LINE ITEM AND BOILERPLATE SUMMARY

EDUCATION

Fiscal Year 2002-03 Public Act 522 of 2002 Senate Bill 1103

As Enacted



Prepared and Compiled by:

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December 2002

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December 2002

To: Members of the House of Representatives

We have prepared a Line Item Summary for each of the FY 2002-03 appropriation acts. Each Summary contains line-by-line detail, including the amount and purpose of each appropriation line and information regarding related boilerplate sections, for a specific appropriation act. Following the line item detail, we have included a section that provides a brief explanation of each boilerplate section in the appropriations bill. Please note that strikeouts in this report show the effects of vetoes.

This Line Item Summary explains line items in the *enacted* Department of Education Appropriations Bill, Public Act 522 of 2002. This report was prepared by Caven A. West, Fiscal Analyst, with assistance from Barbara Graves, Budget Assistant.

If you would like to obtain a Line Item Summary for a particular budget area, please contact Jeanne Dee, Administrative Assistant - HFA Publications, at 373-8080.

Mitchell E. Bean, Director

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GLOSSARY Frequently-Used State Budget Terms

Adjusted Gross

Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs)

Boilerplate

Specific language sections contained in an appropriations act which direct, limit or restrict line item expenditures, and/or require reports

Budget Stabilization Fund (BSF)

The countercyclical economic and budget stabilization fund—also known as the "rainy day" fund

Federal Revenues

Federal grant or matchable revenues dedicated to specific programs

General Fund/General Purpose (GF/GP)

The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues

Gross Appropriations (Gross)

The total of all applicable line item spending authorizations

Interdepartmental Grant (IDG)

Revenue or funds received by one state department from another state department (usually for a service the receiving department provides)

Intradepartmental Transfer (IDT)

Transfers or funds being provided from one appropriation unit to another in the same department

Lapses

Unspent/unobligated funds remaining in line item accounts at the end of the fiscal year

Line Items

Specific funding amount in an appropriations bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes)

Local Revenue

Revenues from local units of government

State Restricted (Restricted Funds)

State revenue dedicated to a specific fund; revenue which results from state mandates or initiatives; used for used for specific programs pursuant to the Constitution or statute

Private Funds

Revenues from non-government entities such as rents, royalties or interest payments, payments from hospitals, payments from individuals, and gifts and bequests

School Aid Fund (SAF)

The primary funding source for K-12 schools and Intermediate School Districts (ISDs)

Work Project

An account established to allow for certain specific unspent funds to be carried over from one fiscal year to a succeeding fiscal year or years

DEPARTMENT OF EDUCATION

The State Board of Education is an eight-member elected board which is 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 legislative mandates in the field of education. Major Departmental responsibilities include: development of K-12 instructional programs and administration, certification and professional development of teachers, oversight of higher education institutions, collecting and reporting educational data, and providing technical assistance to school districts. The Department also advises the Legislature on the instructional and financial needs of local school districts.

Public Act 522 of 2002, the Fiscal Year (FY) 2002-03 Department of Education budget, allocates \$214.4 million adjusted gross to support educational programs. Of the \$214.4 million in appropriated revenues, 13.4% is GF/GP, 2.2% is local, 0.3% is private, 6.7% is restricted, and 76.8% is federal pass-through grants to local and intermediate school districts, community colleges, and various nonprofit organizations.

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	436.1	Full-time equated (FTE) positions in the state classified service.
GROSS APPROPRIATION	\$215,593,000	Total of all applicable line item appropriations.
PARTIAL VETO	\$215,490,700	
Interdepartmental grant from corrections academy lease	1,000,000	Rental revenues from the Department of Corrections.
Total interdepartmental grants and intradepartmental transfers	1,000,000	The total amount of all revenues transferred to the Department of Education for services rendered from the Department of Corrections -Training Academy. This amount is subtracted from the gross appropriation to avoid double-
		counting expenditure line items.
ADJUSTED GROSS APPROPRIATION	\$214,490,700	counting expenditure line items. Net of gross appropriations, interDepartmental grants, and intra-Departmental transfers.
	\$214,490,700 165,731,500	Net of gross appropriations, interDepartmental grants,
APPROPRIATION		Net of gross appropriations, interDepartmental grants, and intra-Departmental transfers.
APPROPRIATION Total federal revenues	165,731,500	Net of gross appropriations, interDepartmental grants, and intra-Departmental transfers.
APPROPRIATION Total federal revenues PARTIAL VETO	165,731,500 165,694,100	Net of gross appropriations, interDepartmental grants, and intra-Departmental transfers. Total federal grant revenues.
APPROPRIATION Total federal revenues PARTIAL VETO Total local revenues	165,731,500 165,694,100 4,744,200	Net of gross appropriations, interDepartmental grants, and intra-Departmental transfers. Total federal grant revenues. Total revenue from local units of government.

SECTION 102: STATE BOARD OF EDUCATION/ OFFICE OF THE SUPERINTENDENT

The Board of Education is comprised of eight members elected at large for a term of eight years and is vested by the State Constitution to act as the general planning and coordinating body for all public education within the state. The Board exercises leadership and supervision over all public education in the state except for institutions of higher education that grant baccalaureate degrees; the Constitution and statute establish separate controlling boards for the baccalaureate institutions. The Superintendent of Public Instruction is appointed by and acts as chairman of the Board of Education, functions as the principal executive officer of the Department of Education, and is constitutionally responsible for the execution of board policies.

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	14.0	The full-time equated (FTE) positions in the state classified civil service.
State board of education, per diem payments	24,400	Funds per diem expenses for official business conducted by board members; limited to reimbursement for not more than 30 days per year. The state board president is reimbursed \$110 per day; other board members are reimbursed \$100 per day. Funding Source: GF/GP 24,400
		Related Boilerplate Section(s): 301, 302
Unclassified positions - 6.0 FTEs	515,600	Funds Department's unclassified positions including the Superintendent for Public Instruction, the Deputy Superintendent for Administration, and the Public Information Officer. Any unexpended revenue reverts back to the general fund. Funding Source: GF/GP 515,600
		Related Boilerplate Section(s): None
State board/ superintendent operations - 14.0 FTEs	1,984,400	Five FTEs are funded in the Office of the State Board of Education for education policy development, research related to legislation dealing with the school code, and administrative support to the Board. Nine FTEs are funded for administrative staff to assist the Superintendent of Public Instruction in the overall management of the Department, development of education policy, oversight of K-12 education, and planning and coordination of higher education institutions. Funding Source(s): Federal 577,200 Private 23,000 GF/GP 1,384,200
		Related Boilerplate Section(s): 301, 302
GROSS APPROPRIATION	\$2,524,400	Total of all applicable line item appropriations.
Federal revenues	577,200	Revenues to administer federally-funded programs.
Private foundations	23,000	Revenues from private organizations.

GENERAL FUND/ GENERAL PURPOSE 1,924,200

The General Fund is the state's primary operating fund. General Fund/General Purpose is the portion of the state's revenue that does not include restricted revenues.

SECTION 103: CENTRAL SUPPORT

The Central Support office coordinates accounting transactions, budget development, grant and contract administration, and personnel services for the Department. Central Support is the fiscal repository that receives, disburses, and monitors nearly \$214.3 million in state, federal, restricted, and private revenue. This Office also processes state aid payments for local school districts.

Full-time equated classified positions	45.3	Full-time equated (FTE) positions in the state classified service.
Central support - 45.3 FTE positions	5,414,600	Funds personnel and operational costs for the following offices: Office of Financial Management and Administrative Services: Processes all accounting transactions, provides procurement services and contracting, and processes all state aid/school aid notes and payments. Office of Budget, Contracts, and Grants: Provides budgetary support, control, and coordination for nearly \$165.7 million in federal grants and \$49.8 million in state, local, restricted, and private funds. Human Resources office: Manages recruitment, placement, training, labor relations, payroll, and other personnel services for the Department. School Aid office: Provides budgetary support, control, and coordination for nearly \$11 billion in School Aid appropriations. Funding Source(s): Federal 3,221,500 Restricted 100,900 GF/GP 2,092,200
Worker's compensation	101,000	Estimated cost of worker's compensation claims. Funding Source: GF/GP 101,100 Related Boilerplate Section(s): None
Education commission of the states	99,300	Funds Department's membership dues to this national education organization. Commission is a national nonprofit organization that helps governors, legislators, and state education officials identify, develop, and implement policies to improve education. State fees are set through a formula based on state population and per-capita income. Funding Source: GF/GP 99,300
		Related Boilerplate Section(s): None
Building occupancy charges - property management services	1,439,600	Reflects use charges paid to the Department of Management and Budget (DMB) property management section for office space in the state-owned John Hannah Building.
		Funding Source(s): Federal 717,200 Restricted 170,500 GF/GP 551,900
		Related Boilerplate Section(s): None
		. idiated Solid plate Country, Hono

GENERAL FUND/ GENERAL PURPOSE	\$2,911,400	The General Fund is the state's primary ope General Fund/General Purpose is the portion state's revenue that does not include restrict revenues.	n of the
Training and orientation workshop fees	100,000	Revenues received from workshop seminars; fees are used to offset the cost of the workshops.	
Teacher testing fees	11,000	Generated from teacher testing fees; funds offset the cost of administering certain sections of the Michigan Test for Teacher Certification; funds are used for administration.	
School loan exception fees	67,300	Fees collected from schools who borrow funds against anticipated state aid payments; fees are utilized to offset administrative costs.	
Safety education fund	2,600	Department collects \$1 from the issuance/renewal of off- road, all-terrain vehicle licenses to fund safety education programs; funds are used for administration.	
Motorcycle license fees	4,600	Department receives \$3 from the issuance of each motorcycle license to fund motorcycle education programs; funds are used for administration.	
Local cost sharing (schools for the deaf/blind)	48,900	Funds collected from local school districts for services rendered; funds are used for administration.	
Driver fees	24,700	Department receives \$4 for each driver license issuance/ renewal; funds are used to reimburse school districts for driver education services and administrative costs.	
Commodity distribution fees	6,100	Fee charged to local school districts for spoiled surplus commodities.	
Certification fees	172,000	Fees collected from issuance of teacher and a certificates; fees support state licensure and deactivities.	
Federal revenues	4,066,400	Revenues to administer federally-funded progr	
GROSS APPROPRIATION	\$7,415,000	Total of all applicable line item appropriation	ns.
		Related Boilerplate Section(s): None	
		Restricted GF/GP	19,400 67,000
		Funding Source(s): Federal Local	127,700 46,400
Terminal leave payments	260,500	Funds annual and/or sick leave payments to st employees.	
		Related Boilerplate Section(s): None	
		Funding Source: Restricted	100,000
Training and orientation workshops	100,000	Funds to offset the cost of professional developments for local school districts. Activities are by fees charged to local school districts.	

SECTION 104: SCHOOL SUPPORT SERVICES

School Support Services unit consists of the Drivers Training and the Food and Nutrition programs. The Food and Nutrition section is the state administrating agent for federal meal reimbursement entitlement programs. The National School Lunch, the School Breakfast program, and the Child Nutrition programs provide nutritionally-balanced, low-cost meals, and/or milk to children and youth statewide from birth through the completion of high school. These programs are available to public and nonprofit schools, residential child care institutions, family day care homes, and child care centers. The Food Distribution programs distribute United States Department of Agriculture food products to indigent families.

Full-time equated classified positions	41.4	Full-time equated (FTE) positions in the state classified service.
School support operations - 41.4 FTE positions	5,260,000	Funds administration of the Food and Nutrition and Traffic Safety and Management services. These programs include: Food and Nutrition service: School Meals unit and the Child and Adult Care Food program assist schools, child care centers, and day care homes in implementing major federally-funded school meal programs such as the National School Lunch program, the School Breakfast program, and the Special Milk program. The Food Distribution and Fiscal Reporting section reports on and accounts for over \$259.2 million in receipts and distributions of federal meal reimbursements. Section also oversees two additional food programs: the Emergency Food Assistance program and the Commodity Supplemental Food program. Traffic Safety Education and Management services: Provides oversight and administration for five programs: pupil transportation, drivers education, motorcycle safety education, all-terrain/off-road vehicle safety education, and the school construction section. Pupil Transportation oversees the statewide system of 12,600 school buses and more than nearly 800,000 school children transported each school day of the school year. Staff in the Drivers Education programs monitors new and existing driver education programs, authorizes driver education certificates, and processes over \$7.6 million in state reimbursements to 500 local school districts that operate driver education programs. Funding Source(s): Federal 4,010,500 Restricted 1,022,200 GF/GP 228,100
		Related Boilerplate Section(s): 217, 702
GROSS APPROPRIATION	\$5,260,800	Total of all applicable line item appropriations.
Federal revenues	4,010,500	Revenues to administer federally-funded programs.
Commodity distribution fees	65,300	Fees charged to schools for the value of commodities that spoiled as a result of the school's failure to store the products properly; funds are used for administration.
Driver fees	499,900	Department receives \$4 from each driver license issued/renewed to support driver education programs; funds are used to reimburse school districts for the costs of their driver education programs; funds are used for administration.

Motorcycle license fees	339,200	Department receives \$3 from the issuance of each motorcycle license; funds are used to support administrative costs.
Safety education fund	117,800	Department collects \$1 from the issuance/renewal of off-road, all-terrain vehicle licenses to fund safety education programs; funds support administrative costs.
GENERAL FUND/ GENERAL PURPOSE	\$228,100	The General Fund is the state's primary operating fund. General Fund/General Purpose is the portion of the state's revenue that does not include restricted revenues.

SECTION 105: INFORMATION AND TECHNOLOGY SERVICES

This Information and Technology Services (ITS) unit provides technical support services to the Department, local school districts, and the Center for Educational Performance and Information. This includes ongoing maintenance of computer application systems, large-scale database operations, migration to new technologies, data warehouse management, client server support, computer security, staff training, and strategic planning. The ITS unit also directs local school district technology plans, including advancement in multimedia and telecommunications. This function was transferred to the Department of Information and Technology.

Information techr	nology
operations	

3,288,100 Funds operational costs for Systems Development, Technical Support, Operations, and the Training section.

<u>Network Services</u>: Responsible for designing and maintaining computer systems for the Department; works closely with Department users to ensure that their needs are reflected in the systems.

<u>Technical Support/Help Desk</u>: Maintains the local area network and the mainframe computer; unit also provides technical support for Department staff.

<u>Operations section</u>: Oversees application systems related to the mainframe computer.

Funding Source(s): Federal 1,063,800

Restricted 168,200 GF/GP 2,056,100

Related Boilerplate Section(s): 901, 902

GROSS APPROPRIATION	\$3,288,100	Total of all applicable line item appropriations.
Federal revenues	1,063,800	Revenues to administer federally-funded programs.
Certification fees	168,200	Fees collected from the issuance of teacher and administrator certificates; fees support state licensure and development activities.
GENERAL FUND/ GENERAL PURPOSE	\$2,056,100	The General Fund is the state's primary operating fund. General Fund/General Purpose is the portion of the state's revenue that does not include restricted revenues.

SECTION 106: SPECIAL EDUCATION SERVICES

The Special Education Services unit oversees the administration and funding of early intervention services for disabled students. The office ensures that children and youths are properly identified, evaluated, and provided with appropriate programs and services designed to meet their individual educational needs. Early intervention services are coordinated for infants and toddlers with disabilities according to federal regulations and state standards. A free and appropriate public education is provided to eligible children and youth from birth through age 25, according to federal and state regulations, and administrative rules and standards.

Full-time equated classified positions	69.6	Full-time equated (FTE) positions in the state classified service.
Special education operations - 69.6 FTE positions	11,477,300	Administrative costs associated with the following programs. Finance and Program Management: Provides oversight for the federal and state funding structure and oversight for approximately \$997.0 million distributed under Article 5 of the State School Aid Act. Data, Research, and Information Technology: Supports delivery of special education and early intervention services through the use of data and relevant analyses for program planning and improvement to generate state-and federally-mandated reports and dissemination of relevant information to special education stakeholders. Policy, Planning, and Compliance: Assures compliance with all state and federal requirements and obligations for administration and delivery of special education and early intervention services in Michigan; includes developing and disseminating policies and procedures concerning state and federal regulations for special education, aligning state plans for special education with the Individuals with Disabilities Education Act (IDEA 1997) as a condition of Michigan's receipt of federal funds, and reviewing all intermediate school district plans for special education. Quality Assurance: Monitors the quality of pre- and inservice training for all personnel who provide early intervention and special education services to disabled individuals. Funding Source(s): Federal 11,139,700 Restricted 35,200 GF/GP 302,400
GROSS APPROPRIATION	\$11,477,300	Related Boilerplate Section(s): None Total of all applicable line item appropriations.
Federal revenues	11,139,700	Revenues to administer federally-funded programs.
Certification fees	35,200	Fees collected from issuance of teacher and administrator certificates; fees support state licensure and professional development training for teachers.

GENERAL FUND/ GENERAL PURPOSE

\$302,400 The General Fund is the state's primary operating fund. General Fund/General Purpose is the portion of the state's revenue that does not include restricted revenues.

SECTION 107: LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE

Educational services delivered by the Michigan School for the Blind were relocated to the Michigan School for the Deaf and Blind campus in Flint. This appropriation unit supports facility management activities at the former Michigan School for the Blind site in Lansing which is occupied by the Mid-Michigan Academy, the Department of Corrections-Training Academy, and the City of Lansing Network Center. Activities at the facility are supported by revenue received from rent and private donations.

General services	1,749,000	Funded by rental payments received from tenants funds are used to offset utility, maintenance, repair renovation costs at the campus.	
		Funding Source(s): IDG	1,000,000
		Private	10,000
		Restricted	739,000
		Related Boilerplate Section(s): 403, 407, 408	
GROSS APPROPRIATION	\$1,749,000	Total of all applicable line item appropriations.	
Interdepartmental grant revenues from corrections academy lease	1,000,000	Rental revenues from the Department of Correction space for the Department of Correction's Training	
Gifts, bequests, and donations	10,000	Private donations to maintain the superintendent's	s house.
Lansing, Michigan school for the blind - rent	739,000	Rental revenues from the Mid-Michigan Public Sci Academy and the Lansing Network Center to pay occupancy costs.	
		Related Boilerplate Section(s): 408	
GENERAL FUND/ GENERAL PURPOSE	\$0	The General Fund is the state's primary operat General Fund/General Purpose is the portion of state's revenue that does not include restricted	of the

SECTION 108: MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

The Michigan Schools for the Deaf and Blind (MSDB) provide educational and residential services to students who are deaf and/or visually impaired. Schools provide two distinct educational and residential programs for deaf and blind students. Staff at MSDB works with local schools, public school academies, intermediate school districts, and children who are visually or hearing impaired and their families to maintain a model educational system that delivers quality education to hearing-impaired students.

Full-time equated classified positions	96.0	Full-time equated (FTE) positions in the state classified service.
School for deaf/blind operations - 95.0 FTE positions	9,422,000	Funds operational costs such as staff salaries, supplies, contractual services, utilities, and facilities maintenance costs to operate the Michigan Schools for the Deaf and Blind in Flint. Currently, approximately 105 deaf students and no blind students are enrolled at the school.
		Funding Source(s): Federal 4,507,500
		Local 4,695,300
		Private 14,100
		Restricted 205,100
		Related Boilerplate Section(s): 401, 402, 404, 405, 406, 407
Summer institute	90,000	Funds an expanded, short-residency summer institute to teach Braille and life skills to visually-impaired students from around the state who do not participate in the full 180- or 230-day residency program at MSDB. Expanded summer institute now also includes a program for hearing-impaired students. Funding Source: Private 90,000
		Related Boilerplate Section(s): None
Camp Tuhsmeheta (touch, smell, hearing, taste) - 1.0 FTE position	250,100	Funds costs to operate a camping facility near Greenville, Michigan which is used by impaired persons statewide. Funding Source: Private 250,100
1.0 1 12 position		
		Related Boilerplate Section(s): None
Private gifts - blind	90,000	Private donations and bequests dedicated to fund summer programs, student activities, and special events for visually impaired students.
		Funding Source: Private 90,000
		Related Boilerplate Section(s): None
Private gifts - deaf	50,000	Private donations and bequests dedicated to fund summer programs, student activities, and special events for hearing impaired students.
		Funding Source: Private 50,000
		Related Boilerplate Section(s): None
GROSS APPROPRIATION	\$9,902,100	Total of all applicable line item appropriations.
Federal revenues	4,507,500	Revenues to administer federally-funded programs.
Local cost sharing (schools for blind/deaf)	4,592,700	Revenues collected from local school districts to pay for the instructional costs of district students who attend the MSDB in Flint.

Local school district service fees	102,600	Funds charged to local school districts for special education assessment services rendered.
Gifts, bequests, and donations	494,200	Private donations that support the operations of the MSDB in Flint.
Student insurance revenue	205,100	Revenues from insurance providers to offset medical costs incurred by MSDB.
GENERAL FUND/ GENERAL PURPOSE	\$0	The General Fund is the state's primary operating fund. General Fund/General Purpose is the portion of the state's revenue that does not include restricted revenues.

SECTION 109: PROFESSIONAL PREPARATION SERVICES

Professional Preparation Services foster the educational achievement of all Michigan youths and adults by assuring that all professional school personnel complete quality preparation and professional development programs which meet standards established by the State Board of Education and the Michigan Legislature. State law mandates the preparation and certification of teachers and school administrators to protect the public interest, ensure a standard of quality in the preparation of Michigan's educational personnel, and provide an adequate supply of teachers and administrators who are trained to meet the educational needs of students.

Full-time equated classified positions	31.0	Full-time equated (FTE) positions in the state classified service.
Professional preparation operations - 31.0 FTE positions	4,503,100	Funds personnel and operational costs for the following programs: Client Services Unit: Assures that all educational personnel seeking certification meet legal requirements and are processed in an efficient manner, and assures that Michigan schools employ educators who are fully qualified and certified for positions requiring state licensure. Client Services activities include: dissemination of program information and procedures, technical assistance, certificate and permit approval, teacher testing administration, audits, database management, policy analysis, monitoring, and revocation and suspension of teacher certificates. Annually, the unit processes over 50,000 applications for permits, authorizations, certificates and certificate renewals. Public Act 339 of 1998 requires collection of fees to support these services. Program Preparation and Continuing Education Unit: Assures that high professional standards of quality are established by maintenance of systematic training modules for teacher development and designing/approving preparation programs for pre-service educators, assessment of required skills and knowledge for certification, and professional development and continued licensure of educational personnel. Funding Source(s): Federal 1,976,100 Restricted 2,527,000
Department of attorney general	50,000	Funds legal services costs related to teacher tenure litigation. Funding Source: Restricted 50,000
		Related Boilerplate Section(s): None
GROSS APPROPRIATION	\$4,553,100	Total of all applicable line item appropriations.
Federal revenues	1,976,100	Revenues allocated by the Department to administer federally-funded programs.
Certification fees	2,307,200	Fees collected from the issuance of teacher and administrator certificates; fees support state licensure and professional development training.
Teacher testing fees	269,800	Revenues collected from certifying teachers; funds offset the cost of administering the Michigan Test for Teacher Certification.

GENERAL FUND/ GENERAL PURPOSE

\$0 The General Fund is the state's primary operating fund. General Fund/General Purpose is the portion of the state's revenue that does not include restricted revenues.

SECTION 110: FIELD SERVICES

The Office of Field Services is responsible for assuring that the resources available to school districts are focused and targeted on improved learning for all students. This responsibility includes administration of several state and federal programs (Federal: Title I, Disadvantaged Children, Migrant, and Neglected and Delinquent; Title II, Eisenhower Mathematics and Science; Title VI, Innovative Strategies; and Title VII, Bilingual and Emergency Immigrant. State: Section 31a, At-Risk and Section 41 Bilingual). Field Services staff provide school reform assistance services to local school districts by conducting needs assessments and recommending effective improvement strategies.

GENERAL FUND/ GENERAL PURPOSE	\$405,700	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.	
Federal revenues	4,873,500	Revenues to administer federally-funded programs.	
GROSS APPROPRIATION	\$5,279,200	Total of all applicable line item appropriations.	
		Related Boilerplate Section(s): None	
			,700
		in areas such as school improvement, technology, assess progress, and program requirements. Regional Services unit: Provides assistance to schools a school districts by focusing and targeting resources to improved student achievement. Assistance will include effective use of categorical resources for which the office responsible as well as other state and regional financial anonfinancial resources. The staff of this unit will customi services to accommodate the needs of each school and district. Funding Source(s): Federal 4,873	and e is and ize its
Field services operations - 44.0 FTE positions	5,279,200	The Field Services unit consists of the following program Central Support: Provides knowledge and expertise to a and support regional teams in their work with schools an school districts, and administration of nine state and feder programs of the Office of Field Services. Responsibility includes applying to the U.S. Department of Education for federal program funds, distributing funds to school district and reporting financial data and programmatic results. Additionally, this unit is responsible for contributing expensions.	eral or ets,
positions		service.	ıs:
Full-time equated classified	44.0	Full-time equated (FTE) positions in the state classified	

SECTION 111: OFFICE OF SCHOOL EXCELLENCE

School Excellence consists of the School Restructuring/Accountability unit, the Pre-K-12 Curriculum section, and the Capacity Building and Training programs which support school improvements through the development and promulgation of performance indicators, accreditation, and accountability standards to increase educational performance. Section is also responsible for policy development and statewide leadership in the area of school improvement.

Full-time equated classified positions	61.5	Full-time equated (FTE) positions in the state classified service.
School excellence operations – 61.5 FTE positions PARTIAL VETO	12,389,100 12,336,800	Includes the following programs: School Restructuring/Accountability unit: Develops and implements a revised format for the Michigan Accreditation System and provides technical assistance to low-achieving school systems. Pre-K-12 Curriculum: Provides leadership in curriculum and instructional programs to support implementation of the Core Curriculum Standards and Benchmarks. Capacity Building and Training programs: Works collaboratively with staff from other units within the School Excellence Services Area and with staff in the Field Services, Special Education, and Teacher Preparations Programs to develop both pre-service and in-service training based on best practice and targeted to identified school staff needs. Funding Source(s): Federal 10,197,700 Private 79,400 GF/GP 2,059,700
		Related Boilerplate Section(s): None
GROSS APPROPRIATION	\$12,336,800	Total of all applicable line item appropriations.
Federal revenues	10,235,100	Revenues to administer federally-funded programs.
PARTIAL VETO	10,197,700	
Private foundations	79,400	Revenues from private organizations.
GENERAL FUND/ GENERAL PURPOSE	\$2,059,700	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 112: GOVERNMENT SERVICES

The Government Services unit provides legislative services for the Superintendent of Public Instruction and the State Board of Education. Office is also responsible for the following activities: ongoing interpretation, analysis, and monitoring of the state School Aid budget; participation in the lobbying and hearings process regarding state legislative initiatives; review of current and proposed State Board policies and procedures; and interpretation of laws, policies, and procedures for state and local officials.

Full-time equated classified positions	13.0	Full-time equated (FTE) positions in the state classified service.
Government services operations - 13.0 FTE positions	1,284,800	Funds the following: Governmental Services: Oversees ongoing interpretation, analysis, and monitoring of the state School Aid budget; review of current and proposed State Board policies and procedures; and interpretation of laws, policies, and procedures for state and local officials. Customer Satisfaction: Provides assistance to students, parents, school district personnel, community groups/citizens, and educational personnel to ensure educational equity for all students. Nonpublic and Home Schools: Administers the Nonpublic School Act, 1921 PA 302, as amended. In some cases, nonpublic school students qualify for participation in state-and federal-funded grant programs including Title I and Title VI programs, bus transportation, and Safe and Drug Free Schools funding. Nonpublic school students that have met certain requirements are entitled to be evaluated for auxiliary services that are provided by the school system. Office of Audits: Provides financial oversight of the Department's state and federal funds, audits pupil membership counts, provides sub-recipient monitoring to ensure appropriate expenditure of federal funds, and conducts internal audits of departmental operations. Homeless Education: Monitors homeless education programs to ensure students receive quality educational experiences. The Stewart B. McKinney Homeless Assistance Act stipulates that each state agency shall ensure that homeless children have access to free public education, including public preschool education, as provided to other children and youth. Funding Source(s): Federal 828,900 GF/GP 455,900
GROSS APPROPRIATION	\$1,284,800	Total of all applicable line item appropriations.
Federal revenues	828,900	Revenues to administer federally-funded programs.
GENERAL FUND/ GENERAL PURPOSE	\$455,900	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 113: SAFE SCHOOLS AND ADMINISTRATIVE LAW

The primary responsibility of the Administrative Law section is to process appeals by conducting administrative hearings and preparing draft decisions for the State Tenure Commission, the State Board of Education, or the Superintendent of Public Instruction involving teacher tenure appeals, property transfers, teacher certification matters, pupil accounting audits, proprietary schools compliance issues, driver education instructor appeals, and other compliance and complaint issues. The Office of Safe Schools section is responsible for maintaining a statewide clearinghouse for information, program development, model programs and policies, and technical assistance on school violence prevention, including a model code of conduct for students.

Full-time equated classified positions	11.5	Full-time equated (FTE) positions in the state classified service.
Safe schools operations - 2.5 FTE positions PARTIAL VETO	4 98,600 448,600	Office is a statewide clearinghouse for school violence information. This Office will also develop model programs and policies to promote school safety. Vetoed \$50,000 GF/GP associated with advertisement of the toll free school anti-violence hot line.
		Funding Source(s): Federal 372,900
		GF/GP 75,700
		Related Boilerplate Section(s): 215
Administrative law operations - 9.0 FTE positions	852,700	Office conducts administrative appeal hearings for the Department in cases involving teacher tenure, property transfer, financial audits, child nutrition programs, teacher certification, and nonpublic school compliance.
		Funding Source(s): Federal 189,200
		GF/GP 663,500
		Related Boilerplate Section(s): None
State tenure commission per diem	11,100	Funds per diem expenses for members of the state tenure commission at a rate of \$50 per day.
uiciii		Funding Source: GF/GP 11,100
		Related Boilerplate Section(s): 301
GROSS APPROPRIATION	\$1,362,400	Total of all applicable line item appropriations.
PARTIAL VETO	\$1,312,400	
Federal revenues	562,100	Revenues to administer federally-funded programs.
GENERAL FUND/ GENERAL PURPOSE	\$750,300	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 114: EDUCATION OPTIONS, CHARTERS, AND CHOICE

The Education Options, Charters, and Choice service area is comprised of the following programs: Public School Academies (PSA), Schools of Choice, International Education programs, Boarding Schools, Post Secondary Enrollment Options, and the Troops-to-Teachers program. The PSA section works closely with potential PSA managers and with authorizing agencies and financial institutions willing to lend start-up funds to establish a PSA. The Schools of Choice section disseminates information and resources to those interested in establishing a school. Information describing the International Education program, the Boarding School section, Post Secondary Enrollment Options section, and the Troops-to-Teachers programs are depicted below.

Full-time equated classified positions	8.8	Full-time equated (FTE) positions in the state classified service.
Education options operations - 8.8 FTE positions	1,412,700	Funds the following: Charter Schools/Public School Academies: Processes public school academies contracts, authorizes state aid payments, provides information to the public, and interprets sections of the revised school code with charter schools. Schools of Choice: Provides technical assistance to local and intermediate school districts, the Legislature, and other interested parties regarding school of choice issues. International Education: Provides leadership in developing and improving international education in local districts by providing technical educational assistance. Boarding Schools: Public Act 451 of 1976 requires that all boarding schools be licensed. There are presently eight boarding schools which serve nearly 1,835 students. This Section will license and monitor these schools as required by law. Troops-to-Teachers: Seeks to facilitate placement of retiring personnel in teaching positions in Michigan. Staff will interface with teacher preparation institutions, expedite credentialing, and provide employment leads. Postsecondary Enrollment Options: Disseminates information regarding dual enrollment. Funding Source(s): Federal 986,600 GF/GP 426,100
		Related Boilerplate Section(s): 601
GROSS APPROPRIATION	\$1,412,700	Total of all applicable line item appropriations.
Federal revenues	986,600	Revenues to administer federally-funded programs.
GENERAL FUND/ GENERAL PURPOSE	\$426,100	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 115: GRANTS AND DISTRIBUTIONS

The following allocations depict federal grants available for distribution to local school districts, governmental agencies, local education agencies, post-secondary institutions, private nonprofit agencies, educators, and other organizations that deliver educational services statewide.

Class size reduction grants	50,275,700	Hire additional teachers in kindergarten through grade three.
		Funding Source: Federal 50,275,700
		Related Boilerplate Section(s): None
Federal - Eisenhower	12,940,000	Improve math and science instruction.
mathematics and science grants		Funding Source: Federal 12,940,000
		Related Boilerplate Section(s): None
Federal - goals 2000 grants	6,000,000	Assist in developing comprehensive teaching and learning models that improve instructional content, teaching skills, and student performance.
		Funding Source: Federal 6,000,000
		Related Boilerplate Section(s): None
Federal - technology literacy challenge grants	6,000,000	Awarded to school districts to integrate technology into the school curricula.
onanongo granto		Funding Source: Federal 6,000,000
		Related Boilerplate Section(s): None
Federal - Urgent school	45,688,400	School repairs and technology projects.
renovation grants		Funding Source: Federal 45,688,400
		Related Boilerplate Section(s): None
State - Christa McAuliffe grants funded from private revenues	94,800	Professional development grants to outstanding educators. Funding Source: Private 94,800
		Related Boilerplate Section(s): None
State - driver education	7,600,000	Funds collected from driver's license issuance and renewal to support driver education programs.
		Funding Source: Restricted 7,600,000
		Related Boilerplate Section(s): None
State - motorcycle safety education	1,200,000	Funds collected from motorcycle license issuance to support motorcycle safety education programs.
		Funding Source: Restricted 1,200,000
		Related Boilerplate Section(s): None
State - national board certification	100,000	Grants to pay one-half of the fee for teachers to become certified by the National Board for Professional Teaching Standards.
		Funding Source: Restricted 100,000
		Related Boilerplate Section(s): 705

State - off-road vehicle safety training grant	294,300	Collected from issuance and renewals of off-road, all-terrain vehicle licenses that support safety education activities related to operating these types of vehicles. Funding Source: Restricted 294,300
		Related Boilerplate Section(s): None
State - breakfast programs	6,274,900	Reimburse schools for meals served to disadvantaged
		students. Funding Source: GF/GP 6,274,900
		Related Boilerplate Section(s): 702
School readiness grants	11,050,000 12,250,000	Competitive grants to private and non-profit organizations to deliver early childhood education.
		Funding Source: GF/GP 12,250,000
		\$1.2 million is restored due to the cigarette tax increase. Related Boilerplate Section(s): 223, 703
GROSS APPROPRIATION	\$148,718,100	Total of all applicable line item appropriations.
Federal - DED-OESE, class size reduction	50,275,700	Hire additional teachers in grades 1 through 3.
Federal - DED-OESE, goals 2000	6,000,000	Distributed by formula to states to develop a comprehensive school reform plan at the state and local level to improve teaching skills and student performance. Funds can also be used to establish and revise curriculum standards in core content areas.
Federal - DED-OESE, Eisenhower mathematics and science administration	12,940,000	Enhance teaching skills, thereby improving the quality of instruction in mathematics and science.
Federal - DED-OESE, technology literacy challenge fund	6,000,000	Distributed through a competitive process to implement integration of computers into the curricula.
Federal - DED-OESE, urgent school renovation	45,688,400	Emergency funds to repair school buildings, including use of funds to upgrade wiring and hardware and software.
Certification fees	100,000	Fees collected from the issuance of teacher certificates; funds will pay one-half of the cost for teachers who receive certification from the National Board for Professional Teaching Standards.
Driver fees	7,600,000	Department receives \$4 for each driver license issuance/renewal to promote driver education programs; funds provide a reimbursement to school districts for the costs of their driver education program.
Motorcycle license fees	1,200,000	Department receives \$3 from the issuance of motorcycle licenses to promote motorcycle education programs.
Safety education fund	294,300	Department collects \$1 from the issuance/renewal of off-road/all-terrain vehicle licenses to promote safety education programs.
Private foundations	94,800	Department receives these funds from the Christa McAuliffe foundation, which awards fellowships on a competitive basis to experienced and outstanding teachers.

GENERAL FUND/ GENERAL PURPOSE

\$18,524,900 The General Fund is the state's primary operating fund. General Fund/General Purpose is the portion of the state's revenue that does not include restricted revenues.

SECTION 116: EARLY RETIREMENT AND BUDGETARY SAVINGS

These adjustments are associated with the early retirement program and statewide budget reductions; \$721,900 for early retirement savings, \$301,200 for budget savings.

Early retirement savings and budgetary savings	(1,023,100)	Early retirement savings and budgetary savings. Funding Source: GF/GP (1,023,100)		
		Related Boilerplate Section: None		
GROSS APPROPRIATION	(\$1,023,100)	Total of all applicable line item appropriations.		
GENERAL FUND/ GENERAL PURPOSE	(\$1,023,100)	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.		

BOILERPLATE SECTION INFORMATION

Sec. 201. State Spending to Local Governments

Payments to local units of government.

Sec. 202. Management and Budget Act

Appropriations under this act are subject to the management and budget act.

Sec. 203. Definitions

Defines acronyms and other words as used in the act.

Sec. 204. 1% Civil Service Fee

Administrative fee charged to each state department for personnel services.

Sec. 205. Hiring Freeze

Prohibits the Department from hiring new employees that are not critical to delivering basic services.

Sec. 206. Contingent Fund

Provides a mechanism for the Department to receive and distribute federal, state, private, local, and restricted revenues.

Sec. 207. Posting Reports on the Internet

Requires the Department to post reports required by boilerplate on its website.

Sec. 208. Carry-Forward Authority

Authorizes the Department to carry forward unexpended federal funds from fiscal year to year in accordance with federal guidelines.

Sec. 209. State Board Information

Requires the Department to forward board information to various governmental agencies.

Sec. 210. School Loan Exception Fund

Authorizes the Department to carry forward restricted revenues collected from schools that borrow against anticipated School Aid payments.

Sec. 211. Office for Safe Schools - PARTIAL VETO

Provides that Office is the state clearinghouse for school safety information.

Sec. 212. Personnel Records

Requires the Department to retain teacher personnel records regarding sexual misconduct.

Sec. 213. Special Education Auditors

Provides funding for 2.0 special education auditors.

Sec. 214. Information Technology

Requires Department to pay user fees to the Department of Information Technology for technology-related services and projects.

Sec. 215. Work Projects

States that funds may be designated as work projects and carried forward to support technology projects under the direction of the Department of Information Technology.

Sec. 216. Report Retention

Requires departments and state agencies to follow federal and state guidelines for short-term and long-term retention of reports.

Sec. 217. Privatization

Requires the Department to advise the Legislature 60 days before any efforts to privatize goods or services previously delivered by civil service employees.

Sec. 218. Purchase of Foreign Goods

Prohibits the use of state funds to purchase foreign made goods if comparable American or Michigan goods are available.

Sec. 219. Economically Distressed Areas

Encourages the Department to let contracts to businesses in economically distressed areas.

Sec. 220. Personal Services Contracts

Requires a report on all personnel services contracts awarded without competitive bidding, pricing, or rate setting.

Sec. 221. School Health Services Consultant - VETOED

Encourages the Department to hire a school health services consultant.

Sec. 222. Early Retirement and Budgetary Savings

Provides language associated with the \$1.0 million GF/GP reductions in Sec. 116.

Sec. 223. School Readiness Grants

Provides contingency authorization to restore \$1.2 million GF/GP related to the passage of the cigarette tax increase.

Sec. 301. Board Member Payments

Authorizes the Department to carry forward unexpended federal funds from fiscal year to year in accordance with federal guidelines.

Sec. 302. Travel Expenditures

Prohibits more than \$35,000 to be spent for travel.

Sec. 401. Michigan Schools for the Deaf and Blind Employees

Stipulates that employees who work on a school year basis shall be considered annual for purposes of service credits, retirement, and insurance benefits.

Sec. 402. Student's Instructional Program

Requires the Department to assess the intermediate school district of residence 100% of the cost of operating the student's instructional program for each student enrolled at the Michigan schools for the deaf and blind.

Sec. 403. Michigan Schools for the Deaf and Blind Rent

Authorizes the Department to assess rent to any state agency for the use of any facility.

Sec. 404. Michigan Schools for the Deaf and Blind - Flint - Rent

Allows the Department to assess rent to any state agency for the use of any facility.

Sec. 405. Federal Medicaid Program

Allows the Department to assist other departments to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program.

Sec. 406. Residential Program

Authorizes the Michigan schools for the deaf and blind to promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired.

Sec. 407. Capital Improvements

Authorizes the Department to receive and expend funds from the mid-Michigan academy for capital improvements..

Sec. 408. General Services Expenditures

Requires the Department to report on education detailed information on the expenditures made for general services.

Sec. 409. Rental Payments

Requires the Department to ensure rental payments made by tenants are used for operation, maintenance, and renovation.

Sec. 501. Felony Conviction Files

Requires Department to maintain professional personnel register and certificate revocation/felony conviction files.

Sec. 502. Student Teaching Credits

States that one-half of all student teaching credits can be earned through substitute teaching.

Sec. 503. Restricted Fund Balances

Requires the Department to submit a report detailing fund balances for all restricted funds.

Sec. 601. Administration of the Charter School Office

Earmarks funds to operate the charter school office.

Sec. 701. Disbursement to General Fund Grantees

Requires the Department to disburse to a general fund grantee in accordance with the federal disbursement schedule.

Sec. 702. School Breakfast Program

Provides for state program to reimburse local schools for meals served to students.

Sec. 703. School Readiness Program

Outlines eligibility criteria for early childhood education delivered by nonprofit organizations.

Sec. 704. National Board Certification

Authorizes funds to pay one-half of the fee for teachers to become certified by the National Board for Professional Teaching Standards.

Sec. 706. Innovative Program Demonstration Grants

Provides intent language to review the findings of the Innovative Program Demonstration Grants.

Sec. 708. Assurance for Community Service Grants

Encourages the Department to collaborate with various stakeholders.

Sec. 901. Center for Educational Performance and Information (CEPI)

Requires the Department to collaborate with CEPI.



Mitchell E. Bean, Director Bill Fairgrieve, Deputy Director

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Medicaid			
Mental Health-Substance Abuse			
Public Health-Aging			
	3 ,		
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Career Development–Consumer and Industry Services–			
Michigan Strategic Fund	Robert Schneider, Senior Analyst		
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Attorney General–Auditor General–Civil Rights–Executive Office–			
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Civil Service–History, Arts, and Libraries–Lottery–State–Treasury			
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History, Arts, and Libraries–Judiciary–Military and Veterans Affairs–Natural	Resources-		
Retirement–Revenue and Tax Analysis–State Police–Supplementals–Trans			
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