

**SUBSTITUTE FOR  
SENATE BILL NO. 910**

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 1999; 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:**

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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, 1999, from the funds indicated in this part. The following is a summary of the appropriations in this part:

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For Fiscal Year Ending  
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**1 DEPARTMENT OF EDUCATION**

**2 APPROPRIATION SUMMARY:**

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	542.6	
5	GROSS APPROPRIATION.....		\$ 866,333,500
6	Interdepartmental grant revenues:		
7	Interdepartmental grant from consumer and industry		
8	services.....		404,600
9	Interdepartmental grant from corrections academy		
10	lease.....		605,500
11	Interdepartmental grant from Michigan jobs commission		212,900
12	Interdepartmental grant from treasury.....		150,000
13	Total interdepartmental grants and intradepartmental		
14	transfers.....		1,373,000
15	ADJUSTED GROSS APPROPRIATION.....		\$ 864,960,500
16	Federal revenues:		
17	Total federal revenues.....		797,027,200
18	Special revenue funds:		
19	Local cost sharing (schools for blind/deaf).....		6,019,100
20	Local school district service fees.....		100,500
21	Total local revenues.....		6,119,600
22	Gifts, bequests, and donations.....		470,000
23	Private foundations.....		117,200
24	Private occupational school license fees.....		255,500
25	Total private revenues.....		842,700
26	Total local and private revenues.....		6,962,300

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1	Certification fees.....	2,519,400
2	Commodity distribution fees.....	40,700
3	Driver fees.....	8,089,100
4	Lansing, Michigan school for the blind rent.....	605,500
5	Motorcycle license fees.....	1,006,300
6	Safety education fund.....	309,000
7	School loan exception fees.....	31,700
8	State employee child care center.....	90,800
9	Student insurance revenue.....	201,000
10	Teacher testing fees.....	257,700
11	Training and orientation workshop fees.....	100,000
12	Total other state restricted revenues.....	13,251,200
13	State general fund/general purpose..... \$	47,719,800
14	<b>Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT</b>	
15	Full-time equated unclassified positions.....6.0	
16	Full-time equated classified positions.....17.0	
17	State board of education, per diem payments..... \$	19,400
18	Unclassified positions--6.0 FTE positions.....	490,800
19	Performance study/charter schools.....	150,000
20	State board/superintendent operations--17.0 FTE	
21	positions.....	<u>2,647,500</u>
22	GROSS APPROPRIATION..... \$	3,307,700
23	Appropriated from:	
24	Federal revenues:	
25	Federal revenues.....	556,500
26	Special revenue funds:	

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1	Private foundations.....	8,000
2	State general fund/general purpose..... \$	2,743,200
3	<b>Sec. 103. CENTRAL SUPPORT</b>	
4	Full-time equated classified positions.....58.2	
5	Central support--49.2 FTE positions..... \$	4,811,800
6	Worker's compensation.....	93,600
7	Education commission of the states.....	90,000
8	Building occupancy charges - property management	
9	services.....	1,212,300
10	Training and orientation workshops.....	100,000
11	Administrative law operations--9.0 FTE positions.....	801,200
12	State tenure commission, per diem.....	<u>11,100</u>
13	GROSS APPROPRIATION..... \$	7,120,000
14	Appropriated from:	
15	Federal revenues:	
16	Federal revenues.....	3,350,600
17	Special revenue funds:	
18	Certification fees.....	117,600
19	Driver fees.....	15,300
20	Motorcycle license fees.....	4,300
21	Private occupational school license fees.....	4,900
22	Safety education fund.....	1,100
23	School loan exception fees.....	31,700
24	Teacher testing fees.....	5,200
25	Training and orientation workshop fees.....	100,000
26	State general fund/general purpose..... \$	3,489,300

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1	<b>Sec. 104. SCHOOL SUPPORT SERVICES</b>		
2	Full-time equated classified positions.....	41.4	
3	School support operations--41.4 FTE positions.....	\$	<u>4,727,400</u>
4	GROSS APPROPRIATION.....	\$	4,727,400
5	Appropriated from:		
6	Federal revenues:		
7	Federal revenues.....		3,773,900
8	Special revenue funds:		
9	Commodity distribution fees.....		40,700
10	Driver fees.....		463,400
11	Motorcycle license fees.....		134,700
12	Safety education fund.....		113,600
13	State general fund/general purpose.....	\$	201,100
14	<b>Sec. 105. TECHNOLOGY AND INFORMATION SERVICES</b>		
15	Full-time equated classified positions.....	36.9	
16	Technology and information operations--36.9 FTE		
17	positions.....	\$	<u>5,947,700</u>
18	GROSS APPROPRIATION.....	\$	5,947,700
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	Interdepartmental grant from consumer and industry		
22	services.....		404,600
23	Interdepartmental grant from Michigan jobs commission		212,900
24	Interdepartmental grant from treasury.....		150,000
25	Federal revenues:		
26	Federal revenues.....		3,346,200

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1	Special revenue funds:	
2	Certification fees.....	247,600
3	Driver fees.....	10,400
4	State general fund/general purpose..... \$	1,576,000
5	<b>Sec. 106. STANDARDS, ASSESSMENT, AND ACCREDITATION SERVICES</b>	
6	Full-time equated classified positions.....66.9	
7	Standards, assessment, and accreditation	
8	operations--66.9 FTE positions..... \$	5,984,200
9	Test development and administration.....	<u>10,864,400</u>
10	GROSS APPROPRIATION..... \$	16,848,600
11	Appropriated from:	
12	Federal revenues:	
13	Federal revenues.....	2,388,700
14	Special revenue funds:	
15	Private foundations.....	14,400
16	State general fund/general purpose..... \$	14,445,500
17	<b>Sec. 107. SPECIAL EDUCATION SERVICES</b>	
18	Full-time equated classified positions.....56.1	
19	Special education operations--56.1 FTE positions..... \$	<u>4,764,800</u>
20	GROSS APPROPRIATION..... \$	4,764,800
21	Appropriated from:	
22	Federal revenues:	
23	Federal revenues.....	4,603,800
24	Special revenue funds:	
25	Certification fees.....	19,000
26	State general fund/general purpose..... \$	142,000

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1	<b>Sec. 108. LANSING, MICHIGAN SCHOOL FOR THE BLIND SITE</b>	
2	General services.....	\$ <u>1,311,800</u>
3	GROSS APPROPRIATION.....	\$ 1,311,800
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	Interdepartmental grant from corrections academy	
7	lease.....	605,500
8	Special revenue funds:	
9	Gifts, bequests, and donations.....	10,000
10	Lansing, Michigan school for the blind rent.....	605,500
11	State employee child care center.....	90,800
12	State general fund/general purpose.....	\$ 0
13	<b>Sec. 109. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND</b>	
14	Full-time equated classified positions.....120.3	
15	Michigan schools for the deaf and blind	
16	operations--117.0 FTE positions.....	\$ 10,746,300
17	Summer institute.....	312,100
18	Michigan deaf/blind center--2.3 FTE position.....	301,400
19	Camp Tuhsmeheeta--1.0 FTE position.....	250,000
20	Private gifts - blind.....	90,000
21	Private gifts - deaf.....	<u>50,000</u>
22	GROSS APPROPRIATION.....	\$ 11,749,800
23	Appropriated from:	
24	Federal revenues:	
25	Federal revenues.....	1,286,200
26	Special revenue funds:	

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1	Local cost sharing (schools for blind/deaf).....	6,019,100
2	Local school district service fees.....	100,500
3	Gifts, bequests, and donations.....	460,000
4	Student insurance revenue.....	201,000
5	State general fund/general purpose..... \$	3,683,000
6	<b>Sec. 110. CAREER DEVELOPMENT &amp; POSTSECONDARY COORDINATION</b>	
7	<b>SERVICES</b>	
8	Full-time equated classified positions.....66.0	
9	Career and technical education operations--34.5 FTE	
10	positions..... \$	3,819,800
11	Higher education management operations--31.5 FTE	
12	positions.....	<u>2,800,400</u>
13	GROSS APPROPRIATION..... \$	6,620,200
14	Appropriated from:	
15	Federal revenues:	
16	Federal revenues.....	4,980,600
17	Special revenue funds:	
18	Certification fees.....	63,700
19	Private occupational school license fees.....	250,600
20	State general fund/general purpose..... \$	1,325,300
21	<b>Sec. 111. PROFESSIONAL PREPARATION SERVICES</b>	
22	Full-time equated classified positions.....26.5	
23	Teacher preparation and certification	
24	operations--26.5 FTE positions..... \$	2,498,100
25	Department of attorney general.....	<u>40,000</u>
26	GROSS APPROPRIATION..... \$	2,538,100

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1	Appropriated from:		
2	Federal revenues:		
3	Federal revenues.....		214,100
4	Special revenue funds:		
5	Certification fees.....		2,071,500
6	Teacher testing fees.....		252,500
7	State general fund/general purpose.....	\$	0
8	<b>Sec. 112. FIELD SERVICES</b>		
9	Full-time equated classified positions.....	41.0	
10	Field service operations--41.0 FTE positions.....	\$	<u>3,545,600</u>
11	GROSS APPROPRIATION.....	\$	3,545,600
12	Appropriated from:		
13	Federal revenues:		
14	Federal revenues.....		3,136,400
15	State general fund/general purpose.....	\$	409,200
16	<b>Sec. 113. INNOVATION AND COMMUNITY SERVICES</b>		
17	Full-time equated classified positions.....	12.3	
18	Innovation and community services operations--	12.3	
19	FTE positions.....	\$	<u>1,023,100</u>
20	GROSS APPROPRIATION.....	\$	1,023,100
21	Appropriated from:		
22	Federal revenues:		
23	Federal revenues.....		448,900
24	State general fund/general purpose.....	\$	574,200
25	<b>Sec. 114. GRANTS AND DISTRIBUTIONS</b>		
26	FEDERAL PROGRAMS:		

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1	Adult basic education.....	\$	8,024,100
2	Acquired immunodeficiency syndrome education grants..		600,000
3	Competitive child care and development.....		480,000
4	Drug-free schools grant.....		16,600,000
5	Eisenhower mathematics and science grants.....		12,940,000
6	Emergency immigrant.....		750,000
7	Goals 2000 grants.....		17,082,200
8	Handicapped infants and toddlers.....		16,000,000
9	Homeless children and youth.....		833,000
10	Job training partnership act.....		7,952,700
11	Michigan charter school subgrant program.....		3,483,600
12	Migrant even start.....		282,300
13	Preschool grants (PL 94-142).....		12,400,000
14	School age child care grants.....		288,000
15	School lunch program-federal share.....		226,000,000
16	School to work.....		1,800,000
17	Serve America grants.....		840,000
18	Special education.....		17,189,800
19	State literacy resource center.....		263,600
20	Statewide systemic initiative grant.....		200,000
21	Surplus commodity.....		2,506,000
22	Technology literacy challenge grants.....		17,784,300
23	Title I, disadvantaged children.....		331,000,000
24	Title I, even start.....		4,400,000
25	Title I, migrant.....		12,000,000
26	Title VI, innovative strategies.....		13,480,900

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1	Training personnel for education of the handicapped..	253,600
2	Vocational education act of 1963.....	38,507,200
3	STATE PROGRAMS:	
4	Christa McAuliffe grants..... \$	94,800
5	Driver education.....	7,600,000
6	Michigan geographic alliance.....	300,000
7	Motorcycle safety education.....	867,300
8	National board certification.....	20,000
9	Off-road vehicle safety training grant.....	194,300
10	Reading plan for Michigan grants.....	5,000,000
11	School lunch and breakfast programs.....	6,728,000
12	School readiness grants.....	<u>12,083,000</u>
13	GROSS APPROPRIATION..... \$	796,828,700
14	Appropriated from:	
15	Federal revenues:	
16	DAG-food and nutrition service, national school lunch	226,000,000
17	DAG-the emergency food assistance program.....	2,506,000
18	DED-grants and contracts service, school to work.....	1,800,000
19	DED-OBEMLA, emergency immigrant education assistance.	750,000
20	DED-OESE, charter schools.....	3,483,600
21	DED-OESE, drug-free schools and communities.....	16,600,000
22	DED-OESE, goals 2000.....	22,082,200
23	DED-OESE, Eisenhower mathematics and science	
24	administration.....	12,940,000
25	DED-OESE, migrant even start.....	282,300
26	DED-OESE, technology literacy challenge.....	17,784,300

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1	DED-OESE, title I, disadvantaged children.....	331,000,000
2	DED-OESE, title I, even start.....	4,400,000
3	DED-OESE, title I, migrant education.....	12,000,000
4	DED-OESE, title VI, innovative strategies.....	13,480,900
5	DED-OSERS, handicapped infants and toddlers.....	16,000,000
6	DED-OSERS, handicapped preschool incentive grants....	12,400,000
7	DED-OSERS, handicapped program, individuals with dis-	
8	abilities act.....	17,189,800
9	DED-OSERS, personnel development.....	253,600
10	DED-OVAE, adult education, state administered program	8,024,100
11	DED-OVAE, basic grants to states.....	38,507,200
12	DED-OVAE, homeless children and youth.....	833,000
13	DED-OVAE, state literacy resource center.....	263,600
14	DOL, job training partnership act.....	7,952,700
15	HHS-ACF, at-risk child care.....	480,000
16	HHS-CDCP, AIDS education.....	600,000
17	HHS-ACF, dependent care block grant.....	288,000
18	National science foundation.....	200,000
19	Corporation for national and community service.....	840,000
20	Special revenue funds:	
21	Driver fees.....	7,600,000
22	Motorcycle license fees.....	867,300
23	Safety education fund.....	194,300
24	Private foundations.....	94,800
25	State general fund/general purpose..... \$	19,131,000

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PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1998-99 is estimated at \$60,971,000.00 in this bill and state spending from state sources paid to local units of government for fiscal year 1998-99 is estimated at \$27,492,600.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

For Fiscal Year  
Ending Sept. 30,  
1999

DEPARTMENT OF EDUCATION  
GRANTS AND DISTRIBUTIONS

STATE PROGRAMS:

Driver education.....	\$	7,600,000
School readiness grants.....		12,083,000
Motorcycle safety education.....		867,300
National board certification.....		20,000
Off-road vehicle safety training grant.....		194,300
School lunch and breakfast.....		<u>6,728,000</u>
TOTAL.....	\$	27,492,600

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director.

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1       Sec. 202. The appropriations made and the expenditures authorized  
2 under this act and the departments, agencies, commissions, boards,  
3 offices, and programs for which an appropriation is made under this act  
4 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to  
5 18.1594.

6       Sec. 203. As used in this act:

7       (a) "ACF" means administration for children and families.

8       (b) "CDCP" means center for disease control and prevention.

9       (c) "DAG" means the United States department of agriculture.

10       (d) "DED" means the United States department of education.

11       (e) "Department" means the Michigan department of education.

12       (f) "District" means a local school district as defined in section  
13 6 of the revised school code, 1976 PA 451, MCL 380.6.

14       (g) "DOL" means the United States department of labor.

15       (h) "ETA" means employment and training administration.

16       (i) "FCS" means food and consumer service.

17       (j) "HHS" means the United States department of health and human  
18 services.

19       (k) "OBEMLA" means office of bilingual education and minority  
20 languages affairs.

21       (l) "OESE" means office of elementary and secondary education.

22       (m) "OHDS" means office of human development services.

23       (n) "OSERS" means the office of special education rehabilitation  
24 service.

25       (o) "OVAE" means office of vocational and adult education.

26       Sec. 204. (1) Beginning October 1, 1998, a hiring freeze is imposed  
27 on the state classified civil service. State departments and agencies

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1 are prohibited from hiring any new full-time state classified civil  
2 service employees and prohibited from filling any vacant state classified  
3 civil service positions. This hiring freeze does not apply to internal  
4 transfers of classified employees from 1 position to another within a  
5 department or to positions that are funded with 80% or more federal or  
6 restricted funds.

7 (2) The state budget director shall grant exceptions to this hiring  
8 freeze when the state budget director believes that the hiring freeze  
9 will result in rendering a state department or agency unable to deliver  
10 basic services. The state budget director shall report by the fifteenth  
11 of each month to the chairpersons of the senate and house appropriations  
12 committees the number of exclusions to the hiring freeze approved during  
13 the previous month and the justification for the exclusions.

14 Sec. 205. (1) In addition to the funds appropriated in section 101,  
15 there is appropriated an amount not to exceed \$10,000,000.00 for federal  
16 contingency funds. These funds are not available for expenditure until  
17 they have been transferred to another line item in this act under section  
18 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

19 (2) In addition to the funds appropriated in section 101, there is  
20 appropriated an amount not to exceed \$700,000.00 for state restricted  
21 contingency funds. These funds are not available for expenditure until  
22 they have been transferred to another line item in this act under  
23 section 393(2) of the management and budget act, 1984 PA 431, MCL  
24 18.1393.

25 (3) In addition to the funds appropriated in section 101, there is  
26 appropriated an amount not to exceed \$250,000.00 for local contingency  
27 funds. These funds are not available for expenditure until they have

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1 been transferred to another line item in this act under section 393(2) of  
2 the management and budget act, 1984 PA 431, MCL 18.1393.

3 (4) In addition to the funds appropriated in section 101, there is  
4 appropriated an amount not to exceed \$250,000.00 for private contingency  
5 funds. These funds are not available for expenditure until they have  
6 been transferred to another line item in this act under section 393(2) of  
7 the management and budget act, 1984 PA 431, MCL 18.1393.

8 Sec. 206. A department or agency billed by the department of civil  
9 service for the 1% charge authorized by section 5 of article XI of the  
10 state constitution of 1963 by the end of the first fiscal quarter shall  
11 pay the total amount of the billing by the end of the second fiscal  
12 quarter.

13 Sec. 207. The department may carry into the succeeding fiscal year  
14 unexpended federal pass-through funds to local institutions and govern-  
15 ments that do not require additional state matching funds. Federal  
16 pass-through funds to local institutions and governments that are  
17 received in amounts in addition to those included in section 101 and that  
18 do not require additional state matching funds are appropriated for the  
19 purposes intended.

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

25 Sec. 209. (1) The department shall submit to the department of man-  
26 agement and budget, the house and senate appropriations committees, the  
27 house and senate fiscal agencies, and the house and senate standing

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SB 910 as amended March 24, 1998

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1 committees with jurisdiction over technology issues periodic reports on  
2 the department's efforts to change the department's computer software and  
3 hardware as necessary to perform properly in the year 2000 and beyond.  
4 These reports shall identify actual progress in comparison to the  
5 department's approved work plan for these efforts.

6 (2) The department may present progress billings to the department  
7 of management and budget for the costs incurred in changing computer  
8 software and hardware as necessary to perform properly in the year 2000  
9 and beyond. At the time progress billings are presented for reimburse-  
10 ment, the department shall identify and forward as appropriate the fund-  
11 ing sources that should support the work performed.

12 Sec. 210. The department shall not lease real property for less  
13 than fair market value.

14 Sec. 211. Money appropriated in part 1 shall not be used for the  
15 purchase of foreign goods or services when competitively priced and of  
16 comparable quality American goods or services are available. By May 1,  
17 1999, the department shall submit a report to the department of manage-  
18 ment and budget, the speaker and minority leader of the house of repre-  
19 sentatives, the majority and minority leaders of the senate, and the  
20 chairpersons of the house and senate appropriations committees on efforts  
21 to comply with this section.

Sec. 212. The department shall receive and retain copies of all  
reports funded from the appropriations in part 1.

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

23 Sec. 301. (1) The appropriations in section 102 may be used for per  
24 diem payments to members of boards, committees, and commissions for each  
25 day's board, committee, or commission work at which a quorum is present;

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1 for attending a hearing as authorized by the respective board, committee,  
2 or commission; or for performing official business as authorized by the  
3 respective board, committee, or commission. The per diem payments shall  
4 be at a rate as follows:

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

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

8 (c) State tenure commission - member..... \$ 50.00 per day

9 (2) A state board of education member shall not be paid a per diem  
10 for more than 24 days per year.

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

16 Sec. 302. (1) From the amount appropriated in section 102 to the  
17 state board of education, not more than \$27,500.00 shall be expended for  
18 travel.

19 (2) The state board of education shall not expend amounts for travel  
20 appropriated from DED-OVAE, basic grants to states.

21 Sec. 303. (1) From the amount appropriated in section 102 for state  
22 board/superintendent operations, there is allocated \$500,000.00 and 5.0  
23 FTE positions to establish and operate a charter school office to admin-  
24 ister charter school legislation and associated regulations, and to coor-  
25 dinate the activities of the department relating to charter schools.

26 (2) From the amount appropriated in section 102, there is allocated  
27 up to \$150,000.00 to continue performance studies of charter schools by  
one of the recipients for this purpose funded in FY 1996-97.

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1 (3) From the amount appropriated in section 102 for state  
2 board/superintendent operations, there is allocated up to \$250,000.00 to  
3 fund an exchange program between teachers in Michigan school districts  
4 and public school academies and teachers in Michigan's sister state of  
5 Shiga in Japan.

6 (4) If an audit finds that a public school academy has significantly  
7 misrepresented its enrollment membership or financial data to the depart-  
8 ment, its funding shall be withheld and the public school academy shall  
9 be required to reimburse the state any appropriations made as a result of  
10 the misrepresentations.

11 (5) A public school academy found to have misrepresented its enroll-  
12 ment membership may utilize the same appeal process as a school  
13 district.

14 **TECHNOLOGY AND INFORMATION SERVICES**

15 Sec. 401. Included in the appropriation for technology and informa-  
16 tion services in section 105 is \$50,000.00 to publish and distribute the  
17 Michigan school report.

18 **STANDARDS, ASSESSMENT, AND ACCREDITATION SERVICES**

19 Sec. 501. (1) From the general fund allocations in section 106, the  
20 department may provide tests to nonpublic schools. The department shall  
21 notify nonpublic schools that they are eligible to receive the tests  
22 without cost to them.

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1 (2) The department shall release test results at the same time to  
2 all private schools and public school districts taking the tests and the  
3 state budget director and the senate and house fiscal agencies.

4 (3) From the amount appropriated in section 106 for test development  
5 and administration, \$200,000.00 shall be expended to expedite the report-  
6 ing of high school proficiency test results and to improve the method of  
7 reporting the results to enable pupils to accurately interpret the  
8 information.

Sec. 502. From the funds appropriated in section 106, at least one  
full-time equated position shall be designated for a fine arts consultant.

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

10 Sec. 601. The employees at the Michigan schools for the deaf and  
11 blind who work on a school year basis shall be considered annual employ-  
12 ees for purposes of service credits, retirement, and insurance benefits.

13 Sec. 602. For each student enrolled at the Michigan schools for the  
14 deaf and blind, the department shall assess the intermediate school dis-  
15 trict of residence 100% of the cost of operating the student's instruc-  
16 tional program. The amount shall exclude room and board related costs  
17 and the cost of weekend transportation between the school and the  
18 student's home.

19 Sec. 603. (1) The department may assess rent to the department of  
20 corrections for Michigan school for the blind's former site space occu-  
21 pied by the corrections staff training academy. The rental rates and all  
22 leasing arrangements shall be subject to the approval of the department  
23 of management and budget. Amounts received under section 108 for the  
24 corrections academy lease program may be expended by the department for

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1 operation, maintenance, and renovation expenses associated with the lease  
2 space.

3 (2) In addition, the department may receive and expend funds in  
4 addition to those authorized in section 108 for the rental of facilities  
5 at the Michigan school for the blind's former site to private or publicly  
6 funded organizations.

7 (3) The department shall not rent, lease, or declare as surplus  
8 property the superintendent's house on the Michigan school for the  
9 blind's former site without prior consent from the house and senate  
10 appropriations subcommittees on education. Amounts received under  
11 section 108 for general services may be expended by the department for  
12 operation, maintenance, and renovation expenses associated with the  
13 superintendent's house.

14 (4) Security guards or other patrols at the Michigan school for the  
15 blind's former site shall not be funded through section 109 funds appro-  
16 priated for the Michigan schools for the deaf and blind.

17 Sec. 604. The department shall assess rent to the state employee  
18 child care center for the rental of space it occupies at the Michigan  
19 school for the blind's former site. The rental rates and all leasing  
20 arrangements shall be subject to the approval of the department of man-  
21 agement and budget. Amounts received under section 108 for the child  
22 care center may be expended by the department for the operation, mainte-  
23 nance, and renovation of the leased space.

24 Sec. 605. Proceeds from the sale of surplus property and facilities  
25 at the Michigan schools for the deaf and blind are hereby appropriated  
26 for the purposes of repairs, renovations, and maintenance of the school's  
27 campus. Any unexpended and unencumbered funds remaining on September 30,

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1 1999 from such proceeds shall be carried forward as a work project for  
2 the purposes of repairs, renovations, and maintenance of the school's  
3 campus. The work shall be carried out by state employees, or by contract  
4 as necessary, at an estimated cost of \$132,000.00. The estimated comple-  
5 tion date of the work is September 30, 2000.

6 Sec. 606. The department may assist the department of community  
7 health, other departments, and local school districts to secure reim-  
8 bursement for eligible services provided in Michigan schools from the  
9 federal medicaid program. The department may submit reports of direct  
10 expenses related to this effort to the department of community health for  
11 reimbursement.

12 Sec. 607. The unexpended balances of appropriations for the schools  
13 for the deaf and blind operations shall not lapse to the state general  
14 fund at the end of the fiscal year. Any unexpended and unencumbered  
15 funds remaining on September 30, 1999, shall be carried forward as a work  
16 project and expended for special maintenance and repairs of facilities at  
17 the Michigan school for the deaf and blind. The work shall be carried  
18 out by state employees, or by contract as necessary, at an estimated cost  
19 of \$100,000.00. The estimated completion date of the work is September  
20 30, 2000.

21 Sec. 608. The unexpended balances of appropriations and any surplus  
22 restricted revenue for the former school for the blind site in Lansing  
23 shall not lapse to the state general fund at the end of the fiscal year.  
24 Any unexpended and unencumbered funds remaining on September 30, 1999,  
25 shall be carried forward as a work project or as restricted revenue and  
26 expended for special maintenance and repairs of facilities at the former  
27 Michigan school for the blind site in Lansing.

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1           Sec. 609. The Michigan school for the deaf and blind may promote  
2 their residential program as a possible appropriate option for children  
3 who are deaf or hard of hearing or who are blind or visually impaired.  
4 The Michigan school for the deaf and blind shall distribute information  
5 detailing its services to all intermediate school districts in the  
6 state. Upon knowledge of or recognition by an intermediate school district  
7 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 school for  
the deaf and blind to intermediate school districts under this section.

8           Sec. 610. The department shall report to the house and senate  
9 appropriations subcommittees on education detailed information on the  
10 expenditures made from the amount authorized in section 108 for general  
11 services for the Michigan school for the blind's former site.

12           Sec. 611. From the amount of early retirement savings retained by  
13 the department resulting from the state's 1997 early retirement program,  
14 there is sufficient funding to replace all of the employees at the  
15 Michigan schools for the deaf and blind who retire under the state's 1997  
16 early retirement program provided for in section 19f of the state  
17 employees' retirement act, 1943 PA 240, MCL 38.19f. The department shall  
18 ensure that all positions required to maintain a ratio of 1.0 full-time  
19 equated position to 5.5 students enrolled, which are vacated by employees  
20 at the Michigan schools for the deaf and blind who retire under the  
21 state's 1997 early retirement program, are filled. Replacement of  
22 employees at the Michigan schools for the deaf and blind who retired  
23 under the state's 1997 early retirement program shall not be counted  
24 against the department's 1:4 employee replacement ratio. Replacements of  
25 employees as cited in this section are exempt from the hiring freeze pre-  
scribed by section 204.

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**1 PROFESSIONAL PREPARATION SERVICES**

2       Sec. 701. From the funds appropriated in section 111 for profes-  
3 sional preparation services, the department shall maintain the profes-  
4 sional personnel register and certificate revocation/felony conviction  
5 files.

**6 GRANTS AND DISTRIBUTIONS**

7       Sec. 801. In the absence of an existing payment schedule, the  
8 department shall disburse the funds to a general fund grantee in accord-  
9 ance with the same standards of timing and amount that apply to disburse-  
10 ments made by the department to a federal fund grantee. The disbursement  
11 shall be restricted to the minimum amount needed for immediate disburse-  
12 ment by the grantee. The department may waive this section if extenuat-  
13 ing circumstances warrant and are substantiated in the grantee's applica-  
14 tion or other appropriate documentation. A waiver granted pursuant to  
15 this section shall not be effective until 15 days after written notice of  
16 the proposed waiver is given to the state budget director and the chair-  
17 persons of the senate and house appropriations subcommittees having  
18 jurisdiction over the department budget.

19       Sec. 802. (1) The funds appropriated in section 114 for school  
20 breakfast programs shall be made available to all eligible applicant  
21 public school districts and public school academies as follows:

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

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

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

12 (d) The payment determined under subdivision (c) is prorated if the  
13 appropriation in section 114 is not sufficient to fund all payments  
14 determined under this section.

15 (2) Of the appropriation of federal funds in section 114 for the  
16 national school lunch program, expenditures shall not be made in fiscal  
17 year 1998-1999 for any programs other than those authorized by the  
18 department and funded from this line item in fiscal year 1997-1998.

19 Sec. 803. (1) The funds appropriated in section 114 for school  
20 readiness programs shall be made available through a competitive applica-  
21 tion process as follows:

22 (a) An applicant may be any public or private nonprofit legal entity  
23 or agency other than a local or intermediate school district except a  
24 local or intermediate school district acting as a fiscal agent for a  
25 child caring organization regulated under 1973 PA 116, MCL 722.111 to  
26 722.128.

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

3 (c) Applications shall be reviewed by a diverse interagency commit-  
4 tee composed of representatives of the department, appropriate community,  
5 volunteer, and social service agencies and organizations, and parents.

6 (d) Priority in the recommendation for awarding of grants by the  
7 state board of education to applicants shall be based upon the following  
8 criteria:

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

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

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

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

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

25 (vi) The extent to which these funds will be targeted to children  
26 who will be at least 4, but less than 5, years of age as of December 1 of  
27 the year in which the programs are offered and who show evidence of 2 or

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1 more "at-risk" factors as defined in the state board of education report  
2 entitled, "children at risk" that was adopted by the state board on  
3 April 5, 1988.

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

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

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

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

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

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

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

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

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

8 (2) Grant awards by the state board of education may be at whatever  
9 level the board determines appropriate. A grant, when combined with  
10 other sources of state revenue for this program, shall not exceed  
11 \$3,100.00 per child or the cost of the program, whichever is less.

12 (3) Except as otherwise provided, an applicant that received a grant  
13 under this section in the 1997-1998 fiscal year shall receive priority  
14 for funding in 1998-1999. However, continuation of funding is contingent  
15 on the availability of funds and documented evidence of grantee compli-  
16 ance with standards for early childhood development consistent with pro-  
17 grams for 4-year-olds, as approved by the state board of education, and  
18 with all operational, fiscal, administrative, and other program  
19 requirements. After 3 years of funding, a program that received a grant  
20 under this section may reapply for funding, but will compete for avail-  
21 able funds with other new programs and other programs also completing  
22 their third year of funding under this section. A program which offers  
23 supplementary day care and thereby offers full-day programs as part of  
24 its early childhood development program shall receive priority in the  
25 allocation of these competitive funds.

26 Sec. 804. (1) The reading plan for Michigan (RPM) is a series of  
27 elementary education strategies created for the purpose of improving

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1 reading skills of K-3 students so that all students are reading at an  
2 appropriate grade level prior to the start of the fourth grade. The  
3 reading plan for Michigan (RPM) shall be developed by the department and  
4 not less than 1 representative from each of the following categories:

5 (a) Local school districts.

6 (b) Intermediate school districts.

7 (c) Teachers.

8 (d) Professors of education at public universities recognized for  
9 expertise in reading instruction.

10 (e) Local literacy councils.

11 (f) Parents.

12 (g) The Michigan library association.

13 (2) In order to implement the reading plan for Michigan, the depart-  
14 ment shall do at least all of the following:

15 (a) Develop a model summer reading program for students who will be  
16 attending grades 1 through 4 in the following school year and who have  
17 demonstrated the need for additional reading skills training, as evi-  
18 denced by standardized test results on tests approved by the department  
19 for this purpose. The model reading program shall be in conformance with  
20 the national education goals and shall also meet criteria for DED-OESE,  
21 Title I program funding.

22 (b) Recommend diagnostic tools and student assessments to local dis-  
23 tricts to determine reading readiness and ensure progress in reading  
24 skills.

25 (c) Develop and disseminate reading readiness kits to parents of  
26 students in preschool and kindergarten to provide parents with

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1 information about how they can prepare their children for reading  
2 success.

3 (d) Develop and make available a statewide resource guide of public  
4 and private service providers to assist parents in improving their  
5 children's reading skills.

6 (3) The funds appropriated in section 114 for the reading plan for  
7 Michigan grants shall be allocated by the department on a competitive  
8 grant basis to districts, intermediate districts, or consortia of dis-  
9 tricts which meet the following criteria:

10 (a) The district must offer a summer reading program based upon the  
11 model reading program developed by the department pursuant to subsection  
12 (1) beginning after the close of the 1998-99 school year.

13 (b) The district must identify money from other sources available to  
14 the district which will be used to support at least 50% of the total  
15 costs of the summer reading program.

16 (c) Other criteria determined by the department.

17 (4) Applications for funding must be submitted to the department no  
18 later than December 31, 1998. The department shall notify recipients of  
19 the grants no later than March 30, 1999.

20 (5) Not later than the 2002-2003 school year, a pupil shall not be  
21 promoted to the next grade level at the end of the school year if the  
22 pupil has not met the standards for pupil promotion adopted by the local  
23 school district.