

# HOUSE BILL No. 4415

March 19, 2003, Introduced by Rep. Plakas and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2004; 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

1     Sec. 101. Subject to the conditions set forth in this bill, the  
 2 amounts listed in this part are appropriated for the department of  
 3 education for the fiscal year ending September 30, 2004, from the funds  
 4 indicated in this part. The following is a summary of the  
 5 appropriations in this part:

6 **DEPARTMENT OF EDUCATION**

7 APPROPRIATIONS SUMMARY:

8	Full-time equated unclassified positions.....	6.0	
9	Full-time equated classified positions.....	427.1	
10	GROSS APPROPRIATION.....		\$ 112,825,000
11	Interdepartmental grant revenues:		
12	Interdepartmental grant from corrections academy lease		1,000,000
13	Total interdepartmental grants and intradepartmental		
14	transfers .....		1,000,000
15	ADJUSTED GROSS APPROPRIATION.....		\$ 111,825,000
16	Federal revenues:		
17	Total federal revenues .....		64,479,400
18	Special revenue funds:		
19	Local cost sharing (schools for blind/deaf) .....		4,641,600
20	Local school district service fees.....		102,600
21	Total local revenues.....		4,744,200
22	Gifts, bequests, and donations.....		504,200
23	Private foundations.....		197,200
24	Total private revenues.....		701,400
25	Total local and private revenues.....		5,445,600
26	Teacher certification revenues.....		2,981,000
27	Commodity distribution fees.....		72,300
28	Driver fees.....		8,128,000

1	Lansing, Michigan school for the blind rent .....	739,000
2	Student insurance revenue .....	205,100
3	Teacher testing fees .....	282,100
4	Training and orientation workshop fees .....	100,000
5	Total other state restricted revenues .....	12,507,500
6	State general fund/general purpose .....	\$ 29,392,500
7	<b>Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT</b>	
8	Full-time equated unclassified positions .....	6.0
9	Full-time equated classified positions .....	13.0
10	State board of education, per diem payments .....	\$ 24,400
11	Unclassified positions--6.0 FTE positions .....	515,600
12	State board/superintendent operations--13.0 FTE	
13	positions .....	<u>1,909,300</u>
14	GROSS APPROPRIATION .....	\$ 2,449,300
15	Appropriated from:	
16	Federal revenues:	
17	Federal revenues .....	1,128,900
18	Special revenue funds:	
19	Certification fees .....	70,700
20	Private foundations .....	23,000
21	State general fund/general purpose .....	\$ 1,226,700
22	<b>Sec. 103. CENTRAL SUPPORT</b>	
23	Full-time equated classified positions .....	43.3
24	Central support--43.3 FTE positions .....	\$ 4,754,800
25	Worker's compensation .....	26,000
26	Building occupancy charges - property management services	1,346,000
27	Training and orientation workshops .....	100,000

1	Terminal leave payments.....	<u>624,100</u>
2	GROSS APPROPRIATION.....	\$ 6,850,900
3	Appropriated from:	
4	Federal revenues:	
5	Federal revenues.....	4,349,600
6	Special revenue funds:	
7	Certification fees.....	256,900
8	Commodity distribution fees.....	7,000
9	Driver fees.....	28,100
10	Local cost sharing.....	93,400
11	Teacher testing fees.....	12,300
12	Training and orientation workshop fees.....	100,000
13	State general fund/general purpose.....	\$ 2,003,600
14	<b>Sec. 104. SCHOOL SUPPORT SERVICES</b>	
15	Full-time equated classified positions ..... 40.4	
16	School support operations--40.4 FTE positions.....	\$ <u>4,667,600</u>
17	GROSS APPROPRIATION.....	\$ 4,667,600
18	Appropriated from:	
19	Federal revenues:	
20	Federal revenues.....	3,946,000
21	Special revenue funds:	
22	Commodity distribution fees.....	65,300
23	Driver fees.....	499,900
24	State general fund/general purpose.....	\$ 156,400
25	<b>Sec. 105. INFORMATION TECHNOLOGY SERVICES</b>	
26	Information technology operations.....	\$ <u>2,514,100</u>
27	GROSS APPROPRIATION.....	\$ 2,514,100

1	Appropriated from:	
2	Federal revenues:	
3	Federal revenues.....	1,276,900
4	Special revenue funds:	
5	Certification fees.....	168,200
6	Local cost sharing (schools for blind/deaf).....	44,800
7	State general fund/general purpose.....	\$ 1,024,200
8	<b>Sec. 106. SPECIAL EDUCATION SERVICES</b>	
9	Full-time equated classified positions.....	68.6
10	Special education operations--68.6 FTE positions.....	\$ 11,237,900
11	GROSS APPROPRIATION.....	\$ 11,237,900
12	Appropriated from:	
13	Federal revenues:	
14	Federal revenues.....	11,006,500
15	Special revenue funds:	
16	Certification fees.....	35,200
17	State general fund/general purpose.....	\$ 196,200
18	<b>Sec. 107. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE</b>	
19	General services.....	\$ 1,749,000
20	GROSS APPROPRIATION.....	\$ 1,749,000
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	Interdepartmental grant from corrections academy lease	1,000,000
24	Special revenue funds:	
25	Gifts, bequests, and donations.....	10,000
26	Lansing, Michigan school for the blind rent.....	739,000
27	State general fund/general purpose.....	\$ 0

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

Full-time equated classified positions ..... 93.0

Michigan schools for the deaf and blind operations--

92.0 FTE positions ..... \$ 9,154,000

Summer institute..... 90,000

Camp Tuhsmeheeta--1.0 FTE position..... 250,100

Private gifts - blind..... 90,000

Private gifts - deaf..... 50,000

GROSS APPROPRIATION..... \$ 9,634,100

Appropriated from:

Federal revenues:

Federal revenues..... 4,328,800

Special revenue funds:

Local cost sharing (schools for blind/deaf) ..... 4,503,400

Local school district service fees..... 102,600

Gifts, bequests, and donations..... 494,200

Student insurance revenue..... 205,100

State general fund/general purpose..... \$ 0

**Sec. 109. PROFESSIONAL PREPARATION SERVICES**

Full-time equated classified positions..... 31.0

Professional preparation operations--31.0 FTE positions \$ 4,468,900

Department of attorney general..... 50,000

GROSS APPROPRIATION..... \$ 4,518,900

Appropriated from:

Federal revenues:

Federal revenues..... 1,976,100

Special revenue funds:

1	Certification fees.....	2,273,000
2	Teacher testing fees.....	269,800
3	State general fund/general purpose.....	\$ 0
4	<b>Sec. 110. FIELD SERVICES</b>	
5	Full-time equated classified positions .....	46.9
6	Field services operations--46.9 FTE positions.....	\$ <u>5,868,300</u>
7	GROSS APPROPRIATION.....	\$ 5,868,300
8	Appropriated from:	
9	Federal revenues:	
10	Federal revenues.....	5,868,300
11	Special revenue funds:	
12	State general fund/general purpose.....	\$ 0
13	<b>Sec. 111. OFFICE OF SCHOOL EXCELLENCE</b>	
14	Full-time equated classified positions .....	61.5
15	School excellence operations--61.5 FTE positions.....	\$ <u>10,260,600</u>
16	GROSS APPROPRIATION.....	\$ 10,260,600
17	Appropriated from:	
18	Federal revenues:	
19	Federal revenues.....	8,665,500
20	Special revenue funds:	
21	Private foundations.....	79,400
22	State general fund/general purpose.....	\$ 1,515,700
23	<b>Sec. 112. GOVERNMENT SERVICES</b>	
24	Full-time equated classified positions.....	9.1
25	Government services operations--9.1 FTE positions.....	\$ <u>572,300</u>
26	GROSS APPROPRIATION.....	\$ 572,300
27	Appropriated from:	

1	Federal revenues:		
2	Federal revenues.....		420,400
3	Special revenue funds:		
4	State general fund/general purpose.....	\$	151,900
5	<b>Sec. 113. SAFE SCHOOLS AND ADMINISTRATIVE LAW</b>		
6	Full-time equated classified positions.....	11.5	
7	Safe schools operations--2.5 FTE positions.....	\$	393,700
8	Administrative law operations--9.0 FTE positions.....		<u>560,900</u>
9	GROSS APPROPRIATION.....	\$	954,600
10	Appropriated from:		
11	Federal revenues:		
12	Federal revenues.....		532,200
13	Special revenue funds:		
14	Certification fees.....		77,000
15	State general fund/general purpose.....	\$	345,400
16	<b>Sec. 114. EDUCATION OPTIONS, CHARTERS, AND CHOICE</b>		
17	Full-time equated classified positions.....	8.8	
18	Education options operations--8.8 FTE positions.....	\$	<u>1,132,500</u>
19	GROSS APPROPRIATION.....	\$	1,132,500
20	Appropriated from:		
21	Federal revenues:		
22	Federal revenues.....		980,200
23	Special revenue funds:		
24	State general fund/general purpose.....	\$	152,300
25	<b>Sec. 115. GRANTS AND DISTRIBUTIONS</b>		
26	<b>FEDERAL PROGRAMS:</b>		
27	Urgent school renovation.....	\$	20,000,000



**STATE PROGRAMS:**

Christa McAuliffe grants.....	94,800
Driver education.....	7,600,000
National board certification.....	100,000
School breakfast programs.....	10,370,100
School readiness grants.....	<u>12,250,000</u>
GROSS APPROPRIATION.....	\$ 50,414,900

Appropriated from:

Federal revenues:

DED-OESE, urgent school renovation.....	20,000,000
---	------------

Special revenue funds:

Certification fees.....	100,000
Driver fees.....	7,600,000
Private foundations.....	94,800
State general fund/general purpose.....	\$ 22,620,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

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 2003-2004 is \$41,900,000.00 and state spending from state resources to be paid to units of local government for fiscal year 2003-2004 is \$19,597,000.00. 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
-----------------------	--------------

1	School readiness grants.....	1,626,900
2	School breakfast.....	<u>10,370,100</u>
3	TOTAL .....	\$ 19,597,000

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

6 Sec. 203. As used in this bill:

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

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

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

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

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

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

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

1 freeze will result in rendering a state department or agency unable to  
2 deliver basic services, cause a loss of revenue to the state, result in  
3 the inability of the state to receive federal funds, or necessitate  
4 additional expenditures that exceed any savings from maintaining a  
5 vacancy. The state budget director shall report quarterly to the  
6 chairpersons of the senate and house of representatives standing  
7 committees on appropriations the number of exceptions to the hiring  
8 freeze approved during the previous quarter and the reasons to justify  
9 the exception.

10 Sec. 206. (1) In addition to the funds appropriated in part 1, there  
11 is appropriated an amount not to exceed \$7,000,000.00 for federal  
12 contingency funds. These funds are not available for expenditure until  
13 they have been transferred to another line item in this bill under  
14 section 393(2) of the management and budget act, 1984 PA 431, MCL  
15 18.1393.

16 (2) In addition to the funds appropriated in part 1, there is  
17 appropriated an amount not to exceed \$700,000.00 for state restricted  
18 contingency funds. These funds are not available for expenditure until  
19 they have been transferred to another line item in this bill under  
20 section 393(2) of the management and budget act, 1984 PA 431, MCL  
21 18.1393.

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

27 (4) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$3,000,000.00 for private  
2 contingency funds. These funds are not available for expenditure until  
3 they have been transferred to another line item in this bill under  
4 section 393(2) of the management and budget act, 1984 PA 431, MCL  
5 18.1393.

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

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

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

23 Sec. 210. (1) Upon receipt of the federal drug free grant, the  
24 department shall allocate \$225,000.00 of the grant to the office for  
25 safe schools within the department. The office for safe schools shall  
26 work with local school boards, law enforcement agencies, community  
27 leaders, and the office of drug control policy for the prevention of

1 school violence. The office for safe schools shall develop and  
2 implement, and serve as coordinator of, a statewide clearinghouse for  
3 information, program development, model programs and policies, and  
4 technical assistance on school violence prevention.

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

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

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

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

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

1       Sec. 211. The department shall require all public school districts  
2 to maintain complete records within the personnel file of a teacher or  
3 school employee of any disciplinary actions taken by the local school  
4 board against the teacher or employee for sexual misconduct. The  
5 records shall not be destroyed or removed from the teacher's or  
6 employee's personnel file except as required by a court order.

7       Sec. 212. From the general funds appropriated in part 1 for special  
8 education services, the department shall provide funding for at least  
9 1.0 special education auditors to audit school districts.

10       Sec. 213. From the funds appropriated in part 1 for information  
11 technology, the department shall pay user fees to the department of  
12 information technology for technology related services and projects.  
13 Such user fees shall be subject to provisions of an interagency  
14 agreement between the department and the department of information  
15 technology.

16       Sec. 214. Amounts appropriated in part 1 for information technology  
17 may be designated as work projects and carried forward to support  
18 department of education projects under the direction of the department  
19 of information technology. Funds designated in this manner are not  
20 available for expenditure until approved as work projects under section  
21 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

22       Sec. 215. (1) In addition to the amounts appropriated in part 1, in  
23 order to encourage administrative efficiencies, there is appropriated  
24 to the department of education, an amount not to exceed one-half of the  
25 unexpended, unreserved general fund portions of fiscal year 2002-2003  
26 appropriations made to the department for salaries and wages expenses,  
27 contractual services, supplies and materials expenses, information

1 technology expenses and program operations costs.

2 (2) The appropriations contained in subsection 1 are subject to  
3 the approval of the state budget director and shall be spent for the  
4 same purposes for which the original appropriation was made in fiscal  
5 year 2002-2003.

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

7 Sec. 301. (1) The appropriations in part 1 may be used for per diem  
8 payments to the state board at which a quorum is present. The per diem  
9 payments shall be at a rate as follows:

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

11 (b) State board of education - member other than president  
12 \$100.00 per day.

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

15 (3) The administrative secretary of the state board of education  
16 shall report to the public, the senate and house fiscal agencies, and  
17 the state budget director the previous quarter's expenses by fund  
18 source for members of the state board of education related to the  
19 performance of their responsibilities.

20 Sec. 302. From the amount appropriated in part 1 to the state board  
21 of education, not more than \$35,000.00 shall be expended for travel.

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

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

27 Sec. 402. For each student enrolled at the Michigan schools for the

1 deaf and blind, the department shall assess the intermediate school  
2 district of residence 100% of the cost of operating the student's  
3 instructional program. The amount shall exclude room and board related  
4 costs and the cost of weekend transportation between the school and the  
5 student's home.

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

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

17 (3) Security guards or other patrols at the Michigan school for  
18 the blind's former site shall not be funded through section 108 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) Unexpended balances of appropriations and any surplus  
2 restricted revenue for the former school for the blind site in Lansing,  
3 up to \$100,000.00 in total, shall not lapse to the state general fund  
4 at the end of the fiscal year. Any unexpended and unencumbered funds  
5 remaining on September 30, 2004 may be carried forward as a work  
6 project or as restricted revenue and expended for special maintenance  
7 and repairs of facilities at the former Michigan school for the blind  
8 site in Lansing. The work project shall be performed by state  
9 employees or by contract when necessary at an estimated cost of  
10 \$100,000.00. The estimated completion date of the work project is  
11 September 30, 2005.

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

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

22       (3) Unexpended balances of appropriations for the schools for the  
23 deaf and blind operations, and from proceeds of the sale of surplus  
24 property and facilities at the Michigan schools for the deaf and blind,  
25 up to \$250,000.00 in total, shall not lapse to the state general fund  
26 at the end of the fiscal year. Any unexpended and unencumbered funds  
27 remaining on September 30, 2004, may be carried forward as a work

1 project or as restricted revenue and expended for special maintenance  
2 and repairs of facilities at the campus of the Michigan schools for the  
3 deaf and blind in Flint. The work shall be carried out by state  
4 employees, or by contract as necessary, at an estimated cost of  
5 \$250,000.00. The estimated completion date of the work is September  
6 30, 2005.

7 Sec. 405. (1) The Michigan schools for the deaf and blind may  
8 promote its residential program as a possible appropriate option for  
9 children who are deaf or hard of hearing or who are blind or visually  
10 impaired. The Michigan schools for the deaf and blind shall distribute  
11 information detailing its services to all intermediate school districts  
12 in the state.

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

19 Sec. 406. In addition to those funds appropriated in part 1, the  
20 department may receive and expend funds from the mid-Michigan academy  
21 for capital improvements. The department shall report to the house and  
22 senate fiscal agencies and the state budget office on an annual basis  
23 any expenditures made under this section. These additional funds are  
24 appropriated specifically for capital improvements authorized by the  
25 department of management and budget and shall be negotiated as part of  
26 the lease agreement.

27 Sec. 407. The department shall ensure that rental payments made by

1 each tenant for space at the Michigan school for the blind former site  
2 are used for operation, maintenance, and renovation expenses associated  
3 with the leased space designated in the tenant's lease agreement.

4 Sec. 408. 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 **PROFESSIONAL PREPARATION SERVICES**

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

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

22 Sec. 601. From the amount appropriated in part 1 for education  
23 options, charters, and choice, the department shall allocate sufficient  
24 funds to administer charter school legislation, associated regulations,  
25 coordinate the activities of the department relating to charter  
26 schools, and to address the findings in the office of the auditor  
27 general audit report of June, 2002.

**1 GRANTS AND DISTRIBUTIONS**

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

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

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

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

22       (c) The payment for a public school district is at a per meal  
23 rate equal to the lesser of the district's actual cost, or 100% of the  
24 cost of a breakfast served by an efficiently operated breakfast program  
25 as determined by the department, less federal reimbursement,  
26 participant payments, and other state reimbursement. Determination of  
27 efficient cost by the department shall be determined by using a

1 statistical sampling of statewide and regional cost as reported in a  
2 manner approved by the department for the preceding school year.

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

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

9 (a) An applicant may be any public or private nonprofit legal  
10 entity or agency other than a local or intermediate school district  
11 except a local or intermediate school district acting as a fiscal agent  
12 for a child caring organization regulated under 1973 PA 116, MCL  
13 722.111 to 722.128.

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

16 (c) Applications shall be reviewed by a diverse interagency  
17 committee composed of representatives of the department, appropriate  
18 community, volunteer, and social service agencies and organizations,  
19 and parents.

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

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

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

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

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

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

12 (vi) The extent to which these funds will be targeted to children  
13 who will be at least 4, but less than 5, years of age as of December 1  
14 of the year in which the programs are offered and who show evidence of  
15 2 or more "at-risk" factors as defined in the state board of education  
16 report entitled, "children at risk" that was adopted by the state board  
17 on April 5, 1988.

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

22 (f) Applications shall provide for the establishment of a school  
23 readiness advisory committee that shall be involved in the planning and  
24 evaluation of the program and provides for the involvement of parents  
25 and appropriate community, volunteer, and social service agencies and  
26 organizations. There shall be on the committee at least 1 parent or  
27 guardian of a program participant for every 18 children enrolled in the

1 program, with a minimum of 2 parent or guardian representatives. The  
2 committee shall do all of the following:

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

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

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

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

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

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

15 (g) More than 50% of the children participating in the program  
16 shall meet the income eligibility criteria for free or reduced price  
17 lunch, as determined under the national school lunch act, chapter 281,  
18 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to  
19 1766b, and 1769 to 1769h, or meet income and all other eligibility  
20 criteria for participation in the Michigan family independence agency  
21 unified child day care program.

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

27 (3) Except as otherwise provided, an applicant that receives a

1 2003-2004 grant under this section shall also receive priority for  
2 fiscal years 2004-2005 and 2005-2006 funding. However, after 3 fiscal  
3 years of continuous funding, an applicant will be required to compete  
4 openly with new programs and other programs completing their third  
5 year. All grant awards are contingent on the availability of funds and  
6 documented evidence of grantee compliance with standards for early  
7 childhood development consistent with programs for 4-year-olds, as  
8 approved by the state board of education, and with all operational,  
9 fiscal, administrative, and other program requirements. A program  
10 which offers supplementary day care and thereby offers full day  
11 programs as part of its early childhood development program shall  
12 receive priority in the allocation of competitive funds.

13 Sec. 704. From the funds appropriated in part 1 for national board  
14 certification, the department shall pay 1/2 of the application fee for  
15 teachers who are deemed by the department to be qualified to apply to  
16 the national board for professional teaching standards for professional  
17 teaching certificates or licenses and to provide grants to recognize  
18 and reward teachers who receive certification or licensure.

19 Sec. 705. Before expending funds for DED-OESE, title IV, part A,  
20 community service grants and DED-OESE, title IV, part B, 21st century  
21 community learning centers, the department shall provide an assurance  
22 to the United States department of education that the application was  
23 developed in consultation and coordination with appropriate state  
24 officials, including the chief state school officer, and other state  
25 agencies administering before and after school programs, the heads of  
26 the state health and mental health agencies or their designees, and  
27 representatives of teachers, parents, students, the business community,



1 and community-based organizations.

2 **INFORMATION TECHNOLOGY**

3       Sec. 901. The department shall work in collaboration with the center  
4 for educational performance and information to support the  
5 comprehensive educational information system and all data collection  
6 efforts of the department.

7       Sec. 902. The department and the Michigan virtual university shall  
8 work collaboratively to implement section 98 of the state school aid  
9 act of 1979, 1979 PA 94, MCL 388.1698, in accordance with all  
10 applicable federal laws and regulations.