



Background Briefing

DEPARTMENT OF EDUCATION

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December 2011

The fiscal information in this background briefing is based on data through December 31, 2011.

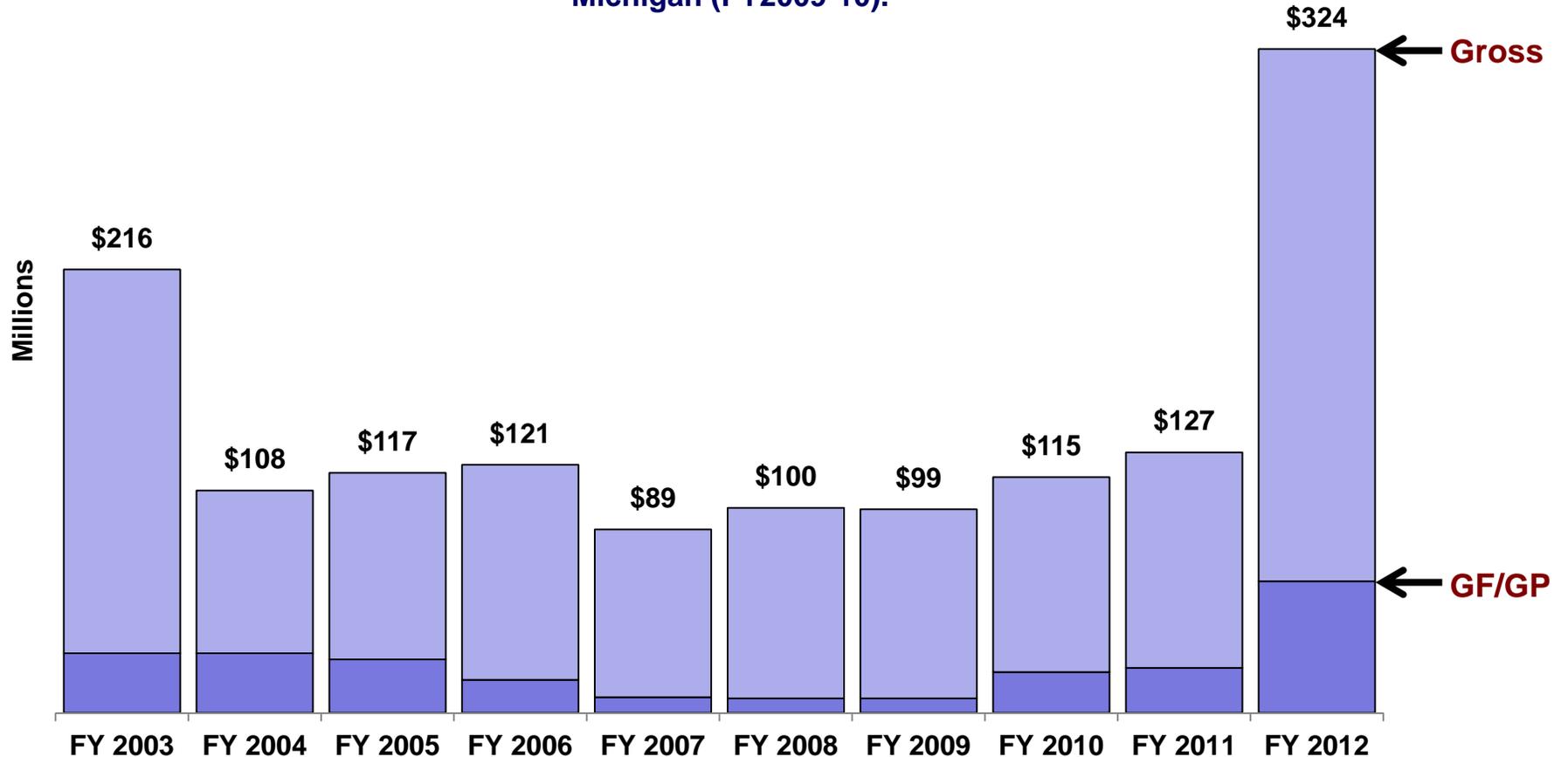
State Board of Education

- **“Leadership and general supervision over all public education, including adult education and instructional programs in state institutions... is vested in a state board of education. It shall serve as the general planning and coordinating body for all public education, including higher education, and shall advise the Legislature as to the financial requirements in connection therewith.”**

**-- The Michigan Constitution
Article VIII, Section 8**

Education: Gross Appropriations

The Department of Education appropriations have undergone significant change due to program transfers both in and out of the department. These transfers include, most recently, the state's child development and care program (FY 2011-12), the Michigan College Access Grant program (FY2010-11), and the Library of Michigan (FY2009-10).



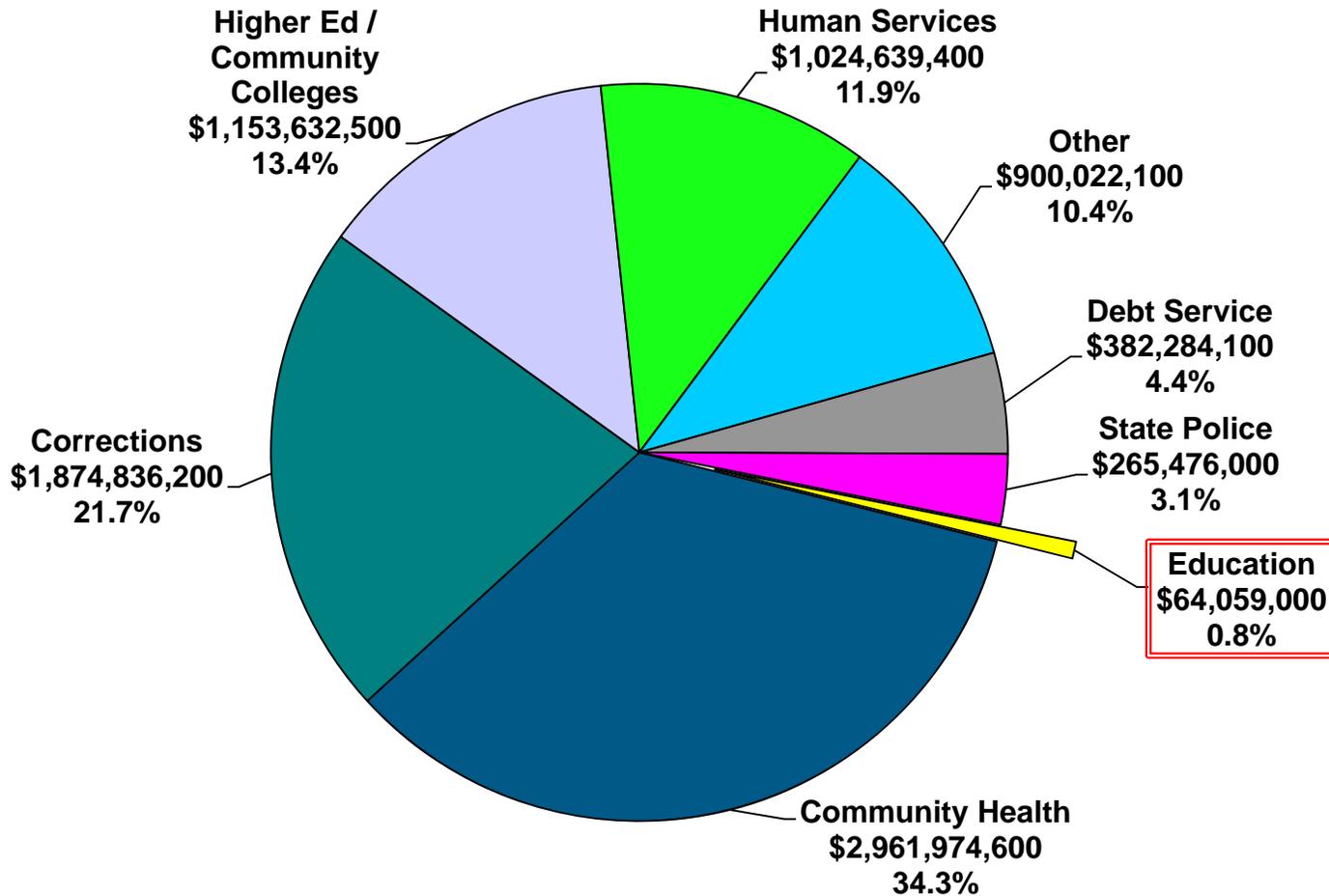
Notes:

1. FY 2009 figures do not include \$925 million in one-time federal American Recovery and Reinvestment Act (ARRA) grants that were distributed to school districts through the Department of Education budget.
2. FY 2012 figures include \$207 million in child development care (CDC) program funds transferred to the MDE with the establishment of the Office of Great Start per Executive Order 2011-8.

Education Share of State GF/GP

The Department of Education makes up 0.8% of the total state GF/GP budget

FY 2010-11 GF/GP Total = \$8,626,998,900



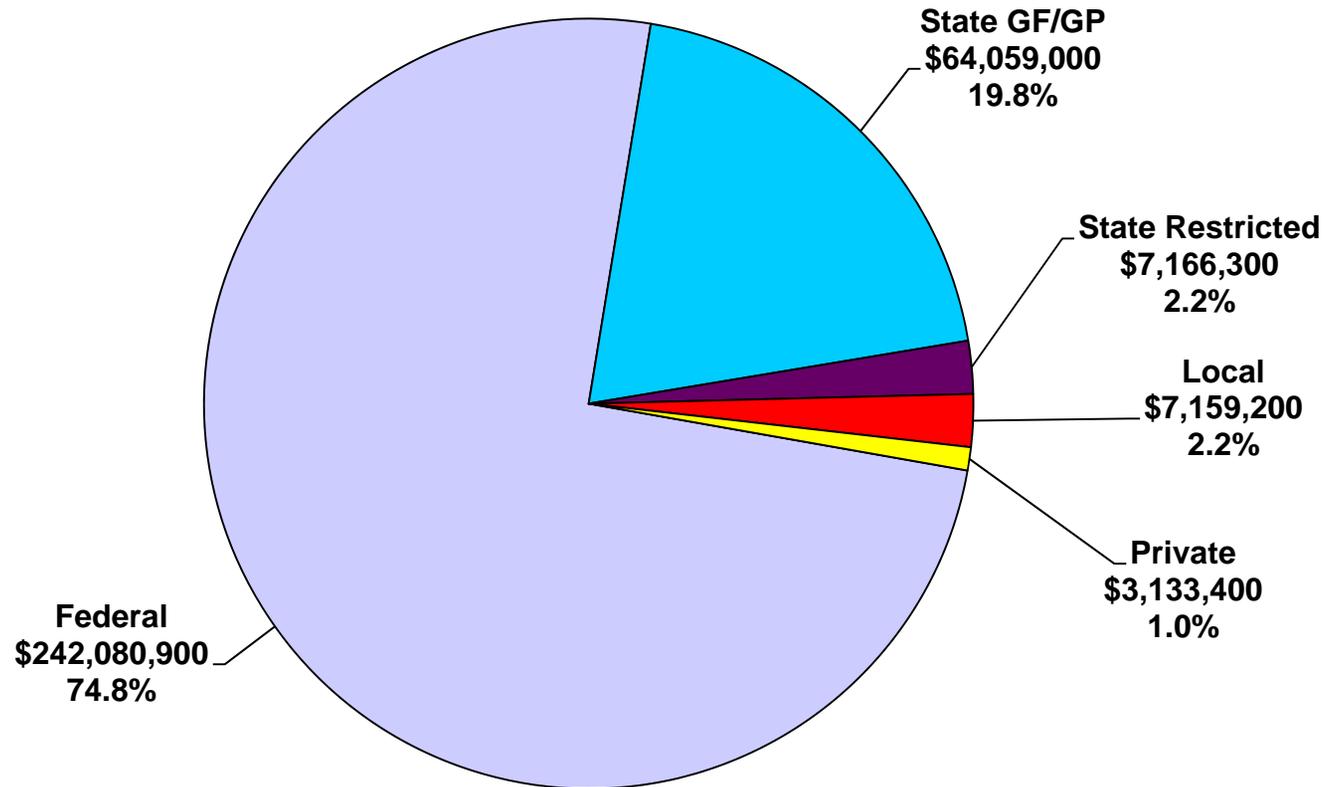
Note: Numbers reflect Supplemental Request 2012-3, creating the Office of Great Start and transferring the state's child care and development program for DHS to MDE. The supplemental request is included in HB 5014.

SOURCES OF FUNDING

Department of Education Funding Sources

Federal funds are the largest revenue source in the Department of Education budget.

FY 2011-12 Education Budget = \$323,598,800



Note: Numbers reflect Supplemental Request 2012-3, creating the Office of Great Start and transferring the state's child care and development program for DHS to MDE. The supplemental request is included in HB 5014.

DEPARTMENT APPROPRIATIONS

Department of Education Appropriations

The Department of Education provides:

- Technical assistance to schools
- Curriculum and grade level content standards
- School accreditation standards
- Administration of state aid to school districts
- Education assessments development and administration
- Compliance with federal “No Child Left Behind” Act
- Teacher certification and professional development
- Grants to schools and local educational organizations
- Clearinghouse for school safety issues
- Library of Michigan services to state government and the public
- Administration of state aid to public libraries

Department of Education Appropriations

- **State Board of Education/Office of the Superintendent**
 - Administrative staff in support of the State Board and Superintendent including a Deputy Superintendent for Administration, and legislative affairs staff
 - Per Diem payments, as authorized by 1967 PA 187, set in boilerplate

- **Special Education Services**
 - Administers education and early intervention programs and services for young children and students with disabilities
 - Identification, evaluation, and provision of programs to meet individual educational needs

- **Michigan Schools for the Blind and Deaf**
 - Located in Flint, the schools provide educational and residential services to students who are hearing and/or visually impaired
 - Services funded partially through cost-sharing with local districts

- **Professional Preparation Services**
 - Assures that professional school personnel complete quality preparation and professional development programs
 - Teacher certification, oversight of teacher preparation institutions

Department of Education Appropriations

- **Great Start**
 - Consolidates early child education programs (MDE) and child care and development programs (DHS)
 - Includes child care assistance payments

- **State Aid and School Finance**
 - Administers School Aid funding to districts
 - Counsels districts on school finance and tax policy issues, financial accounting, and pupil accounting

- **Audit Services**
 - Auditing and technical assistance to districts on financial and pupil accounting
 - Conducts desk reviews and quality control reviews of audit reports

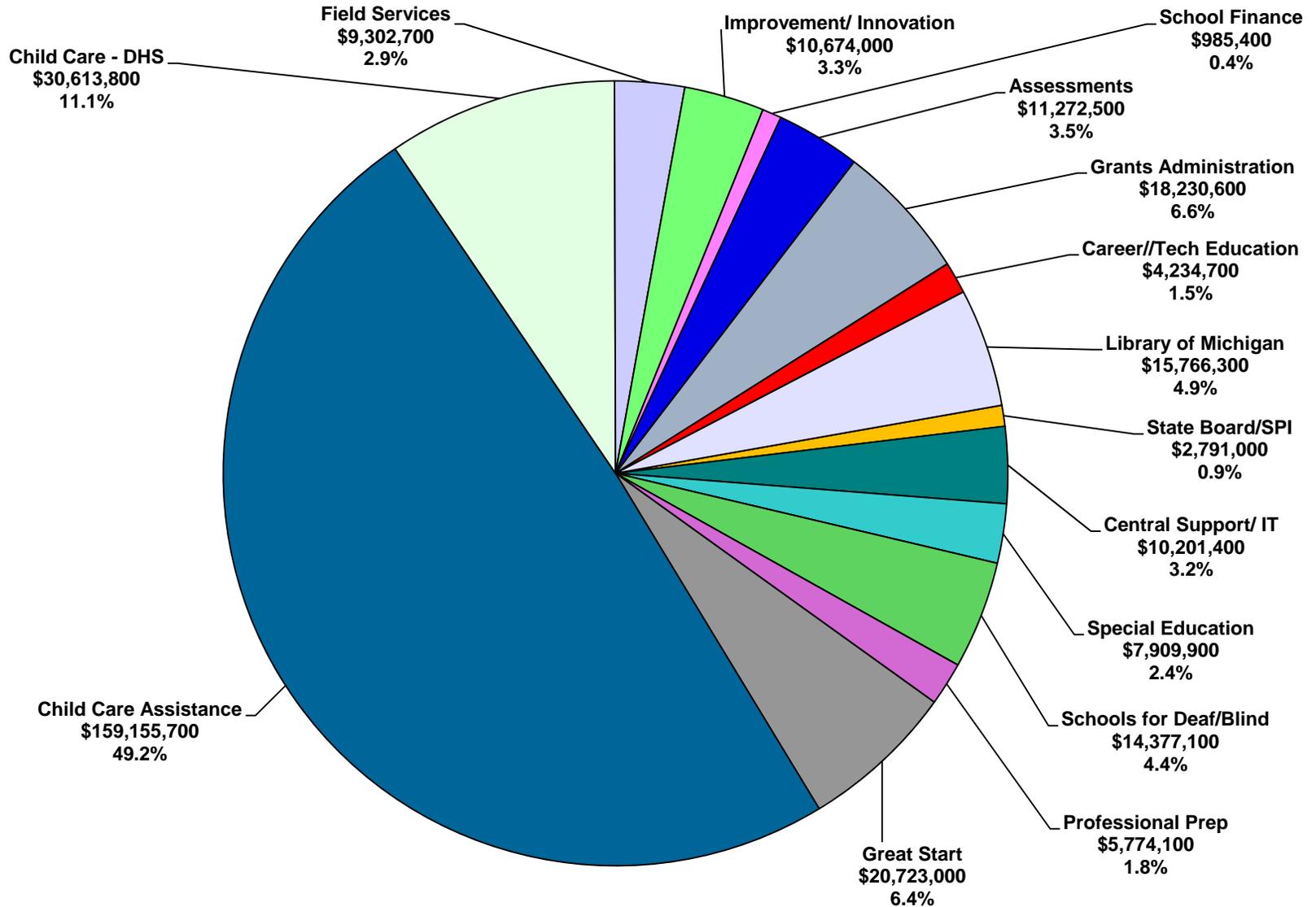
- **Administrative Law Services**
 - Hearings concerning teacher tenure, property transfer, teacher certification, pupil membership audits
 - Selection and training of special education hearing officers
 - Federal relations

Department of Education Appropriations

- **Educational Assessment and Accountability**
 - Administers MEAP, Merit Examination, and other assessments
 - School district accountability and accreditation
- **Grants Administration and School Support Services**
 - Administers federal and state grants
 - Food and Nutrition programs
 - College Access Challenge Grant
- **Field Services**
 - Oversight of ESEA Title I (Disadvantaged Children) and Title II (Teacher Quality) grant funds and At-Risk state aid categorical funds
 - Develop district needs assessments and improvement plans
- **Educational Improvement and Innovation Services**
 - Oversees online learning requirements and educational technology standards; coordinates usage of educational data
 - Charter Schools Office
- **Career and Technical Education Services**
 - Oversees secondary career and technical education programs, including courses and program providers

Department of Education Appropriations

FY 2011-12 Education Budget = \$323,598,800



MAJOR BUDGET ISSUES

2009 Education Reform Package

The FY 2010-11 and FY 2011-12 Department of Education budgets include an increase of \$3.9 million GF/GP and \$5.1 million Federal funds to implement additional activities required by the 2009 Education Reform package embodied in Public Acts 201-205 of 2009. The new department responsibilities include:

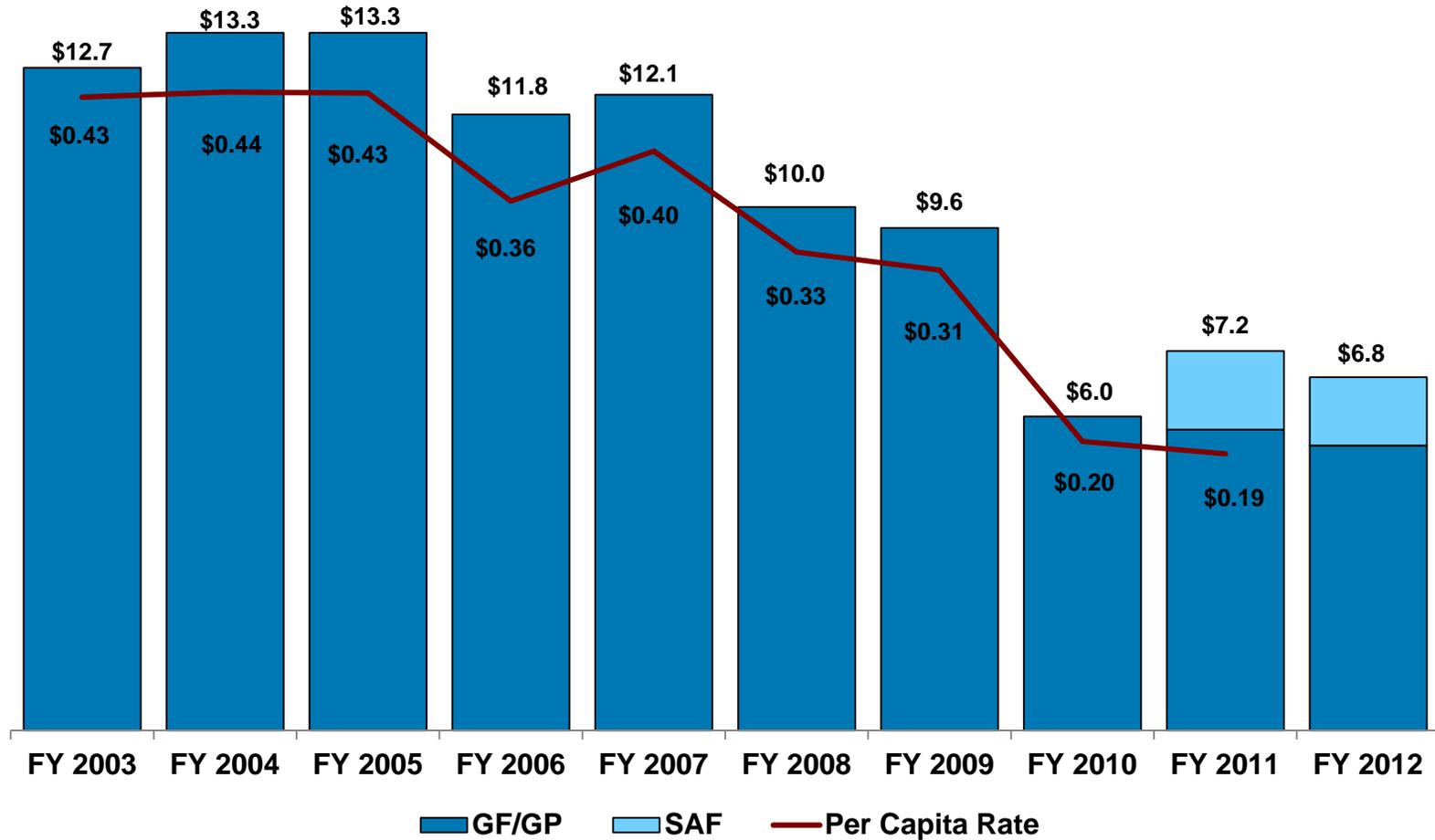
- School reform/redesign officer
- Oversight of new schools of excellence
- Development of assessments to measure student growth in each grade
- Correlation of student achievement to individual teachers
- Creation of an alternative teacher certification process
- Administration of a school administrator certification process
- Administration of the basic materials hotline.

Library of Michigan/State Aid to Libraries

- Transferred from the former Department of History, Arts, and Libraries in FY 2009-10
- Supports the operation of the Library of Michigan (\$3.8 million GF/GP)
- Supports State Aid to Libraries, based on:
 - \$0.50 per capita to Public Libraries
 - \$0.50 per capita to Public Libraries for cooperative services
 - \$0.50 to Cooperative Libraries
 - \$10/mi² to Cooperative Libraries with low population density
 - Reimbursement of up to \$4,800 for the director's salary for county libraries serving populations of less than \$50,000.
- State Aid payments are subject to proration based on available appropriations.

State Aid to Libraries

(Spending in Millions)



Office of Great Start

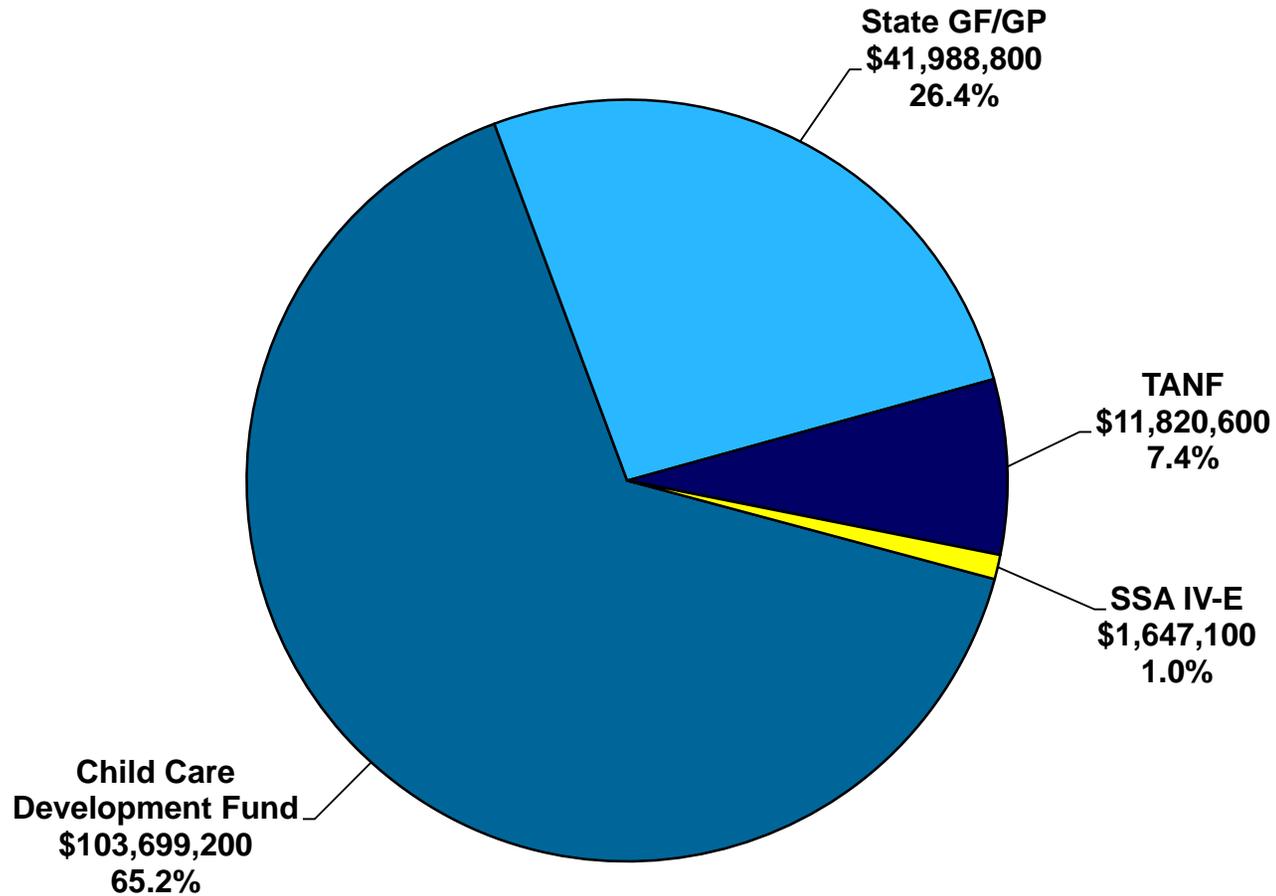
- **Established by Executive Order 2011-8**
- **Consolidates early child education programs of MDE with child care and development programs of DHS, including the transfer from DHS of:**
 - **Additional 36.0 FTE positions**
 - **Additional \$206.2 million Gross (\$42.0 million GF/GP)**
- **Responsibilities include**
 - **Great Start Readiness Program (GRSP)**
 - **Great Parents/Great Start**
 - **Preschool Special Education**
 - **Early On**
 - **Head Start Collaboration**
 - **Child Care and Development (CDC) Program**
 - **Child care assistance payments to needy families**

Child Development and Care (CDC) Services

- **Financial assistance for child day care to qualifying families when caretaker is unavailable due to employment, education, or treatment of health/social condition**
- **Eligibility:**
 - **Family groups receiving FIP assistance, foster care families, and families with protective service cases are categorically eligible**
 - **Other family groups must meet income eligibility requirements (monthly income below \$1,990 for typical family of three, about \$23,900 annual—around 38% of median income)**
- **Federal law allows:**
 - **Use of TANF revenue for child care, and provides Child Care and Development Block Grant funds**
 - **States to serve families with incomes up to 85% of state median income for same-sized groups (must provide parents with “maximum choice” in selecting provider)**
- **Michigan can establish its own eligibility guidelines/payment structure**
- **2008 Auditor General review suggested significant levels of mispayments and potential fraud within the program prompting legislative action to enhance oversight**

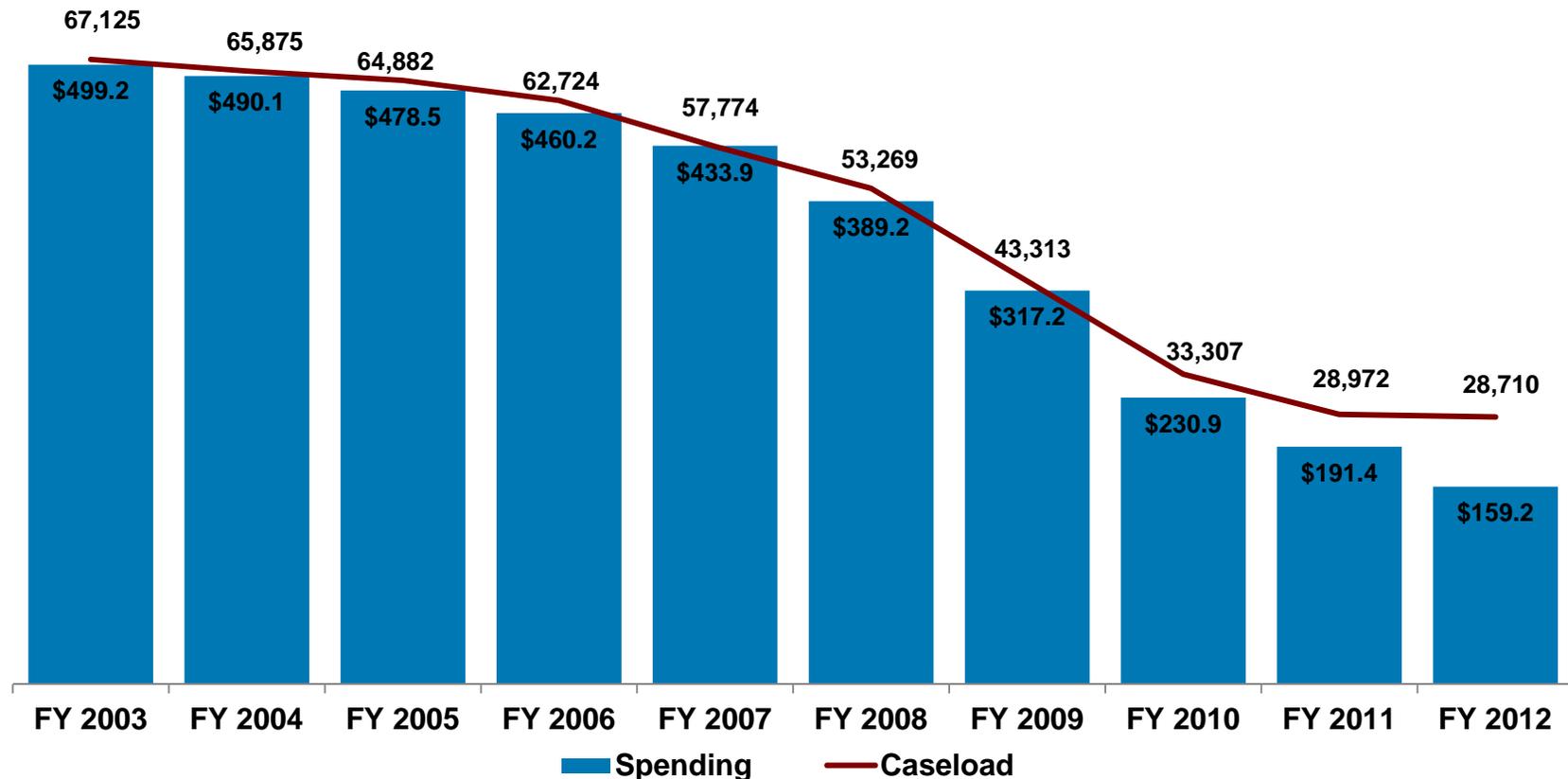
CDC Funding Sources

FY 2011-12 Total = \$159,155,700



CDC Caseload and Spending Trends

(Spending in millions)



- Average monthly benefit is about \$550; average of two children per CDC case
- Maximum hourly rate of support varies depending on child's age and provider type
- FY 12 budget reduces amount by \$29 million through day care provider rate reduction for enrolled providers and by reducing the maximum amount of reimbursable hours per case

**For more information about the
Department of Education budget,
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