



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

RICK SNYDER
GOVERNOR

JOHN S. ROBERTS
DIRECTOR

May 11, 2015

The Honorable Dave Hildenbrand, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Al Pscholka, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Executive Budget Revision #2016-3

Attached is a revision to the Executive Budget Recommendation for fiscal year 2016 appropriations and fiscal year 2017 anticipated appropriations to reflect implementation of Executive Order 2015-9. This budget revision impacts the departments of Technology, Management and Budget and Education.

Sincerely,



John S. Roberts
State Budget Director

Attachment

cc: Arlan Meekhof, Senate Majority Leader
Kevin Cotter, Speaker of the House
Jim Ananich, Senate Minority Leader
Tim Greimel, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency

Departments
Dick Posthumus, Executive Office
Dennis Muchmore, Chief of Staff
Nancy W. Duncan, Deputy State
Budget Director
Michael J. Moody, Office of
Financial Management
Internal State Budget Office

FISCAL YEARS 2016 and 2017 EXECUTIVE BUDGET REVISION

**DEPARTMENT OF EDUCATION
Article 6**

	Page	Line	FY 2016 Original Exec. Rec.	Revision 1	FY 2016 Revised Exec. Rec.	FY 2017 Original Exec. Rec.	Revision 1	FY 2017 Revised Exec. Rec.
DEPARTMENT OF EDUCATION								
APPROPRIATION SUMMARY								
Full-time equated unclassified positions	101	3	6.0	0.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	101	4	600.5	(12.0)	588.5	600.5	(12.0)	588.5
GROSS APPROPRIATION	101	5	313,212,200	(2,420,900)	310,791,300	313,212,200	(2,420,900)	310,791,300
Total interdepartmental grants and interdepartmental transfers	101	7	0	0	0	0	0	0
ADJUSTED GROSS APPROPRIATION	101	8	313,212,200	(2,420,900)	310,791,300	313,212,200	(2,420,900)	310,791,300
Total federal revenues	101	9	218,583,400	0	218,583,400	218,583,400	0	218,583,400
Total local revenues	101	10	5,833,700	0	5,833,700	5,833,700	0	5,833,700
Total private revenues	101	11	2,033,300	0	2,033,300	2,033,300	0	2,033,300
Total other state restricted revenues	101	12	7,669,600	0	7,669,600	7,669,600	0	7,669,600
State general fund/general purpose	101	13	79,292,200	(2,420,900)	76,871,300	79,292,200	(2,420,900)	76,871,300
<i>State general fund/general purpose schedule</i>								
<i>Ongoing state general fund/general purpose</i>	101	15	79,292,200	(2,420,900)	76,871,300	79,292,200	(2,420,900)	76,871,300
<i>One-time state general fund/general purpose</i>	101	16	0	0	0	0	0	0
Sec. 6-118. SCHOOL REFORM OFFICE								
Full-time equated classified positions	107	23	12.0	(12.0)	0.0	12.0	(12.0)	0.0
School reform office operations-12.0 FTE positions	107	24	2,420,900	(2,420,900)	0.0	2,420,900	(2,420,900)	0.0
GROSS APPROPRIATION	107	25	2,420,900	(2,420,900)	0	2,420,900	(2,420,900)	0
State general fund/general purpose	107	26	2,420,900	(2,420,900)	0	2,420,900	(2,420,900)	0

BOILERPLATE:

GENERAL SECTIONS

Sec. 6-201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2015-2016 is ~~\$86,964,800.00~~ \$84,540,900 and state spending from state resources to be paid to local units of government for fiscal year 2015-2016 is \$15,176,000. The itemized statement below identifies appropriations from which spending to local units of government will occur.

DEPARTMENT OF EDUCATION

State aid to libraries	\$9,876,000
Renaissance zone reimbursements	\$5,300,000
TOTAL	\$15,176,000

Sec. 6-231. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2016 is ~~\$46,932,000.00~~ \$16,492,600.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at ~~\$9,042,900.00~~ \$8,793,500.00. Total agency appropriations for retiree health care legacy costs are estimated at ~~\$6,889,100.00~~ \$6,699,100.00.

SCHOOL REFORM OFFICE

~~Sec. 6-1101 (1) From the funds appropriated in part 1, the department shall assure all of the following -~~

- ~~(a) That public schools that are removed from the control of a district by action of the state reform/redesign officer, superintendent of public instruction, or any other entity remain in compliance with all applicable state and federal law concerning special education.~~
- ~~(b) That students at public schools described in subdivision (a) with individualized education programs are afforded special education services in accordance with applicable state and federal law concerning special education.~~
- ~~(2) The department shall report to the legislature on the number of students in public schools described in subsection (1) (a) who have an individualized education program and the performance results of those students after the change in governance of the public school.~~

Explanation:

Implementation of Executive Order 2015-9 which transfers the School Reform Office from the Department of Education to the Department of Technology, Management and Budget.

FISCAL YEARS 2016 and 2017 EXECUTIVE BUDGET REVISION

DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
Article 18

	Page	Line	FY 2016 Revised Exec. Rec.	Revision 2	FY 2016 Revised Exec. Rec.	FY 2017 Revised Exec. Rec.	Revision 2	FY 2017 Revised Exec. Rec.
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET								
APPROPRIATION SUMMARY								
Full-time equated unclassified positions	283	3	6.0	0.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	283	4	2,833.0	11.0	2,844.0	2,833.0	11.0	2,844.0
GROSS APPROPRIATION	283	5	1,264,698,300	2,420,900	1,267,119,200	1,262,097,800	2,420,900	1,264,518,700
Total interdepartmental grants and interdepartmental transfers	283	7	678,478,500	0	678,478,500	677,878,500	0	677,878,500
ADJUSTED GROSS APPROPRIATION	283	8	586,219,800	2,420,900	588,640,700	584,219,300	2,420,900	586,640,200
Total federal revenues	283	9	7,997,300	0	7,997,300	7,997,300	0	7,997,300
Total local revenues	283	10	3,587,700	0	3,587,700	3,587,700	0	3,587,700
Total private revenues	283	11	190,100	0	190,100	190,100	0	190,100
Total other state restricted revenues	283	12	95,771,900	0	95,771,900	95,771,900	0	95,771,900
State general fund/general purpose	283	13	478,672,800	2,420,900	481,093,700	476,672,300	2,420,900	479,093,200
<i>State general fund/general purpose schedule:</i>								
Ongoing state general fund/general purpose	283	15	476,672,300	2,420,900	479,093,200	476,672,300	2,420,900	479,093,200
One-time state general fund/general purpose	283	16	2,000,500	0	2,000,500	0	0	0
Sec. 18-102. EXECUTIVE DIRECTION								
Unclassified positions - 6.0 FTE positions	283	20	637,000	140,000	977,000	837,000	140,000	977,000
GROSS APPROPRIATION	283	22	3,153,500	140,000	3,293,500	3,153,500	140,000	3,293,500
State general fund/general purpose	283	29	676,200	140,000	816,200	676,200	140,000	816,200
Sec. 18-106. SPECIAL PROGRAMS								
Full-time equated positions	286	1	181.0	11.0	192.0	181.0	11.0	192.0
School reform office operations - 11.0 FTE positions	286	After Line 8	0	2,280,900	2,280,900	0	2,280,900	2,280,900
GROSS APPROPRIATION	286	9	36,573,000	2,280,900	38,853,900	36,573,000	2,280,900	38,853,900
State general fund/general purpose	286	15	13,108,800	2,280,900	15,389,700	13,108,800	2,280,900	15,389,700

BOILERPLATE:

GENERAL SECTIONS

Sec. 18-201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2015-2016 is ~~\$574,444,700.00~~ \$576,865,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2015-2016 is \$0.00.

Sec. 18-203

NEW "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

Sec. 18-822a. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2016 is ~~\$76,306,000.00~~ \$76,745,400.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at ~~\$43,277,600.00~~ \$43,527,000.00. Total agency appropriations for retiree health care legacy costs are estimated at ~~\$33,028,400.00~~ \$33,218,400.00.

Sec. 18-XXX (1) From the funds appropriated in part 1 for school reform office operations, the department shall assure all of the following:

- (a) That public schools that are removed from the control of a district by action of the state reform/redesign officer, superintendent of public instruction, or any other entity remain in compliance with all applicable state and federal law concerning special education.
 - (b) That students at public schools described in subdivision (a) with individualized education programs are afforded special education services in accordance with applicable state and federal law concerning special education.
- (2) The department shall report to the legislature on the number of students in public schools described in subsection (1)(a) who have an individualized education program and the performance results of those students after the change in governance of the public school.

EXPLANATION:

Implementation of Executive Order 2015-9 which transfers the School Reform Office from the Department of Education to the Department of Technology, Management and Budget. A portion of the funds are included in the unclassifieds line item to reflect the non-classified nature of the State School Reform/Redesign Officer position as designated in Executive Order 2015-9.