



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 269 (S-1, Draft 1 as reported)
Committee: Appropriations

FY 2004-05 Year-to-Date Gross Appropriation	\$115,997,200
Changes from FY 2004-05 Year-to-Date:	
1. Federal Grant Adjustments. Federal grants are increased in FY 2005-06 related to IDEA funding of alternative assessments for students with disabilities, increased Title VI Testing dollars, a new longitudinal student data system grant, and changes in Title I and Reading First.	6,157,000
2. School Breakfast Program. Funding for the School Breakfast program is increased by \$1,600,000 (all GF) due to increasing costs and reimbursement of increasing numbers of breakfasts served.	1,600,000
3. Private Fund Increases. Pairing with the Federal portion of the Michigan After School Partnership Grant are anticipated funds from the Mott Foundation and Robert Wood Johnson Foundation (\$67,000). Also, Special Education is anticipating a private donation of \$100,000 for programs to improve student outcomes.	167,000
4. Tenant Rent. The Revised Executive Recommendation includes a new line to receive rent from a building lease at the Michigan Schools for the Deaf and Blind.	150,000
5. Replacing MEAP with Merit Exam Costs. Due to costs associated with enactment of legislation replacing the current high school MEAP exam with an augmented college entrance exam, \$2,600,000 in additional funds are appropriated from the Merit Award Trust Fund.	2,600,000
6. Transfer Out Michigan School Readiness Program to K-12. The competitive companion MSRP grant funding is transferred out of the Department and into the K-12 budget under the proposal before the subcommittee.	(12,250,000)
7. Federal Urgent School Renovation Grant Authorization Ended. This Federal grant was discontinued two years ago, and grant authorization for expenditure of remaining funds is no longer needed.	(1,000,000)
8. National Board Certification Grants Eliminated and Limited License to Instruct Pilot Program Discontinued. These two programs, both funded with restricted Teacher Certification Fees, are not proposed to be funded in FY 2005-06.	(250,000)
9. Human Resources Optimization Charges. An increase of \$14,700 is recommended in the budget, standard across all agencies.	14,700
10. Economic Adjustments. Gross economic funding of \$2,855,900 is included, of which \$293,500 is funded from GF/GP.	2,855,900
11. Comparison to Governor's Recommendation. The Senate recommendation is \$9,100,000 Gross and \$12,250,000 below the Governor's recommendation.	
Total Changes.....	\$44,600
FY 2005-06 Senate Appropriations Subcommittee Gross Appropriation	\$116,041,800

Changes from FY 2004-05 Year to Date:

1. **Federal Grants Pass Through Language Replaced with Contingency Fund Appropriations.** The Governor eliminates current law boilerplate allowing the Department to carry forward unexpended Federal pass-through grants is eliminated and replaces it with Contingency Fund appropriations for Federal, Private, State Restricted, and Local revenues. The Senate does not concur with contingency fund appropriations. (Current law Sec. 206)
2. **Safe School Program.** Language requiring an evaluation of public school violence prevention programs is eliminated since the Federal grant funding the program provides "effective program" information. Also, a subsection requiring the development of a Model Code of Conduct is eliminated since this has been completed. The Senate concurs with the recommended changes. (Sec. 207)
3. **Personal Service Contract Language Eliminated and Replaced with Hiring Freeze.** Current law boilerplate detailing limitations on personal service contracts awarded without competitive bidding is eliminated by the Governor and the Senate and replaced with a hiring freeze plan. (Sec. 213)
4. **Disciplinary Action.** The Senate includes a new section prohibiting the department from taking disciplinary action against an employee for communicating with a member of the Legislature or his or her staff. (New Sec. 215)
5. **Auditor General Audit Costs.** Current language requiring the department to pay within 60 days the full amount of any bills submitted by the Auditor General, incurred while auditing Federally-funded programs, is deleted by the Governor and the Senate. (Current law Sec. 218)
6. **State Board of Education Out-of-State Travel.** The prohibition of using appropriated funds for out-of-state travel by Board members is eliminated by the Governor and the Senate. (Sec. 302)
7. **Expense Report of the Michigan School for the Blind Former Site.** The section requiring a yearly report on expenditures made from funds supporting the Michigan School for the Blind former site is deleted by the Governor but is retained by the Senate. (Sec. 410)
8. **Teacher Certification Programs.** Language allocating \$75,000 to the Limited License to Instruct Pilot Program at Wayne State University and the Alternative Route to Certification Program at Central Michigan University is eliminated by the Governor and the Senate to reflect the elimination of funding in Part 1. (Current law Sec. 503)
9. **Michigan School Readiness Program.** Language detailing the MSRP is eliminated by the Senate, and is transferred to the K-12 budget along with the funding. (Current law Sec. 703)
10. **National Board Certification Grants.** Language detailing the National Board Certification Grants program is eliminated, by the Governor and the Senate reflecting the elimination of funding in Part 1. (Current law Sec. 704)
11. **Implementation of Section 98 of the School Aid Act.** Language requiring the Department to work collaboratively with the Michigan Virtual University to implement Section 98 of the School Aid Act, the section that outlines the MVU and the Michigan Virtual High School, is eliminated by the Governor and the Senate. (Current law Sec. 802)
12. **MEAP Test Results.** A subsection requiring test results for public and private schools to be released at the same time is eliminated by the Governor and the Senate in order to allow results to be returned to schools as soon as they are available, rather than waiting for all schools to have completed the tests. (Sec. 901)

Date Completed: 6-3-05

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