

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1065

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2005; 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  
5 education for the fiscal year ending September 30, 2005, from the  
6 funds indicated in this part. The following is a summary of the  
7 appropriations in this part:

## Senate Bill No. 1065 (H-1) as amended June 9, 2004

## 1 DEPARTMENT OF EDUCATION

## 2 APPROPRIATION SUMMARY:

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	[407.0]	
5	GROSS APPROPRIATION.....	\$	[113,557,400]
6	Interdepartmental grant revenues:		
7	Interdepartmental grant from corrections academy		
8	lease.....		1,072,100
9	Total interdepartmental grants and intradepartmental		
10	transfers.....		1,072,100
11	ADJUSTED GROSS APPROPRIATION.....	\$	[112,485,300]
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues.....		60,654,700
15	Special revenue funds:		
16	Local cost sharing (schools for blind/deaf).....		4,928,800
17	Local school district service fees.....		270,000
18	Total local revenues.....		5,198,800
19	Private gifts, bequests, and donations.....		[504,800]
20	Private foundations.....		197,300
21	Total private revenues.....		[702,100]
22	Total local and private revenues.....		[5,900,900]
23	Merit award trust funds.....		[13,685,400]
24	Teacher certification revenues.....		[4,371,700]
25	Commodity distribution fees.....		72,300
26	Driver fees.....		100
27	Lansing, Michigan school for the blind rent.....		739,000

## Senate Bill No. 1065 (H-1) as amended June 9, 2004

1	Student insurance revenues.....	205,100
2	Teacher testing fees.....	299,400
3	Training and orientation workshop fees.....	100,100
4	Total other state restricted revenues.....	[19,473,100]
5	State general fund/general purpose..... \$	[26,456,600]
6	<b>Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE</b>	
7	<b>SUPERINTENDENT</b>	
8	Full-time equated unclassified positions.....6.0	
9	Full-time equated classified positions.....16.0	
10	State board of education, per diem payments..... \$	24,400
11	Unclassified positions--6.0 FTE positions.....	515,700
12	State board/superintendent operations	
13	Salaries and fringe benefits--16.0 FTE positions....	[2,001,100]
14	Travel.....	84,400
15	Other operational expenses.....	[601,600]
16	Subtotal - state board/superintendent operations....	<u>[2,687,100]</u>
17	GROSS APPROPRIATION..... \$	[3,227,200]
18	Appropriated from:	
19	Federal revenues:	
20	Federal revenues.....	1,715,800
21	Special revenue funds:	
22	Certification fees.....	174,400
23	Private foundations.....	23,000
24	State general fund/general purpose..... \$	[1,314,000]
25	<b>Sec. 103. CENTRAL SUPPORT</b>	
26	Full-time equated classified positions.....27.0	
27	Central support operations	

## Senate Bill No. 1065 (H-1) as amended June 9, 2004

1	Salaries and fringe benefits--27.0 FTE positions....	\$	[1,695,400]
2	Travel.....		9,200
3	Other operational expenses.....		[1,709,300]
4	Subtotal - central support.....		<u>[3,413,900]</u>
5	Worker's compensation.....		42,100
6	Building occupancy charges-property management		
7	services.....		1,342,800
8	Training and orientation workshops.....		100,100
9	Terminal leave payments.....		620,500
10	Human resources optimization user charges.....		<u>29,600</u>
11	GROSS APPROPRIATION.....	\$	[5,549,000]
12	Appropriated from:		
13	Federal revenues:		
14	Federal revenues.....		3,427,600
15	Special revenue funds:		
16	Certification fees.....		260,800
17	Local cost sharing.....		93,400
18	Commodity distribution fees.....		7,000
19	Teacher testing fees.....		12,200
20	Training and orientation workshop fees.....		100,100
21	State general fund/general purpose.....	\$	[1,647,900]
22	<b>Sec. 104. SCHOOL SUPPORT SERVICES</b>		
23	Full-time equated classified positions.....		48.0
24	School support operations		
25	Salaries and fringe benefits--48.0 FTE positions....	\$	[4,113,800]
26	Travel.....		154,400
27	Other operational expenses.....		[1,379,900]

## Senate Bill No. 1065 (H-1) as amended June 9, 2004

1	Subtotal - school support operations.....		<u>[5,648,100]</u>
2	GROSS APPROPRIATION.....	\$	[5,648,100]
3	Appropriated from:		
4	Federal revenues:		
5	Federal revenues.....		5,185,800
6	Special revenue funds:		
7	Commodity distribution fees.....		65,300
8	State general fund/general purpose.....	\$	[397,000]
9	<b>Sec. 105. INFORMATION TECHNOLOGY SERVICES</b>		
10	Information technology operations		
11	Salaries and fringe benefits.....	\$	[1,052,500]
12	Other operational expenses.....		1,488,300
13	Subtotal - information technology operations.....		<u>[2,540,800]</u>
14	GROSS APPROPRIATION.....	\$	[2,540,800]
15	Appropriated from:		
16	Federal revenues:		
17	Federal revenues.....		1,482,800
18	Special revenue funds:		
19	Certification fees.....		175,400
20	Local cost sharing (schools for blind/deaf).....		47,700
21	State general fund/general purpose.....	\$	[834,900]
22	<b>Sec. 106. SPECIAL EDUCATION SERVICES</b>		
23	Full-time equated classified positions.....		[52.0]
24	Special education operations		
25	Salaries and fringe benefits--52.0 FTE positions....	\$	[4,084,300]
26	Travel.....		105,800
27	Other operational expenses.....		[6,740,200]

## Senate Bill No. 1065 (H-1) as amended June 9, 2004

1	Subtotal - special education operations.....		<u>[10,930,300]</u>
2	GROSS APPROPRIATION.....	\$	[10,930,300]
3	Appropriated from:		
4	Federal revenues:		
5	Federal revenues.....		10,682,100
6	Special revenue funds:		
7	Certification fees.....		36,700
8	State general fund/general purpose.....	\$	[211,500]
9	<b>Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND</b>		
10	<b>FORMER SITE</b>		
11	General services.....	\$	<u>1,821,200</u>
12	GROSS APPROPRIATION.....	\$	1,821,200
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	Interdepartmental grant from corrections academy		
16	lease.....		1,072,100
17	Special revenue funds:		
18	Lansing, Michigan school for the blind rent.....		739,000
19	Gifts, bequests, and donations.....		10,000
20	State general fund/general purpose.....	\$	100
21	<b>Sec. 108. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND</b>		
22	Full-time equated classified positions.....76.0		
23	Michigan schools for the deaf and blind operations		
24	Salaries and fringe benefits--75.0 FTE positions....	\$	[5,018,100]
25	Travel.....		28,500
26	Other operational expenses.....		[5,126,100]
27	Subtotal - Michigan schools for the deaf and blind..		<u>[10,172,700]</u>

## Senate Bill No. 1065 (H-1) as amended June 9, 2004

1	Summer institute.....	90,100
2	Camp Tuhsmeheeta--1.0 FTE positions.....	250,200
3	Private gifts - blind.....	90,100
4	Private gifts - deaf.....	<u>50,100</u>
5	GROSS APPROPRIATION..... \$	[10,653,200]
6	Appropriated from:	
7	Federal revenues:	
8	Federal revenues.....	4,895,600
9	Special revenue funds:	
10	Local cost sharing (schools for blind/deaf).....	4,787,700
11	Local school district service fees.....	270,000
12	Gifts, bequests, and donations.....	[494,800]
13	Student insurance revenue.....	205,100
14	State general fund/general purpose..... \$	0
15	<b>Sec. 109. PROFESSIONAL PREPARATION SERVICES</b>	
16	Full-time equated classified positions.....	[31.0]
17	Professional preparation operations	
18	Salaries and fringe benefits--31.0 FTE positions.... \$	[2,221,000]
19	Travel.....	39,000
20	Other operational expenses.....	[3,123,100]
21	Subtotal - professional preparation operations.....	[5,383,100]
22	Department of attorney general.....	<u>50,100</u>
23	GROSS APPROPRIATION..... \$	[5,433,200]
24	Appropriated from:	
25	Federal revenues:	
26	Federal revenues.....	2,547,100
27	Special revenue funds:	

## Senate Bill No. 1065 (H-1) as amended June 9, 2004

1	Certification fees.....	[2,598,900]
2	Teacher testing fees.....	287,200
3	State general fund/general purpose..... \$	0
4	<b>Sec. 110. EARLY CHILDHOOD EDUCATION AND FAMILY</b>	
5	<b>SERVICES</b>	
6	Full-time equated classified positions.....23.0	
7	Early childhood education and family services	
8	operations	
9	Salaries and fringe benefits--23.0 FTE positions.... \$	[2,162,600]
10	Travel.....	64,500
11	Other operational expenses.....	[1,453,700]
12	Subtotal - early childhood education and family	
13	services operations.....	<u>[3,680,800]</u>
14	GROSS APPROPRIATION..... \$	[3,680,800]
15	Appropriated from:	
16	Federal revenues:	
17	Federal revenues.....	2,689,800
18	Special revenue funds:	
19	Certification fees.....	53,600
20	State general fund/general purpose..... \$	[937,400]
21	<b>Sec. 111. SCHOOL IMPROVEMENT SERVICES</b>	
22	Full-time equated classified positions.....78.0	
23	School improvement operations	
24	Salaries and fringe benefits--78.0 FTE positions.... \$	[6,010,100]
25	Travel.....	270,600
26	Other operational expenses.....	[7,801,000]
27	Subtotal - school improvement operations.....	<u>[14,081,700]</u>



## House Bill No. 1065 (H-1) as amended June 9, 2004

1	GROSS APPROPRIATION.....	\$	[14,081,700]
2	Appropriated from:		
3	Federal revenues:		
4	Federal revenues.....		13,426,700
5	Special revenue funds:		
6	Certification fees.....		502,300
7	Private foundations.....		79,400
8	State general fund/general purpose.....	\$	[73,300]
9	<b>Sec. 112. SCHOOL FINANCE AND SCHOOL LAW SERVICES</b>		
10	Full-time equated classified positions.....	21.0	
11	School finance and school law operations		
12	Salaries and fringe benefits--21.0 FTE positions....	\$	[2,194,700]
13	Travel.....		9,300
14	Other operational expenses.....		[269,900]
15	Subtotal - school finance and school law operations.		<u>[2,473,900]</u>
16	GROSS APPROPRIATION.....	\$	[2,473,900]
17	Appropriated from:		
18	Federal revenues:		
19	Federal revenues.....		1,241,300
20	Special revenue funds:		
21	Certification fees.....		467,200
22	State general fund/general purpose.....	\$	[765,400]
23	<b>Sec. 113. EDUCATIONAL ASSESSMENT SERVICES</b>		
24	Full-time equated classified positions.....	25.0	
25	Educational assessment operations		
26	Salaries and fringe benefits--25.0 FTE positions....	\$	[1,981,900]
27	Travel.....		40,300

## Senate Bill No. 1065 (H-1) as amended June 9, 2004

1	Other operational expenses.....	[22,946,900]
2	Subtotal - educational assessment operations.....	<u>[24,969,100]</u>
3	GROSS APPROPRIATION..... \$	[24,969,100]
4	Appropriated from:	
5	Federal revenues:	
6	Federal revenues.....	11,283,700
7	Special revenue funds:	
8	Merit award trust funds.....	[13,685,400]
9	State general fund/general purpose..... \$	0
10	<b>Sec. 114. GRANTS ADMINISTRATION AND COORDINATION</b>	
11	<b>SERVICES</b>	
12	Full-time equated classified positions.....10.0	
13	Grants administration and coordination operations	
14	Salaries and fringe benefits--10.0 FTE positions.... \$	[880,400]
15	Travel.....	12,500
16	Other operational expenses.....	[185,800]
17	Subtotal - grants administration and coordination	
18	operations.....	<u>[1,078,700]</u>
19	GROSS APPROPRIATION..... \$	[1,078,700]
20	Appropriated from:	
21	Federal revenues:	
22	Federal revenues.....	1,076,300
23	Special revenue funds:	
24	Certification fees.....	[2,400]
25	State general fund/general purpose..... \$	0
26	<b>Sec. 115. GRANTS AND DISTRIBUTIONS</b>	
27	<b>FEDERAL PROGRAMS:</b>	

## Senate Bill No. 1065 (H-1) as amended June 9, 2004

1	Urgent school renovation grants.....	\$	1,000,100
2	STATE PROGRAMS:		
3	Christa McAuliffe grants.....	\$	94,900
4	Driver education.....		100
5	National board certification.....		100,000
6	School breakfast program-state share.....		8,025,000
7	School readiness grants.....		<u>12,250,100</u>
8	GROSS APPROPRIATION.....	\$	21,470,200
9	Appropriated from:		
10	Federal revenues:		
11	DED-OESE, urgent school renovation.....		1,000,100
12	Special revenue funds:		
13	Drivers fees.....		100
14	Certification fees.....		100,000
15	Private foundations.....		94,900
16	State general fund/general purpose.....	\$	20,275,100

## 17 PART 2

## 18 PROVISIONS CONCERNING APPROPRIATIONS

19 GENERAL SECTIONS

20 Sec. 201. Pursuant to section 30 of article IX of the state  
 21 constitution of 1963, total state spending from state resources under  
 22 part 1 for fiscal year 2004-2005 is [\$45,929,500.00] and state spending  
 23 from state resources to be paid to local units of government for  
 24 fiscal year 2004-2005 is estimated at \$9,015,200.00. The itemized  
 25 statement below identifies appropriations from which spending to units

1 of local government will occur:

2 GRANTS AND DISTRIBUTIONS

3 STATE PROGRAMS:

4	School readiness grants.....	\$	990,200
5	School lunch and breakfast.....		<u>8,025,000</u>
6	TOTAL.....	\$	9,015,200

7       Sec. 202. The appropriations authorized under this act are  
 8 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to  
 9 18.1594.

10       Sec. 203. As used in this act:

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

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

14       (c) "District" means a local school district as defined in section  
 15 6 of the revised school code, 1976 PA 451, MCL 380.6, or a local act  
 16 school district or public school academy as defined in section 5 of the  
 17 revised school code, 1976 PA 451, MCL 380.5.

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

19       Sec. 204. The department of civil service shall bill the  
 20 department at the end of the first fiscal quarter for the 1% charge  
 21 authorized by section 5 of article XI of the state constitution of  
 22 1963. Payments shall be made for the total amount of the billing by  
 23 the end of the second fiscal quarter.

24       Sec. 205. Unless otherwise specified, the department shall use  
 25 the Internet to fulfill the reporting requirements of this act. This  
 26 requirement may include transmission of reports via electronic mail to  
 27 the recipients identified for each reporting requirement, or it may

1 include placement of reports on an Internet or Intranet site.

2       Sec. 206. The department may carry into the succeeding fiscal  
3 year unexpended federal pass-through funds to local institutions and  
4 governments that do not require additional state matching funds.  
5 Federal pass-through funds to local institutions and governments that  
6 are received in amounts in addition to those included in part 1 and  
7 that do not require additional state matching funds are appropriated  
8 for the purposes intended.

9       Sec. 207. The department shall provide the state budget director  
10 and the senate and house fiscal agencies with copies of the state  
11 board of education agenda and all supporting documents at the time the  
12 agenda and supporting documents are provided to state board of  
13 education members.

14       Sec. 208. (1) Upon receipt of the federal drug free grant, the  
15 department shall allocate \$225,000.00 of the grant to the safe school  
16 program within the department. The safe school program shall work  
17 with local school boards, parents of enrolled students, law  
18 enforcement agencies, community leaders, and the office of drug  
19 control policy for the prevention of school violence. The safe school  
20 program shall develop and implement, and serve as coordinator of, a  
21 statewide clearinghouse for information, program development, model  
22 programs and policies, and technical assistance on school violence  
23 prevention.

24       (2) To accomplish its functions under this section, the safe  
25 school program shall do all of the following:

26       (a) Evaluate the effectiveness of, and make recommendations to  
27 local school boards concerning public school violence prevention

1 programs, including, but not limited to, programs aimed at reducing  
2 the possession of weapons and the incidence of other violent behaviors  
3 on school campuses, violence prevention curricula, conflict resolution  
4 and peer mediation training, interagency cooperative referral and  
5 treatment programs, parental involvement programs, and school safety  
6 planning.

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

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

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

21 (e) Advance, promote, and encourage the awareness and use of the  
22 state police antiviolence hotline.

23 Sec. 209. The department shall require all public school  
24 districts to maintain complete records within the personnel file of a  
25 teacher or school employee of any disciplinary actions taken by the  
26 local school board against the teacher or employee for sexual  
27 misconduct. The records shall not be destroyed or removed from the

1 teacher's or employee's personnel file except as required by a court  
2 order.

3       Sec. 210. From the funds appropriated in part 1 for information  
4 technology, the department shall pay user fees to the department of  
5 information technology for technology-related services and projects.  
6 Such user fees shall be subject to provisions of an interagency  
7 agreement between the department and the department of information  
8 technology.

9       Sec. 211. Amounts appropriated in part 1 for information  
10 technology may be designated as work projects and carried forward to  
11 support technology projects under the direction of the department of  
12 information technology. Funds designated in this manner are not  
13 available for expenditure until approved as work projects under  
14 section 451a of the management and budget act, 1984 PA 431,  
15 MCL 18.1451a.

16       Sec. 212. Before publishing a list of schools or districts  
17 determined to have failed to make adequate yearly progress as required  
18 by the federal no child left behind act of 2001, Public Law 107-110,  
19 115 Stat. 1425, the department shall allow a school or district to  
20 appeal that determination. The department shall consider and act upon  
21 the appeal within 30 days after it is submitted and shall not publish  
22 the list until after all appeals have been considered and decided.

23       Sec. 213. Funds appropriated in part 1 shall not be used for the  
24 purchase of foreign goods or services, or both, if competitively  
25 priced and comparable quality American goods or services, or both, are  
26 available. Preference should be given to goods or services, or both,  
27 manufactured or provided by Michigan businesses if they are

1 competitively priced and of comparable quality.

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

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

9       (b) The duration of the contract.

10       (c) The name of the vendor.

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

12       (2) For personal service contracts of \$10,000.00 or more, the  
13 department of management and budget shall provide a monthly report  
14 including all of the following:

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

16       (b) The duration of the contract.

17       (c) The name of the vendor.

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

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

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



1       Sec. 215. The department shall not expend funds appropriated in  
2 part 1 for out-of-state travel. This section does not apply to  
3 out-of-state travel required by legal mandate, court order, or  
4 required in order to receive and maintain federal funding.

5       Sec. 216. The director of each department receiving  
6 appropriations in part 1 shall take all reasonable steps to ensure  
7 businesses in deprived and depressed communities compete for and  
8 perform contracts to provide services or supplies, or both. Each  
9 director shall strongly encourage firms with which the department  
10 contracts to subcontract with certified businesses in depressed and  
11 deprived communities for services, supplies, or both.

12       Sec. 217. (1) Beginning October 1, a hiring freeze is imposed on  
13 the state classified civil service. The department is prohibited from  
14 hiring any new full-time state classified civil service employees and  
15 prohibited from filling any vacant state classified civil service  
16 positions. This hiring freeze does not apply to internal transfers of  
17 classified employees from 1 position to another within the  
18 department.

19       (2) The hiring freeze described in subsection (1) does not apply  
20 to the hiring of new full-time state classified civil service  
21 employees to satisfy any of the following:

22       (a) Prevention of loss of federal funds where federal law mandates  
23 corresponding employees.

24       (b) Replacement of employees who retire.

25       (c) Authorization by legal mandate or court order.

[Sec. 218. (1) In addition to the funds appropriated in part 1,  
there is appropriated an amount not to exceed \$1,000,000.00 for federal  
contingency funds. These funds are not available for expenditure until  
they have been transferred to another line item in this bill under  
section 393(2) of the management and budget act, 1984 PA 431, MCL  
18.1393.

(2) In addition to the funds appropriated in part 1, there is  
appropriated an amount not to exceed \$700,000.00 for state restricted

Senate Bill No. 1065 (H-1) as amended June 9, 2004 (2 of 2)

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$250,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.]

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

1       Sec. 301. (1) The appropriations in part 1 may be used for per  
2 diem payments to the state board for meetings at which a quorum is  
3 present or for performing official business authorized by the state  
4 board. The per diem payments shall be at a rate as follows:

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

6       (b) State board of education - member other than president -  
7 \$100.00 per day.

8       (2) A state board of education member shall not be paid a per diem  
9 for more than 30 days per year.

10       (3) The administrative secretary of the state board of education  
11 shall report to the public, the senate and house fiscal agencies, and  
12 the state budget director the previous quarter's expenses by fund  
13 source for members of the state board of education related to the  
14 performance of their responsibilities.

15       Sec. 302. From the amount appropriated in part 1 to the state  
16 board of education, not more than \$35,000.00 shall be expended for  
17 in-state travel. No funds from the amount appropriated in part 1  
18 shall be expended for out-of-state travel.

19 **MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

20       Sec. 401. The employees at the Michigan schools for the deaf and  
21 blind who work on a school year basis shall be considered annual  
22 employees for purposes of service credits, retirement, and insurance  
23 benefits.

24       Sec. 402. For each student enrolled at the Michigan schools for  
25 the deaf and blind, the department shall assess the intermediate  
26 school district of residence 100% of the cost of operating the

1 student's instructional program. The amount shall exclude room and  
2 board related costs and the cost of weekend transportation between the  
3 school and the student's home.

4       Sec. 403. (1) The department may assess rent to any state agency  
5 for the use of any facility at the Michigan school for the blind's  
6 former site in Lansing. The rental rates and all leasing arrangements  
7 shall be subject to the approval of the department of management and  
8 budget.

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

17       (3) Security guards or other patrols at the Michigan school for  
18 the blind's former site shall not be funded through part 1 funds  
19 appropriated for the Michigan schools for the deaf and blind.

20       (4) If the department leases real property to a person or  
21 organization that is not a department of state government, the  
22 department shall not expend funds in excess of the lease revenue  
23 received to replace, renovate, or repair that real property. This  
24 section shall not apply to emergency repairs or costs associated with  
25 technological renovations.

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

1           (6) From the unexpended balances of appropriations and any surplus  
2 restricted revenue for the former school for the blind site in  
3 Lansing, up to \$100,000.00 of any unexpended and unencumbered funds  
4 remaining on September 30, 2005 may be carried forward as a work  
5 project and expended for special maintenance and repairs of facilities  
6 at the former Michigan school for the blind site in Lansing. The work  
7 project shall be performed by state employees or by contract when  
8 necessary at an estimated cost of \$100,000.00. The estimated  
9 completion date of the work project is September 30, 2006.

10           Sec. 404. (1) The department may assess rent or lease excess  
11 property located on the campus of the Michigan schools for the deaf  
12 and blind in Flint to private or publicly funded organizations.

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

20           (3) From the unexpended balances of appropriations for the  
21 schools for the deaf and blind operations, and from proceeds of the  
22 sale of surplus property and facilities at the Michigan schools for  
23 the deaf and blind, up to \$250,000.00 of any unexpended and  
24 unencumbered funds remaining on September 30, 2005 may be carried  
25 forward as a work project and expended for special maintenance and  
26 repairs of facilities at the campus of the Michigan schools for the  
27 deaf and blind in Flint. The work shall be carried out by state

1 employees, or by contract as necessary, at an estimated cost of  
2 \$250,000.00. The estimated completion date of the work is September  
3 30, 2006.

4 Sec. 407. The department may assist the department of community  
5 health, other departments, and local school districts to secure  
6 reimbursement for eligible services provided in Michigan schools from  
7 the federal Medicaid program. The department may submit reports of  
8 direct expenses related to this effort to the department of community  
9 health for reimbursement.

10 Sec. 408. (1) The Michigan schools for the deaf and blind may  
11 promote its residential program as a possible appropriate option for  
12 children who are deaf or hard of hearing or who are blind or visually  
13 impaired. The Michigan schools for the deaf and blind shall  
14 distribute information detailing its services to all intermediate  
15 school districts in the state.

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

22 (3) Parents should continue to have a choice regarding the  
23 educational placement of their deaf or hard of hearing children.

24 Sec. 409. In addition to those funds appropriated in part 1, the  
25 department may receive and expend funds from the mid-Michigan  
26 leadership academy for capital improvements. The department shall  
27 report to the house and senate fiscal agencies and the state budget

1 office on an annual basis any expenditures made under this section.  
2 These additional funds are appropriated specifically for capital  
3 improvements authorized by the department of management and budget and  
4 shall be negotiated as part of the lease agreement.

5 Sec. 410. The department shall report to the house and senate  
6 appropriations subcommittees on education detailed information on the  
7 expenditures made from the amount authorized in part 1 quarterly for  
8 general services for the Michigan school for the blind's former site.

#### 9 **PROFESSIONAL PREPARATION SERVICES**

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

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

22 Sec. 503. Of the funds appropriated in part 1 for professional  
23 preparation operations, not more than \$75,000.00 shall be allocated to  
24 Wayne State University for the limited license to instruct program,  
25 and not more than \$75,000.00 shall be allocated to Central Michigan  
26 University for the alternative route to certification program.

1 **OFFICE OF SCHOOL IMPROVEMENT**

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

7 **GRANTS AND DISTRIBUTIONS**

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

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

23       (a) The public school district participates in the federal school  
24 breakfast program and meets all standards as prescribed by 7 CFR parts  
25 220 and 245.

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



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

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

12 Sec. 703. (1) The funds appropriated in part 1 for school  
13 readiness programs shall be made available through a competitive  
14 application process as follows:

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

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

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

26 (d) Priority in the recommendation for awarding of grants by the  
27 superintendent of public instruction to applicants shall be based upon

1 the following criteria:

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

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

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

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

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

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

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

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

6       (3) Except as otherwise provided, an applicant that receives a  
7 2004-2005 grant under this section shall also receive priority for  
8 fiscal years 2005-2006 and 2006-2007 funding. However, after 3 fiscal  
9 years of continuous funding, an applicant will be required to compete  
10 openly with new programs and other programs completing their third  
11 year. All grant awards are contingent on the availability of funds  
12 and documented evidence of grantee compliance with standards for early  
13 childhood development consistent with programs for 4-year-olds, as  
14 approved by the state board of education, and with all operational,  
15 fiscal, administrative, and other program requirements. A program  
16 which offers supplementary day care and thereby offers full-day  
17 programs as part of its early childhood development program shall  
18 receive priority in the allocation of competitive funds.

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

26 **INFORMATION TECHNOLOGY**

1       Sec. 801. The department shall work in collaboration with the  
2 center for educational performance and information to support the  
3 comprehensive educational information system and all data collection  
4 efforts of the department.

5       Sec. 802. The department and the Michigan virtual university  
6 shall work collaboratively to implement section 98 of the state school  
7 aid act of 1979, 1979 PA 94, MCL 388.1698, in accordance with all  
8 applicable federal laws and regulations.

## 9 **EDUCATIONAL ASSESSMENT**

10       Sec. 901. (1) From the funds appropriated in part 1 for the  
11 educational assessment operations, the department shall provide tests  
12 to nonpublic schools and home-schooled students upon request. The  
13 department shall notify nonpublic schools that they are eligible to  
14 receive the tests.

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

17       (3) The results of each test administered as part of the Michigan  
18 educational assessment program, including tests administered to high  
19 school students, shall include an item analysis that lists all items  
20 that are counted for individual student scores and the percentage of  
21 students choosing each possible response.