

HOUSE BILL No. 4381

EXECUTIVE BUDGET BILL

February 23, 2005, Introduced by Rep. Whitmer and referred to the Committee on Appropriations.

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2006; 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 bill, the

1 amounts listed in this part are appropriated for the department of
 2 education for the fiscal year ending September 30, 2006, from the
 3 funds indicated in this part. The following is a summary of the
 4 appropriations in this part:

5 **DEPARTMENT OF EDUCATION**

6 APPROPRIATION SUMMARY:

7	Full-time equated unclassified positions.....	6.0	
8	Full-time equated classified positions.....	419.0	
9	GROSS APPROPRIATION.....		\$ 125,141,800
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers		0
13	ADJUSTED GROSS APPROPRIATION.....		\$ 125,141,800
14	Federal revenues:		
15	Total federal revenues.....		67,519,400
16	Special revenue funds:		
17	Local cost sharing (schools for blind/deaf)		5,151,100
18	Local school district service fees		292,900
19	Total local revenues.....		5,444,000
20	Gifts, bequests, and donations		504,900
21	Private foundations.....		393,700
22	Total private revenues.....		898,600
23	Total local and private revenues.....		6,342,600
24	Certification fees.....		4,314,400
25	Commodity distribution fees.....		75,100
26	Lansing, Michigan school for the blind rent.....		1,811,100
27	Michigan merit award trust fund.....		16,359,300

1	Student insurance revenue.....	214,600
2	Teacher testing fees.....	313,700
3	Training and orientation workshop fees.....	100,000
4	Total other state restricted revenues.....	23,188,200
5	State general fund/general purpose.....	\$ 28,091,600
6	Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT	
7	Full-time equated unclassified positions.....	6.0
8	Full-time equated classified positions.....	16.0
9	State board of education, per diem payments.....	\$ 24,400
10	Unclassified positions--6.0 FTE positions.....	515,600
11	State board/superintendent operations--16.0 FTE	
12	positions	<u>2,793,500</u>
13	GROSS APPROPRIATION.....	\$ 3,333,500
14	Appropriated from:	
15	Federal revenues:	
16	Federal revenues.....	1,816,900
17	Special revenue funds:	
18	Certification fees.....	184,100
19	Private foundations.....	24,500
20	State general fund/general purpose.....	\$ 1,308,000
21	Sec. 103. CENTRAL SUPPORT	
22	Full-time equated classified positions.....	27.0
23	Central support--27.0 FTE positions.....	\$ 3,499,700
24	Worker's compensation.....	45,000
25	Building occupancy charges - property management	
26	services	1,532,400
27	Human resources optimization user charges.....	29,500

1	Training and orientation workshops	100,000
2	Terminal leave payments	<u>620,400</u>
3	GROSS APPROPRIATION	\$ 5,827,000
4	Appropriated from:	
5	Federal revenues:	
6	Federal revenues	3,639,400
7	Special revenue funds:	
8	Certification fees	284,100
9	Commodity distribution fees	7,000
10	Local cost sharing (schools for blind/deaf)	93,400
11	Teacher testing fees	14,100
12	Training and orientation workshop fees	100,000
13	State general fund/general purpose	\$ 1,689,000
14	Sec. 104. INFORMATION TECHNOLOGY SERVICES	
15	Information technology operations	\$ <u>2,576,700</u>
16	GROSS APPROPRIATION	\$ 2,576,700
17	Appropriated from:	
18	Federal revenues:	
19	Federal revenues	1,551,500
20	Special revenue funds:	
21	Certification fees	183,400
22	Local cost sharing (schools for blind/deaf)	48,800
23	State general fund/general purpose	\$ 793,000
24	Sec. 105. SPECIAL EDUCATION SERVICES	
25	Full-time equated classified positions	52.0
26	Special education operations--52.0 FTE positions	\$ <u>11,279,200</u>
27	GROSS APPROPRIATION	\$ 11,279,200

1	Appropriated from:	
2	Federal revenues:	
3	Federal revenues.....	10,923,300
4	Special revenue funds:	
5	Certification fees.....	37,500
6	Private foundations.....	102,300
7	State general fund/general purpose.....	\$ 216,100
8	Sec. 106. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE	
9	General services.....	\$ <u>1,821,100</u>
10	GROSS APPROPRIATION.....	\$ 1,821,100
11	Appropriated from:	
12	Special revenue funds:	
13	Gifts, bequests, and donations.....	10,000
14	Lansing, Michigan school for the blind rent.....	1,811,100
15	State general fund/general purpose.....	\$ 0
16	Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	
17	Full-time equated classified positions.....	88.0
18	Michigan schools for the deaf and blind	
19	operations--87.0 FTE positions.....	\$ 10,641,600
20	Summer institute.....	90,000
21	Camp Tuhsmeheeta--1.0 FTE position.....	250,100
22	Private gifts - blind.....	90,000
23	Private gifts - deaf.....	<u>50,000</u>
24	GROSS APPROPRIATION.....	\$ 11,121,700
25	Appropriated from:	
26	Federal revenues:	
27	Federal revenues.....	5,120,800

1	Special revenue funds:		
2	Local cost sharing (schools for blind/deaf)		5,008,900
3	Local school district service fees		282,500
4	Gifts, bequests, and donations		494,900
5	Student insurance revenue		214,600
6	State general fund/general purpose	\$	0
7	Sec. 108. PROFESSIONAL PREPARATION SERVICES		
8	Full-time equated classified positions	31.0	
9	Professional preparation operations--31.0 FTE		
10	positions	\$	5,467,800
11	Department of attorney general		<u>50,000</u>
12	GROSS APPROPRIATION	\$	5,517,800
13	Appropriated from:		
14	Federal revenues:		
15	Federal revenues		2,658,600
16	Special revenue funds:		
17	Certification fees		2,559,600
18	Teacher testing fees		299,600
19	State general fund/general purpose	\$	0
20	Sec. 109. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES		
21	Full-time equated classified positions	23.0	
22	Early childhood education and family services		
23	operations--23.0 FTE positions	\$	<u>4,044,100</u>
24	GROSS APPROPRIATION	\$	4,044,100
25	Appropriated from:		
26	Federal revenues:		
27	Federal revenues		2,863,400

1	Special revenue funds:		
2	Certification fees.....		56,500
3	Private foundations.....		184,800
4	State general fund/general purpose.....	\$	939,400
5	Sec. 110. SCHOOL IMPROVEMENT SERVICES		
6	Full-time equated classified positions.....	74.0	
7	School improvement operations--74.0 FTE positions....	\$	<u>15,011,900</u>
8	GROSS APPROPRIATION.....	\$	15,011,900
9	Appropriated from:		
10	Federal revenues:		
11	Federal revenues.....		14,335,700
12	Special revenue funds:		
13	Certification fees.....		518,900
14	Private foundations.....		82,100
15	State general fund/general purpose.....	\$	75,200
16	Sec. 111. SCHOOL FINANCE AND SCHOOL LAW SERVICES		
17	Full-time equated classified positions.....	23.0	
18	School finance and school law operations--23.0 FTE		
19	positions	\$	<u>2,595,400</u>
20	GROSS APPROPRIATION.....	\$	2,595,400
21	Appropriated from:		
22	Federal revenues:		
23	Federal revenues.....		1,323,200
24	Special revenue funds:		
25	Certification fees.....		490,300
26	State general fund/general purpose.....	\$	781,900
27	Sec. 112. EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY		

1	Full-time equated classified positions.....	27.0	
2	Educational assessment operations--27.0 FTE positions		\$ <u>32,196,600</u>
3	GROSS APPROPRIATION.....		\$ 32,196,600
4	Appropriated from:		
5	Federal revenues:		
6	Federal revenues.....		15,837,300
7	Special revenue funds:		
8	Merit award trust fund.....		16,359,300
9	State general fund/general purpose.....		\$ 0
10	Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES		
11	Full-time equated classified positions.....	58.0	
12	Grants administration and school support services		
13	operations--58.0 FTE positions.....		\$ <u>7,941,800</u>
14	GROSS APPROPRIATION.....		\$ 7,941,800
15	Appropriated from:		
16	Federal revenues:		
17	Federal revenues.....		7,449,300
18	Special revenue funds:		
19	Commodity distribution fees.....		68,100
20	Local school district service fees.....		10,400
21	State general fund/general purpose.....		\$ 414,000
22	Sec. 114. GRANTS AND DISTRIBUTIONS		
23	School breakfast programs.....		\$ 9,625,000
24	School readiness grants.....		<u>12,250,000</u>
25	GROSS APPROPRIATION.....		\$ 21,875,000
26	Appropriated from:		
27	State general fund/general purpose.....		\$ 21,875,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

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 2005-2006 is \$51,279,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is estimated at \$11,242,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

GRANTS AND DISTRIBUTIONS

STATE PROGRAMS:

School readiness grants.....	\$	1,617,000
School breakfast.....		<u>9,625,000</u>
TOTAL.....	\$	11,242,000

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

Sec. 203. As used in this bill:

(a) "Department" means the Michigan department of education.

(b) "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.

1 (c) "FTE" means full-time equated.

2 (d) "ISD" means intermediate school district.

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

8 Sec. 205. Unless otherwise specified, the department shall use
9 the Internet to fulfill the reporting requirements of this bill.
10 This requirement may include transmission of reports via electronic
11 mail to the recipients identified for each reporting requirement,
12 or it may include placement of reports on an Internet or Intranet
13 site.

14 Sec. 206. (1) In addition to the funds appropriated in part 1,
15 there is appropriated an amount not to exceed \$20,000,000.00 for
16 federal contingency funds. These funds are not available for
17 expenditure until they have been transferred to another line item
18 in this bill under section 393(2) of the department of management
19 and budget act, 1984 PA 431, MCL 18.1393.

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

26 (3) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$3,000,000.00 for local

1 contingency funds. These funds are not available for expenditure
2 until they have been transferred to another line item in this bill
3 under section 393(2) of the department of management and budget
4 act, 1984 PA 431, MCL 18.1393.

5 (4) In addition to the funds appropriated in part 1, there is
6 appropriated an amount not to exceed \$250,000.00 for private
7 contingency funds. These funds are not available for expenditure
8 until they have been transferred to another line item in this bill
9 under section 393(2) of the department of management and budget
10 act, 1984 PA 431, MCL 18.1393.

11 Sec. 207. The department shall provide the state budget
12 director and the senate and house fiscal agencies with copies of
13 the state board of education agenda and all supporting documents at
14 the time the agenda and supporting documents are provided to state
15 board of education members.

16 Sec. 208. (1) Upon receipt of the federal drug free grant, the
17 department shall allocate \$225,000.00 of the grant to the safe
18 school program within the department. The safe school program
19 shall work with local school boards, parents of enrolled students,
20 law enforcement agencies, community leaders, and the office of drug
21 control policy for the prevention of school violence. The safe
22 school program shall develop and implement, and serve as
23 coordinator of, a statewide clearinghouse for information, program
24 development, model programs and policies, and technical assistance
25 on school violence prevention.

26 (2) To accomplish its functions under this section, the safe
27 school program shall do all of the following:

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

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

13 (c) Advance, promote, and encourage the awareness and use of
14 the state police antiviolence hotline.

15 Sec. 209. The department shall require all public school
16 districts to maintain complete records within the personnel file of
17 a teacher or school employee of any disciplinary actions taken by
18 the local school board against the teacher or employee for sexual
19 misconduct. The records shall not be destroyed or removed from the
20 teacher's or employee's personnel file except as required by a
21 court order.

22 Sec. 210. From the funds appropriated in part 1 for information
23 technology, departments and agencies shall pay user fees to the
24 department of information technology for technology-related
25 services and projects. Such user fees shall be subject to
26 provisions of an interagency agreement between the departments and
27 agencies and the department of information technology.

1 Sec. 211. Amounts appropriated in part 1 for information
2 technology may be designated as work projects and carried forward
3 to support technology projects under the direction of the
4 department of information technology. Funds designated in this
5 manner are not available for expenditure until approved as work
6 projects under section 451a of the management and budget act, 1984
7 PA 431, MCL 18.1451a.

8 Sec. 212. Before publishing a list of schools or districts
9 determined to have failed to make adequate yearly progress as
10 required by the federal no child left behind act of 2001, Public
11 Law 107-110, 115 Stat. 1425, the department shall allow a school or
12 district to appeal that determination. The department shall
13 consider and act upon the appeal within 30 days after it is
14 submitted and shall not publish the list until after all appeals
15 have been considered and decided.

16 Sec. 213. Funds appropriated in part 1 shall not be used for
17 the purchase of foreign goods or services, or both, if
18 competitively priced and of comparable quality American goods or
19 services, or both, are available. Preference should be given to
20 goods or services, or both, manufactured or provided by Michigan
21 businesses if they are competitively priced and of comparable
22 quality.

23 Sec. 214. (1) A hiring freeze is imposed on the state
24 classified civil service. State departments and agencies are
25 prohibited from hiring any new full-time state classified civil
26 service employees and prohibited from filling any vacant state
27 classified civil service positions. This hiring freeze does not

1 apply to internal transfers of classified employees from 1 position
2 to another within a department.

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

14 Sec. 215. (1) Due to the current budgetary problems in this
15 state, out-of-state travel for the fiscal year ending September 30,
16 2006 shall be limited to situations in which 1 or more of the
17 following conditions apply:

18 (a) The travel is required by legal mandate or court order or
19 for law enforcement purposes.

20 (b) The travel is necessary to protect the health or safety of
21 Michigan citizens or visitors or to assist other states in similar
22 circumstances.

23 (c) The travel is necessary to produce budgetary savings or to
24 increase state revenues, including protecting existing federal
25 funds or securing additional federal funds.

26 (d) The travel is necessary to comply with federal
27 requirements.

1 (e) The travel is necessary to secure specialized training for
2 staff that is not available within this state.

3 (f) The travel is financed entirely by federal or nonstate
4 funds.

5 (2) If out-of-state travel is necessary but does not meet 1 or
6 more of the conditions in subsection (1), the state budget director
7 may grant an exception to allow the travel. Any exceptions granted
8 by the state budget director shall be reported on a monthly basis
9 to the senate and house of representatives standing committees on
10 appropriations.

11 (3) Not later than January 1 of each year, each department shall
12 prepare a travel report listing all travel by classified and
13 unclassified employees outside this state in the immediately
14 preceding fiscal year that was funded in whole or in part with
15 funds appropriated in the department's budget. The report shall be
16 submitted to the chairs and members of the senate and house of
17 representatives standing committees on appropriations, the fiscal
18 agencies, and the state budget director. The report shall include
19 the following information:

20 (a) The name of each person receiving reimbursement for travel
21 outside this state or whose travel costs were paid by this state.

22 (b) The destination of each travel occurrence.

23 (c) The dates of each travel occurrence.

24 (d) A brief statement of the reason for each travel occurrence.

25 (e) The transportation and related costs of each travel
26 occurrence, including the proportion funded with state general
27 fund/general purpose revenues, the proportion funded with state

1 restricted revenues, the proportion funded with federal revenues,
2 and the proportion funded with other revenues.

3 (f) A total of all out-of-state travel funded for the
4 immediately preceding fiscal year.

5 Sec. 216. The director shall take all reasonable steps to
6 ensure businesses in deprived and depressed communities compete for
7 and perform contracts to provide services or supplies, or both.
8 The director shall strongly encourage firms with which the
9 department contracts to subcontract with certified businesses in
10 depressed and deprived communities for services, supplies, or both.

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

12 Sec. 301. (1) The appropriations in part 1 may be used for per
13 diem payments to the state board for meetings at which a quorum is
14 present or for performing official business authorized by the state
15 board. The per diem payments shall be at a rate as follows:

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

17 (b) State board of education - member other than president -
18 \$100.00 per day.

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

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

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

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

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

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

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

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

25 (3) Security guards or other patrols at the Michigan school for
26 the blind's former site shall not be funded through part 1 funds
27 appropriated for the Michigan schools for the deaf and blind.

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

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

9 (6) From the unexpended balances of appropriations for the
10 former school for the blind site in Lansing, up to \$100,000.00 of
11 any unexpended and unencumbered funds remaining on September 30,
12 2006 may be carried forward as a work project and expended for
13 special maintenance and repairs of facilities at the former
14 Michigan school for the blind site in Lansing. The work project
15 shall be performed by state employees or by contract when necessary
16 at an estimated cost of \$100,000.00. The estimated completion date
17 of the work project is September 30, 2007.

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

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

1 (3) From the unexpended balances of appropriations for the
2 schools for the deaf and blind operations, up to \$250,000.00 of any
3 unexpended and unencumbered funds remaining on September 30, 2006
4 may be carried forward as a work project and expended for special
5 maintenance and repairs of facilities at the campus of the Michigan
6 schools for the deaf and blind in Flint. The work shall be carried
7 out by state employees, or by contract as necessary, at an
8 estimated cost of \$250,000.00. The estimated completion date of
9 the work is September 30, 2007.

10 Sec. 407. 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
13 from the federal Medicaid program. The department may submit
14 reports of direct expenses related to this effort to the department
15 of community health for reimbursement.

16 Sec. 408. (1) The Michigan schools for the deaf and blind may
17 promote its residential program as a possible appropriate option
18 for children who are deaf or hard of hearing or who are blind or
19 visually impaired. The Michigan schools for the deaf and blind
20 shall distribute information detailing its services to all
21 intermediate 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
26 the Michigan schools for the deaf and blind to intermediate school
27 districts under subsection (1).

(3) Parents should continue to have a choice regarding the educational placement of their deaf or hard of hearing children.

Sec. 409. In addition to those funds appropriated in part 1, the department may receive and expend funds from the mid-Michigan leadership 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.

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.

OFFICE OF SCHOOL IMPROVEMENT

Sec. 601. From the amount appropriated in part 1 for the office of school improvement, there is allocated \$350,000.00 and 3.5 FTE positions to operate a charter school office to administer charter

1 school legislation and associated regulations, and to coordinate
2 the activities of the department relating to charter schools.

3 **GRANTS AND DISTRIBUTIONS**

4 Sec. 701. The department shall disburse the funds to a general
5 fund grantee in accordance with the same standards of timing and
6 amount that apply to disbursements made by the department to a
7 federal fund grantee. The disbursement shall be restricted to the
8 minimum amount needed for immediate disbursement by the grantee.

9 The department may waive this section if extenuating circumstances
10 warrant and are substantiated in the grantee's application or other
11 appropriate documentation. A waiver granted pursuant to this
12 section shall not be effective until 15 days after written notice
13 of the proposed waiver is given to the state budget director and
14 the chairpersons of the senate and house appropriations
15 subcommittees having jurisdiction over the department budget.

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

19 (a) The public school district participates in the federal
20 school breakfast program and meets all standards as prescribed by 7
21 CFR parts 220 and 245.

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

24 (c) The payment for a public school district is at a per meal
25 rate equal to the lesser of the district's actual cost, or 100% of
26 the cost of a breakfast served by an efficiently operated breakfast
27 program as determined by the department, less federal

1 reimbursement, participant payments, and other state reimbursement.
2 Determination of efficient cost by the department shall be
3 determined by using a statistical sampling of statewide and
4 regional cost as reported in a manner approved by the department
5 for the preceding school year.

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

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

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

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

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

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

26 (i) Compliance with standards for early childhood development
27 consistent with programs for 4-year-olds, as approved by the state

1 board of education.

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

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

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

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

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

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

27 (f) Applications shall provide for the establishment of a

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

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

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

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

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

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

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

21 (g) More than 50% of the children participating in the program
22 shall meet the income eligibility criteria for free or reduced
23 price lunch, as determined under the national school lunch act,
24 chapter 281, 60 Stat. 230, 42 USC 1751 to 1753, 1755 to 1761,
25 1762a, 1765 to 1766b, and 1769 to 1769h, or meet income and all
26 other eligibility criteria for participation in the Michigan family
27 independence agency unified child day care program.

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

6 (3) Except as otherwise provided, an applicant that received a
7 grant under this section in the prior fiscal year, shall also
8 receive priority for funding in the next two fiscal years.

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

20 **INFORMATION TECHNOLOGY**

21 Sec. 801. The department shall work in collaboration with the
22 center for educational performance and information to support the
23 comprehensive educational information system and all data
24 collection efforts of the department.

25 **EDUCATIONAL ASSESSMENT**

26 Sec. 901. (1) From the funds appropriated in part 1 for the
27 educational assessment operations, the department shall provide

1 tests to nonpublic schools and home-schooled students upon request.
2 The department shall notify nonpublic schools that they are
3 eligible to receive the tests.

4 (2) The results of each test administered as part of the
5 Michigan educational assessment program, including tests
6 administered to high school students, shall include an item
7 analysis that lists all items that are counted for individual
8 student scores and the percentage of students choosing each
9 possible response.