

The Committee on Appropriations offered the following substitute:  
February 28, 2002

SUBSTITUTE FOR  
SENATE BILL NO. 1103

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the

4 amounts listed in this part are appropriated for the department of educa-

5 tion for the fiscal year ending September 30, 2003, from the funds

6 indicated in this part. The following is a summary of the appropriations

7 in this part:

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For Fiscal Year Ending  
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1	<b>DEPARTMENT OF EDUCATION</b>	
2	APPROPRIATION SUMMARY:	
3	Full-time equated unclassified positions.....	6.0
4	Full-time equated classified positions.....	407.4
5	GROSS APPROPRIATION.....	\$ 210,800,100
6	Interdepartmental grant revenues:	
7	Interdepartmental grant from corrections academy	
8	lease.....	518,000
9	Total interdepartmental grants and intradepartmental	
10	transfers.....	518,000
11	ADJUSTED GROSS APPROPRIATION.....	\$ 210,282,100
12	Federal revenues:	
13	Total federal revenues.....	160,767,500
14	Special revenue funds:	
15	Local cost sharing (schools for blind/deaf).....	4,641,600
16	Local school district service fees.....	102,600
17	Total local revenues.....	4,744,200
18	Gifts, bequests, and donations.....	504,200
19	Private foundations.....	197,200
20	Total private revenues.....	701,400
21	Total local and private revenues.....	5,445,600
22	Certification fees.....	2,732,600
23	Commodity distribution fees.....	51,400
24	Driver fees.....	8,124,600
25	Lansing, Michigan school for the blind rent.....	739,000
26	Motorcycle license fees.....	1,343,800

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1	Safety education fund.....	314,700
2	School loan exception fees.....	67,300
3	Student insurance revenue.....	205,100
4	Teacher testing fees.....	280,800
5	Training and orientation workshop fees.....	100,000
6	Total other state restricted revenues.....	13,959,300
7	State general fund/general purpose..... \$	30,109,700
8	<b>Sec. 102. STATE BOARD OF EDUCATION/ OFFICE OF THE SUPERINTENDENT</b>	
9	Full-time equated unclassified positions.....6.0	
10	Full-time equated classified positions.....14.0	
11	State board of education, per diem payments..... \$	19,400
12	Unclassified positions--6.0 FTE positions.....	515,600
13	State board/ superintendent operations--14.0 FTE	
14	positions.....	<u>1,989,400</u>
15	GROSS APPROPRIATION..... \$	2,524,400
16	Appropriated from:	
17	Federal revenues:	
18	Federal revenues.....	577,200
19	Special revenue funds:	
20	Private foundations.....	23,000
21	State general fund/general purpose..... \$	1,924,200
22	<b>Sec. 103. CENTRAL SUPPORT</b>	
23	Full-time equated classified positions.....39.3	
24	Central support--39.3 FTE positions..... \$	5,264,600
25	Worker's compensation.....	101,000
26	Education commission of the states.....	99,300

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1	Building occupancy charges - property management	
2	services.....	1,439,600
3	Training and orientation workshops.....	100,000
4	Terminal leave payments.....	<u>260,500</u>
5	GROSS APPROPRIATION.....	\$ 7,265,000
6	Appropriated from:	
7	Federal revenues:	
8	Federal revenues.....	3,916,400
9	Special revenue funds:	
10	Certification fees.....	172,000
11	Commodity distribution fees.....	6,100
12	Driver fees.....	24,700
13	Local cost sharing.....	48,900
14	Motorcycle license fees.....	4,600
15	Safety education fund.....	2,600
16	School loan exception fees.....	67,300
17	Teacher testing fees.....	11,000
18	Training and orientation workshop fees.....	100,000
19	State general fund/general purpose.....	\$ 2,911,400
20	<b>Sec. 104. SCHOOL SUPPORT SERVICES</b>	
21	Full-time equated classified positions.....41.4	
22	School support operations--41.4 FTE positions.....	\$ <u>5,040,800</u>
23	GROSS APPROPRIATION.....	\$ 5,040,800
24	Appropriated from:	
25	Federal revenues:	
26	Federal revenues.....	4,010,500

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1	Special revenue funds:		
2	Commodity distribution fees.....		45,300
3	Driver fees.....		499,900
4	Motorcycle license fees.....		139,200
5	Safety education fund.....		117,800
6	State general fund/general purpose.....	\$	228,100
7	<b>Sec. 105. INFORMATION TECHNOLOGY SERVICES</b>		
8	Information technology operations.....	\$	<u>3,288,100</u>
9	GROSS APPROPRIATION.....	\$	3,288,100
10	Appropriated from:		
11	Interdepartmental grant revenues:		
12	Federal revenues:		
13	Federal revenues.....		1,063,800
14	Special revenue funds:		
15	Certification fees.....		168,200
16	State general fund/general purpose.....	\$	2,056,100
17	<b>Sec. 106. SPECIAL EDUCATION SERVICES</b>		
18	Full-time equated classified positions.....	69.6	
19	Special education operations--69.6 FTE positions.....	\$	<u>11,477,300</u>
20	GROSS APPROPRIATION.....	\$	11,477,300
21	Appropriated from:		
22	Federal revenues:		
23	Federal revenues.....		11,139,700
24	Special revenue funds:		
25	Certification fees.....		35,200
26	State general fund/general purpose.....	\$	302,400

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1	<b>Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE</b>	
2	General services.....	\$ <u>1,267,000</u>
3	GROSS APPROPRIATION.....	\$ 1,267,000
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	Interdepartmental grant from corrections academy	
7	lease.....	518,000
8	Special revenue funds:	
9	Gifts, bequests, and donations.....	10,000
10	Lansing, Michigan school for the blind rent.....	739,000
11	State general fund/general purpose.....	\$ 0
12	<b>Sec. 108. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND</b>	
13	Full-time equated classified positions.....96.0	
14	Michigan schools for the deaf and blind	
15	operations--96.0 FTE positions.....	\$ 9,812,100
16	Summer institute.....	<u>90,000</u>
17	GROSS APPROPRIATION.....	\$ 9,902,100
18	Appropriated from:	
19	Federal revenues:	
20	Federal revenues.....	4,507,500
21	Special revenue funds:	
22	Local cost sharing (schools for blind/deaf).....	4,592,700
23	Local school district service fees.....	102,600
24	Gifts, bequests, and donations.....	494,200
25	Student insurance revenue.....	205,100
26	State general fund/general purpose.....	\$ 0

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1	<b>Sec. 109. PROFESSIONAL PREPARATION SERVICES</b>		
2	Full-time equated classified positions.....	26.5	
3	Professional preparation operations--	26.5 FTE	
4	positions.....	\$	3,135,000
5	Department of attorney general.....		<u>50,000</u>
6	GROSS APPROPRIATION.....	\$	3,185,000
7	Appropriated from:		
8	Federal revenues:		
9	Federal revenues.....		608,000
10	Special revenue funds:		
11	Certification fees.....		2,307,200
12	Teacher testing fees.....		269,800
13	State general fund/general purpose.....	\$	0
14	<b>Sec. 110. FIELD SERVICES</b>		
15	Full-time equated classified positions.....	41.0	
16	Field services operations--	41.0 FTE positions.....	\$ <u>5,379,700</u>
17	GROSS APPROPRIATION.....	\$	5,379,700
18	Appropriated from:		
19	Federal revenues:		
20	Federal revenues.....		4,974,000
21	State general fund/general purpose.....	\$	405,700
22	<b>Sec. 111. OFFICE OF SCHOOL EXCELLENCE</b>		
23	Full-time equated classified positions.....	50.0	
24	School excellence operations--	50.0 FTE positions.....	\$ <u>8,968,100</u>
25	GROSS APPROPRIATION.....	\$	8,968,100
26	Appropriated from:		

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1	Federal revenues:		
2	Federal revenues.....		6,814,100
3	Private foundations.....		79,400
4	State general fund/general purpose.....	\$	2,074,600
5	<b>Sec. 112. GOVERNMENT SERVICES</b>		
6	Full-time equated classified positions.....	10.8	
7	Government services operations--10.8 FTE positions...	\$	<u>1,284,800</u>
8	GROSS APPROPRIATION.....	\$	1,284,800
9	Appropriated from:		
10	Federal revenues:		
11	Federal revenues.....		828,900
12	State general fund/general purpose.....	\$	455,900
13	<b>Sec. 113. SAFE SCHOOLS AND ADMINISTRATIVE LAW</b>		
14	Full-time equated classified positions.....	11.0	
15	Safe schools operations--2.0 FTE positions.....	\$	473,200
16	Administrative law operations--9.0 FTE positions.....		852,700
17	State tenure commission per diem.....		<u>11,100</u>
18	GROSS APPROPRIATION.....	\$	1,337,000
19	Appropriated from:		
20	Federal revenues:		
21	Federal revenues.....		536,700
22	Special revenue funds:		
23	State general fund/general purpose.....	\$	800,300
24	<b>Sec. 114. EDUCATION OPTIONS, CHARTERS, AND CHOICE</b>		
25	Full-time equated classified positions.....	7.8	
26	Education options operations--7.8 FTE positions.....	\$	<u>1,312,700</u>



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1	GROSS APPROPRIATION.....	\$	1,312,700
2	Appropriated from:		
3	Federal revenues:		
4	Federal revenues.....		886,600
5	State general fund/general purpose.....	\$	426,100
6	<b>Sec. 115. GRANTS AND DISTRIBUTIONS</b>		
7	<b>FEDERAL PROGRAMS:</b>		
8	Class size reduction grants.....	\$	50,275,700
9	Eisenhower mathematics and science grants.....		12,940,000
10	Goals 2000 grants.....		6,000,000
11	Technology literacy challenge grants.....		6,000,000
12	Urgent school renovation.....		45,688,400
13	<b>STATE PROGRAMS:</b>		
14	Christa McAuliffe grants.....	\$	94,800
15	Driver education.....		7,600,000
16	Motorcycle safety education.....		1,200,000
17	National board certification.....		50,000
18	Off-road vehicle safety training grant.....		194,300
19	School breakfast programs.....		6,274,900
20	School readiness grants.....		<u>12,250,000</u>
21	GROSS APPROPRIATION.....	\$	148,568,100
22	Appropriated from:		
23	Federal revenues:		
24	DED-OESE, class size reduction.....		50,275,700
25	DED-OESE, goals 2000.....		6,000,000
26	DED-OESE, Eisenhower mathematics and science		
27	administration.....		12,940,000

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1	DED-OESE, technology literacy challenge fund.....	6,000,000
2	DED-OESE, urgent school renovation.....	45,688,400
3	Special revenue funds:	
4	Certification fees.....	50,000
5	Driver fees.....	7,600,000
6	Motorcycle license fees.....	1,200,000
7	Safety education fund.....	194,300
8	Private foundations.....	94,800
9	State general fund/general purpose..... \$	18,524,900

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PART 2

13

PROVISIONS CONCERNING APPROPRIATIONS

14 **GENERAL SECTIONS**

15

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 2002-2003 is \$44,069,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$16,436,800.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

21

22 GRANTS AND DISTRIBUTIONS

23 STATE PROGRAMS:

24

Driver education.....	\$	7,600,000
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School readiness grants.....		1,626,900
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Motorcycle safety education.....		890,000
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1	Off-road vehicle safety training grant.....	45,000
2	School lunch and breakfast.....	<u>6,274,900</u>
3	TOTAL..... \$	16,436,800

4       Sec. 202. The appropriations authorized under this act are subject  
5 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

6       Sec. 203. As used in this act:

7       (a) "DED-OESE" means the United States department of education  
8 office of elementary and secondary education.

9       (b) "Department" means the Michigan department of education.

10       (c) "District" means a local school district as defined in section  
11 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school  
12 academy as defined in section 5 of the revised school code, 1976 PA 451,  
13 MCL 380.5.

14       (d) "FTE" means full-time equated.

15       Sec. 204. The department of civil service shall bill departments  
16 and agencies at the end of the first fiscal quarter for the 1% charge  
17 authorized by section 5 of article XI of the state constitution of 1963.  
18 Payments shall be made for the total amount of the billing by the end of  
19 the second fiscal quarter.

20       Sec. 205. (1) A hiring freeze is imposed on the state classified  
21 civil service. State departments and agencies are prohibited from hiring  
22 any new full-time state classified civil service employees and prohibited  
23 from filling any vacant state classified civil service positions. This  
24 hiring freeze does not apply to internal transfers of classified employ-  
25 ees from 1 position to another within a department.

26       (2) The state budget director shall grant exceptions to this hiring  
27 freeze when the state budget director believes that the hiring freeze

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1 will result in rendering a state department or agency unable to deliver  
2 basic services, cause loss of revenue to the state, result in the inabil-  
3 ity of the state to receive federal funds, or would necessitate addi-  
4 tional expenditures that exceed any savings from maintaining a vacancy.  
5 The state budget director shall report quarterly to the chairpersons of  
6 the senate and house subcommittees on appropriations the number of excep-  
7 tions to the hiring freeze approved during the previous quarter and the  
8 reasons to justify the exception.

9       Sec. 206. (1) In addition to the funds appropriated in part 1,  
10 there is appropriated an amount not to exceed \$20,000,000.00 for federal  
11 contingency funds. These funds are not available for expenditure until  
12 they have been transferred to another line item in this act under  
13 section 393(2) of the management and budget act, 1984 PA 431,  
14 MCL 18.1393.

15       (2) In addition to the funds appropriated in part 1, there is appro-  
16 priated an amount not to exceed \$700,000.00 for state restricted contin-  
17 gency funds. These funds are not available for expenditure until they  
18 have been transferred to another line item in this act under  
19 section 393(2) of the management and budget act, 1984 PA 431,  
20 MCL 18.1393.

21       (3) In addition to the funds appropriated in part 1, there is appro-  
22 priated an amount not to exceed \$250,000.00 for local contingency funds.  
23 These funds are not available for expenditure until they have been trans-  
24 ferred to another line item in this act under section 393(2) of the man-  
25 agement and budget act, 1984 PA 431, MCL 18.1393.

26       (4) In addition to the funds appropriated in part 1, there is  
27 appropriated an amount not to exceed \$3,000,000.00 for private

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1 contingency funds. These funds are not available for expenditure until  
2 they have been transferred to another line item in this bill under sec-  
3 tion 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

4 Sec. 207. Unless otherwise specified, the department shall use the  
5 Internet to fulfill the reporting requirements of this act. This may  
6 include transmission of reports via electronic mail to the recipients  
7 identified for each reporting requirement or it may include placement of  
8 reports on the Internet or Intranet site.

9 Sec. 208. The department may carry into the succeeding fiscal year  
10 unexpended federal pass-through funds to local institutions and govern-  
11 ments that do not require additional state matching funds. Federal  
12 pass-through funds to local institutions and governments that are  
13 received in amounts in addition to those included in part 1 and that do  
14 not require additional state matching funds are appropriated for the pur-  
15 poses intended.

16 Sec. 209. The department shall provide the state budget director  
17 and the senate and house fiscal agencies with copies of the state board  
18 of education agenda and all supporting documents at the time the agenda  
19 and supporting documents are provided to state board of education  
20 members.

21 Sec. 210. Money in the school loan exception fee fund that is unex-  
22 pended at the end of the fiscal year shall not revert to the general fund  
23 but shall be carried over to the succeeding fiscal year.

24 Sec. 211. (1) Upon receipt of the federal drug free grant, the  
25 department shall allocate \$225,000.00 of the grant to the office for safe  
26 schools within the department. The office for safe schools shall work  
27 with local school boards, law enforcement agencies, community leaders,

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1 and the office of drug control policy for the prevention of school  
2 violence. The office for safe schools shall develop and implement, and  
3 serve as coordinator of, a statewide clearinghouse for information, pro-  
4 gram development, model programs and policies, and technical assistance  
5 on school violence prevention.

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

8 (a) Evaluate the effectiveness of, and make recommendations to local  
9 school boards concerning, public school violence prevention programs,  
10 including, but not limited to, programs aimed at reducing the possession  
11 of weapons and the incidence of other violent behaviors on school cam-  
12 puses, violence prevention curricula, conflict resolution and peer media-  
13 tion training, interagency cooperative referral and treatment programs,  
14 parental involvement programs, and school safety planning.

15 (b) In consultation with appropriate organizations, develop and dis-  
16 tribute to school districts and public school academies a model code of  
17 conduct for pupils.

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

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

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1       Sec. 212. The department shall require all public school districts  
2 to maintain complete records within the personnel file of a teacher or  
3 school employee of any disciplinary actions taken by the local school  
4 board against the teacher or employee for sexual misconduct. The records  
5 shall not be destroyed or removed from the teacher's or employee's per-  
6 sonnel file except as required by a court order.

7       Sec. 213. From the general funds appropriated in part 1 for special  
8 education services, the department shall provide funding for 2.0 special  
9 education auditors to audit school districts.

10       Sec. 214. From the funds appropriated in part 1 for information  
11 technology, the department shall pay user fees to the department of  
12 information technology for technology related services and projects.  
13 Such user fees shall be subject to provisions of an interagency agreement  
14 between the department and the department of information technology.

15       Sec. 215. Amounts appropriated in part 1 for information technology  
16 may be designated as work projects and carried forward to support tech-  
17 nology projects under the direction of the department of information  
18 technology. Funds designated in this manner are not available for expen-  
19 diture until approved as work projects under section 451a of the manage-  
20 ment and budget act, 1984 PA 431, MCL 18.1451a.

21       Sec. 216. The departments and state agencies receiving appropria-  
22 tions under this act shall receive and retain copies of all reports  
23 funded from appropriations in part 1. The departments and state agencies  
24 shall follow federal and state guidelines for short-term and long-term  
25 retention of these reports and records.

26       Sec. 217. At least 60 days before beginning any effort to  
27 privatize, the department shall submit a complete project plan to the

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1 appropriate senate and house of representatives appropriations  
2 subcommittees and the senate and house fiscal agencies. The plan shall  
3 include the criteria under which the privatization initiative will be  
4 evaluated. The evaluation shall be completed and submitted to the appro-  
5 priate senate and house of representatives appropriations subcommittees  
6 and the senate and house fiscal agencies within 30 months.

7       Sec. 218. Funds appropriated in part 1 shall not be used for the  
8 purchase of foreign goods or services, or both, if competitively priced  
9 and of comparable quality American goods or services, or both, are  
10 available.

11       Sec. 219. The director of each department receiving appropriations  
12 in part 1 shall take all reasonable steps to ensure businesses in  
13 deprived and depressed communities compete for and perform contracts to  
14 provide services or supplies, or both. Each director shall strongly  
15 encourage firms with which the department contracts to subcontract with  
16 certified businesses in depressed and deprived communities for services,  
17 supplies, or both.

18       Sec. 220. (1) The department of management and budget and each  
19 principal executive department and agency shall provide to the senate and  
20 house of representatives standing committees on appropriations and the  
21 senate and house fiscal agencies a monthly report on all personal service  
22 contracts awarded without competitive bidding, pricing, or rate-setting.  
23 The notification shall include all of the following:

24       (a) The total dollar amount of the contract.

25       (b) The duration of the contract.

26       (c) The name of the vendor.



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1 (d) The type of service to be provided.

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

5 (a) The total dollar amount of the contract.

6 (b) The duration of the contract.

7 (c) The name of the vendor.

8 (d) The type of service to be provided.

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

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

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

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

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

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(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 employ-  
ees 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 dis-  
trict of residence 100% of the cost of operating the student's instruc-  
tional 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

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1 site in Lansing. The rental rates and all leasing arrangements shall be  
2 subject to the approval of the department of management and budget.

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

9 (3) Security guards or other patrols at the Michigan school for the  
10 blind's former site shall not be funded through section 108 funds appro-  
11 priated for the Michigan schools for the deaf and blind.

12 (4) If the department leases real property to a person or organiza-  
13 tion that is not a department of state government, the department shall  
14 not expend funds in excess of the lease revenue received to replace, ren-  
15 ovate, or repair that real property. This section shall not apply to  
16 emergency repairs or costs associated with technological renovations.

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

19 Sec. 404. (1) The department may assess rent or lease excess prop-  
20 erty located on the campus of the Michigan schools for the deaf and blind  
21 in Flint to private or publicly funded organizations.

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

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

4       (4) The unexpended balances of appropriations for school for deaf  
5 and blind operations, and from proceeds of the sale of surplus property  
6 and facilities at the Michigan schools for the deaf and blind shall not  
7 lapse to the state general fund at the end of the fiscal year. Any unex-  
8 pended and unencumbered funds remaining on September 30, 2003, shall be  
9 carried forward as a work project or as restricted revenue and expended  
10 for special maintenance and repairs of facilities at the campus of the  
11 Michigan schools for the deaf and blind in Flint. The work shall be car-  
12 ried out by state employees, or by contract as necessary, at an estimated  
13 cost of \$250,000.00. The estimated completion date of the work is  
14 September 30, 2004.

15       Sec. 405. The department may assist the department of community  
16 health, other departments, and local school districts to secure reim-  
17 bursement for eligible services provided in Michigan schools from the  
18 federal Medicaid program. The department may submit reports of direct  
19 expenses related to this effort to the department of community health for  
20 reimbursement.

21       Sec. 406. (1) The Michigan schools for the deaf and blind may pro-  
22 mote its residential program as a possible appropriate option for chil-  
23 dren who are deaf or hard of hearing or who are blind or visually  
24 impaired. The Michigan schools for the deaf and blind shall distribute  
25 information detailing its services to all intermediate school districts  
26 in the state.

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(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. 407. 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.

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**1 EDUCATION OPTIONS, CHARTERS, AND CHOICE**

2       Sec. 601. From the amount appropriated in part 1 for education  
3 options, charters, and choice, there is allocated \$350,000.00 and 3.5 FTE  
4 positions to operate a charter school office to administer charter school  
5 legislation and associated regulations, and to coordinate the activities  
6 of the department relating to charter schools.

**7 GRANTS AND DISTRIBUTIONS**

8       Sec. 701. The department shall disburse the funds to a general fund  
9 grantee in accordance with the same standards of timing and amount that  
10 apply to disbursements made by the department to a federal fund grantee.  
11 The disbursement shall be restricted to the minimum amount needed for  
12 immediate disbursement by the grantee. The department may waive this  
13 section if extenuating circumstances warrant and are substantiated in the  
14 grantee's application or other appropriate documentation. A waiver  
15 granted pursuant to this section shall not be effective until 15 days  
16 after written notice of the proposed waiver is given to the state budget  
17 director and the chairpersons of the senate and house appropriations sub-  
18 committees having jurisdiction over the department budget.

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

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

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

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

11       (d) The payment determined under subdivision (c) is prorated if the  
12 appropriation in part 1 is not sufficient to fund all payments determined  
13 under this section.

14       Sec. 703. (1) The funds appropriated in part 1 for school readiness  
15 programs shall be made available through a competitive application pro-  
16 cess as follows:

17       (a) An applicant may be any public or private nonprofit legal entity  
18 or agency other than a local or intermediate school district except a  
19 local or intermediate school district acting as a fiscal agent for a  
20 child caring organization regulated under 1973 PA 116, MCL 722.111 to  
21 722.128.

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

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

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

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

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

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

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

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

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

26 (e) Whether the application contains a comprehensive evaluation plan  
27 that includes implementation of all program components required and an



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1 assessment of the gains of children participating in an early childhood  
2 development program.

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

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

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

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

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

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

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

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

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1 participation in the Michigan family independence agency unified child  
2 day care program.

3 (2) Grant awards by the superintendent of public instruction may be  
4 at whatever level the superintendent determines appropriate. A grant,  
5 when combined with other sources of state revenue for this program, shall  
6 not exceed \$3,300.00 per child or the cost of the program, whichever is  
7 less.

8 (3) Except as otherwise provided, an applicant that receives a  
9 2002-2003 grant under this section shall also receive priority for fiscal  
10 years 2003-2004 and 2004-2005 funding. However, after 3 fiscal years of  
11 continuous funding, an applicant will be required to compete openly with  
12 new programs and other programs completing their third year. All grant  
13 awards are contingent on the availability of funds and documented evi-  
14 dence of grantee compliance with standards for early childhood develop-  
15 ment consistent with programs for 4-year-olds, as approved by the state  
16 board of education, and with all operational, fiscal, administrative, and  
17 other program requirements. A program which offers supplementary day  
18 care and thereby offers full-day programs as part of its early childhood  
19 development program shall receive priority in the allocation of competi-  
20 tive funds.

21 Sec. 704. From the funds appropriated in part 1 for national board  
22 certification, the department shall pay 1/2 of the application fee for  
23 teachers who are deemed by the department by March 1, 2002, to be quali-  
24 fied to apply to the national board for professional teaching standards  
25 for professional teaching certificates or licenses and to provide grants  
26 to recognize and reward teachers who receive certification or licensure.

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**1 INFORMATION TECHNOLOGY**

2       Sec. 901. The department shall work in collaboration with the  
3 department of information technology to support the comprehensive educa-  
4 tional information system and all data collection efforts of the  
5 department.