$159,400)
<u>Executive</u> reflects net cost reduction of \$159,400 Gross (\$14,200 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	Federal	NA	(131,400)
	Restricted	NA	(13,800)
	GF/GP	NA	(\$14,200)

House concurs with the Executive.

Major Boilerplate Changes From FY 2014-15

Sec. 208. 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. 211. Adequate Yearly Progress (AYP) – RETAINED

Currently requires MDE to allow districts to appeal a determination of failure to meet AYP prior to MDE reporting those results and that MDE act within 30 days. Revises to remove MDE's 30 day timeline. Changes MDE's requirement to allow a school or district to appeal the school designation, and revises such that those appeals shall be "addressed" rather than "currently required considered and decided upon" before designations may be published.

Executive revises this section.

House maintains current law.

Sec. 216. 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. 218. 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. 220. 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. 233. Request for Proposals – REVISED

Prohibits department from issuing a request for proposal for a contract exceeding \$5.0 million unless it first considers issuing a request for information or request for qualification.

Executive deletes this section.

House maintains this section and revises the amount of money before a request for proposal (RFP) contract can be put out from \$5.0 million to \$1.0 million.

Sec. 234. Performance Measures –REVISED

Requires MDE to report a list of specific benchmarks intended to measure the performance or return on taxpayer investment of each new program or program expansion for which funds appropriated in part 1 are greater than \$500,000. Requires the department to provide an update on program progress and expenditures as it relates to those benchmarks by November 1, 2014.

Executive deletes this section.

House maintains current law and updates year.

Sec. 235. Contract Notification – RETAINED

Requires MDE to notify the House and Senate before entering into a contract that exceeds \$1.0 million or seeking a federal waiver from, or amending the federal waiver from, the No Child Left Behind Act of 2001.

Executive deletes this section.

House maintains current law.

Sec. 236. Nonpublic School Mandates – REVISED

Requires MDE to compile a report that identifies mandates required of nonpublic schools by April 1, 2015.

Executive deletes this section.

House maintains current law and updates year.

Sec. 237. Bake Sales – NEW

The Department shall identify fund-raisers that are exempt from federal nutrition standards and take any other action as may be necessary for public schools in this state to be able to allow fund-raising sales on school premises during school hours of foods and beverages that do not meet federal nutrition standards prescribed by the United States Department of Agriculture.

Executive did not include this section.

House adds this section.

Sec. 302. Travel Expenditures – RETAINED

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

Executive deletes this section.

House maintains current law.

Sec. 408. Carry Forward of Programmatic Service Funds – NEW

Allows the Michigan schools for the deaf and blind to carry forward funds available for expenditure into the 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 adds this section.

House concurs with the Executive.

Sec. 502. Student Teaching Credits – RETAINED

Authorizes 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. 702. Educator Evaluations –NOT INCLUDED

Stipulates that funds appropriated in part 1 for educator evaluations and assessments shall not be expended unless HB 5223 and HB 5224 are enacted.

Executive deletes this section.

House concurs with the Executive.

Sec. 703. Educator Evaluation Guidelines – DELETED

States that the funds appropriated for educator evaluations (Section 115) be based on classroom observations and student growth metrics to identify target professional development opportunities for educators. Requires that the outcomes and performance measures be focused towards math and reading testing, as well as third grade reading proficiency.

Executive adds this section.

House does not include this section.

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.

Sec. 805. MPSERS Funds for District Libraries – DELETED

States that funds appropriated in part 1 for MPSERS costs shall be used for payments to participating district libraries. Describes how payments are to be calculated for, and allocated to, district libraries. Participating entities that received funds under this section are required to forward the designated amount to the retirement system in a form, manner and timeframe determined by the retirement system.

Executive deletes this section, as this appropriation was shifted to the School Aid budget.

House concurs with Executive.

Sec. 806. State Aid to Libraries – Early Literacy Focus – NOT INCLUDED

Requires the department to utilize the increased funding for state aid to public libraries in support to local library operations and programming for early literacy and third grade reading proficiency.

Executive adds this section.

House does not include this section.

Sec. 901. Federal and Private Grants – RETAINED

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

Executive deletes this section.

House maintains current law.

Sec. 1001. Number of Childcare Providers – REVISED

Requires a report by November 1, 2014 on the number of childcare providers (by type) receiving payment for childcare services on October 1, 2014.

Executive deletes this section.

House maintains current law and updates the years.

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 2013-14 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 maintains current law and updates the fiscal year.

Sec. 1004. Child Development and Care (CDC) Program Expansion – NOT INCLUDED

Requires the department to expend increased funding for the Child Development and Care (CDC) program on increasing the number of low-income children in high quality early learning programs, increasing the number of children ready for school at kindergarten entry, and increasing the number of children who are reading at grade level by the end of third grade.

Executive adds this section.

House does not include this section.

Sec. 1201. FY 2015-16 Appropriation – RETAINED

Expresses intent that FY 2015-16 appropriations are anticipated to be the same as FY 2014-15 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.

Executive deletes this section.

House maintains current law and updates fiscal years.