

FY 2016-17: DEPARTMENT OF EDUCATION
Summary: As Reported by the House Subcommittee
House Bill 5262 (H-1) Draft 3



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IDG/IDT	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: House From FY 2015-16 YTD	
						Amount	%
	\$0	\$0	\$0			\$0	--
Federal	215,640,900	225,355,900	225,356,000			9,715,100	4.5
Local	5,633,700	5,557,200	5,557,200			(76,500)	(1.4)
Private	2,033,300	2,034,200	2,034,200			900	0.0
Restricted	7,669,600	7,780,700	7,780,700			111,100	1.4
GF/GP	77,583,700	76,381,200	76,321,800			(1,261,900)	(1.6)
Gross	\$308,561,200	\$317,109,200	\$317,049,900			\$8,488,700	2.8
FTEs	594.5	602.5	602.5			8.0	1.3

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
1. Multi-Tiered Systems of Supports (MTSS) Implementation Monitoring and Assistance			
<u>Executive</u> provides \$500,000 GF/GP and 3.0 FTEs to the Office of Field Services to establish a team of consultants to monitor and support implementation of a FY 2015-16 School Aid budget requirement that districts implement MTSS in grades K-3 in order to receive at-risk funding. <u>House</u> concurs with the Executive.	FTE	45.0	3.0
	Gross	\$9,174,400	\$500,000
	Federal	8,874,900	0
	Restricted	77,000	0
	GF/GP	\$222,500	\$500,000
2. Early/Middle Colleges (EMC) Expansion Supports			
<u>Executive</u> provides \$395,000 GF/GP and 2.0 FTEs to the Office Career and Technical Education to support technical assistance and monitoring of EMCs, which have increased from 9 in FY 2011-12 to approximately 119 projected for FY 2016-17. <u>House</u> concurs with the Executive.	FTE	27.0	2.0
	Gross	\$4,748,800	\$395,000
	Federal	3,818,600	0
	GF/GP	\$930,200	\$395,000
3. Special Education Task Force Recommendations			
<u>Executive</u> provides \$300,000 GF/GP to the Office of Special Education to implement findings from the Special Education Reform Task Force to design and distribute parent-friendly information for Individualized Education Plans (IEPs) and support mediator training. <u>House</u> concurs with the Executive.	Gross	\$8,920,000	\$300,000
	Federal	8,440,900	0
	Private	110,100	0
	Restricted	44,000	0
	GF/GP	\$325,000	\$300,000
4. School Safety Consultant			
<u>Executive</u> provides \$180,000 GF/GP and 1.0 FTE to the Office of School Support Services to support school emergency planning for MDE and coordinate with the State Police and the Attorney General in providing consistent statewide leadership and guidance on school safety issues. <u>House</u> concurs with the Executive.	FTE	82.6	1.0
	Gross	\$15,087,200	\$180,000
	Federal	14,240,500	0
	Local	11,700	0
	Restricted	157,300	0
	GF/GP	\$677,700	\$180,000

5. Home Visit Program Management and Coordination

Executive provides \$175,000 GF/GP and 1.0 FTE to the Office of Great Start to manage the home visit program that was part of the FY 2015-16 School Aid budget early literacy initiative.
House concurs with the Executive.

FTE	64.0	1.0
Gross	\$22,808,600	\$175,000
Federal	15,681,700	0
Private	250,000	0
Restricted	64,100	0
GF/GP	\$6,812,800	\$175,000

6. E-Rate Technical Assistance for Districts

Executive provides \$162,500 GF/GP and 1.0 FTE to the Office of Educational Improvement and Innovation Services to support an E-Rate consultant to coordinate district applications and projects, which may allow for increased chances in receiving grants since the Federal Communications Commission (FCC) is considering greater intra-state coordination as a requirement to receive funds. Technology Readiness Infrastructure Grants (TRIG) have funded E-Rate coordination of district applications and projects through the School Aid budget; however, in the School Aid budget TRIG is scheduled to be removed in the FY 2016-17 budget, so this appropriation would continue these operations.
House concurs with the Executive.

FTE	59.7	1.0
Gross	\$9,362,500	\$162,500
Federal	6,500,600	0
Restricted	556,900	0
GF/GP	\$2,305,000	\$162,500

7. One-Time: Flint Declaration of Emergency Child Development and Care (CDC)

Executive includes one-time, half-year funding of \$8.1 million federal Child Care Development Fund (CCDF) to provide subsidized childcare to all 0-3 children in Flint for half-day services, regardless of household income, with additional funding available for transfer from a \$50.0 million Flint Emergency Reserve Fund proposed in the FY 2015-16 supplemental for DTMB.
House concurs with the Executive but revises to provide subsidized childcare for household income up to 300% rather than removing the household income cap altogether.

Gross	\$0	\$8,050,100
Federal	0	8,050,000
Restricted	0	100

8. One-Time: Certification Fees Subsidy

Executive includes \$500,000 GF/GP to support declining teacher certification fee revenue in a number of line items, for which a fee increase is requested for FY 2017-18.
House concurs with the Executive.

Gross	n/a	\$500,000
GF/GP	n/a	\$500,000

9. Financial Independence Team (FIT) Operations

Executive reduces FIT by \$250,000 GF/GP (\$252,800 remaining). The FIT, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.
House concurs with the Executive.

Gross	\$499,500	(\$250,000)
GF/GP	\$499,500	(\$250,000)

10. Educator Evaluations

Executive reduces Educator Evaluations by \$1.0 million (\$1.5 million remaining). Funding in FY 2015-16 was used for staffing, compliance monitoring, and information technology systems modifications.
House concurs with the Executive.

Gross	\$2,500,000	(\$1,000,000)
GF/GP	\$2,500,000	(\$1,000,000)

11. Early Out 5-Year Payouts

Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.
House concurs with the Executive.

Gross	\$201,400	(\$201,400)
Federal	179,500	(179,500)
GF/GP	\$21,900	(\$21,900)

12. Educator Talent and Policy Coordination

Executive creates a new section within the MDE consisting of an appropriation of \$2.6 million gross (\$627,400 federal, \$239,600 state restricted, and \$1.7 million GF/GP) and 17.0 FTEs. The FTEs and funding do not indicate increases to the MDE, but instead are transfers from other units and line items.
House concurs with the Executive.

FTE	n/a	0.0
Gross	n/a	\$0
Federal	n/a	0
Restricted	n/a	0
GF/GP	n/a	\$0

13. Child Development and Care – Increase Entrance Threshold

Executive maintains current law.
House provides a \$100 federal CCDF place holder within the Child development and care public assistance line item, with the intent to increase to the entrance threshold from 121% of the federal poverty guidelines to 125% of the federal poverty guidelines.

Gross	124,200,000	\$100
Federal	93,719,300	100
GF/GP	\$30,480,700	\$0

14. State Board of Education Per Diem Payments	Gross	\$24,400	(\$24,400)
Executive maintained current law.	GF/GP	\$24,400	(\$24,400)
<u>House</u> reduces State Board of Education per diem payments by \$24,000 GF/GP, which reduces the line item to \$0.			

15. Economic Adjustments	Gross	n/a	\$2,121,200
Executive provides for increased costs of \$2.1 million Gross (\$451,100 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	Federal	n/a	1,542,800
	Private	n/a	900
	Restricted	n/a	126,400
	GF/GP	n/a	\$451,100
<u>House</u> concurs with the Executive			

Major Boilerplate Changes From FY 2015-16

Sec. 203. Definitions – REVISED

Deletes the definitions for “IMLS” meaning Institute of Museum and Library Services and “Fund-raising activity” meaning an ongoing fund-raising activity that is scheduled to take place at more than 1 time during a school day or throughout the school day, both of which were terms removed from boilerplate.
Executive revises this section by deleting subsection definitions for “IMLS” and “Fund-raising activity.”
House concurs with the Executive.

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. 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. 219. Contingency Funds – REVISED

Increases federal contingency funds from \$5.0 million to \$10.0 million.
Executive revises this section.
House concurs with the Executive.

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 of 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. Requests for Proposals – RETAINED

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.

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, 2015.
Executive deletes this section.
House maintains current law and updates date.

Major Boilerplate Changes From FY 2015-16

Sec. 235. Contract Notification – REVISED

Currently 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. The revision would remove notification for MDE to notify the House and Senate before entering into a contract that exceeds \$1.0 million. Adds the State Budget Director to the list of organizations that the MDE shall notify when it intends to seek a federal waiver from the No Child Left Behind Act of 2001 or an amendment to a federal waiver.

Executive revises to remove notifications to the House and Senate before entering into a contract that exceeds \$1.0 million and adds the State Budget Director to No Child Left Behind Act of 2001 waivers.

House adds the State Budget Director to all notification requirements under this section. The House does not remove notifications to the House and Senate for MDE entering into a contract that exceeds \$1.0 million and revises to remove the reference to “No Child Left Behind Act of 2001” and leaves the reference as “federal waiver or an amendment to a federal waiver.”

Sec. 236. Nonpublic School Mandates – REVISED

Requires MDE to compile a report that identifies mandates required by nonpublic schools by April 1, 2016.

Executive deletes this section.

House maintains current law and updates years.

Sec. 237. Fund-raising – DELETED

Provides that MDE shall establish an upper limit on the number and frequency of fund-raising activities that may take place in a public school during hours that allow the sale of food and beverage items that do not meet nutritional standards, and the upper limit is not less than 2 fund-raising activities a week.

Executive deletes this section.

House concurs with the Executive.

Sec. 302. Travel Expenditures – DELETED

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

Executive maintains current law.

House deletes this section, which also reduces \$35,000 GF/GP in the State Board/Superintendent operations line item.

Sec. 325. Federal and Private Grants – REVISED

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 but shifts the section to section number 325 with a new heading to align with where the appropriation is now located, Central Support.

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

Provides increased funds for the Office of Special Education to address the Special Education Reform Task Force Guidelines to design and distribute parent-friendly information for 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 adds this section as section 901.

House revises this section to section 350, as well as requiring parent-friendly information distributed to new and existing parents with a student with a disability.

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. 601. Financial Independence Team (FIT) – DELETED

Details the purpose of the Financial Independence Team which will work with Treasury to develop a financial early warning system and provide assistance to distressed districts and intermediate districts.

Executive deletes this section.

House concurs with the Executive.

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

Requires the MDE to produce a report detailing the progress made by districts with grades K-3 receiving at-risk funding under section 31a of the State Aid Act in implementing multi-tiered systems of supports in the prior school fiscal year.

Executive adds this section.

House concurs with the Executive.

Major Boilerplate Changes From FY 2015-16

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. 806. State Aid to Libraries – Early Literacy Focus – DELETED

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

Executive deletes this section.

House concurs with the Executive.

Sec. 1001. Number of Childcare Providers – REVISED

Requires a report by November 1, 2015 on the number of childcare providers (by type) receiving payment for childcare services on October 1, 2015.

Executive deletes this section.

House maintains current law and updates 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 2014-15 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 fiscal years.

Sec. 1004. Child Development and Care (CDC) Program Expansion – REVISED

Requires the department to expend the increased funding for the Child Development and Care (CDC) program on increasing the number of low-income children in high quality 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 deletes this section.

House maintains current law and revises this section by removing the word “increased” from the first sentence.

Sec. 1008. Child Development and Care (CDC) Increase to Entrance Threshold – NEW

Requires the department to increase the entrance threshold of the child development and care program from 121% of the federal poverty guidelines to 125% of the federal poverty guidelines.

Executive did not include.

House adds this section.

Sec. 1009. Flint Declaration of Emergency Work Project Boilerplate – NEW

Requires that drinking water declaration of emergency appropriations of \$8.0 million be put into a work project with a tentative completion date of September 30, 2018 if not expended fully by September 30, 2017.

Executive did not include.

House adds this section.

Sec. 1101. Flint Declaration of Emergency – NEW

Requires that from the funds for the Flint declaration of emergency, the MDE must do the following activities: the pilot expansion of child development and care eligibility to children ages birth to three for half-day childcare services by removing household income as a determinate of eligibility; and provide information to childcare providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead.

Executive adds this section.

House revises the section to increase the household income threshold for the Flint declaration of emergency from to 250% of the federal poverty guidelines rather than removing income as a determinate of eligibility. The House also requires reporting requirements related to children ages birth to three within Flint for the following data: of children eligible and participating in CDC services, caseloads, identification for developmental delays or other medical conditions, children receiving medical screenings or referrals, number of parents in the household, provider training on developmental delays and lead exposure, and number and types of parent or caretakers on the impact of developmental delays and available services.

Sec. 1201. FY 2016-17 Appropriations – DELETED

Expresses intent that FY 2016-17 appropriations are anticipated to be the same as FY 2015-16 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.

Executive deletes this section.

House concurs with the Executive.