



Senate Fiscal Agency
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House Bill 4391 (S-1 as reported)

Committee: Appropriations

FY 2002-03 Year-to-Date Gross Appropriation	\$216,154,016
Changes from FY 2002-03 Year-to-Date:	
1. Federal Funds. Due to the discontinuation of five grants at the Federal level, Federal funds and their corresponding administrative dollars are reduced by \$102,677,400. Also, administration of a few grants was increased, totaling \$896,600. The Senate added \$704,700 for new administrative dollars, to restructure the teacher credentialing system (\$552,000) and oversee the new Math and Science Partnerships grants (\$152,700).	(101,076,100)
2. State Grants. The Governor proposed an increase in the School Breakfast line item, in the amount of \$2,595,200 over the year-to-date allocation. The House concurred with the Governor. The Senate made a \$100 item of difference in the School Breakfast line.	2,595,100
3. Education Commission of the States Membership. The Governor proposed eliminating Michigan's membership in the ECS, and the House and Senate concurred.	(99,300)
4. Motorcycle and Off Road Vehicle Safety Program Eliminations. The Governor proposed eliminating these two safety education programs, which are supported with portions of restricted license and registration fees. The House restored \$100 as a placeholder to continue discussions on the elimination of the Motorcycle Safety program. The Senate, in the General Government budget bill, funded the motorcycle program under the Secretary of State's office, and in the DNR bill funded the ORV safety program. The Senate concurred with the transfer of programs, but restored \$5,000 in restricted fees to support the continued processing of grants through DOE.	(1,980,500)
5. Administrative Law Operations. The Governor reduced this line item by \$162,600 as part of administrative savings, but the House restored \$100,000 of the cut using Teacher Certification fees, to enable the employment of a second teacher tenure lawyer as required by statute. The Senate added a further \$49,100 to fully fund the office.	(13,500)
6. Oversight and Program Eliminations. The Governor, House, and Senate eliminate oversight of At-Risk and Bilingual Education, as well as a pupil report desk auditor and an employee undertaking internal department auditing. The Learning Support Unit (which assists retraining teachers) is also eliminated.	(514,100)
7. Center for Educational Performance and Information (CEPI). The Governor, House, and Senate transfer \$685,100, which supports CEPI, to the Department of Management and Budget, where the remainder of CEPI employees and funding are housed.	(685,100)
8. Other Changes. Other changes include elimination of per diem payments for the State Tenure Commission, a reduction for Information Technology expenditures, adjustments for early retirement, and reductions in travel, terminal leave payments, CSS&M, and building occupancy charges. The Senate also reduced unclassified salaries by \$111,100, eliminated training and orientation workshops (\$100,000), eliminated State Board of Education travel (\$35,000), and State Board of Education per diem payments (\$24,400).	(920,916)
9. Comparison to Governor's Recommendation. The Senate recommendation is \$634,600 Gross over and \$171,700 GF/GP under the Governor's recommendation.	
Total Changes	(\$102,694,416)
FY 2003-04 Senate Appropriations Committee Gross Appropriation	\$113,459,600

Changes from FY 2002-03 Year to Date:

1. **Contingency Funds.** The Executive recommended reducing the amount of Federal contingency funds listed in the section, and the House and Senate eliminated the section entirely. (Sec. 206 in Current Law)
2. **Special Education Auditors.** The Executive, House, and Senate recommend reducing the funding requirement from two special education auditors to one, in the face of decreased revenues. (Sec. 211)
3. **Standard Sections.** The Governor recommended deletion of the following, but the House and Senate retained the sections:
 1. Receive and retain reports funded through appropriations. (Sec. 214)
 2. Privation plans. (Sec. 215)
 3. Buy American. (Sec. 216)
 4. Depressed and deprived communities. (Sec. 217)
 5. Personal service contracts. (Sec. 218) The Senate added language restricting the Department to not entering into personal service contracts valued at more than \$10,000, unless they are competitively bid.
4. **Appropriating One-Half of General Fund Lapse.** The Governor included a new section appropriating up to one-half of the unexpended GF lapses to the Department for salaries and wages, contracts, supplies, and program operations. The House and Senate did not concur, and did not include the language.
5. **Motorcycle Safety Program.** The House included a new section requiring the Department of Education to work with the Department of State to ensure that the motorcycle safety education program is continued in the same manner as in 2002-03. The Senate concurred. (Sec. 219)
6. **Off-Road Vehicle Safety Program.** The House included a new section requiring the Department of Education to work with the Department of Natural Resources to ensure that the ORV safety education program is continued in the same manner as in 2002-03. The Senate concurred. (Sec. 220)
7. **Online Assessment Tool.** The House included a new section earmarking \$100 to develop an online assessment system to supplement the MEAP test and provide immediate feedback on student achievement. The Senate did not include this section. (Sec. 221)
8. **Appeals for Failure to Meet Adequate Yearly Progress (AYP).** The Senate included a new section requiring the Department, prior to publishing a list of schools failing to meet AYP under No Child Left Behind, to notify such schools or districts of that determination and allow an appeals submission. The Department must act upon such an appeal within 30 days of its submission, and before publishing the AYP listing. (Sec. 222)
9. **Per Diem Payments.** The Governor and House eliminate language reimbursing the State Tenure Commission for per diem payments. The Senate concurred, and further eliminated the State Board of Education per diem payments, and prohibited the Board from expending funds for travel. (Sec. 301)
10. **Report on Blind Students and Use of Braille.** The Senate included a new section requiring the Department to report on the number of blind students, teachers certified to teach Braille, and the use of Braille. (Sec. 412)
11. **Restricted Fund Balances Report.** The Governor, House, and Senate delete a section requiring an annual report on restricted fund balances, and the intent to explore ways to minimize the costs to teachers for Departmental services. (Sec. 503 in Current Law)
12. **Charter Schools Office.** The Governor removed the explicit earmark of \$350,000 and 3.5 FTEs to operate the charter school office, replacing it with allocating sufficient funds and that the Office must address the findings in the Auditor General report dated June, 2002. The House did not adopt the Governor's changes, but added a new subsection stating the legislative intent to assess the number of FTEs allocated for the Office, to ensure sufficient administration, and to address the findings in the June, 2002 AG report. The Senate concurred with the Governor. (Sec. 601)
13. **Teacher Tenure.** The House added a new section requiring the Department to furnish a report on teacher tenure by December 31, 2003, which includes a history of teacher tenure, a statement of the purpose of teacher tenure and assessment of current need, and a history of the administrative law cases, as well as costs to the Department. The Senate concurred. (Sec. 801)

Date Completed: 6-13-03

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