



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 765 (S-1 as passed by the Senate)
 Committee: Appropriations

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

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| 1. Educator Evaluation and Student Assessment Phase-In. The Governor created this program in order to implement evaluations for educators and administrators. This appropriation designated 21.0 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. The Senate did not include this appropriation. | 0 |
| 2. Financial Independence Team. The Department would 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 and Senate proposed 4.0 FTEs and \$778,100 in Gross and GF/GP to start this program at the Department of Education. | 778,100 |
| 3. Office of Great Start. The Governor and Senate 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. | 404,000 |
| 4. School Reform effort. The Governor and Senate proposed 6.0 additional FTEs and \$918,600 in Gross and GF/GP for School Reform Efforts. This increase reflects the need to monitor 218 lower performing districts, which was previously at 100. | 918,600 |
| 5. Child Development and Care Program. The Governor and Senate 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 |
| 6. MPSERS Rate Reduction for Public Libraries. The 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. The Senate kept the contribution rate at 20.96%. | 0 |
| 7. State Aid to Libraries. The Senate increased State aid to libraries by 4% or \$356,000 Gross and GF/GP, using dollars freed up by not reducing the MPSERS rate cap. | 356,000 |
| 8. MPSERS Reform. The Governor and Senate increased the State share to libraries. | 900,000 |
| 9. Transfer to Libraries. The Governor and Senate 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 |
| 10. Accountability Services. The Governor and Senate transferred Federal funding for accountability services from School Aid, which included no additional GF/GP dollars. | 2,000,000 |
| 11. Virtual Learning. The Senate transferred \$6.0 million Gross and GF/GP from School Aid to the Department in order to share best practices, provide professional development, and maintain a statewide catalog of virtual learning. These functions are currently provided by the Michigan Virtual University | 6,000,000 |
| 12. Economic Adjustments. Included \$1,867,400 Gross and \$274,400 GF/GP | 1,867,400 |
| 13. Comparison to Governor's Recommendation. The Senate is \$86,000 Gross and GF/GP over the Governor. | |

Total Changes	\$28,296,100
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FY 2014-15 Senate-Passed Gross Appropriation.....	\$326,662,100
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Changes from FY 2013-14 Year-to-Date:

1. **Definitions.** Gov. and Sen. deleted the definition for "HHS", added definitions for "Participating entity", "Retirement board", and "retirement system". (Sec. 203)
2. **Records of sexual misconduct.** Gov. deleted and Sen. retained the section that required all districts to maintain school personnel records where personnel have been disciplined for sexual misconduct. (Sec. 208)
3. **Publishing Adequate Yearly Progress list.** Gov. removed and Sen. retained the requirement that the Dept. wait until all appeals have been decided before publishing the list determining the schools that failed to make adequate yearly progress. (Sec. 211)
4. **Protecting Employee Testimonies.** Gov. removed and Sen. retained prohibitions on the Dept. from taking disciplinary action on employees who communicate truthfully and factually to the Legislature. (Sec. 216)
5. **Reporting to the Legislature.** Gov. removed and Sen. retained the requirement that the Dept. retain copies of all reports funded from Part 1 (Sec. 218), provide data requested by the Legislature within 30 days (Sec. 220), legislative notification when the Dept. 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)
6. **Common Core.** In response to HCR 11 being approved, which allowed funds to be used to implement common core, Gov. and Sen. removed language that restricted funds from being used to implement the common core. (Sec. 231)
7. **Estimated Legacy Costs.** Gov. and Sen. 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)
8. **Monitoring Services.** Gov. and Sen. deleted a section earmarking \$180,000 for sub-recipient monitoring services provided to other departments. (Sec. 232)
9. **Identify Mandates on Schools.** Directs the Dept. to compile a report that identifies the mandates required of public and nonpublic schools by April 15th, 2015. (Sec. 234)
10. **RFI Requirements.** Gov. removed and Sen. retained the requirement that the Dept. 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.** Gov. removed and Sen. retained a section that stated a cap of \$35,000 that may be appropriated for State Board travel expenses. (Sec. 302)
12. **Employees for Deaf and Blind Schools.** Gov. and Sen. 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. **Virtual Learning.** Sen. added a new section that directs the Dept. to maintain a statewide catalog, provide professional development for virtual learning, share best practices of virtual learning, identify barriers to virtual learning, and produce a consumer awareness report. This is currently the responsibility of the Michigan virtual university. (Sec. 701)
14. **Library Unit.** Gov. removed and Sen. retained language that kept the library unit together except genealogical collections. (Sec. 803)
15. **MPSERS for Libraries.** Gov. proposed language specifying that MPSERS payments be solely used for district libraries that are participating entities; Sen. concurred and maintained the MPSERS rate cap at 20.96%. (Sec. 805)
16. **Early Childhood Comprehensive Systems.** Gov. and Sen. kept language that requires expiring contracts for early childhood comprehensive systems planning be bid out through a statewide RFP process. (Sec. 1003)
17. **Head Start Center-Based Program.** Governor removed and Senate retained the section that required that these centers' requirements, policies, or regulations be at least as rigorous as State and Federal standards. (Sec. 1004)
18. **IEP students.** Ensure that students who are in an Individualized Education Program remain in those programs in the case where their school is removed from the residential district. (Sec. 1101)
19. **Legislative Intent.** Legislative intent that appropriations for FY 2015-16 be kept at the same amount as FY 2014-15 with exception for changes in caseload, Federal funding, economics, and revenue (Sec. 1201). Legislative intent that the Dept. estimate retirement costs. (Sec. 1202)

Date Completed: 5-9-14

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