

SENATE BILL No. 325

March 20, 2003, Introduced by Senator SWITALSKI and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

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

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

6 **DEPARTMENT OF EDUCATION**

7 APPROPRIATIONS SUMMARY:

8	Full-time equated unclassified positions.....	6.0
9	Full-time equated classified positions.....	427.1
10	GROSS APPROPRIATION.....	\$ 112,825,000
11	Interdepartmental grant revenues:	
12	Interdepartmental grant from corrections academy lease	1,000,000
13	Total interdepartmental grants and intradepartmental	
14	transfers	1,000,000
15	ADJUSTED GROSS APPROPRIATION.....	\$ 111,825,000
16	Federal revenues:	
17	Total federal revenues	64,479,400
18	Special revenue funds:	
19	Local cost sharing (schools for blind/deaf).....	4,641,600
20	Local school district service fees.....	102,600
21	Total local revenues.....	4,744,200
22	Gifts, bequests, and donations.....	504,200
23	Private foundations.....	197,200
24	Total private revenues.....	701,400
25	Total local and private revenues.....	5,445,600
26	Teacher certification revenues.....	2,981,000
27	Commodity distribution fees.....	72,300
28	Driver fees.....	8,128,000

1	Lansing, Michigan school for the blind rent.....	739,000
2	Student insurance revenue.....	205,100
3	Teacher testing fees.....	282,100
4	Training and orientation workshop fees.....	100,000
5	Total other state restricted revenues.....	12,507,500
6	State general fund/general purpose.....	\$ 29,392,500
7	Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE 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 services	1,346,000
27	Training and orientation workshops.....	100,000

1	Terminal leave payments.....	<u>624,100</u>
2	GROSS APPROPRIATION.....	\$ 6,850,900
3	Appropriated from:	
4	Federal revenues:	
5	Federal revenues.....	4,349,600
6	Special revenue funds:	
7	Certification fees.....	256,900
8	Commodity distribution fees.....	7,000
9	Driver fees.....	28,100
10	Local cost sharing.....	93,400
11	Teacher testing fees.....	12,300
12	Training and orientation workshop fees.....	100,000
13	State general fund/general purpose.....	\$ 2,003,600
14	Sec. 104. SCHOOL SUPPORT SERVICES	
15	Full-time equated classified positions 40.4	
16	School support operations--40.4 FTE positions.....	\$ <u>4,667,600</u>
17	GROSS APPROPRIATION.....	\$ 4,667,600
18	Appropriated from:	
19	Federal revenues:	
20	Federal revenues.....	3,946,000
21	Special revenue funds:	
22	Commodity distribution fees.....	65,300
23	Driver fees.....	499,900
24	State general fund/general purpose.....	\$ 156,400
25	Sec. 105. INFORMATION TECHNOLOGY SERVICES	
26	Information technology operations.....	\$ <u>2,514,100</u>
27	GROSS APPROPRIATION.....	\$ 2,514,100

1	Appropriated from:	
2	Federal revenues:	
3	Federal revenues.....	1,276,900
4	Special revenue funds:	
5	Certification fees.....	168,200
6	Local cost sharing (schools for blind/deaf).....	44,800
7	State general fund/general purpose.....	\$ 1,024,200
8	Sec. 106. SPECIAL EDUCATION SERVICES	
9	Full-time equated classified positions.....	68.6
10	Special education operations--68.6 FTE positions.....	\$ 11,237,900
11	GROSS APPROPRIATION.....	\$ 11,237,900
12	Appropriated from:	
13	Federal revenues:	
14	Federal revenues.....	11,006,500
15	Special revenue funds:	
16	Certification fees.....	35,200
17	State general fund/general purpose.....	\$ 196,200
18	Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE	
19	General services.....	\$ 1,749,000
20	GROSS APPROPRIATION.....	\$ 1,749,000
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	Interdepartmental grant from corrections academy lease	1,000,000
24	Special revenue funds:	
25	Gifts, bequests, and donations.....	10,000
26	Lansing, Michigan school for the blind rent.....	739,000
27	State general fund/general purpose.....	\$ 0

1	Sec. 108. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND		
2	Full-time equated classified positions	93.0	
3	Michigan schools for the deaf and blind operations--		
4	92.0 FTE positions	\$	9,154,000
5	Summer institute.....		90,000
6	Camp Tuhsmeheeta--1.0 FTE position.....		250,100
7	Private gifts - blind.....		90,000
8	Private gifts - deaf.....		<u>50,000</u>
9	GROSS APPROPRIATION.....	\$	9,634,100
10	Appropriated from:		
11	Federal revenues:		
12	Federal revenues.....		4,328,800
13	Special revenue funds:		
14	Local cost sharing (schools for blind/deaf).....		4,503,400
15	Local school district service fees.....		102,600
16	Gifts, bequests, and donations.....		494,200
17	Student insurance revenue.....		205,100
18	State general fund/general purpose.....	\$	0
19	Sec. 109. PROFESSIONAL PREPARATION SERVICES		
20	Full-time equated classified positions.....	31.0	
21	Professional preparation operations--31.0 FTE positions	\$	4,468,900
22	Department of attorney general.....		<u>50,000</u>
23	GROSS APPROPRIATION.....	\$	4,518,900
24	Appropriated from:		
25	Federal revenues:		
26	Federal revenues.....		1,976,100
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	Special revenue funds:	
12	State general fund/general purpose.....	\$ 0
13	Sec. 111. OFFICE OF SCHOOL EXCELLENCE	
14	Full-time equated classified positions 61.5	
15	School excellence operations--61.5 FTE positions.....	\$ <u>10,260,600</u>
16	GROSS APPROPRIATION.....	\$ 10,260,600
17	Appropriated from:	
18	Federal revenues:	
19	Federal revenues.....	8,665,500
20	Special revenue funds:	
21	Private foundations.....	79,400
22	State general fund/general purpose.....	\$ 1,515,700
23	Sec. 112. GOVERNMENT SERVICES	
24	Full-time equated classified positions..... 9.1	
25	Government services operations--9.1 FTE positions.....	\$ <u>572,300</u>
26	GROSS APPROPRIATION.....	\$ 572,300
27	Appropriated from:	

1	Federal revenues:		
2	Federal revenues.....		420,400
3	Special revenue funds:		
4	State general fund/general purpose.....	\$	151,900
5	Sec. 113. SAFE SCHOOLS AND ADMINISTRATIVE LAW		
6	Full-time equated classified positions.....	11.5	
7	Safe schools operations--2.5 FTE positions.....	\$	393,700
8	Administrative law operations--9.0 FTE positions.....		<u>560,900</u>
9	GROSS APPROPRIATION.....	\$	954,600
10	Appropriated from:		
11	Federal revenues:		
12	Federal revenues.....		532,200
13	Special revenue funds:		
14	Certification fees.....		77,000
15	State general fund/general purpose.....	\$	345,400
16	Sec. 114. EDUCATION OPTIONS, CHARTERS, AND CHOICE		
17	Full-time equated classified positions.....	8.8	
18	Education options operations--8.8 FTE positions.....	\$	<u>1,132,500</u>
19	GROSS APPROPRIATION.....	\$	1,132,500
20	Appropriated from:		
21	Federal revenues:		
22	Federal revenues.....		980,200
23	Special revenue funds:		
24	State general fund/general purpose.....	\$	152,300
25	Sec. 115. GRANTS AND DISTRIBUTIONS		
26	FEDERAL PROGRAMS:		
27	Urgent school renovation.....	\$	20,000,000

1 STATE PROGRAMS:

2	Christa McAuliffe grants.....	94,800
3	Driver education.....	7,600,000
4	National board certification.....	100,000
5	School breakfast programs.....	10,370,100
6	School readiness grants.....	<u>12,250,000</u>
7	GROSS APPROPRIATION.....	\$ 50,414,900

8 Appropriated from:

9 Federal revenues:

10	DED-OESE, urgent school renovation.....	20,000,000
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11 Special revenue funds:

12	Certification fees.....	100,000
13	Driver fees.....	7,600,000
14	Private foundations.....	94,800
15	State general fund/general purpose.....	\$ 22,620,100

16 PART 2

17 PROVISIONS CONCERNING APPROPRIATIONS

18 Sec. 201. Pursuant to section 30 of article IX of the state
19 constitution of 1963, total state spending from state resources under
20 part 1 for fiscal year 2003-2004 is \$41,900,000.00 and state spending
21 from state resources to be paid to units of local government for fiscal
22 year 2003-2004 is \$19,597,000.00. The itemized statement below
23 identifies appropriations from which spending to units of local
24 government will occur:

25 GRANTS AND DISTRIBUTIONS

26 STATE PROGRAMS:

27	Driver education.....	\$ 7,600,000
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1	School readiness grants.....	1,626,900
2	School breakfast.....	<u>10,370,100</u>
3	TOTAL	\$ 19,597,000

4 Sec. 202. The appropriations authorized under this bill are subject
5 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

6 Sec. 203. As used in this bill:

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

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

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

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

15 Sec. 204. The department of civil service shall bill departments and
16 agencies at the end of the first fiscal quarter for the 1% charge
17 authorized by section 5 of article XI of the state constitution of
18 1963. Payments shall be made for the total amount of the billing by
19 the end of the second fiscal quarter.

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

26 (2) The state budget director shall grant exceptions to this
27 hiring freeze when the state budget director believes that the hiring

1 freeze will result in rendering a state department or agency unable to
2 deliver basic services, cause a loss of revenue to the state, result in
3 the inability of the state to receive federal funds, or necessitate
4 additional expenditures that exceed any savings from maintaining a
5 vacancy. The state budget director shall report quarterly to the
6 chairpersons of the senate and house of representatives standing
7 committees on appropriations the number of exceptions to the hiring
8 freeze approved during the previous quarter and the reasons to justify
9 the exception.

10 Sec. 206. (1) In addition to the funds appropriated in part 1, there
11 is appropriated an amount not to exceed \$7,000,000.00 for federal
12 contingency funds. These funds are not available for expenditure until
13 they have been transferred to another line item in this bill under
14 section 393(2) of the management and budget act, 1984 PA 431, MCL
15 18.1393.

16 (2) In addition to the funds appropriated in part 1, there is
17 appropriated an amount not to exceed \$700,000.00 for state restricted
18 contingency funds. These funds are not available for expenditure until
19 they have been transferred to another line item in this bill under
20 section 393(2) of the management and budget act, 1984 PA 431, MCL
21 18.1393.

22 (3) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$250,000.00 for local contingency
24 funds. These funds are not available for expenditure until they have
25 been transferred to another line item in this bill under section 393(2)
26 of the management and budget act, 1984 PA 431, MCL 18.1393.

27 (4) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$3,000,000.00 for private
2 contingency funds. These funds are not available for expenditure until
3 they have been transferred to another line item in this bill under
4 section 393(2) of the management and budget act, 1984 PA 431, MCL
5 18.1393.

6 Sec. 207. Unless otherwise specified, the department shall use the
7 Internet to fulfill the reporting requirements of this bill. This
8 requirement may include transmission of reports via electronic mail to
9 the recipients identified for each reporting requirement, or it may
10 include placement of reports on an Internet or Intranet site.

11 Sec. 208. The department may carry into the succeeding fiscal year
12 unexpended federal pass-through funds to local institutions and
13 governments that do not require additional state matching funds.
14 Federal pass-through funds to local institutions and governments that
15 are received in amounts in addition to those included in part 1 and
16 that do not require additional state matching funds are appropriated
17 for the purposes intended.

18 Sec. 209. The department shall provide the state budget director and
19 the senate and house fiscal agencies with copies of the state board of
20 education agenda and all supporting documents at the time the agenda
21 and supporting documents are provided to state board of education
22 members.

23 Sec. 210. (1) Upon receipt of the federal drug free grant, the
24 department shall allocate \$225,000.00 of the grant to the office for
25 safe schools within the department. The office for safe schools shall
26 work with local school boards, law enforcement agencies, community
27 leaders, and the office of drug control policy for the prevention of

1 school violence. The office for safe schools shall develop and
2 implement, and serve as coordinator of, a statewide clearinghouse for
3 information, program development, model programs and policies, and
4 technical assistance on school violence prevention.

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

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

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

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

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

1 Sec. 211. The department shall require all public school districts
2 to maintain complete records within the personnel file of a teacher or
3 school employee of any disciplinary actions taken by the local school
4 board against the teacher or employee for sexual misconduct. The
5 records shall not be destroyed or removed from the teacher's or
6 employee's personnel file except as required by a court order.

7 Sec. 212. From the general funds appropriated in part 1 for special
8 education services, the department shall provide funding for at least
9 1.0 special education auditors to audit school districts.

10 Sec. 213. From the funds appropriated in part 1 for information
11 technology, the department shall pay user fees to the department of
12 information technology for technology related services and projects.
13 Such user fees shall be subject to provisions of an interagency
14 agreement between the department and the department of information
15 technology.

16 Sec. 214. Amounts appropriated in part 1 for information technology
17 may be designated as work projects and carried forward to support
18 department of education projects under the direction of the department
19 of information technology. Funds designated in this manner are not
20 available for expenditure until approved as work projects under section
21 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

22 Sec. 215. (1) In addition to the amounts appropriated in part 1, in
23 order to encourage administrative efficiencies, there is appropriated
24 to the department of education, an amount not to exceed one-half of the
25 unexpended, unreserved general fund portions of fiscal year 2002-2003
26 appropriations made to the department for salaries and wages expenses,
27 contractual services, supplies and materials expenses, information

1 technology expenses and program operations costs.

2 (2) The appropriations contained in subsection 1 are subject to
3 the approval of the state budget director and shall be spent for the
4 same purposes for which the original appropriation was made in fiscal
5 year 2002-2003.

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

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

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

11 (b) State board of education - member other than president
12 \$100.00 per day.

13 (2) A state board of education member shall not be paid a per
14 diem for more than 30 days per year.

15 (3) The administrative secretary of the state board of education
16 shall report to the public, the senate and house fiscal agencies, and
17 the state budget director the previous quarter's expenses by fund
18 source for members of the state board of education related to the
19 performance of their responsibilities.

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

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

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

27 Sec. 402. For each student enrolled at the Michigan schools for the

1 deaf and blind, the department shall assess the intermediate school
2 district of residence 100% of the cost of operating the student's
3 instructional program. The amount shall exclude room and board related
4 costs and the cost of weekend transportation between the school and the
5 student's home.

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

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

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

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

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

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

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

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

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

1 project or as restricted revenue and expended for special maintenance
2 and repairs of facilities at the campus of the Michigan schools for the
3 deaf and blind in Flint. The work shall be carried out by state
4 employees, or by contract as necessary, at an estimated cost of
5 \$250,000.00. The estimated completion date of the work is September
6 30, 2005.

7 Sec. 405. (1) The Michigan schools for the deaf and blind may
8 promote its residential program as a possible appropriate option for
9 children who are deaf or hard of hearing or who are blind or visually
10 impaired. The Michigan schools for the deaf and blind shall distribute
11 information detailing its services to all intermediate school districts
12 in the state.

13 (2) Upon knowledge of or recognition by an intermediate school
14 district that a child in the district is deaf or hard of hearing or
15 blind or visually impaired, the intermediate school district shall
16 provide to the parents of the child the literature distributed by the
17 Michigan schools for the deaf and blind to intermediate school
18 districts under subsection(1).

19 Sec. 406. In addition to those funds appropriated in part 1, the
20 department may receive and expend funds from the mid-Michigan academy
21 for capital improvements. The department shall report to the house and
22 senate fiscal agencies and the state budget office on an annual basis
23 any expenditures made under this section. These additional funds are
24 appropriated specifically for capital improvements authorized by the
25 department of management and budget and shall be negotiated as part of
26 the lease agreement.

27 Sec. 407. The department shall ensure that rental payments made by

1 each tenant for space at the Michigan school for the blind former site
2 are used for operation, maintenance, and renovation expenses associated
3 with the leased space designated in the tenant's lease agreement.

4 Sec. 408. The department may assist the department of community
5 health, other departments, and local school districts to secure
6 reimbursement for eligible services provided in Michigan schools from
7 the federal Medicaid program. The department may submit reports of
8 direct expenses related to this effort to the department of community
9 health for reimbursement.

10 **PROFESSIONAL PREPARATION SERVICES**

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

14 Sec. 502. The department shall authorize teacher preparation
15 institutions to provide an alternative program by which up to 1/2 of
16 the required student internship or student teaching credits may be
17 earned through substitute teaching. The department shall require that
18 teacher preparation institutions collaborate with school districts to
19 ensure that the quality of instruction provided to student teachers is
20 comparable to that required in a traditional student teaching program.

21 **EDUCATION OPTIONS, CHARTERS AND CHOICE**

22 Sec. 601. From the amount appropriated in part 1 for education
23 options, charters, and choice, the department shall allocate sufficient
24 funds to administer charter school legislation, associated regulations,
25 coordinate the activities of the department relating to charter
26 schools, and to address the findings in the office of the auditor
27 general audit report of June, 2002.

1 GRANTS AND DISTRIBUTIONS

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

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

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

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

22 (c) The payment for a public school district is at a per meal
23 rate equal to the lesser of the district's actual cost, or 100% of the
24 cost of a breakfast served by an efficiently operated breakfast program
25 as determined by the department, less federal reimbursement,
26 participant payments, and other state reimbursement. Determination of
27 efficient cost by the department shall be determined by using a

1 statistical sampling of statewide and regional cost as reported in a
2 manner approved by the department for the preceding school year.

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

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

9 (a) An applicant may be any public or private nonprofit legal
10 entity or agency other than a local or intermediate school district
11 except a local or intermediate school district acting as a fiscal agent
12 for a child caring organization regulated under 1973 PA 116, MCL
13 722.111 to 722.128.

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

16 (c) Applications shall be reviewed by a diverse interagency
17 committee composed of representatives of the department, appropriate
18 community, volunteer, and social service agencies and organizations,
19 and parents.

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

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

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

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

4 (iv) Evidence of collaboration with the community of providers in
5 early childhood development programs including documentation of the
6 total number of children in the community who would meet the criteria
7 established in subparagraph (vi), and who are being served by other
8 providers, and the number of children who will remain unserved by other
9 community early childhood programs if this program is funded.

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

12 (vi) The extent to which these funds will be targeted to children
13 who will be at least 4, but less than 5, years of age as of December 1
14 of the year in which the programs are offered and who show evidence of
15 2 or more "at-risk" factors as defined in the state board of education
16 report entitled, "children at risk" that was adopted by the state board
17 on April 5, 1988.

18 (e) Whether the application contains a comprehensive evaluation
19 plan that includes implementation of all program components required
20 and an assessment of the gains of children participating in an early
21 childhood development program.

22 (f) Applications shall provide for the establishment of a school
23 readiness advisory committee that shall be involved in the planning and
24 evaluation of the program and provides for the involvement of parents
25 and appropriate community, volunteer, and social service agencies and
26 organizations. There shall be on the committee at least 1 parent or
27 guardian of a program participant for every 18 children enrolled in the

1 program, with a minimum of 2 parent or guardian representatives. The
2 committee shall do all of the following:

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

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

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

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

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

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

15 (g) More than 50% of the children participating in the program
16 shall meet the income eligibility criteria for free or reduced price
17 lunch, as determined under the national school lunch act, chapter 281,
18 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to
19 1766b, and 1769 to 1769h, or meet income and all other eligibility
20 criteria for participation in the Michigan family independence agency
21 unified child day care program.

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

27 (3) Except as otherwise provided, an applicant that receives a

1 2003-2004 grant under this section shall also receive priority for
2 fiscal years 2004-2005 and 2005-2006 funding. However, after 3 fiscal
3 years of continuous funding, an applicant will be required to compete
4 openly with new programs and other programs completing their third
5 year. All grant awards are contingent on the availability of funds and
6 documented evidence of grantee compliance with standards for early
7 childhood development consistent with programs for 4-year-olds, as
8 approved by the state board of education, and with all operational,
9 fiscal, administrative, and other program requirements. A program
10 which offers supplementary day care and thereby offers full day
11 programs as part of its early childhood development program shall
12 receive priority in the allocation of competitive funds.

13 Sec. 704. From the funds appropriated in part 1 for national board
14 certification, the department shall pay 1/2 of the application fee for
15 teachers who are deemed by the department to be qualified to apply to
16 the national board for professional teaching standards for professional
17 teaching certificates or licenses and to provide grants to recognize
18 and reward teachers who receive certification or licensure.

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

1 and community-based organizations.

2 **INFORMATION TECHNOLOGY**

3 Sec. 901. The department shall work in collaboration with the center
4 for educational performance and information to support the
5 comprehensive educational information system and all data collection
6 efforts of the department.

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