

Act No. 145
Public Acts of 2003
Approved by the Governor
August 5, 2003
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August 6, 2003
EFFECTIVE DATE: August 6, 2003

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2003**

Introduced by Rep. Shulman

ENROLLED HOUSE BILL No. 4391

AN ACT 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:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	427.1	
GROSS APPROPRIATION		\$ 114,381,200
Interdepartmental grant revenues:		
Interdepartmental grant from corrections academy lease		1,000,000
Total interdepartmental grants and intradepartmental transfers		1,000,000
ADJUSTED GROSS APPROPRIATION		\$ 113,381,200
Federal revenues:		
Total federal revenues		65,834,100
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		4,641,600
Local school district service fees		150,000
Total local revenues		4,791,600
Gifts, bequests, and donations		504,200
Private foundations		197,200
Total private revenues		701,400
Total local and private revenues		5,493,000
Certification fees		3,130,100

		For Fiscal Year Ending Sept. 30, 2004
Commodity distribution fees	\$	72,300
Driver fees		8,128,000
Lansing, Michigan school for the blind rent		739,000
Motorcycle license fees		5,000
Student insurance revenue		205,100
Teacher testing fees		282,100
Training and orientation workshop fees.....		100,000
Total other state restricted revenues		12,661,600
State general fund/general purpose	\$	29,392,500

Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	13.0	
State board of education, per diem payments.....		\$ 24,400
Unclassified positions—6.0 FTE positions		515,600
State board/superintendent operations—13.0 FTE positions		1,909,300
GROSS APPROPRIATION		\$ 2,449,300
Appropriated from:		
Federal revenues		1,128,900
Special revenue funds:		
Certification fees.....		70,700
Private foundations		23,000
State general fund/general purpose		\$ 1,226,700

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions	43.3	
Central support—43.3 FTE positions		\$ 5,409,800
Worker's compensation.....		26,000
Building occupancy charges - property management services		1,346,000
Training and orientation workshops		100,000
Terminal leave payments		624,100
GROSS APPROPRIATION		\$ 7,505,900
Appropriated from:		
Federal revenues		4,999,600
Special revenue funds:		
Certification fees.....		256,900
Commodity distribution fees		7,000
Driver fees		28,100
Local cost sharing.....		93,400
Motorcycle license fees		5,000
Teacher testing fees.....		12,300
Training and orientation workshop fees.....		100,000
State general fund/general purpose		\$ 2,003,600

Sec. 104. SCHOOL SUPPORT SERVICES

Full-time equated classified positions	40.4	
School support operations—40.4 FTE positions		\$ 4,667,600
GROSS APPROPRIATION		\$ 4,667,600
Appropriated from:		
Federal revenues		3,946,000
Special revenue funds:		
Commodity distribution fees		65,300
Driver fees		499,900
State general fund/general purpose		\$ 156,400

Sec. 105. INFORMATION TECHNOLOGY SERVICES

Information technology operations.....		\$ 2,514,100
GROSS APPROPRIATION		\$ 2,514,100

Appropriated from:	
Federal revenues	\$ 1,276,900
Special revenue funds:	
Certification fees	168,200
Driver fees	44,800
State general fund/general purpose	\$ 1,024,200

Sec. 106. SPECIAL EDUCATION SERVICES

Full-time equated classified positions	68.6
Special education operations—68.6 FTE positions	\$ 11,237,900
GROSS APPROPRIATION	\$ 11,237,900
Appropriated from:	
Federal revenues	11,006,500
Special revenue funds:	
Certification fees	35,200
State general fund/general purpose	\$ 196,200

Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE

General services	\$ 1,749,000
GROSS APPROPRIATION	\$ 1,749,000
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from corrections academy lease	1,000,000
Special revenue funds:	
Gifts, bequests, and donations	10,000
Lansing, Michigan school for the blind rent	739,000
State general fund/general purpose	\$ 0

Sec. 108. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Full-time equated classified positions	93.0
Michigan schools for the deaf and blind operations—92.0 FTE positions	\$ 9,201,400
Summer institute	90,000
Camp Tuhsmeheeta—1.0 FTE position	250,100
Private gifts - blind	90,000
Private gifts - deaf	50,000
GROSS APPROPRIATION	\$ 9,681,500
Appropriated from:	
Federal revenues	4,328,800
Special revenue funds:	
Local cost sharing (schools for blind/deaf)	4,503,400
Local school district service fees	150,000
Gifts, bequests, and donations	494,200
Student insurance revenue	205,100
State general fund/general purpose	\$ 0

Sec. 109. PROFESSIONAL PREPARATION SERVICES

Full-time equated classified positions	31.0
Professional preparation operations—31.0 FTE positions	\$ 5,020,900
Department of attorney general	50,000
GROSS APPROPRIATION	\$ 5,070,900
Appropriated from:	
Federal revenues	2,528,100
Special revenue funds:	
Certification fees	2,273,000
Teacher testing fees	269,800
State general fund/general purpose	\$ 0

Sec. 110. FIELD SERVICES

Full-time equated classified positions.....	46.9	
Field services operations—46.9 FTE positions.....		\$ 5,868,300
GROSS APPROPRIATION.....		\$ 5,868,300
Appropriated from:		
Federal revenues.....		5,868,300
State general fund/general purpose.....		\$ 0

Sec. 111. OFFICE OF SCHOOL EXCELLENCE

Full-time equated classified positions.....	61.5	
School excellence operations—61.5 FTE positions.....		\$ 10,413,300
GROSS APPROPRIATION.....		\$ 10,413,300
Appropriated from:		
Federal revenues.....		8,818,200
Private foundations.....		79,400
State general fund/general purpose.....		\$ 1,515,700

Sec. 112. GOVERNMENT SERVICES

Full-time equated classified positions.....	9.1	
Government services operations—9.1 FTE positions.....		\$ 572,300
GROSS APPROPRIATION.....		\$ 572,300
Appropriated from:		
Federal revenues.....		420,400
State general fund/general purpose.....		\$ 151,900

Sec. 113. SAFE SCHOOLS AND ADMINISTRATIVE LAW

Full-time equated classified positions.....	11.5	
Safe schools operations—2.5 FTE positions.....		\$ 393,700
Administrative law operations—9.0 FTE positions.....		710,000
GROSS APPROPRIATION.....		\$ 1,103,700
Appropriated from:		
Federal revenues.....		532,200
Special revenue funds:		
Certification fees.....		226,100
State general fund/general purpose.....		\$ 345,400

Sec. 114. EDUCATION OPTIONS, CHARTERS, AND CHOICE

Full-time equated classified positions.....	8.8	
Education options operations—8.8 FTE positions.....		\$ 1,132,500
GROSS APPROPRIATION.....		\$ 1,132,500
Appropriated from:		
Federal revenues.....		980,200
State general fund/general purpose.....		\$ 152,300

Sec. 115. GRANTS AND DISTRIBUTIONS

FEDERAL PROGRAMS:		
Urgent school renovation.....		\$ 20,000,000
STATE PROGRAMS:		
Christa McAuliffe grants.....		\$ 94,800
Driver education.....		7,600,000
National board certification.....		100,000
School breakfast programs.....		10,370,100
School readiness grants.....		12,250,000
GROSS APPROPRIATION.....		\$ 50,414,900
Appropriated from:		
Federal revenues:		
DED-OESE, urgent school renovation.....		20,000,000

Special revenue funds:	
Certification fees.....	\$ 100,000
Driver fees	7,600,000
Private foundations	94,800
State general fund/general purpose	\$ 22,620,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$42,054,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is estimated at \$18,960,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

GRANTS AND DISTRIBUTIONS

STATE PROGRAMS:

Driver education	\$ 7,600,000
School readiness grants	990,100
School lunch and breakfast	10,370,000
TOTAL	\$ 18,960,100

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

Sec. 203. As used in this act:

- (a) "DED-OESE" means the United States department of education office of elementary and secondary education.
- (b) "Department" means the Michigan department of education.
- (c) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a local act school district or public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.
- (d) "FTE" means full-time equated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

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

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

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

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

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

(6) The department shall not enter into more than 1 personal service contract with any 1 contractor in a fiscal year.

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

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

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

STATE BOARD/OFFICE OF THE SUPERINTENDENT

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

- (a) State board of education - president..... \$ 110.00 per day
- (b) State board of education - member other than president \$ 100.00 per day
- (2) A state board of education member shall not be paid a per diem for more than 30 days per year.

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

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 shall be expended for in-state travel. No amount appropriated in part 1 shall be expended for out-of-state travel.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PROFESSIONAL PREPARATION SERVICES

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

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

EDUCATION OPTIONS, CHARTERS, AND CHOICE

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

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

GRANTS AND DISTRIBUTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SAFE SCHOOLS AND ADMINISTRATIVE LAW

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

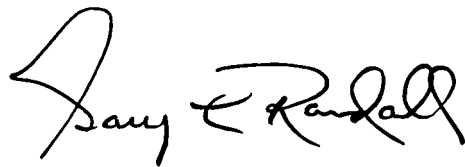
- (a) A history of teacher tenure in this state.
- (b) A statement of the purpose of teacher tenure and an assessment of the current need for teacher tenure.
- (c) A history of administrative law cases related to teacher tenure.
- (d) The number of teacher tenure cases heard by administrative law judges for the most recent year for which data is available.
- (e) An estimate of the cost incurred by the department related to teacher tenure.

INFORMATION TECHNOLOGY

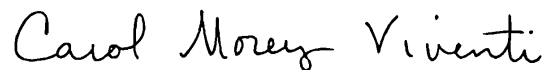
Sec. 901. The department shall work in collaboration with the center for educational performance and information to support the comprehensive educational information system and all data collection efforts of the department.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor