

**Summary: Executive Budget Recommendation  
for Fiscal Years 2011-12 and 2012-13  
DEPARTMENT OF EDUCATION**



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	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 Executive	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	0.0	\$0	\$0	--
<b>Federal</b>	87,772,100	77,929,200	(9,842,900)	(11.2)	78,869,000	939,800	1.2
<b>Local</b>	7,199,400	7,159,200	(40,200)	(0.6)	7,269,600	110,400	1.5
<b>Private</b>	3,124,500	3,044,400	(80,100)	(2.6)	3,053,700	9,300	0.3
<b>Restricted</b>	6,949,800	7,166,300	216,500	3.1	7,313,600	147,300	2.1
<b>GF/GP</b>	21,914,100	18,644,200	(3,269,900)	(14.9)	18,883,500	239,300	1.3
<b>Gross</b>	<b>\$126,959,900</b>	<b>\$113,943,300</b>	<b>(\$13,016,600)</b>	<b>(10.3)</b>	<b>\$115,389,400</b>	<b>\$1,446,100</b>	<b>1.3</b>
FTEs	562.5	559.0	(3.5)	(0.6)	559.0	0.0	0.0

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and would not be legally-binding appropriations. (3) Budget changes described below are based on the "Schedule of Programs" sections included in the Executive Budget; amounts listed in those schedules are informational in nature and could be potentially adjusted administratively, without legislative approval, within the larger line items into which programs have been rolled up.

**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, and providing technical assistance to school districts and libraries.

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>	Executive Changes			
	FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13	
<b>1. State Aid to Libraries</b>	<b>Gross</b>	<b>\$5,750,000</b>	<b>(\$2,304,300)</b>	<b>\$0</b>
Reduces the Department of Education appropriation for state aid to libraries by \$2.3 million to \$3.4 million. In addition, the \$1.5 million appropriation in the School Aid budget was eliminated under the Executive budget, for a total reduction equal to 52.4% of current state support to libraries.	GF/GP	\$5,750,000	(\$2,304,300)	\$0
<b>2. Michigan eLibrary (MeL)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$950,000</b>	<b>\$0</b>
Provides additional GF/GP support for the MeL due to the potential loss of federal funds which are likely to decrease based on diminishing state maintenance of effort (MOE) levels from recent reductions in state aid to libraries.	GF/GP	\$0	\$950,000	\$0
<b>3. 2009 State Education Reform Activities</b>	FTEs	25.0	(10.0)	0
Eliminates three pieces of the recent education reform which required new activities for the Department. This includes eliminating the State Reform/Redesign Office, which was supposed to identify and propose reforms for the bottom 5% of districts, to save \$1.4 million. It also eliminates the online testing platform to save \$500,000 and eliminates the basic instructional supplies hotline and appeals process to save \$76,000.	<b>Gross</b>	<b>\$8,977,800</b>	<b>(\$1,945,700)</b>	<b>\$0</b>
	Federal	5,063,700	0	0
	GF/GP	\$3,914,100	(\$1,945,700)	\$0

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		FY 2010-11 YTD (as of 2/17/11)	Executive Changes	
			FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>4. Excess Federal and Private Spending Authorization</b>	FTEs	N/A	(3.5)	0.0
Decreases spending authorization in several units of the bill to reflect the anticipated availability of funds. This includes \$3,967,800 in Special Education, \$1,500,000 in Professional Preparation, \$346,000 and 3.5 FTEs in School Finance/School Law, and \$198,700 in Early Childhood.	<b>Gross</b>	<b>N/A</b>	<b>(\$6,012,500)</b>	<b>\$0</b>
	Federal	N/A	(5,813,800)	0
	Private	N/A	(198,700)	\$0
	GF/GP	N/A	\$0	
<b>5. Office of Education Assessment and Accountability (OEAA)</b>	<b>Gross</b>	<b>\$9,652,300</b>	<b>(\$5,000,000)</b>	<b>\$0</b>
Removes the one-time federal funds used for the rewrite of the OEAA secure site.	Federal	9,652,300	(5,000,000)	0
	GF/GP	\$0	\$0	\$0
<b>6. Recognize Savings from 2010 Early Retirement</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$370,900)</b>	<b>\$0</b>
Recognizes the GF/GP savings throughout the department associated with the early retirement.	GF/GP	N/A	(\$370,900)	\$0
<b>7. Michigan Schools for the Deaf and Blind</b>	<b>Gross</b>	<b>\$90,000</b>	<b>\$110,000</b>	<b>\$0</b>
Increases spending authorization for private gifts for blind services in order to allow expenditure of carry forward funds that were not spent in FY 2009-10.	Private	90,000	110,000	0
	GF/GP	\$0	\$0	\$0
<b>8. Reorganize School Finance/School Law Unit</b>	FTEs	16.5	1.0	0.0
Reorganizes this unit into three new units and shifts \$106,000 and 1.0 FTE to the existing Grants Administration unit. Creates a net change of 1.0 FTE. The transfers would include the following:	<b>Gross</b>	<b>\$2,844,100</b>	<b>\$0</b>	<b>\$0</b>
	Federal	1,335,600	0	0
	Restricted	493,400	0	0
	GF/GP	\$1,015,100	\$0	\$0
State Aid and School Finance Services:		\$854,500 and 7.5 FTEs		
Audit Services:		\$481,300 and 3.5 FTEs		
Administrative Law Services:		\$1,056,300 and 2.0 FTEs		
<b>9. FTE Adjustments</b>	FTEs	N/A	9.0	0.0
Requests positive FTE adjustments for four units:	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>\$0</b>
	GF/GP	N/A	\$0	\$0
Grants Administration:		2.0 FTEs		
Field Services:		3.0 FTEs		
Education Improvement/Innovation:		3.0 FTEs		
Career/Technical Education:		1.0 FTE		
<b>10. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,556,800</b>	<b>\$1,446,100</b>
Includes economic adjustments for retirement, insurances, workers' compensation, and building occupancy charges.	Federal	N/A	902,500	939,800
	Local	N/A	103,200	110,400
	Private	N/A	8,600	9,300
	Restricted	N/A	141,500	147,300
	GF/GP	N/A	\$401,000	\$239,300

#### Major Boilerplate Changes From FY 2010-11

**NOTE:** No boilerplate language is proposed for FY 2012-13.

#### **Sec. 204. Civil Service Fee – DELETED**

Specifies administrative fee charged to each state department for personnel services.

#### **Sec. 206. State Board of Education Information – DELETED**

Requires the department to forward board agendas and documents to various governmental agencies electronically.

#### **Sec. 208. Personnel Records – DELETED**

Directs the department require districts to retain teacher personnel records regarding sexual misconduct.

#### **Sec. 209. Information Technology User Fees – DELETED**

Directs the department to pay user fees to Department of Technology, Management and Budget for technology-related services and projects.

## **Major Boilerplate Changes From FY 2010-11**

### **Sec. 211. Adequate Yearly Progress (AYP) – DELETED**

Requires that the department allow districts to appeal a determination of failure to meet AYP prior to the department publishing AYP reports.

### **Sec. 212. Purchase of Foreign Goods – DELETED**

Prohibits the purchase of foreign-made goods if comparable American or Michigan goods are available. Gives preference to Michigan businesses owned or operated by veterans.

### **Sec. 213. Hiring Freeze – DELETED**

Establishes a hiring freeze for state civil service with exceptions under certain circumstances.

### **Sec. 214. Out-of-State Travel – DELETED**

Limits out-of-state travel for certain circumstances and requires reporting on all out-of-state travel.

### **Sec. 215. Out-of-State Professional Development – DELETED**

Limits out-of-state travel for professional development conferences or training seminars.

### **Sec. 216. Communication with the Legislature – DELETED**

Prohibits the department from taking disciplinary action against an employee for communicating with a legislator or his/her staff.

### **Sec. 217. Economically Distressed Areas – DELETED**

Encourages the department to contract with businesses in economically distressed areas.

### **Sec. 220. Providing the Legislature with Timely Data – DELETED**

Requires the department to provide data requested by legislature, staff, and fiscal agencies in a timely manner.

### **Sec. 221. Hire of Outside Legal Counsel – DELETED**

Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General but exempts legal services for bonding or other activities authorized by the Attorney General.

### **Sec. 222. Impact of New Legislation and Administrative Rules – DELETED**

Requires a report on specific policy changes adopted to implement new public acts. Prohibits the department from adopting administrative rules that have a disproportionate impact on small business.

### **Sec. 225. Pupil Membership Fraud – DELETED**

Requires the State Superintendent of Public Instruction to investigate and report on issues of pupil membership fraud, and report on the scope of and proposed solutions to the problem.

### **Sec. 226. Lapse Report – DELETED**

Requires the department to report on the projected year-end General Fund Lapse amount for a given year by Oct. 15 of the next fiscal year.

### **Sec. 301. State Board of Education Expenses – REVISED**

Authorizes the department to make per diem payments to members of the State Board of Education and report quarterly on Board of Education member expenses. Executive eliminates the reporting requirement.

### **Sec. 401. Michigan Schools for the Deaf and Blind Employees – DELETED**

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

### **Sec. 405. Federal Medicaid Program – DELETED**

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

### **Sec. 501. Felony Conviction Files – DELETED**

Requires that the department maintain professional personnel registry and certificate revocation/felony conviction files.

### **Sec. 601. Administration of the Charter School Office – DELETED**

Earmarks funds to operate the charter school office.

### **Sec. 701. Collaboration with Center for Education Performance and Information (CEPI) – DELETED**

Directs the department to work collaboratively with CEPI to support data collection.

### **Sec. 803. Keep Library Functions Together – DELETED**

Provides intent that the State maintain the Library of Michigan and its component programs together in a state department.

### **Sec. 804. Library Collections – DELETED**

Requires that the department and the Library of Michigan maintain custody of the non-Michigan genealogy and all Michigan-specific collections and continue to make these collections available to the public.

**Major Boilerplate Changes From FY 2010-11**

***Sec. 901. Federal and Private Grants – DELETED***

Requires that the department notify House and Senate Appropriations subcommittee chairs with ten days of receipt of a grant appropriated in the federal and private grants line item including funding source, purpose, and amount of grant.

***Sec. 903. Cyber Schools – DELETED***

Directs the department to work with districts that operate a cyber school or an alternative education program with a seat-time waiver to provide a report by March 1, detailing enrollments resident districts, per pupil operating costs, and online education providers.

***Sec. 904. Federal Education Jobs – DELETED***

Designated a portion of Federal Education Jobs funds for administration of the Education Jobs funds distributed to districts in the School Aid budget.