

Act No. 113
Public Acts of 1999
Approved by the Governor
July 8, 1999
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July 12, 1999
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STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999

Introduced by Reps. Jelinek, Godchaux, Pumford, Pappageorge, Mead, Toy, Kukuk, Caul, Jellema, Byl, Geiger, Stamas, Jansen and Scranton

ENROLLED HOUSE BILL No. 4301

AN ACT to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of education for the fiscal year ending September 30, 2000, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	542.6	
GROSS APPROPRIATION		\$ 1,001,506,100
Interdepartmental grant revenues:		
Interdepartmental grant from consumer and industry services	404,600	
Interdepartmental grant from corrections academy lease	478,000	
Interdepartmental grant from the department of career development	101,200	
Interdepartmental grant from treasury	100,900	
Total interdepartmental grants and intradepartmental transfers	1,084,700	
ADJUSTED GROSS APPROPRIATION		\$ 1,000,421,400
Federal revenues:		
Total federal revenues	928,508,200	
Special revenue funds:		
Local cost sharing (schools for blind/deaf)	6,141,700	
Local school district service fees	102,600	
Total local revenues	6,244,300	
Gifts, bequests, and donations	470,100	

		For Fiscal Year Ending Sept. 30, 2000
Private foundations	\$	117,200
Total private revenues.....		587,300
Total local and private revenues.....		6,831,600
Certification fees.....		3,092,000
Commodity distribution fees		45,800
Defaulted loan collection fees		100,000
Driver fees		8,098,800
Lansing, Michigan school for the blind rent		739,000
Michigan merit award trust fund.....		13,000,000
Motorcycle license fees		1,007,500
Private occupational school license fees		268,300
Safety education fund		311,700
School loan exception fees.....		32,900
Student insurance revenue		205,100
Teacher testing fees.....		263,500
Training and orientation workshop fees.....		100,000
Total other state restricted revenues		27,264,600
State general fund/general purpose	\$	37,817,000

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

Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	16.0	
State board of education, per diem payments.....		\$ 19,400
Unclassified positions—6.0 FTE positions.....		505,500
State board/superintendent operations—16.0 FTE positions		2,369,500
GROSS APPROPRIATION.....		\$ 2,894,400
Appropriated from:		
Federal revenues:		
Federal revenues		567,000
Special revenue funds:		
Private foundations		8,000
State general fund/general purpose	\$	2,319,400

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions.....	56.2	
Central support—47.2 FTE positions		\$ 5,369,500
Worker's compensation.....		76,500
Education commission of the states		92,700
Building occupancy charges - property management services		1,285,200
Training and orientation workshops		100,000
Administrative law operations—9.0 FTE positions		817,000
Terminal leave payments		500,000
State tenure commission, per diem		11,100
GROSS APPROPRIATION.....		\$ 8,252,000
Appropriated from:		
Interdepartmental grant from consumer and industry services		2,300
Interdepartmental grant from the department of career development.....		1,200
Interdepartmental grant from treasury.....		900
Federal revenues:		
Federal revenues		4,082,200
Special revenue funds:		
Certification fees.....		139,700
Commodity distribution fees		4,500
Driver fees		17,800
Local cost sharing.....		60,800
Motorcycle license fees		3,500
Private occupational school license fees		12,800
Safety education fund		2,100

		For Fiscal Year Ending Sept. 30, 2000
School loan exception fees.....	\$	32,900
Teacher testing fees.....		8,000
Training and orientation workshop fees.....		100,000
State general fund/general purpose	\$	3,783,300

Sec. 104. SCHOOL SUPPORT SERVICES

Full-time equated classified positions.....	41.4		
School support operations—41.4 FTE positions.....		\$	4,872,400
GROSS APPROPRIATION.....		\$	4,872,400
Appropriated from:			
Federal revenues:			
Federal revenues			3,892,000
Special revenue funds:			
Commodity distribution fees			41,300
Driver fees			470,400
Motorcycle license fees			136,700
Safety education fund			115,300
State general fund/general purpose		\$	216,700

Sec. 105. DATA AND TECHNOLOGY SERVICES

Full-time equated classified positions.....	37.2		
Data and technology operations—37.2 FTE positions.....		\$	6,421,700
GROSS APPROPRIATION.....		\$	6,421,700
Appropriated from:			
Interdepartmental grant revenues:			
Interdepartmental grant from consumer and industry services			402,300
Interdepartmental grant from the department of career development.....			100,000
Interdepartmental grant from treasury.....			100,000
Federal revenues:			
Federal revenues			3,198,000
Special revenue funds:			
Certification fees.....			250,900
Driver fees			10,600
State general fund/general purpose		\$	2,359,900

Sec. 106. STANDARDS, ASSESSMENT, AND ACCREDITATION SERVICES

Full-time equated classified positions.....	44.7		
Standards, assessment, and accreditation operations—44.7 FTE positions.....		\$	3,548,300
Study of teacher preparation.....			237,500
Test development and administration			13,000,000
GROSS APPROPRIATION.....		\$	16,785,800
Appropriated from:			
Federal revenues:			
Federal revenues			780,800
Special revenue funds:			
Michigan merit award trust fund.....			13,000,000
State general fund/general purpose		\$	3,005,000

Sec. 107. SPECIAL EDUCATION SERVICES

Full-time equated classified positions.....	55.6		
Special education operations—55.6 FTE positions.....		\$	6,313,800
GROSS APPROPRIATION.....		\$	6,313,800
Appropriated from:			
Federal revenues:			
Federal revenues			6,150,100
Special revenue funds:			
Certification fees.....			19,500
State general fund/general purpose		\$	144,200

Sec. 108. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE

General services.....	\$	1,227,000
GROSS APPROPRIATION.....	\$	1,227,000
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from corrections academy lease		478,000
Special revenue funds:		
Gifts, bequests, and donations.....		10,000
Lansing, Michigan school for the blind rent		739,000
State general fund/general purpose	\$	0

Sec. 109. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Full-time equated classified positions.....	120.3	
Michigan schools for the deaf and blind operations—117.0 FTE positions	\$	10,876,700
Technical resource and reproduction center.....		1,100,000
Summer institute.....		312,100
Michigan deaf/blind center—2.3 FTE positions.....		306,400
Camp Tuhsmeheeta—1.0 FTE position.....		250,100
Private gifts - blind		90,000
Private gifts - deaf.....		50,000
GROSS APPROPRIATION.....	\$	12,985,300
Appropriated from:		
Federal revenues:		
Federal revenues.....		2,420,800
Special revenue funds:		
Local cost sharing (schools for blind/deaf).....		6,080,900
Local school district service fees		102,600
Gifts, bequests, and donations.....		460,100
Student insurance revenue		205,100
State general fund/general purpose	\$	3,715,800

Sec. 110. CAREER, CURRICULUM, AND POSTSECONDARY SERVICES

Full-time equated classified positions.....	73.9	
Career, curriculum, and adult education operations—51.9 FTE positions	\$	6,327,800
Postsecondary operations—22.0 FTE positions.....		2,204,400
GROSS APPROPRIATION.....	\$	8,532,200
Appropriated from:		
Federal revenues:		
Federal revenues.....		5,999,900
Special revenue funds:		
Defaulted loan collection fees.....		100,000
Private foundations		14,400
Private occupational school license fees		255,500
State general fund/general purpose	\$	2,162,400

Sec. 111. PROFESSIONAL PREPARATION SERVICES

Full-time equated classified positions.....	26.5	
Professional preparation operations—26.5 FTE positions.....	\$	3,104,100
Teacher quality enhancement.....		2,500,000
Department of attorney general.....		50,000
GROSS APPROPRIATION.....	\$	5,654,100
Appropriated from:		
Federal revenues:		
Federal revenues.....		2,716,700
Special revenue funds:		
Certification fees.....		2,681,900
Teacher testing fees.....		255,500
State general fund/general purpose	\$	0

Sec. 112. FIELD SERVICES

Full-time equated classified positions.....	41.0		
Field services operations—41.0 FTE positions.....		\$	3,922,900
GROSS APPROPRIATION.....		\$	3,922,900
Appropriated from:			
Federal revenues:			
Federal revenues.....			3,511,500
State general fund/general purpose		\$	411,400

Sec. 113. INNOVATION AND COMMUNITY SERVICES

Full-time equated classified positions.....	29.8		
Innovation and community services operations—29.8 FTE positions.....		\$	3,310,000
Office for safe schools			200,000
GROSS APPROPRIATION.....		\$	3,510,000
Appropriated from:			
Federal revenues:			
Federal revenues.....			2,642,100
State general fund/general purpose		\$	867,900

Sec. 114. GRANTS AND DISTRIBUTIONS

FEDERAL PROGRAMS:

Adult basic education.....		\$	10,024,100
Acquired immunodeficiency syndrome education grants.....			600,000
Class size reduction grants			50,275,700
Competitive child care and development			500,000
Drug-free schools grant.....			16,758,400
Eisenhower mathematics and science grants.....			12,940,000
Emergency immigrant.....			1,455,000
Gear-up program grants.....			2,000,000
Goals 2000 grants.....			17,082,200
Handicapped infants and toddlers			16,000,000
Homeless children and youth			1,041,000
Job training partnership act			7,952,700
Michigan charter school subgrant program.....			5,000,000
Migrant technology			576,300
Preschool grants (PL 94-142)			13,500,000
School-age child care grants			301,500
School lunch program-federal share.....			237,300,000
School-to-work.....			1,800,000
Serve America grants.....			840,000
Special education			20,089,800
Statewide systemic initiative grant			50,000
Surplus commodity			2,506,000
Technology literacy challenge grants.....			17,784,300
Title I, comprehensive school reform.....			5,889,200
Title I, disadvantaged children			346,000,000
Title I, even start			5,300,000
Title I, migrant.....			12,000,000
Title VI, innovative strategies			13,480,900
Vocational education act of 1963.....			39,500,000

STATE PROGRAMS:

Christa McAuliffe grants.....		\$	94,800
Driver education			7,600,000
Motorcycle safety education			867,300
National board certification			20,000
Off-road vehicle safety training grant			194,300
Reading plan for Michigan grants			34,000,000
School lunch and breakfast programs			6,728,000

		For Fiscal Year Ending Sept. 30, 2000
School readiness grants	\$	12,083,000
GROSS APPROPRIATION	\$	920,134,500
Appropriated from:		
Federal revenues:		
DAG-food and nutrition service, national school lunch		237,300,000
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		1,455,000
DED-OESE, charter schools		5,000,000
DED-OESE, class size reduction		50,275,700
DED-OESE, drug-free schools and communities		16,758,400
DED-OESE, gear-up		2,000,000
DED-OESE, goals 2000		22,082,200
DED-OESE, Eisenhower mathematics and science administration		12,940,000
DED-OESE, migrant technology		576,300
DED-OESE, reading excellence act		29,000,000
DED-OESE, technology literacy challenge fund		17,784,300
DED-OESE, title I, comprehensive school reform		5,031,900
DED-OESE, title I, disadvantaged children		346,000,000
DED-OESE, title I, even start		5,300,000
DED-OESE, title I, migrant education		12,000,000
DED-OESE, title VI, innovative strategies		13,480,900
DED-OESE, title X, comprehensive school reform		857,300
DED-OSERS, handicapped infants and toddlers		16,000,000
DED-OSERS, handicapped preschool incentive grants		13,500,000
DED-OSERS, handicapped program, individuals with disabilities act		20,089,800
DED-OVAE, adult education, state administered program		10,024,100
DED-OVAE, basic grants to states		39,500,000
DED-OVAE, homeless children and youth		1,041,000
DOL, job training partnership act		7,952,700
HHS-ACF, at-risk child care		500,000
HHS-CDCP, AIDS education		600,000
HHS-ACF, dependent care block grant		301,500
National science foundation		50,000
Corporation for national and community service		840,000
Special revenue funds:		
Driver fees		7,600,000
Motorcycle license fees		867,300
Safety education fund		194,300
Private foundations		94,800
State general fund/general purpose	\$	18,831,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending under part 1 for fiscal year 1999-2000 is estimated at \$65,081,600.00 and state appropriations to be paid to local units of government are as follows:

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	6,728,000
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.

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) "DAG-FCS" means the DAG food and consumer service.
- (c) "DED" means the United States department of education.
- (d) "DED-OBEMLA" means the DED office of bilingual education and minority languages affairs.
- (e) "DED-OERI" means the DED office of educational research and improvement.
- (f) "DED-OESE" means the DED office of elementary and secondary education.
- (g) "DED-OPSE" means the DED office of postsecondary education.
- (h) "DED-OSERS" means the DED office of special education and rehabilitative services.
- (i) "DED-OVAE" means the DED office of vocational and adult education.
- (j) "Department" means the Michigan department of education.
- (k) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6.
- (l) "DOL" means the United States department of labor.
- (m) "DOL-ETA" means the DOL employment and training act.
- (n) "HHS" means the United States department of health and human services.
- (o) "HHS-ACF" means the HHS administration for children and families.
- (p) "HHS-CDCP" means the HHS center for disease control and prevention.
- (q) "HHS-OHDS" means the HHS office of human development services.
- (r) "RPM" means reading plan for Michigan.

Sec. 204. (1) Beginning October 1, 1999, 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 state budget director 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 state budget director 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 part 1, there is appropriated an amount not to exceed \$20,000,000.00 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 part 1, 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 part 1, 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 part 1, there is appropriated an amount not to exceed \$3,000,000.00 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. The department of civil service shall bill each department and agency at the end of the first fiscal quarter the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billings 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 part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

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

Sec. 209. (1) 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 having jurisdiction over technology issues quarterly 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) Beginning with the report on April 1, 2000, the department shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues quarterly reports identifying for the immediately preceding quarter significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of significant impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) 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 and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the department shall identify the funding sources that should support the work performed and the department of management and budget shall forward the appropriated funding.

Sec. 210. Money appropriated in part 1 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, 2000, the department shall submit a report to the state budget director, the speaker and minority leader of the house of representatives, the majority and minority leaders of the senate, and the chairpersons of the house and senate appropriations committees on efforts to comply with this section.

Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 212. Of the amounts appropriated in part 1 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. 213. Money in the school loan exception fee fund that is unexpended at the end of the fiscal year shall not revert to the general fund but shall be carried over to the succeeding fiscal year.

Sec. 214. (1) The department of management and budget and each principal executive department and agency shall provide to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies a monthly report on all personal service contracts awarded without competitive bidding, pricing, or rate-setting. The notification shall include all of the following:

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

(2) For personal service contracts of \$100,000.00 or more, the department of management and budget shall provide a monthly report including all of the following:

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

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

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

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

Sec. 216. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 217. (1) From the amount appropriated in part 1 for the office for safe schools, \$200,000.00 shall fund 2.0 FTEs and the department shall establish an office for safe schools within the department. The office for safe schools shall work with local school boards, law enforcement agencies, community leaders, and the office of drug control policy for the prevention of school violence. The office for safe schools shall develop and implement, and serve as coordinator of, a statewide clearinghouse for information, program development, model programs and policies, and technical assistance on school violence prevention.

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

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

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

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

Sec. 218. (1) In the expenditure of funds appropriated under this act, the department shall take all reasonable steps to ensure that businesses in deprived and depressed communities are given the opportunity to compete for and perform contracts to provide services or supplies, or both, for the department.

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

Sec. 219. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The first report shall be due on March 1, 2000 and biennially thereafter beginning on May 1, 2001 and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the senate and house fiscal agencies, and the director.

Sec. 220. The department shall implement a pilot program that places reports required by this act on the Internet, with electronic notification to legislative offices of Internet access to the reports. During fiscal year 2000, the department shall continue to distribute all of these reports to the legislature in the current printed format.

Sec. 222. The department shall require all public school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the local school board against the teacher or

employee for sexual misconduct. The records shall not be destroyed or removed from the teacher's or employee's personnel file except as required by a court order.

Sec. 223. For fiscal year 1999-2000, the department shall contract with and provide administration for the same local sponsors that participated in the emergency food assistance program under an agreement that was agreed to by the department for fiscal year 1998-99, unless the local sponsor elects not to participate in the program.

STATE BOARD/OFFICE OF THE SUPERINTENDENT

Sec. 301. (1) The appropriations in part 1 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 state budget director the previous quarter's expenses by fund source for members of the state board of education related to the performance of their responsibilities.

Sec. 302. (1) From the amount appropriated in part 1 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 part 1 for innovation and community services, there is allocated \$500,000.00 and 5.0 FTE positions to operate a charter school office to administer charter school legislation and associated regulations, and to coordinate the activities of the department relating to charter schools.

(2) From the amount appropriated in part 1 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.

(3) 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.

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

TECHNOLOGY AND INFORMATION SERVICES

Sec. 401. Included in the appropriation for technology and information services in part 1 is \$50,000.00 to publish and distribute the Michigan school report.

Sec. 402. The department shall coordinate with the Michigan information center on the development of an educational information system.

STANDARDS, ASSESSMENT, AND ACCREDITATION SERVICES

Sec. 501. (1) From the allocations in part 1 for test development and administration, the department shall provide tests to nonpublic schools and home-schooled students upon request. 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.

(3) From the amount appropriated in section 106 for test development and administration, \$200,000.00 shall be expended to expedite the reporting of Michigan educational assessment program high school test results and to improve the method of reporting the results to enable pupils to accurately interpret the information. Not later than 6 weeks after the Michigan educational assessment program test results are first published, the department shall submit to the senate and house appropriations committees the method used to report those test results to the school districts.

Sec. 502. The funds appropriated in section 106 shall include a fine arts consultant.

Sec. 503. If it appears to the director of the department that there is not sufficient revenue to administer the Michigan educational assessment program, the department shall immediately notify the senate and house appropriations committee. The Michigan educational assessment program tests shall still be administered on a timely basis.

Sec. 504. Any deficits in amounts received from the tobacco settlement revenue that are appropriated in section 106 for test development and administration from the Michigan merit award trust fund shall be appropriated from the state general fund/general purpose.

Sec. 505. The funds provided in part 1 for a study of teacher preparation shall be used by the department to assess the satisfaction of employing school districts and new teachers with the preparation they received prior to teaching. The study shall focus on teachers newly hired to their first teaching job within the past 5 years. It shall be designed to learn from both those hired and their current employing principal about the quality of preparation the individuals received. Assessment of quality shall include, but not be limited to, skills in classroom management and daily lesson planning, understanding of child development and learning processes, mastery of subject content, ability to engage in teamwork with other teachers, and ability to work with parents and other responsible adults.

Sec. 506. Beginning September 1, 1999, the department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 601. 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. 602. 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. 603. (1) The department may assess rent to any state agency for the use of any facility at the Michigan school for the blind's former site in Lansing. The rental rates and all leasing arrangements shall be subject to the approval of the department of management and budget. In addition, the facilities at the Lansing site may also be available for rent to private or publicly funded organizations.

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

(3) 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 108 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 109 funds appropriated for the Michigan schools for the deaf and blind.

(5) 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.

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

Sec. 604. (1) The department may assess rent or lease excess property located on the campus of the Michigan schools for the deaf and blind in Flint to private or publicly funded organizations.

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

(3) Proceeds from the sale of surplus property and facilities at the Michigan schools for the deaf and blind are appropriated for the purposes of repairs, renovations, and maintenance of the Flint campus.

(4) The unexpended balances of appropriations for school for deaf and blind operations, and from proceeds of the sale of surplus property and facilities at the Michigan schools for the deaf and blind shall not lapse to the state general fund at the end of the fiscal year. Any unexpended and unencumbered funds remaining on September 30, 2000 shall be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at the campus of the Michigan schools for the deaf and blind in Flint. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$250,000.00. The estimated completion date of the work is September 30, 2001.

Sec. 605. 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. 606. (1) The unexpended balances of appropriations and any surplus restricted revenue 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, 2000, shall be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at the former Michigan school for the blind site in Lansing.

(2) The work project carried out under this section shall be performed by state employees or by contract when necessary at an estimated cost of \$100,000.00. The estimated completion date of the work project is September 30, 2001.

Sec. 607. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

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

Sec. 608. The department shall report to the house and senate appropriations subcommittees on education detailed information on the expenditures made from the amount authorized in part 1 for general services for the Michigan school for the blind's former site.

Sec. 609. In addition to those funds appropriated in part 1, the department may receive and expend funds from the mid-Michigan academy for capital improvements. These additional funds are appropriated specifically for capital improvements authorized by the department of management and budget and shall be negotiated as part of the lease agreement.

PROFESSIONAL PREPARATION SERVICES

Sec. 701. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

GRANTS AND DISTRIBUTIONS

Sec. 801. The department shall disburse the funds to a general fund grantee in accordance with the same standards of timing and amount that apply to disbursements made by the department to a federal fund grantee. The disbursement

shall be restricted to the minimum amount needed for immediate disbursement by the grantee. The department may waive this section if extenuating circumstances warrant and are substantiated in the grantee's application or other appropriate documentation. A waiver granted pursuant to this section shall not be effective until 15 days after written notice of the proposed waiver is given to the state budget director and the chairpersons of the senate and house appropriations subcommittees having jurisdiction over the department budget.

Sec. 802. The funds appropriated in part 1 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 part 1 is not sufficient to fund all payments determined under this section.

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

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

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

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

(d) Priority in the recommendation for awarding of grants by the 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.

(3) Except as otherwise provided, an applicant that received a grant under this section in the 1998-1999 fiscal year shall receive priority for funding in 1999-2000. 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.

Sec. 804. (1) The reading plan for Michigan (RPM) is a series of elementary education strategies created for the purpose of improving reading skills of K-3 students so that all students are reading at an appropriate grade level prior to the start of the fourth grade. The RPM shall be developed by the department in consultation with the RPM advisory council as created by Executive Order 1998-4.

(2) In order to implement the RPM, the department shall do at least all of the following:

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

(b) Recommend diagnostic tools and student assessments to local districts to determine reading readiness and ensure progress in reading skills.

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

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

(3) The funds appropriated in part 1 for the reading plan for Michigan grants shall be allocated by the department on a competitive grant basis to districts, intermediate districts, or consortia of districts which meet the following criteria:

(a) The district must offer a summer reading program based upon the model reading program developed by the department under subsection (2) beginning after the close of the 1998-99 school year.

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

(4) Applications for funding must be submitted to the department no later than December 31, 1999. The department shall notify recipients of the grants no later than March 30, 2000.

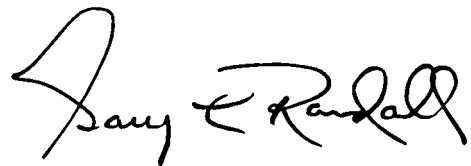
(5) Not later than the 2002-2003 school year, a pupil shall not be promoted to the next grade level at the end of the school year if the pupil has not met the standards for pupil promotion adopted by the local school district.

(6) If any requirement of this section is in conflict with federal law, the federal law will control.

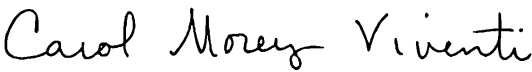
Sec. 805. If there is appropriated for fiscal year 1999-2000 not more than \$2,000,000.00 from the general fund/general purpose revenues from the state school aid fund to develop early childhood education programs for children ages 0 to 3, the department shall administer the grant program in accordance with the criteria stated for the early childhood education program in the state school aid act.

Sec. 806. From the funds appropriated in part 1 for national board certification, the department shall pay 1/2 of the application fee for teachers who are deemed by the department by March 1, 1999 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.