

SENATE 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:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for the department of
5 education for the fiscal year ending September 30, 2004, from the
6 funds indicated in this part. The following is a summary of the
7 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.....		\$ 113,459,600
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.....		\$ 112,459,600
12	Federal revenues:		
13	Total federal revenues.....		65,184,100
14	Special revenue funds:		
15	Local cost sharing (schools for blind/deaf).....		4,641,600
16	Local school district service fees.....		150,000
17	Total local revenues.....		4,791,600
18	Gifts, bequests, and donations.....		504,200
19	Private foundations.....		197,200
20	Total private revenues.....		701,400
21	Total local and private revenues.....		5,493,000
22	Certification fees.....		3,130,200
23	Commodity distribution fees.....		72,300
24	Driver fees.....		8,128,000
25	Lansing, Michigan school for the blind rent.....		739,000
26	Motorcycle license fees.....		5,000
27	Student insurance revenue.....		205,100

1	Teacher testing fees.....	282,100
2	Total other state restricted revenues.....	12,561,700
3	State general fund/general purpose..... \$	29,220,800
4	Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE	
5	SUPERINTENDENT	
6	Full-time equated unclassified positions.....6.0	
7	Full-time equated classified positions.....13.0	
8	Unclassified positions--6.0 FTE positions..... \$	404,500
9	State board/ superintendent operations--13.0 FTE	
10	positions.....	<u>1,874,200</u>
11	GROSS APPROPRIATION..... \$	2,278,700
12	Appropriated from:	
13	Federal revenues:	
14	Federal revenues.....	1,128,900
15	Special revenue funds:	
16	Certification fees.....	70,700
17	Private foundations.....	23,000
18	State general fund/general purpose..... \$	1,056,100
19	Sec. 103. CENTRAL SUPPORT	
20	Full-time equated classified positions.....43.3	
21	Central support--43.3 FTE positions..... \$	4,759,700
22	Worker's compensation.....	25,900
23	Building occupancy charges - property management	
24	services.....	1,345,900
25	Terminal leave payments.....	<u>624,000</u>
26	GROSS APPROPRIATION..... \$	6,755,500
27	Appropriated from:	

1	Federal revenues:		
2	Federal revenues.....		4,349,600
3	Special revenue funds:		
4	Certification fees.....		256,900
5	Commodity distribution fees.....		7,000
6	Driver fees.....		28,100
7	Local cost sharing.....		93,400
8	Motorcycle license fees.....		5,000
9	Teacher testing fees.....		12,300
10	State general fund/general purpose.....	\$	2,003,200
11	Sec. 104. SCHOOL SUPPORT SERVICES		
12	Full-time equated classified positions.....	40.4	
13	School support operations--40.4 FTE positions.....	\$	<u>4,667,500</u>
14	GROSS APPROPRIATION.....	\$	4,667,500
15	Appropriated from:		
16	Federal revenues:		
17	Federal revenues.....		3,946,000
18	Special revenue funds:		
19	Commodity distribution fees.....		65,300
20	Driver fees.....		499,900
21	State general fund/general purpose.....	\$	156,300
22	Sec. 105. INFORMATION TECHNOLOGY SERVICES		
23	Information technology operations.....	\$	<u>2,514,000</u>
24	GROSS APPROPRIATION.....	\$	2,514,000
25	Appropriated from:		
26	Federal revenues:		
27	Federal revenues.....		1,276,900

1	Special revenue funds:	
2	Certification fees.....	168,200
3	Driver fees.....	44,800
4	State general fund/general purpose..... \$	1,024,100
5	Sec. 106. SPECIAL EDUCATION SERVICES	
6	Full-time equated classified positions.....68.6	
7	Special education operations--68.6 FTE positions.... \$	<u>11,237,800</u>
8	GROSS APPROPRIATION..... \$	11,237,800
9	Appropriated from:	
10	Federal revenues:	
11	Federal revenues.....	11,006,500
12	Special revenue funds:	
13	Certification fees.....	35,200
14	State general fund/general purpose..... \$	196,100
15	Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND	
16	FORMER SITE	
17	General services..... \$	<u>1,749,000</u>
18	GROSS APPROPRIATION..... \$	1,749,000
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from corrections academy	
22	lease.....	1,000,000
23	Special revenue funds:	
24	Gifts, bequests, and donations.....	10,000
25	Lansing, Michigan school for the blind rent.....	739,000
26	State general fund/general purpose..... \$	0
27	Sec. 108. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	

1	Full-time equated classified positions.....	93.0	
2	Michigan schools for the deaf and blind		
3	operations--92.0 FTE positions.....	\$	9,201,400
4	Summer institute.....		90,000
5	Camp Tuhsmeheeta--1.0 FTE position.....		250,100
6	Private gifts - blind.....		90,000
7	Private gifts - deaf.....		<u>50,000</u>
8	GROSS APPROPRIATION.....	\$	9,681,500
9	Appropriated from:		
10	Federal revenues:		
11	Federal revenues.....		4,328,800
12	Special revenue funds:		
13	Local cost sharing (schools for blind/deaf).....		4,503,400
14	Local school district service fees.....		150,000
15	Gifts, bequests, and donations.....		494,200
16	Student insurance revenue.....		205,100
17	State general fund/general purpose.....	\$	0
18	Sec. 109. PROFESSIONAL PREPARATION SERVICES		
19	Full-time equated classified positions.....	31.0	
20	Professional preparation operations--31.0 FTE		
21	positions.....	\$	5,020,900
22	Department of attorney general.....		<u>50,000</u>
23	GROSS APPROPRIATION.....	\$	5,070,900
24	Appropriated from:		
25	Federal revenues:		
26	Federal revenues.....		2,528,100
27	Special revenue funds:		

1	Certification fees.....	2,273,000
2	Teacher testing fees.....	269,800
3	State general fund/general purpose..... \$	0
4	Sec. 110. FIELD SERVICES	
5	Full-time equated classified positions.....46.9	
6	Field services operations--46.9 FTE positions..... \$	<u>5,868,300</u>
7	GROSS APPROPRIATION..... \$	5,868,300
8	Appropriated from:	
9	Federal revenues:	
10	Federal revenues.....	5,868,300
11	State general fund/general purpose..... \$	0
12	Sec. 111. OFFICE OF SCHOOL EXCELLENCE	
13	Full-time equated classified positions.....61.5	
14	School excellence operations--61.5 FTE positions.... \$	<u>10,413,300</u>
15	GROSS APPROPRIATION..... \$	10,413,300
16	Appropriated from:	
17	Federal revenues:	
18	Federal revenues.....	8,818,200
19	Private foundations.....	79,400
20	State general fund/general purpose..... \$	1,515,700
21	Sec. 112. GOVERNMENT SERVICES	
22	Full-time equated classified positions.....9.1	
23	Government services operations--9.1 FTE positions... \$	<u>572,200</u>
24	GROSS APPROPRIATION..... \$	572,200
25	Appropriated from:	
26	Federal revenues:	
27	Federal revenues.....	420,400

1	State general fund/general purpose.....	\$	151,800
2	Sec. 113. SAFE SCHOOLS AND ADMINISTRATIVE LAW		
3	Full-time equated classified positions.....	11.5	
4	Safe schools operations--2.5 FTE positions.....	\$	393,600
5	Administrative law operations--9.0 FTE positions....		<u>710,000</u>
6	GROSS APPROPRIATION.....	\$	1,103,600
7	Appropriated from:		
8	Federal revenues:		
9	Federal revenues.....		532,200
10	Special revenue funds:		
11	Certification fees.....		226,100
12	State general fund/general purpose.....	\$	345,300
13	Sec. 114. EDUCATION OPTIONS, CHARTERS, AND CHOICE		
14	Full-time equated classified positions.....	8.8	
15	Education options operations--8.8 FTE positions.....	\$	<u>1,132,400</u>
16	GROSS APPROPRIATION.....	\$	1,132,400
17	Appropriated from:		
18	Federal revenues:		
19	Federal revenues.....		980,200
20	State general fund/general purpose.....	\$	152,200
21	Sec. 115. GRANTS AND DISTRIBUTIONS		
22	FEDERAL PROGRAMS:		
23	Urgent school renovation.....	\$	20,000,000
24	STATE PROGRAMS:		
25	Christa McAuliffe grants.....	\$	94,800
26	Driver education.....		7,600,000
27	National board certification.....		100,100

1	School breakfast programs.....	10,370,000
2	School readiness grants.....	<u>12,250,000</u>
3	GROSS APPROPRIATION..... \$	50,414,900
4	Appropriated from:	
5	Federal revenues:	
6	DED-OESE, urgent school renovation.....	20,000,000
7	Special revenue funds:	
8	Certification fees.....	100,100
9	Driver fees.....	7,600,000
10	Private foundations.....	94,800
11	State general fund/general purpose..... \$	22,620,000

12 PART 2

13 PROVISIONS CONCERNING APPROPRIATIONS

14 Sec. 201. Pursuant to section 30 of article IX of the state
 15 constitution of 1963, total state spending from state resources under
 16 part 1 for fiscal year 2003-2004 is \$41,782,500.00 and state spending
 17 from state resources to be paid to local units of government for
 18 fiscal year 2003-2004 is estimated at \$18,960,100.00. The itemized
 19 statement below identifies appropriations from which spending to units
 20 of local government will occur:

21 GRANTS AND DISTRIBUTIONS

22 STATE PROGRAMS:

23	Driver education..... \$	7,600,000
24	School readiness grants.....	990,100
25	School lunch and breakfast.....	<u>10,370,000</u>
26	TOTAL..... \$	18,960,100

27 Sec. 202. The appropriations authorized under this act are

1 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
2 18.1594.

3 Sec. 203. As used in this act:

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

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

7 (c) "District" means a local school district as defined in section
8 6 of the revised school code, 1976 PA 451, MCL 380.6,
9 or a local act school district or public school
10 academy as defined in section 5 of the revised school code, 1976 PA 451,
11 MCL 380.5.

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

13 Sec. 204. The department of civil service shall bill departments
14 and agencies at the end of the first fiscal quarter for the 1% charge
15 authorized by section 5 of article XI of the state constitution of
16 1963. Payments shall be made for the total amount of the billing by
17 the end of the second fiscal quarter.

18 Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on
19 the state classified civil service. State departments and agencies
20 are prohibited from hiring any new full-time state classified civil
21 service employees and prohibited from filling any vacant state
22 classified civil service positions. This hiring freeze does not apply
23 to internal transfers of classified employees from 1 position to
24 another within a department.

25 (2) The state budget director shall grant exceptions to this
26 hiring freeze when the state budget director believes that the hiring
27 freeze will result in rendering a state department or agency unable to

1 deliver basic services, cause loss of revenue to the state, result in
2 the inability of the state to receive federal funds, or necessitate
3 additional expenditures that exceed any savings from maintaining a
4 vacancy. The state budget director shall report monthly to the
5 chairpersons of the senate and house appropriations committees and the
6 fiscal agencies the number of exceptions to the hiring freeze approved
7 during the previous month and the reasons to justify the exceptions.

8 Sec. 206. Unless otherwise specified, the departments and
9 agencies receiving appropriations in part 1 shall use the Internet to
10 fulfill the reporting requirements of this act. This requirement may
11 include transmission of reports via electronic mail to the recipients
12 identified for each reporting requirement, or it may include placement
13 of reports on an Internet or Intranet site.

14 Sec. 207. The department may carry into the succeeding fiscal
15 year unexpended federal pass-through funds to local institutions and
16 governments that do not require additional state matching funds.
17 Federal pass-through funds to local institutions and governments that
18 are received in amounts in addition to those included in part 1 and
19 that do not require additional state matching funds are appropriated
20 for the purposes intended.

21 Sec. 208. The department shall provide the state budget director
22 and the senate and house fiscal agencies with copies of the state
23 board of education agenda and all supporting documents at the time the
24 agenda and supporting documents are provided to state board of
25 education members.

26 Sec. 209. (1) Upon receipt of the federal drug free grant, the
27 department shall allocate \$225,000.00 of the grant to the office for

1 safe schools within the department. The office for safe schools shall
2 work with local school boards, law enforcement agencies, community
3 leaders, and the office of drug control policy for the prevention of
4 school violence. The office for safe schools shall develop and
5 implement, and serve as coordinator of, a statewide clearinghouse for
6 information, program development, model programs and policies, and
7 technical assistance on school violence prevention.

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

10 (a) Evaluate the effectiveness of, and make recommendations to
11 local school boards concerning public school violence prevention
12 programs, including, but not limited to, programs aimed at reducing
13 the possession of weapons and the incidence of other violent behaviors
14 on school campuses, violence prevention curricula, conflict resolution
15 and peer mediation training, interagency cooperative referral and
16 treatment programs, parental involvement programs, and school safety
17 planning.

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

21 (c) Coordinate with the office of drug control policy in the
22 department of community health to ensure that there is a meaningful
23 linkage between the efforts under this act to provide safe schools and
24 the initiatives undertaken through that office, including, but not
25 limited to, school districts' safe and drug-free school plans, and to
26 facilitate timely applications for and distribution of available grant
27 money.

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

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

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

Sec. 212. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

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

1 Sec. 214. The departments and agencies receiving appropriations
2 in part 1 shall receive and retain copies of all reports funded from
3 appropriations in part 1. The department shall follow all federal
4 guidelines and state laws regarding short-term and long-term retention
5 of records.

6 Sec. 215. At least 60 days before beginning any effort to
7 privatize services, the department shall submit a complete project
8 plan to the appropriate house and senate appropriations subcommittees
9 and the fiscal agencies. The plan shall include the criteria under
10 which the privatization initiative will be evaluated. The evaluation
11 shall be completed and submitted to the appropriate subcommittees of
12 the house and senate standing committees on appropriations and the
13 fiscal agencies within 30 months.

14 Sec. 216. Funds appropriated in part 1 shall not be used for the
15 purchase of foreign goods or services, or both, if competitively
16 priced American goods or services, or both, of comparable quality, are
17 available.

18 Sec. 217. The director of each department receiving
19 appropriations in part 1 shall take all reasonable steps to ensure
20 businesses in deprived and depressed communities compete for and
21 perform contracts to provide services or supplies, or both. Each
22 director shall strongly encourage firms with which the department
23 contracts to subcontract with certified businesses in depressed and
24 deprived communities for services, supplies, or both.

25 Sec. 218. (1) The department of management and budget and each
26 principal executive department and agency shall provide to the senate
27 and house of representatives standing committees on appropriations and

1 the senate and house fiscal agencies a monthly report on all personal
2 service contracts awarded without competitive bidding, pricing, or
3 rate-setting. The notification shall include all of the following:

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

5 (b) The duration of the contract.

6 (c) The name of the vendor.

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

8 (2) For personal service contracts of \$10,000.00 or more, the
9 department of management and budget shall provide a monthly report
10 including all of the following:

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

12 (b) The duration of the contract.

13 (c) The name of the vendor.

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

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

18 (4) Each principal executive department and agency shall provide a
19 monthly summary listing of information that identifies any
20 authorization for personal service contracts that are provided to the
21 department of civil service pursuant to delegated authority granted to
22 each principal executive department and agency related to personal
23 service contracts.

24 (5) The department shall not enter into personal service contracts
25 awarded without competitive bidding, pricing, or rate-setting valued
26 at more than \$10,000.00.

27 Sec. 219. The department shall work with the department of state

1 to ensure that the motorcycle safety education program and grants are
2 administered in the same manner as in 2002-2003.

3 Sec. 220. The department shall work with the department of
4 natural resources to ensure that the off-road vehicle safety training
5 program and grants are administered in the same manner as in
6 2002-2003.

7 Sec. 222. Before publishing a list of schools or districts
8 determined to have failed to make adequate yearly progress as required
9 by the federal no child left behind act of 2001, Public Law 107-110,
10 115 Stat. 1425, the department shall allow a school or district to
11 appeal that determination. The department shall consider and act upon
12 the appeal within 30 days after it is submitted and shall not publish
13 the list until after all appeals have been considered and decided.

14 **STATE BOARD/OFFICE OF THE SUPERINTENDENT**

15 Sec. 302. From the amount appropriated in part 1 to the state
16 board of education, the state board of education shall not expend any
17 funds on travel.

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

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

23 Sec. 402. For each student enrolled at the Michigan schools for
24 the deaf and blind, the department shall assess the intermediate
25 school district of residence 100% of the cost of operating the

1 student's instructional program. The amount shall exclude room and
2 board related costs and the cost of weekend transportation between the
3 school and the student's home.

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

9 (2) In addition to those funds appropriated in part 1, the
10 department may receive and expend additional funds from lease
11 agreements at the Michigan school for the blind's former site in
12 Lansing that have been negotiated with the approval of the department
13 of management and budget. These funds are appropriated to the
14 department for operation, maintenance, and renovation expenses
15 associated with the leased space.

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

19 (4) If the department leases real property to a person or
20 organization that is not a department of state government, the
21 department shall not expend funds in excess of the lease revenue
22 received to replace, renovate, or repair that real property. This
23 section shall not apply to emergency repairs or costs associated with
24 technological renovations.

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

27 (6) Unexpended balances of appropriations and any surplus

1 restricted revenue for the former school for the blind site in
2 Lansing, up to \$100,000.00 in total, shall not lapse to the state
3 general fund at the end of the fiscal year. Any unexpended and
4 unencumbered funds remaining on September 30, 2004 may be carried
5 forward as a work project or as restricted revenue and expended for
6 special maintenance and repairs of facilities at the former Michigan
7 school for the blind site in Lansing. The work project shall be
8 performed by state employees or by contract when necessary at an
9 estimated cost of \$100,000.00. The estimated completion date of the
10 work project is September 30, 2005.

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

14 (2) In addition to those funds appropriated in part 1, the
15 department may receive and expend additional funds from lease
16 agreements at the Michigan schools for the deaf and blind Flint campus
17 that have been negotiated with the approval of the department of
18 management and budget. These funds are appropriated to the department
19 for the operation, maintenance, and renovation expenses associated
20 with the leased space.

21 (3) Unexpended balances of appropriations for the schools for the
22 deaf and blind operations, and from proceeds of the sale of surplus
23 property and facilities at the Michigan schools for the deaf and
24 blind, up to \$250,000.00 in total, shall not lapse to the state
25 general fund at the end of the fiscal year. Any unexpended and
26 unencumbered funds remaining on September 30, 2004 may be carried
27 forward as a work project or as restricted revenue and expended for

1 special maintenance and repairs of facilities at the campus of the
2 Michigan schools for the deaf and blind in Flint. The work shall be
3 carried out by state employees, or by contract as necessary, at an
4 estimated cost of \$250,000.00. The estimated completion date of the
5 work is September 30, 2005.

6 Sec. 407. The department shall report to the house and senate
7 appropriations subcommittees on education detailed information on the
8 expenditures made from the amount authorized in part 1 quarterly for
9 general services for the Michigan school for the blind's former site.

10 Sec. 408. The department may assist the department of community
11 health, other departments, and local school districts to secure
12 reimbursement for eligible services provided in Michigan schools from
13 the federal Medicaid program. The department may submit reports of
14 direct expenses related to this effort to the department of community
15 health for reimbursement.

16 Sec. 409. (1) The Michigan schools for the deaf and blind may
17 promote its residential program as a possible appropriate option for
18 children who are deaf or hard of hearing or who are blind or visually
19 impaired. The Michigan schools for the deaf and blind shall
20 distribute information detailing its services to all intermediate
21 school districts in the state.

22 (2) Upon knowledge of or recognition by an intermediate school
23 district that a child in the district is deaf or hard of hearing or
24 blind or visually impaired, the intermediate school district shall
25 provide to the parents of the child the literature distributed by the
26 Michigan schools for the deaf and blind to intermediate school
27 districts under subsection (1).

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

4 Sec. 410. In addition to those funds appropriated in part 1, the
5 department may receive and expend funds from the mid-Michigan academy
6 for capital improvements. The department shall report to the house
7 and senate fiscal agencies and the state budget office on an annual
8 basis any expenditures made under this section. These additional
9 funds are appropriated specifically for capital improvements
10 authorized by the department of management and budget and shall be
11 negotiated as part of the lease agreement.

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

17 Sec. 412. The department shall provide a report to the house and
18 senate appropriations subcommittees on the department of education
19 that details, to the extent information is available or attainable,
20 the number of blind students in Michigan, the number of teachers
21 certified to teach Braille, and the extent to which Braille is being
22 offered and taught to blind or visually impaired students. This
23 report shall be submitted by April 1, 2004.

24 **PROFESSIONAL PREPARATION SERVICES**

25 Sec. 501. From the funds appropriated in part 1 for professional
26 preparation services, the department shall maintain the professional

1 personnel register and certificate revocation/felony conviction
2 files.

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

11 EDUCATION OPTIONS, CHARTERS, AND CHOICE

12 Sec. 601. From the amount appropriated in part 1 for education
13 options, charters, and choice, the department shall allocate
14 sufficient funds to administer charter school legislation and
15 associated regulations, to coordinate the activities of the department
16 relating to charter schools, and to address the findings in the office
17 of the auditor general audit report of June 2002.

18 GRANTS AND DISTRIBUTIONS

19 Sec. 701. The department shall disburse the funds to a general
20 fund grantee in accordance with the same standards of timing and
21 amount that apply to disbursements made by the department to a federal
22 fund grantee. The disbursement shall be restricted to the minimum
23 amount needed for immediate disbursement by the grantee. The
24 department may waive this section if extenuating circumstances warrant
25 and are substantiated in the grantee's application or other

1 appropriate documentation. A waiver granted pursuant to this section
2 shall not be effective until 15 days after written notice of the
3 proposed waiver is given to the state budget director and the
4 chairpersons of the senate and house appropriations subcommittees
5 having jurisdiction over the department budget.

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

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

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

14 (c) The payment for a public school district is at a per meal rate
15 equal to the lesser of the district's actual cost, or 100% of the cost
16 of a breakfast served by an efficiently operated breakfast program as
17 determined by the department, less federal reimbursement, participant
18 payments, and other state reimbursement. Determination of efficient
19 cost by the department shall be determined by using a statistical
20 sampling of statewide and regional cost as reported in a manner
21 approved by the department for the preceding school year.

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

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

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

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

8 (c) Applications shall be reviewed by a diverse interagency
9 committee composed of representatives of the department, appropriate
10 community, volunteer, and social service agencies and organizations,
11 and parents.

12 (d) Priority in the recommendation for awarding of grants by the
13 superintendent of public instruction to applicants shall be based upon
14 the following criteria:

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

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

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

23 (iv) Evidence of collaboration with the community of providers in
24 early childhood development programs including documentation of the
25 total number of children in the community who would meet the criteria
26 established in subparagraph (vi), and who are being served by other
27 providers, and the number of children who will remain unserved by

1 other community early childhood programs if this program is funded.

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

4 (vi) The extent to which these funds will be targeted to children
5 who will be at least 4, but less than 5, years of age as of December 1
6 of the year in which the programs are offered and who show evidence of
7 2 or more "at-risk" factors as defined in the state board of education
8 report entitled, "children at risk" that was adopted by the state
9 board on April 5, 1988.

10 (e) Whether the application contains a comprehensive evaluation
11 plan that includes implementation of all program components required
12 and an assessment of the gains of children participating in an early
13 childhood development program.

14 (f) Applications shall provide for the establishment of a school
15 readiness advisory committee that shall be involved in the planning
16 and evaluation of the program and provides for the involvement of
17 parents and appropriate community, volunteer, and social service
18 agencies and organizations. There shall be on the committee at least
19 1 parent or guardian of a program participant for every 18 children
20 enrolled in the program, with a minimum of 2 parent or guardian
21 representatives. The committee shall do all of the following:

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

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

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

27 (iv) Review the mechanisms in place for the referral of families

1 to community social service agencies, as appropriate.

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

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

7 (g) More than 50% of the children participating in the program
8 shall meet the income eligibility criteria for free or reduced price
9 lunch, as determined under the national school lunch act, chapter 281,
10 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to
11 1766b, and 1769 to 1769h, or meet income and all other eligibility
12 criteria for participation in the Michigan family independence agency
13 unified child day care program.

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

19 (3) Except as otherwise provided, an applicant that receives a
20 2003-2004 grant under this section shall also receive priority for
21 fiscal years 2004-2005 and 2005-2006 funding. However, after 3 fiscal
22 years of continuous funding, an applicant will be required to compete
23 openly with new programs and other programs completing their third
24 year. All grant awards are contingent on the availability of funds
25 and documented evidence of grantee compliance with standards for early
26 childhood development consistent with programs for 4-year-olds, as
27 approved by the state board of education, and with all operational,

1 fiscal, administrative, and other program requirements. A program
2 which offers supplementary day care and thereby offers full-day
3 programs as part of its early childhood development program shall
4 receive priority in the allocation of competitive funds.

5 Sec. 704. From the funds appropriated in part 1 for national
6 board certification, the department shall pay 1/2 of the application
7 fee for teachers who are deemed by the department to be qualified to
8 apply to the national board for professional teaching standards for
9 professional teaching certificates or licenses and to provide grants
10 to recognize and reward teachers who receive certification or
11 licensure.

12 Sec. 705. Before expending funds for DED-OESE, title IV, part A,
13 community service grants and DED-OESE, title IV, part B, 21st century
14 community learning centers, the department shall provide an assurance
15 to the United States department of education that the application was
16 developed in consultation and coordination with appropriate state
17 officials, including the chief state school officer, and other state
18 agencies administering before and after school programs, the heads of
19 the state health and mental health agencies or their designees, and
20 representatives of teachers, parents, students, the business
21 community, and community-based organizations.

22 **SAFE SCHOOLS AND ADMINISTRATIVE LAW**

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

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

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

3 (c) A history of administrative law cases related to teacher
4 tenure.

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

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

9 **INFORMATION TECHNOLOGY**

10 Sec. 901. The department shall work in collaboration with the
11 center for educational performance and information to support the
12 comprehensive educational information system and all data collection
13 efforts of the department.

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