

**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:**

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PART 1

2

LINE-ITEM APPROPRIATIONS

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

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amounts listed in this part are appropriated for the department of

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education for the fiscal year ending September 30, 2005, from the

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

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appropriations in this part:

## 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.....		\$ 115,019,750
6	Interdepartmental grant revenues:		
7	Interdepartmental grant from corrections academy		
8	lease.....		1,072,100
9	ADJUSTED GROSS APPROPRIATION.....		\$ 113,947,650
10	Federal revenues:		
11	Total federal revenues.....		60,324,250
12	Special revenue funds:		
13	Local cost sharing (schools for blind/deaf).....		4,926,550
14	Local school district service fees.....		270,000
15	Total local revenues.....		5,196,550
16	Gifts, bequests, and donations.....		504,200
17	Private foundations.....		197,200
18	Total private revenues.....		701,400
19	Total local and private revenues.....		5,897,950
20	Certification fees.....		4,245,800
21	Commodity distribution fees.....		70,800
22	Lansing, Michigan school for the blind rent.....		739,000
23	Michigan merit award trust fund.....		13,673,300
24	Student insurance revenue.....		205,100
25	Teacher testing fees.....		299,300
26	Training and orientation workshop fees.....		100,000
27	Total other state restricted revenues.....		19,333,300

1	State general fund/general purpose.....	\$	28,392,150
2	<b>Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE</b>		
3	<b>SUPERINTENDENT</b>		
4	Full-time equated unclassified positions.....	6.0	
5	Full-time equated classified positions.....	16.0	
6	Unclassified positions--6.0 FTE positions.....	\$	515,600
7	State board/superintendent operations		
8	Salaries and fringe benefits--16.0 FTE positions....		2,001,000
9	Travel.....		42,200
10	Other operational expenses.....		601,500
11	Subtotal - state board/superintendent operations....		<u>2,644,700</u>
12	GROSS APPROPRIATION.....	\$	3,160,300
13	Appropriated from:		
14	Federal revenues:		
15	Federal revenues.....		1,698,100
16	Special revenue funds:		
17	Certification fees.....		169,400
18	Private foundations.....		23,000
19	State general fund/general purpose.....	\$	1,269,800
20	<b>Sec. 103. CENTRAL SUPPORT</b>		
21	Full-time equated classified positions.....	27.0	
22	Central support		
23	Salaries and fringe benefits--27.0 FTE positions....	\$	1,695,300
24	Travel.....		4,600
25	Other operational expenses.....		1,709,200
26	Subtotal - central support.....		3,409,100
27	Worker's compensation.....		42,000

1	Building occupancy charges - property management	
2	services.....	1,342,700
3	Human resources optimization user charges.....	29,500
4	Training and orientation workshops.....	100,000
5	Terminal leave payments.....	<u>620,400</u>
6	GROSS APPROPRIATION..... \$	5,543,700
7	Appropriated from:	
8	Federal revenues:	
9	Federal revenues.....	3,423,300
10	Special revenue funds:	
11	Certification fees.....	260,800
12	Commodity distribution fees.....	7,000
13	Local cost sharing.....	93,400
14	Teacher testing fees.....	12,200
15	Training and orientation workshop fees.....	100,000
16	State general fund/general purpose..... \$	1,647,000
17	<b>Sec. 104. SCHOOL SUPPORT SERVICES</b>	
18	Full-time equated classified positions.....48.0	
19	School support operations	
20	Salaries and fringe benefits--48.0 FTE positions.... \$	4,113,700
21	Travel.....	77,200
22	Other operational expenses.....	1,379,800
23	Subtotal - school support operations.....	<u>5,570,700</u>
24	GROSS APPROPRIATION..... \$	5,570,700
25	Appropriated from:	
26	Federal revenues:	
27	Federal revenues.....	5,117,100

1	Special revenue funds:		
2	Commodity distribution fees.....		63,800
3	State general fund/general purpose.....	\$	389,800
4	<b>Sec. 105. INFORMATION TECHNOLOGY SERVICES</b>		
5	Information technology operations		
6	Salaries and fringe benefits.....	\$	1,052,400
7	Other operational expenses.....		1,488,200
8	Subtotal - information technology operations.....		<u>2,540,600</u>
9	GROSS APPROPRIATION.....	\$	2,540,600
10	Appropriated from:		
11	Federal revenues:		
12	Federal revenues.....		1,482,800
13	Special revenue funds:		
14	Certification fees.....		175,400
15	Local cost sharing (schools for blind/deaf).....		47,700
16	State general fund/general purpose.....	\$	834,700
17	<b>Sec. 106. SPECIAL EDUCATION SERVICES</b>		
18	Full-time equated classified positions.....52.0		
19	Special education operations		
20	Salaries and fringe benefits--52.0 FTE positions....	\$	4,084,200
21	Travel.....		52,900
22	Other operational expenses.....		6,740,100
23	Subtotal - special education operations.....		<u>10,877,200</u>
24	GROSS APPROPRIATION.....	\$	10,877,200
25	Appropriated from:		
26	Federal revenues:		
27	Federal revenues.....		10,630,200

1	Special revenue funds:	
2	Certification fees.....	36,700
3	State general fund/general purpose..... \$	210,300
4	<b>Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND</b>	
5	<b>FORMER SITE</b>	
6	General services..... \$	<u>1,821,100</u>
7	GROSS APPROPRIATION..... \$	1,821,100
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	Interdepartmental grant from corrections academy	
11	lease.....	1,072,100
12	Special revenue funds:	
13	Gifts, bequests, and donations.....	10,000
14	Lansing, Michigan school for the blind rent.....	739,000
15	State general fund/general purpose..... \$	0
16	<b>Sec. 108. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND</b>	
17	Full-time equated classified positions.....76.0	
18	Michigan schools for the deaf and blind operations	
19	Salaries and fringe benefits--75.0 FTE positions.... \$	5,018,000
20	Travel.....	14,250
21	Other operational expenses.....	5,126,000
22	Subtotal - Michigan schools for the deaf and blind	
23	operations.....	10,158,250
24	Summer institute.....	90,000
25	Camp Tuhsmeheeta	
26	Other operational expenses.....	250,100
27	Subtotal - Camp Tuhsmeheeta.....	250,100

1	Private gifts - blind.....	90,000
2	Private gifts - deaf.....	<u>50,000</u>
3	GROSS APPROPRIATION..... \$	10,638,350
4	Appropriated from:	
5	Federal revenues:	
6	Federal revenues.....	4,883,600
7	Special revenue funds:	
8	Local cost sharing (schools for blind/deaf).....	4,785,450
9	Local school district service fees.....	270,000
10	Gifts, bequests, and donations.....	494,200
11	Student insurance revenue.....	205,100
12	State general fund/general purpose..... \$	0
13	<b>Sec. 109. PROFESSIONAL PREPARATION SERVICES</b>	
14	Full-time equated classified positions.....31.0	
15	Professional preparation operations	
16	Salaries and fringe benefits--31.0 FTE positions.... \$	2,220,900
17	Travel.....	19,500
18	Other operational expenses.....	3,123,000
19	Subtotal - professional preparation operations.....	5,363,400
20	Department of attorney general.....	<u>50,000</u>
21	GROSS APPROPRIATION..... \$	5,413,400
22	Appropriated from:	
23	Federal revenues:	
24	Federal revenues.....	2,542,250
25	Special revenue funds:	
26	Certification fees.....	2,584,050
27	Teacher testing fees.....	287,100

1	State general fund/general purpose.....	\$	0
2	<b>Sec. 110. EARLY CHILDHOOD EDUCATION AND FAMILY</b>		
3	<b>SERVICES</b>		
4	Full-time equated classified positions.....	23.0	
5	Early childhood education and family services		
6	operations		
7	Salaries and fringe benefits--23.0 FTE positions....	\$	2,162,500
8	Travel.....		32,250
9	Other operational expenses.....		1,453,600
10	Subtotal - early childhood education and family		
11	services operations.....		<u>3,648,350</u>
12	GROSS APPROPRIATION.....	\$	3,648,350
13	Appropriated from:		
14	Federal revenues:		
15	Federal revenues.....		2,666,250
16	Special revenue funds:		
17	Certification fees.....		53,150
18	State general fund/general purpose.....	\$	928,950
19	<b>Sec. 111. SCHOOL IMPROVEMENT</b>		
20	Full-time equated classified positions.....	78.0	
21	School improvement operations		
22	Salaries and fringe benefits--78.0 FTE positions....	\$	6,010,000
23	Travel.....		135,300
24	Other operational expenses.....		7,800,900
25	Subtotal - school improvement operations.....		<u>13,946,200</u>
26	GROSS APPROPRIATION.....	\$	13,946,200
27	Appropriated from:		



1	Federal revenues:	
2	Federal revenues.....	13,297,500
3	Special revenue funds:	
4	Certification fees.....	496,900
5	Private foundations.....	79,400
6	State general fund/general purpose..... \$	72,400
7	<b>Sec. 112. SCHOOL FINANCE AND SCHOOL LAW</b>	
8	Full-time equated classified positions.....21.0	
9	School finance and school law operations	
10	Salaries and fringe benefits--21.0 FTE positions.... \$	2,194,600
11	Travel.....	4,650
12	Other operational expenses.....	269,800
13	Subtotal - school finance and school law operations.	<u>2,469,050</u>
14	GROSS APPROPRIATION..... \$	2,469,050
15	Appropriated from:	
16	Federal revenues:	
17	Federal revenues.....	1,237,650
18	Special revenue funds:	
19	Certification fees.....	467,200
20	State general fund/general purpose..... \$	764,200
21	<b>Sec. 113. EDUCATIONAL ASSESSMENT</b>	
22	Full-time equated classified positions.....25.0	
23	Educational assessment operations	
24	Salaries and fringe benefits--25.0 FTE positions.... \$	1,981,800
25	Travel.....	20,150
26	Other operational expenses.....	22,946,800
27	Subtotal - educational assessment operations.....	<u>24,948,750</u>

1	GROSS APPROPRIATION.....	\$	24,948,750
2	Appropriated from:		
3	Federal revenues:		
4	Federal revenues.....		11,275,450
5	Special revenue funds:		
6	Merit award trust fund.....		13,673,300
7	State general fund/general purpose.....	\$	0
8	<b>Sec. 114. GRANTS ADMINISTRATION AND COORDINATION</b>		
9	Full-time equated classified positions.....10.0		
10	Grants administration and coordination operations		
11	Salaries and fringe benefits--10.0 FTE positions....	\$	880,300
12	Travel.....		6,250
13	Other operational expenses.....		185,700
14	Subtotal - grants administration and coordination		
15	operations.....		<u>1,072,250</u>
16	GROSS APPROPRIATION.....	\$	1,072,250
17	Appropriated from:		
18	Federal revenues:		
19	Federal revenues.....		1,070,050
20	Special revenue funds:		
21	Certification fees.....		2,200
22	State general fund/general purpose.....	\$	0
23	<b>Sec. 115. GRANTS AND DISTRIBUTIONS</b>		
24	FEDERAL PROGRAMS:		
25	Urgent school renovation.....	\$	1,000,000
26	STATE PROGRAMS:		
27	Christa McAuliffe grants.....	\$	94,800

1	School breakfast programs.....	10,025,000
2	School readiness grants.....	<u>12,250,000</u>
3	GROSS APPROPRIATION..... \$	23,369,800
4	Appropriated from:	
5	Federal revenues:	
6	DED-OESE, urgent school renovation.....	1,000,000
7	Special revenue funds:	
8	Private foundations.....	94,800
9	State general fund/general purpose..... \$	22,275,000

10 PART 2

11 PROVISIONS CONCERNING APPROPRIATIONS

12 GENERAL SECTIONS

13 Sec. 201. Pursuant to section 30 of article IX of the state  
 14 constitution of 1963, total state spending from state resources under  
 15 part 1 for fiscal year 2004-2005 is \$47,725,450.00 and state spending  
 16 from state resources to be paid to local units of government for  
 17 fiscal year 2004-2005 is estimated at \$11,015,100.00. The itemized  
 18 statement below identifies appropriations from which spending to units  
 19 of local government will occur:

20 GRANTS AND DISTRIBUTIONS

21 STATE PROGRAMS:

22	School readiness grants.....	990,100
23	School lunch and breakfast.....	<u>10,025,000</u>
24	TOTAL..... \$	11,015,100

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

1 18.1594.

2 Sec. 203. As used in this act:

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

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

6 (c) "District" means a local school district as defined in section  
7 6 of the revised school code, 1976 PA 451, MCL 380.6, or a local act  
8 school district or public school academy as defined in section 5 of the  
9 revised school code, 1976 PA 451, MCL 380.5.

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

11 Sec. 204. The department of civil service shall bill the  
12 department at the end of the first fiscal quarter for the 1% charge  
13 authorized by section 5 of article XI of the state constitution of  
14 1963. Payments shall be made for the total amount of the billing by  
15 the end of the second fiscal quarter.

16 Sec. 205. Unless otherwise specified, the department shall use  
17 the Internet to fulfill the reporting requirements of this act. This  
18 requirement may include transmission of reports via electronic mail to  
19 the recipients identified for each reporting requirement, or it may  
20 include placement of reports on an Internet or Intranet site.

21 Sec. 206. The department may carry into the succeeding fiscal  
22 year unexpended federal pass-through funds to local institutions and  
23 governments that do not require additional state matching funds.  
24 Federal pass-through funds to local institutions and governments that  
25 are received in amounts in addition to those included in part 1 and  
26 that do not require additional state matching funds are appropriated  
27 for the purposes intended.

1       Sec. 207. The department shall provide the state budget director  
2 and the senate and house fiscal agencies with copies of the state  
3 board of education agenda and all supporting documents at the time the  
4 agenda and supporting documents are provided to state board of  
5 education members.

6       Sec. 208. (1) Upon receipt of the federal drug free grant, the  
7 department shall allocate \$225,000.00 of the grant to the safe school  
8 program within the department. The safe school program shall work  
9 with local school boards, law enforcement agencies, community leaders,  
10 and the office of drug control policy for the prevention of school  
11 violence. The safe school program shall develop and implement, and  
12 serve as coordinator of, a statewide clearinghouse for information,  
13 program development, model programs and policies, and technical  
14 assistance on school violence prevention.

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

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

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

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

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

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

14           Sec. 209. The department shall require all public school  
15 districts to maintain complete records within the personnel file of a  
16 teacher or school employee of any disciplinary actions taken by the  
17 local school board against the teacher or employee for sexual  
18 misconduct. The records shall not be destroyed or removed from the  
19 teacher's or employee's personnel file except as required by a court  
20 order.

21           Sec. 210. From the funds appropriated in part 1 for information  
22 technology, the department shall pay user fees to the department of  
23 information technology for technology-related services and projects.  
24 Such user fees shall be subject to provisions of an interagency  
25 agreement between the department and the department of information  
26 technology.

27           Sec. 211. Amounts appropriated in part 1 for information

1 technology may be designated as work projects and carried forward to  
2 support technology projects under the direction of the department of  
3 information technology. Funds designated in this manner are not  
4 available for expenditure until approved as work projects under  
5 section 451a of the management and budget act, 1984 PA 431,  
6 MCL 18.1451a.

7       Sec. 212. Before publishing a list of schools or districts  
8 determined to have failed to make adequate yearly progress as required  
9 by the federal no child left behind act of 2001, Public Law 107-110,  
10 115 Stat. 1425, the department shall allow a school or district to  
11 appeal that determination. The department shall consider and act upon  
12 the appeal within 30 days after it is submitted and shall not publish  
13 the list until after all appeals have been considered and decided.

14       Sec. 213. Funds appropriated in part 1 shall not be used for the  
15 purchase of foreign goods or services, or both, if competitively  
16 priced and comparable quality American goods or services, or both, are  
17 available. Preference should be given to goods or services, or both,  
18 manufactured or provided by Michigan businesses if they are  
19 competitively priced and of comparable quality.

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

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

27       (b) The duration of the contract.

1 (c) The name of the vendor.

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

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

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

7 (b) The duration of the contract.

8 (c) The name of the vendor.

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

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

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

19 (5) The department shall not enter into personal service contracts  
20 awarded without competitive bidding, pricing, or rate-setting valued  
21 at more than \$10,000.00.

22 (6) The department shall not enter into more than 1 personal  
23 service contract with any 1 contractor in a fiscal year. This  
24 subsection does not apply to utility contractors.

25 Sec. 215. The department shall not expend funds appropriated in  
26 part 1 for out-of-state travel. This section does not apply to  
27 out-of-state travel required by legal mandate, court order, or



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1 required in order to receive federal funding.

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

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

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

19       (a) Prevention of loss of federal funds where federal law mandates  
20 corresponding employees.

21       (b) Replacement of employees who retire.

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

<<Sec. 218. The department shall pay within 60 days of submission  
the full amount of any bills submitted by the auditor general for all  
costs incurred by the auditor general while conducting audits of  
federally funded programs. The department shall expend federal funds  
allowable under federal law to satisfy any charges billed by the auditor  
general.>>

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

24       Sec. 301. The administrative secretary of the state board of  
25 education shall report to the public, the senate and house fiscal  
26 agencies, and the state budget director the previous quarter's

1 expenses by fund source for members of the state board of education  
2 related to the performance of their responsibilities.

3       Sec. 302. From the amount appropriated in part 1 to the state  
4 board of education no funds shall be expended for in-state or  
5 out-of-state travel.

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

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

11       Sec. 402. For each student enrolled at the Michigan schools for  
12 the deaf and blind, the department shall assess the intermediate  
13 school district of residence 100% of the cost of operating the  
14 student's instructional program. The amount shall exclude room and  
15 board related costs and the cost of weekend transportation between the  
16 school and the student's home.

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

22       (2) In addition to those funds appropriated in part 1, the  
23 department may receive and expend additional funds from lease  
24 agreements at the Michigan school for the blind's former site in  
25 Lansing that have been negotiated with the approval of the department  
26 of management and budget. These funds are appropriated to the

1 department for operation, maintenance, and renovation expenses  
2 associated with the leased space designated in the tenant's lease  
3 agreement.

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

7 (4) If the department leases real property to a person or  
8 organization that is not a department of state government, the  
9 department shall not expend funds in excess of the lease revenue  
10 received to replace, renovate, or repair that real property. This  
11 section shall not apply to emergency repairs or costs associated with  
12 technological renovations.

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

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

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

27 (2) In addition to those funds appropriated in part 1, the

1 department may receive and expend additional funds from lease  
2 agreements at the Michigan schools for the deaf and blind Flint campus  
3 that have been negotiated with the approval of the department of  
4 management and budget. These funds are appropriated to the department  
5 for the operation, maintenance, and renovation expenses associated  
6 with the leased space.

7 (3) From the unexpended balances of appropriations for the  
8 schools for the deaf and blind operations, and from proceeds of the  
9 sale of surplus property and facilities at the Michigan schools for  
10 the deaf and blind, up to \$250,000.00 of any unexpended and  
11 unencumbered funds remaining on September 30, 2005 may be carried  
12 forward as a work project and expended for special maintenance and  
13 repairs of facilities at the campus of the Michigan schools for the  
14 deaf and blind in Flint. The work shall be carried out by state  
15 employees, or by contract as necessary, at an estimated cost of  
16 \$250,000.00. The estimated completion date of the work is September  
17 30, 2006.

18 Sec. 407. The department may assist the department of community  
19 health, other departments, and local school districts to secure  
20 reimbursement for eligible services provided in Michigan schools from  
21 the federal Medicaid program. The department may submit reports of  
22 direct expenses related to this effort to the department of community  
23 health for reimbursement.

24 Sec. 408. (1) The Michigan schools for the deaf and blind may  
25 promote its residential program as a possible appropriate option for  
26 children who are deaf or hard of hearing or who are blind or visually  
27 impaired. The Michigan schools for the deaf and blind shall

1 distribute information detailing its services to all intermediate  
2 school districts in the state.

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

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

11 Sec. 409. In addition to those funds appropriated in part 1, the  
12 department may receive and expend funds from the mid-Michigan  
13 leadership academy for capital improvements. The department shall  
14 report to the house and senate fiscal agencies and the state budget  
15 office on an annual basis any expenditures made under this section.  
16 These additional funds are appropriated specifically for capital  
17 improvements authorized by the department of management and budget and  
18 shall be negotiated as part of the lease agreement.

19 **PROFESSIONAL PREPARATION SERVICES**

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

24 Sec. 502. The department shall authorize teacher preparation  
25 institutions to provide an alternative program by which up to 1/2 of  
26 the required student internship or student teaching credits may be  
27 earned through substitute teaching. The department shall require that

1 teacher preparation institutions collaborate with school districts to  
2 ensure that the quality of instruction provided to student teachers is  
3 comparable to that required in a traditional student teaching  
4 program.

5 Sec. 503. Of the funds appropriated in part 1 for professional  
6 preparation operations, not more than \$75,000.00 shall be allocated to  
7 Wayne State University for the limited license to instruct program,  
8 and not more than \$75,000.00 shall be allocated to Central Michigan  
9 University for the alternative route to certification program.

#### 10 **OFFICE OF SCHOOL IMPROVEMENT**

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

#### 16 **GRANTS AND DISTRIBUTIONS**

17 Sec. 701. The department shall disburse the funds to a general  
18 fund grantee in accordance with the same standards of timing and  
19 amount that apply to disbursements made by the department to a federal  
20 fund grantee. The disbursement shall be restricted to the minimum  
21 amount needed for immediate disbursement by the grantee. The  
22 department may waive this section if extenuating circumstances warrant  
23 and are substantiated in the grantee's application or other  
24 appropriate documentation. A waiver granted pursuant to this section  
25 shall not be effective until 15 days after written notice of the  
26 proposed waiver is given to the state budget director and the

1 chairpersons of the senate and house appropriations subcommittees  
2 having jurisdiction over the department budget.

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

6       (a) The public school district participates in the federal school  
7 breakfast program and meets all standards as prescribed by 7 CFR parts  
8 220 and 245.

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

11       (c) The payment for a public school district is at a per meal rate  
12 equal to the lesser of the district's actual cost, or 100% of the cost  
13 of a breakfast served by an efficiently operated breakfast program as  
14 determined by the department, less federal reimbursement, participant  
15 payments, and other state reimbursement. Determination of efficient  
16 cost by the department shall be determined by using a statistical  
17 sampling of statewide and regional cost as reported in a manner  
18 approved by the department for the preceding school year.

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

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

25       (a) An applicant may be any public or private nonprofit legal  
26 entity or agency other than a local or intermediate school district  
27 except a local or intermediate school district acting as a fiscal

1 agent for a child caring organization regulated under 1973 PA 116,  
2 MCL 722.111 to 722.128.

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

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

9 (d) Priority in the recommendation for awarding of grants by the  
10 superintendent of public instruction to applicants shall be based upon  
11 the following criteria:

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

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

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

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

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



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

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

11          (f) Applications shall provide for the establishment of a school  
12 readiness advisory committee that shall be involved in the planning  
13 and evaluation of the program and provides for the involvement of  
14 parents and appropriate community, volunteer, and social service  
15 agencies and organizations. There shall be on the committee at least  
16 1 parent or guardian of a program participant for every 18 children  
17 enrolled in the program, with a minimum of 2 parent or guardian  
18 representatives. The committee shall do all of the following:

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

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

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

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

26           (v) Review the collaboration with and the involvement of  
27 appropriate community, volunteer, and social service agencies and

1 organizations in addressing all aspects of education disadvantage.

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

4 (g) More than 50% of the children participating in the program  
5 shall meet the income eligibility criteria for free or reduced price  
6 lunch, as determined under the national school lunch act, chapter 281,  
7 60 Stat. 230, 42 USC 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b,  
8 and 1769 to 1769h, or meet income and all other eligibility criteria  
9 for participation in the Michigan family independence agency unified  
10 child day care program.

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

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

Senate Bill No. 1065 as amended March 31, 2004  
 1 receive priority in the allocation of competitive funds.

<<Sec. 704. (1) From the funds appropriated in part 1, there is allocated an amount not to exceed \$2,000,000.00 for a statewide before- or after-school program to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with the family independence agency under this section.

(3) The department shall, through a competitive bid process, provide grants or contracts up to \$2,000,000.00 for the program based on community needs. A county shall receive no more than 20% of the funds allocated under this section for this program. The use of funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school programs funded under this section shall include, at a minimum, at least 3 of the following topics:

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Academic assistance, including assistance with reading and writing.

- (e) Preparation toward future self-sufficiency.
- (f) Leadership development.
- (g) Case management or mentoring.
- (h) Parental involvement.
- (i) Anger management.

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 25% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, or through in-kind or other donations.

(6) A referral to a program may be made by, but is not limited to, any of the following: a teacher, counselor, parent, police officer, judge, or social worker.

(7) By August 30, 2005, the department before- or after-school program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school program to the senate and house standing committees dealing with human services and education, the senate and house appropriations subcommittees for this act, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

- (a) Juvenile crime.
- (b) Aggressive behavior.
- (c) Academic achievement.
- (d) Development of new skills and interests.
- (e) School attendance and dropout rates.
- (f) Behavioral changes in school.>>

## 2 INFORMATION TECHNOLOGY

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

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

## 11 EDUCATIONAL ASSESSMENT

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

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

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