



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 765 (as introduced)  
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 837](#)

<b>FY 2013-14 Year-to-Date Gross Appropriation .....</b>	<b>\$298,366,000</b>
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**Changes from FY 2013-14 Year-to-Date:**

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|---|--------------|
| <p>1. <b>Educator Evaluation and Student Assessment Phase-In.</b> Governor created this program in order to implement educator evaluations for teachers and administrators. This appropriation designated 21.0 new FTEs and \$5.0 million for Gross and GF/GP in ongoing costs and \$900,000 for Gross and GF/GP in one-time costs.</p>   | \$5,914,000  |
| <p>2. <b>Financial Independence Team.</b> The Department will work in tandem with the Department of Treasury to implement an early warning system to identify districts that need financial attention and provide resources and expertise. The Governor proposed 4.0 new FTEs and \$778,100 in Gross and GF/GP to start the portion of this program at the Department of Education.</p> | \$778,100    |
| <p>3. <b>Office of Great Start.</b> Governor proposed 3.0 additional FTEs and \$404,000 in Gross and GF/GP to provide greater analysis, oversight, and assistance regarding investments in early childhood.</p>   | \$404,000    |
| <p>4. <b>School Reform Effort.</b> Governor proposed 6.0 additional FTEs and \$918,600 in Gross and GF/GP School Reform Efforts. These increases reflect the need to monitor 218 lower performing districts, which is an increase from 100 previously.</p>  | \$918,600    |
| <p>5. <b>Child Development and Care Program.</b> Governor proposed increasing allowable bi-weekly hours from 80 to 90 for an additional \$6.9 million in Gross and to have a Tiered Reimbursement system for child care providers for an additional \$3.7 million in Gross. This is due to increased Federal revenue and would amount to no additional GF/GP funding.</p>               | \$10,572,000 |
| <p>6. <b>MPSERS Rate Reduction for Public Libraries.</b> Governor proposed a reduction in the contribution rate from 20.96% to 19.76% which would be \$356,000 in additional Gross and GF/GP.</p>   | \$356,000    |
| <p>7. <b>MPSERS Reform.</b> Governor increased the State share to libraries.</p>  | \$900,000    |
| <p>8. <b>Transfer to Libraries.</b> Governor transferred MPSERS Reform (\$1.3 million GF/GP) and Renaissance Zone Reimbursement payments to Libraries (\$3.2 million GF/GP) from School Aid.</p>  | \$4,500,000  |
| <p>9. <b>Accountability Services.</b> Governor transferred Federal funding for accountability services from School Aid, which includes no additional GF/GP dollars.</p>   | \$2,000,000  |
| <p>10. <b>Economic Adjustments.</b> Included \$1,867,400 Gross and \$274,400 GF/GP</p>  | 1,867,400    |

Total Changes .....	\$28,210,100
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<b>FY 2014-15 Governor's Recommendation .....</b>	<b>\$326,576,100</b>
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The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Changes from FY 2013-14 Year-to-Date:**

1. **Payment to local units.** Total spending to local units of government in FY 2014-2015 is \$16,132,000 Gross and GF/GP. This includes \$8,876,000 in State aid to libraries, \$4,700,000 in renaissance zone reimbursement, and \$2,556,000 to MPSERS payment to libraries (Sec. 201).
2. **Definitions.** Governor deleted the definition for "HHS", added definitions for "Participating entity", "Retirement board", and "retirement system" (Sec. 203)
3. **Records of sexual misconduct.** Governor deleted section that required all districts to maintain school personnel records where personnel have been disciplined for sexual misconduct (Sec. 208).
4. **Publishing Adequate Yearly Progress list.** Governor removed the requirement that the Department wait until all appeals have been decided before publishing the list determining the schools that failed to make adequate yearly progress (Sec. 211).
5. **Protecting Employee Testimonies.** The Governor removed prohibitions on the Department from taking disciplinary action on employees who communicate truthfully and factually to the Legislature (Sec. 216).
6. **Reporting to the Legislature.** The Governor removed the requirement that the Department retain copies of all reports funded from Part 1 (Sec. 218), provide data requested by the Legislature within 30 days (Sec. 219), legislative notification when the Department receives grants (Sec. 901), reports on the number of childcare providers receiving childcare service funds (Sec. 1001), and annual reports on Early Childhood Investment Corporation activities (Sec. 1003).
7. **Common Core.** In response to HCR 11 being approved, which allowed funds to be used to implement common core, the Governor removed language that restricted funds from being used to implement the common core (Sec. 231).
8. **Estimated Legacy Costs.** The Governor estimated total legacy costs at \$15.6 million in Gross and GF/GP, \$8.7 million will go towards pension-related legacy costs and \$6.9 million will go towards retiree health care costs (Sec. 231).
9. **Monitoring Services.** The Governor deleted a section earmarking \$180,000 in sub-recipient fees for monitoring services provided to other departments (Sec. 232) which will be made up by \$180,000 in Federal funds.
10. **RFI Requirements.** The Governor removed the requirement that the Department issue a request for information (RFI) prior to issuing a request for proposal (RFP) for contracts above \$5.0 million. (Sec. 233)
11. **State Board Travel.** The Governor removed a section that stated \$35,000 that may be appropriated for State Board travel expenses (Sec. 302).
12. **Employees for Deaf and Blind Schools.** The Governor proposed allowing employees that work on a school year basis be considered as annual employees for purposes of service credits, retirement, and insurance (Sec. 401).
13. **Library Unit.** Governor removed language that kept the library unit together except genealogical collections (Sec. 803).
14. **MPSERS for Libraries.** Governor proposed language specifying that MPSERS payments be solely used for district libraries that are participating entities (Sec. 805).
15. **Head Start Center-Based Program.** The Governor removed the section that required that these centers' requirements, policies, or regulations be at least as rigorous as Federal standards (Sec. 1004).
16. **Early Childhood Comprehensive Systems.** The Governor added language that requires expiring contracts for early childhood comprehensive systems planning be bid out through a statewide RFP process (Sec. 1003).

Date Completed: 03-10-14

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