

**Summary: Executive Budget Recommendation
for Fiscal Year 2016-17
DEPARTMENT OF EDUCATION**



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	FY 2015-16 Year-to-Date as of 2/10/16	FY 2016-17 Executive	Difference: FY 2016-17 Vs. FY 2015-16	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	215,640,900	225,164,100	9,523,200	4.4
Local	5,633,700	5,557,200	(76,500)	(1.4)
Private	2,033,300	2,034,200	900	0.0
Restricted	7,669,600	7,780,700	111,100	1.4
GF/GP	77,583,700	76,381,200	(1,202,500)	(1.5)
Gross	\$308,561,200	\$316,917,400	\$8,356,200	2.7
FTEs	594.5	602.5	8.0	1.3

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 Year-to-Date (YTD) Appropriations

		FY 2015-16 YTD (as of 2/10/16)	Executive Change from YTD
1. Multi-Tiered Systems of Supports (MTSS) Implementation Monitoring and Assistance	FTE	45.0	3.0
	Gross	\$9,174,400	\$500,000
Provides \$500,000 GF/GP and 3.0 FTEs to the Office of Field Services to establish a team of consultants to monitor and support implementation of a FY 2015-16 School Aid budget requirement that districts implement MTSS in grades K-3 in order to receive at-risk funding.	Federal	8,874,900	0
	Restricted	77,000	0
	GF/GP	\$222,500	\$500,000
2. Early/Middle Colleges (EMC) Expansion Supports	FTE	27.0	2.0
	Gross	\$4,748,800	\$395,000
Provides \$395,000 GF/GP and 2.0 FTEs to the Office Career and Technical Education to support technical assistance and monitoring of EMCs, which have increased from 9 in FY 2011-12 to approximately 119 projected for FY 2016-17.	Federal	3,818,600	0
	GF/GP	\$930,200	\$395,000
3. Special Education Taskforce Recommendations	Gross	\$8,920,000	\$300,000
Provides \$300,000 GF/GP to the Office of Special Education to implement findings from the Special Education Reform Task Force to design and distribute parent-friendly information for Individualized Education Plans (IEPs) and support mediator training.	Federal	8,440,900	0
	Private	110,100	0
	Restricted	44,000	0
	GF/GP	\$325,000	\$300,000
4. School Safety Consultant	FTE	82.6	1.0
	Gross	\$15,087,200	\$180,000
Provides \$180,000 GF/GP and 1.0 FTE to the Office of School Support Services to support school emergency planning for MDE and coordinate with the State Police and the Attorney General in providing consistent statewide leadership and guidance on school safety issues.	Federal	14,240,500	0
	Local	11,700	0
	Restricted	157,300	0
	GF/GP	\$677,700	\$180,000

5. Home Visit Program Management and Coordination	FTE	64.0	1.0
Provides \$175,000 GF/GP and 1.0 FTE to the Office of Great Start to manage the home visit program that was part of the FY 2015-16 School Aid budget early literacy initiative.	Gross	\$22,808,600	\$175,000
	Federal	15,681,700	0
	Private	250,000	0
	Restricted	64,100	0
	GF/GP	\$6,812,800	\$175,000
6. E-Rate Technical Assistance for Districts	FTE	59.7	1.0
Provides \$162,500 GF/GP and 1.0 FTE to the Office of Educational Improvement and Innovation Services to support an E-Rate consultant to coordinate district applications and projects, which may allow for increased chances in receiving grants since the Federal Communications Commission (FCC) is considering greater intra-state coordination as a requirement to receive funds. Technology Readiness Infrastructure Grants (TRIG) have funded E-Rate coordination of district applications and projects through the School Aid budget; however, in the School Aid budget TRIG is scheduled to be removed in the FY 2016-17 budget, so this appropriation would continue these operations.	Gross	\$9,362,500	\$162,500
	Federal	6,500,600	0
	Restricted	556,900	0
	GF/GP	\$2,305,000	\$162,500
7. One-Time: Flint Declaration of Emergency Child Development and Care (CDC)	Gross	\$0	\$8,050,100
Includes one-time, half-year funding of \$8.1 million federal Child Care Development Fund (CCDF) to provide subsidized childcare to all 0-3 children in Flint for half-day services, regardless of household income, with additional funding available for transfer from a \$50.0 million Flint Emergency Reserve Fund proposed in the FY 2015-16 supplemental for DTMB.	Federal	0	8,050,100
	GF/GP	\$0	\$0
8. One-Time: Certification Fees Subsidy	Gross	n/a	\$500,000
Includes \$500,000 GF/GP to support declining teacher certification fee revenue in a number of line items, for which a fee increase is requested for FY 2017-18.	GF/GP	n/a	\$500,000
9. Financial Independence Team (FIT) Operations	Gross	\$499,500	(\$250,000)
Reduces FIT by \$250,000 GF/GP (\$249,500 remaining). The FIT, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	GF/GP	\$499,500	(\$250,000)
10. Educator Evaluations	Gross	\$2,500,000	(\$1,000,000)
Reduces Educator Evaluations by \$1 million (\$1.5 million remaining). Funding in FY 2015-16 was used for staffing, compliance monitoring, and information technology systems modifications.	GF/GP	\$2,500,000	(\$1,000,000)
11. Early Out 5-Year Payouts	Gross	\$201,400	(\$201,400)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.	Federal	179,500	(179,500)
	GF/GP	\$21,900	(\$21,900)
12. Educator Talent and Policy Coordination	FTE	n/a	0.0
Reflects a new section within the MDE consisting of an appropriation of \$2.6 million gross (\$627,400 federal, \$239,600 state restricted, and \$1.7 million GF/GP) and 17.0 FTEs. The FTEs and funding do not indicate increases to the MDE, but instead are transfers from other units and line items.	Gross	n/a	\$0
	Federal	n/a	0
	Restricted	n/a	0
	GF/GP	n/a	\$0
13. Economic Adjustments	Gross	n/a	\$1,929,400
Reflects increased costs of \$1.9 million Gross (\$451,100 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	Federal	n/a	1,351,000
	Private	n/a	900
	Restricted	n/a	126,400
	GF/GP	n/a	\$451,100

Major Boilerplate Changes From FY 2015-16

Sec. 203. Definitions – REVISED

Deletes the definitions for “IMLS” meaning Institute of Museum and Library Services and “Fund-raising activity” meaning an ongoing fund-raising activity that is scheduled to take place at more than 1 time during a school day or throughout the school day, both of which were terms removed from boilerplate.

Major Boilerplate Changes From FY 2015-16

Sec. 208. Personnel Records – DELETED

Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct.

Sec. 216. Communication with the Legislature – DELETED

Prohibits MDE from taking disciplinary action against an employee for communicating truthfully and factually with a legislator or his/her staff.

Sec. 218. Records Retention – DELETED

Requires MDE to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records.

Sec. 219. Contingency Funds – REVISED

Increases federal contingency funds from \$5.0 million to \$10.0 million.

Sec. 220. Timely Data – DELETED

Requires MDE to provide data requested by legislature, staff, and fiscal agencies in a timely manner; subjects the State Board/Superintendent Operations line item to a penalty of 1% of state funds if reasonably requested data is not received within 30 days of if reports required by boilerplate or statute are not submitted within 30 days after it is due.

Sec. 233. Requests for Proposals – DELETED

Prohibits department from issuing a request for proposal for a contract exceeding \$1.0 million unless it first considers issuing a request for information or request for qualification.

Sec. 234. Performance Measures – DELETED

Requires MDE to report 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. 235. Contract Notification – REVISED

Currently requires MDE to notify the House and Senate before entering into a contract that exceeds \$1.0 million or seeking a federal waiver from, or amending the federal waiver from, the No Child Left Behind Act of 2001. The revision would remove notification for MDE to notify the House and Senate before entering into a contract that exceeds \$1.0 million. Adds the State Budget Director to the list of organizations that the MDE shall notify when it intends to seek a federal waiver from the No Child Left Behind Act of 2001 or an amendment to a federal waiver.

Sec. 236. Nonpublic School Mandates – DELETED

Requires MDE to compile a report that identifies mandates required by nonpublic schools by April 1, 2016.

Sec. 237. Fund-raising – DELETED

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 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. 502. Student Teaching Credits – DELETED

Authorizes teacher preparation institutions to provide alternative programs in which one-half of all student teaching credits can be earned through substitute teaching.

Sec. 601. Financial Independence Team (FIT) – DELETED

Details the purpose of the Financial Independence Team which will work with Treasury to develop a financial early warning system and provide assistance to distressed districts and intermediate districts.

Sec. 701. MTSS K-3 At-Risk Funding Report – NEW

Requires the MDE to produce a report detailing the progress made by districts with grades K-3 receiving at-risk funding under section 31a of the State Aid Act in implementing multi-tiered systems of supports in the prior school fiscal year.

Sec. 803. Keep Library Functions Together – DELETED

Provides intent that the State maintain the Library of Michigan and its component programs, except for the genealogy collections, together in a state department.

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

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

Sec. 901. Federal and Private Grants – DELETED

Requires department to notify Legislature within 10 days of receiving a federal or private grant appropriated in part 1 under federal and private grants line.

Major Boilerplate Changes From FY 2015-16

Sec. 901. Special Education Reform Task Force Guidelines – NEW

Provides increased funds for the Office of Special Education to address the Special Education Reform Task Force Guidelines to design and distribute parent-friendly information for Individualized Education Plans (IEPs), as well as train mediators knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities.

Sec. 1001. Number of Childcare Providers – DELETED

Requires a report by November 1, 2015 on the number of childcare providers (by type) receiving payment for childcare services on October 1, 2015.

Sec. 1003. Early Childhood Investment Corporation Annual Report – DELETED

Requires the department to submit an annual report on all funding appropriated to the Early Childhood Investment Corporation (ECIC) for FY 2014-15 by February 15. Report must detail the amounts of grants awarded, grant recipients, the activities funded by each grant, and an analysis of the work of each grantee. Also requires contracts for early childhood comprehensive systems planning to be bid through a statewide RFP process.

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

Requires the department to expend the increased funding for the Child Development and Care (CDC) program on increasing the number of low-income children in high quality 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. 1101. Flint Declaration of Emergency – NEW

Requires that from the funds for the Flint declaration of emergency, the MDE must do the following activities: the pilot expansion of child development and care eligibility to children ages birth to three for half-day childcare services by removing household income as a determinate of eligibility; and provide information to childcare providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead.

Sec. 1201. FY 2016-17 Appropriations – DELETED

Expresses intent that FY 2016-17 appropriations are anticipated to be the same as FY 2015-16 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.

Flint-related Supplemental Recommendations for FY 2015-16 Appropriations

1. Flint Declaration of Emergency

Includes \$25.6 million gross (\$19.6 million federal and \$6.0 million GF/GP) for funding to subsidize childcare to all 0-3 children in Flint for half-day services, information to childcare providers on identification and intervention services for children demonstrating developmental delays, and expand provisions for reimbursement vouchers, and/or delivery of programs providing fruits and vegetables to children and families.

**FY 2015-16
Recommendation**

Gross	\$25,600,000
Federal	19,600,000
GF/GP	\$6,000,000