



# SENATE BILL No. 243

February 21, 2001, Introduced by Senators STILLE, DE BEAUSSAERT, JOHNSON  
and MC MANUS and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2002; 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

1 amounts listed in this part are appropriated for the department of  
 2 education for the fiscal year ending September 30, 2002, from the  
 3 funds indicated in this part. The following is a summary of the  
 4 appropriations in this part:

5 **DEPARTMENT OF EDUCATION**

6 APPROPRIATION SUMMARY:

7 Full-time equated unclassified positions . . 6.0

8 Full-time equated classified positions . . 457.3

9 GROSS APPROPRIATION . . . . . \$ 943,470,100

10 Total interdepartmental grants and

11 intradepartmental transfers . . . . . 0

12 ADJUSTED GROSS APPROPRIATION . . . . . \$ 943,470,100

13 Federal revenues:

14 Total federal revenues . . . . . 890,026,700

15 Special revenue funds:

16 Total local revenues . . . . . 4,889,600

17 Total private revenues . . . . . 607,300

18 Total state restricted revenues . . . . . 13,297,000

19 State general fund/general purpose . . . . . \$ 34,649,500

20 **Sec. 102. STATE BOARD OF EDUCATION/OFFICE**

21 **OF THE SUPERINTENDENT**

22 Full-time equated unclassified positions . . 6.0

23 Full-time equated classified positions . . . 14.0

24 State board of education, per diem payments . . \$ 19,400

25 Unclassified positions--6.0 FTE positions . . . 515,600

26 State board/superintendent operations--14.0 FTE

27 positions . . . . . 2,066,800

28 GROSS APPROPRIATION . . . . . \$ 2,601,800

29 Appropriated from:

1	Federal revenues:	
2	Federal revenues . . . . .	576,100
3	Special revenue funds:	
4	Private revenues . . . . .	23,000
5	State general fund/general purpose . . . . .	\$ 2,002,700
6	<b>Sec. 103. CENTRAL SUPPORT</b>	
7	Full-time equated classified positions . . . 45.2	
8	Central support--45.2 FTE positions . . . . .	\$ 5,696,000
9	Worker's compensation . . . . .	101,000
10	Education commission of the states . . . . .	99,300
11	Property management services . . . . .	1,302,000
12	Training and orientation workshops . . . . .	100,000
13	Terminal leave payments . . . . .	<u>440,500</u>
14	GROSS APPROPRIATION . . . . .	\$ 7,738,800
15	Appropriated from:	
16	Federal revenues:	
17	Federal revenues . . . . .	4,203,600
18	Special revenue funds:	
19	Local cost sharing . . . . .	60,800
20	Certification fees . . . . .	171,400
21	Commodity distribution fees . . . . .	5,500
22	Driver fees . . . . .	22,600
23	Motorcycle license fees . . . . .	4,400
24	Safety education fund . . . . .	2,500
25	School loan exception fees . . . . .	64,200
26	Teacher testing fees . . . . .	9,800
27	Training and orientation workshop fees . . . . .	100,000
28	State general fund/general purpose . . . . .	\$ 3,094,000
29	<b>Sec. 104. SCHOOL SUPPORT SERVICES</b>	

1	Full-time equated classified positions . . .	41.4	
2	School support operations--41.4 FTE positions .	\$	<u>5,003,100</u>
3	GROSS APPROPRIATION . . . . .	\$	5,003,100
4	Appropriated from:		
5	Federal revenues:		
6	Federal revenues . . . . .		3,977,600
7	Special revenue funds:		
8	Commodity distribution fees . . . . .		44,300
9	Driver fees . . . . .		495,900
10	Motorcycle license fees . . . . .		139,100
11	Safety education fund . . . . .		117,700
12	State general fund/general purpose . . . . .	\$	228,500
13	<b>Sec. 105. DATA AND TECHNOLOGY SERVICES</b>		
14	Full-time equated classified positions . . .	37.2	
15	Data and technology operations--37.2 FTE positions	\$	<u>5,243,100</u>
16	GROSS APPROPRIATION . . . . .	\$	5,243,100
17	Appropriated from:		
18	Federal revenues:		
19	Federal revenues . . . . .		2,811,000
20	Special revenue funds:		
21	Certification fees . . . . .		261,700
22	Driver fees . . . . .		10,600
23	State general fund/general purpose . . . . .	\$	2,159,800
24	<b>Sec. 106. SPECIAL EDUCATION SERVICES</b>		
25	Full-time equated classified positions . .	68.6	
26	Special education operations--68.6 FTE positions	\$	<u>7,405,800</u>
27	GROSS APPROPRIATION . . . . .	\$	7,405,800
28	Appropriated from:		
29	Federal revenues:		

1	Federal revenues . . . . .	7,090,200
2	Special revenue funds:	
3	Certification fees . . . . .	35,200
4	State general fund/general purpose . . . . . \$	280,400
5	<b>Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND</b>	
6	Full-time equated classified positions . . . 98.3	
7	Michigan schools for the deaf and blind	
8	operations--95.0 FTE positions . . . . . \$	9,578,500
9	Technical resource and reproduction center . . .	1,250,000
10	Summer institute . . . . .	312,100
11	Michigan deaf/blind center--2.3 FTE positions .	306,400
12	Camp Tuhsmeheeta--1.0 FTE position . . . . .	250,100
13	Private gifts - blind . . . . .	90,000
14	Private gifts - deaf . . . . .	<u>50,000</u>
15	GROSS APPROPRIATION . . . . . \$	11,837,100
16	Appropriated from:	
17	Federal revenues:	
18	Federal revenues . . . . .	2,466,900
19	Special revenue funds:	
20	Local cost sharing . . . . .	4,576,200
21	Local school district service fees . . . . .	252,600
22	Private revenues . . . . .	460,100
23	Student insurance revenue . . . . .	205,100
24	State general fund/general purpose . . . . . \$	3,876,200
25	<b>Sec. 108. PROFESSIONAL PREPARATION SERVICES</b>	
26	Full-time equated classified positions . . . 26.5	
27	Professional preparation operations--26.5	
28	FTE positions . . . . . \$	2,736,300
29	Teacher quality enhancement . . . . .	2,500,000

1	Department of attorney general . . . . .		<u>50,000</u>
2	GROSS APPROPRIATION . . . . .	\$	5,286,300
3	Appropriated from:		
4	Federal revenues:		
5	Federal revenues . . . . .		2,723,600
6	Special revenue funds:		
7	Certification fees . . . . .		2,294,400
8	Teacher testing fees . . . . .		268,300
9	State general fund/general purpose . . . . .	\$	0
10	<b>Sec. 109. FIELD SERVICES</b>		
11	Full-time equated classified positions . . .	41.0	
12	Field services operations--41.0 FTE positions .	\$	<u>4,183,300</u>
13	GROSS APPROPRIATION . . . . .	\$	4,183,300
14	Appropriated from:		
15	Federal revenues:		
16	Federal revenues . . . . .		3,747,600
17	Special revenue funds:		
18	State general fund/general purpose . . . . .	\$	435,700
19	<b>Sec. 110. OFFICE OF SCHOOL EXCELLENCE</b>		
20	Full-time equated classified positions . . .	54.0	
21	School excellence operations--54.0 FTE positions	\$	<u>6,426,900</u>
22	GROSS APPROPRIATION . . . . .	\$	6,426,900
23	Appropriated from:		
24	Federal revenues:		
25	Federal revenues . . . . .		4,102,300
26	Special revenue funds:		
27	Private revenues . . . . .		29,400
28	State general fund/general purpose . . . . .	\$	2,295,200
29	<b>Sec. 111. GOVERNMENT SERVICES</b>		

1	Full-time equated classified positions . . .	12.3		
2	Government services operations--12.3 FTE positions		\$	<u>1,108,300</u>
3	GROSS APPROPRIATION . . . . .		\$	1,108,300
4	Appropriated from:			
5	Federal revenues:			
6	Federal revenues . . . . .			650,300
7	Special revenue funds:			
8	State general fund/general purpose . . . . .		\$	458,000
9	<b>Sec. 112. SAFE SCHOOLS AND ADMINISTRATIVE LAW</b>			
10	Full-time equated classified positions . . .	11.0		
11	Safe schools operations--2.0 FTE positions . .		\$	432,400
12	Administrative law operations--9.0 FTE positions			866,000
13	State tenure commission per diem . . . . .			<u>11,100</u>
14	GROSS APPROPRIATION . . . . .		\$	1,309,500
15	Appropriated from:			
16	Federal revenues:			
17	Federal revenues . . . . .			293,400
18	Special revenue funds:			
19	State general fund/general purpose . . . . .		\$	1,016,100
20	<b>Sec. 113. EDUCATION OPTIONS, CHARTERS,</b>			
21	<b>AND CHOICE</b>			
22	Full-time equated classified positions . . . .	7.8		
23	Education option operations--7.8 FTE positions .		\$	<u>1,634,500</u>
24	GROSS APPROPRIATION . . . . .		\$	1,634,500
25	Appropriated from:			
26	Federal revenues:			
27	Federal revenues . . . . .			885,500
28	Special revenue funds:			
29	State general fund/general purpose . . . . .		\$	749,000

**1        Sec. 114. GRANTS AND DISTRIBUTIONS****2        FEDERAL PROGRAMS:**

<b>3</b>	Acquired immunodeficiency syndrome education	
<b>4</b>	grants . . . . .	\$        600,000
<b>5</b>	Class size reduction grants . . . . .	50,275,700
<b>6</b>	Competitive child care and development . . . . .	976,000
<b>7</b>	Drug-free schools grant . . . . .	16,758,400
<b>8</b>	Eisenhower mathematics and science grants . . . . .	12,940,000
<b>9</b>	Emergency immigrant . . . . .	1,455,000
<b>10</b>	Goals 2000 grants . . . . .	17,082,200
<b>11</b>	Handicapped infants and toddlers . . . . .	16,000,000
<b>12</b>	Homeless children and youth . . . . .	1,041,000
<b>13</b>	Michigan charter school subgrant program . . . . .	9,000,000
<b>14</b>	Michigan model partnership for	
<b>15</b>	character education . . . . .	247,600
<b>16</b>	Preschool grants (PL 94-142) . . . . .	13,500,000
<b>17</b>	Refugee children school impact grant . . . . .	950,000
<b>18</b>	School-age child care grants . . . . .	857,500
<b>19</b>	School lunch program-federal share . . . . .	256,725,000
<b>20</b>	Serve America grants . . . . .	840,000
<b>21</b>	Special education . . . . .	20,089,800
<b>22</b>	Surplus commodity . . . . .	2,506,000
<b>23</b>	Technology literacy challenge grants . . . . .	17,784,300
<b>24</b>	Title I, comprehensive school reform . . . . .	5,889,200
<b>25</b>	Title I, disadvantaged children . . . . .	346,000,000
<b>26</b>	Title I, even start . . . . .	5,500,000
<b>27</b>	Title I, migrant . . . . .	12,000,000
<b>28</b>	Title VI, innovative strategies . . . . .	13,480,900

**29        STATE PROGRAMS:**



1	Christa McAuliffe grants . . . . .	94,800
2	Driver education . . . . .	7,600,000
3	Motorcycle safety education . . . . .	1,200,000
4	National board certification . . . . .	50,000
5	Off-road vehicle safety training grant . . . . .	194,300
6	Reading plan for Michigan grants . . . . .	34,000,000
7	School breakfast programs . . . . .	5,328,000
8	School readiness grants . . . . .	<u>12,900,000</u>
9	GROSS APPROPRIATION . . . . .	\$ 883,865,700
10	Appropriated from:	
11	Federal revenues:	
12	DAG-food and nutrition service, national	
13	school lunch . . . . .	256,725,000
14	DAG-the emergency food assistance program . . .	2,506,000
15	DED-OBEMLA, emergency immigrant education	
16	assistance . . . . .	1,455,000
17	DED-OESE, charter schools . . . . .	9,000,000
18	DED-OESE, class size reduction . . . . .	50,275,700
19	DED-OESE, drug-free schools and communities . .	16,758,400
20	DED-OESE, goals 2000 . . . . .	22,082,200
21	DED-OESE, Eisenhower mathematics and science	
22	administration . . . . .	12,940,000
23	DED-OESE, reading excellence act . . . . .	29,000,000
24	DED-OESE, technology literacy challenge fund . .	17,784,300
25	DED-OESE, title I, comprehensive school	
26	reform . . . . .	5,031,900
27	DED-OESE, title I, disadvantaged children . . .	346,000,000
28	DED-OESE, title I, even start . . . . .	5,500,000
29	DED-OESE, title I, migrant education . . . . .	12,000,000

1	DED-OESE, title VI, innovative strategies . . .	13,480,900
2	DED-OESE, title X, comprehensive school reform .	857,300
3	DED-OESE, title X, fund for improvement of	
4	education . . . . .	247,600
5	DED-OSERS, handicapped infants and toddlers . .	16,000,000
6	DED-OSERS, handicapped preschool incentive	
7	grants . . . . .	13,500,000
8	DED-OSERS, handicapped program, individuals with	
9	disabilities act . . . . .	20,089,800
10	DED-OVAE, homeless children and youth . . . . .	1,041,000
11	HHS-ACF, at-risk child care . . . . .	976,000
12	HHS-ACF, refugee children . . . . .	950,000
13	HHS-CDCP, AIDS education . . . . .	600,000
14	HHS-ACF, dependent care block grant . . . . .	857,500
15	Corporation for national and community service .	840,000
16	Special revenue funds:	
17	Private revenues . . . . .	94,800
18	Certification fees . . . . .	50,000
19	Driver fees . . . . .	7,600,000
20	Motorcycle license fees . . . . .	1,200,000
21	Safety education fund . . . . .	194,300
22	State general fund/general purpose . . . . . \$	18,228,000
23	<b>Sec. 115. BUDGETARY SAVINGS</b>	
24	Budgetary savings . . . . . \$	<u>(174,100)</u>
25	GROSS APPROPRIATION . . . . . \$	(174,100)
26	Appropriated from:	
27	Special revenue funds:	
28	State general fund/general purpose . . . . . \$	(174,100)
29	PART 2	

1 PROVISIONS CONCERNING APPROPRIATIONS

2 GENERAL SECTIONS

3 Sec. 201. Pursuant to section 30 of article IX of the state  
 4 constitution of 1963, total state spending from state resources under  
 5 part 1 for fiscal year 2001-2002 is \$47,946,500.00 and state spending  
 6 from state resources to be paid to local units of government for  
 7 fiscal year 2001-2002 is \$15,299,200.00. The itemized statement below  
 8 identifies appropriations from which spending to units of local  
 9 government will occur:

10 GRANTS AND DISTRIBUTIONS

11 STATE PROGRAMS:

12	Driver education . . . . .	\$	7,600,000
13	Motorcycle safety education . . . . .		826,800
14	Off-road vehicle safety training grant . . . . .		86,700
15	School readiness grants . . . . .		1,457,700
16	School breakfast programs . . . . .		<u>5,328,000</u>
17	TOTAL . . . . .	\$	15,299,200

18 Sec. 202. The appropriations authorized under this bill are  
 19 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to  
 20 18.1594.

21 Sec. 203. As used in this bill:

22 (a) "DAG" means the United States department of agriculture.

23 (b) "DED" means the United States department of education.

24 (c) "DED-OBEMLA" means the DED office of bilingual education and  
 25 minority languages affairs.

26 (d) "DED-OESE" means the DED office of elementary and secondary  
 27 education.

28 (e) "DED-OSERS" means the DED office of special education  
 29 rehabilitation service.

30 (f) "DED-OVAE" means the DED office of vocational and adult

1 education.

2 (g) "Department" means the Michigan department of education.

3 (h) "District" means a local school district as defined in section  
4 6 of the revised school code, 1976 PA 451, MCL 380.6.

5 (i) "FTE" means full-time equated.

6 (j) "HHS" means the United States department of health and human  
7 services.

8 (k) "HHS-ACF" means the HHS administration for children and  
9 families.

10 (l) "HHS-CDCP" means the HHS center for disease control and  
11 prevention.

12 (m) "RPM" means reading plan for Michigan.

13 Sec. 204. The department of civil service shall bill departments  
14 and agencies at the end of the first fiscal quarter for the 1% charge  
15 authorized by section 5 of article XI of the state constitution of  
16 1963. Payments shall be made for the total amount of the billing by  
17 the end of the second fiscal quarter.

18 Sec. 205. (1) In addition to the funds appropriated in part 1,  
19 there is appropriated an amount not to exceed \$20,000,000.00 for  
20 federal contingency funds. These funds are not available for  
21 expenditure until they have been transferred to another line item in  
22 this bill under section 393(2) of the management and budget act, 1984  
23 PA 431, MCL 18.1393.

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

30 (3) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$250,000.00 for local contingency  
2 funds. These funds are not available for expenditure until they have  
3 been transferred to another line item in this bill under section  
4 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

11 Sec. 206. Unless otherwise specified, the department shall use the  
12 Internet to fulfill the reporting requirements of this bill. This may  
13 include transmission of reports via electronic mail to the recipients  
14 identified for each reporting requirement, or it may include placement  
15 of reports on an Internet or Intranet site. Quarterly, the department  
16 shall provide to the appropriations subcommittee members, state budget  
17 office, and the fiscal agencies an electronic and paper copy listing  
18 of the reports submitted during the most recent 3-month period along  
19 with the Internet or Intranet site of each report, if any.

20 Sec. 207. (1) A hiring freeze is imposed on the state classified  
21 civil service. State departments and agencies are prohibited from  
22 hiring any new full-time state classified civil service employees and  
23 prohibited from filling any vacant state classified civil service  
24 positions. This hiring freeze does not apply to internal transfers of  
25 classified employees from one position to another within a department.

26 (2) The state budget director shall grant exceptions to this  
27 hiring freeze when the state budget director believes that the hiring  
28 freeze will result in rendering a state department or agency unable to  
29 deliver basic services, cause loss of revenue to the state, result in  
30 the inability of the state to receive federal funds, or would

1 necessitate additional expenditures that exceed any savings from  
2 maintaining a vacancy. The state budget director shall report by the  
3 thirtieth of each month to the chairpersons of the senate and house  
4 standing committees on appropriations the number of exceptions to the  
5 hiring freeze approved during the previous month and the reasons to  
6 justify the exception.

7       Sec. 208. (1) The negative appropriation for budgetary savings in  
8 part 1 shall be satisfied by savings from the hiring freeze imposed in  
9 section 207 and, if necessary, by other savings identified by the  
10 department director and approved by the state budget director.

11       (2) Appropriation authorizations shall be adjusted after the  
12 approval of transfers by the legislature pursuant to section 393(2) of  
13 the management and budget act, 1984 PA 431, MCL 18.1393.

14       Sec. 209. The department may carry into the succeeding fiscal year  
15 unexpended federal pass-through funds to local institutions and  
16 governments that do not require additional state matching funds.  
17 Federal pass-through funds to local institutions and governments that  
18 are received in amounts in addition to those included in part 1 and  
19 that do not require additional state matching funds are appropriated  
20 for the purposes intended.

21       Sec. 210. The department shall provide the state budget director  
22 and the senate and house fiscal agencies with copies of the state  
23 board of education agenda and all supporting documents at the time the  
24 agenda and supporting documents are provided to state board of  
25 education members.

26       Sec. 211. Money in the school loan exception fee fund that is  
27 unexpended at the end of the fiscal year shall not revert to the  
28 general fund but shall be carried over to the succeeding fiscal year.

29       Sec. 212. The office for safe schools shall work with local  
30 school boards, law enforcement agencies, community leaders, and the

1 office of drug control policy for the prevention of school violence.  
2 The office for safe schools shall develop and implement, and serve as  
3 coordinator of, a statewide clearinghouse for information, program  
4 development, model programs and policies, and technical assistance on  
5 school violence prevention.

6 Sec. 213. The department shall require all public school districts  
7 to maintain complete records within the personnel file of a teacher or  
8 school employee of any disciplinary actions taken by the local school  
9 board against the teacher or employee for sexual misconduct. The  
10 records shall not be destroyed or removed from the teacher's or  
11 employee's personnel file except as required by a court order.

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

13 Sec. 301. (1) The appropriations in part 1 may be used for per  
14 diem payments to members of boards, committees, and commissions for  
15 each day's board, committee, or commission work at which a quorum is  
16 present; for attending a hearing as authorized by the respective  
17 board, committee, or commission; or for performing official business  
18 as authorized by the respective board, committee, or commission. The  
19 per diem payments shall be at a rate as follows:

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

22 (b) State board of education - member other than president  
23 \$100.00 per day.

24 (c) State tenure commission - member \$50.00 per day.

25 (2) A state board of education member shall not be paid a per  
26 diem for more than 24 days per year.

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

1 performance of their responsibilities.

2 Sec. 302. From the amount appropriated in part 1 to the state  
3 board of education, not more than \$35,000.00 shall be expended for  
4 travel.

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

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

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

16 Sec. 403. (1) If the former school for the blind campus in  
17 Lansing, declared surplus property by the department in December 1999,  
18 is not liquidated by October 1, 2001, the department may receive and  
19 expend revenues from lease agreements for the Lansing campus that have  
20 been negotiated with the approval of the department of management and  
21 budget. These funds are appropriated to the department for operation,  
22 maintenance, and renovation expenses associated with the leased space.

23 (2) If the department retains ownership of the site through  
24 September 30, 2002, the unexpended balances of appropriations and any  
25 surplus restricted revenue for the former school for the blind site in  
26 Lansing shall not lapse to the state general fund at the end of the  
27 fiscal year. Any unexpended and unencumbered funds remaining on  
28 September 30, 2002, shall be carried forward as a work project or as  
29 restricted revenue and expended for special maintenance and repairs of  
30 facilities at the former Michigan school for the blind site in



1 Lansing. The work project shall be performed by state employees or by  
2 contract when necessary at an estimated cost of \$100,000.00. The  
3 estimated completion date of the work project is September 30, 2003.

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

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

14 (3) Proceeds from the sale of surplus property and facilities at  
15 the Michigan schools for the deaf and blind are appropriated for the  
16 purposes of repairs, renovations, and maintenance of the Flint campus.

17 (4) The unexpended balances of appropriations for Michigan schools  
18 for deaf and blind operations, and from proceeds of the sale of  
19 surplus property and facilities at the Michigan schools for the deaf  
20 and blind shall not lapse to the state general fund at the end of the  
21 fiscal year. Any unexpended and unencumbered funds remaining on  
22 September 30, 2002 shall be carried forward as a work project or as  
23 restricted revenue and expended for special maintenance and repairs of  
24 facilities at the campus of the Michigan schools for the deaf and  
25 blind in Flint. The work shall be carried out by state employees, or  
26 by contract as necessary, at an estimated cost of \$250,000.00. The  
27 estimated completion date of the work is September 30, 2003.

28 Sec. 405. The department may assist the department of community  
29 health, other departments, and local school districts to secure  
30 reimbursement for eligible services provided in Michigan schools from

1 the federal medicaid program. The department may submit reports of  
2 direct expenses related to this effort to the department of community  
3 health for reimbursement.

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

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

16 **PROFESSIONAL PREPARATION SERVICES**

17 Sec. 501. The department shall authorize teacher preparation  
18 institutions to provide an alternative program by which up to 1/2 of  
19 the required student internship or student teaching credits may be  
20 earned through substitute teaching. The department shall require that  
21 teacher preparation institutions collaborate with school districts to  
22 ensure that the quality of instruction provided to student teachers is  
23 comparable to that required in a traditional student teaching program.

24 **EDUCATION OPTIONS, CHARTERS AND CHOICE**

25 Sec. 601. (1) From the amount appropriated in part 1 for  
26 education options, charters and choices, there is allocated  
27 \$350,000.00 to operate a charter public school academy office to  
28 administer charter public school academy legislation and associated  
29 regulations, and to coordinate the activities of the department  
30 relating to charter public school academies.

(2) From the amount appropriated in part 1 for education options, charters and choice, there is allocated up to \$250,000.00 to fund an exchange program between teachers in Michigan school districts and public school academies and teachers in Michigan's sister state of Shiga in Japan.

#### **GRANTS AND DISTRIBUTIONS**

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

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

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

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

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

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

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

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

12 (a) An applicant may be any public or private nonprofit legal  
13 entity or agency other than a local or intermediate school district  
14 except a local or intermediate school district acting as a fiscal  
15 agent for a child caring organization regulated under 1973 PA 116, MCL  
16 722.111 to 722.128.

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

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

23 (d) Priority in the recommendation for awarding of grants by the  
24 state board of education to applicants shall be based upon the  
25 following criteria:

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

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

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

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

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

12 (vi) The extent to which these funds will be targeted to children  
13 who will be at least 4, but less than 5, years of age as of December 1  
14 of the year in which the programs are offered and who show evidence of  
15 2 or more "at-risk" factors as defined in the state board of education  
16 report entitled, "children at risk" that was adopted by the state  
17 board on April 5, 1988.

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

22 (f) Applications shall provide for the establishment of a school  
23 readiness advisory committee that shall be involved in the planning  
24 and evaluation of the program and provides for the involvement of  
25 parents and appropriate community, volunteer, and social service  
26 agencies and organizations. There shall be on the committee at least  
27 1 parent or guardian of a program participant for every 18 children  
28 enrolled in the program, with a minimum of 2 parent or guardian  
29 representatives. The committee shall do all of the following:

30 (i) Review the mechanisms and criteria used to determine referrals

1 for participation in the school readiness program.

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

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

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

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

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

12 (g) More than 50% of the children participating in the program  
13 shall meet the income eligibility criteria for free or reduced price  
14 lunch, as determined under the national school lunch act, chapter 281,  
15 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to  
16 1766b, and 1769 to 1769h, or meet income and all other eligibility  
17 criteria for participation in the Michigan family independence agency  
18 unified child day care program.

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

24 (3) Except as otherwise provided, an applicant that receives a  
25 first year grant under this section shall also receive priority for  
26 second year and third year funding. However, after three years of  
27 continuous funding, an applicant will be required to compete openly  
28 with new programs and other programs completing their third year. All  
29 grant awards are contingent on the availability of funds and  
30 documented evidence of grantee compliance with standards for early

1 childhood development consistent with programs for 4-year-olds, as  
2 approved by the state board of education, and with all operational,  
3 fiscal, administrative, and other program requirements. A program  
4 which offers supplementary day care and thereby offers full-day  
5 programs as part of its early childhood development program shall  
6 receive priority in the allocation of competitive funds.

7       Sec. 704. (1) The reading plan for Michigan (RPM) is a series of  
8 elementary education strategies created for the purpose of improving  
9 reading skills of K-3 students so that all students are reading at an  
10 appropriate grade level prior to the start of the fourth grade. The  
11 RPM shall be developed by the department in consultation with the RPM  
12 advisory council as created by Executive Order 1998-4.

13       (2) Not later than November 15, 2001, the department shall submit  
14 a report to the governor, the legislature, the state budget director,  
15 and the senate and house fiscal agencies on their progress in  
16 achieving the goals of the RPM. The report shall include detailed  
17 results of each RPM strategy as implemented, as well as an assessment  
18 of the state's overall progress towards having every student read at  
19 an appropriate grade level by the start of fourth grade, the impact of  
20 early intervention services on special education referrals, and the  
21 end of social promotion.

22       Sec. 705. From the funds appropriated in part 1 for national  
23 board certification, the department shall pay 1/2 of the application  
24 fee for teachers who are deemed by the department by March 1, 2001 to  
25 be qualified to apply to the national board for professional teaching  
26 standards for professional teaching certificates or licenses and to  
27 provide grants to recognize and reward teachers who receive  
28 certification or licensure.

29       Sec. 706. From the \$400,000.00 appropriated in part 1 of Public  
30 Act 263 of 2000 for innovative program demonstration grants,

1 \$200,000.00 shall be used for the fiscal year 2000-2001 and the  
2 remaining \$200,000.00 for the fiscal year 2001-2002. The balance of  
3 the \$400,000.00 not expended in fiscal year 2000-2001 shall not revert  
4 to the general fund but continue to be available in fiscal year 2001-  
5 2002 for the awarding of grants under this section. The department  
6 may use up to 4% of the funds appropriated for this section for  
7 administration of the innovative program demonstration grants awarded  
8 under this section. The department shall use the balance of the  
9 appropriation to provide grants to local school districts and  
10 intermediate school districts to develop the following innovative  
11 programs:

12 (a) School safety programs to examine creative ways to ensure safe  
13 schools in this state. The measures the program should examine  
14 include, but are not limited to, school uniforms, identification tags  
15 for staff, students, and volunteers, a school safety hotline, and the  
16 use of a school resource officer.

17 (b) Parental involvement programs to explore ways to increase  
18 parental and community involvement in schools. A funded program  
19 should focus on developing ways to utilize parents and community  
20 members as volunteers in the schools, increasing parent and teacher  
21 attendance at parent/teacher conferences, and provide training to  
22 teachers and administrators on utilizing parents as a valuable  
23 resource.

24 (c) Expanding curriculum programs to identify additions to the  
25 curriculum. A program shall have the approval of the local school  
26 board before applying for a grant. Programs such as stress  
27 management, conflict resolution, and character education are areas  
28 that can be included in a proposal under this subdivision and should  
29 be targeted at each grade level. A program can also look at  
30 parent/student/school contracts and should include expanding or



1 implementing a gifted and talented program or hiring a resource  
2 coordinator for existing gifted and talented programs.

3 (2) The following are the primary goals for the innovative  
4 programs development grants:

5 (a) To provide the means for schools to experiment with new and  
6 innovative programs to improve school safety, parental involvement,  
7 and curriculum development.

8 (b) To demonstrate the value of the programs to justify continued  
9 local funding once the grant program has ended.

10 (c) To increase parental and community involvement in schools.

11 (d) To share information between the schools regarding successful  
12 innovative programs. This should include the posting of the  
13 information on the school's and department's website.

14 (3) The department shall use the following criteria in determining  
15 the awarding of grants under this section:

16 (a) The state shall be divided into 5 regions to ensure equality  
17 of funding. Each region shall receive at least 1 grant in each of the  
18 program areas.

19 (b) Although a school may apply for funding under all 3 program  
20 areas, it can be awarded grant funds in only 1 of the program areas.

21 (c) A program shall be funded for 2 years.

22 (d) Although the focus of the programs should be on new programs,  
23 it may include innovative programs already in place.

24 (e) Each program shall receive \$10,000.00 for each fiscal year.

25 (f) Of the \$200,000.00 appropriated each fiscal year, \$10,000.00  
26 each fiscal year shall be earmarked for each of the 5 regions for the  
27 development of parental involvement programs. These funds shall be  
28 used to hire a volunteer coordinator.

29 (g) Any other criteria the department considers necessary to  
30 implement this section.

1       (4) No later than September 30, 2002, a district receiving funding  
2 under this section shall report to the department on the results  
3 achieved by each innovative program. The report filed under this  
4 subsection shall include all of the following for each program:

5       (a) A description of the program and what steps were taken to  
6 implement the program.

7       (b) Any statistical data available before and after the funding  
8 period regarding the target area of the program.

9       (c) An analysis of the effectiveness of each program component.

10       (d) An analysis of the overall impact the program had on the  
11 students, school, community, and parents.

12       (e) The decision and reasoning as to why the program will be  
13 either continued or terminated after grant funding has ended.

14       (5) No later than November 29, 2002, the department shall compile  
15 the information received under subsection (3) and submit a report to  
16 the house and senate standing committees on education, the house and  
17 senate appropriations subcommittees on the department of education,  
18 the house and senate fiscal agencies, the state budget director, and  
19 the state board of education. The reports shall be posted on the  
20 department's website.