

Act No. 42  
Public Acts of 2001  
Approved by the Governor  
July 19, 2001  
Filed with the Secretary of State  
July 23, 2001  
EFFECTIVE DATE: July 23, 2001

**STATE OF MICHIGAN  
91ST LEGISLATURE  
REGULAR SESSION OF 2001**

**Introduced by Reps. Jelinek, Godchaux, Mead, Stewart, Stamas, Pumford, Vander Roest, Jansen, Kooiman,  
Pappageorge, Cameron Brown and Shulman**

# **ENROLLED HOUSE BILL No. 4256**

AN ACT to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2002; 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, 2002, 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 .....                         | 455.0 |                |
| GROSS APPROPRIATION .....                                            |       | \$ 996,677,000 |
| Interdepartmental grant revenues:                                    |       |                |
| Interdepartmental grant from corrections academy lease .....         |       | 518,000        |
| Total interdepartmental grants and intradepartmental transfers ..... |       | 518,000        |
| ADJUSTED GROSS APPROPRIATION .....                                   |       | \$ 996,159,000 |
| Federal revenues:                                                    |       |                |
| Total federal revenues .....                                         |       | 942,579,100    |
| Special revenue funds:                                               |       |                |
| Local cost sharing (schools for blind/deaf) .....                    |       | 4,637,000      |
| Local school district service fees .....                             |       | 252,600        |
| Total local revenues .....                                           |       | 4,889,600      |
| Private gifts, bequests, and donations .....                         |       | 484,200        |
| Private foundations .....                                            |       | 197,200        |
| Total private revenues .....                                         |       | 681,400        |
| Total local and private revenues .....                               |       | 5,571,000      |

|                                                   |    | For Fiscal Year<br>Ending Sept. 30,<br>2002 |
|---------------------------------------------------|----|---------------------------------------------|
| Teacher certification revenues .....              | \$ | 2,812,700                                   |
| Commodity distribution fees .....                 |    | 49,800                                      |
| Driver fees .....                                 |    | 8,129,100                                   |
| Lansing, Michigan school for the blind rent ..... |    | 739,000                                     |
| Motorcycle license fees .....                     |    | 1,343,500                                   |
| Safety education fund .....                       |    | 314,500                                     |
| Student insurance revenues .....                  |    | 205,100                                     |
| School loan exception fees.....                   |    | 64,200                                      |
| Teacher testing fees.....                         |    | 278,100                                     |
| Training and orientation workshop fees.....       |    | 100,000                                     |
| Total other state restricted revenues .....       |    | 14,036,000                                  |
| State general fund/general purpose .....          | \$ | 33,972,900                                  |

#### **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.....                  |      | 515,600      |
| State board/superintendent operations—14.0 FTE positions ..... |      | 2,049,500    |
| GROSS APPROPRIATION.....                                       |      | \$ 2,584,500 |
| Appropriated from:                                             |      |              |
| Federal revenues:                                              |      |              |
| Federal revenues .....                                         |      | 576,100      |
| Special revenue funds:                                         |      |              |
| Private foundations .....                                      |      | 23,000       |
| State general fund/general purpose .....                       | \$   | 1,985,400    |

#### **Sec. 103. CENTRAL SUPPORT**

|                                                                 |      |              |
|-----------------------------------------------------------------|------|--------------|
| Full-time equated classified positions .....                    | 45.2 |              |
| Central support—45.2 FTE positions .....                        |      | \$ 5,840,500 |
| Worker's compensation.....                                      |      | 101,000      |
| Education commission of the states .....                        |      | 99,300       |
| Building occupancy charges - property management services ..... |      | 1,302,000    |
| Training and orientation workshops .....                        |      | 100,000      |
| Terminal leave payments .....                                   |      | 440,500      |
| GROSS APPROPRIATION.....                                        |      | \$ 7,883,300 |
| Appropriated from:                                              |      |              |
| Federal revenues:                                               |      |              |
| Federal revenues .....                                          |      | 4,433,200    |
| Special revenue funds:                                          |      |              |
| Certification fees.....                                         |      | 171,400      |
| Driver fees .....                                               |      | 22,600       |
| Local cost sharing.....                                         |      | 60,800       |
| Commodity distribution fees .....                               |      | 5,500        |
| Motorcycle license fees .....                                   |      | 4,400        |
| Safety education fund .....                                     |      | 2,500        |
| School loan exception fees.....                                 |      | 64,200       |
| Teacher testing fees.....                                       |      | 9,800        |
| Training and orientation workshop fees.....                     |      | 100,000      |
| State general fund/general purpose .....                        | \$   | 3,008,900    |

#### **Sec. 104. SCHOOL SUPPORT SERVICES**

|                                                    |      |              |
|----------------------------------------------------|------|--------------|
| Full-time equated classified positions .....       | 41.4 |              |
| School support operations—41.4 FTE positions ..... |      | \$ 5,000,400 |
| GROSS APPROPRIATION.....                           |      | \$ 5,000,400 |
| Appropriated from:                                 |      |              |
| Federal revenues:                                  |      |              |
| Federal revenues .....                             |      | 3,977,600    |

|                                          |    |         |
|------------------------------------------|----|---------|
| Special revenue funds:                   |    |         |
| Commodity distribution fees .....        | \$ | 44,300  |
| Driver fees .....                        |    | 495,900 |
| Motorcycle license fees .....            |    | 139,100 |
| Safety education fund .....              |    | 117,700 |
| State general fund/general purpose ..... | \$ | 225,800 |

**Sec. 105. INFORMATION TECHNOLOGY SERVICES**

|                                                            |      |           |
|------------------------------------------------------------|------|-----------|
| Full-time equated classified positions .....               | 37.2 |           |
| Information technology operations—37.2 FTE positions ..... | \$   | 5,231,400 |
| GROSS APPROPRIATION .....                                  | \$   | 5,231,400 |

Appropriated from:

Federal revenues:

|                        |  |           |
|------------------------|--|-----------|
| Federal revenues ..... |  | 2,811,000 |
|------------------------|--|-----------|

Special revenue funds:

|                                          |    |           |
|------------------------------------------|----|-----------|
| Certification fees .....                 |    | 261,700   |
| Drivers fees .....                       |    | 10,600    |
| State general fund/general purpose ..... | \$ | 2,148,100 |

**Sec. 106. SPECIAL EDUCATION SERVICES**

|                                                       |      |           |
|-------------------------------------------------------|------|-----------|
| Full-time equated classified positions .....          | 68.6 |           |
| Special education operations—68.6 FTE positions ..... | \$   | 7,330,300 |
| GROSS APPROPRIATION .....                             | \$   | 7,330,300 |

Appropriated from:

Federal revenues:

|                        |  |           |
|------------------------|--|-----------|
| Federal revenues ..... |  | 7,090,200 |
|------------------------|--|-----------|

Special revenue funds:

|                                          |    |         |
|------------------------------------------|----|---------|
| Certification fees .....                 |    | 35,200  |
| State general fund/general purpose ..... | \$ | 204,900 |

**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:

|                                                   |    |         |
|---------------------------------------------------|----|---------|
| Lansing, Michigan school for the blind rent ..... |    | 739,000 |
| Gifts, bequests, and donations .....              |    | 10,000  |
| State general fund/general purpose .....          | \$ | 0       |

**Sec. 108. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

|                                                                             |      |            |
|-----------------------------------------------------------------------------|------|------------|
| Full-time equated classified positions .....                                | 96.0 |            |
| Michigan schools for the deaf and blind operations—95.0 FTE positions ..... | \$   | 9,546,700  |
| Technical resource and reproduction center .....                            |      | 1,250,000  |
| Summer institute .....                                                      |      | 312,100    |
| Camp Tuhsmeheeta—1.0 FTE position .....                                     |      | 250,100    |
| Private gifts - blind .....                                                 |      | 90,000     |
| Private gifts - deaf .....                                                  |      | 50,000     |
| GROSS APPROPRIATION .....                                                   | \$   | 11,498,900 |

Appropriated from:

Federal revenues:

|                        |  |           |
|------------------------|--|-----------|
| Federal revenues ..... |  | 2,275,300 |
|------------------------|--|-----------|

Special revenue funds:

|                                                   |    |           |
|---------------------------------------------------|----|-----------|
| Local cost sharing (schools for blind/deaf) ..... |    | 4,576,200 |
| Local school district service fees .....          |    | 252,600   |
| Gifts, bequests, and donations .....              |    | 474,200   |
| Student insurance revenue .....                   |    | 205,100   |
| State general fund/general purpose .....          | \$ | 3,715,500 |

**Sec. 109. PROFESSIONAL PREPARATION SERVICES**

|                                                             |      |    |                  |
|-------------------------------------------------------------|------|----|------------------|
| Full-time equated classified positions.....                 | 26.5 |    |                  |
| Professional preparation operations—26.5 FTE positions..... |      | \$ | 2,736,300        |
| Teacher quality enhancement.....                            |      |    | 1,000            |
| Department of attorney general.....                         |      |    | 50,000           |
| GROSS APPROPRIATION.....                                    |      | \$ | <u>2,787,300</u> |
| Appropriated from:                                          |      |    |                  |
| Federal revenues:                                           |      |    |                  |
| Federal revenues.....                                       |      |    | 224,600          |
| Special revenue funds:                                      |      |    |                  |
| Certification fees.....                                     |      |    | 2,294,400        |
| Teacher testing fees.....                                   |      |    | 268,300          |
| State general fund/general purpose.....                     |      | \$ | 0                |

**Sec. 110. FIELD SERVICES**

|                                                   |      |    |                  |
|---------------------------------------------------|------|----|------------------|
| Full-time equated classified positions.....       | 41.0 |    |                  |
| Field services operations—41.0 FTE positions..... |      | \$ | 4,182,700        |
| GROSS APPROPRIATION.....                          |      | \$ | <u>4,182,700</u> |
| Appropriated from:                                |      |    |                  |
| Federal revenues:                                 |      |    |                  |
| Federal revenues.....                             |      |    | 3,747,600        |
| State general fund/general purpose.....           |      | \$ | 435,100          |

**Sec. 111. OFFICE OF SCHOOL EXCELLENCE**

|                                                      |      |    |                  |
|------------------------------------------------------|------|----|------------------|
| Full-time equated classified positions.....          | 54.0 |    |                  |
| School excellence operations—54.0 FTE positions..... |      | \$ | 6,451,600        |
| GROSS APPROPRIATION.....                             |      | \$ | <u>6,451,600</u> |
| Appropriated from:                                   |      |    |                  |
| Federal revenues:                                    |      |    |                  |
| Federal revenues.....                                |      |    | 4,102,300        |
| Special revenue funds:                               |      |    |                  |
| Private foundations.....                             |      |    | 79,400           |
| State general fund/general purpose.....              |      | \$ | 2,269,900        |

**Sec. 112. GOVERNMENT SERVICES**

|                                                        |      |    |                  |
|--------------------------------------------------------|------|----|------------------|
| Full-time equated classified positions.....            | 12.3 |    |                  |
| Government services operations—12.3 FTE positions..... |      | \$ | 1,102,900        |
| GROSS APPROPRIATION.....                               |      | \$ | <u>1,102,900</u> |
| Appropriated from:                                     |      |    |                  |
| Federal revenues:                                      |      |    |                  |
| Federal revenues.....                                  |      |    | 650,300          |
| Special revenue funds:                                 |      |    |                  |
| State general fund/general purpose.....                |      | \$ | 452,600          |

**Sec. 113. SAFE SCHOOLS AND ADMINISTRATIVE LAW**

|                                                      |      |    |                  |
|------------------------------------------------------|------|----|------------------|
| Full-time equated classified positions.....          | 11.0 |    |                  |
| Safe schools operations—2.0 FTE positions.....       |      | \$ | 429,900          |
| Administrative law operations—9.0 FTE positions..... |      |    | 861,400          |
| State tenure commission per diem.....                |      |    | 11,100           |
| GROSS APPROPRIATION.....                             |      | \$ | <u>1,302,400</u> |
| Appropriated from:                                   |      |    |                  |
| Federal revenues:                                    |      |    |                  |
| Federal revenues.....                                |      |    | 493,400          |
| Special revenue funds:                               |      |    |                  |
| State general fund/general purpose.....              |      | \$ | 809,000          |

**Sec. 114. EDUCATION OPTIONS, CHARTERS, AND CHOICE**

|                                                     |     |    |                  |
|-----------------------------------------------------|-----|----|------------------|
| Full-time equated classified positions.....         | 7.8 |    |                  |
| Education options operations—7.8 FTE positions..... |     | \$ | 1,375,200        |
| GROSS APPROPRIATION.....                            |     | \$ | <u>1,375,200</u> |

|                                          |            |
|------------------------------------------|------------|
| Appropriated from:                       |            |
| Federal revenues:                        |            |
| Federal revenues .....                   | \$ 885,500 |
| Special revenue funds:                   |            |
| State general fund/general purpose ..... | \$ 489,700 |

# **Sec. 115. GRANTS AND DISTRIBUTIONS**

## **FEDERAL PROGRAMS:**

|                                                           |             |
|-----------------------------------------------------------|-------------|
| Acquired immunodeficiency syndrome education grants ..... | \$ 600,000  |
| Class size reduction grants .....                         | 50,275,700  |
| At-risk child care .....                                  | 976,000     |
| 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 .....                    | 9,000,000   |
| Michigan model partnership for character education .....  | 247,600     |
| Refugee children school impact grant .....                | 950,000     |
| Preschool grants (PL 94-142) .....                        | 13,500,000  |
| School-age child care grants .....                        | 857,500     |
| School lunch program - federal share .....                | 256,725,000 |
| Serve America grants .....                                | 840,000     |
| Special education .....                                   | 29,214,800  |
| Surplus commodity .....                                   | 2,506,000   |
| Technology literacy challenge fund .....                  | 17,784,300  |
| Title I, disadvantaged children .....                     | 346,000,000 |
| Title I, even start .....                                 | 5,500,000   |
| Title I, migrant .....                                    | 12,000,000  |
| Title I, comprehensive school reform .....                | 5,889,200   |
| Title VI, innovative strategies .....                     | 13,480,900  |
| Urgent school renovation grants .....                     | 45,688,400  |

## **STATE PROGRAMS:**

|                                              |                       |
|----------------------------------------------|-----------------------|
| Christa McAuliffe grants .....               | \$ 94,800             |
| Driver education .....                       | 7,600,000             |
| Motorcycle safety education .....            | 1,200,000             |
| National board certification .....           | 50,000                |
| Off-road vehicle safety training grant ..... | 194,300               |
| School readiness grants .....                | 12,900,000            |
| Reading plan for Michigan grants .....       | 34,000,000            |
| School breakfast program .....               | 5,328,000             |
| <b>GROSS APPROPRIATION .....</b>             | <b>\$ 938,679,100</b> |

|                                                                   |             |
|-------------------------------------------------------------------|-------------|
| Appropriated from:                                                |             |
| Federal revenues:                                                 |             |
| DAG, food and nutrition service, national school lunch .....      | 256,725,000 |
| DAG, the emergency food assistance program .....                  | 2,506,000   |
| DED-OBEMLA, emergency immigrant education assistance .....        | 1,455,000   |
| DED-OESE, charter schools .....                                   | 9,000,000   |
| 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  |
| DED-OESE, technology literacy challenge fund .....                | 17,784,300  |
| 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  |

|                                                                                    |    | For Fiscal Year<br>Ending Sept. 30,<br>2002 |
|------------------------------------------------------------------------------------|----|---------------------------------------------|
| DED-OESE, title I, comprehensive school reform .....                               | \$ | 5,031,900                                   |
| 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-OESE, urgent school renovation.....                                            |    | 45,688,400                                  |
| 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 .....            |    | 29,214,800                                  |
| DED-OVAE, homeless children and youth .....                                        |    | 1,041,000                                   |
| HHS-ACF, at-risk child care.....                                                   |    | 976,000                                     |
| HHS, center for disease control, acquired immunodeficiency syndrome education..... |    | 600,000                                     |
| HHS-ACF, refugee children school impact .....                                      |    | 950,000                                     |
| HHS-ACF, dependent care block grant.....                                           |    | 857,500                                     |
| Corporation for national and community service .....                               |    | 840,000                                     |
| Special revenue funds:                                                             |    |                                             |
| Drivers fees .....                                                                 |    | 7,600,000                                   |
| Certification fees.....                                                            |    | 50,000                                      |
| Motorcycle license fees .....                                                      |    | 1,200,000                                   |
| Private foundations .....                                                          |    | 94,800                                      |
| Safety education fees .....                                                        |    | 194,300                                     |
| State general fund/general purpose .....                                           | \$ | 18,228,000                                  |

## 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 2001-2002 is \$48,008,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2001-2002 is \$15,299,200.00. 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 .....                |    | 1,457,700  |
| Motorcycle safety education .....            |    | 826,800    |
| Off-road vehicle safety training grant ..... |    | 86,700     |
| School lunch and breakfast .....             |    | 5,328,000  |
| TOTAL .....                                  | \$ | 15,299,200 |

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) 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.

(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, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report by the thirtieth of each month to the chairpersons of the senate and house subcommittees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 206. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. The departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 207. (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. The funds appropriated under this subsection shall not be transferred to the unspecified federal grants line item.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000,000.00 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. The purpose of this subsection is to appropriate federal contingency funds for anticipated new federal block grants generated from combining existing federal grants under part 1. This subsection shall not be used to circumvent the supplemental appropriations process.

(3) 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.

(4) 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.

(5) 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. 208. 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. 209. Unless otherwise specified, 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 Intranet site. Quarterly the department shall provide to the appropriations subcommittee members, the state budget office, and the house and senate fiscal agencies an electronic and paper copy listing the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, if any.

Sec. 210. Funds appropriated in part 1 should 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. Preference should be given to goods and services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value.

Sec. 211. 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. 212. 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. 213. 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. 214. 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. 215. (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 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.

(f) From the funds appropriated in part 1 for safe schools operations, the department shall expend at least \$50,000.00 to advertise the toll-free school violence hotline.

Sec. 216. 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. 217. For fiscal year 2001-2002, 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. 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. 219. From the funds appropriated in part 1, the department may establish a special education quality assessment panel.

Sec. 220. From the funds appropriated in part 1, the department may establish a position of school health services consultant, to be filled by a certified school nurse or an individual with comparable education and experience.

Sec. 221. From funds appropriated for the fiscal year 1999-2000 under section 94a of the school aid act of 1979, 1979 PA 94, MCL 388.1694a, that are carried forward to the fiscal year 2000-2001, districts may seek reimbursement for net costs incurred from 1998-99 through 2001-2002 due to implementation of the center for educational performance and information. To obtain this reimbursement, a district shall provide written justification of these net costs to the center for educational performance and information. This reimbursement shall not exceed \$2.50 per pupil.

Sec. 222. By February 15, 2002, the department shall provide the state budget director, the subcommittees on department of education of the house and senate appropriations committees, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2001 and September 30, 2002.

#### **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 30 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, 2002, 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, 2003.

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, 2002, 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, 2003.

(5) The department shall request the department of civil service to conduct a review of all positions within the Michigan schools for the deaf and blind and consider any appropriate reclassifications.

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 quarterly 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. The department shall report such expenditures to the house and senate fiscal agencies quarterly.

### **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.

Sec. 503. Any unexpended funds appropriated in fiscal year 2001 for the autism teacher certification program at Grand Valley State University shall not revert back to the general fund. The department shall carry forward any remaining funds to the succeeding fiscal year. The department shall continue to work with Grand Valley State University to enhance its autism teacher certification program.

### **EDUCATION OPTIONS, CHARTERS, AND CHOICE**

Sec. 601. (1) From the amount appropriated in part 1 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) 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.

### **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 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 state board of education to applicants shall be based upon the following criteria:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Grant awards by the 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 receives a 2001-2002 grant under this section shall also receive priority for fiscal years 2002-2003 and 2003-2004 funding. However, after 3 fiscal years of continuous funding, an applicant will be required to compete openly with new programs and other programs completing their third year. All grant awards are 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. 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 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) The RPM program may award federal reading program grants as allowable for the purposes of the RPM.

(3) Not later than November 15, 2001, the department shall submit a report to the governor, the legislature, the state budget director, and the senate and house fiscal agencies on their progress in achieving the goals of the RPM. The report shall include detailed results of each RPM strategy as implemented, as well as an assessment of the state's overall progress towards having every student read at an appropriate grade level by the start of fourth grade, the impact of early intervention services on special education referrals, and the end of social promotion.

Sec. 705. 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, 2001, 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. 706. (1) From the \$400,000.00 appropriated in part 1 of 2000 PA 263 for innovative program demonstration grants, \$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, the state budget director, and the state board of education. The reports shall be posted on the department's website.

Sec. 707. The department shall require the application of a district or intermediate school district applying for new state funding for birth to age 5 programs to be in agreement with the comprehensive community plan created to meet the application requirements of section 32b of the state school aid act of 1979, 1979 PA 94, MCL 388.1632b.

Sec. 708. From the amount appropriated in part 1 for special education operations, \$1,000.00 shall be allocated to Grand Valley State University for programs and services related to autism.

### **INNOVATIVE CURRICULUM DEVELOPMENT GRANT PROGRAM**

Sec. 801. The house and senate appropriations subcommittees for the department of education shall continue to review the findings of the innovative curriculum development grant program which awarded grants under 2000 PA 263 to organizations that promoted systemic reform in the areas of curriculum development, pilot alternative education programs, civic education, special education, teacher certification, math and science education, and other innovative programs.

### **TECHNOLOGY AND INFORMATION SERVICES**

Sec. 901. The Michigan school report shall be posted on the department's website.

Sec. 902. In accordance with Executive Order No. 2000-9, the department shall support and coordinate with the center for educational performance and information on the development of a comprehensive educational information system.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives.



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Secretary of the Senate.

Approved -----

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Governor.