



Senate Fiscal Agency
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Senate Bill 174 (S-1 as passed by the Senate)

Committee: Appropriations

FY 2010-11 Year-to-Date Gross Appropriation	\$126,959,900
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Changes from FY 2010-11 Year-to-Date:

1. **Reduce State Aid to Libraries.** 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 MOE spending to garner \$5.6 million in Federal funding. Senate proposed to reduce State Aid to Libraries payments from \$5.75 million to \$3.64 million, or a reduction of 36.5%. (2,107,300)
2. **Eliminate Certain State Education Reform Activities.** Governor proposed to eliminate certain activities that are part of the Race to the Top (RTTT) education reforms, enacted in early 2010. Specifically, Governor eliminated the \$1.4 million GF/GP State Reform/Redesign Office; proposed to rent an online testing platform rather than developing one (savings of \$500,000 GF/GP), and eliminated the basic instructional supplies hotline and appeals process (savings of \$76,000 GF/GP). Senate concurred only with the elimination of the \$500,000 for development of an online testing platform and basic instructional supplies hotlines (savings of \$576,000 GF/GP). See item #5 for reductions in other areas of the budget to pay for the restoration of RTTT staff and costs. (576,000)
3. **Michigan eLibrary.** 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. Senate did not concur because the School Aid budget will propose to include additional State Aid to Libraries payments to offset the reductions in payments listed above under #1. 0
4. **Book Distribution Centers.** Senate added \$50,000 GF/GP for Michigan Friends of Education book distribution program. 50,000
5. **Reductions throughout the Budget.** Senate included GF/GP reductions in operational lines throughout the budget, as follows: \$100,000 cuts to Building Occupancy Charges, Educational Improvement, Early Childhood, and Career and Technical Education; \$50,000 cuts to State Aid and School Finance, Professional Preparation Operations, and Central Support; \$200,000 cut to State Board/Office of the Superintendent; and, \$190,600 cut to Information Technology. Of the total, \$123,900 of the cuts are related to early retirement savings listed in #5 below. (816,700)
6. **Early Retirement GF/GP Savings.** Governor and Senate reduced \$370,900 GF/GP in the budget attributable to employees who retired under the retirement incentive of 2010. (370,900)
7. **Removal of Excess Authorization.** Governor and Senate eliminated excess funding authorization of more than \$6.0 million, most of which was excess Federal authorization. (6,012,500)
8. **Removal of One-Time Cost for Database Rewrite.** Governor and Senate eliminated \$5.0 million in Federal funding for a database that can link teachers with student achievement data. (5,000,000)
9. **Scholarships for the Blind.** Private donations were increased \$110,000. 110,000
10. **Economic Adjustments.** Economics totaling \$1,556,800 Gross, \$401,000 GF/GP were included. 1,556,800
11. **Comparison to Governor's Recommendation.** The Senate is \$150,000 Gross and \$150,000 GF/GP under the Governor.

Total Changes.....	(\$13,166,600)
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FY 2011-12 Senate-Passed Gross Appropriation	\$113,793,300
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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). Senate did not concur with the omnibus.
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). Senate retained all sections.
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). Senate retained all sections with the exception of Section 904, which was only necessary for FY 2010-11.
4. **New Sections.** Senate added seven sections of boilerplate. One section allows information technology appropriations to be designated as work projects (Sec. 206). Another section requires the Department to retain copies of reports funded under Part 1 appropriations (Sec. 210). The third requires the Department to use funding in Part 1 to perform all Race to the Top duties and responsibilities, by the deadlines contained within the statutes. (Sec. 229) The final new section allocates \$50,000 for book distribution. Three reports were added requiring the Department to lead a task force to examine consolidating IT, Human Resources, and Accounting at the ISD level and at the State level, and examining implications of a State-operated health savings account plan for all school employees. (Sec. 230, 231, and 232) (Sec. 805)
5. **FY 2012-13 Appropriations.** Senate added a section stating intent to appropriate all funding in FY 2012-13 at levels appropriated for FY 2011-12, adjusted for economics, caseloads, or available revenue. (Sec. 1201)

Date Completed: 4-28-11

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