Act No. 164
Public Acts of 2010
Approved by the Governor
September 23, 2010

Filed with the Secretary of State September 23, 2010

EFFECTIVE DATE: September 23, 2010

STATE OF MICHIGAN 95TH LEGISLATURE REGULAR SESSION OF 2010

Introduced by Senator Jelinek

ENROLLED SENATE BILL No. 1154

AN ACT to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of education and certain state purposes related to education as set forth in this act for the fiscal year ending September 30, 2011, from the following funds:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY	
Full-time equated unclassified positions	
Full-time equated classified positions556.5	
GROSS APPROPRIATION	\$ 126,959,900
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 126,959,900
Federal revenues:	
IMLS, library services and technology act	5,561,800
Federal revenues	78,451,600
Federal indirect funds	3,758,700
Total federal revenues	87,772,100
Special revenue funds:	, ,
Local cost sharing (schools for deaf/blind)	6,879,800
Local school district service fees	319,600
Total local revenues	7,199,400
Gifts, bequests, and donations	650,600
Private foundations	2,473,900
Total private revenues	3,124,500
Total local and private revenues	10,323,900
Certification fees	5,858,100
Commodity distribution fees	71,700
Student insurance revenue	218,600
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		For Fiscal Year Ending Sept. 30, 2011
Teacher college review fees	\$	54,000
Teacher testing fees		336,400
Tenant rent		261,000
Training and orientation workshop fees		150,000
Total other state restricted revenues		6,949,800
State general fund/general purpose	\$	21,914,100
Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT Full-time equated unclassified positions		
State board of education, per diem payments	\$	24,400
Unclassified positions—6.0 FTE positions		645,600
State board/superintendent operations—14.0 FTE positions	\$	$\frac{2,091,300}{2,761,300}$
Appropriated from:	Ф	2,701,500
Federal revenues:		
Federal revenues.		111,400
Special revenue funds:		111,100
Private foundations		27,400
Certification fees		612,000
State general fund/general purpose	\$	2,010,500
Sec. 103. CENTRAL SUPPORT		
Full-time equated classified positions	æ	2 004 400
Central support—21.6 FTE positions Worker's compensation	Ф	2,984,400 45,900
Building occupancy charges - property management services		2,723,400
Tenant rent		261,000
Training and orientation workshops		150,000
Terminal leave payments		554,700
GROSS APPROPRIATION	\$	6,719,400
Appropriated from:		
Federal revenues:		
Federal revenues		1,414,700
Federal indirect funds		2,147,200
Special revenue funds:		CO 100
Local cost sharing (schools for deaf/blind)		68,400 405,800
Teacher testing fees		13,500
Tenant rent		261,000
Training and orientation workshop fees		150,000
State general fund/general purpose	\$	2,258,800
Sec. 104. INFORMATION TECHNOLOGY SERVICES	d•	9 907 700
Information technology operations		$\frac{3,307,700}{3,307,700}$
Appropriated from:	Ф	5,507,700
Federal revenues:		005 500
Federal revenues		685,500
Special revenue funds:		1,228,600
Local cost sharing (schools for deaf/blind)		150,100
Certification fees		232,300
State general fund/general purpose	\$	1,011,200
		, , ,
Sec. 105. SPECIAL EDUCATION SERVICES		
Full-time equated classified positions	¢.	11 704 700
GROSS APPROPRIATION		$\frac{11,704,700}{11,704,700}$
GIVON AT LIVE IVIATION	Φ	11,704,700

Appropriated from:		
Federal revenues:		
Federal revenues	\$	11,267,800
Special revenue funds:		, ,
Private foundations		107,700
Certification fees		38,600
State general fund/general purpose	\$	290,600
Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND Full-time equated classified positions		
Michigan schools for the deaf and blind operations—108.0 FTE positions	\$	13,442,000
Camp Tuhsmeheta—1.0 FTE position	Ψ	295,100
Private gifts - blind		90,000
Private gifts - deaf		250,000
GROSS APPROPRIATION	\$	14,077,100
Appropriated from:		
Federal revenues:		
Federal revenues		6,238,500
Special revenue funds:		c cc1 200
Local cost sharing (schools for deaf/blind)		6,661,300
Gifts, bequests, and donations		308,100 650,600
Student insurance revenue		218,600
State general fund/general purpose	\$	0
Sec. 107. PROFESSIONAL PREPARATION SERVICES		
Full-time equated classified positions	_	
Professional preparation operations—34.0 FTE positions	\$	7,084,500
Department of attorney general	. —	50,000
GROSS APPROPRIATION	Þ	7,134,500
Federal revenues:		
Federal revenues		2,852,800
Special revenue funds:		,,
Certification fees		3,479,200
Teacher testing fees		322,900
Teacher college review fees		54,000
State general fund/general purpose	\$	425,600
Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES		
Full-time equated classified positions		
Early childhood education and family services operations—26.0 FTE positions	\$	4,454,200
GROSS APPROPRIATION		4,454,200
Appropriated from:		, ,
Federal revenues:		
Federal revenues		3,356,600
Special revenue funds:		400 -00
Private foundations		198,700
Certification fees	P	58,500 840,400
State general fund/general purpose	Φ	040,400
Sec. 109. SCHOOL FINANCE AND SCHOOL LAW SERVICES		
Full-time equated classified positions		
School finance and school law operations—16.5 FTE positions	\$	2,844,100
GROSS APPROPRIATION		2,844,100
Appropriated from:		
Federal revenues:		a=a==
Federal revenues		952,700
Federal indirect funds		382,900

Sec. 115. LIBRARY OF MICHIGAN

Sec. 113. Libitati Of Michigan	
Full-time equated classified positions34.0	
Library of Michigan operations—33.0 FTE positions	\$ 3,879,200
Library services and technology program—1.0 FTE position	5,561,800
State aid to libraries	5,750,000
GROSS APPROPRIATION	\$ 15,191,000
Appropriated from:	
Federal revenues:	
IMLS, library services and technology act	5,561,800
State general fund/general purpose	\$ 9,629,200

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 the fiscal year ending September 30, 2011 is \$28,863,900.00 and state spending from state resources to be paid to local units of government for the fiscal year ending September 30, 2011 is \$5,750,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF EDUCATION

State aid to libraries	\$ 5,750,000
Total department of education	\$ 5,750,000

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) "ARRA" means American recovery and reinvestment act of 2009, Public Law 111-5.
- (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 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.
 - (e) "IMLS" means institute of museum and library services.

Sec. 204. The civil service commission shall bill departments and agencies at the end of the first fiscal quarter for the charges 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. 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 technology, management, and budget 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 technology, management, and budget.
- 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 shall 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 for the purpose of filling positions necessary to carry out state or federal activities related to race to the top legislation, or 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, 2011 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) 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 house and senate standing committees on appropriations, 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 approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development

conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

- Sec. 216. 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. 217. The state superintendent of public instruction 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. The 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. 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, 2011 on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year. The department shall report 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.
- Sec. 225. It is the intent of the legislature that not later than 60 days after the state receives audited membership counts from intermediate school districts, the state superintendent of public instruction shall investigate and report to the legislature on the scope of and proposed solutions to pupil membership fraud and the incidence of students counted in membership in a district and not remaining in that district for the balance of the school year.
- Sec. 226. Not later than October 15, 2011, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

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) From the amount appropriated in part 1 for tenant rent, the department may receive and expend 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 technology, management, and budget. These funds shall be used 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, 2011 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, 2012.
- (4) From the tenant rent appropriation for Fay hall, up to \$100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2011 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, 2012.
- 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.

Sec. 407. Revenue received by the Michigan schools for the deaf and blind from gifts, bequests, and donations that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

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. 506. Revenue received from teacher testing fees that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

OFFICE OF EDUCATIONAL IMPROVEMENT AND INNOVATION

Sec. 601. From the amount appropriated in part 1 for the office of educational improvement and innovation, 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.

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 and reporting efforts of the department.

LIBRARY OF MICHIGAN

Sec. 801. In addition to the funds appropriated in part 1, the funds collected by the department for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 803. It is the intent of the legislature that the library of Michigan and the component programs currently within the library of Michigan shall be kept together in a state department.

Sec. 804. From the funds appropriated in part 1 and other funding available, the department and library of Michigan shall maintain custody of the non-Michigan genealogy and all Michigan-specific collections. These collections shall continue to be made available to the public.

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.

Sec. 902. The college access challenge grant program is a work project as provided in section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and as follows and as such appropriations for the program shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the project has been completed:

- (a) The purpose of the project is to provide assistance and training to Michigan families, counselors, teachers, and community leaders in applying for and securing funds for college to low-income students.
 - (b) The project will be accomplished by state employees and/or by contracts with private vendors.
 - (c) The total estimated cost of the project is \$8,571,000.00.
 - (d) The tentative completion date is September 30, 2012.

Sec. 903. By not later than March 1, 2011, the department shall work with districts that operate as a school of excellence cyber school as defined in section 551 of the revised school code, 1976 PA 451, MCL 380.551, and districts that operate an alternative education program with a seat-time waiver under section 101 of the state school aid act of 1979, 1979 PA 94, MCL 388.1701, to provide a report to 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 on all of the following:

- (a) Each district operating a program and the districts that enroll students in their program.
- (b) The total number of students and membership pupils enrolled in each program.
- (c) The district in which each pupil is enrolled if other than the district with the seat-time wavier or the cyber school.
- (d) The district in which the pupil was enrolled prior to enrolling in the cyber school or the district with a seat-time waiver program.
 - (e) The number of participating students who had previously dropped out of school.
 - (f) The number of participating students who had previously been expelled from school.
 - (g) The cost per pupil paid to each online education provider.
 - (h) The cost per pupil charged to school districts that enroll their students in the program.
- (i) The name of each online education provider contracted by a district with a seat-time waiver or a cyber school and the state in which the online education provider is located.

Sec. 904. From the amount appropriated in part 1 for grants administration and school support, there is appropriated \$1,862,700.00 to administer the funding received under section 101 of title 1 of Public Law 111-226.

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This act is ordered to take immediate effect.

	Carol Morey Viventi
	Secretary of the Senate
	Fishard . Brown
	Clerk of the House of Representatives
Approved	
Governor	