



Senate Fiscal Agency
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FY 2002-03 Year-to-Date Gross Appropriation	\$216,154,016
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Changes from FY 2002-03 Year-to-Date:

Items included by the House and Senate

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| 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. | (101,780,800) |
| 2. State Grants. An increase in the School Breakfast line item is funded, in the amount of \$2,595,200 GF/GP over the year-to-date allocation. | 2,595,200 |
| 3. Education Commission of the States Membership. Eliminating Michigan's membership in the ECS was concurred in by both the House and Senate. | (99,300) |
| 4. Motorcycle and Off Road Vehicle Safety Program Eliminations. Both of these safety education programs, which are supported with portions of restricted license and registration fees, are transferred to other budgets. | (1,958,500) |
| 5. Oversight and Program Eliminations. Oversight of At-Risk and Bilingual Education, as well as a pupil report desk auditor and an employee undertaking internal department auditing, and the Learning Support Unit (which assists retraining teachers) are eliminated. | (514,100) |
| 6. Center for Educational Performance and Information (CEPI). A transfer of \$685,100, which supports CEPI, to the Department of Management and Budget, where the remainder of CEPI employees and funding are housed, is concurred in by the House and Senate. | (685,100) |
| 7. Other Items. Included is elimination of State Tenure Commission per diem payments, a reduction for Information Technology Expenditures, various adjustments for early retirement, and reductions in travel, terminal leave payments, CSS&M, and building occupancy charges. | (723,516) |

Conference Agreement on Items of Difference

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| 8. 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) |
| 9. State Board/Superintendent and Unclassified Reductions. The Conference Committee restores reductions in unclassified salaries (\$111,100), State Board travel (\$35,000), State Board per diems (\$24,400), and various \$100 items of difference throughout the bill (\$1,100). | 0 |
| 10. Additional Federal Grants. The Senate's inclusion of \$552,000 for restructuring the teacher credentialing system, and \$152,700 for administering the Math/Science Partnerships program is included in the Conference Report. Further, a \$650,000 grant for evaluating the State's technology education and progress is included. | 1,354,700 |
| 11. Other Changes. The Senate had eliminated Training and Orientation Workshops, but the Conference Committee does not concur. Also, the Senate's inclusion of \$5,000 in restricted funds to continue to process Motorcycle Safety Training Grants, and \$47,100 in local revenues for the MSDB is concurred in by the Conference Committee. | 52,100 |

Total Changes	(\$101,772,816)
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FY 2003-04 Conference Report Gross Appropriation	\$114,381,200
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2002-03 Year to Date:Items Included by the House and Senate

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)
4. **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)
5. **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)
6. **Restricted Fund Balances Report.** The Governor, House, and Senate delete a section for a report on restricted fund balances, and exploring ways to minimize the costs to teachers for Departmental services. (Sec. 503 in Current Law)
7. **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)

Conference Agreement on Items of Difference

8. **Online Assessment Tool.** The Conference Report does not include a section added by the House earmarking \$100 for an online assessment system to supplement the MEAP test and provide immediate feedback. (Sec. 221)
9. **Personal Service Contracts.** The Conference Report concurs with the Senate's changes (namely, reducing the personal service contract amount from \$100,000 to \$10,000), and adds a further subsection restricting the Department to not contracting with the same vendor more than once per year. (Sec. 215)
10. **Charter Schools Office.** The House retained current law (\$350,000 and 3.5 FTEs to operate the office) and 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 Conference Report concurs with the House. (Sec. 601)
11. **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. The Conference Report concurs. (Sec. 222)
12. **Per Diem Payments.** The Conference Report concurs with eliminating language reimbursing the State Tenure Commission for per diem payments, but restores language for the State Board per diems which was eliminated by the Senate. However, a new restriction on State Board travel is included, prohibiting out-of-state travel from being reimbursed under this budget. (Sec. 301 and 302)
13. **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. The Conference Report concurred. (Sec. 412)

Date Completed: 7-16-03

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