

SUBSTITUTE FOR
HOUSE BILL NO. 4391

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of education for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

1 DEPARTMENT OF EDUCATION

2 APPROPRIATION SUMMARY:

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	427.1	
5	GROSS APPROPRIATION.....		\$ 112,925,100
6	Interdepartmental grant revenues:		
7	Interdepartmental grant from corrections academy		
8	lease.....		1,000,000
9	Total interdepartmental grants and intradepartmental		
10	transfers.....		1,000,000
11	ADJUSTED GROSS APPROPRIATION.....		\$ 111,925,100
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues.....		64,479,400
15	Special revenue funds:		
16	Local cost sharing (schools for blind/deaf).....		4,641,600
17	Local school district service fees.....		102,600
18	Total local revenues.....		4,744,200
19	Private gifts, bequests, and donations.....		504,200
20	Private foundations.....		197,200
21	Total private revenues.....		701,400
22	Total local and private revenues.....		5,445,600
23	Teacher certification revenues.....		3,081,000
24	Commodity distribution fees.....		72,300
25	Driver fees.....		8,128,000
26	Lansing, Michigan school for the blind rent.....		739,000
27	Motorcycle license fees.....		100

1	Student insurance revenues.....	205,100
2	Teacher testing fees.....	282,100
3	Training and orientation workshop fees.....	100,000
4	Total other state restricted revenues.....	12,607,600
5	State general fund/general purpose..... \$	29,392,500
6	Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE	
7	SUPERINTENDENT	
8	Full-time equated unclassified positions.....6.0	
9	Full-time equated classified positions.....13.0	
10	State board of education, per diem payments..... \$	24,400
11	Unclassified positions--6.0 FTE positions.....	515,600
12	State board/superintendent operations--13.0 FTE	
13	positions.....	<u>1,909,300</u>
14	GROSS APPROPRIATION..... \$	2,449,300
15	Appropriated from:	
16	Federal revenues:	
17	Federal revenues.....	1,128,900
18	Special revenue funds:	
19	Certification fees.....	70,700
20	Private foundations.....	23,000
21	State general fund/general purpose..... \$	1,226,700
22	Sec. 103. CENTRAL SUPPORT	
23	Full-time equated classified positions.....43.3	
24	Central support--43.3 FTE positions..... \$	4,754,800
25	Worker's compensation.....	26,000
26	Building occupancy charges-property management	
27	services.....	1,346,000

1	Training and orientation workshops.....	100,000
2	Terminal leave payments.....	<u>624,100</u>
3	GROSS APPROPRIATION..... \$	6,850,900
4	Appropriated from:	
5	Federal revenues:	
6	Federal revenues.....	4,349,600
7	Special revenue funds:	
8	Certification fees.....	256,900
9	Driver fees.....	28,100
10	Local cost sharing.....	93,400
11	Commodity distribution fees.....	7,000
12	Teacher testing fees.....	12,300
13	Training and orientation workshop fees.....	100,000
14	State general fund/general purpose..... \$	2,003,600
15	Sec. 104. SCHOOL SUPPORT SERVICES	
16	Full-time equated classified positions.....40.4	
17	School support operations--40.4 FTE positions..... \$	4,667,600
18	Motorcycle safety education program.....	<u>100</u>
19	GROSS APPROPRIATION..... \$	4,667,700
20	Appropriated from:	
21	Federal revenues:	
22	Federal revenues.....	3,946,000
23	Special revenue funds:	
24	Commodity distribution fees.....	65,300
25	Driver fees.....	499,900
26	Motorcycle license fees.....	100
27	State general fund/general purpose..... \$	156,400

1	Sec. 105. INFORMATION TECHNOLOGY SERVICES		
2	Information technology operations.....	\$	<u>2,514,100</u>
3	GROSS APPROPRIATION.....	\$	2,514,100
4	Appropriated from:		
5	Federal revenues:		
6	Federal revenues.....		1,276,900
7	Special revenue funds:		
8	Certification fees.....		168,200
9	Local cost sharing (schools for blind/deaf).....		44,800
10	State general fund/general purpose.....	\$	1,024,200
11	Sec. 106. SPECIAL EDUCATION SERVICES		
12	Full-time equated classified positions.....	68.6	
13	Special education operations--68.6 FTE positions....	\$	<u>11,237,900</u>
14	GROSS APPROPRIATION.....	\$	11,237,900
15	Appropriated from:		
16	Federal revenues:		
17	Federal revenues.....		11,006,500
18	Special revenue funds:		
19	Certification fees.....		35,200
20	State general fund/general purpose.....	\$	196,200
21	Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND		
22	FORMER SITE		
23	General services.....	\$	<u>1,749,000</u>
24	GROSS APPROPRIATION.....	\$	1,749,000
25	Interdepartmental grant revenues:		
26	Interdepartmental grant from corrections academy		
27	lease.....		1,000,000

1	Special revenue funds:	
2	Lansing, Michigan school for the blind rent.....	739,000
3	Gifts, bequests, and donations.....	10,000
4	State general fund/general purpose..... \$	0
5	Sec. 108. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	
6	Full-time equated classified positions.....93.0	
7	Michigan schools for the deaf and blind	
8	operations--92.0 FTE positions..... \$	9,154,000
9	Summer institute.....	90,000
10	Camp Tuhsmeheeta--1.0 FTE positions.....	250,100
11	Private gifts - blind.....	90,000
12	Private gifts - deaf.....	<u>50,000</u>
13	GROSS APPROPRIATION..... \$	9,634,100
14	Appropriated from:	
15	Federal revenues:	
16	Federal revenues.....	4,328,800
17	Special revenue funds:	
18	Local cost sharing (schools for blind/deaf).....	4,503,400
19	Local school district service fees.....	102,600
20	Gifts, bequests, and donations.....	494,200
21	Student insurance revenue.....	205,100
22	State general fund/general purpose..... \$	0
23	Sec. 109. PROFESSIONAL PREPARATION SERVICES	
24	Full-time equated classified positions.....31.0	
25	Professional preparation operations--31.0 FTE	
26	positions..... \$	4,468,900
27	Department of attorney general.....	<u>50,000</u>

1	GROSS APPROPRIATION.....	\$	4,518,900
2	Appropriated from:		
3	Federal revenues:		
4	Federal revenues.....		1,976,100
5	Special revenue funds:		
6	Certification fees.....		2,273,000
7	Teacher testing fees.....		269,800
8	State general fund/general purpose.....	\$	0
9	Sec. 110. FIELD SERVICES		
10	Full-time equated classified positions.....	46.9	
11	Field services operations--46.9 FTE positions.....	\$	<u>5,868,300</u>
12	GROSS APPROPRIATION.....	\$	5,868,300
13	Appropriated from:		
14	Federal revenues:		
15	Federal revenues.....		5,868,300
16	State general fund/general purpose.....	\$	0
17	Sec. 111. OFFICE OF SCHOOL EXCELLENCE		
18	Full-time equated classified positions.....	61.5	
19	School excellence operations--61.5 FTE positions....	\$	<u>10,260,600</u>
20	GROSS APPROPRIATION.....	\$	10,260,600
21	Appropriated from:		
22	Federal revenues:		
23	Federal revenues.....		8,665,500
24	Special revenue funds:		
25	Private foundations.....		79,400
26	State general fund/general purpose.....	\$	1,515,700
27	Sec. 112. GOVERNMENT SERVICES		

1	Full-time equated classified positions.....9.1		
2	Government services operations--9.1 FTE positions... \$	<u>572,300</u>	
3	GROSS APPROPRIATION..... \$	572,300	
4	Appropriated from:		
5	Federal revenues:		
6	Federal revenues.....	420,400	
7	Special revenue funds:		
8	State general fund/general purpose..... \$	151,900	
9	Sec. 113. SAFE SCHOOLS AND ADMINISTRATIVE LAW		
10	Full-time equated classified positions.....11.5		
11	Safe schools operations--2.5 FTE positions..... \$	393,700	
12	Administrative law operations--9.0 FTE positions....	<u>660,900</u>	
13	GROSS APPROPRIATION..... \$	1,054,600	
14	Appropriated from:		
15	Federal revenues:		
16	Federal revenues.....	532,200	
17	Special revenue funds:		
18	Certification fees.....	177,000	
19	State general fund/general purpose..... \$	345,400	
20	Sec. 114. EDUCATION OPTIONS, CHARTERS, AND CHOICE		
21	Full-time equated classified positions.....8.8		
22	Education options operations--8.8 FTE positions..... \$	<u>1,132,500</u>	
23	GROSS APPROPRIATION..... \$	1,132,500	
24	Appropriated from:		
25	Federal revenues:		
26	Federal revenues.....	980,200	
27	Special revenue funds:		

1	State general fund/general purpose.....	\$	152,300
2	Sec. 115. GRANTS AND DISTRIBUTIONS		
3	FEDERAL PROGRAMS:		
4	Christa McAuliffe grants.....	\$	94,800
5	Urgent school renovation grants.....		20,000,000
6	STATE PROGRAMS:		
7	Driver education.....	\$	7,600,000
8	National board certification.....		100,000
9	School breakfast program-state share.....		10,370,100
10	School readiness grants.....		<u>12,250,000</u>
11	GROSS APPROPRIATION.....	\$	50,414,900
12	Appropriated from:		
13	Federal revenues:		
14	DED-OESE, urgent school renovation.....		20,000,000
15	Special revenue funds:		
16	Driver fees.....		7,600,000
17	Certification fees.....		100,000
18	Private foundations.....		94,800
19	State general fund/general purpose.....	\$	22,620,100

20 PART 2

21 PROVISIONS CONCERNING APPROPRIATIONS

22 Sec. 201. Pursuant to section 30 of article IX of the state

23 constitution of 1963, total state spending from state resources under

24 part 1 for fiscal year 2003-2004 is \$42,000,000.00 and state spending

25 from state resources to be paid to local units of government for

1 fiscal year 2003-2004 is estimated at \$19,597,000.00. The itemized
 2 statement below identifies appropriations from which spending to units
 3 of local government will occur:

4 GRANTS AND DISTRIBUTIONS

5 STATE PROGRAMS:

6	Driver education.....	\$	7,600,000
7	School readiness grants.....		1,626,900
8	School lunch and breakfast.....		<u>10,370,100</u>
9	TOTAL.....	\$	19,597,000

10 Sec. 202. The appropriations authorized under this act are
 11 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
 12 18.1594.

13 Sec. 203. As used in this act:

14 (a) "DED-OESE" means the United States department
 15 of education office of elementary and secondary education.

16 (b) "Department" means the Michigan department of education.

17 (c) "District" means a local school district as defined in section
 18 6 of the revised school code, 1976 PA 451, MCL 380.6,
 19 or a local act school district or public school
 20 academy as defined in section 5 of the revised school code, 1976 PA 451,
 21 MCL 380.5.

22 (d) "FTE" means full-time equated.

23 Sec. 204. The department of civil service shall bill departments
 24 and agencies at the end of the first fiscal quarter for the 1% charge
 25 authorized by section 5 of article XI of the state constitution of
 26 1963. Payments shall be made for the total amount of the billing by
 27 the end of the second fiscal quarter.

1 Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on
2 the state classified civil service. State departments and agencies
3 are prohibited from hiring any new full-time state classified civil
4 service employees and prohibited from filling any vacant state
5 classified civil service positions. This hiring freeze does not apply
6 to internal transfers of classified employees from 1 position to
7 another within a department.

8 (2) The state budget director shall grant exceptions to this
9 hiring freeze when the state budget director believes that the hiring
10 freeze will result in rendering a state department or agency unable to
11 deliver basic services, cause loss of revenue to the state, result in
12 the inability of the state to receive federal funds, or necessitate
13 additional expenditures that exceed any savings from maintaining a
14 vacancy. The state budget director shall report monthly to the
15 chairpersons of the senate and house appropriations committees and the
16 fiscal agencies the number of exceptions to the hiring freeze approved
17 during the previous month and the reasons to justify the exceptions.

18 Sec. 206. Unless otherwise specified, the departments and
19 agencies receiving appropriations in part 1 shall use the Internet to
20 fulfill the reporting requirements of this act. This requirement may
21 include transmission of reports via electronic mail to the recipients
22 identified for each reporting requirement, or it may include placement
23 of reports on an Internet or Intranet site.

24 Sec. 207. The department may carry into the succeeding fiscal
25 year unexpended federal pass-through funds to local institutions and
26 governments that do not require additional state matching funds.
27 Federal pass-through funds to local institutions and governments that

1 are received in amounts in addition to those included in part 1 and
2 that do not require additional state matching funds are appropriated
3 for the purposes intended.

4 Sec. 208. The department shall provide the state budget director
5 and the senate and house fiscal agencies with copies of the state
6 board of education agenda and all supporting documents at the time the
7 agenda and supporting documents are provided to state board of
8 education members.

9 Sec. 209. (1) Upon receipt of the federal drug free grant, the
10 department shall allocate \$225,000.00 of the grant to the office for
11 safe schools within the department. The office for safe schools shall
12 work with local school boards, law enforcement agencies, community
13 leaders, and the office of drug control policy for the prevention of
14 school violence. The office for safe schools shall develop and
15 implement, and serve as coordinator of, a statewide clearinghouse for
16 information, program development, model programs and policies, and
17 technical assistance on school violence prevention.

18 (2) To accomplish its functions under this section, the office for
19 safe schools shall do all of the following:

20 (a) Evaluate the effectiveness of, and make recommendations to
21 local school boards concerning public school violence prevention
22 programs, including, but not limited to, programs aimed at reducing
23 the possession of weapons and the incidence of other violent behaviors
24 on school campuses, violence prevention curricula, conflict resolution
25 and peer mediation training, interagency cooperative referral and
26 treatment programs, parental involvement programs, and school safety
27 planning.

1 (b) In consultation with appropriate organizations, develop and
2 distribute to school districts and public school academies a model
3 code of conduct for pupils.

4 (c) Coordinate with the office of drug control policy in the
5 department of community health to ensure that there is a meaningful
6 linkage between the efforts under this act to provide safe schools and
7 the initiatives undertaken through that office, including, but not
8 limited to, school districts' safe and drug-free school plans, and to
9 facilitate timely applications for and distribution of available grant
10 money.

11 (d) Provide through the Internet the availability to and
12 information regarding the state model policy on locker searches, the
13 state model policy on firearm safety and awareness, and any other
14 state or local safety policies that the office considers exemplary.

15 Sec. 210. The department shall require all public school
16 districts to maintain complete records within the personnel file of a
17 teacher or school employee of any disciplinary actions taken by the
18 local school board against the teacher or employee for sexual
19 misconduct. The records shall not be destroyed or removed from the
20 teacher's or employee's personnel file except as required by a court
21 order.

22 Sec. 211. From the general funds appropriated in part 1 for
23 special education services, the department shall provide funding for
24 1.0 special education auditors to audit school districts.

25 Sec. 212. From the funds appropriated in part 1 for information
26 technology, the department shall pay user fees to the department of
27 information technology for technology related services and projects.

1 Such user fees shall be subject to provisions of an interagency
2 agreement between the department and the department of information
3 technology.

4 Sec. 213. Amounts appropriated in part 1 for information
5 technology may be designated as work projects and carried forward to
6 support department of education projects under the direction of the
7 department of information technology. Funds designated in this manner
8 are not available for expenditure until approved as work projects
9 under section 451a of the management and budget act, 1984 PA 431,
10 MCL 18.1451a.

11 Sec. 214. The departments and agencies receiving appropriations
12 in part 1 shall receive and retain copies of all reports funded from
13 appropriations in part 1. The department shall follow all federal
14 guidelines and state laws regarding short-term and long-term retention
15 of records.

16 Sec. 215. At least 60 days before beginning any effort to
17 privatize services, the department shall submit a complete project
18 plan to the appropriate house and senate appropriations subcommittees
19 and the fiscal agencies. The plan shall include the criteria under
20 which the privatization initiative will be evaluated. The evaluation
21 shall be completed and submitted to the appropriate subcommittees of
22 the house and senate standing committees on appropriations and the
23 fiscal agencies within 30 months.

24 Sec. 216. Funds appropriated in part 1 shall not be used for the
25 purchase of foreign goods or services, or both, if competitively
26 priced American goods or services, or both, of comparable quality, are
27 available.

1 Sec. 217. The director of each department receiving
2 appropriations in part 1 shall take all reasonable steps to ensure
3 businesses in deprived and depressed communities compete for and
4 perform contracts to provide services or supplies, or both. Each
5 director shall strongly encourage firms with which the department
6 contracts to subcontract with certified businesses in depressed and
7 deprived communities for services, supplies, or both.

8 Sec. 218. (1) The department of management and budget and each
9 principal executive department and agency shall provide to the senate
10 and house of representatives standing committees on appropriations and
11 the senate and house fiscal agencies a monthly report on all personal
12 service contracts awarded without competitive bidding, pricing, or
13 rate-setting. The notification shall include all of the following:

14 (a) The total dollar amount of the contract.

15 (b) The duration of the contract.

16 (c) The name of the vendor.

17 (d) The type of service to be provided.

18 (2) For personal service contracts of \$100,000.00 or more, the
19 department of management and budget shall provide a monthly report
20 including all of the following:

21 (a) The total dollar amount of the contract.

22 (b) The duration of the contract.

23 (c) The name of the vendor.

24 (d) The type of service to be provided.

25 (3) The department of management and budget shall provide a
26 monthly listing of all bid requests or requests for proposal that were
27 issued.

House Bill No. 4391 (H-1) as amended May 15, 2003

1 (4) Each principal executive department and agency shall provide a
2 monthly summary listing of information that identifies any
3 authorization for personal service contracts that are provided to the
4 department of civil service pursuant to delegated authority granted to
5 each principal executive department and agency related to personal
6 service contracts.

7 Sec. 219. The department shall work with the department of state
8 to ensure that the motorcycle safety education program and grants are
9 administered in the same manner as in 2002-2003.

10 Sec. 220. The department shall work with the department of
11 natural resources to ensure that the off-road vehicle safety training
12 program and grants are administered in the same manner as in
13 2002-2003.

[Sec. 221. From the funds appropriated in part 1 for school
excellence operations, the department shall allocate \$100.00 to develop
an on-line assessment system to supplement the Michigan education
assessment program test and provide immediate feedback on student
achievement. The assessment system shall include high quality tests
aligned to the Michigan curriculum framework and tests that can be
customized by teachers and integrated with on-line instructional
resources. The department shall work in partnership with the department
of treasury to implement the assessment program. The department shall
give first priority in implementing the assessment systems to districts
not meeting adequate yearly progress requirements as established by the
no child left behind act of 2001, Public Law 107-110, 115 Stat. 1425 and
to schools participating in one-to-one wireless learning environments.]

14 STATE BOARD/OFFICE OF THE SUPERINTENDENT

15 Sec. 301. (1) The appropriations in part 1 may be used for per
16 diem payments to the state board at which a quorum is present. The
17 per diem payments shall be at a rate as follows:

18 (a) State board of education - president..... \$ 110.00 per day

19 (b) State board of education - member other than

20 president..... \$ 100.00 per day

21 (2) A state board of education member shall not be paid a per diem

22 for more than 30 days per year.

23 (3) The administrative secretary of the state board of education
24 shall report to the public, the senate and house fiscal agencies, and
25 the state budget director the previous quarter's expenses by fund
26 source for members of the state board of education related to the

1 performance of their responsibilities.

2 Sec. 302. From the amount appropriated in part 1 to the state
3 board of education, not more than \$35,000.00 shall be expended for
4 travel.

5 **MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

6 Sec. 401. The employees at the Michigan schools for the deaf and
7 blind who work on a school year basis shall be considered annual
8 employees for purposes of service credits, retirement, and insurance
9 benefits.

10 Sec. 402. For each student enrolled at the Michigan schools for
11 the deaf and blind, the department shall assess the intermediate
12 school district of residence 100% of the cost of operating the
13 student's instructional program. The amount shall exclude room and
14 board related costs and the cost of weekend transportation between the
15 school and the student's home.

16 Sec. 403. (1) The department may assess rent to any state agency
17 for the use of any facility at the Michigan school for the blind's
18 former site in Lansing. The rental rates and all leasing arrangements
19 shall be subject to the approval of the department of management and
20 budget.

21 (2) In addition to those funds appropriated in part 1, the
22 department may receive and expend additional funds from lease
23 agreements at the Michigan school for the blind's former site in
24 Lansing that have been negotiated with the approval of the department
25 of management and budget. These funds are appropriated to the
26 department for operation, maintenance, and renovation expenses

1 associated with the leased space.

2 (3) Security guards or other patrols at the Michigan school for
3 the blind's former site shall not be funded through section 108 funds
4 appropriated for the Michigan schools for the deaf and blind.

5 (4) If the department leases real property to a person or
6 organization that is not a department of state government, the
7 department shall not expend funds in excess of the lease revenue
8 received to replace, renovate, or repair that real property. This
9 section shall not apply to emergency repairs or costs associated with
10 technological renovations.

11 (5) The department shall not lease real property for less than
12 fair market value.

13 (6) Unexpended balances of appropriations and any surplus
14 restricted revenue for the former school for the blind site in
15 Lansing, up to \$100,000.00 in total, shall not lapse to the state
16 general fund at the end of the fiscal year. Any unexpended and
17 unencumbered funds remaining on September 30, 2004 may be carried
18 forward as a work project or as restricted revenue and expended for
19 special maintenance and repairs of facilities at the former Michigan
20 school for the blind site in Lansing. The work project shall be
21 performed by state employees or by contract when necessary at an
22 estimated cost of \$100,000.00. The estimated completion date of the
23 work project is September 30, 2005.

24 Sec. 404. (1) The department may assess rent or lease excess
25 property located on the campus of the Michigan schools for the deaf
26 and blind in Flint to private or publicly funded organizations.

27 (2) In addition to those funds appropriated in part 1, the

1 department may receive and expend additional funds from lease
2 agreements at the Michigan schools for the deaf and blind Flint campus
3 that have been negotiated with the approval of the department of
4 management and budget. These funds are appropriated to the department
5 for the operation, maintenance, and renovation expenses associated
6 with the leased space.

7 (3) Unexpended balances of appropriations for the schools for the
8 deaf and blind operations, and from proceeds of the sale of surplus
9 property and facilities at the Michigan schools for the deaf and
10 blind, up to \$250,000.00 in total, shall not lapse to the state
11 general fund at the end of the fiscal year. Any unexpended and
12 unencumbered funds remaining on September 30, 2004 may be carried
13 forward as a work project or as restricted revenue and expended for
14 special maintenance and repairs of facilities at the campus of the
15 Michigan schools for the deaf and blind in Flint. The work shall be
16 carried out by state employees, or by contract as necessary, at an
17 estimated cost of \$250,000.00. The estimated completion date of the
18 work is September 30, 2005.

19 Sec. 408. The department may assist the department of community
20 health, other departments, and local school districts to secure
21 reimbursement for eligible services provided in Michigan schools from
22 the federal Medicaid program. The department may submit reports of
23 direct expenses related to this effort to the department of community
24 health for reimbursement.

25 Sec. 409. (1) The Michigan schools for the deaf and blind may
26 promote its residential program as a possible appropriate option for
27 children who are deaf or hard of hearing or who are blind or visually

1 impaired. The Michigan schools for the deaf and blind shall
2 distribute information detailing its services to all intermediate
3 school districts in the state.

4 (2) Upon knowledge of or recognition by an intermediate school
5 district that a child in the district is deaf or hard of hearing or
6 blind or visually impaired, the intermediate school district shall
7 provide to the parents of the child the literature distributed by the
8 Michigan schools for the deaf and blind to intermediate school
9 districts under subsection (1).

10 (3) It is the intent of the legislature that parents continue to
11 have a choice regarding the educational placement of their deaf or
12 hard of hearing children.

13 Sec. 410. In addition to those funds appropriated in part 1, the
14 department may receive and expend funds from the mid-Michigan academy
15 for capital improvements. The department shall report to the house
16 and senate fiscal agencies and the state budget office on an annual
17 basis any expenditures made under this section. These additional
18 funds are appropriated specifically for capital improvements
19 authorized by the department of management and budget and shall be
20 negotiated as part of the lease agreement.

21 Sec. 411. The department shall ensure that rental payments made
22 by each tenant for space at the Michigan school for the blind former
23 site are used for operation, maintenance, and renovation expenses
24 associated with the leased space designated in the tenant's lease
25 agreement.

26 **PROFESSIONAL PREPARATION SERVICES**

1 Sec. 501. From the funds appropriated in part 1 for professional
2 preparation services, the department shall maintain the professional
3 personnel register and certificate revocation/felony conviction
4 files.

5 Sec. 502. The department shall authorize teacher preparation
6 institutions to provide an alternative program by which up to 1/2 of
7 the required student internship or student teaching credits may be
8 earned through substitute teaching. The department shall require that
9 teacher preparation institutions collaborate with school districts to
10 ensure that the quality of instruction provided to student teachers is
11 comparable to that required in a traditional student teaching
12 program.

13 **EDUCATION OPTIONS, CHARTERS, AND CHOICE**

14 Sec. 601. (1) From the amount appropriated in part 1 for
15 education options, charters, and choice, there is allocated
16 \$350,000.00 and 3.5 FTE positions to operate a charter school office
17 to administer charter school legislation and associated regulations,
18 and to coordinate the activities of the department relating to charter
19 schools.

20 (2) It is the intent of the legislature to assess the number of
21 FTEs allocated for the charter school office based on information
22 provided by the department describing current staffing and the future
23 staffing needed to sufficiently administer charter school legislation
24 and associated regulations, coordinate the activities of the
25 department relating to charter schools, and address the findings in
26 the office of the auditor general audit report of June 2002.

1 (3) If an audit finds that a public school district has
2 significantly misrepresented its enrollment membership or financial
3 data to the department, its funding shall be withheld and the public
4 school district shall be required to reimburse the state any
5 appropriations made as a result of the misrepresentations.

6 GRANTS AND DISTRIBUTIONS

7 Sec. 701. The department shall disburse the funds to a general
8 fund grantee in accordance with the same standards of timing and
9 amount that apply to disbursements made by the department to a federal
10 fund grantee. The disbursement shall be restricted to the minimum
11 amount needed for immediate disbursement by the grantee. The
12 department may waive this section if extenuating circumstances warrant
13 and are substantiated in the grantee's application or other
14 appropriate documentation. A waiver granted pursuant to this section
15 shall not be effective until 15 days after written notice of the
16 proposed waiver is given to the state budget director and the
17 chairpersons of the senate and house appropriations subcommittees
18 having jurisdiction over the department budget.

19 Sec. 702. The funds appropriated in part 1 for school breakfast
20 programs shall be made available to all eligible applicant public
21 school districts as follows:

22 (a) The public school district participates in the federal school
23 breakfast program and meets all standards as prescribed by 7
24 C.F.R. parts 220 and 245.

25 (b) Payment is made for each breakfast served meeting standards
26 prescribed in subdivision (a).

1 (c) The payment for a public school district is at a per meal rate
2 equal to the lesser of the district's actual cost, or 100% of the cost
3 of a breakfast served by an efficiently operated breakfast program as
4 determined by the department, less federal reimbursement, participant
5 payments, and other state reimbursement. Determination of efficient
6 cost by the department shall be determined by using a statistical
7 sampling of statewide and regional cost as reported in a manner
8 approved by the department for the preceding school year.

9 (d) The payment determined under subdivision (c) is prorated if
10 the appropriation in part 1 is not sufficient to fund all payments
11 determined under this section.

12 Sec. 703. (1) The funds appropriated in part 1 for school
13 readiness programs shall be made available through a competitive
14 application process as follows:

15 (a) An applicant may be any public or private nonprofit legal
16 entity or agency other than a local or intermediate school district
17 except a local or intermediate school district acting as a fiscal
18 agent for a child caring organization regulated under 1973 PA 116,
19 MCL 722.111 to 722.128.

20 (b) Applications shall be submitted in a form and manner as
21 required by the department.

22 (c) Applications shall be reviewed by a diverse interagency
23 committee composed of representatives of the department, appropriate
24 community, volunteer, and social service agencies and organizations,
25 and parents.

26 (d) Priority in the recommendation for awarding of grants by the
27 state board of education to applicants shall be based upon the

1 following criteria:

2 (i) Compliance with standards for early childhood development
3 consistent with programs for 4-year-olds, as approved by the state
4 board of education.

5 (ii) Active and continuous involvement of the parents or guardians
6 of the children participating in the program.

7 (iii) Employment of teachers possessing proper training in early
8 childhood development, including an early childhood (ZA) endorsement
9 or child development associate, and trained support staff.

10 (iv) Evidence of collaboration with the community of providers in
11 early childhood development programs including documentation of the
12 total number of children in the community who would meet the criteria
13 established in subparagraph (vi), and who are being served by other
14 providers, and the number of children who will remain unserved by
15 other community early childhood programs if this program is funded.

16 (v) The extent to which these funds will supplement other federal,
17 state, local, or private funds.

18 (vi) The extent to which these funds will be targeted to children
19 who will be at least 4, but less than 5, years of age as of December 1
20 of the year in which the programs are offered and who show evidence of
21 2 or more "at-risk" factors as defined in the state board of education
22 report entitled, "children at risk" that was adopted by the state
23 board on April 5, 1988.

24 (e) Whether the application contains a comprehensive evaluation
25 plan that includes implementation of all program components required
26 and an assessment of the gains of children participating in an early
27 childhood development program.

(f) Applications shall provide for the establishment of a school readiness advisory committee that shall be involved in the planning and evaluation of the program and provides for the involvement of parents and appropriate community, volunteer, and social service agencies and organizations. There shall be on the committee at least 1 parent or guardian of a program participant for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The committee shall do all of the following:

(i) Review the mechanisms and criteria used to determine referrals for participation in the school readiness program.

(ii) Review the health screening program for all participants.

(iii) Review the nutritional services provided to all participants.

(iv) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

(v) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of education disadvantage.

(vi) Review, evaluate, and make recommendations for changes in the school readiness program.

(g) More than 50% of the children participating in the program shall meet the income eligibility criteria for free or reduced price lunch, as determined under the national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, and 1769 to 1769h, or meet income and all other eligibility criteria for participation in the Michigan family independence agency unified child day care program.

1 (2) Grant awards by the superintendent of public instruction may
2 be at whatever level the superintendent determines appropriate. A
3 grant, when combined with other sources of state revenue for this
4 program, shall not exceed \$3,300.00 per child or the cost of the
5 program, whichever is less.

6 (3) Except as otherwise provided, an applicant that receives a
7 2003-2004 grant under this section shall also receive priority for
8 fiscal years 2004-2005 and 2005-2006 funding. However, after 3 fiscal
9 years of continuous funding, an applicant will be required to compete
10 openly with new programs and other programs completing their third
11 year. All grant awards are contingent on the availability of funds
12 and documented evidence of grantee compliance with standards for early
13 childhood development consistent with programs for 4-year-olds, as
14 approved by the state board of education, and with all operational,
15 fiscal, administrative, and other program requirements. A program
16 which offers supplementary day care and thereby offers full-day
17 programs as part of its early childhood development program shall
18 receive priority in the allocation of competitive funds.

19 Sec. 704. From the funds appropriated in part 1 for national
20 board certification, the department shall pay 1/2 of the application
21 fee for teachers who are deemed by the department to be qualified to
22 apply to the national board for professional teaching standards for
23 professional teaching certificates or licenses and to provide grants
24 to recognize and reward teachers who receive certification or
25 licensure.

26 Sec. 705. Before expending funds for DED-OESE, title IV, part A,
27 community service grants and DED-OESE, title IV, part B, 21st century

1 community learning centers, the department shall provide an assurance
2 to the United States department of education that the application was
3 developed in consultation and coordination with appropriate state
4 officials, including the chief state school officer, and other state
5 agencies administering before and after school programs, the heads of
6 the state health and mental health agencies or their designees, and
7 representatives of teachers, parents, students, the business
8 community, and community-based organizations.

9 **SAFE SCHOOLS AND ADMINISTRATIVE LAW**

10 Sec. 801. The department shall furnish a report to the
11 legislature on teacher tenure by December 31, 2003. The report shall
12 include at least all of the following:

13 (a) A history of teacher tenure in this state.

14 (b) A statement of the purpose of teacher tenure and an assessment
15 of the current need for teacher tenure.

16 (c) A history of administrative law cases related to teacher
17 tenure.

18 (d) The number of teacher tenure cases heard by administrative law
19 judges for the most recent year for which data is available.

20 (e) An estimate of the cost incurred by the department related to
21 teacher tenure.

22 **INFORMATION TECHNOLOGY**

23 Sec. 901. The department shall work in collaboration with the
24 center for educational performance and information to support the
25 comprehensive educational information system and all data collection

1 efforts of the department.

2 Sec. 902. The department and the Michigan virtual university
3 shall work collaboratively to implement section 98 of the state school
4 aid act of 1979, 1979 PA 94, MCL 388.1698, in accordance with all
5 applicable federal laws and regulations.