

Act No. 346
Public Acts of 2004
Approved by the Governor
September 28, 2004
Filed with the Secretary of State
September 29, 2004
EFFECTIVE DATE: September 29, 2004

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Senator Johnson

ENROLLED SENATE BILL No. 1065

AN ACT 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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of education for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	407.0	
GROSS APPROPRIATION		\$ 113,549,000
Interdepartmental grant revenues:		
Interdepartmental grant from corrections academy lease		1,072,100
Total interdepartmental grants and intradepartmental transfers		1,072,100
ADJUSTED GROSS APPROPRIATION		\$ 112,476,900
Federal revenues:		
Total federal revenues		60,796,800
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		4,928,800
Local school district service fees		280,000
Total local revenues		5,208,800
Gifts, bequests, and donations		504,200
Private foundations		102,400
Total private revenues		606,600
Total local and private revenues		5,815,400

		For Fiscal Year Ending Sept. 30, 2005
Certification fees.....	\$	4,369,100
Commodity distribution fees		72,300
Lansing, Michigan school for the blind rent		739,000
Michigan merit award trust fund.....		13,685,200
Student insurance revenue		205,100
Teacher testing fees.....		299,300
Training and orientation workshop fees.....		100,000
Total other state restricted revenues		19,470,000
State general fund/general purpose	\$	26,394,700

Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	16.0	
State board of education, per diem payments.....		\$ 24,400
Unclassified positions—6.0 FTE positions.....		515,600
State board/superintendent operations—16.0 FTE positions		2,561,700
Travel.....		84,400
GROSS APPROPRIATION.....		\$ 3,186,100
Appropriated from:		
Federal revenues:		
Federal revenues		1,715,800
Special revenue funds:		
Certification fees.....		174,400
Private foundations		23,000
State general fund/general purpose		\$ 1,272,900

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions	27.0	
Central support—27.0 FTE positions		\$ 3,404,500
Travel.....		9,200
Worker's compensation.....		42,000
Building occupancy charges - property management services		1,342,700
Human resources optimization user charges.....		29,500
Training and orientation workshops		100,000
Terminal leave payments		620,400
GROSS APPROPRIATION.....		\$ 5,548,300
Appropriated from:		
Federal revenues:		
Federal revenues		3,427,600
Special revenue funds:		
Certification fees.....		260,800
Commodity distribution fees		7,000
Local cost sharing (schools for blind/deaf)		93,400
Teacher testing fees.....		12,200
Training and orientation workshop fees.....		100,000
State general fund/general purpose		\$ 1,647,300

Sec. 104. INFORMATION TECHNOLOGY SERVICES

Information technology operations.....		\$ 2,521,800
GROSS APPROPRIATION.....		\$ 2,521,800
Appropriated from:		
Federal revenues:		
Federal revenues		1,482,800
Special revenue funds:		
Certification fees.....		175,400
Local cost sharing (schools for blind/deaf)		47,700
State general fund/general purpose		\$ 815,900

Sec. 105. SPECIAL EDUCATION SERVICES

Full-time equated classified positions.....	52.0	
Special education operations—52.0 FTE positions.....		\$ 10,824,300
Travel.....		105,800
GROSS APPROPRIATION.....		\$ 10,930,100
Appropriated from:		
Federal revenues:		
Federal revenues.....		10,682,100
Special revenue funds:		
Certification fees.....		36,700
State general fund/general purpose		\$ 211,300

Sec. 106. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE

General services.....		\$ 1,821,100
GROSS APPROPRIATION.....		\$ 1,821,100
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from corrections academy lease		1,072,100
Special revenue funds:		
Gifts, bequests, and donations.....		10,000
Lansing, Michigan school for the blind rent		739,000
State general fund/general purpose		\$ 0

Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Full-time equated classified positions.....	76.0	
Michigan schools for the deaf and blind operations—75.0 FTE positions		\$ 10,144,000
Travel.....		28,500
Summer institute		90,000
Camp Tuhsmeheeta—1.0 FTE position.....		250,100
Private gifts - blind		90,000
Private gifts - deaf.....		50,000
GROSS APPROPRIATION.....		\$ 10,652,600
Appropriated from:		
Federal revenues:		
Federal revenues		4,895,600
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		4,787,700
Local school district service fees		270,000
Gifts, bequests, and donations.....		494,200
Student insurance revenue		205,100
State general fund/general purpose		\$ 0

Sec. 108. PROFESSIONAL PREPARATION SERVICES

Full-time equated classified positions.....	31.0	
Professional preparation operations—31.0 FTE positions.....		\$ 5,343,900
Travel.....		39,000
Department of attorney general.....		50,000
GROSS APPROPRIATION.....		\$ 5,432,900
Appropriated from:		
Federal revenues:		
Federal revenues.....		2,547,100
Special revenue funds:		
Certification fees.....		2,598,700
Teacher testing fees.....		287,100
State general fund/general purpose		\$ 0

Sec. 109. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES

Full-time equated classified positions.....	23.0		
Early childhood education and family services operations—23.0 FTE positions		\$	3,616,100
Travel.....			64,500
GROSS APPROPRIATION.....		\$	3,680,600
Appropriated from:			
Federal revenues:			
Federal revenues.....			2,689,800
Special revenue funds:			
Certification fees.....			53,600
State general fund/general purpose		\$	937,200

Sec. 110. SCHOOL IMPROVEMENT SERVICES

Full-time equated classified positions.....	76.0		
School improvement operations—76.0 FTE positions		\$	13,649,200
Travel.....			270,600
GROSS APPROPRIATION.....		\$	13,919,800
Appropriated from:			
Federal revenues:			
Federal revenues.....			13,265,000
Special revenue funds:			
Certification fees.....			502,300
Private foundations			79,400
State general fund/general purpose		\$	73,100

Sec. 111. SCHOOL FINANCE AND SCHOOL LAW SERVICES

Full-time equated classified positions.....	21.0		
School finance and school law operations—21.0 FTE positions		\$	2,464,400
Travel.....			9,300
GROSS APPROPRIATION.....		\$	2,473,700
Appropriated from:			
Federal revenues:			
Federal revenues.....			1,241,300
Special revenue funds:			
Certification fees.....			467,200
State general fund/general purpose		\$	765,200

Sec. 112. EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY

Full-time equated classified positions.....	27.0		
Educational assessment operations—27.0 FTE positions.....		\$	25,090,300
Travel.....			40,300
GROSS APPROPRIATION.....		\$	25,130,600
Appropriated from:			
Federal revenues:			
Federal revenues.....			11,445,400
Special revenue funds:			
Merit award trust fund.....			13,685,200
State general fund/general purpose		\$	0

Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES

Full-time equated classified positions.....	58.0		
Grants administration and school support services operations—58.0 FTE positions.....		\$	6,709,500
Travel.....			166,900
GROSS APPROPRIATION.....		\$	6,876,400
Appropriated from:			
Federal revenues:			
Federal revenues.....			6,404,300
Special revenue funds:			
Commodity distribution fees		\$	65,300
Local school district service fees			10,000
State general fund/general purpose		\$	396,800

Sec. 114. GRANTS AND DISTRIBUTIONS

FEDERAL PROGRAMS:

Urgent school renovation \$ 1,000,000

STATE PROGRAMS:

National board certification \$ 100,000

School breakfast programs 8,025,000

School readiness grants 12,250,000

GROSS APPROPRIATION \$ 21,375,000

Appropriated from:

Federal revenues:

DED-OESE, urgent school renovation..... 1,000,000

Special revenue funds:

Certification fees..... 100,000

State general fund/general purpose \$ 20,275,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$45,864,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is estimated at \$9,015,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

GRANTS AND DISTRIBUTIONS

STATE PROGRAMS:

School readiness grants \$ 990,100

School lunch and breakfast 8,025,000

TOTAL \$ 9,015,100

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

Sec. 203. As used in this act:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Advance, promote, and encourage the awareness and use of the state police anti-violence hotline.

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

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

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

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

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

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

(a) The total dollar amount of the contract.

(b) The duration of the contract.

(c) The name of the vendor.

(d) The type of service to be provided.

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

(a) The total dollar amount of the contract.

(b) The duration of the contract.

(c) The name of the vendor.

(d) The type of service to be provided.

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

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

(5) The department shall not award personal service contracts valued at more than \$10,000.00 without competitive bidding, pricing, or rate setting.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

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

Sec. 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.

STATE BOARD/OFFICE OF THE SUPERINTENDENT

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

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

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

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

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

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

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PROFESSIONAL PREPARATION SERVICES

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

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

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

OFFICE OF SCHOOL IMPROVEMENT

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

GRANTS AND DISTRIBUTIONS

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

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

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

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

(c) The payment for a public school district is at a per meal rate equal to the lesser of the district's actual cost, or 100% of the cost of a breakfast served by an efficiently operated breakfast program as determined by the department,

less federal reimbursement, participant payments, and other state reimbursement. Determination of efficient cost by the department shall be determined by using a statistical sampling of statewide and regional cost as reported in a manner approved by the department for the preceding school year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) More than 50% of the children participating in the program shall meet the income eligibility criteria for free or reduced price lunch, as determined under the national school lunch act, chapter 281, 60 Stat. 230, 42 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.

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

(3) Except as otherwise provided, an applicant that receives a 2004-2005 grant under this section shall also receive priority for fiscal years 2005-2006 and 2006-2007 funding. However, after 3 fiscal years of continuous funding, an applicant will be required to compete openly with new programs and other programs completing their third year. All grant awards are contingent on the availability of funds and documented evidence of grantee compliance with standards for early childhood development consistent with programs for 4-year-olds, as approved by the state board of education,

and with all operational, fiscal, administrative, and other program requirements. A program which offers supplementary day care and thereby offers full-day programs as part of its early childhood development program shall receive priority in the allocation of competitive funds.

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

INFORMATION TECHNOLOGY

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

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

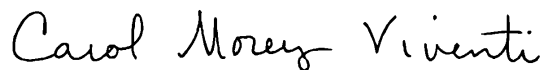
EDUCATIONAL ASSESSMENT

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

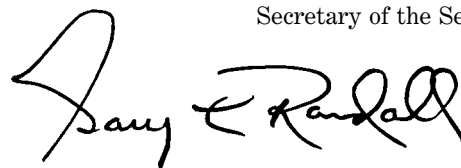
(2) The department shall release test results at the same time to all private schools and public school districts taking the tests.

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

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor