



Telephone: (517) 373-2768  
Fax: (517) 373-1986

Senate Bill 120 (S-1 as reported)  
Committee: Appropriations

*Throughout this document Senate means Appropriations Committee.*

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 SEN. FULL COMM.	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	600.5	600.5	0.0	0.0
<b>GROSS .....</b>	<b>290,498,700</b>	<b>309,600,400</b>	<b>19,101,700</b>	<b>6.6</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS .....</b>	<b>290,498,700</b>	<b>309,600,400</b>	<b>19,101,700</b>	<b>6.6</b>
Less:				
Federal Funds .....	201,279,200	218,583,400	17,304,200	8.6
Local and Private .....	7,567,000	7,667,000	100,000	1.3
<b>TOTAL STATE SPENDING .....</b>	<b>81,652,500</b>	<b>83,350,000</b>	<b>1,697,500</b>	<b>2.1</b>
Less:				
Other State Restricted Funds .....	7,972,600	7,669,600	(303,000)	(3.8)
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>73,679,900</b>	<b>75,680,400</b>	<b>2,000,500</b>	<b>2.7</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>13,576,000</b>	<b>15,176,000</b>	<b>1,600,000</b>	<b>11.8</b>

<b>FY 2014-15 Year-to-Date Gross Appropriation .....</b>	<b>\$290,498,700</b>
--	----------------------

- Changes from FY 2014-15 Year-to-Date:**
- 1. Child Development and Care.** The Governor and the Senate increased the Child Development and Care program in addition to keeping the increase from HB 4112. This increase requires no additional GF/GP. Of the total, \$11.8 million is for public assistance to increase the exit threshold to 250% of poverty (\$0.8 million), create a 12-month continuous eligibility model (\$8.0 million), and provide higher-tiered reimbursement (\$3.0 million). The remaining \$5.6 million is going to external support to hire licensing consultants at the Department of Human Services (DHS). 17,467,200
  - 2. State Aid to Libraries.** The Governor and the Senate increased State aid to libraries by \$1.0 million to support operations and increase early childhood literacy program. This is supported by GF/GP. 1,000,000
  - 3. Renaissance Zone Reimbursement.** The Governor and the Senate increased Renaissance Zone Reimbursements to libraries to ensure that the program is fully funded for FY 2015-16. This is supported by GF/GP. 600,000
  - 4. Financial Independence Team.** The Governor and the Senate restored reductions in the financial independence team, which were done in HB 4112. 389,100
  - 5. Educator Evaluations.** The Senate did not restore this line item after being eliminated in EO 2015-5. 0
  - 6. Private Gifts - Deaf.** The Governor and the Senate increased private gifts to the Michigan Schools for the Deaf and Blind due to an increase in private donations. 100,000
  - 7. Child Development and Care-Public Assistance.** The Governor and the Senate continued the reduction in GF/GP to this line item due to a decrease in caseloads that resulted in GF/GP that is no longer being needed to support Federal funds. 0

FY 2015-16 DEPARTMENT OF EDUCATION BUDGET

<b>8. MPSERS Payments to Libraries.</b> The Governor and the Senate continued the transfer in MPSERS payments for libraries to the School Aid budget, which was first done in HB 4112 and reduced both Gross and GF/GP.	0
<b>9. Professional Preparation Services.</b> The Governor and Senate reduced this line item due to a decrease in expected revenue from certification fees.	(289,200)
<b>10. Economic Adjustments.</b> Standard economic adjustments increased \$575,700 Gross, \$141,900 GF/GP. However, economic adjustments for OPEB more than offset the increase in standard economics, and totaled a negative \$717,100 Gross and negative \$139,800 GF/GP. Other economic adjustments totaled a negative \$15,900 Gross and negative \$4,100 GF/GP.	(157,300)
<b>11. Other Changes.</b> The Governor and the Senate modified IDG payments to DHS (decreased Gross and Federal \$31,500) and the Department of Licensing and Regulatory Affairs (increased Gross and GF/GP \$23,400) due to economic adjustments. 4.0 FTEs were moved from Educational Improvement and Innovative Services to the Office of School Reform.	(8,100)
<b>12. Comparison to Governor's Recommendation.</b> The Senate is \$3,611,800 Gross and \$3,611,800 GF/GP under the Governor.	
Total Changes .....	\$19,101,700
<b>FY 2015-16 Senate Appropriations Committee Gross Appropriation .....</b>	<b>\$309,600,400</b>

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. **Sections deleted by Governor and Senate.** The Governor and the Senate deleted a number of sections. This includes sections, requiring an RFI prior to an RFP for contracts above \$5.0 million (233), capping per diem pay (302), restrictions on the teacher evaluation line item (702), and specifying MPSERS payments to libraries (805). (Secs. 233, 302, 702 and 805)
2. **Sections deleted by Governor, but retained by Senate.** The Senate retained a number of sections that the Governor deleted. This includes sections, requiring a report on sexual misconduct (208), protecting employees who communicate to the Legislature (216), requiring the retaining of previous reports (218), responding to the Legislature within 30 days (220), requiring notification before entering into contracts above \$1.0 million and amending the NCLB waiver (235), requiring a report on nonpublic school mandates (236), allowing substitute teaching to be used towards teacher certifications (502), keeping the library unit intact (803), requiring notifications on grants (901), requiring a report on Child Development and Care (1001), and requiring a report on the Early Childhood Investment Corporation (1003). (Secs. 208, 216, 218, 220, 235, 236, 502, 803, 901, 1001, 1003)
3. **Sections added by the Governor.** The Senate concurred with a number of sections that were added by the Governor. This includes sections allowing the Michigan Schools for the Deaf and Blind low-incident outreach program to carry forward unexpended restricted revenue (408), providing benchmarks and guidelines for increases in State aid to libraries (806) and the Child Development and Care program (1004). (Secs. 408, 806, 1004)
4. **Educator Evaluation.** The Senate did not concur with a new section that was added by the Governor that provided guidelines and benchmarks for educator evaluation funding. (Sec. 703)
5. **Modified section.** The Governor deleted and the Senate retained this section and made modification that removed subsection (2), which was legislative intent language that any new proposed program have a list of benchmarks, and included language that requires compliance with metrics required under section 431 of the Management and Budget Act. (Sec. 234)
6. **School Fund Raisers.** The Senate added a section that requires the Department to set the minimum number of fund raisers during school that sell food/drinks that do not meet new nutrition standards, to at least three per week. (Sec. 237)
7. **Teacher Certification Test.** The Senate added a section that requires the Department to adopt a teacher certification test that ensures that teachers can deliver evidence-based literacy instruction. (Sec. 507)
8. **Kindergarten Entry Assessment.** The Senate added a section that ensures that kindergarten entry assessments include an indicator for child who participated in the Great Start Readiness Program. (Sec. 1005)

9. **Best Practices Clearinghouse.** The Senate included a section that establishes a clearinghouse for best practices to improve reading proficiency in grades K to 3. (Sec. 1006)
10. **Technical Adjustments.** The Governor and the Senate made a number technical adjustments including, date changes, definition changes, legacy costs adjustments (totals \$15.9 million), and payments to locals adjustments (totals \$15.2 million).

Date Completed: 4-21-15

Fiscal Analyst: Cory Savino