

**SENATE BILL NO. 910**

**EXECUTIVE BUDGET BILL**

February 24, 1998, Introduced by Senators DE GROW, SCHWARZ,  
STEIL, GOUGEON and MC MANUS 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, 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:**

1     Sec. 101. There is appropriated for the department of education for  
2 the fiscal year ending September 30, 1999, from the following funds:

3     **DEPARTMENT OF EDUCATION**

4     **APPROPRIATIONS SUMMARY:**

5	Full-time equated unclassified positions . . .	6.0
6	Full-time equated classified positions . . .	542.6
7	GROSS APPROPRIATION . . . . .	\$ 862,854,900

8

9     Interdepartmental grant revenues:

10    Total interdepartment grants and

1	intradepartmental transfers . . . . .	1,373,000
2	ADJUSTED GROSS APPROPRIATION . . . . .	\$ 861,481,900
3	Federal revenues:	
4	Total federal revenues . . . . .	797,027,200
5	Special revenue funds:	
6	Total local revenues . . . . .	6,119,600
7	Total private revenues . . . . .	842,700
8	Total other state restricted revenues . . . . .	13,251,200
9	State general fund/general purpose . . . . .	\$ 44,241,200
10	STATE BOARD OF EDUCATION/OFFICE	
11	OF THE SUPERINTENDENT	
12	Full-time equated unclassified positions . . . . .	6.0
13	Full-time equated classified positions . . . . .	17.0
14	State board of education, per diem . . . . .	\$ 19,400
15	Unclassified positions - 6.0 FTE positions . . . . .	490,800
16	Performance study/charter schools . . . . .	150,000
17	State board/superintendent operations--17.0	
18	FTE positions . . . . .	<u>2,647,500</u>
19	GROSS APPROPRIATION . . . . .	\$ 3,307,700
20	Appropriated from:	
21	Federal revenues:	
22	Federal revenues . . . . .	556,500
23	Special revenue funds:	
24	Private foundations . . . . .	8,000
25	State general fund/general purpose . . . . .	\$ 2,743,200
26	CENTRAL SUPPORT	
27	Full-time equated classified positions . . . . .	58.2
28	Central support--49.2 FTE positions . . . . .	\$ 4,811,800
29	Workers' compensation . . . . .	93,600
30	Education commission of the states . . . . .	87,400
31	Building occupancy charges - property management	
32	services . . . . .	1,212,300
33	Training and orientation workshops . . . . .	100,000
34	Administrative law operations--9.0 FTE positions . . . . .	801,200
35	State tenure commission, per diem . . . . .	<u>11,100</u>
36	GROSS APPROPRIATION . . . . .	\$ 7,117,400

1	Appropriated from:		
2	Federal revenues:		
3	Federal revenues . . . . .		3,350,600
4	Special revenue funds:		
5	Certification fees . . . . .		117,600
6	Driver fees . . . . .		15,300
7	Motorcycle license fees . . . . .		4,300
8	Private occupational school license fees . . . . .		4,900
9	Safety education fund . . . . .		1,100
10	School loan exception fees . . . . .		31,700
11	Teacher testing fees . . . . .		5,200
12	Training and orientation workshop fees . . . . .		100,000
13	State general fund/general purpose . . . . .	\$	3,486,700
14	SCHOOL SUPPORT SERVICES		
15	Full-time equated classified positions . . .	41.4	
16	School support operations--41.4 FTE positions . .	\$	<u>4,727,400</u>
17	GROSS APPROPRIATION . . . . .	\$	4,727,400
18	Appropriated from:		
19	Federal revenues:		
20	Federal revenues . . . . .		3,773,900
21	Special revenue funds:		
22	Commodity distribution fees . . . . .		40,700
23	Driver fees . . . . .		463,400
24	Motorcycle license fees . . . . .		134,700
25	Safety education fund . . . . .		113,600
26	State general fund/general purpose . . . . .	\$	201,100
27	TECHNOLOGY AND INFORMATION SERVICES		
28	Full-time equated classified positions . . .	36.9	
29	Technology and information operations--		
30	36.9 FTE positions . . . . .	\$	<u>5,947,700</u>
31	GROSS APPROPRIATION . . . . .	\$	5,947,700
32	Appropriated from:		
33	Interdepartmental grant revenues:		
34	IDG from consumer and industry services . . . . .		404,600
35	IDG from Michigan jobs commission . . . . .		212,900
36	IDG from treasury . . . . .		150,000

1	Federal revenues:		
2	Federal revenues . . . . .		3,346,200
3	Special revenue funds:		
4	Certification fees . . . . .		247,600
5	Driver fees . . . . .		10,400
6	State general fund/general purpose . . . . .	\$	1,576,000
7	STANDARDS, ASSESSMENT AND ACCREDITATION SERVICES		
8	Full-time equated classified positions . . . . .	66.9	
9	Standards, assessment and accreditation		
10	operations - 66.9 FTE POSITIONS . . . . .	\$	5,984,200
11	Test development and administration . . . . .		<u>7,388,400</u>
12	GROSS APPROPRIATION . . . . .	\$	13,372,600
13	Appropriated from:		
14	Federal revenues:		
15	Federal revenues . . . . .		2,388,700
16	Special revenue funds:		
17	Private foundations . . . . .		14,400
18	State general fund/general purpose . . . . .	\$	10,969,500
19	SPECIAL EDUCATION SERVICES		
20	Full-time equated classified positions . . . . .	56.1	
21	Special education operations--56.1 FTE		
22	positions . . . . .	\$	<u>4,764,800</u>
23	GROSS APPROPRIATION . . . . .	\$	4,764,800
24	Appropriated from:		
25	Federal revenues:		
26	Federal revenues . . . . .		4,603,800
27	Special revenue funds:		
28	Certification fees . . . . .		19,000
29	State general fund/general purpose . . . . .	\$	142,000
30	LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE		
31	General services . . . . .	\$	<u>1,311,800</u>
32	GROSS APPROPRIATION . . . . .	\$	1,311,800
33	Appropriated from:		
34	Interdepartmental grant revenues:		
35	IDG from corrections. . . . .		605,500
36	Special revenue funds:		

1	Gifts, bequests, and donations . . . . .	10,000
2	Private rent . . . . .	605,500
3	State employee child care center . . . . .	90,800
4	State general fund/general purpose . . . . . \$	0
5	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	
6	Full-time equated classified positions . . . . .	120.3
7	Schools for the deaf and blind	
8	operations--117.0 FTE positions . . . . . \$	10,746,300
9	Summer institute . . . . .	312,100
10	Michigan deaf and blind center--2.3 FTE positions	301,400
11	Camp tuhsmeheta- 1.0 FTE position . . . . .	250,000
12	Private gifts-blind . . . . .	90,000
13	Private gifts-deaf . . . . .	<u>50,000</u>
14	GROSS APPROPRIATION . . . . . \$	11,749,800
15	Appropriated from:	
16	Federal revenues:	
17	Federal revenues . . . . .	1,286,200
18	Special revenue funds:	
19	Local cost sharing (schools for deaf and blind) .	6,019,100
20	Local school district service fees . . . . .	100,500
21	Gifts, bequests, and donations . . . . .	460,000
22	Student insurance revenue . . . . .	201,000
23	State general fund/general purpose . . . . . \$	3,683,000
24	CAREER DEVELOPMENT AND POSTSECONDARY	
25	COORDINATION SERVICES	
26	Full-time equated classified positions . . . . .	66.0
27	Career and technical education operations--	
28	34.5 FTE positions . . . . . \$	3,819,800
29	Post-secondary operations--31.5 FTE positions . .	<u>2,800,400</u>
30	GROSS APPROPRIATION . . . . . \$	6,620,200
31	Appropriated from:	
32	Federal revenues:	
33	Federal revenues . . . . .	4,980,600
34	Special revenue funds:	
35	Private occupational school license fees . . . . .	250,600
36	Certification fees . . . . .	63,700

1	State general fund/general purpose . . . . .	\$	1,325,300
2	PROFESSIONAL PREPARATION SERVICES		
3	Full-time equated classified positions . . . . .	26.5	
4	Professional preparation operations-26.5 FTE		
5	positions . . . . .	\$	2,498,100
6	Department of attorney general . . . . .		<u>40,000</u>
7	GROSS APPROPRIATION . . . . .	\$	2,538,100
8	Appropriated from:		
9	Federal revenues:		
10	Federal revenues . . . . .		214,100
11	Special revenue funds:		
12	Certification fees . . . . .		2,071,500
13	Teacher testing fees . . . . .		252,500
14	State general fund/general purpose . . . . .	\$	0
15	FIELD SERVICES		
16	Full-time equated classified positions . . . . .	41.0	
17	Field services operations--41.0 FTE positions .	\$	<u>3,545,600</u>
18	GROSS APPROPRIATION . . . . .	\$	3,545,600
19	Appropriated from:		
20	Federal revenues:		
21	Federal revenues . . . . .		3,136,400
22	State general fund/general purpose . . . . .	\$	409,200
23	INNOVATION AND COMMUNITY SERVICES		
24	Full-time equated classified positions . . . . .	12.3	
25	Innovation and community service operations--		
26	12.3 FTE positions . . . . .	\$	<u>1,023,100</u>
27	GROSS APPROPRIATION . . . . .	\$	1,023,100
28	Appropriated from:		
29	Federal revenues:		
30	Federal revenues . . . . .		448,900
31	State general fund/general purpose . . . . .	\$	574,200
32	GRANTS AND DISTRIBUTIONS		
33	FEDERAL PROGRAMS:		
34	Adult basic education . . . . .	\$	8,024,100
35	Acquired immunodeficiency syndrome education		
36	grants . . . . .		600,000

1	Competitive child care and development . . . . .	480,000
2	Drug free schools grant . . . . .	16,600,000
3	Eisenhower mathematics and science grants . . . . .	12,940,000
4	Emergency immigrants . . . . .	750,000
5	Goals 2000 grants . . . . .	17,082,200
6	Handicapped infants and toddlers . . . . .	16,000,000
7	Homeless children and youth . . . . .	833,000
8	Job training partnership act . . . . .	7,952,700
9	Michigan charter school subgrant program . . . . .	3,483,600
10	Migrant even start . . . . .	282,300
11	Preschool grants (PL 94-142) . . . . .	12,400,000
12	School age child care grants . . . . .	288,000
13	School lunch program-federal share . . . . .	226,000,000
14	School to work . . . . .	1,800,000
15	Serve America grants . . . . .	840,000
16	Special education . . . . .	17,189,800
17	State literacy resource center . . . . .	263,600
18	Statewide systemic initiative grant . . . . .	200,000
19	Surplus commodity . . . . .	2,506,000
20	Technology literacy challenge grant . . . . .	17,784,300
21	Title I, disadvantaged children . . . . .	331,000,000
22	Title I, even start . . . . .	4,400,000
23	Title I, migrant . . . . .	12,000,000
24	Title VI, innovative strategies . . . . .	13,480,900
25	Training personnel for education of the	
26	handicapped . . . . .	253,600
27	Vocational education act of 1963 . . . . .	38,507,200
28	STATE PROGRAMS:	
29	Christa McAuliffe grants . . . . .	94,800
30	Driver education . . . . .	7,600,000
31	Michigan geographic alliance . . . . .	300,000
32	Motorcycle safety education . . . . .	867,300
33	National board certification . . . . .	20,000
34	Off-road vehicle safety training grant . . . . .	194,300
35	Reading plan for Michigan grants . . . . .	5,000,000
36	School readiness grants . . . . .	12,083,000

1	School lunch and breakfast . . . . .	<u>6,728,000</u>
2	GROSS APPROPRIATION . . . . .	\$ 796,828,700
3	Appropriated from:	
4	Federal revenues:	
5	DAG-FCS, national school lunch . . . . .	226,000,000
6	DAG-emergency food assistance program . . . . .	2,506,000
7	DED-grants and contracts service, school to work . . . . .	1,800,000
8	DED-OBEMLA, emergency immigrant education	
9	assistance. . . . .	750,000
10	DED-OESE, charter schools . . . . .	3,483,600
11	DED-OESE, drug free schools and communities . . . . .	16,600,000
12	DED-OESE, goals 2000 . . . . .	22,082,200
13	DED-OESE, Eisenhower mathematics and science	
14	administration . . . . .	12,940,000
15	DED-OESE, migrant even start . . . . .	282,300
16	DED-OESE, technology literacy challenge fund . . . . .	17,784,300
17	DED-OESE, title I, disadvantaged children . . . . .	331,000,000
18	DED-OESE, title I, even start . . . . .	4,400,000
19	DED-OESE, title I, migrant education . . . . .	12,000,000
20	DED-OESE, title VI, innovative strategies . . . . .	13,480,900
21	DED-OSERS, handicapped infants and toddlers . . . . .	16,000,000
22	DED-OSERS, handicapped preschool incentive grants . . . . .	12,400,000
23	DED-OSERS, handicapped program (IDEA) . . . . .	17,189,800
24	DED-OSERS, personnel development . . . . .	253,600
25	DED-OVAE, adult education, state administered	
26	program . . . . .	8,024,100
27	DED-OVAE, basic grants to states . . . . .	38,507,200
28	DED-OVAE, homeless children and youth . . . . .	833,000
29	DED-OVAE, state literacy resource center . . . . .	263,600
30	DOL-ETA, employment and training . . . . .	7,952,700
31	HHS-ACF, at risk child care, child care	
32	development fund . . . . .	480,000
33	HHS-CDCP, AIDS education . . . . .	600,000
34	HHS-ACF, dependent care block grant, child	
35	care development fund . . . . .	288,000
36	National science foundation . . . . .	200,000

1	Corporation for national and community service . . .	840,000
2	Special revenue funds:	
3	Private foundations . . . . .	94,800
4	Driver fees . . . . .	7,600,000
5	Motorcycle license fees . . . . .	867,300
6	Safety education fund . . . . .	194,300
7	State general fund/general purpose . . . . .	19,131,000

8 **GENERAL SECTIONS**

9       Sec. 201. (1) Pursuant to section 30 of article IX of the state  
10 constitution of 1963, total state spending from state sources for fiscal  
11 year 1998-99 is estimated at \$57,492,400.00 in this bill and state  
12 spending from state sources paid to local units of government for fiscal  
13 year 1998-99 is estimated at \$27,492,600.00. The itemized statement  
14 below identifies appropriations from which spending to units of local  
15 government will occur:

16 DEPARTMENT OF EDUCATION

17 GRANTS AND DISTRIBUTIONS

18 STATE PROGRAMS:

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

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

31       Sec. 202. The expenditures and funding sources authorized under  
32 this bill are subject to the management and budget act, 1984 PA 431, MCL  
33 18.1101 to 18.1594.

34       Sec. 203. As used in this bill:

35       (a) "DAG" means the United States department of agriculture.

36       (b) "DAG-FCS" means the DAG food and consumer service.

- 1 (c) "DED" means the United States department of education.
- 2 (d) "DED-OBEMLA" means the DED office of bilingual education and  
3 minority languages affairs.
- 4 (e) "DED-OESE" means DED office of elementary and secondary  
5 education.
- 6 (f) "DED-OSERS" means the DED office of special education  
7 rehabilitative services.
- 8 (g) "DED-OVAE" means the DED office of vocational and adult  
9 education.
- 10 (h) "Department" means the Michigan department of education.
- 11 (i) "District" means a local school district as defined in section  
12 6 of the revised school code, 1976 PA 451, MCL 380.6.
- 13 (j) "DOL" means the United States department of labor.
- 14 (k) "DOL-ETA" means the DOL employment and training administration.
- 15 (l) "HHS" means the United States department of health and human  
16 services.
- 17 (m) "HHS-ACF" means the HHS administration for children and  
18 families.
- 19 (n) "HHS-CDCP" means the HHS center for disease control and  
20 prevention.
- 21 (o) "HHS-OHDS" means the HHS office of human development services.  
22

23 Sec. 204. (1) Beginning October 1, 1998, there is a hiring freeze  
24 imposed on the state classified civil service. State departments and  
25 agencies are prohibited from hiring any new full-time state classified  
26 civil service employees or prohibited from filling any vacant state  
27 classified civil service positions. This hiring freeze does not apply  
28 to internal transfers of classified employees from 1 position to another  
29 within a department or to positions that are 80% or more federal or  
30 restricted funds.

31 (2) The state budget director shall grant exceptions to this hiring  
32 freeze when the state budget director believes that the hiring freeze  
33 will result in rendering a state department or agency being unable to  
34 deliver basic services. The state budget director shall report by the  
35 fifteenth of each month to the chairpersons of the senate and house  
36 appropriations committees the number of exclusions to the hiring freeze

1 approved during the previous month and the justification for the  
2 exclusion.

3 Sec. 205. (1) In addition to the funds appropriated in section 101,  
4 there is appropriated an amount not to exceed \$30,000,000.00 for federal  
5 contingency funds. These funds are not available for expenditure until  
6 they have been transferred to another line item in this bill under  
7 section 393(2) of the management and budget act, 1984 PA 431, MCL  
8 18.1393.

9 (2) In addition to the funds appropriated in section 101, there is  
10 appropriated an amount not to exceed \$700,000.00 for state restricted  
11 contingency funds. These funds are not available for expenditure until  
12 they have been transferred to another line item in this bill under  
13 section 393(2) of the management and budget act, 1984 PA 431, MCL  
14 18.1393.

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

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

25 Sec. 206. The department of civil service shall bill departments  
26 and/or agencies at the end of the first fiscal quarter for the 1%  
27 charges authorized by section 5 of article XI of the state constitution  
28 of 1963. Payments shall be made for the total amount of the billing by  
29 the end of the second fiscal quarter.

30 Sec. 207. The department may carry into the succeeding fiscal year  
31 unexpended federal pass-through funds to local institutions and  
32 governments that do not require additional state matching funds.  
33 Federal pass-through funds to local institutions and governments that  
34 are received in amounts in addition to those included in section 101 and  
35 that do not require additional state matching funds are appropriated for  
36 the purposes intended.

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

6       Sec. 209. (1) The department shall submit to the department of  
7 management and budget, the house and senate appropriations committees,  
8 the house and senate fiscal agencies, and the house and senate standing  
9 committees having jurisdiction over technology issues, periodic reports  
10 on the department's efforts to change the department's computer software  
11 and hardware as necessary to perform properly in the year 2000 and  
12 beyond. These reports shall identify actual progress in comparison to  
13 the department's approved work plan for these efforts.

14       (2) The department may present progress billings to the department  
15 of management and budget for the costs incurred in changing computer  
16 software and hardware as necessary to perform properly in the year 2000  
17 and beyond. At the time progress billings are presented for  
18 reimbursement, the department shall identify and forward as appropriate  
19 the funding sources that should support the work performed.

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

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

23       Sec. 301. (1) The appropriations in section 101 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;  
26 for attending a hearing as authorized by the respective board,  
27 committee, or commission; or for performing official business as  
28 authorized by the respective board, committee, or commission. The per  
29 diem payments shall be at a rate as follows:

- 30       (a) State board of education - president . . . \$ 110.00 per day
- 31       (b) State board of education - member other than
- 32       president . . . . . \$ 100.00 per day
- 33       (c) State tenure commission-member . . . . . \$ 50.00 per day

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

36       (3) The administrative secretary of the state board of education

1 shall report to the public, the senate and house fiscal agencies, and  
2 the state budget director the previous month's expenses by fund source  
3 for members of the state board of education related to the performance  
4 of their responsibilities.

5 Sec. 302. (1) From the amount appropriated in section 101 to the  
6 state board of education, not more than \$27,500.00 shall be expended for  
7 travel.

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

10 Sec. 303. (1) From the amount appropriated in section 101 for state  
11 board/superintendent operations, there is allocated \$500,000.00 and 5.0  
12 FTE positions to establish and operate a charter school office to  
13 administer charter school legislation and associated regulations, and to  
14 coordinate the activities of the department relating to charter schools.

15 (2) From the amount appropriated in section 101, there is allocated  
16 up to \$150,000.00 to continue performance studies of charter schools.

17 (3) From the amount appropriated in section 101 for state  
18 board/superintendent operations, there is allocated up to \$250,000.00 to  
19 fund an exchange program between teachers in Michigan school districts  
20 and public school academies and teachers in Michigan's sister state of  
21 Shiga in Japan.

## 22 **TECHNOLOGY AND INFORMATION SERVICES**

23 Sec. 401. Included in the appropriation for technology and  
24 information services in section 101 is \$50,000.00 to publish and  
25 distribute the Michigan school report.

## 26 **STANDARDS, ASSESSMENT AND ACCREDITATION SERVICES**

27 Sec. 501. (1) From the general fund allocations in section 101, the  
28 department may provide tests to nonpublic schools. The department shall  
29 notify nonpublic schools that they are eligible to receive the tests  
30 without cost to them.

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

34 (3) From the amount appropriated in section 101 for test development  
35 and administration, \$200,000.00 shall be expended to expedite the  
36 reporting of high school proficiency test results and to improve the

1 method of reporting the results to enable pupils to accurately interpret  
2 the information.

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

4 Sec. 601. The employees at the Michigan schools for the deaf and  
5 blind who work on a school year basis shall be considered annual  
6 employees for purposes of service credits, retirement, and insurance  
7 benefits.

8 Sec. 602. For each student enrolled at the Michigan schools for the  
9 deaf and blind, the department shall assess the intermediate school  
10 district of residence 100% of the cost of operating the student's  
11 instructional program. The amount shall exclude room and board related  
12 costs and the cost of weekend transportation between the school and the  
13 student's home.

14 Sec. 603. (1) The department may assess rent to the department of  
15 corrections for Michigan school for the blind's former site space  
16 occupied by the corrections staff training academy. The rental rates  
17 and all leasing arrangements shall be subject to the approval of the  
18 department of management and budget. Amounts received under section 101  
19 for the corrections academy lease program may be expended by the  
20 department for operation, maintenance, and renovation expenses  
21 associated with the lease space.

22 (2) In addition, the department may receive and expend funds in  
23 addition to those authorized in section 101 for the rental of facilities  
24 at the Michigan school for the blind's former site to private or  
25 publicly funded organizations.

26 (3) Security guards or other patrols at the Michigan school for the  
27 blind's former site shall not be funded through section 101 funds  
28 appropriated for the Michigan schools for the deaf and blind.

29 Sec. 604. The department shall assess rent to the state employee  
30 child care center for the rental of space it occupies at the Michigan  
31 school for the blind's former site. The rental rates and all leasing  
32 arrangements shall be subject to the approval of the department of  
33 management and budget. Amounts received under section 101 for the child  
34 care center may be expended by the department for the operation,  
35 maintenance, and renovation of the leased space.

36 Sec. 605. Proceeds from the sale of surplus property and facilities

1 at the Michigan schools for the deaf and blind are hereby appropriated  
2 for the purposes of repairs, renovations, and maintenance of the  
3 school's campus. Any unexpended and unencumbered funds remaining on  
4 September 30, 1999 from such proceeds shall be carried forward as a work  
5 project for the purposes of repairs, renovations, and maintenance of the  
6 school's campus. The work shall be carried out by state employees, or  
7 by contract as necessary, at an estimated cost of \$132,000.00. The  
8 estimated completion date of the work is September 30, 2000.

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

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

24 Sec. 608. The unexpended balances of appropriations and any surplus  
25 restricted revenue for the former school for the blind site in Lansing  
26 shall not lapse to the state general fund at the end of the fiscal year.  
27 Any unexpended and unencumbered funds remaining on September 30, 1999,  
28 shall be carried forward as a work project or as a restricted revenue  
29 carryforward and expended for special maintenance and repairs of  
30 facilities at the former Michigan school for the blind site in Lansing.  
31

32 Sec. 609. The Michigan schools for the deaf and blind may promote  
33 their residential program as a possible appropriate option for children  
34 who are deaf or hard of hearing or who are blind or visually impaired.  
35 The Michigan schools for the deaf and blind shall distribute information  
36 detailing its services to all intermediate school districts in the

1 state.

2 **PROFESSIONAL PREPARATION SERVICES**

3 Sec. 701. From the funds appropriated in section 101 for  
4 professional preparation operations, the department shall maintain the  
5 professional personnel register and certificate revocation/felony  
6 conviction files.

7 **GRANTS AND DISTRIBUTIONS**

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

20 Sec. 802. (1) The funds appropriated in section 101 for school  
21 breakfast programs shall be made available to all eligible applicant  
22 public school districts and public school academies as follows:

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

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

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

1 (d) The payment determined under subdivision (c) is prorated if the  
2 appropriation in section 101 is not sufficient to fund all payments  
3 determined under this section.

4 (2) Of the appropriation of federal funds in section 101 for the  
5 national school lunch program, expenditures shall not be made in fiscal  
6 year 1998-1999 for any programs other than those authorized by the  
7 department and funded from this line item in fiscal year 1997-1998.

8 Sec. 803. (1) The funds appropriated in section 101 for school  
9 readiness programs shall be made available through a competitive  
10 application process as follows:

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

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

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

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

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

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

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

33 (iv) Evidence of collaboration with the community of providers in  
34 early childhood development programs including documentation of the  
35 total number of children in the community who would meet the criteria  
36 established in subparagraph (vi), and who are being served by other

1 providers, and the number of children who will remain unserved by other  
2 community early childhood programs if this program is funded.

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

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

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

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

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

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

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

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

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

34 (g) More than 50% of the children participating in the program shall  
35 meet the income eligibility criteria for free or reduced price lunch, as  
36 determined under the national school lunch act, chapter 281, 60 Stat.

1 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, and  
2 1769 to 1769h, or meet income and all other eligibility criteria for  
3 participation in the Michigan family independence agency unified child  
4 day care program.

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

9 (3) Except as otherwise provided, an applicant that received a grant  
10 under this section in the 1997-1998 fiscal year shall receive priority  
11 for funding in 1998-1999. However, continuation of funding is  
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 board  
15 of education, and with all operational, fiscal, administrative, and  
16 other program requirements. After 3 years of funding, a program that  
17 received a grant under this section may reapply for funding, but will  
18 compete for available funds with other new programs and other programs  
19 also completing their third year of funding under this section. A  
20 program which offers supplementary day care and thereby offers full-day  
21 programs as part of its early childhood development program shall  
22 receive priority in the allocation of these competitive funds.

23 Sec. 804. (1) The reading plan for Michigan (RPM) is a series of  
24 elementary education strategies created for the purpose of improving  
25 reading skills of K-3 students so that all students are reading at an  
26 appropriate grade level prior to the start of the fourth grade.

27 (2) In order to implement the reading plan for Michigan, the  
28 department shall do at least all of the following:

29 (a) Develop a model summer reading program for students who will be  
30 attending grades 1 through 4 in the following school year and who have  
31 demonstrated the need for additional reading skills training, as  
32 evidenced by standardized test results on tests approved by the  
33 department for this purpose. The model reading program shall be in  
34 conformance with the national education goals and shall also meet  
35 criteria for DED-OESE, Title I program funding.

36 (b) Recommend diagnostic tools and student assessments to local

1 districts to determine reading readiness and ensure progress in reading  
2 skills.

3 (c) Develop and disseminate reading readiness kits to parents of  
4 students in preschool and kindergarten to provide parents with  
5 information about how they can prepare their children for reading  
6 success.

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

10 (3) The funds appropriated in section 101 for the reading plan for  
11 Michigan grants shall be allocated by the department on a competitive  
12 grant basis to districts or consortia of districts which meet the  
13 following criteria:

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

17 (b) The district must identify monies from other sources available  
18 to the district which will be used to support at least 50% of the total  
19 costs of the summer reading program.

20 (c) Other criteria determined by the department.

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

24 (5) Beginning in the 2001-2002 school year, no student shall be  
25 advanced from the third grade to the fourth grade without having  
26 achieved a score on a standardized test approved by the department which  
27 indicates that student is reading at the third grade level, unless  
28 otherwise indicated by a student individualized education plan.

final page