

HOUSE BILL No. 4346

EXECUTIVE BUDGET BILL

February 28, 2007, Introduced by Rep. Gillard and referred to the Committee on Appropriations.

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2008; 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 bill, the amounts listed in this part are appropriated for the department of education for the fiscal year ending September 30, 2008, 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.....	435.5	
GROSS APPROPRIATION.....	\$	93,144,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	93,144,700
Federal revenues:		
Total federal revenues.....		69,181,000
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		6,104,200
Local school district service fees.....		306,700
Total local revenues.....		6,410,900
Gifts, bequests, and donations.....		740,600
Private foundations.....		2,431,200
Total private revenues.....		3,171,800
Total local and private revenues.....		9,582,700
Certification fees.....		6,521,700
Commodity distribution fees.....		71,700
Student insurance revenue.....		218,600
Teacher testing fees.....		523,500
Tenant rent.....		261,000
Training and orientation workshop fees.....		150,000

1	Teacher college review fees.....	54,000
2	Total other state restricted revenues.....	7,800,500
3	State general fund/general purpose.....	\$ 6,580,500
4	Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE	
5	SUPERINTENDENT	
6	Full-time equated unclassified positions..... 6.0	
7	Full-time equated classified positions..... 16.0	
8	State board of education, per diem payments.....	\$ 24,400
9	Unclassified positions--6.0 FTE positions.....	515,600
10	State board/superintendent operations--16.0 FTE	
11	positions	<u>3,018,600</u>
12	GROSS APPROPRIATION.....	\$ 3,558,600
13	Appropriated from:	
14	Federal revenues:	
15	Federal revenues.....	1,969,400
16	Special revenue funds:	
17	Certification fees.....	199,100
18	Private foundations.....	26,700
19	State general fund/general purpose.....	\$ 1,363,400
20	Sec. 103. CENTRAL SUPPORT	
21	Full-time equated classified positions..... 26.0	
22	Central support--26.0 FTE positions.....	\$ 3,630,200
23	Worker's compensation.....	45,000
24	Building occupancy charges - property management	
25	services	1,492,300
26	Human resources optimization user charges.....	23,900
27	Tenant rent.....	261,000

1	Training and orientation workshops	150,000
2	Terminal leave payments	<u>574,700</u>
3	GROSS APPROPRIATION	\$ 6,177,100
4	Appropriated from:	
5	Federal revenues:	
6	Federal revenues	3,649,900
7	Special revenue funds:	
8	Certification fees	407,800
9	Local cost sharing (schools for blind/deaf)	68,400
10	Teacher testing fees	14,700
11	Tenant rent	261,000
12	Training and orientation workshop fees	150,000
13	State general fund/general purpose	\$ 1,625,300
14	Sec. 104. INFORMATION TECHNOLOGY SERVICES	
15	Information technology operations	<u>\$ 2,829,700</u>
16	GROSS APPROPRIATION	\$ 2,829,700
17	Appropriated from:	
18	Federal revenues:	
19	Federal revenues	1,741,700
20	Special revenue funds:	
21	Certification fees	209,000
22	Local cost sharing (schools for blind/deaf)	104,000
23	State general fund/general purpose	\$ 775,000
24	Sec. 105. SPECIAL EDUCATION SERVICES	
25	Full-time equated classified positions	49.0
26	Special education operations--49.0 FTE positions	<u>\$ 11,336,700</u>
27	GROSS APPROPRIATION	\$ 11,336,700

1	Appropriated from:		
2	Federal revenues:		
3	Federal revenues.....		10,972,800
4	Special revenue funds:		
5	Certification fees.....		38,400
6	Private foundations.....		104,800
7	State general fund/general purpose.....	\$	220,700
8	Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND		
9	Full-time equated classified positions.....	103.0	
10	Michigan schools for the deaf and blind		
11	operations--102.0 FTE positions.....	\$	12,659,000
12	Summer institute.....		90,000
13	Camp Tuhsmeheeta--1.0 FTE position.....		295,100
14	Private gifts - blind.....		90,000
15	Private gifts - deaf.....		50,000
16	GROSS APPROPRIATION.....	\$	13,184,100
17	Appropriated from:		
18	Federal revenues:		
19	Federal revenues.....		5,997,300
20	Special revenue funds:		
21	Local cost sharing (schools for blind/deaf)		5,931,800
22	Local school district service fees.....		295,800
23	Gifts, bequests, and donations.....		740,600
24	Student insurance revenue.....		218,600
25	State general fund/general purpose.....	\$	0
26	Sec. 108. PROFESSIONAL PREPARATION SERVICES		
27	Full-time equated classified positions.....	30.0	

1	Professional preparation operations--30.0 FTE		
2	positions	\$	7,607,400
3	National board certification.....		100,000
4	Department of attorney general.....		<u>50,000</u>
5	GROSS APPROPRIATION.....	\$	7,757,400
6	Appropriated from:		
7	Federal revenues:		
8	Federal revenues.....		2,647,800
9	Special revenue funds:		
10	Certification fees.....		4,546,800
11	Teacher college review fees.....		54,000
12	Teacher testing fees.....		508,800
13	State general fund/general purpose.....	\$	0
14	Sec. 109. EARLY CHILDHOOD EDUCATION AND FAMILY		
15	SERVICES		
16	Full-time equated classified positions..... 25.0		
17	Early childhood education and family services		
18	operations--25.0 FTE positions.....	\$	<u>4,465,900</u>
19	GROSS APPROPRIATION.....	\$	4,465,900
20	Appropriated from:		
21	Federal revenues:		
22	Federal revenues.....		3,255,100
23	Special revenue funds:		
24	Certification fees.....		58,600
25	Private foundations.....		191,700
26	State general fund/general purpose.....	\$	960,500
27	Sec. 110. SCHOOL IMPROVEMENT SERVICES		

1	Full-time equated classified positions.....	73.3	
2	School improvement operations--73.3 FTE positions....		\$ 16,673,800
3	Subject area content expectations and guidelines.....		<u>100,000</u>
4	GROSS APPROPRIATION.....		\$ 16,773,800
5	Appropriated from:		
6	Federal revenues:		
7	Federal revenues.....		14,958,100
8	Special revenue funds:		
9	Certification fees.....		531,300
10	Private foundations.....		1,108,000
11	State general fund/general purpose.....		\$ 176,400
12	Sec. 111. SCHOOL FINANCE AND SCHOOL LAW SERVICES		
13	Full-time equated classified positions.....	21.0	
14	School finance and school law operations--21.0 FTE		
15	positions		<u>\$ 2,988,000</u>
16	GROSS APPROPRIATION.....		\$ 2,998,000
17	Appropriated from:		
18	Federal revenues:		
19	Federal revenues.....		1,432,100
20	Special revenue funds:		
21	Certification fees.....		530,700
22	State general fund/general purpose.....		\$ 1,025,200
23	Sec. 112. EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY		
24	Full-time equated classified positions.....	28.3	
25	Educational assessment operations--28.3 FTE		
26	positions		<u>\$ 12,285,700</u>
27	GROSS APPROPRIATION.....		\$ 12,285,700

1	Appropriated from:		
2	Federal revenues:		
3	Federal revenues.....		12,285,700
4	Special revenue funds:		
5	State general fund/general purpose.....	\$	0
6	Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT		
7	SERVICES		
8	Full-time equated classified positions.....	56.2	
9	Grants administration and school support services		
10	operations—56.2 FTE positions.....	\$	7,987,400
11	Federal and private grants.....		<u>3,000,000</u>
12	GROSS APPROPRIATION.....	\$	10,987,400
13	Appropriated from:		
14	Federal revenues:		
15	Federal revenues.....		9,470,800
16	Special revenue funds:		
17	Commodity distribution fees.....		71,700
18	Local school district service fees.....		10,900
19	Private foundations.....		1,000,000
20	State general fund/general purpose.....	\$	434,000
21	Sec. 114. EDUCATIONAL TECHNOLOGY AND DATA COORDINATION		
22	Full-time equated classified positions.....	7.7	
23	Educational technology and data coordination—7.7		
24	FTE positions		<u>800,300</u>
25	GROSS APPROPRIATION.....	\$	800,300
26	Appropriated from:		
27	Federal revenues:		

1	Federal revenues.....	800,300
2	Special revenue funds:	
3	State general fund/general purpose..... \$	0

4 PART 2

5 PROVISIONS CONCERNING APPROPRIATIONS

6 **GENERAL SECTIONS**

7 Sec. 201. Pursuant to section 30 of article IX of the state
 8 constitution of 1963, total state spending from state resources
 9 under part 1 for fiscal year 2007-2008 is \$14,381,000.00 and state
 10 spending from state resources to be paid to local units of
 11 government for fiscal year 2007-2008 is estimated at \$0.

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

15 Sec. 203. As used in this act:

16 (a) "Department" means the Michigan department of education.

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

21 (c) "FTE" means full-time equated.

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

1 of the billing by the end of the second fiscal quarter.

2 Sec. 205. The department shall use the Internet to fulfill the
3 reporting requirements of this bill. This requirement may include
4 transmission of reports via electronic mail to the recipients
5 identified for each reporting requirement, or it may include
6 placement of reports on an Internet or Intranet site.

7 Sec. 206. The department shall provide the state budget
8 director and the senate and house fiscal agencies with copies of
9 the state board of education agenda and all supporting documents at
10 the time the agenda and supporting documents are provided to state
11 board of education members.

12 Sec. 207. (1) Upon receipt of the federal drug-free grant, the
13 department shall allocate \$225,000.00 of the grant to the safe
14 school program within the department. The safe school program
15 shall work with local school boards, parents of enrolled students,
16 law enforcement agencies, community leaders, and the office of drug
17 control policy for the prevention of school violence. The safe
18 school program shall develop and implement, and serve as
19 coordinator of, a statewide clearinghouse for information, program
20 development, model programs and policies, and technical assistance
21 on school violence prevention.

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

24 (a) Coordinate with the office of drug control policy in the
25 department of community health to ensure that there is a meaningful
26 linkage between the efforts under this bill to provide safe schools
27 and the initiatives undertaken through that office, including, but

1 not limited to, school districts' safe and drug-free school plans,
2 and to facilitate timely applications for and distribution of
3 available grant money.

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

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

11 Sec. 208. The department shall require all public school
12 districts to maintain complete records within the personnel file of
13 a teacher or school employee of any disciplinary actions taken by
14 the local school board against the teacher or employee for sexual
15 misconduct. The records shall not be destroyed or removed from the
16 teacher's or employee's personnel file except as required by a
17 court order.

18 Sec. 209. From the funds appropriated in part 1 for
19 information technology, the department shall pay user fees to the
20 department of information technology for technology-related
21 services and projects. Such user fees shall be subject to
22 provisions of an interagency agreement between the department and
23 the department of information technology.

24 Sec. 210. Amounts appropriated in part 1 for information
25 technology may be designated as work projects and carried forward
26 to support technology projects under the direction of the
27 department of information technology. Funds designated in this

1 manner are not available for expenditure until approved as work
2 projects under section 451a of the management and budget act, 1984
3 PA 431, MCL 18.1451a.

4 Sec. 211. Before publishing a list of schools or districts
5 determined to have failed to make adequate yearly progress as
6 required by the federal no child left behind act of 2001, Public
7 Law 107-110, 115 Stat. 1425, the department shall allow a school or
8 district to appeal that determination. The department shall
9 consider and act upon the appeal within 30 days after it is
10 submitted and shall not publish the list until after all appeals
11 have been considered and decided.

12 Sec. 212. Funds appropriated in part 1 shall not be used for
13 the purchase of foreign goods or services, or both, if
14 competitively priced and comparable quality American goods or
15 services, or both, are available. Preference should be given to
16 goods or services, or both, manufactured or provided by Michigan
17 businesses if they are competitively priced and of comparable
18 quality.

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

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

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

10 Sec. 214. (1) Due to the current budgetary problems in this
11 state, out-of-state travel shall be limited to situations in which
12 1 or more of the following conditions apply:

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

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

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

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

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

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

27 (2) If out-of-state travel is necessary but does not meet 1 or

1 more of the conditions in subsection (1), the state budget director
2 may grant an exception to allow the travel. Any exceptions granted
3 by the state budget director shall be reported on a monthly basis
4 to the house and senate appropriations committees.

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

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

16 (b) The destination of each travel occurrence.

17 (c) The dates of each travel occurrence.

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

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

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

27 Sec. 216. The director shall take all reasonable steps to

1 ensure businesses in deprived and depressed communities compete for
2 and perform contracts to provide services or supplies, or both.

3 The director shall strongly encourage firms with which the
4 department contracts to subcontract with certified businesses in
5 depressed and deprived communities for services, supplies, or both.

6 Sec. 221. (1) In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$5,000,000.00 for
8 federal contingency funds. These funds are not available for
9 expenditure until they have been transferred to another line item
10 in this bill under section 393(2) of the department of management
11 and budget act, 1984 pa 431, MCL 18.1393.

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

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

24 (4) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$3,000,000.00 for private
26 contingency funds. These funds are not available for expenditure
27 until they have been transferred to another line item in this bill

1 under section 393(2) of the department of management and budget
2 act, 1984 pa 431, MCL 18.1393.

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

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

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

9 (b) State board of education - member other than president -
10 \$100.00 per day.

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

13 (3) The state board executive shall report to the public, the
14 senate and house fiscal agencies, and the state budget director the
15 previous quarter's expenses by fund source for members of the state
16 board of education.

17 Sec. 302. From the amount appropriated in part 1 to the state
18 board of education, not more than \$35,000.00 shall be expended for
19 in-state travel and out-of-state travel directly related to the
20 duties of the state board of education.

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

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

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

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

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 schools for the deaf and blind Flint
13 campus that have been negotiated with the approval of the
14 department of management and budget. These funds are appropriated
15 to the department for the operation, maintenance, and renovation
16 expenses associated with the leased space.

17 (3) From the unexpended balances of appropriations for the
18 schools for the deaf and blind operations, up to \$250,000.00 of any
19 unexpended and unencumbered funds remaining on September 30, 2008
20 may be carried forward as a work project and expended for special
21 maintenance and repairs of facilities at the campus of the Michigan
22 schools for the deaf and blind in Flint. The work shall be carried
23 out by state employees, or by contract as necessary, at an
24 estimated cost of \$250,000.00. The estimated completion date of
25 the work is September 30, 2009.

26 (4) From the tenant rent appropriation for Fay hall, up to
27 \$100,000.00 of any unexpended and unencumbered funds remaining on

1 September 30, 2008 may be carried forward as a work project or as
2 restricted revenue and expended for special maintenance and repairs
3 of facilities at Fay hall. The work project may be performed by
4 state employees, or by contract when necessary, at an estimated
5 cost of \$100,000.00. The estimated completion date of the work
6 project is September 30, 2009.

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

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

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

25 (3) Parents will continue to have a choice regarding the
26 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. 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

1 schools.

2 Sec. 603. The funds appropriated in part 1 for subject area
3 content expectations and guidelines shall be used for the
4 development, approval, and implementation of subject area content
5 expectations and guidelines that apply to the credit requirements
6 of the Michigan merit standard, as required under section 1278b of
7 the revised school code, 1976 PA 451, MCL 380.1278b.

8 **INFORMATION TECHNOLOGY**

9 Sec. 701. The department shall work in collaboration with the
10 center for educational performance and information to support the
11 comprehensive educational information system and all data
12 collection efforts of the department.

13 **GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES**

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