

Act No. 263
Public Acts of 2000
Approved by the Governor*
June 29, 2000
Filed with the Secretary of State
June 29, 2000
EFFECTIVE DATE: June 29, 2000

*Item Vetoes

General Sections

Sec. 214. (1)

The words: "and \$50,000.00 in state restricted funds" (Page 8)

Sec. 712.

Entire Section. (Page 15)

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**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 2000**

Introduced by Senators Stille, Bennett, Vaughn and Johnson

ENROLLED SENATE BILL No. 966

AN ACT to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2001; 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, 2001, 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	457.6	
GROSS APPROPRIATION		\$ 929,563,300
Interdepartmental grant revenues:		
Interdepartmental grant from corrections academy lease		518,000
Total interdepartmental grants and intradepartmental transfers		518,000
ADJUSTED GROSS APPROPRIATION		\$ 929,045,300
Federal revenues:		
Total federal revenues		873,591,700
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		6,262,400
Local school district service fees		252,600
Total local revenues		6,515,000
Gifts, bequests, and donations		470,100
Private foundations		132,200
Total private revenues		602,300
Total local and private revenues		7,117,300

		For Fiscal Year Ending Sept. 30, 2001
Certification fees.....	\$	2,726,800
Commodity distribution fees		46,600
Driver fees		8,113,400
Lansing, Michigan school for the blind rent		739,000
Motorcycle license fees		1,009,100
Safety education fund		313,100
School loan exception fees.....		63,000
Student insurance revenue		205,100
Teacher testing fees.....		321,500
Training and orientation workshop fees.....		100,000
Total other state restricted revenues		13,637,600
State general fund/general purpose	\$	34,698,700

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

Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	14.0	
State board of education, per diem payments.....	\$	19,400
Unclassified positions—6.0 FTE positions.....		505,500
State board/superintendent operations—14.0 FTE positions		2,307,700
GROSS APPROPRIATION.....	\$	2,832,600
Appropriated from:		
Federal revenues:		
Federal revenues		573,200
Special revenue funds:		
Private foundations		8,000
State general fund/general purpose	\$	2,251,400

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions	45.2	
Central support—45.2 FTE positions	\$	5,614,400
Worker's compensation.....		108,000
Education commission of the states		95,500
Building occupancy charges - property management services		1,118,700
Training and orientation workshops		100,000
Terminal leave payments		440,500
GROSS APPROPRIATION.....	\$	7,477,100
Appropriated from:		
Federal revenues:		
Federal revenues		4,081,400
Special revenue funds:		
Certification fees.....		153,900
Commodity distribution fees		4,800
Driver fees		19,900
Local cost sharing.....		60,800
Motorcycle license fees		3,900
Safety education fund		2,300
School loan exception fees.....		63,000
Teacher testing fees.....		8,800
Training and orientation workshop fees.....		100,000
State general fund/general purpose	\$	2,978,300

Sec. 104. SCHOOL SUPPORT SERVICES

Full-time equated classified positions	41.4	
School support operations—41.4 FTE positions	\$	4,876,300
GROSS APPROPRIATION.....	\$	4,876,300
Appropriated from:		
Federal revenues:		
Federal revenues		3,875,500

Special revenue funds:		
Commodity distribution fees	\$	41,800
Driver fees		482,900
Motorcycle license fees		137,900
Safety education fund		116,500
State general fund/general purpose	\$	221,700

Sec. 105. DATA AND TECHNOLOGY SERVICES

Full-time equated classified positions.....	37.2	
Data and technology operations—37.2 FTE positions.....	\$	5,127,400
GROSS APPROPRIATION.....	\$	5,127,400
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
Federal revenues		2,759,100
Special revenue funds:		
Certification fees.....		256,600
Driver fees		10,600
State general fund/general purpose	\$	2,101,100

Sec. 106. SPECIAL EDUCATION SERVICES

Full-time equated classified positions.....	55.6	
Special education operations—55.6 FTE positions.....	\$	7,140,900
GROSS APPROPRIATION.....	\$	7,140,900
Appropriated from:		
Federal revenues:		
Federal revenues		6,922,500
Special revenue funds:		
Certification fees.....		19,900
State general fund/general purpose	\$	198,500

Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE

General services	\$	1,267,000
GROSS APPROPRIATION.....	\$	1,267,000
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from corrections academy lease		518,000
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. 108. 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	\$	11,117,200
Technical resource and reproduction center.....		1,250,000
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.....	\$	13,375,800
Appropriated from:		
Federal revenues:		
Federal revenues		2,448,200
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		6,201,600
Local school district service fees		252,600

		For Fiscal Year Ending Sept. 30, 2001
Gifts, bequests, and donations	\$	460,100
Student insurance revenue		205,100
State general fund/general purpose	\$	3,808,200
Sec. 109. PROFESSIONAL PREPARATION SERVICES		
Full-time equated classified positions	26.5	
Professional preparation operations—26.5 FTE positions	\$	2,679,900
Teacher quality enhancement		2,500,000
Department of attorney general		50,000
GROSS APPROPRIATION	\$	5,229,900
Appropriated from:		
Federal revenues:		
Federal revenues		2,720,800
Special revenue funds:		
Certification fees		2,246,400
Teacher testing fees		262,700
State general fund/general purpose	\$	0
Sec. 110. FIELD SERVICES		
Full-time equated classified positions	41.0	
Field services operations—41.0 FTE positions	\$	4,099,800
GROSS APPROPRIATION	\$	4,099,800
Appropriated from:		
Federal revenues:		
Federal revenues		3,673,200
State general fund/general purpose	\$	426,600
Sec. 111. OFFICE OF SCHOOL EXCELLENCE		
Full-time equated classified positions	45.3	
School excellence operations—45.3 FTE positions	\$	6,531,100
GROSS APPROPRIATION	\$	6,531,100
Appropriated from:		
Federal revenues:		
Federal revenues		3,955,200
Private foundations		29,400
State general fund/general purpose	\$	2,546,500
Sec. 112. GOVERNMENT SERVICES		
Full-time equated classified positions	12.3	
Government services operations—12.3 FTE positions	\$	1,081,300
GROSS APPROPRIATION	\$	1,081,300
Appropriated from:		
Federal revenues:		
Federal revenues		635,800
State general fund/general purpose	\$	445,500
Sec. 113. SAFE SCHOOLS AND ADMINISTRATIVE LAW		
Full-time equated classified positions	11.0	
Safe schools operations—2.0 FTE positions	\$	475,500
Administrative law operations—9.0 FTE positions		847,400
State tenure commission per diem		11,100
GROSS APPROPRIATION	\$	1,334,000
Appropriated from:		
Federal revenues:		
Federal revenues		293,400
Special revenue funds:		
Teacher testing fees		50,000
State general fund/general purpose	\$	990,600

Sec. 114. EDUCATION OPTIONS, CHARTERS, AND CHOICE

Full-time equated classified positions.....7.8		
Education options operations—7.8 FTE positions	\$	1,372,100
GROSS APPROPRIATION.....	\$	1,372,100
Appropriated from:		
Federal revenues:		
Federal revenues		879,800
State general fund/general purpose	\$	492,300

Sec. 115. GRANTS AND DISTRIBUTIONS

FEDERAL PROGRAMS:

Acquired immunodeficiency syndrome education grants.....	\$	600,000
Class size reduction grants		50,275,700
Competitive child care and development		576,000
Drug-free schools grant.....		16,758,400
Eisenhower mathematics and science grants.....		12,940,000
Emergency immigrant.....		1,455,000
Goals 2000 grants.....		17,082,200
Handicapped infants and toddlers		16,000,000
Homeless children and youth		1,041,000
Michigan charter school subgrant program.....		6,000,000
Michigan model partnership for character education		247,600
Preschool grants (PL 94-142)		13,500,000
Refugee children school impact grant.....		950,000
School-age child care grants		757,500
School lunch program - federal share		244,500,000
Serve America grants.....		840,000
Special education (250,000 GF/GP).....		20,339,800
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		5,500,000
Title I, migrant.....		12,000,000
Title VI, innovative strategies		13,480,900

STATE PROGRAMS:

Christa McAuliffe grants.....	\$	94,800
Driver education		7,600,000
Innovative program demonstration grants.....		400,000
Innovative curriculum development grants.....		560,000
Motorcycle safety education		867,300
National board certification		50,000
Off-road vehicle safety training grant		194,300
Reading plan for Michigan grants		34,000,000
School breakfast programs		4,128,000
School readiness grants		12,900,000
GROSS APPROPRIATION.....	\$	867,818,000

Appropriated from:

Federal revenues:

DAG, food and nutrition service, national school lunch.....		244,500,000
DAG, the emergency food assistance program		2,506,000
DED-OBEMLA, emergency immigrant education assistance.....		1,455,000
DED-OESE, charter schools		6,000,000
DED-OESE, class size reduction.....		50,275,700
DED-OESE, drug-free schools and communities.....		16,758,400
DED-OESE, goals 2000.....		22,082,200
DED-OESE, Eisenhower mathematics and science administration.....		12,940,000
DED-OESE, reading excellence act		29,000,000

	For Fiscal Year Ending Sept. 30, 2001
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	5,500,000
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-OESE, title X, fund for improvement of education	247,600
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, homeless children and youth	1,041,000
HHS-ACF, at-risk child care	576,000
HHS-ACF, refugee children	950,000
HHS-CDCP, AIDS education	600,000
HHS-ACF, dependent care block grant	757,500
Corporation for national and community service	840,000
Special revenue funds:	
Certification fees	50,000
Driver fees	7,600,000
Motorcycle license fees	867,300
Safety education fund	194,300
Private foundations	94,800
State general fund/general purpose	\$ 18,238,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2000-2001 is \$48,336,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2000-2001 is \$14,054,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

GRANTS AND DISTRIBUTIONS

STATE PROGRAMS:

Driver education	\$ 7,600,000
School readiness grants	1,667,500
Motorcycle safety education	601,000
Off-road vehicle safety training grant	57,900
School lunch and breakfast	4,128,000
TOTAL	\$ 14,054,400

Sec. 202. The appropriations authorized 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) "DED-OBEMLA" means the DED office of bilingual education and minority languages affairs.
- (d) "DED-OESE" means the DED office of elementary and secondary education.
- (e) "DED-OSERS" means the DED office of special education and rehabilitative services.
- (f) "DED-OVAE" means the DED office of vocational and adult education.

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

(h) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(i) "FTE" means full-time equated.

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

(k) "HHS-ACF" means the HHS administration for children and families.

(l) "HHS-CDCP" means the HHS center for disease control and prevention.

(m) "RPM" means reading plan for Michigan.

Sec. 204. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for 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 billing by the end of the second fiscal quarter.

Sec. 205. (1) Beginning October 1, 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 state budget 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 of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the justification for the exception.

Sec. 206. (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. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house 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 senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 208. The department shall continue to pilot the use of the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or legislative Intranet site. The senate and house of representatives appropriations subcommittees and senate and house fiscal agencies shall be notified in writing of the Internet or Intranet site of any such report. Quarterly, the department shall provide a cumulative listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, and a list of those reports expected to be transmitted in the following quarter.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

Sec. 210. The director of each department receiving appropriations in part 1 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. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. 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. 212. 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. 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) From the amount appropriated in part 1 for the office for safe schools, the department is allocated an amount not to exceed \$200,000.00, and \$50,000.00 in state restricted funds to continue the 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.

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

(e) Work in collaboration with the department of state police in establishing a toll-free school violence hotline.

Sec. 215. 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. 216. For fiscal year 2000-2001, 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 1999-2000, unless the local sponsor elects not to participate in the program.

Sec. 217. 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. 218. (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. 220. The funds appropriated in part I shall include a fine arts consultant.

Sec. 221. The department will be revising the administrative rules for special education. Drafts of proposed special education rules processed under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, shall be provided to the senate and house appropriation subcommittees on the department of education.

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

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 401. 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. 402. 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. 403. (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.

(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 107 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 108 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.

(7) 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, 2001, 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. The work project 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, 2002.

Sec. 404. (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, 2001, 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, 2002.

Sec. 405. 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. 406. (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).

(3) It is the intent of the legislature that parents continue to have a choice regarding the educational placement of their deaf or hard of hearing children.

Sec. 407. 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. 408. 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. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

EDUCATION OPTIONS, CHARTERS, AND CHOICE

Sec. 601. (1) From the amount appropriated in section 114 for education options, charters, and choice, there is allocated \$350,000.00 and 3.5 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 education options, charters, and choice, there is allocated up to \$250,000.00 to fund an exchange program between teachers in Michigan school districts and teachers in Michigan's sister state of Shiga in Japan.

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

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

GRANTS AND DISTRIBUTIONS

Sec. 701. 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. 702. The funds appropriated in part 1 for school breakfast programs shall be made available to all eligible applicant public school districts as follows:

(a) The public school district 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 public school district is at a per meal rate equal to the lesser of the district's or public school'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. 703. (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 superintendent of public instruction 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 superintendent of public instruction may be at whatever level the superintendent determines appropriate. A grant, when combined with other sources of state revenue for this program, shall not exceed \$3,300.00 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 1999-2000 fiscal year shall receive priority for funding in 2000-2001. 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. 704. (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 1999-2000 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, 2000. The department shall notify recipients of the grants no later than March 30, 2001.

(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 federally funded requirement of this section is in conflict with federal law, the federal law will control.

(7) The legislature intends that the department shall work with high need school districts whose summer reading programs were not funded in fiscal year 1999-2000 to improve the quality of its proposal for the purpose of increasing the possibility that the program would be funded in the next grant cycle.

Sec. 705. If there is appropriated for fiscal year 2000-2001 not more than \$4,000,000.00 from the general fund/general purpose revenues from the state school aid act 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. 706. 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, 2000, 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.

Sec. 707. The department shall work with Grand Valley State University to establish or enhance the teacher certification program for autism impaired students.

Sec. 710. (1) From the funds appropriated in section 115, \$400,000.00 shall be used for innovative program demonstration grants as provided under this section. From the \$400,000.00 appropriated for this section, \$200,000.00 shall be used for the fiscal year 2000-2001 and the remaining \$200,000.00 for the fiscal year 2001-2002. The balance of the \$400,000.00 not expended in fiscal year 2000-2001 shall not revert to the general fund but continue to be available in fiscal year 2001-2002 for the awarding of grants under this section. The department may use up to 4% of the funds appropriated for this section for administration of the innovative program demonstration grants awarded under this section. The department shall use the balance of the appropriation to provide grants to local school districts and intermediate school districts to develop the following innovative programs:

(a) School safety programs to examine creative ways to ensure safe schools in this state. The measures the program should examine include, but are not limited to, school uniforms, identification tags for staff, students, and volunteers, a school safety hotline, and the use of a school resource officer.

(b) Parental involvement programs to explore ways to increase parental and community involvement in schools. A funded program should focus on developing ways to utilize parents and community members as volunteers in the schools, increasing parent and teacher attendance at parent/teacher conferences, and provide training to teachers and administrators on utilizing parents as a valuable resource.

(c) Expanding curriculum programs to identify additions to the curriculum. A program shall have the approval of the local school board before applying for a grant. Programs such as stress management, conflict resolution, and character education are areas that can be included in a proposal under this subdivision and should be targeted at each

grade level. A program can also look at parent/student/school contracts and should include expanding or implementing a gifted and talented program or hiring a resource coordinator for existing gifted and talented programs.

(2) The following are the primary goals for the innovative programs development grants:

(a) To provide the means for schools to experiment with new and innovative programs to improve school safety, parental involvement, and curriculum development.

(b) To demonstrate the value of the programs to justify continued local funding once the grant program has ended.

(c) To increase parental and community involvement in their schools.

(d) To share information between the schools regarding successful innovative programs. This should include the posting of the information on the school's and department's website.

(3) The department shall use the following criteria in determining the awarding of grants under this section:

(a) The state shall be divided into 5 regions to ensure equality of funding. Each region shall receive at least 1 grant in each of the program areas.

(b) Although a school may apply for funding under all 3 program areas, it can be awarded grant funds in only 1 of the program areas.

(c) A program shall be funded for 2 years.

(d) Although the focus of the programs should be on new programs, it may include innovative programs already in place.

(e) Each program shall receive \$10,000.00 for each fiscal year.

(f) Of the \$200,000.00 appropriated each fiscal year, \$10,000.00 each fiscal year shall be earmarked for each of the 5 regions for the development of parental involvement programs. These funds shall be used to hire a volunteer coordinator.

(g) Any other criteria the department considers necessary to implement this section.

(4) No later than September 30, 2002, a district receiving funding under this section shall report to the department on the results achieved by each innovative program. The report filed under this subsection shall include all of the following for each program:

(a) A description of the program and what steps were taken to implement the program.

(b) Any statistical data available before and after the funding period regarding the target area of the program.

(c) An analysis of the effectiveness of each program component.

(d) An analysis of the overall impact the program had on the students, school, community, and parents.

(e) The decision and reasoning as to why the program will be either continued or terminated after grant funding has ended.

(5) No later than November 29, 2002, the department shall compile the information received under subsection (3) and submit a report to the house and senate standing committees on education, the house and senate appropriations subcommittees on the department of education, the house and senate fiscal agencies, and the state board of education. The reports shall be posted on the department's website.

Sec. 711. (1) From the funds appropriated in section 115, \$560,000.00 shall be used for the innovative curriculum development grant program. The department shall use the appropriation to provide grants for programs that promote systemic innovative reform programs in the areas of curriculum development, pilot alternative education programs, civic education, special education, teacher education, math and science education, and other innovative programs through a competitive grant application process. The department shall use all of the following criteria to implement the program:

(a) The applicant shall be a public or private nonprofit legal entity.

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

(c) Evidence of collaboration with universities, private colleges, and community colleges with teacher certification programs.

(d) The extent to which the funds will be matched with other federal, local, or private funds.

(e) Whether the application contains a comprehensive evaluation plan that includes all segments of the program.

(f) Ability to implement the program on a statewide basis.

(g) Each applicant is eligible for funding under only 1 program.

(h) Any other criteria the department considers necessary to implement the program.

(2) As a condition of funding, no later than February 1, 2001, entities receiving funding under this section shall submit a preliminary report to the department on the results achieved by each innovative program. The report shall include all of the following:

- (a) A description of the goals, objectives, and outcomes of the program.
- (b) Any statistical data on the number of stakeholders who benefited from the program.
- (c) An independent analysis of the effectiveness of each program component.
- (d) An analysis of the overall impact of the program on students, school, community, and parents.
- (e) The total amount of funds expended and the purpose for which those funds were spent.

(3) The department shall compile the information received under subsection (2) and submit a report to the house and senate appropriations subcommittees on the department of education, the house and senate fiscal agencies, and the state board of education no later than March 30, 2001. A final report is due September 4, 2001. These reports shall be posted on the department's website.

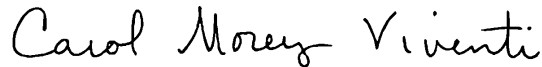
Sec. 712. From the funds appropriated in part 1, \$20,000.00 shall be used to fund 1/3 of an FTE for the hiring of a certified school nurse in the position of school health services consultant.

TECHNOLOGY AND INFORMATION SERVICES

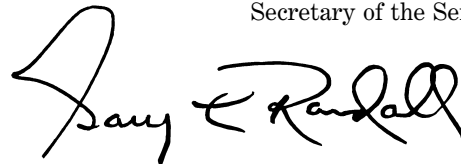
Sec. 901. Included in the appropriation for technology and information services in part 1 is \$50,000.00 to publish and distribute the Michigan school report.

Sec. 902. The department shall coordinate with the Michigan information center on the development of an educational information system.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved

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Governor.