



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 196 (S-1 as passed by the Senate)

Committee: Appropriations

FY 2012-13 Year-to-Date Gross Appropriation	\$328,909,900
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Changes from FY 2012-13 Year-to-Date:

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| 1. Child Development and Care IDG Reduction. Governor included an \$11.8 million transfer to the Department of Human Services to reflect actual expenditures for child development care and help address a statewide Temporary Assistance for Needy Families (TANF) shortfall. Senate concurred with Governor. | (11,820,600) |
| 2. School Aid Transfer - Libraries. Governor included a \$2.8 million (\$2.8 million GF/GP) transfer of State aid and renaissance zone reimbursements from the School Aid budget to consolidate all library funding into one budget. Senate concurred with the transfer and included an increase of \$1.0 million (\$1.0 million GF/GP) in State aid and an increase of \$3.2 million (\$3.2 million GF/GP) in Renaissance Zone reimbursements to libraries. | 7,004,300 |
| 3. Legislative Education Ombudsman. Senate proposed \$300,000 (\$300,000 GF/GP) and 2.0 FTEs for a newly created Office of the Legislative Education Ombudsman. | 300,000 |
| 4. Online Course Catalog. Senate proposed \$400,000 (\$400,000 GF/GP) for the Department to maintain a public catalog of online courses offered by all public schools in the State, including reviews based upon nationally recognized best practices for online learning. | 400,000 |
| 5. Charter School Support. Governor proposed a \$255,000 (\$127,500 GF/GP) and 2.0 FTE increase for the Office of Field Services to support and monitor newly opened charter schools resulting from the lifted charter school cap with the enactment of PA 277 of 2011. Senate concurred with only \$127,500 (\$63,750 GF/GP) and 1.0 FTE for this purpose. | 127,500 |
| 6. School Improvement Plans. Governor proposed a \$137,500 (\$137,500 GF/GP) and 1.0 FTE increase to allow the Department to review up to 300 School Improvement Plans annually (an increase from the current 180 reviews annually). Senate concurred with Governor. | 137,500 |
| 7. Michigan College Access Network. Governor proposed the transfer of the Michigan College Access Network (\$2.0 million Gross, \$2.0 million GF/GP) into the Higher Education budget to better align with program objectives. Senate concurred with Governor. | (2,000,000) |
| 8. Information Technology Services. Governor included \$104,000 (\$31,700 GF/GP) for increased rates for the Department of Technology, Management, and Budget's statewide investment in wireless equipment, bandwidth infrastructure, and other technical increases. Senate concurred with Governor. | 104,000 |
| 9. Economic Adjustments. Governor included \$249,400 Gross (\$44,100 GF/GP) for OPEB and \$2,151,200 Gross (\$466,000 GF/GP) for other economic adjustments. Senate concurred with Governor. | 2,400,600 |
| 10. Other Changes. Governor included a reduction of \$2.7 million (\$0 GF/GP) for Federal and private funding authorization to reflect actual revenue, a reduction of \$674,300 (\$164,100 GF/GP) for the expiration of one-time funds from FY 2012-13, and an increase of \$40,000 (\$40,000 GF/GP) to meet the Carl D. Perkins Career and Technical Education grant's maintenance of effort requirements. Senate concurred with Governor. | (3,316,300) |
| 11. Comparison to Governor's Recommendation: The Senate is \$3,358,500 Gross and \$3,522,550 GF/GP over the Governor. | |

Total Changes	(\$6,663,000)
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FY 2013-14 Senate Senate-Passed Gross Recommendation	\$322,246,900
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Changes from FY 2012-13 Year-to-Date:

1. **"Standard Boilerplate".** The Governor proposed to eliminate the following sections of "standard" boilerplate that were consistent among departmental budgets: 202 (Management and Budget Act); 204 (Civil Service Commission billing); 205 (departmental use of the Internet to fulfill reporting requirements); 209 (Department of Technology, Management and Budget (DTMB) user charges); 210 (work projects carried forward); 212 (Buy American/Buy Michigan); 215 (out-of-state travel limitations); 216 (employees who communicate with Legislature); and 218 (retention of records). Senate retained all sections.
2. **Other Sections.** The Governor proposed to eliminate the following sections specific to the Department of Education budget: 208 (requiring districts to maintain complete personnel records); 211 (appeal of AYP status); 220 (providing reports and data requests within a certain time period); 225 (investigation and report of pupil membership fraud); 229 (activities and duties completed no later than deadlines); 501 (maintain professional personnel register and certificate revocation/felony conviction files); 601 (\$600,000 and 5.5 FTE earmark for charter schools office); 803 (intent for Library of Michigan to keep its component programs together, with genealogical collections exemption); 901 (notification of Federal and private grants received); 902 (funding uses for college access grant program); 903 (report on cyber schools); 1001 (eligible child care providers report); and 1002 (OGS report on an early childhood learning and development plan). Senate concurred with deletion of sections 902 and 1002. Senate retained sections 208, 220, 225, 229, 501, 601, 803, 901, and 1001. Senate added technical language to Section 211 and modified Section 903 to include more comprehensive, clarifying language pertaining to online education providers.
3. **Revisions to Sections.** The Governor proposed to keep, but revise, the following sections: 201 (payment to locals- Governor changed to include renaissance zone reimbursements, MPSERS payments to libraries, and state aid to libraries increase); 203 (definitions - Governor added definitions relevant to the School Aid library funds transfer); 207 (website with pertinent fiscal information - Governor changed required administrator to DTMB); and 214 (out of State travel conditions - Governor removed certain conditions and report information); 226 (report with year-end GF/GP lapse amounts - Governor changed due date from Nov. 15 to Nov. 30); 405 (assistance with securing Medicaid reimbursements for eligible services provided in schools - Governor moved from MSDB to general boilerplate) and 1003 (Early Childhood Investment Corporation (ECIC) report - Governor removed certain information required in the report and removed the RFP requirement for certain ECIC contracts). Senate concurred with the Governor's modification of sections 207, 226, and 405. Senate retained sections 203, 214, and 1003. Senate modified Section 201 to reflect funding increase in State aid and Renaissance Zone reimbursements to libraries from the Governor's Rec. and did not include MPSERS funding for libraries (included in the School Aid budget).
4. **Gov. Proposed Additional Boilerplate.** The Governor proposed adding the following sections: 6-206 (Department scorecard maintained online); 6-212 (payments for subrecipient monitoring services); 6-602 (renaissance zone reimbursements for libraries); 6-603 (MPSERS rate cap payments to libraries). Senate concurred with additional sections, except for 6-603 (included in the School Aid budget).
5. **Senate Proposed Additional Boilerplate.** The Senate proposed adding the following sections: 231 (prohibits use of appropriations for development of the common core state standards); 1004 (prohibits use of OGS appropriations for the support of administration for ECIC); 1005 (requires Head Start center-based program requirements, policies or regulations to be at least as rigorous as those of Great Start Readiness programs); 1101 (requires the Department to maintain a public catalog of online courses offered by all public schools in the State); 1201 (legislative intent language to create the Office of the Legislative Education Ombudsman); and 1302 (standard legislative intent language to identify the amounts for normal and legacy retirement costs for FY 2014-15).

Date Completed: 4-25-13

Fiscal Analyst: Cameron S. Mock