

**Summary: Executive Budget Recommendation
for Fiscal Year 2021-22
DEPARTMENT OF EDUCATION**



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	FY 2020-21 Year-to-Date as of 2/11/21	FY 2021-22 Executive	Difference: FY 2021-22 vs. FY 2020-21	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	343,701,700	344,304,100	602,400	0.2
Local	5,872,100	5,870,300	(1,800)	(0.0)
Private	2,239,300	2,238,500	(800)	(0.0)
Restricted	9,815,500	9,785,400	(30,100)	(0.3)
GF/GP	90,067,100	168,893,100	78,826,000	87.5
Gross	\$451,695,700	\$531,091,400	\$79,395,700	17.6
FTEs	620.5	621.0	0.5	0.1

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 2020-21 Year-to-Date (YTD) Appropriations	FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
1. One-Time Appropriation – Child Care Investment Plan	Gross NA	\$78,000,000
Provides \$78.0 million GF/GP in one-time funding to continue implementing the child care investment plan from the FY 2020-21 Supplemental Recommendation noted below.	GF/GP NA	\$78,000,000
2. Teacher Recruitment Program	FTE 48.0	0.5
Provides \$2.9 million GF/GP and authorizes 0.5 FTE positions in the Educator Excellence Operations line item and provides MDE three allocations to address teacher recruitment as follows:	Gross \$10,989,700	\$2,895,000
	Federal 4,668,000	0
	Restricted 4,295,100	0
	GF/GP \$2,026,600	\$2,895,000
<ul style="list-style-type: none"> Allocates \$1.8 million and 0.5 FTE positions to comply with boilerplate Sec. 233 that requires MDE to implement a training program for students in grades 9 to 12 who are interested in teaching and are members of groups underrepresented in the teaching profession. Eligible program expenses include, but are not limited to, tuition, stipends, scholarships, books, and transportation. Allocates \$800,000 for existing teachers to participate in a competitive grant program that would award up to \$8,000 per teacher to facilitate movement into high demand and critical shortage fields. Educator preparation institutions that participate would create a custom program for teachers to complete in one year. Allocates \$320,000 to cover the cost of up to 2,000 teaching license renewals for former teachers, and requires MDE to reduce the hours of professional learning required for returning teachers. 		

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations		FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
3. Michigan Poet Laureate	FTE	31.0	0.0
Provides \$100,000 GF/GP to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts.	Gross	\$4,956,400	\$100,000
	Restricted	300,000	0
	GF/GP	\$4,656,400	\$100,000
4. Office of Great Start Line Item Roll Up: Child Development and Care Contracted Services and T.E.A.C.H. Early Childhood Michigan Scholarship program	FTE	65.0	0.0
Transfers \$17.4 million of federal funding from two line items, Child Development and Care Contracted Services (\$12.4 million) and T.E.A.C.H. Early Childhood Michigan Scholarship program (\$5.0 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.	Gross	\$13,564,300	\$0
	Federal	11,394,400	0
	Private	250,000	0
	Restricted	64,600	0
	GF/GP	\$1,855,300	\$0
5. Child Development and Care (CDC) – State Matching Fund Decrease	Gross	\$241,622,000	\$0
Replaces \$1.0 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 Child Care Development Fund (CCDF) award. This represents an estimate because the final federal allocation for Michigan has not been appropriated at the federal level.	Federal	202,190,700	1,019,600
	GF/GP	\$39,431,300	(\$1,019,600)
6. Economic Adjustments	Gross	NA	(\$599,300)
Reflects decreased costs of \$599,300 Gross, including a decrease of \$149,400 GF/GP, for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	(417,200)
	Local	NA	(1,800)
	Private	NA	(800)
	Restricted	NA	(30,100)
	GF/GP	NA	(\$149,400)

Major Boilerplate Changes from FY 2020-21

Executive Boilerplate Deletions

In general, the Executive Budget deletes a number of boilerplate sections included in the FY 2020-21 budget. The following list includes all sections proposed to be deleted.

- FTE Vacancies and Remote Work Report (Sec. 216)
- State Administrative Board Transfer (Sec. 218)
- Kindergarten Entry Assessment Participation (Sec. 219)
- Report on Policy Changes Made to Implement Public Acts Affecting Department (Sec. 221)
- Communication with the Legislature (Sec. 222)
- Records Retention (Sec. 223)
- Expending Available Work Project Authorization (Sec. 224)
- Federal Accountability Plans (Sec. 229)
- Nonpublic School Mandates (Sec. 230)
- Child Protection Law Reporting (Sec. 231)
- College Acceleration Program Report (Sec. 234)
- Due Process Hearings (Sec. 409)
- Felony Conviction Files (Sec. 501)
- Early Childhood Investment Corporation Annual Report (Sec. 1003)
- CDC T.E.A.C.H. Early Childhood Michigan Scholarship Program (Sec. 1004)
- CDC Funding Changes (Sec. 1010)
- Educare (Sec. 1101)

Major Boilerplate Changes from FY 2020-21

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. 233. Teacher Recruitment Program – REVISED

Revises the requirements MDE must do to implement a training program for students in grades 9 to 12 who are interested in teaching and are members of groups of underrepresented in the teaching profession as follows: revises from creating a process for nomination and admission of students to the program to recruiting districts to make the program available for their students and implementing a competitive grant to support program costs; maintains the requirement to advertise the program; revises to add that MDE would "provide districts with resources" to invite teacher preparation programs in Michigan to participate in the training program; revises to add that the required conferences for students in the program take place in at least three geographically convenient locations from providing no minimum number of locations; revises the recipients of available research and resources from students and postsecondary institutions to districts offering the training program.

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

Revises to increase the entrance income threshold for the CDC program from 150% of the federal poverty guidelines to 200%. (As noted above in Major Budget Changes and below in Supplemental Recommendations, this change would be funded through a combination of FY 2020-21 federal authorization appropriations and FY 2021-22 one-time GF/GP appropriations. The child care investment plan would increase the entrance income threshold from 150% to 200% of the federal poverty guidelines from April 1, 2021 to September 30, 2022, and then permanently set the threshold at 160% of the federal poverty guidelines in FY 2022-23.)

Supplemental Recommendations for FY 2020-21 Appropriations

FY 2020-21 Recommendation

1. Child Care Investment Plan

Authorizes \$292.1 million federal Child Care Development Block Grant (CCDBG) under the federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act to fund a child care investment plan from FY 2020-21 through FY 2022-23. As noted above under Major Budget Changes, in addition to the federal CRRSA authorization, the child care investment plan includes \$78.0 million in one-time GF/GP in FY 2021-22 for a total of \$370.1 million in gross revenue. The total estimated cost of the child care investment plan is \$359.8 million, and there is a work project request with a completion date of September 30, 2023. The plan would include the following components:

- \$157.4 million to increase the CDC entrance income eligibility threshold from 150% to 200% of the federal poverty guidelines from April 1, 2021 to September 30, 2022, and then permanently set the threshold at 160% of the federal poverty guidelines in FY 2022-23.
- \$19.5 million to waive family contribution copays for the CDC program from April 1, 2021 to September 30, 2022.
- \$79.6 million to increase provider reimbursement rates by 10% from April 1, 2021 to September 30, 2023.
- \$44.0 million to pay providers on enrollment rather than attendance from April 1, 2021 to December 31, 2021.
- \$55.0 million to provide business support grants to all child care providers for FY 2020-21 only.
- \$1.5 million to continue providing mental health consultation to child care providers for FY 2021-22 only.
- \$2.8 million to provide MDE with funding for administrative and information technology costs for implementation of the child care investment plan.

Gross	\$292,115,000
Federal	292,115,000
GF/GP	\$0