

Act No. 332
 Public Acts of 2006
 Approved by the Governor*
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*Item Vetoes

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**STATE OF MICHIGAN
 93RD LEGISLATURE
 REGULAR SESSION OF 2006**

Introduced by Senators Scott and Emerson

ENROLLED SENATE BILL No. 1085

AN ACT to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2007; 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, 2007, 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	429.5	
GROSS APPROPRIATION.....		\$ 90,665,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 0
ADJUSTED GROSS APPROPRIATION.....		\$ 90,665,100
Federal revenues:		
Total federal revenues		67,570,600
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		5,687,000
Local school district service fees		298,600
Total local revenues		5,985,600
Gifts, bequests, and donations.....		505,200
Private foundations		2,409,200
Total private revenues.....		2,914,400

	For Fiscal Year Ending Sept. 30, 2007
Total local and private revenues.....	\$ 8,900,000
Certification fees.....	4,860,000
Commodity distribution fees	70,000
Lansing, Michigan school for the blind rent	1,811,100
Student insurance revenue	218,600
Teacher testing fees.....	317,300
Tenant rent	150,000
Training and orientation workshop fees.....	100,000
Total other state restricted revenues.....	7,527,000
State general fund/general purpose	\$ 6,667,500

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	3,015,600
GROSS APPROPRIATION.....	\$ 3,555,600
Appropriated from:	
Federal revenues:	
Federal revenues	1,850,300
Special revenue funds:	
Certification fees.....	187,300
Private foundations	25,000
State general fund/general purpose	\$ 1,493,000

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions.....	27.0
Central support—27.0 FTE positions	\$ 3,541,000
Education commission of the states	50,000
Worker's compensation.....	50,000
Building occupancy charges - property management services	1,471,900
Human resources optimization user charges.....	23,300
Tenant rent	150,000
Training and orientation workshops	100,000
Terminal leave payments	575,400
GROSS APPROPRIATION.....	\$ 5,961,600
Appropriated from:	
Federal revenues:	
Federal revenues	3,632,100
Special revenue funds:	
Certification fees.....	348,600
Local cost sharing (schools for blind/deaf)	68,400
Teacher testing fees	14,500
Tenant rent	150,000
Training and orientation workshop fees.....	100,000
State general fund/general purpose	\$ 1,648,000

Sec. 104. INFORMATION TECHNOLOGY SERVICES

Information technology operations.....	\$ 2,614,700
GROSS APPROPRIATION.....	\$ 2,614,700
Appropriated from:	
Federal revenues:	
Federal revenues	1,531,500
Special revenue funds:	
Certification fees.....	204,400
Local cost sharing (schools for blind/deaf)	101,800
State general fund/general purpose	\$ 777,000

Sec. 105. SPECIAL EDUCATION SERVICES

Full-time equated classified positions.....	52.0	
Special education operations—52.0 FTE positions.....		\$ 11,408,700
GROSS APPROPRIATION		\$ 11,408,700
Appropriated from:		
Federal revenues:		
Federal revenues.....		11,049,200
Special revenue funds:		
Certification fees.....		38,000
Private foundations.....		103,500
State general fund/general purpose.....		\$ 218,000

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

General services.....		\$ 1,821,100
GROSS APPROPRIATION		\$ 1,821,100
Appropriated from:		
Special revenue funds:		
Gifts, bequests, and donations.....		10,000
Lansing, Michigan school for the blind rent.....		1,811,100
State general fund/general purpose.....		\$ 0

Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Full-time equated classified positions.....	96.0	
Michigan schools for the deaf and blind operations—95.0 FTE positions.....		\$ 11,413,800
Summer institute.....		90,000
Camp Tuhsmebeta—1.0 FTE position.....		250,100
Private gifts - blind.....		90,000
Private gifts - deaf.....		50,000
GROSS APPROPRIATION		\$ 11,893,900
Appropriated from:		
Federal revenues:		
Federal revenues.....		5,375,400
Special revenue funds:		
Local cost sharing (schools for blind/deaf).....		5,516,800
Local school district service fees.....		287,900
Gifts, bequests, and donations.....		495,200
Student insurance revenue.....		218,600
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.....		\$ 5,826,800
National board certification.....		100,000
Department of attorney general.....		50,000
GROSS APPROPRIATION		\$ 5,976,800
Appropriated from:		
Federal revenues:		
Federal revenues.....		2,687,300
Special revenue funds:		
Certification fees.....		2,986,700
Teacher testing fees.....		302,800
State general fund/general purpose.....		\$ 0

Sec. 109. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES

Full-time equated classified positions.....	25.0	
Early childhood education and family services operations—25.0 FTE positions.....		\$ 4,372,200
GROSS APPROPRIATION		\$ 4,372,200

Appropriated from:	
Federal revenues:	
Federal revenues	\$ 3,186,800
Special revenue funds:	
Certification fees	57,400
Private foundations	187,700
State general fund/general purpose	\$ 940,300

Sec. 110. SCHOOL IMPROVEMENT SERVICES

Full-time equated classified positions	74.0
School improvement operations—74.0 FTE positions	\$ 16,577,100
Subject area content expectations and guidelines	100,000
GROSS APPROPRIATION	\$ 16,677,100

Appropriated from:	
Federal revenues:	
Federal revenues	14,884,600
Special revenue funds:	
Certification fees	524,100
Private foundations	1,093,000
State general fund/general purpose	\$ 175,400

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	\$ 2,891,400
GROSS APPROPRIATION	\$ 2,891,400

Appropriated from:	
Federal revenues:	
Federal revenues	1,385,800
Special revenue funds:	
Certification fees	513,500
State general fund/general purpose	\$ 992,100

Sec. 112. EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY

Full-time equated classified positions	28.0
Educational assessment operations—28.0 FTE positions	\$ 12,328,800
GROSS APPROPRIATION	\$ 12,328,800

Appropriated from:	
Federal revenues:	
Federal revenues	12,328,800
Special revenue funds:	
State general fund/general purpose	\$ 0

Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES

Full-time equated classified positions	59.5
Grants administration and school support services operations—59.5 FTE positions	\$ 8,163,200
Federal and private grants	3,000,000
GROSS APPROPRIATION	\$ 11,163,200

Appropriated from:	
Federal revenues:	
Federal revenues	9,658,800
Special revenue funds:	
Commodity distribution fees	70,000
Local school district service fees	10,700
Private foundations	1,000,000
State general fund/general purpose	\$ 423,700

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 2006-2007 is \$14,194,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is estimated at \$0.

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) "Department" means the Michigan department of education.
- (b) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.
- (c) "FTE" means full-time equated.

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

Sec. 205. 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 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. 207. (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) 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.
- (b) 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.
- (c) Advance, promote, and encourage the awareness and use of the state police anti-violence hotline.

Sec. 208. 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. 209. From the funds appropriated in part 1 for information technology, departments and agencies 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 departments and agencies and the department of information technology.

Sec. 210. 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. 211. 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. 212. 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. 213. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

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

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 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 house and senate 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. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. The director 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. 217. 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.

Sec. 218. The department is encouraged to provide information to districts and intermediate districts regarding the benefits and use of automated external defibrillators. Pursuant to section 99d of the state school aid act of 1979, 1979 PA 94, MCL 388.1699d, the department should work with districts receiving funds under that section to secure a bulk-purchase discount from 1 or more manufacturers of automated external defibrillators.

Sec. 220. The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner.

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 state board executive 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.

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 and out-of-state travel directly related to the duties of the state board of education.

Sec. 303. From the amount appropriated in part 1 to state board/superintendent operations, not more than \$175,000.00 shall be expended for a study by the state board of education to advise the legislature and the governor of local, state, and national best practices in education. The study is to review best practices at all levels of the public education process that encourage effective and efficient organization of schools and support improvement in academic achievement. The study should focus on the delivery of public school programs through school organization and services. The study also should address the current needs in middle school math with respect to meeting the Michigan merit standard graduation requirements. The study may also recommend best practices for financial turnaround methods for urban, suburban, and rural school districts facing deficits.

Sec. 304. From the amount appropriated in part 1 to state board/superintendent operations, \$25,000.00 shall be allocated to the department of history, arts, and libraries in cooperation with the Michigan historical society for support of Michigan history day. Activities to be funded under this section include, but are not limited to, teacher training, teacher in-service opportunities, dissemination of Michigan history day information, and support of the annual competition.

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 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, 2007 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, 2008.

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, up to \$250,000.00 of any unexpended and unencumbered funds remaining on September 30, 2007 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, 2008.

Sec. 405. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Sec. 406. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

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

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

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, \$100,000.00 shall be allocated to Central Michigan University for the alternative route to certification program. Of the funds appropriated in part 1 for professional preparation operations, \$100,000.00 shall be allocated to Wayne State University for the pathways to teaching program.

Sec. 505. 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.

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.

Sec. 603. The funds appropriated in part 1 for subject area content expectations and guidelines shall be used for the development, approval, and implementation of subject area content expectations and guidelines that apply to the credit requirements of the Michigan merit standard, as required under section 1278b of the revised school code, 1976 PA 451, MCL 380.1278b. The subject area content expectations for science shall include the use of the scientific method to critically evaluate scientific theories included in those content expectations and the use of relevant scientific data to assess the validity of those theories. The subject area content expectations for social studies shall not prohibit or discourage the use of the word "American" in referring to a citizen of the United States.

INFORMATION TECHNOLOGY

Sec. 701. 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.

EDUCATIONAL ASSESSMENT

Sec. 801. (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 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.

GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES

Sec. 901. Within 10 days of the receipt of a grant appropriated in the federal and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Jay E. Randall

Clerk of the House of Representatives

Approved

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Governor