



Background Briefing

DEPARTMENT OF EDUCATION

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December 2013

The fiscal information in this background briefing is based on data through December 31, 2013.

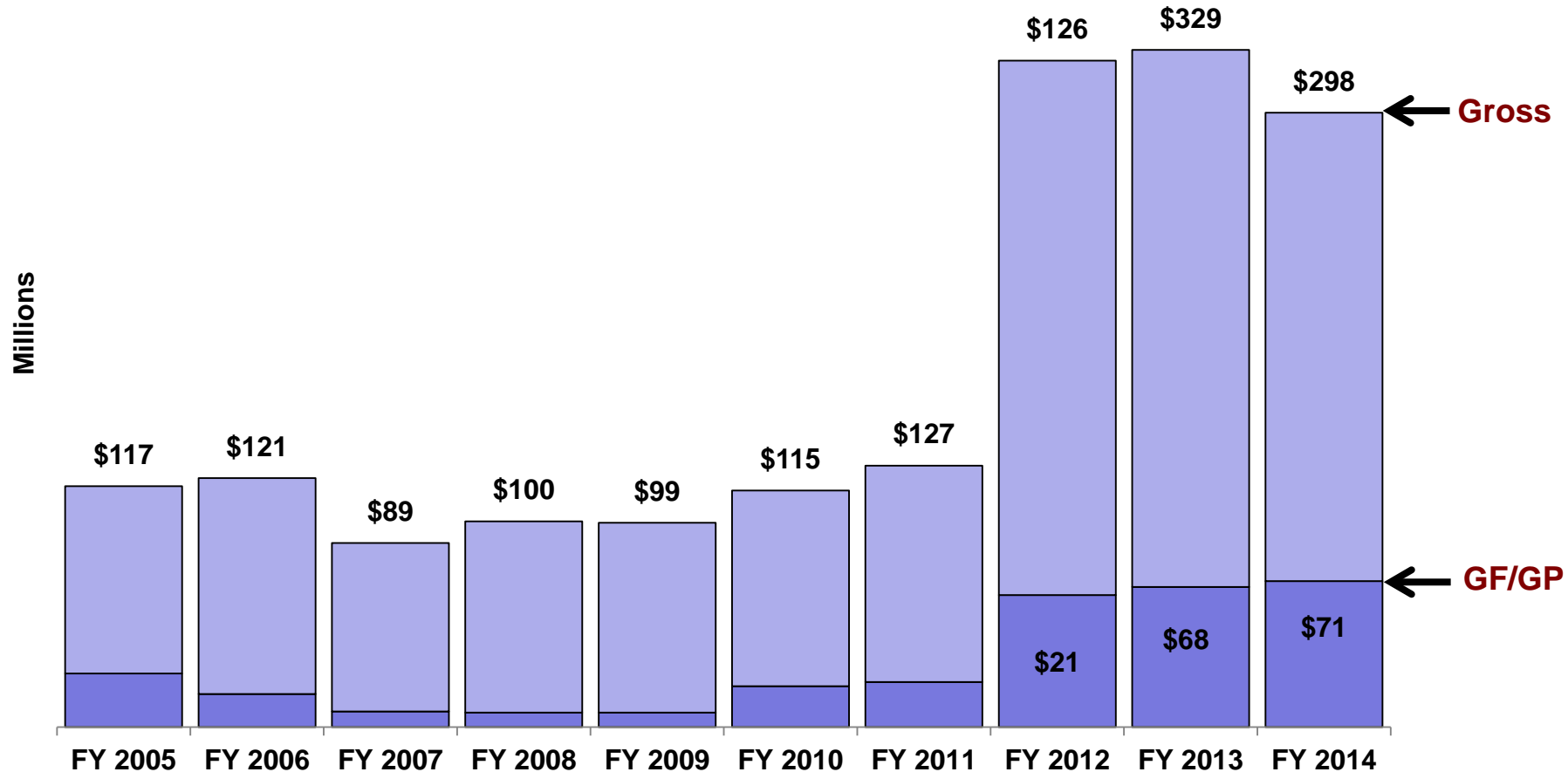
State Board of Education

- **“Leadership and general supervision over all public education, including adult education and instructional programs in state institutions...is vested in a state board of education. It shall serve as the general planning and coordinating body for all public education, including higher education, and shall advise the Legislature as to the financial requirements in connection therewith.”**
- **“The state board of education shall appoint a superintendent of public instruction whose term of office shall be determined by the board. He shall be chairman of the board without the right to vote, and shall be responsible for the execution of its policies. He shall be the principal executive officer of a state department of education which shall have powers and duties as provided by law.”**

**-- The Michigan Constitution
Article VIII, Section 8**

Education: Gross Appropriations

The Department of Education appropriations have undergone significant change due to program transfers both in and out of the department. These transfers include, most recently, the state's child development and care program (FY 2011-12), and the Library of Michigan (FY 2009-10).

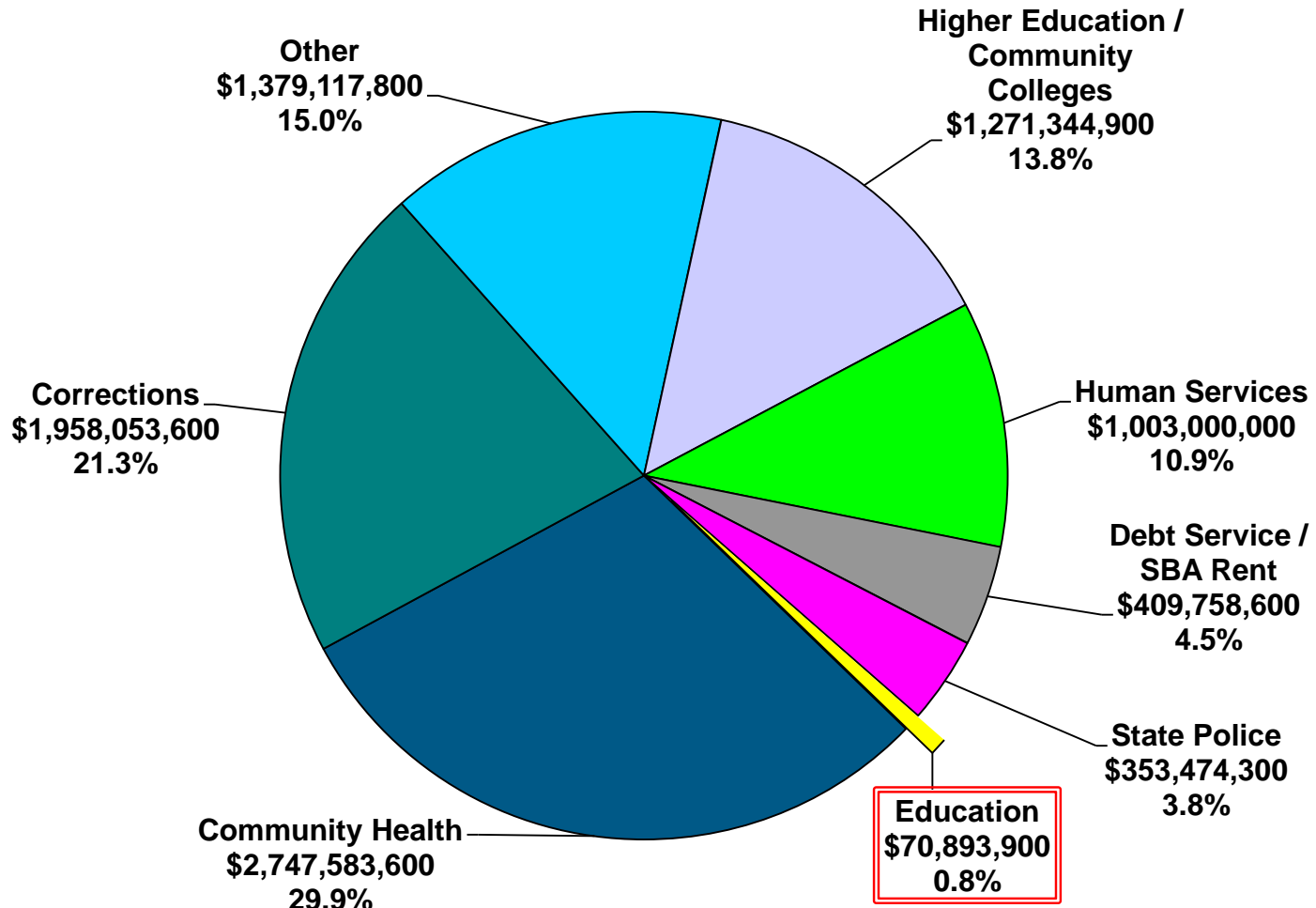


Note: FY 2009 figures do not include \$925 million in one-time federal American Recovery and Reinvestment Act (ARRA) grants that were distributed to school districts through the Department of Education budget.

Education Share of State GF/GP

The Department of Education makes up 0.8% of the total state GF/GP budget

FY 2013-14 GF/GP Total = \$9,193,226,700

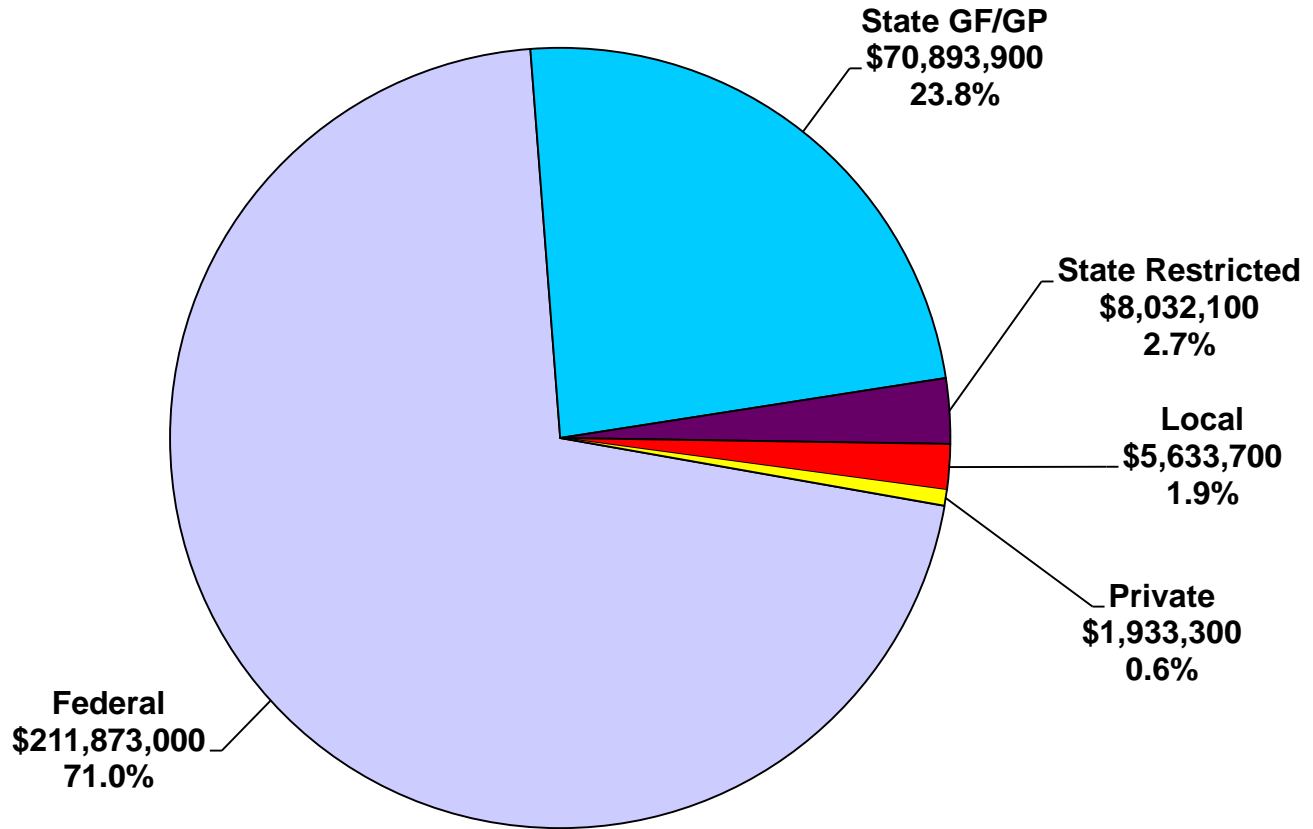


SOURCES OF FUNDING

Department of Education Funding Sources

Federal funds are the largest revenue source in the Department of Education budget.

FY 2013-14 Education Budget = \$298,366,000



DEPARTMENT APPROPRIATIONS

Department of Education Appropriations

The Department of Education provides:

- Technical assistance to schools
- Curriculum and grade level content standards
- School accreditation standards
- Administration of state aid to school districts
- Education assessments development and administration
- Compliance with federal “No Child Left Behind” Act
- Teacher certification and professional development
- Grants to schools and local educational organizations
- Clearinghouse for school safety issues
- Library of Michigan services to state government and the public
- Administration of state aid to public libraries
- Child day care subsidies

Total School Aid and Education Grant Appropriations: \$13,511.9 million

- **MDE Administration Appropriations: \$153.1 million (1.1% of total)**

Department of Education Appropriations

- **State Board of Education/Office of the Superintendent**
 - Administrative staff in support of the State Board and Superintendent including a Deputy Superintendent for Administration, governmental affairs staff and other support staff
 - Per Diem payments, as authorized by 1964 PA 187, set in boilerplate

- **Special Education Services**
 - Administers education and early intervention programs and services for young children and students with disabilities
 - Identification, evaluation, and provision of programs to meet individual educational needs

- **Michigan Schools for the Deaf and Blind**
 - Located in Flint, delivers educational and residential services to students who are hearing or visually impaired
 - Provides technical assistance and resources to local districts funded partially through cost-sharing

- **Professional Preparation Services**
 - Assures that professional school personnel complete quality training and professional development programs
 - Teacher certification, oversight of teacher preparation institutions

Department of Education Appropriations

- **Great Start**
 - Consolidates early child education programs (MDE) and child care and development programs (formerly DHS)
 - Includes child care assistance payments

- **State Aid and School Finance**
 - Administers School Aid funding to districts
 - Counsels districts on school finance and tax policy issues, financial accounting, and pupil accounting
 - Oversees school district deficit elimination plans

- **Audit Services**
 - Auditing and technical assistance to districts on financial and pupil accounting
 - Conducts desk reviews and quality control reviews of audit reports

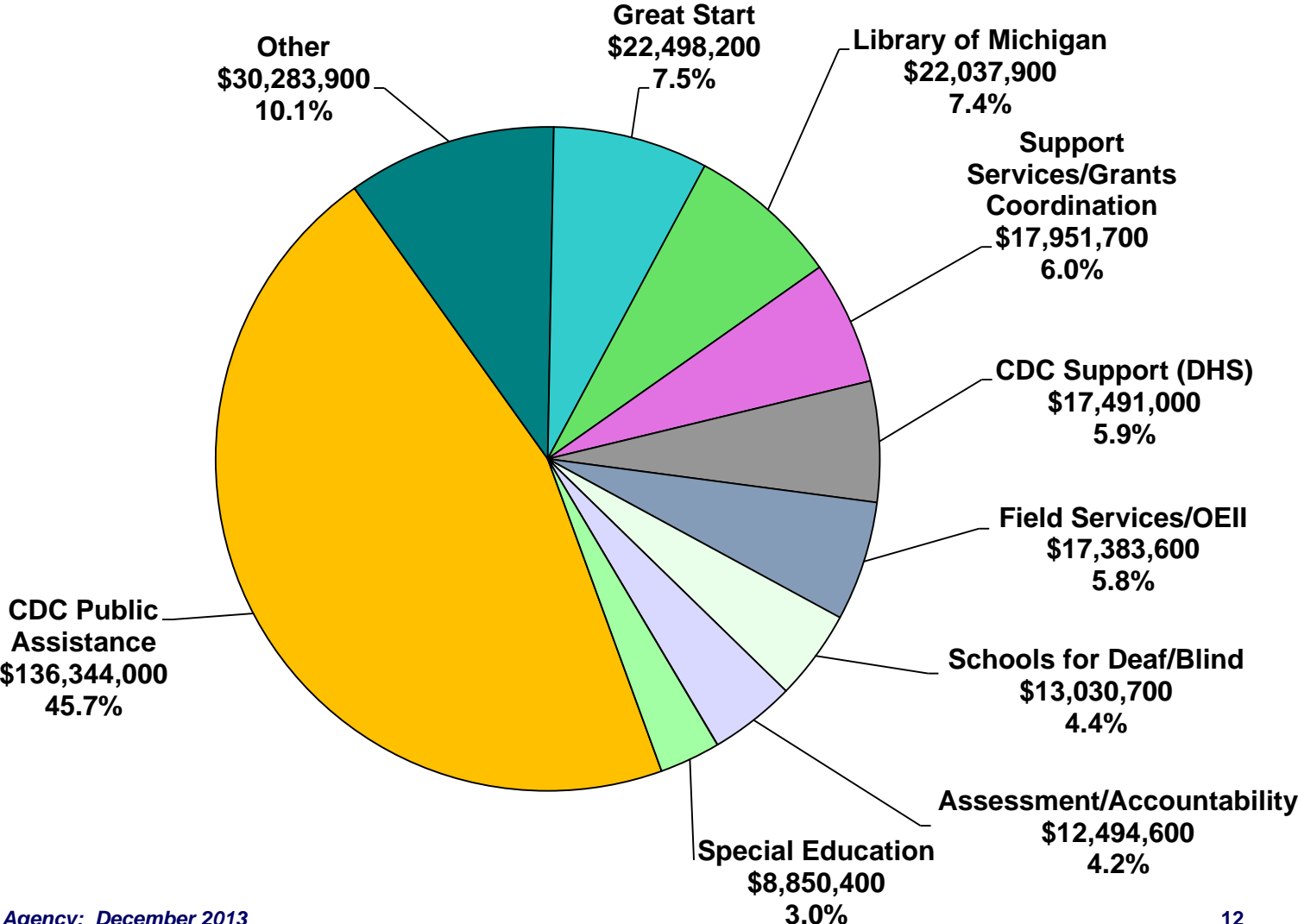
- **Administrative Law Services**
 - Hearings concerning teacher tenure, property transfer, teacher certification, pupil membership audits
 - Selection and training of special education hearing officers

Department of Education Appropriations

- **Educational Assessment and Accountability**
 - Develops, administers, analyzes and reports on MEAP, Merit Examination, and other assessments
 - School district accountability and accreditation
- **School Support Services**
 - Administers federal and state grants including Food and Nutrition programs, school health and safety, and transportation
- **Field Services**
 - Oversight of federal Elementary and Secondary Act (ESEA) Title I (Disadvantaged Children) and Title II (Teacher Quality) grant funds and state At-Risk categorical grants
 - Develops district needs assessments and school improvement plans
- **Educational Improvement and Innovation Services**
 - Responsible for curriculum development, online learning requirements and standards, and school improvement services
 - Public School Academies unit
- **Career and Technical Education Services**
 - Manages secondary career and technical education programs, including oversight of courses and program providers

Department of Education Appropriations

FY 2013-14 Education Budget = \$298,366,000



MAJOR BUDGET TOPICS

FY 2013-14 Budget Highlights

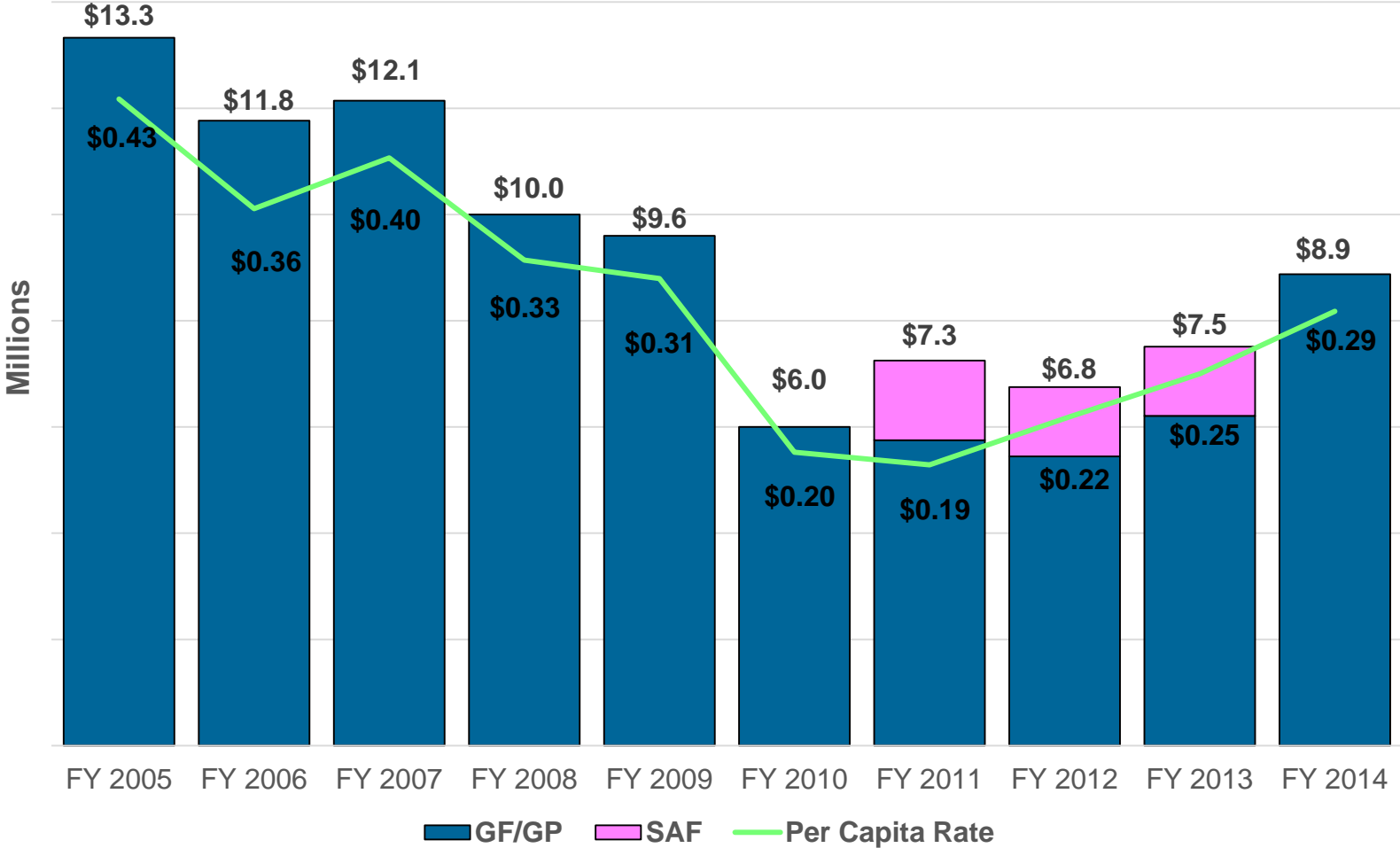
- Reduces federal funds for childcare subsidies by \$20.5 million to recognize reduced caseloads.
- Reduces federal funds transferred to DHS by \$12.3 million for use in CDC-related activities performed by DHS.
- Transfers \$1.3 million from School Aid budget and adds an additional \$1.4 million GF/GP for state aid to libraries.
- Transfers \$1.5 million from School Aid budget for renaissance zone reimbursements to libraries
- Transfers \$2.0 million GF/GP for the Michigan College Access Network (MCAN) to the Higher Education budget.
- Adds 3.0 FTE support staff
 - Includes 1.0 FTE for new charter schools, 1.0 FTE accounting support tied to the transfer of the CDC program from DHS, and 1.0 FTE to review school improvement plans for priority schools.

Library of Michigan/State Aid to Libraries

- **Transferred from the Department of History, Arts, and Libraries in FY 2009-10**
- **Supports the operation of the Library of Michigan (\$4.3 million GF/GP)**
- **Supports State Aid to Libraries (\$8.9 million GF/GP), based on:**
 - \$0.50 per capita to public libraries meeting minimum standards
 - \$0.50 per capita to public libraries for cooperative services
 - \$0.50 per capita to cooperative libraries
 - \$10/mi² to cooperative libraries with low population density
 - Reimbursement of up to \$4,800 for the director's salary for county libraries serving populations of less than \$50,000.
- **Minimum Standards for Public Libraries**
 - “Lawfully established” as a public library
 - Maintain local support equal to 3/10 mill
 - Personnel certification requirements set by Library of Michigan
- **State Aid payments are subject to proration based on available appropriations.**

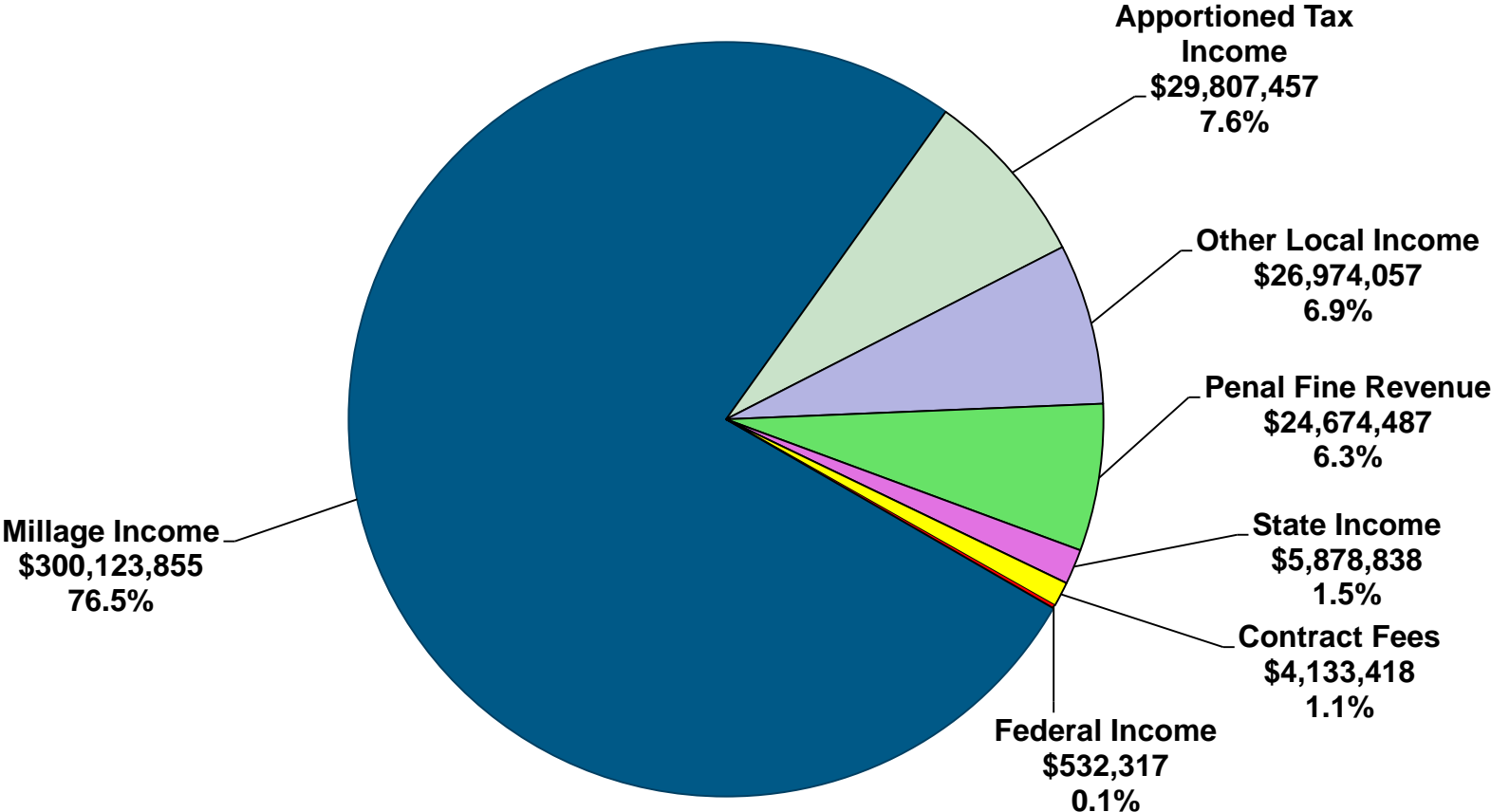
State Aid to Libraries

(Spending in Millions)

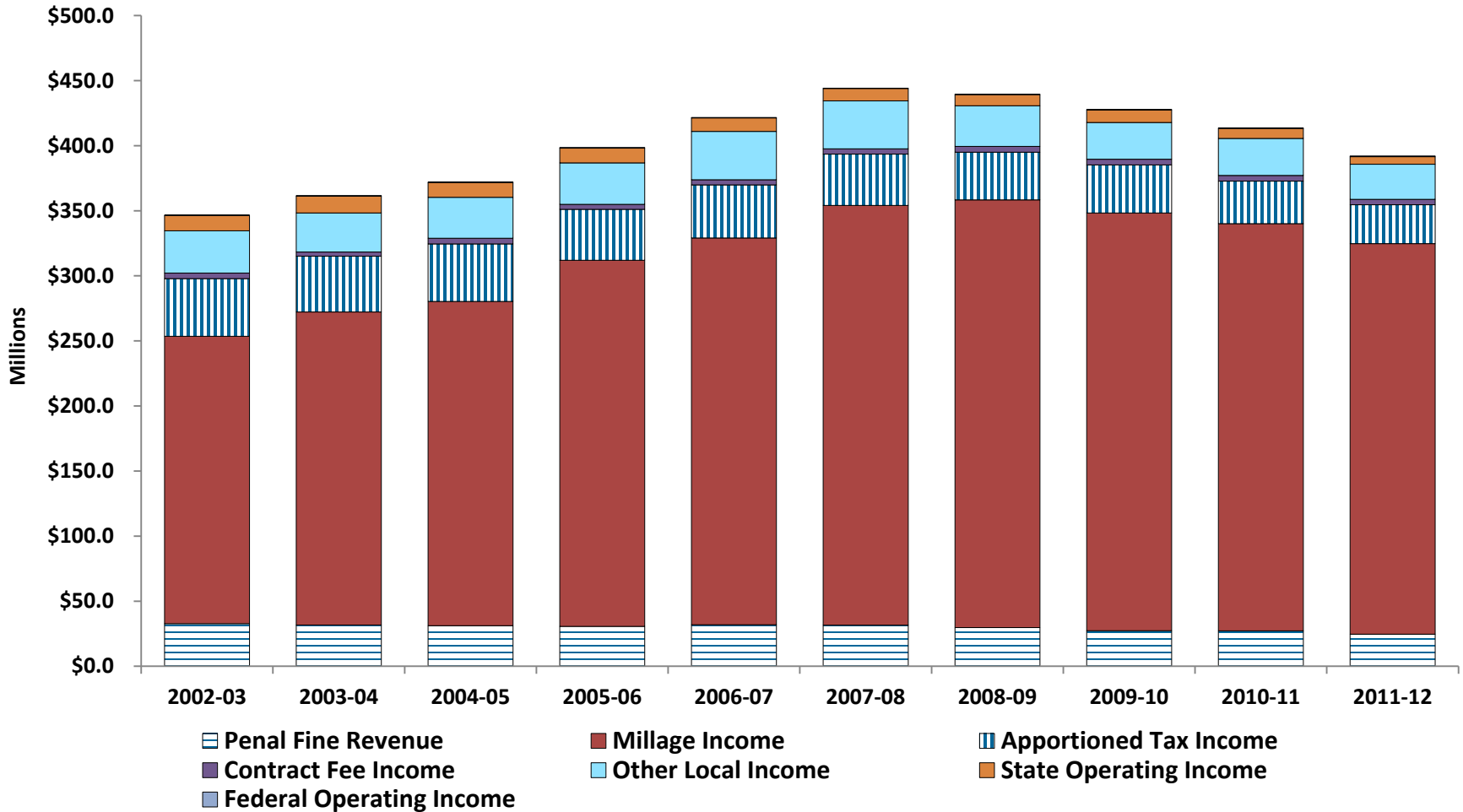


Public Libraries Operating Income

FY 2012 Total Operating Income = \$392,124,429

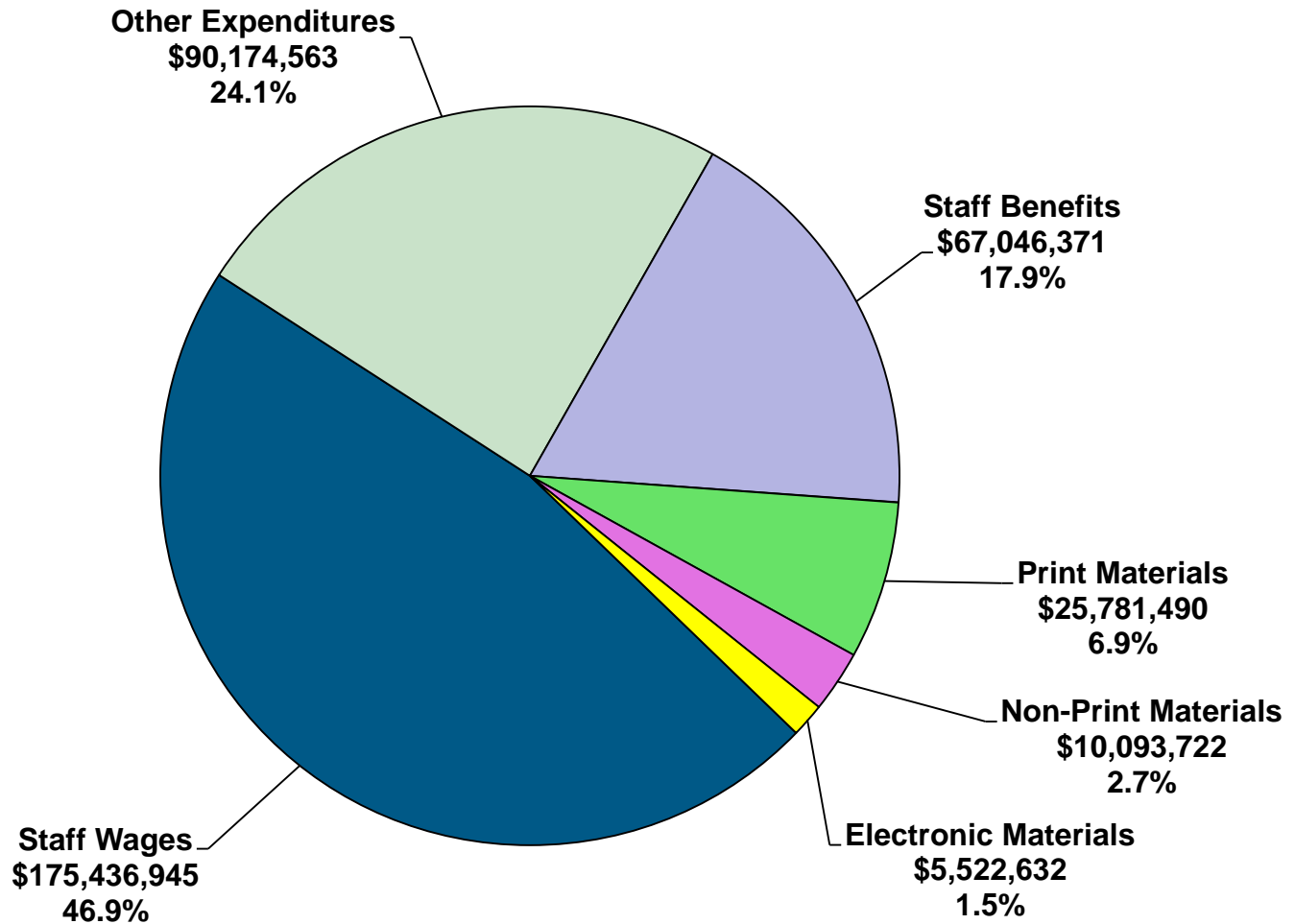


Public Libraries Operating Income FY 2003 – FY 2012



Public Libraries Operating Expenditures

FY 2011-12 Total Operating Expenditures = \$374,055,723

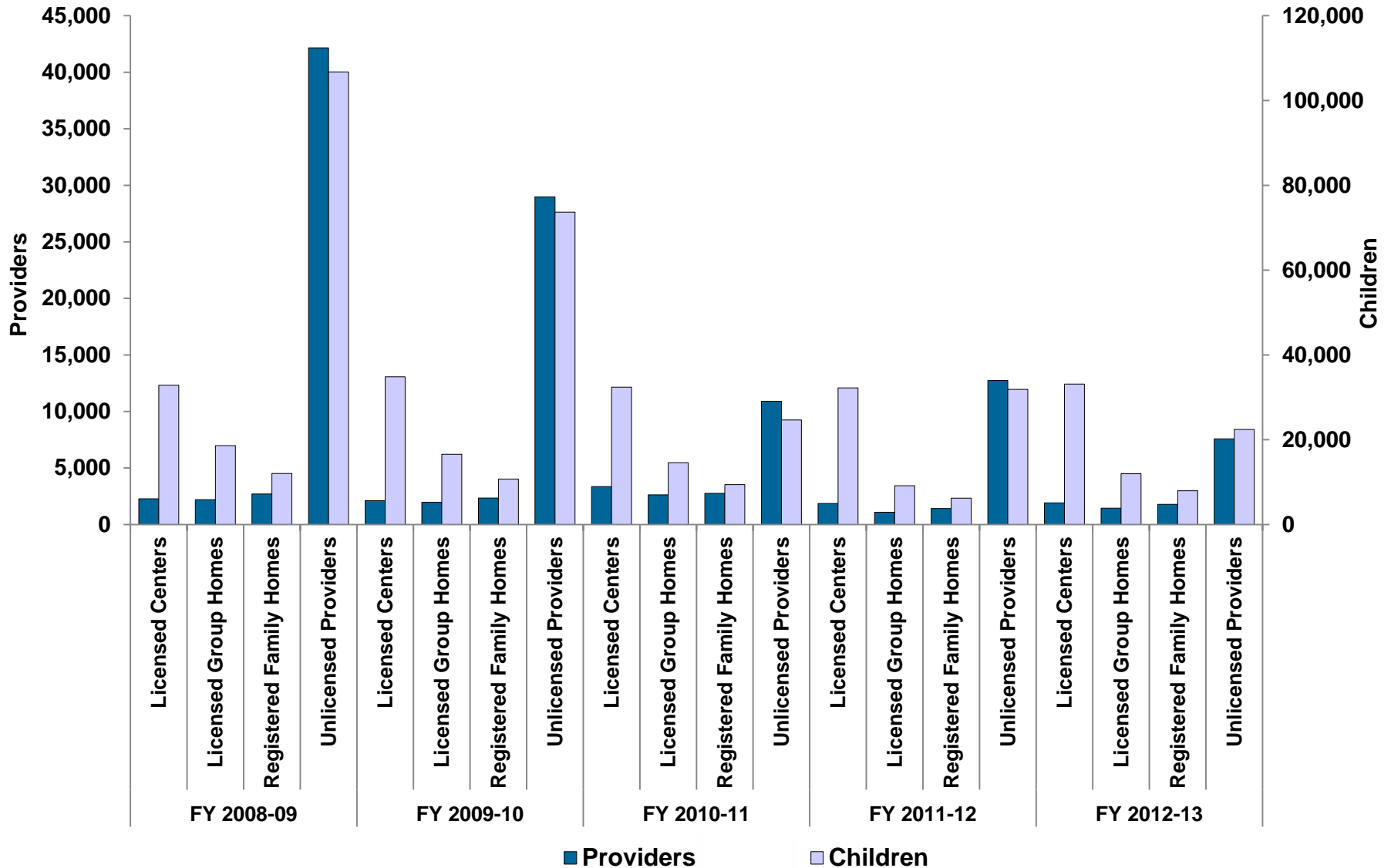


Child Development and Care (CDC) Services

- **Financial assistance for child day care to qualifying families when caretaker is unavailable due to employment, education, treatment of health/social condition, or other approved activity**
- **Eligibility:**
 - Family groups receiving Family Independence Program (FIP) assistance, foster care families, and families with protective service cases are categorically eligible
 - Others must meet income eligibility requirements (monthly income below \$1,990 for typical family of three, \$23,880 annually—around 40% of median income)
- **Federal law allows:**
 - Use of Temporary Assistance for Needy Families (TANF) revenue for child care, and provides Child Care and Development Block Grant funds (MI no longer uses TANF for child care)
 - States to serve families with incomes up to 85% of state median income for same-sized groups (must provide parents with “maximum choice” in selecting provider, including licensed centers and unlicensed - relative or in-home - providers)
- **Michigan can establish its own eligibility guidelines/payment structure**

Child Development and Care (CDC) Services

Providers and Children Served, by Provider Type



Child Development and Care (CDC) Services

■ Child Care Development Fund (CCDF)

— Mandatory Funds

- Social Security Act, Section 418
- Based on amount received for child care prior to 1996 welfare law
- No match or maintenance of effort (MOE) required
- \$32.1 million for FY 2012-13

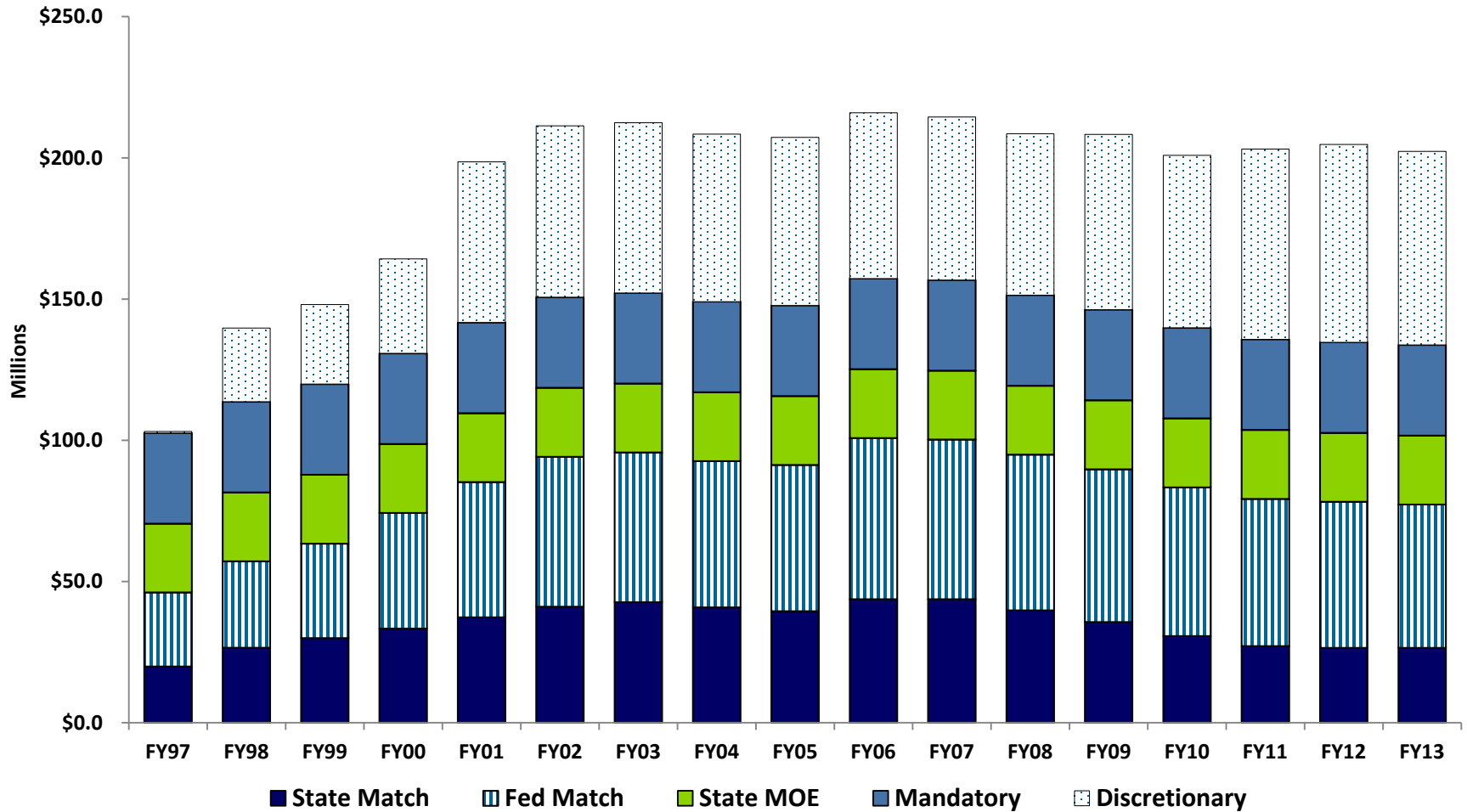
— Matching Funds

- MOE required (\$24.4 million for MI)
- Matched at current Medicaid match (FMAP) rates (66.32% in FY14)
- School Aid At-Risk (Sec. 31a) and GSRP (Sec. 32d) used as match

— Discretionary Funds

- Federal Child Care Development Block Grant (CCDBG)
- No match or MOE required
- Based on federal appropriation
- Allocated based on children under age 5, children receiving free or reduced-price lunch, and state per-capita income

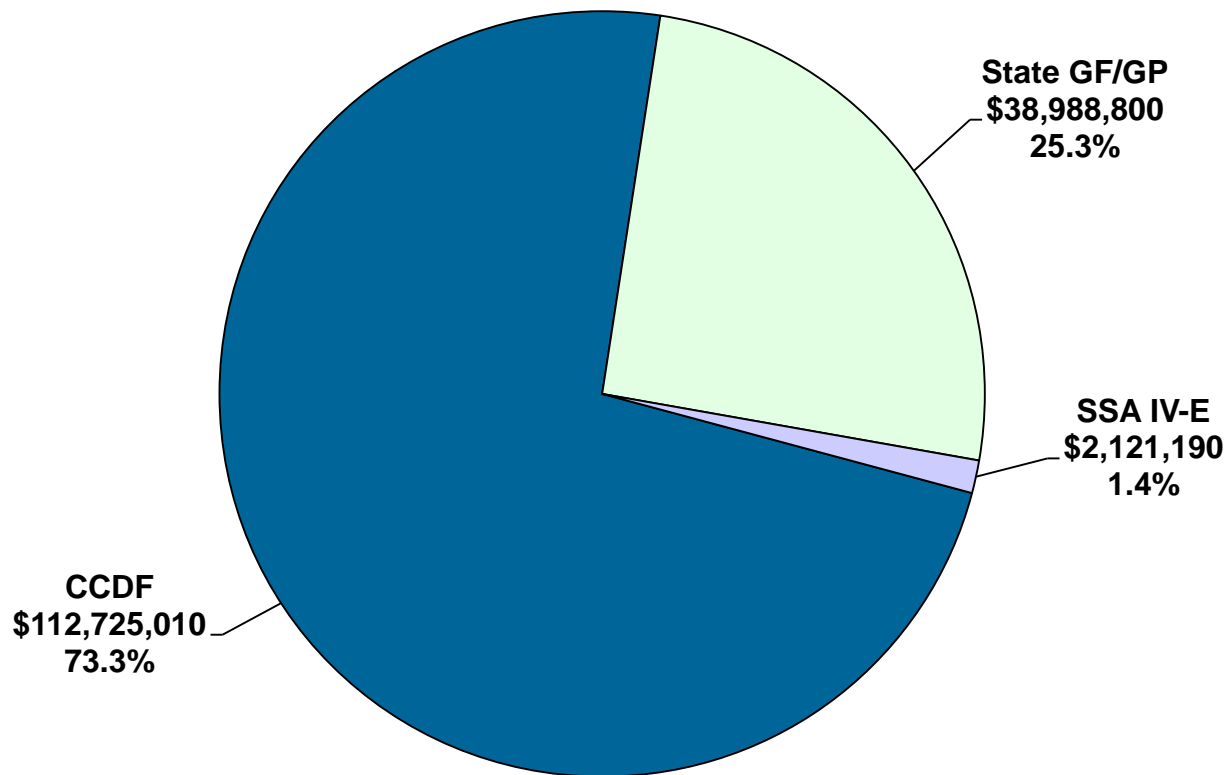
Child Care Development Fund (CCDF) FY 1997- FY 2013



Source: Dept. of Health and Human Services

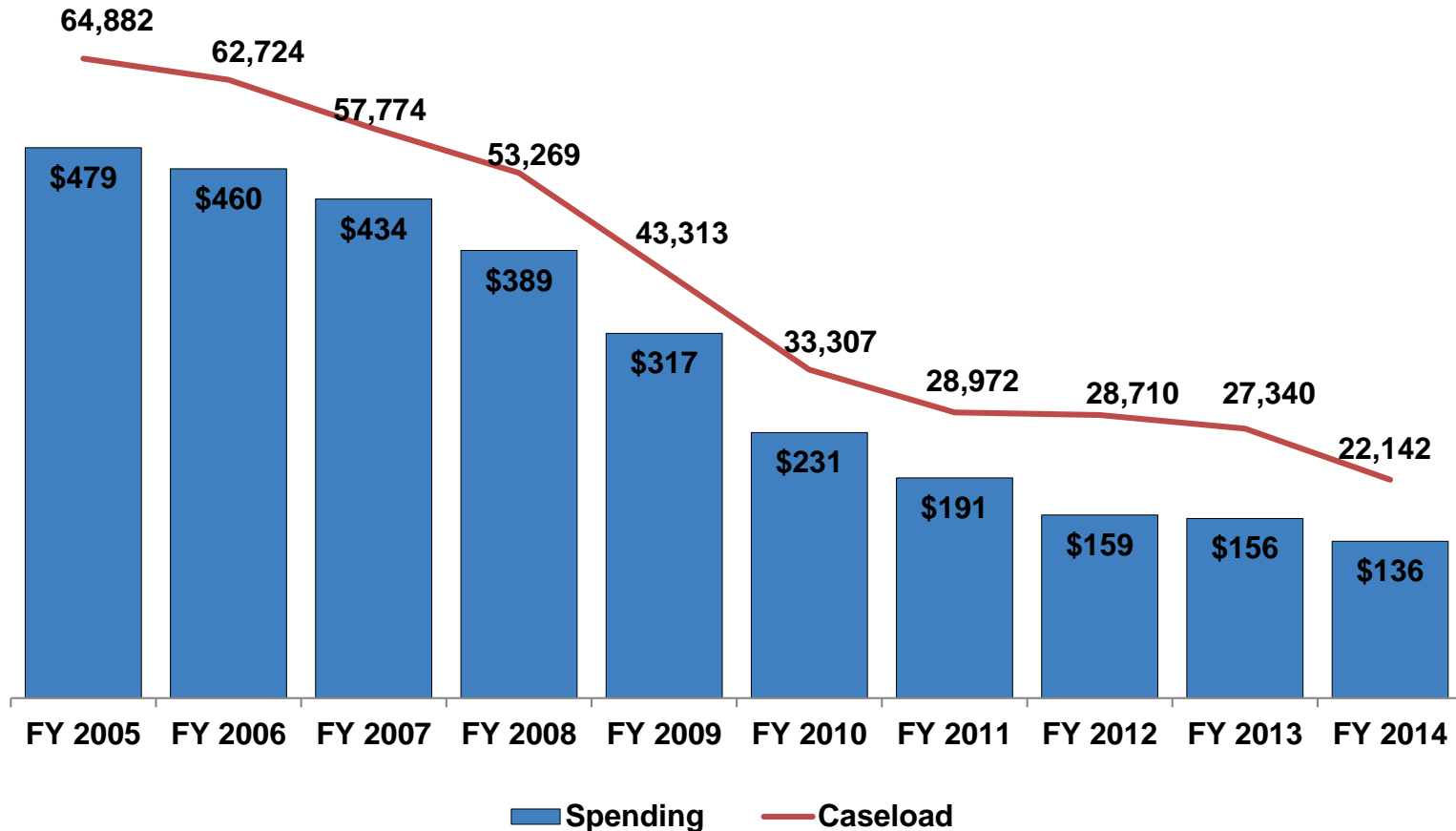
CDC Public Assistance Funding Sources

FY 2013-14 Total = \$153,835,000



CDC Caseload and Spending Trends

(Spending in millions)



- Average monthly benefit is about \$460 (FY 12); average of 1.8 children per CDC case
- Maximum hourly rate of support varies depending on child's age and provider type
- FY 14 budget reduces funding due to continued declines in caseloads

**For more information about the
Department of Education budget,
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