

**Summary: Executive Budget Recommendation  
for Fiscal Year 2020-21  
DEPARTMENT OF EDUCATION**



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	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
<b>Federal</b>	315,342,100	344,804,700	29,462,600	9.3
<b>Local</b>	5,893,400	5,872,100	(21,300)	(0.4)
<b>Private</b>	2,036,200	2,239,300	203,100	10.0
<b>Restricted</b>	9,300,000	9,815,400	515,400	5.5
<b>GF/GP</b>	87,212,000	89,447,100	2,235,100	2.6
<b>Gross</b>	<b>\$419,783,700</b>	<b>\$452,178,600</b>	<b>\$32,394,900</b>	<b>7.7</b>
<b>FTEs</b>	620.5	621.0	0.5	0.1

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (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.

<b>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</b>		<b>FY 2019-20 YTD (as of 2/6/20)</b>	<b>Executive Change from YTD</b>
<b>1. Child Development and Care (CDC) – Entrance Eligibility Threshold Increase</b>	<b>Gross</b>	<b>\$217,000,000</b>	<b>\$25,725,000</b>
Provides \$25.7 million in federal funding to increase the entrance eligibility threshold from 130% of the federal poverty guidelines (\$34,060 for a family size of four in FY 2020-21) to 150% of the federal poverty guidelines (\$39,300 for a family size of four) beginning January 1, 2021. This represents three quarters of the estimated annual cost of \$34.3 million.	Federal	176,970,900	25,725,000
	GF/GP	\$40,029,100	\$0
<b>2. PBS Early Childhood Initiative</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,800,000</b>
Provides \$1.8 million GF/GP in one-time funding for a community licensed public television station (PBS) to provide direct services to educators, parents, and caregivers to improve school readiness. The services and supports must include reading and literacy, community education camps, and professional development training programs. PBS would provide these services through the expansion of PBS programming such as PBS KIDS, Ready to Learn, and Pre-School U.	GF/GP	\$0	\$1,800,000
<b>3. CDC – Background Checks (Licensing and Regulatory Affairs (LARA))</b>	<b>Gross</b>	<b>\$29,072,800</b>	<b>\$1,300,000</b>
Provides \$1.3 million federal Child Care Development Fund (CCDF) for LARA to continue to provide federally required background checks for any employee working at a child care facility.	Federal	29,072,800	1,300,000
	GF/GP	\$0	\$0

<b>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</b>		<b>FY 2019-20 YTD (as of 2/6/20)</b>	<b>Executive Change from YTD</b>
<b>4. Teacher Shortage, Retention, and Diversity Initiative</b>	FTE	48.0	0.0
Provides \$180,000 GF/GP to expand the teacher workforce through a new teacher shortage, retention, and diversity initiative. The initiative would include \$140,000 GF/GP and repurpose 1.0 FTE position in the Office of Educator Excellence (OEE) and allocate \$40,000 for website development. The initiative would include improving the MDE reciprocity agreement process whereby individuals with out-of-state teaching certificates receive Michigan certification, creating a website modeled after TeachWA.org to increase information about the process for entering the teaching profession and listing details for job opportunities, and working on diversity efforts so the teacher population more closely represents the student population.	<b>Gross</b>	<b>\$10,836,700</b>	<b>\$180,000</b>
	Federal	4,654,300	0
	Restricted	4,165,600	0
	GF/GP	\$2,016,800	\$180,000
<b>5. Michigan's Poet Laureate</b>	FTE	31.0	0.5
Provides \$100,000 GF/GP and authorizes 0.5 FTE positions to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts.	<b>Gross</b>	<b>\$4,958,800</b>	<b>\$100,000</b>
	Restricted	300,000	0
	GF/GP	\$4,658,800	\$100,000
<b>6. Camp Tuhsmeheeta Maintenance and Upkeep</b>	<b>Gross</b>	<b>\$298,000</b>	<b>\$202,000</b>
Increases by \$202,000 private funds for maintenance and upkeep of facilities. MDE has indicated that the camp would need to replace buildings at a higher cost without additional maintenance funding.	Private	298,000	202,000
	GF/GP	\$0	\$0
<b>7. Michigan Online Educator Certification System (MOECS) IT System Maintenance and Support</b>	<b>Gross</b>	<b>\$4,651,000</b>	<b>\$200,000</b>
Increases by \$200,000 Certification Fees in the Information Technology Services and Projects line item to fund contracted staff at the Department of Technology Management, and Budget (DTMB) for ongoing support and enhancements of MDE's MOECS, which allows teachers to access their certification data, apply for certificates and endorsements, and renew their certificates.	Federal	2,533,400	0
	Restricted	712,500	200,000
	GF/GP	\$1,405,100	\$0
<b>8. Michigan School for the Deaf and Blind</b>	<b>Gross</b>	<b>\$13,515,900</b>	<b>\$112,800</b>
Increases Student Insurance Revenue authorization by \$112,800 to be able to fully draw down federal Medicaid reimbursement for the Michigan School for the Deaf and Blind.	Federal	7,529,200	0
	Local	5,893,400	0
	Restricted	93,300	112,800
	GF/GP	\$0	\$0
<b>9. Office of Great Start Line Item Roll Up: CDC Contracted Services and T.E.A.C.H. Early Childhood Michigan Scholarship program</b>	FTE	65.0	0.0
Transfers \$17.4 million of federal funding from two line items, Child Development and Care Contracted Services (\$16.2 million) and T.E.A.C.H. Early Childhood Michigan Scholarship program (\$1.3 million), to the Office of Great Start Operations. Both of these programs were included as individual line items in the FY 2019-20 budget to separate their functions and appropriations from the Office of Great Start Operations. In FY 2019-20, an estimated \$3.8 million of the Child Development and Care Contracted Services is dedicated to T.E.A.C.H. scholarships.	<b>Gross</b>	<b>\$13,369,600</b>	<b>\$0</b>
	Federal	11,194,900	0
	Private	250,000	0
	Restricted	64,600	0
	GF/GP	\$1,860,100	\$0
<b>10. CDC – State Matching Fund Decrease</b>	<b>Gross</b>	<b>\$217,000,000</b>	<b>\$0</b>
Replaces \$597,800 GF/GP with a corresponding amount of federal funds for the CDC program's matching funds in order to align GF/GP with the estimated amount needed to draw down the full federal CCDF award. This represents an estimate because the final federal allocation for Michigan has not been appropriated at the federal level.	Federal	176,970,900	597,800
	GF/GP	\$40,029,100	(\$597,800)

<b><u>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</u></b>	<b><u>FY 2019-20 YTD (as of 2/6/20)</u></b>	<b><u>Executive Change from YTD</u></b>	
<b>11. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,775,400</b>
Reflects increased costs of \$2.8 million Gross (\$752,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	1,840,100
	Local	NA	(21,300)
	Private	NA	1,100
	Restricted	NA	202,600
	GF/GP	NA	752,900

### **Major Boilerplate Changes from FY 2019-20**

#### ***Executive Boilerplate Deletions***

In general, the Executive Budget deletes a majority of boilerplate sections included in the FY 2019-20 budget. The following list includes all sections proposed to be deleted.

- Kindergarten Entry Assessment Participation (Sec. 219)
- Communication with the Legislature (Sec. 222)
- Records Retention (Sec. 223)
- Grant Application Penalty (Sec. 225)
- Timely Data (Sec. 227)
- Contract Notification (Sec. 229)
- Nonpublic School Mandates (Sec. 230)
- Association Report (Sec. 235)
- Department Administrative Reserve Fund 1 (Sec. 236)
- Department Administrative Reserve Fund 2 (Sec. 237)
- Department Administrative Reserve Fund 3 (Sec. 238)
- Labor Day Start Study Report (Sec. 239)
- Travel Expenditures (Sec. 302)
- Federal and Private Grants (Sec.325)
- Due Process Hearings (Sec. 409)
- Student Teaching Credits (Sec. 502)
- CDC Provider Reimbursement Rate Increase (Sec. 1002)
- Early Childhood Investment Corporation Annual Report (Sec. 1003)
- CDC T.E.A.C.H. Early Childhood Michigan Scholarship Program (Sec. 1004)

#### **Sec. 210. Contingency Funds – REVISED**

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

#### **Sec. 508. Teacher Shortage, Retention, and Diversity Initiative – NEW**

Includes a new section to provide \$180,000 GF/GP to the Office of Educator Excellence for the purposes of addressing teacher shortage, retention, and diversity in the State of Michigan.

#### **Sec. 805. Michigan's Poet Laureate – NEW**

Includes a new section to provide \$100,000 for the support of the Michigan poet laureate program to promote poetry, the spoken word, and literary arts across the state.

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

Revises to increase the entrance income threshold for the CDC program from 130% of the federal poverty guidelines to 150%.

#### **Sec. 1011. CDC Biweekly Block Reimbursement Rate Schedule – REVISED**

Revises to remove intent language that the biweekly block reimbursement system reimburses providers based on the block segment that is closest to the number of hours actually paid to the provider.

#### **Sec. 1102. PBS Early Childhood Initiative – NEW**

Includes a new section to provide \$1.8 million for a community licensed public television station in this state to provide direct services to educators, parents and caregivers to improve school readiness. The services must include, but are not limited to, reading and literacy, community education camps, and professional development training programs.

**Supplemental Recommendations for FY 2019-20 Appropriations**

**FY 2019-20  
Recommendation**

***1. Michigan School for the Deaf and Blind***

Increases Student Insurance Revenue authorization by \$112,800 to be able to fully draw down federal Medicaid reimbursement for the Michigan School for the Deaf and Blind.

**Gross**  
Restricted  
GF/GP

**\$112,800**  
112,800  
\$0