

Act No. 89
Public Acts of 1997
Approved by the Governor
July 31, 1997
Filed with the Secretary of State
August 1, 1997
EFFECTIVE DATE: August 1, 1997

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997

Introduced by Reps. Oxender, Jellema, Gilmer, Bankes, Godchaux, Johnson and Bobier

ENROLLED HOUSE BILL No. 4308

AN ACT to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 1998; 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:

Sec. 101. There is appropriated for the department of education for the fiscal year ending September 30, 1998, from the following funds:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	624.6	
GROSS APPROPRIATION.....	\$	836,215,400
Interdepartmental grant revenues:		
Interdepartmental grant from consumer and industry services		404,600
Interdepartmental grant from corrections academy lease		600,000
Interdepartmental grant from Michigan jobs commission.....		212,900
Interdepartmental grant from family independence agency		94,000
Interdepartmental grant from treasury		150,000
Total interdepartmental grants and intradepartmental transfers		1,461,500
ADJUSTED GROSS APPROPRIATION.....	\$	834,753,900

For Fiscal Year
Ending Sept. 30,
1998

Federal revenues:	
Total federal revenues	\$ 770,481,500
Special revenue funds:	
Local cost sharing (schools for blind/deaf)	5,988,200
Local school district service fees	100,000
Gifts, bequests, and donations	470,000
Private foundations	117,200
Student insurance revenue	200,000
Total local and private revenues	6,875,400
Certification fees	2,609,400
Commodity distribution fees	40,100
Driver fees	8,083,000
Lansing, Michigan school for the blind rent	600,000
Motorcycle license fees	1,004,500
Safety education fund	307,300
Private occupational school license fees	255,100
School loan exception fees	31,700
State employee child care center	90,000
Teacher testing fees	257,800
Training and orientation workshop fees	100,000
Total other state restricted revenues	13,378,900
State general fund/general purpose	\$ 44,018,100

STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	20.0	
State board of education, per diem payments		\$ 19,400
Unclassified positions—6.0 FTE positions		476,500
Performance study/charter schools		150,000
State board/superintendent operations—20.0 FTE positions		2,416,600
GROSS APPROPRIATION		\$ 3,062,500
Appropriated from:		
Federal revenues:		
Federal revenues		627,600
State general fund/general purpose		\$ 2,434,900

CENTRAL SUPPORT

Full-time equated classified positions	54.0	
Central support—54.0 FTE positions		\$ 3,617,700
Worker's compensation		133,100
Education commission of the states		87,400
Building occupancy charges - property management services		1,263,500
Training and orientation workshops		100,000
GROSS APPROPRIATION		\$ 5,201,700
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
Federal revenues		1,714,400
Special revenue funds:		
Certification fees		122,800
Driver fees		15,900
Motorcycle license fees		4,500
Private occupational school license fees		5,100
Safety education fund		1,100
School loan exception fees		31,700
Teacher testing fees		5,500
Training and orientation workshop fees		100,000
State general fund/general purpose		\$ 3,200,700

For Fiscal Year
Ending Sept. 30,
1998

SCHOOL SUPPORT SERVICES

Full-time equated classified positions	100.2		
School support operations—100.2 FTE positions		\$	8,822,100
GROSS APPROPRIATION		\$	8,822,100
Appropriated from:			
Federal revenues:			
Federal revenues			7,354,500
Special revenue funds:			
Commodity distribution fees			40,100
Driver fees			456,700
Motorcycle license fees			132,700
Safety education fund			111,900
State general fund/general purpose		\$	726,200

TECHNOLOGY AND INFORMATION SERVICES

Full-time equated classified positions	60.4		
Technology and information operations—60.4 FTE positions		\$	6,527,600
GROSS APPROPRIATION		\$	6,527,600
Appropriated from:			
Interdepartmental grant revenues:			
Interdepartmental grant from consumer and industry services			404,600
Interdepartmental grant from Michigan jobs commission			212,900
Interdepartmental grant from treasury			150,000
Federal revenues:			
Federal revenues			3,740,100
Special revenue funds:			
Certification fees			246,100
Driver fees			10,400
State general fund/general purpose		\$	1,763,500

SCHOOL PROGRAM QUALITY SERVICES

Full-time equated classified positions	85.1		
Comprehensive school health—6.6 FTE positions		\$	952,800
Early childhood education—16.7 FTE positions			1,769,200
Michigan educational assessment program—14.0 FTE positions			1,328,500
School program quality operations—47.8 FTE positions			5,330,800
Test development and administration			7,388,400
GROSS APPROPRIATION		\$	16,769,700
Appropriated from:			
Federal revenues:			
Federal revenues			5,323,100
Special revenue funds:			
Private foundations			22,400
State general fund/general purpose		\$	11,424,200

SPECIAL EDUCATION SERVICES

Full-time equated classified positions	48.1		
Special education operations—48.1 FTE positions		\$	4,142,900
GROSS APPROPRIATION		\$	4,142,900
Appropriated from:			
Federal revenues:			
Federal revenues			3,865,300
Special revenue funds:			
Certification fees			19,000
State general fund/general purpose		\$	258,600

LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE

General services		\$	1,300,000
GROSS APPROPRIATION		\$	1,300,000

For Fiscal Year
Ending Sept. 30,
1998

Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from corrections academy lease	\$ 600,000
Special revenue funds:	
Lansing, Michigan school for the blind rent	600,000
Gifts, bequests, and donations.....	10,000
State employee child care center.....	90,000
State general fund/general purpose	\$ 0
MICHIGAN SCHOOL FOR THE DEAF AND BLIND	
Full-time equated classified positions.....	145.3
School for the deaf/ blind operations—142.0 FTE positions.....	\$ 10,691,100
Summer institute.....	312,800
Michigan deaf/blind center—2.3 FTE positions	300,000
Camp tuhsmeheeta—1.0 FTE position.....	250,000
Private gifts - blind	90,000
Private gifts - deaf.....	50,000
GROSS APPROPRIATION.....	\$ 11,693,900
Appropriated from:	
Federal revenues:	
Federal revenues.....	1,279,700
Special revenue funds:	
Local cost sharing (schools for blind/deaf).....	5,988,200
Local school district service fees	100,000
Gifts, bequests, and donations.....	460,000
Student insurance revenue	200,000
State general fund/general purpose	\$ 3,666,000
CAREER DEVELOPMENT & POSTSECONDARY COORDINATION SERVICES	
Full-time equated classified positions.....	71.0
Career and technical education operations—36.0 FTE positions	\$ 2,848,200
Higher education management operations—25.0 FTE positions.....	2,518,200
Office of minority equity—10.0 FTE positions	680,200
GROSS APPROPRIATION.....	\$ 6,046,600
Appropriated from:	
Federal revenues:	
Federal revenues.....	4,122,700
Special revenue funds:	
Certification fees.....	106,500
Private occupational school license fees	250,000
State general fund/general purpose	\$ 1,567,400
TEACHER PREPARATION/CERTIFICATION AND TENURE SERVICES	
Full-time equated classified positions.....	40.5
Teacher preparation and certification operations—31.5 FTE positions.....	\$ 2,495,700
Tenure services operations—9.0 FTE positions	834,600
State tenure commission, per diem	11,100
Department of attorney general.....	40,000
GROSS APPROPRIATION.....	\$ 3,381,400
Appropriated from:	
Federal revenues:	
Federal revenues.....	213,900
Special revenue funds:	
Certification fees.....	2,115,000
Teacher testing fees	252,300
State general fund/general purpose	\$ 800,200

GRANTS AND DISTRIBUTIONS

FEDERAL PROGRAMS:

Adult basic education.....	\$	8,024,100
Acquired immunodeficiency syndrome education grants.....		600,000
Competitive child care and development		480,000
Curriculum framework grants		100,000
Drug free schools grant.....		16,600,000
Eisenhower mathematics and science grants.....		12,940,000
Emergency immigrant		750,000
Goals 2,000 grants.....		19,720,000
Handicapped infants and toddlers		16,000,000
Homeless children and youth		833,000
Job training partnership act		7,952,700
Michigan charter school subgrant.....		348,600
Migrant even start		282,300
Pre-school grants (PL 94-142).....		12,400,000
School-age child care grants (87,900 GF/GP)		288,000
School lunch program - federal share		220,000,000
School-to-work.....		1,800,000
Serve America grants.....		840,000
Special education		10,189,800
State literacy resource center		263,600
Statewide systemic initiative grant		1,900,000
Surplus commodity.....		2,506,000
Technology literacy challenge grant		8,190,400
Title I, disadvantaged children		331,000,000
Title I, even start		3,990,000
Title I, migrant.....		12,000,000
Title VI, innovative strategies		13,480,900
Training personnel for education of the handicapped.....		253,600
Vocational education act of 1963.....		38,507,200

STATE PROGRAMS:

Communities first pilot projects	\$	95,000
Christa McAuliffe grants.....		94,800
Driver education		7,600,000
School readiness grants.....		12,083,000
Motorcycle safety education		867,300
National board certification		20,000
National geographic alliance.....		36,800
Off-road vehicle safety training grant		194,300
School lunch and breakfast		6,728,000
GROSS APPROPRIATION.....	\$	769,959,400

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from social services.....	94,000
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Federal revenues:

DAG, food and nutrition service, national school lunch.....	220,000,000
DAG, the emergency food assistance program.....	2,506,000
DED, grants and contracts service, school-to-work.....	1,800,000
DED-OBEMLA, emergency immigrant education assistance	750,000
DED-OERI, innovation in education	100,000
DED-OESE, charter schools	348,600
DED-OESE, drug-free schools and communities.....	16,600,000
DED-OESE, goals 2,000.....	19,720,000
DED-OESE, Eisenhower mathematics and science administration	12,940,000
DED-OESE, migrant even start	282,300
DED-OESE, technology literacy challenge fund.....	8,190,400

		For Fiscal Year Ending Sept. 30, 1998
DED-OESE, title I, disadvantaged children	\$	331,000,000
DED-OESE, title I, even start		3,990,000
DED-OESE, title I, migrant education.....		12,000,000
DED-OESE, title VI, innovative strategies.....		13,480,900
DED-OSERS, handicapped infants and toddlers		16,000,000
DED-OSERS, handicapped preschool incentive grants.....		12,400,000
DED-OSERS, handicapped program, individuals with disabilities act		10,189,800
DED-OSERS, personnel development		253,600
DED-OVAE, adult education, state administered program.....		8,024,100
DED-OVAE, basic grants to states.....		38,507,200
DED-OVAE, homeless children and youth		833,000
DED-OVAE, state literacy resource center.....		263,600
DOL, job training partnership act.....		7,952,700
HHS, administration of child and family, at-risk child care		480,000
HHS, center for disease control, acquired immunodeficiency syndrome education.....		600,000
HHS-OHDS, dependent care block grant		288,000
National science foundation		1,900,000
Corporation for national and community service		840,000
Special revenue funds:		
Driver fees		7,600,000
Motorcycle license fees		867,300
Private foundations		94,800
Safety education fund		194,300
State general fund/general purpose	\$	18,868,800
EARLY RETIREMENT SAVINGS		
Early retirement compensation savings.....	\$	(692,400)
GROSS APPROPRIATION.....	\$	(692,400)
Appropriated from:		
State general fund/general purpose	\$	(692,400)

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 resources in this appropriation act is \$57,397,000.00, and state appropriations to be paid to local units of government in section 101 are as follows:

		For Fiscal Year Ending Sept. 30, 1998
DEPARTMENT OF EDUCATION		
School lunch and breakfast	\$	6,728,000
Motorcycle safety.....		867,300
Driver education		7,600,000
Total	\$	15,195,300

(2) If it appears to the principal executive officers of each department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations subcommittees responsible for the department's budget, and the senate and house fiscal agencies.

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DED" means the United States department of education.
- (c) "Department" means the Michigan department of education.
- (d) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6.
- (e) "DOL" means the United States department of labor.
- (f) "HHS" means the United States department of health and human services.
- (g) "OBEMLA" means office of bilingual education and minority languages affairs.
- (h) "OERI" means office of educational research and improvement.
- (i) "OESE" means office of elementary and secondary education.
- (j) "OHDS" means office of human development services.
- (k) "OPSE" means office of postsecondary education.
- (l) "OSERS" means the office of special education rehabilitation service.
- (m) "OVAE" means office of vocational and adult education.

Sec. 204. (1) Beginning October 1, 1997, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 205. (1) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$7,171,600.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

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

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

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

Sec. 209. The negative appropriation in section 101 for early retirement compensation savings represents savings from the state's 1997 early retirement program. Not later than October 15, 1997, the department and the state budget director shall request legislative transfers under section 393(2) of the management and budget act, 1984 PA 431,

MCL 18.1393, to apply the retirement costs and salary and fringe benefits savings to the appropriated line items affected by the early retirement of state employees.

Sec. 210. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees with jurisdiction over technology issues periodic reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

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

Sec. 211. Money appropriated in section 101 shall not be used for the purchase of foreign goods or services when competitively priced and of comparable quality American goods or services are available. By May 1, 1998, the department shall submit a report to the department of management and budget, the speaker and minority leader of the house of representatives, the majority and minority leader of the senate, and the chairpersons of the house and senate appropriations committees on efforts to comply with this section.

Sec. 212. (1) The superintendent shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies or both for the department.

(2) The superintendent shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies or both.

Sec. 213. Of the amounts appropriated in section 101 for higher education management operations, \$250,000.00 of private occupational school license fees shall fund 3.0 FTE positions and related administrative costs of the proprietary schools oversight unit within the department.

Sec. 214. The department shall not lease real property for less than fair market value.

Sec. 215. If the department leases real property to a person or organization that is not a department of state government, the department shall not expend funds in excess of the lease revenue received to replace, renovate, or repair that real property. This section shall not apply to emergency repairs or costs associated with technological renovations.

STATE BOARD/OFFICE OF THE SUPERINTENDENT

Sec. 301. (1) The appropriations in section 101 may be used for per diem payments to members of boards, committees, and commissions for each day's board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. The per diem payments shall be at a rate as follows:

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

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

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

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

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

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

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

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

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

(5) A public school academy found to have misrepresented its enrollment membership may utilize the same appeal process as a school district.

Sec. 304. (1) If a person employed by this state as superintendent of public instruction is removed from that position, the state board of education, or another state agency, shall not enter into a settlement agreement concerning his or her removal unless the agreement is in settlement of a lawsuit filed against this state.

(2) The state board of education shall not grant administrative leave for more than a total of 6 months to a person employed, or previously employed, as state superintendent of public instruction.

(3) The state board of education shall not offer a contract for a person to be employed by this state as superintendent of public instruction, or extend the contract of a superintendent of public instruction, within 6 months before a general election at which state board members are elected or within 2 months after a general election at which state board members are elected. The state board shall not offer a contract for employment of a superintendent of public instruction in excess of 3 years and shall not extend a contract in increments of more than 1 year. This subsection does not prohibit the state board from employing an interim superintendent of public instruction at any time there is a vacancy.

TECHNOLOGY AND INFORMATION SERVICES

Sec. 501. Included in the appropriation for technology and information services in section 101 is \$50,000.00 to publish and distribute the Michigan school report.

SCHOOL PROGRAM QUALITY SERVICES

Sec. 601. (1) From the general fund allocations in section 101, the department may provide tests to nonpublic schools. The department shall notify nonpublic schools that they are eligible to receive the tests without cost to them.

(2) The department shall release test results at the same time to all private schools and public school districts taking the tests at the same time.

(3) From the amount appropriated in section 101 for test development and administration, \$200,000.00 shall be expended to expedite the reporting of high school proficiency test results and to improve the method of reporting the results to enable pupils to accurately interpret the information.

Sec. 603. If there is appropriated for fiscal year 1997-98 not more than \$2,000,000.00 from the general fund/general purpose revenues from the state school aid fund to develop early childhood education programs for children ages 0 to 3, the department shall administer the grant program in accordance with the criteria stated for the early childhood education program in the state school aid act.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 701. The employees at the Michigan schools for the deaf and blind who work on a school year basis shall be considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 702. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 703. (1) The department may assess rent to the department of corrections for Michigan school for the blind's former site space occupied by the corrections staff training academy. The rental rates and all leasing arrangements shall be subject to the approval of the department of management and budget. Amounts received under section 101 for the corrections academy lease program may be expended by the department for operation, maintenance, and renovation expenses associated with the lease space.

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

(3) The department shall not rent, lease, or declare as surplus property the superintendent's house on the Michigan school for the blind's former site without prior consent from the house and senate appropriations subcommittees on education. Amounts received under section 101 for general services may be expended by the department for operation, maintenance, and renovation expenses associated with the superintendent's house.

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

Sec. 704. The department shall assess rent to the state employee child care center for the rental of space it occupies at the Michigan school for the blind's former site. The rental rates and all leasing arrangements shall be subject to the approval of the department of management and budget. Amounts received under section 101 for the child care center may be expended by the department for the operation, maintenance, and renovation of the leased space.

Sec. 705. Proceeds from the sale of surplus property and facilities at the Michigan school for the deaf are hereby appropriated for the purposes of repairs, renovations, and maintenance of the school's campus. Any unexpended and unencumbered funds remaining on September 30, 1998 from such proceeds shall be carried forward as a work project for the purposes of repairs, renovations, and maintenance of the school's campus. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$132,000.00. The estimated completion date of the work is September 30, 1999.

Sec. 706. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Sec. 707. The unexpended balances of appropriations for the school for the deaf/blind operations shall not lapse to the state general fund at the end of the fiscal year. Any unexpended and unencumbered funds remaining on September 30, 1998, shall be carried forward as a work project and expended for special maintenance and repairs of facilities at the Michigan school for the deaf and blind. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$100,000.00. The estimated completion date of the work is September 30, 1999.

Sec. 708. Of the amounts appropriated in section 101 for the school for the deaf/blind operations, up to \$424,000.00 of co-location savings shall be used to meet the department's repair, renovation, and special maintenance needs at the Michigan school for the deaf and blind in Flint. Residential facility improvements shall be given priority in the expenditure of these funds.

Sec. 709. The unexpended balances of appropriations for the former school for the blind site in Lansing shall not lapse to the state general fund at the end of the fiscal year. Any unexpended and unencumbered funds remaining on September 30, 1998, shall be carried forward as a work project and expended for special maintenance and repairs of facilities at the former Michigan school for the blind site in Lansing.

Sec. 710. (1) The Michigan school for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan school for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

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

Sec. 711. The department shall report to the house and senate appropriations subcommittees on education detailed information on the expenditures made from the amount authorized in section 101 for general services for the Michigan school for the blind's former site.

Sec. 712. From the amount of early retirement savings retained by the department resulting from the state's 1997 early retirement program, there is sufficient funding to replace all of the employees at the Michigan schools for the deaf and blind who retire under the state's 1997 early retirement program provided for in section 19f of the state employees' retirement act, 1943 PA 240, MCL 38.19f. The department shall ensure that all positions required to maintain a ratio of 1.0 full-time equated position to 5.5 students enrolled, which are vacated by employees at the Michigan schools for the deaf and blind who retire under the state's 1997 early retirement program, are filled. Replacement of employees at the Michigan schools for the deaf and blind who retired under the state's 1997 early retirement program shall not be counted against the department's 1:4 employee replacement ratio. Replacements of employees as cited in this section are exempt from the hiring freeze prescribed by section 204.

TEACHER PREPARATION AND CERTIFICATION SERVICES

Sec. 801. From the funds appropriated in section 101 for teacher preparation and certification services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

GRANTS AND DISTRIBUTIONS

Sec. 901. The department shall disburse the funds to a general fund grantee in accordance with the same standards of timing and amount that apply to disbursements made by the department to a federal fund grantee. The disbursement shall be restricted to the minimum amount needed for immediate disbursement by the grantee. The department may waive this section if extenuating circumstances warrant and are substantiated in the grantee's application or other appropriate documentation. A waiver granted pursuant to this section shall not be effective until 15 days after written notice of the proposed waiver is given to the chairpersons of the senate and house appropriations subcommittees having jurisdiction over the department budget.

Sec. 902. (1) The funds appropriated in section 101 for school breakfast programs shall be made available to all eligible applicant public school districts and public school academies as follows:

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

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

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

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

(2) Of the appropriation of federal funds in section 101 for the national school lunch program, expenditures shall not be made in FY 1997-1998 for any programs other than those authorized by the department and funded from this line item in FY 1996-1997.

Sec. 903. (1) The funds appropriated in section 101 for school readiness programs shall be made available through a competitive application process as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Grant awards by the state board of education may be at whatever level the board determines appropriate. A grant, when combined with other sources of state revenue for this program, shall not exceed \$3,100.00 per child or the cost of the program, whichever is less. However, in order to achieve the goals and objectives of the early childhood development programs, it is the intent of the legislature to fund these programs at the maximum optimum per pupil level.

(3) Except as otherwise provided, an applicant that received a grant under this section in the 1996-1997 fiscal year shall receive priority for funding in 1997-1998. However, continuation of funding is contingent on the availability of funds and documented evidence of grantee compliance with standards for early childhood development consistent with programs for 4-year-olds, as approved by the state board of education, and with all operational, fiscal, administrative, and other program requirements. After 3 years of funding, a program that received a grant under this section may reapply for funding, but will compete for available funds with other new programs and other programs also completing their third year of funding under this section. A program which offers supplementary day care and thereby offers full-day programs as part of its early childhood development program shall receive priority in the allocation of these competitive funds.

(4) A joint application process and form shall be developed by the family independence agency and the department for those participants who meet the eligibility criteria for the unified child day care program.

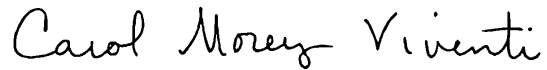
Sec. 904. The department of education shall distribute quarterly reports to the house and senate standing committees on education detailing expenditures, encumbrances, and remaining balances for goals 2000 and school-to-work grants appropriated for the fiscal year ending September 30, 1998.

Sec. 905. From the funds appropriated in section 101 for national board certification, the department shall pay one-half of the application fee for teachers who are deemed by the department by March 1, 1998 to be qualified to apply to the national board for professional teaching standards for professional teaching certificates or licenses and to provide grants to recognize and reward teachers who receive certification or licensure.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.