Act No. 119
Public Acts of 2007
Approved by the Governor
October 31, 2007
Filed with the Secretary of State
October 31, 2007
EFFECTIVE DATE: October 31, 2007

STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2007

Introduced by Rep. Gillard

ENROLLED HOUSE BILL No. 4346

AN ACT 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 act, 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	460.5		
GROSS APPROPRIATION		$	96,482,400
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		$	96,482,400
Federal revenues:			
Total federal revenues			72,749,800
Special revenue funds:			
Local cost sharing (schools for deaf/blind)			6,142,200
Local school district service fees			306,700
Total local revenues			6,448,900
Gifts, bequests, and donations			740,600
Private foundations			2,431,200
Total private revenues			3,171,800
Total local and private revenues			9,620,700
Certification fees			5,757,700
Commodity distribution fees			71,700
Student insurance revenues			218,600
Teacher college review fees			54,000

		For Fiscal Year Ending Sept. 30, 2008
Teacher testing fees	$	523,500
Tenant rent		261,000
Training and orientation workshop fees		150,000
Total other state restricted revenues		7,036,500
State general fund/general purpose	$	7,075,400

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		3,018,600
GROSS APPROPRIATION	$	3,558,600
Appropriated from:		
Federal revenues:		
Federal revenues		1,969,400
Special revenue funds:		
Private foundations		26,700
Certification fees		199,100
State general fund/general purpose	$	1,363,400

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions 26.0		
Central support—26.0 FTE positions	$	3,770,200
Worker's compensation		45,000
Building occupancy charges - property management services		1,692,300
Human resources optimization user charges		23,900
Tenant rent		261,000
Training and orientation workshops		150,000
Terminal leave payments		574,700
GROSS APPROPRIATION	$	6,517,100
Appropriated from:		
Federal revenues:		
Federal revenues		3,989,900
Special revenue funds:		
Local cost sharing (schools for deaf/blind)		68,400
Certification fees		407,800
Teacher testing fees		14,700
Tenant rent		261,000
Training and orientation workshop fees		150,000
State general fund/general purpose	$	1,625,300

Sec. 104. INFORMATION TECHNOLOGY SERVICES

Information technology operations	$	2,826,400
GROSS APPROPRIATION	$	2,826,400
Appropriated from:		
Federal revenues:		
Federal revenues		1,767,700
Special revenue funds:		
Local cost sharing (schools for deaf/blind)		142,000
Certification fees		245,000
State general fund/general purpose	$	671,700

Sec. 105. SPECIAL EDUCATION SERVICES

Full-time equated classified positions 49.0		
Special education operations—49.0 FTE positions	$	11,336,700
GROSS APPROPRIATION	$	11,336,700

			For Fiscal Year Ending Sept. 30, 2008
Appropriated from:			
Federal revenues:			
Federal revenues		$	10,972,800
Special revenue funds:			
Private foundations			104,800
Certification fees			38,400
State general fund/general purpose		$	220,700

Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Full-time equated classified positions	103.0		
Michigan schools for the deaf and blind operations—102.0 FTE positions		$	12,659,000
Summer institute			90,000
Camp Tuhsmeheta—1.0 FTE position			295,100
Private gifts - blind			90,000
Private gifts - deaf			50,000
GROSS APPROPRIATION		$	13,184,100
Appropriated from:			
Federal revenues:			
Federal revenues			5,997,300
Special revenue funds:			
Local cost sharing (schools for deaf/blind)			5,931,800
Local school district service fees			295,800
Gifts, bequests, and donations			740,600
Student insurance revenue			218,600
State general fund/general purpose		$	0

Sec. 107. PROFESSIONAL PREPARATION SERVICES

Full-time equated classified positions	30.0		
Professional preparation operations—30.0 FTE positions		$	6,807,400
National board certification			100,000
Department of attorney general			50,000
GROSS APPROPRIATION		$	6,957,400
Appropriated from:			
Federal revenues:			
Federal revenues			2,647,800
Special revenue funds:			
Certification fees			3,746,800
Teacher college review fees			54,000
Teacher testing fees			508,800
State general fund/general purpose		$	0

Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES

Full-time equated classified positions	25.0		
Early childhood education and family services operations—25.0 FTE positions		$	4,386,800
GROSS APPROPRIATION		$	4,386,800
Appropriated from:			
Federal revenues:			
Federal revenues			3,255,100
Special revenue funds:			
Private foundations			191,700
Certification fees			58,600
State general fund/general purpose		$	881,400

Sec. 109. SCHOOL IMPROVEMENT SERVICES

Full-time equated classified positions	73.3		
School improvement operations—73.3 FTE positions		$	16,673,800
Subject area content expectations and guidelines			100,000
GROSS APPROPRIATION		$	16,773,800

		For Fiscal Year Ending Sept. 30, 2008
Appropriated from:		
Federal revenues:		
Federal revenues	$	14,958,100
Special revenue funds:		
Private foundations		1,108,000
Certification fees		531,300
State general fund/general purpose	$	176,400

Sec. 110. SCHOOL FINANCE AND SCHOOL LAW SERVICES

Full-time equated classified positions 21.0		
School finance and school law operations—21.0 FTE positions	$	2,988,000
GROSS APPROPRIATION	$	2,988,000
Appropriated from:		
Federal revenues:		
Federal revenues		1,432,100
Special revenue funds:		
Certification fees		530,700
State general fund/general purpose	$	1,025,200

Sec. 111. EDUCATION ASSESSMENT AND ACCOUNTABILITY

Full-time equated classified positions 28.3		
Educational assessment operations—28.3 FTE positions	$	12,285,700
GROSS APPROPRIATION	$	12,285,700
Appropriated from:		
Federal revenues:		
Federal revenues		12,285,700
State general fund/general purpose	$	0

Sec. 112. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES

Full-time equated classified positions 56.2		
Grants administration and school support services operations—56.2 FTE positions	$	7,987,400
Federal and private grants		3,000,000
GROSS APPROPRIATION	$	10,987,400
Appropriated from:		
Federal revenues:		
Federal revenues		9,470,800
Special revenue funds:		
Local school district service fees		10,900
Private foundations		1,000,000
Commodity distribution fees		71,700
State general fund/general purpose	$	434,000

Sec. 113. EDUCATIONAL TECHNOLOGY AND DATA COORDINATION

Full-time equated classified positions 7.7		
Educational technology and data coordination—7.7 FTE positions	$	800,300
GROSS APPROPRIATION	$	800,300
Appropriated from:		
Federal revenues:		
Federal revenues		800,300
State general fund/general purpose	$	0

Sec. 114. CAREER AND TECHNICAL EDUCATION

Full-time equated classified positions 25.0		
Career and technical education operations—25.0 FTE positions	$	3,880,100
GROSS APPROPRIATION	$	3,880,100
Appropriated from:		
Federal revenues:		
Federal revenues		3,202,800
State general fund/general purpose	$	677,300

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 2007-2008 is $14,111,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 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. 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 through the Internet the state board of education agenda and all supporting documents, and shall notify the state budget director and the senate and house fiscal agencies that the agenda and supporting documents are available on the Internet, 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 access, and provide through the Internet 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 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 no child left behind act of 2001, Public Law 107-110, 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. In addition, preference should be given to goods or services, or both, manufactured or provided by Michigan businesses owned and operated by veterans 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 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 who communicates truthfully and factually 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. 219. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

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.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority, to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 222. (1) The department shall report no later than April 1, 2008 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) “Rule” means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) “Small business” means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

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.

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. 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, 2008 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, 2009.

(4) From the tenant rent appropriation for Fay hall, up to $100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2008 may be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at Fay hall. The work project may 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, 2009.

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 will 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. Not later than March 1, 2008, the department shall provide the senate and house appropriations committees and senate and house fiscal agencies with a report including all of the following:

(a) How many teachers were certified under the programs.

(b) How long participating teachers served in the classroom.

(c) A comparison of teacher evaluations of participating teachers and teachers with traditional teacher certifications.

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.

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.

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.

Richard J. Brown

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved ____________________

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Governor