

**Summary: Executive Budget Recommendation
for Fiscal Year 2018-19
DEPARTMENT of Education**



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	FY 2017-18 Year-to-Date as of 2/8/18	FY 2018-19 Executive	Difference: FY 2018-19 Vs. FY 2017-18	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	254,084,700	255,366,800	1,282,100	0.5
Local	5,817,200	5,852,800	35,600	0.6
Private	2,034,300	2,035,800	1,500	0.1
Restricted	8,567,600	8,668,200	100,600	1.2
GF/GP	81,677,400	85,183,700	3,506,300	4.3
Gross	352,181,200	357,107,300	4,926,100	1.4
FTEs	609.5	620.5	11.0	1.8

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 8, 2018. (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 2017-18 Year-to-Date (YTD) Appropriations

		FY 2017-18 YTD (as of 2/8/18)	Executive Change from YTD
1. School Reform Office to MDE: Partnership District Support Operations	FTE	4.0	9.0
Provides \$2.9 million GF/GP and 9.0 FTEs to Partnership District Support Operations for the transfer of the School Reform Office (SRO) from DTMB to MDE (Executive Order 2017-5). Operational support will be responsible for supporting existing partnership districts as partnership liaisons, as well as data analysis, financial management, and office management for school reform efforts.	Gross	\$641,800	\$2,853,400
	GF/GP	\$641,800	\$2,853,400
2. School Reform Office to MDE: State Board/Superintendent Operations	FTE	11.0	2.0
Provides \$497,600 GF/GP and 2.0 FTEs to State Board/Superintendent Operations for the transfer of the School Reform Office (SRO) from DTMB to MDE (Executive Order 2017-5). Operational support staff would work with the superintendent to identify, partner, and hold districts accountable for meeting goals outlined in partnership agreements.	Gross	\$2,104,200	\$497,600
	Federal	156,600	0
	Private	28,100	0
	Restricted	654,400	0
	GF/GP	\$1,265,100	\$497,600
3. Early Literacy Implementation	Gross	\$15,571,200	\$1,000,000
Provides \$1.0 million GF/GP to School Support Services Operations for continuing implementation of literacy initiatives funded in Section 35a of the School Aid Act. Previously, these funds were located in Section 35 of the School Aid Act.	Federal	14,522,300	0
	Local	11,700	0
	Restricted	159,300	0
	GF/GP	\$877,900	\$1,000,000
4. Project UNIFY	Gross	\$15,571,200	\$500,000
Provides \$500,000 GF/GP to School Support Services Operations for Project UNIFY, now known as Special Olympics Unified Champion Schools. MDE oversees the program and has been reimbursed by DHHS since 2015, but would now be directly funded. The program brings together students with and without disabilities through education, sports, and leadership enrichment activities in their communities.	Federal	14,522,300	0
	Local	11,700	0
	Restricted	159,300	0
	GF/GP	\$877,900	\$500,000

**FY 2017-18 YTD
(as of 2/8/18)** **Executive
Change
from YTD**

Major Budget Changes From FY 2017-18 Year-to-Date (YTD) Appropriations

5. Braille Textbook Production Expansion	Gross	\$450,000	\$300,000
Increases by \$300,000 in restricted funds in the Michigan Schools for the Deaf and Blind unit's Low Incidence Outreach program to a total of \$750,000. The increased appropriation allows for increased production and sale of specialized braille books, and additional fund revenue provides free books, services, supports, and training for students, teachers, parents, and other related personnel.	Restricted	450,000	300,000
	GF/GP	\$0	\$0
6. Renaissance Zones Adjustment	Gross	\$3,300,000	(\$800,000)
Reduces funding for Renaissance Zone reimbursements to libraries by \$800,000 GF/GP. Estimated reimbursement payments required by statute have decreased due to recent Personal Property Tax reform.	GF/GP	\$3,300,000	(\$800,000)
7. Economic Adjustments	Gross	NA	\$1,506,300
Reflects increased costs of \$1.5 million Gross (\$455,300 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	901,400
	Local	NA	47,300
	Private	NA	1,500
	Restricted	NA	100,800
	GF/GP	NA	\$455,300

Major Boilerplate Changes From FY 2017-18

DELETED Sections:

- Communication with the Legislature (Sec. 222)
- Records Retention (Sec. 223)
- Timely Data (Sec. 227)
- Contract Notification (Sec. 229)
- Nonpublic School Mandates (Sec. 230)
- Travel Expenditures (Sec. 302)
- Federal and Private Grants (Sec. 325)
- Keep Library Functions Together (Sec. 803)
- Number of Childcare Providers (Sec. 1001)
- CDC Provider Reimbursement Rate Increase (Sec. 1002)
- CDC TEACH Scholarship (Sec. 1004)
- CDC Childcare Monitoring (Sec. 1005)
- CDC Increase to Eligibility Entrance Threshold (Sec. 1009)
- National Career Readiness Certificate (Sec. 1021)
- Drinking Water Declaration of Emergency – CDC Pilot (Sec. 1101)

Sec. 225. Grant Application Penalty – REVISED

Revises that only "known" grants in the School Aid grant application process must be open by December 1, 2018 to reflect the possibility that certain grants, especially federal grants that are available for FY 2018-19, will not be either open or available for review by the deadline.

Sec. 350. Special Education Reform Task Force Guidelines – REVISED

Revises to indicate the cost, \$100,000 from Special Education Operations, for the design and distribution to all parents and legal guardians of a student with a disability information for all Individualized Education Plans (IEPs). Deletes the requirement to train mediators knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities.

Sec. 407. Gifts, Bequests, and Donations – REVISED

Revises to remove local district service fees from the list of unexpended state revenue sources that if unexpended at the end of the fiscal year may be carried over to the next fiscal year and not revert to general fund because it is a fund source that is no longer collected and appropriated.

Sec. 601. Early Literacy Implementation – NEW

Creates a new section to direct the early literacy implementation funding to costs associated with programs for early childhood literacy funded in Section 35a of the State School Aid Act. *See major budget changes for Early Literacy Implementation.*

Sec. 701. Multi-Tiered Systems of Support (MTSS), At Risk, Reading Intervention Funding Support – REVISED

Revises the report that details progress made by districts receiving At Risk funding under section 31a of the State School Aid Act from those with grades K to 3 to those with grades K to 8. Also revises the portion of the report for implementing MTSS in the prior school year to presumably all grades since the grade restriction, 4 to 8, was removed from the section.