

FY 2021-22: DEPARTMENT OF EDUCATION
Summary: As Reported by House Appropriations Committee
House Bill 4408 (H-1)



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IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
	\$0	\$0	\$0			\$0	--
Federal	343,701,700	344,304,100	91,715,700			(251,986,000)	(73.3)
Local	5,872,100	5,870,300	5,870,300			(1,800)	0.0
Private	2,239,300	2,238,500	1,197,800			(1,041,500)	(46.5)
Restricted	9,815,500	9,785,400	3,327,700			(6,487,800)	(66.1)
GF/GP	90,067,100	168,893,100	33,271,500			(56,795,600)	(63.1)
Gross	\$451,695,700	\$531,091,400	\$135,383,000			(\$316,312,700)	(70.0)
FTEs	620.5	621.0	615.5			(5.0)	(0.8)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
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Generally, the House Subcommittee Recommendation appropriates the equivalent of one quarter of the anticipated annual appropriation, except in areas such as payments to locals and the Michigan Schools for the Deaf and Blind unit, which incorporate the full annual appropriation. For major budget changes listed below the quartered appropriations are annualized for comparison purposes.

1. Unclassified Reduction

Executive does not include.

House reduces \$796,700 Gross (\$613,900 GF/GP) and 5.0 FTEs to Unclassified Salaries. The remaining funding includes \$225,900 GF/GP and 1.0 FTE position for the state superintendents' position. This change also includes a net zero fund source shift of \$72,400 between the Unclassified Salaries and State Board/Superintendent line items.

FTE	6.0	(5.0)
Gross	NA	(\$796,700)
Federal	NA	(90,500)
Restricted	NA	(92,300)
GF/GP	NA	(\$613,900)

2. One-Time Appropriation – Child Care Investment Plan

Executive Provides \$78.0 million GF/GP in one-time funding to continue implementing the child care investment plan from the FY 2020-21 Supplemental Recommendation noted below.

House does not include.

Gross	NA	\$0
GF/GP	NA	\$0

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
3. Teacher Recruitment Program			
<u>Executive</u> provides \$2.9 million GF/GP and authorizes 0.5 FTE positions in the Educator Excellence Operations line item and provides MDE three allocations to address teacher recruitment as follows:	FTE	48.0	0
	Gross	\$10,989,700	\$0
	Federal	4,668,000	0
	Restricted	4,295,100	0
	GF/GP	\$2,026,600	\$0
<ul style="list-style-type: none"> Allocates \$1.8 million and 0.5 FTE positions to comply with boilerplate Sec. 233 that requires MDE to implement a training program for students in grades 9 to 12 who are interested in teaching and are members of groups underrepresented in the teaching profession. Eligible program expenses include, but are not limited to, tuition, stipends, scholarships, books, and transportation. Allocates \$800,000 for existing teachers to participate in a competitive grant program that would award up to \$8,000 per teacher to facilitate movement into high demand and critical shortage fields. Educator preparation institutions that participate would create a custom program for teachers to complete in one year. Allocates \$320,000 to cover the cost of up to 2,000 teaching license renewals for former teachers, and requires MDE to reduce the hours of professional learning required for returning teachers. 			
<u>House</u> does not include.			
4. Michigan's Poet Laureate			
<u>Executive</u> provides \$100,000 GF/GP to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts.	FTE	31.0	0.0
	Gross	\$4,956,400	\$0
	Restricted	300,000	0
	GF/GP	\$4,656,400	\$0
<u>House</u> does not include.			
5. Office of Great Start Line Item Roll Up: Child Development and Care Contracted Services and T.E.A.C.H. Early Childhood Michigan Scholarship program			
<u>Executive</u> transfers \$17.4 million of federal funding from two line items, Child Development and Care Contracted Services (\$12.4 million) and T.E.A.C.H. Early Childhood Michigan Scholarship program (\$5.0 million), to the Office of Great Start Operations. Both of these programs were included as individual line items in the FY 2019-20 budget to separate their functions and appropriations from the Office of Great Start Operations.	FTE	65.0	0.0
	Gross	\$13,564,300	\$0
	Federal	11,394,400	0
	Private	250,000	0
	Restricted	64,600	0
	GF/GP	\$1,855,300	\$0
<u>House</u> maintains current law.			
6. Child Development and Care (CDC) – State Matching Fund Decrease			
<u>Executive</u> replaces \$1.0 million GF/GP with a corresponding amount of federal funds for the CDC program's matching funds in order to align GF/GP with the estimated amount needed to draw down the full federal Child Care Development Fund (CCDF) award. This represents an estimate because the final federal allocation for Michigan has not been appropriated at the federal level.	Gross	\$241,622,000	\$0
	Federal	202,190,700	1,019,600
	GF/GP	\$39,431,300	(\$1,019,600)
<u>House</u> concurs with Executive.			
7. Economic Adjustments			
<u>Executive</u> reflects decreased costs of \$599,300 Gross (\$149,400 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Gross	NA	(\$601,100)
	Federal	NA	(419,000)
	Local	NA	(1,800)
	Private	NA	(800)
	Restricted	NA	(30,100)
	GF/GP	NA	(\$149,400)
<u>House</u> decreases by an additional \$1,800 federal for a total reduction of \$601,100 Gross. The reduction aligns the interdepartmental grant (IDG) that the Department of Licensing and Regulatory Affairs and Department of Health and Human Services receive through the MDE External Support line item.			

Major Boilerplate Changes from FY 2020-21

Executive DELETED but House RETAINED the following boilerplate sections:

- FTE Vacancies and Remote Work Report (Sec. 216)
- State Administrative Board Transfer (Sec. 218)
- Report on Policy Changes Made to Implement Public Acts Affecting Department (Sec. 221)
- Communication with the Legislature (Sec. 222)
- Records Retention (Sec. 223)
- Expending Available Work Project Authorization (Sec. 224)
- Federal Accountability Plans (Sec. 229)
- Nonpublic School Mandates (Sec. 230)
- Due Process Hearings (Sec. 409)
- Felony Conviction Files (Sec. 501)
- Early Childhood Investment Corporation Annual Report (Sec. 1003)
- CDC T.E.A.C.H. Early Childhood Michigan Scholarship Program (Sec. 1004)
- CDC Funding Changes (Sec. 1010)

Sec. 210. Contingency Funds – DELETED

Appropriates \$5.0 million federal, \$400,000 state restricted, \$250,000 local, and \$1.5 million private in contingency funds, which must be transferred appropriately by the legislature prior to expenditure.

Executive revises the amount of contingency funds, which must be transferred by the legislature prior to expenditure as follows: revises federal from \$5.0 million to \$10.0 million; revises state restricted from \$400,000 to \$700,000; maintains local at \$250,000; and revises private from \$1.5 million to \$3.0 million. House deletes this section.

Sec. 213 Department Scorecard – REVISED

Requires MDE to maintain on a publicly accessible website a department scorecard that identifies, tracks, and updates key metrics used to monitor and improve department performance.

Executive maintains current law. House revises this section to reference the MDE effectiveness survey required under Sec. 235.

Sec. 219 Kindergarten Entry Assessment Participation – DELETED

Requires MDE to ensure that the kindergarten entry assessment include a method for information to be provided regarding a child's participation in the Great Start Readiness Program.

Executive and House delete this section.

Sec. 225 Severance Pay Reporting – NEW

House requires MDE to report on any amounts of severance pay for high-ranking department officials within 14 days of the severance agreement signing, maintain a website that posts severance pay in excess of 6 weeks wages, and reports the total amount of severance pay for FY-2020-21.

Sec. 227 Vaccine Passport – NEW

House requires that MDE not require proof of COVID-19 vaccination as a condition of accessing state services or facilities, produce a vaccine passport, or provide this information to an outside entity for the purpose of creating a vaccine passport.

Sec. 231 Child Protection Law Reporting – DELETED

Requires MDE to report to districts, ISDs, and PSAs task force recommendations for reducing child sexual abuse as required by section 12b of the Child Protection Law, MCL 722.632b.

Executive and House delete this section.

Sec. 233. Teacher Recruitment Program – DELETED

Requires MDE to implement a training program for pupils in grades 9 to 12 who are interested in teaching and are members of groups underrepresented in the teaching profession.

Executive revises the requirements MDE must do to implement a training program for students in grades 9 to 12 who are interested in teaching and are members of groups of underrepresented in the teaching profession as follows: revises from creating a process for nomination and admission of students to the program to recruiting districts to make the program available for their students and implementing a competitive grant to support program costs; maintains the requirement to advertise the program; revises to add that MDE would "provide districts with resources" to invite teacher preparation programs in Michigan to participate in the training program; revises to add that the required conferences for students in the program take place in at least three geographically convenient locations from providing no minimum number of locations; revises the recipients of available research and resources from students and postsecondary institutions to districts offering the training program. House deletes this section.

Major Boilerplate Changes from FY 2020-21

Sec. 234 College Acceleration Program Report – DELETED

Requires MDE to complete a study by May 1, 2021 regarding issues of school enrollment, performance, and outcomes related to college acceleration programs.

Executive and House delete this section.

Sec. 235 Effectiveness Survey – NEW

House requires MDE to administer, and report on the results of, an effectiveness survey administered to educators and related stakeholders who interact with the department. Results must be updated on the MDE scorecard, as required under Section 213, on a monthly basis.

Sec. 1009. CDC Increase to Eligibility Entrance Threshold – REVISED

Requires MDE to set the entrance income threshold for the CDC program at 130% of the federal poverty guidelines from October 1, 2020 to December 31, 2020, and then revise the entrance income threshold to 150% of the federal poverty guidelines from January 1, 2021 to September 30, 2021.

Executive revises to increase the entrance income threshold for the CDC program from 150% of the federal poverty guidelines to 200%. (As noted above in Major Budget Changes this change would be funded through a combination of FY 2020-21 federal authorization appropriations and FY 2021-22 one-time GF/GP appropriations. The child care investment plan would increase the entrance income threshold from 150% to 200% of the federal poverty guidelines from April 1, 2021 to September 30, 2022, and then permanently set the threshold at 160% of the federal poverty guidelines in FY 2022-23.) House revises to increase the entrance income threshold for the CDC program from 150% of the federal poverty guidelines to 180%.

Sec. 1101 Educare – DELETED

Requires MDE to award funds from part 1 to an early childhood collaborative that serves students in Genesee County to continue the expansion of early childhood services because of a drinking water declaration of emergency.

Executive and House delete this section.