



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 853 (S-1 as reported)
Committee: Appropriations

Throughout this document Senate means Appropriations Committee..

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 SEN. FULL COMM.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	603.5	614.5	11.0	1.8
GROSS	352,181,200	370,257,500	18,076,300	5.1
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	352,181,200	370,257,500	18,076,300	5.1
Less:				
Federal Funds	254,084,700	268,516,800	14,432,100	5.7
Local and Private	7,851,500	7,888,600	37,100	0.5
TOTAL STATE SPENDING	90,245,000	93,852,100	3,607,100	4.0
Less:				
Other State Restricted Funds	8,567,600	8,668,200	100,600	1.2
GENERAL FUND/GENERAL PURPOSE	81,677,400	85,183,900	3,506,500	4.3
PAYMENTS TO LOCALS	14,367,700	14,567,700	200,000	1.4

*As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$352,181,200
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Changes from FY 2017-18 Year-to-Date:

- Child Development and Care Public Assistance.** The **Senate** included \$10,650,000 in Federal funds to increase the hourly reimbursement rate of licensed empty and one-star providers by \$0.50, licensed two-star providers by \$0.25, and unlicensed tier one providers by \$0.50. 10,650,000
- TEACH Scholarship.** The **Senate** included \$2.5 million in Federal funds for the TEACH scholarship program. Of the total increase, \$1.5 million is to replace expiring Race-To-The-Top funding and \$1.0 million is to increase the program. Boilerplate language requires \$5.0 million in total appropriation to go towards the TEACH scholarship program. 2,500,000
- School Reform Office.** The **Governor** transferred FTEs and funding for the School Reform Office from the DTMB to finalize Executive Order 2017-5. Of the total FTEs and funding, 9.0 FTEs and \$2,853,400 GF/GP were transferred to Partnership District Support while 2.0 FTEs and \$497,600 GF/GP were transferred to State Board/Superintendent Operations. The **Senate** transferred all the FTEs and funding except \$1,000,000 GF/GP. 2,351,000
- State Aid to Libraries.** The **Senate** increased State Aid to Libraries by \$1.0 million GF/GP, which translate to a 9% increase and brings the per capita payments from \$0.36 to \$0.39. 1,000,000
- Early Literacy Implementation.** The **Governor/Senate** transferred the funding for implementation of the early literacy program from the School Aid Budget to the Department of Education budget. The GF/GP was transferred from Section 35 of the School Aid Act to School Support Services. 1,000,000

6. Project UNIFY Transfer. The Governor/Senate transferred funding for Project UNIFY from the Department of Health and Human Services to the Department of Education. The funding provides grants to the Special Olympics programs. The funding is all supported by GF/GP.	500,000
7. Child Development and Care External Support. The Governor/Senate made a technical adjustment increase to account for economic adjustments made in the Department of Licensing and Regulatory Affairs and the Department of Health and Human Services. The increase was supported by Federal funds.	380,700
8. Braille Textbook Production Expansion. The Governor/Senate increased the Low-Incidence Outreach Program to expand production of Braille textbooks. The increase was paid for with funds from the Low-Incidence Outreach Fund.	300,000
9. \$100 Placeholders. The Senate included two \$100 placeholders that were supported by GF/GP. The first placeholder created the Michigan Teacher Council within the department and the second placeholder replaced a Federal reduction in funds from the Federal Department of Health and Human Services - Centers for Disease Control and Prevention.	200
10. Supplemental Removal. The Governor/Senate removed FY 2017-18 supplemental funding for school drinking water education.	(1,000,000)
11. Renaissance Zone Reimbursement. The Governor/Senate decreased appropriations to account for declines in projected reimbursements. The decline is due to Personal Property Tax changes and the expiration of Renaissance Zones.	(800,000)
12. State Restricted Fund Adjustment. The Governor/Senate reduced appropriations to various State Restricted funds to align with current revenue projections. The reductions were not replaced with other fund sources resulting in a gross appropriation reduction.	(300,200)
13. Local Revenue Removal. The Governor/Senate removed Local District Service Fee revenue from the Department, because the fund has not generated revenue in the last 10 budget cycles. The reduction was not replaced with another fund source resulting in a gross appropriation reduction.	(11,700)
14. Economic Adjustments. Includes \$1,506,300 Gross and \$455,300 GF/GP for total economic adjustments, of which an estimated \$166,200 Gross and \$39,600 GF/GP is for legacy retirement costs (pension and retiree health).	1,506,300
15. Comparison to Governor's Recommendation. The Senate is \$13,150,000 Gross and \$0 GF/GP over the Governor.	
Total Changes	\$18,076,300
FY 2018-19 Senate Appropriations Committee Gross Appropriation	\$370,257,500

Boilerplate Changes from FY 2017-18 Year-to-Date:

- Sections Deleted by the Governor and Retained by the Senate.** The **Governor** deleted and **Senate** retained a number of sections throughout the budget, which include: 222 (protects employees who testify to the Legislature), 223 (retention of all reports), 227 (responding to requests from the Legislature and report due dates within 30 days), 229 (notification when entering in contracts above \$1.0 million or amendments to Federal accountability plans), 230 (nonpublic school mandate report), 302 (State Board travel expenditure cap), 325 (notification of grants received), 803 (legislative intent to keep the Library of Michigan whole), and 1005 (LARA funding requirements).
- Deleted Sections.** The **Governor** and **Senate** deleted a number of sections throughout the budget, which include: 1001 (child care provider report), 1021 (ACT contract renegotiations), and 1101 (Drinking Water Declaration of Emergency, CDC pilot program).
- Child Development and Care - Public Assistance.** The **Senate** modified a number of sections that were deleted by the **Governor**, which include: 1002 (increase the Child Development and Care hourly reimbursement rate to the Senate proposed increase), 1004 (appropriate \$5.0 million to the TEACH scholarship program), and 1009 (maintained the Child Development and Care entry threshold at 130% of the Federal Poverty Level).

4. **Child Development and Care Notification.** The **Senate** included a new notification requirement on Federal changes to the Child Development and Care program that must include at least the following: changes to the amount of Federal matching funds awarded to the State, the amount of additional State funds necessary to draw down total Federal matching funds, changes to the Federal block grant award amount, and changes to Federal requirements that would require the appropriation of additional dollars to implement. (Sec. 1010)
5. **Grant Awards.** The **Senate** modified grant posting and processing to include that grants must be awarded by December 1st. (Sec. 225)
6. **Special Education Funding Modification.** The **Governor** modified the special education requirements to include a cap of \$100,000 for distributing informational materials to parents or guardians of students with disabilities, and removed the requirement for annual training of mediators with information of Federal and State mandated protections of students with disabilities, the Federal Individuals with Disabilities Education Act, and Michigan Administrative Rules and Codes for special education program. The **Senate** maintained the current language. (Sec. 350)
7. **Michigan School for the Deaf and Blind.** The **Senate** included a new section that requires State Administrative Law Judges to consider designating the Michigan School for the Deaf and Blind as the least restrictive environment under Federal law for a parent's child who is deaf, deaf-blind, or hard of hearing. (Sec. 409)
8. **\$100 Placeholders.** The **Senate** included two new boilerplate sections related to \$100 placeholders. Section 508 creates the Michigan Teacher Council, which includes the role and responsibility of the council, the nomination of members to the council, and the general rules of the council. Section 602 appropriates the other \$100 placeholder towards replacing federal reductions from the Federal Department of Health and Human Services - Centers for Disease Control and Prevention in the Department and School Aid Act. (Sec. 508 and 602)
9. **New Early Literacy Implementation Section.** The **Governor** and **Senate** included a new section that was transferred from the School Aid Act that corresponds to the \$1.0 million transferred from the School Aid Act to School Support Services. The section requires that up to \$1.0 million in School Support Services be used to implement early literacy programs funded in School Aid Section 35a. (Sec. 601)
10. **Technical Modifications.** The **Governor** and **Senate** made a number of modifications that include date changes, spending changes to reflect Part 1 appropriations, legacy cost estimations, and standardized section language. (Sec. 201, 203, 212, 214, 225, 226, 407, 701, 804, 1007)

Date Completed: 4-19-18

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