

DEPARTMENT OF EDUCATION
Summary of FY 2015-16 Enacted Appropriations
Article VI, 2015 Public Act 84 (Senate Bill 133)

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	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	201,279,200	218,583,400	212,921,900	218,583,400	215,640,900	14,361,700	7.1
Local	5,633,700	5,633,700	5,633,700	5,633,700	5,633,700	0	0.0
Private	1,933,300	2,033,300	2,033,300	2,033,300	2,033,300	100,000	5.2
Restricted	7,972,600	7,669,600	7,669,600	7,669,600	7,669,600	(303,000)	(3.8)
GF/GP	73,679,900	79,292,200	75,291,300	75,680,400	74,898,700	1,218,800	1.7
Gross	\$290,498,700	\$313,212,200	\$303,549,800	\$309,600,400	\$305,876,200	\$15,377,500	5.3
FTEs	606.5	606.5	605.5	606.5	594.5	(12.0)	(2.0)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Child Development and Care (CDC) – Increase Exit Threshold	Gross	\$119,697,700	\$763,700
Increases funding by \$763,700 federal Child Care Developmental Fund (CCDF) to raise the exit threshold for determining CDC eligibility from 121% to 250% of the federal poverty level to reflect full-year funding, in addition to the FY 2014-15 partial-year increase of \$764,000 federal CCDF in HB 4112, for a total increase of \$1.5 million federal CCDF compared to the original FY 2014-15 budget.	Federal	83,108,900	763,700
	GF/GP	\$36,588,800	\$0
2. Child Development and Care (CDC) – 12-Month Continuous Eligibility Model	Gross	\$119,697,700	\$7,973,300
Increases funding by \$8.0 million federal CCDF to allow 12-month continuous child eligibility regardless of income after enrollment for CDC public assistance to reflect full-year funding, in addition to a FY 2014-15 partial-year increase of \$8.0 million federal CCDF in HB 4112, for a total increase of \$16.0 million federal CCDF compared to the original FY 2014-15 budget.	Federal	83,108,900	7,973,300
	GF/GP	\$36,588,800	\$0
3. Child Development and Care (CDC) – Increasing Provider Rates for Tiered Reimbursement	Gross	\$119,697,700	\$3,068,600
Increases funding by \$3.1 million federal CCDF to increase provider reimbursement rates for the high-quality licensed and registered programs as defined by the Great Start to Quality provider rating system to reflect full-year funding, in addition to a FY 2014-15 partial-year increase of \$3.1 million federal CCDF in HB 4112, for a total increase of \$6.1 million federal CCDF compared to the original FY 2014-15 budget.	Federal	83,108,900	3,068,600
	GF/GP	\$36,588,800	\$0

EDUCATION (DEPARTMENT)

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
4. Child Development and Care (CDC) – FY 2015-16 Caseload Consensus	Gross	\$119,697,700	(\$7,303,300)
Reduces gross appropriation by \$7.3 million (\$6.4 million federal CCDF and \$860,800 GF/GP) to align with consensus caseload estimates and consensus cost per case estimates. Also, includes FY 2014-5 supplemental to reduce the Child Development and Care subsidy by \$2.7 million GF/GP based on consensus caseload estimates.	Federal	83,108,900	(6,442,500)
	GF/GP	\$36,588,800	(\$860,800)
5. Child Development and Care (CDC) – Additional Child Care Licensing Consultants	Gross	\$17,766,500	\$5,630,000
Increases the interdepartmental grant to Licensing and Regulatory Affairs (LARA) by \$5.6 million in federal CCDF to increase the number of Child Care Licensing (CCL) consultants by 39.0 FTEs.	Federal	17,766,500	5,630,000
	GF/GP	\$0	\$0
6. Child Development and Care (CDC) – IDG to LARA	Gross	\$17,766,500	\$3,500,000
Adds an IDG of \$3.5 million in federal CCDF to LARA to offset an equivalent amount of GF/GP for Child Care Licensors that was originally in the DHS budget.	Federal	17,766,500	3,500,000
	GF/GP	\$0	\$0
7. Educator Evaluations	Gross	NA	\$2,500,000
Provides \$2.5 million GF/GP for educator evaluations. Funding would be used for staffing, compliance monitoring, and information technology systems modifications.	GF/GP	NA	\$2,500,000
8. State Aid to Libraries Increase	Gross	\$8,876,000	\$1,000,000
Increases state aid to libraries by \$1.0 million GF/GP for a total of \$9.9 million.	GF/GP	\$8,876,000	\$1,000,000
9. Renaissance Zone Reimbursements to Libraries	Gross	\$4,700,000	\$600,000
Increases reimbursements to libraries for local revenue lost due to renaissance zones by \$600,000 GF/GP to reflect the amount necessary to fully fund the payments at \$5.3 million. In FY 2014-15 the renaissance zone reimbursements were prorated.	GF/GP	\$4,700,000	\$600,000
10. Financial Independence Team: State Aid and School Finance Services	FTE	2.0	0.0
Restores the original FY 2014-15 authorization of \$500,000, which necessitates a \$350,000 restoration of funds reduced in the FY 2014-15 negative supplemental in HB 4112. The financial independence team, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	Gross	\$150,000	\$350,000
	GF/GP	\$150,000	\$350,000
11. Financial Independence Team: Educational Improvement and Innovation Services	Gross	\$9,343,400	\$39,000
Restores the original FY 2014-15 authorization of \$278,100, which necessitates a \$39,100 restoration of funds reduced in the FY 2014-15 negative supplemental in HB 4112. The financial independence team, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	Federal	6,514,500	0
	Restricted	558,100	0
	GF/GP	\$2,270,800	\$39,000
12. Shift of School Reform Office (SRO) to DTMB	FTE	12.0	(12.0)
Reflects Executive Order 2015-9 to shift SRO from MDE to DTMB.	Gross	\$2,420,900	(\$2,420,900)
	GF/GP	\$2,420,900	(\$2,420,900)
13. Economic Adjustments	Gross	NA	(\$148,300)
Reflects net cost reduction of \$148,300 Gross (\$3,100 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	Federal	NA	(131,400)
	Restricted	NA	(13,800)
	GF/GP	NA	(\$3,100)

Major Boilerplate Changes From FY 2014-15

Sec. 203. Definitions – REVISED

Adds a new definition for "Fund-raising activity": "Fund-raising activity" means ongoing fund-raising activity that is scheduled to take place at more than 1 time during a school day, throughout the school day, or for more than 1 school day.

Sec. 211. Adequate Yearly Progress (AYP) – REVISED

Requires MDE to allow districts to appeal a determination of failure to meet AYP prior to MDE reporting those results, but revises to remove the requirement that MDE must act upon the appeal within 30 days after it is submitted. Changes MDE's requirement to allow a school or district to appeal the school designation, and revises such that those appeals shall be "addressed" rather than currently required "considered and decided upon" before designations may be published.

Sec. 233. Request for Proposals – REVISED

Lowers the contract dollar threshold for which the department must first consider issuing a request for information or request for qualification prior to issuing a request for proposal from \$5.0 million to \$1.0 million.

Sec. 234. Performance Measures – REVISED

Adds that the department follow the metrics required under Section 447 of the Management and Budget Act, 1984 PA 431, MCL 18.1447, in addition to reporting a list of specific benchmarks intended to measure the performance or return on taxpayer investment of each new program or program expansion for which funds appropriated in part 1 are greater than \$500,000. Requires the department to provide an update on program progress and expenditures as it relates to those benchmarks by November 1, 2015.

Sec. 237. Fund-Raising – NEW

Provides that MDE shall establish an upper limit on the number and frequency of fund-raising activities that may take place in a public school during school hours that allow the sale of food and beverage items that do not meet nutritional standards, and the upper limit is not less than 2 fund-raising activities a week.

Sec. 408. Carry Forward of Programmatic Service Funds – NEW

Allows the Michigan schools for the deaf and blind to carry forward funds available for expenditure into the next succeeding year for the low-incidence program; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software for required services.

Sec. 702. Educator Evaluations – DELETED

Stipulates that funds appropriated in part 1 for educator evaluations and assessments shall not be expended unless HB 5223 and HB 5224 are enacted.

Sec. 805. MPERS Funds for District Libraries – DELETED

States that funds appropriated in part 1 for MPERS costs shall be used for payments to participating district libraries. Describes how payments are to be calculated for, and allocated to, district libraries. Participating entities that received funds under this section are required to forward the designated amount to the retirement system in a form, manner and timeframe determined by the retirement system.

Sec. 806. State Aid to Libraries – Early Literacy Focus – NEW

Provides intent to the department to utilize the increased funding for state aid to public libraries in support to local library operations and programming for early literacy and third grade reading proficiency.

Sec. 1004. Child Development and Care (CDC) Program Expansion – NEW

Requires the department to expend increased funding for the Child Development and Care (CDC) program on increasing the number of low-income children in high-quality early learning programs, increasing the number of children ready for school at kindergarten entry, and increasing the number of children who are reading at grade level by the end of third grade.

Sec. 1006. Early Literacy Best Practices Clearinghouse – NEW

Requires the department to post on its website a link to the federal Institute of Education Sciences' What Works Clearinghouse, as well as to disseminate knowledge about the educational clearinghouse to districts and intermediate districts.

Sec. 1007. Child Development and Care – Progress Reports – NEW

Requires the department to create progress reports for the child development and care program's external support (child care licensors) to track activities and number of occasions these activities are carried out that maintain and/or improve quality assurance of child care facilities in Michigan. Requires the progress reports be issued April 1, 2016 and September 30, 2016.

EDUCATION (DEPARTMENT)

<u>FY 2014-15 Supplemental Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>FY 2014-15 Supplemental Change</u>
1. Child Development and Care (CDC) – FY 2014-15 Caseload Consensus	Gross	\$119,697,700	(\$2,703,500)
Reduces the Child Development and Care subsidy by \$2.7 million GF/GP based on consensus caseload estimates.	Federal	83,108,900	0
	GF/GP	\$36,588,800	(\$2,703,500)