



Senate Fiscal Agency
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BILL ANALYSIS



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FY 2013-14 Year-to-Date Gross Appropriation	\$298,366,000
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Changes from FY 2013-14 Year-to-Date:

Items Included by the Senate and House

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| 1. Office of Great Start. Governor, Senate, and House proposed 3.0 additional FTEs and \$404,000 in Gross and GF/GP to provide greater analysis, oversight, and assistance regarding early childhood. | 404,000 |
| 2. Child Development and Care (CDC) Program. Governor, Senate, and House 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. There is no additional GF/GP funding due to increased Federal revenue. | 10,572,000 |
| 3. MPSERS Rate Cap. Governor, Senate, and House increased the State share to libraries to pay for the 20.96% rate cap. | 900,000 |
| 4. Transfer to Libraries. Governor, Senate, and House transferred MPSERS reform (\$1.3 million GF/GP) and Renaissance Zone Reimbursement payments to libraries (\$3.2 million GF/GP) from School Aid. | 4,500,000 |
| 5. Economic Adjustments. Included \$1,867,400 Gross and \$274,400 GF/GP. | 1,867,400 |
| 6. Accountability Services. Governor, Senate, and House transferred Federal funding for accountability services from School Aid, which included no additional GF/GP dollars. | 2,000,000 |

Conference Agreement on Items of Difference

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| 7. CDC Caseloads. Conference reduced CDC public assistance by \$36.6 million Gross (\$0 GF/GP) to reflect the caseload projections agreed upon at the May 2014 Consensus Revenue Estimating Conference. | (36,624,000) |
| 8. Educator Evaluations and Assessments Phase-In. Governor proposed appropriating 21.0 FTEs and \$5.0 million in ongoing costs and \$0.9 million in one-time costs to implement educator evaluations and assessments. Senate and House did not concur. Conference appropriated \$3.4 million (\$0.9 million as one-time) Gross and GF/GP in a reserve fund that will be used to implement educator evaluations and assessments upon enactment of HB 5223 and HB 5224. | 3,414,000 |
| 9. Financial Independence Team. Governor and Senate proposed 4.0 FTEs and \$0.8 million Gross and GF/GP to implement an early warning system to identify and assist districts in financial distress. House placed two \$100 placeholders. Conference concurred with Governor and Senate. | 778,100 |
| 10. School Reform Effort. Governor and Senate included 6.0 additional FTEs and \$0.9 million Gross and GF/GP for School Reform Efforts. This increase reflects the need to monitor over 200 lower performing districts, which was previously at 100. House only included an additional 2.0 FTEs and \$0.3 million Gross and GF/GP. Conference concurred with the Governor and Senate. | 918,600 |
| 11. MPSERS Rate Reduction for Public Libraries. Governor and House proposed a reduction in the contribution rate from 20.96% to 19.76%. Senate and Conference maintained the MPSERS contribution rate at 20.96% for participating public libraries. | 0 |

Total Changes	(\$11,269,900)
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FY 2014-15 Conference Report Ongoing/One-Time Gross Appropriation	\$287,096,100
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2013-14 Year-to-Date:Items Included by the Senate and House

1. **Definitions.** Governor, Senate, and House deleted the definition for "HHS", added definitions for "Participating entity", "Retirement board", and "retirement system". (Sec. 203)
2. **Section Removed by Governor, Retained by Senate and House.** The Governor removed; Senate and House retained sections 208 (Records of Sexual Misconduct), 211 (Publishing Adequate Yearly Progress), 216 (Protecting Employee Testimonies), 218 (Maintain Reports), 220 (Providing Information to the Legislature), 803 (Keeping the Library Unit together), 901 (Grant received by the Department), 1001 (Reports on childcare providers), 1003 (Reports on ECIC), and 1004 (requirements on Head Start Center-Based Programs).
3. **Common Core.** In response to HCR 11 being approved, which allowed funds to be used to implement Common Core, the Governor, Senate, and House removed language that restricted funds from being used to implement the Common Core. (Sec. 231)
4. **Estimated Legacy Costs.** Governor, Senate, and House estimated total legacy costs at \$15.6 million in Gross and GF/GP, \$8.7 million will go toward pension-related legacy costs and \$6.9 million will go toward retiree health care costs. (Sec. 231)
5. **Monitoring Services.** Governor, Senate, and House deleted a section earmarking \$180,000 for sub-recipient monitoring services. (Sec. 232)
6. **Employees for Deaf and Blind Schools.** Governor, Senate, and House 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)
7. **Legislative Intent.** Governor removed; Senate/House retained section that gives legislative intent for 2015-16. (Sec. 1201)

Conference Agreement on Items of Difference

8. **Payments to Locals.** Governor adjusted the payments to locals, to reflect the transfer of MPSERS and Renaissance Zone Reimbursement for public libraries from School Aid to the Department, and decreased the MPSERS rate cap to 19.76%. Senate concurred with Governor but maintained the MPSERS rate cap at 20.96% and increased State aid to libraries by 4.0%. House concurred with Governor, but increased State aid to libraries by 6.9%. Conference only concurred with the transfers. (Sec. 201)
9. **Performance Measurement.** House and Conference required the Department to establish benchmarks in order to measure performance to each program in the Department that is over \$500,000 and provide an updated report to the Legislature on the progress made in those programs. (Sec. 234)
10. **Waiver from No Child Left Behind.** House and Conference required the Department to notify the Legislature prior to entering into contracts above \$1.0 million and provide notification for waivers or amended waivers made to No Child Left Behind. (Sec. 235)
11. **Mandates on Nonpublic Schools.** Senate and Conference included a new section that directs the Department to compile a list of the mandates that are required for nonpublic schools. (Sec. 236)
12. **State Board Travel.** Governor removed and Senate retained a section that caps the travel expenses for the State Board at \$35,000. House added future increases to the cap to increases in CPI. Conference retained the section with no increase. (Sec. 302)
13. **Financial Independence Team.** Conference included a new section that directs how the funds appropriated to the Financial Independence Team are to be used. (Sec. 601)
14. **Educator Evaluations and Assessments Phase-in.** Conference included a new section that allows the Department to use the funds appropriated in the Educator Evaluations and Assessments Phase-In Reserve Fund upon enactment of HB 5223 and HB 5224. (Sec. 701)
15. **MPSERS for Libraries.** Governor and House proposed language specifying that MPSERS payments be solely used for participating districts. Senate and Conference concurred, but maintained the MPSERS rate cap at 20.96%. (Sec. 805)
16. **Individualized Education Program (IEP) students.** Senate and Conference included language that ensures that students who are in an Individualized Education Program remain in that program in the case where their school is removed from the residential district. (Sec. 1101)

Date Completed: 6-10-14

Fiscal Analyst: Cory Savino

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.