

1998 PUBLIC AND LOCAL ACTS

[No. 322]

(SB 910)

AN ACT to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 1999; 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

Appropriations; department of education.

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, 1999, 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	542.6	
GROSS APPROPRIATION.....		\$ 869,926,700
Interdepartmental grant revenues:		
Interdepartmental grant from consumer and industry services		404,600
Interdepartmental grant from corrections academy lease		605,500
Interdepartmental grant from Michigan jobs commission.....		212,900
Interdepartmental grant from treasury		150,000
Total interdepartmental grants and intradepartmental transfers		\$ 1,373,000
ADJUSTED GROSS APPROPRIATION.....		868,553,700
Federal revenues:		
Total federal revenues.....		803,836,400
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		6,019,100
Local school district service fees		100,500
Total local revenues		6,119,600
Gifts, bequests, and donations.....		470,000
Private foundations		117,200
Student insurance revenue		201,000
Total private revenues.....		788,200
Total local and private revenues.....		6,907,800
Defaulted school loan fees.....		100,000
Certification fees.....		2,524,400
Commodity distribution fees		44,700
Driver fees		8,087,100
Lansing, Michigan school for the blind rent.....		605,500

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Motorcycle license fees	\$ 1,004,300
Safety education fund	309,000
School loan exception fees.....	32,000
State employee child care center.....	90,800
Private occupational school license fees.....	260,200
Teacher testing fees.....	257,700
Training and orientation workshop fees.....	100,000
Total other state restricted revenues.....	13,415,700
State general fund/general purpose	\$ 44,393,800

State board of education/office of the superintendent.

**Sec. 102. STATE BOARD OF EDUCATION/OFFICE
OF THE SUPERINTENDENT**

Full-time equated unclassified positions	6.0
Full-time equated classified positions.....	17.0
State board of education, per diem payments.....	\$ 19,400
Unclassified positions—6.0 FTE positions.....	490,800
State board/superintendent operations— 17.0 FTE positions.....	2,540,000
GROSS APPROPRIATION.....	\$ 3,050,200
Appropriated from:	
Federal revenues:	
Federal revenues	553,200
Special revenue funds:	
Private foundations	8,000
State general fund/general purpose	\$ 2,489,000

Central support.

Sec. 103. CENTRAL SUPPORT

Full-time equated classified positions.....	55.2
Central support—46.2 FTE positions.....	\$ 5,158,900
Worker's compensation.....	93,600
Education commission of the states	90,000
Building occupancy charges - property management services.....	1,212,300
Training and orientation workshops	100,000
Terminal leave payments.....	500,000
State tenure commission, per diem.....	11,100
Administrative law operations—9.0 FTE positions.....	790,100
GROSS APPROPRIATION.....	\$ 7,956,000
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from consumer and industry services	2,300
Interdepartmental grant from Michigan jobs commission.....	1,200
Interdepartmental grant from treasury.....	900
Federal revenues:	
Federal revenues	3,967,000

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Special revenue funds:

Certification fees.....	\$	133,900
Driver fees.....		17,000
Local cost sharing.....		60,800
Commodity distribution fees.....		4,300
Motorcycle license fees.....		3,400
Private occupational school license fees.....		12,200
Safety education fund.....		2,000
School loan exception fees.....		32,000
Teacher testing fees.....		7,700
Training and orientation workshop fees.....		100,000
State general fund/general purpose.....	\$	3,611,300

School support services.

Sec. 104. SCHOOL SUPPORT SERVICES

Full-time equated classified positions.....	41.4	
School support operations—41.4 FTE positions.....		\$ 4,689,300
GROSS APPROPRIATION.....		\$ 4,689,300

Appropriated from:

Federal revenues:

Federal revenues.....	3,743,400
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Special revenue funds:

Commodity distribution fees.....	40,400
Driver fees.....	459,700
Motorcycle license fees.....	133,600
Safety education fund.....	112,700
State general fund/general purpose.....	\$ 199,500

Technology and information services.

Sec. 105. TECHNOLOGY AND INFORMATION SERVICES

Full-time equated classified positions.....	36.9	
Technology and information operations—36.9 FTE positions.....		\$ 5,724,200
GROSS APPROPRIATION.....		\$ 5,724,200

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from consumer and industry services.....	402,300
Interdepartmental grant from Michigan jobs commission.....	211,700
Interdepartmental grant from treasury.....	149,100

Federal revenues:

Federal revenues.....	3,137,500
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Special revenue funds:

Certification fees.....	246,200
Driver fees.....	10,400
State general fund/general purpose.....	\$ 1,567,000

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Standards, assessment, and accreditation services.

Sec. 106. STANDARDS, ASSESSMENT, AND ACCREDITATION SERVICES

Full-time equated classified positions.....	37.7	
Standards, assessment, and accreditation operations—		
37.7 FTE positions.....		\$ 2,509,800
Test development and administration		7,388,400
GROSS APPROPRIATION.....		\$ 9,898,200
Appropriated from:		
Federal revenues:		
Federal revenues		343,100
Special revenue funds:		
State general fund/general purpose		\$ 9,555,100

Special education services.

Sec. 107. SPECIAL EDUCATION SERVICES

Full-time equated classified positions.....	56.1	
Special education operations—56.1 FTE positions.....		\$ 4,713,400
GROSS APPROPRIATION.....		\$ 4,713,400
Appropriated from:		
Federal revenues:		
Federal revenues		4,554,000
Special revenue funds:		
Certification fees.....		19,000
State general fund/general purpose		\$ 140,400

Lansing, Michigan school for the blind former site.

Sec. 108. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE

General services.....		\$ 1,311,800
GROSS APPROPRIATION.....		\$ 1,311,800
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from corrections academy		
lease.....		605,500
Special revenue funds:		
Lansing, Michigan school for the blind rent		605,500
Gifts, bequests, and donations.....		10,000
State employee child care center.....		90,800
State general fund/general purpose		\$ 0

Michigan schools for the deaf and blind.

Sec. 109. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Full-time equated classified positions.....	120.3	
Michigan schools for the deaf and blind operations—		
117.0 FTE positions.....		\$ 10,635,300
Summer institute		312,100

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Michigan deaf/blind center—2.3 FTE positions.....	\$ 301,400
Camp Tuhsmebeta—1.0 FTE position.....	250,000
Private gifts - blind.....	90,000
Private gifts - deaf.....	50,000
GROSS APPROPRIATION.....	\$ 11,638,800
Appropriated from:	
Federal revenues:	
Federal revenues.....	1,273,200
Special revenue funds:	
Local cost sharing (schools for blind/deaf).....	5,958,300
Local school district service fees.....	100,500
Gifts, bequests, and donations.....	460,000
Student insurance revenue.....	201,000
State general fund/general purpose.....	\$ 3,645,800

Career, curriculum, adult, and postsecondary services.

**Sec. 110. CAREER, CURRICULUM, ADULT, AND
POSTSECONDARY SERVICES**

Full-time equated classified positions.....	95.2
Career, curriculum, and adult education operations—	
73.2 FTE positions.....	\$ 7,784,100
Postsecondary operations—22.0 FTE positions.....	2,142,700
GROSS APPROPRIATION.....	\$ 9,926,800
Appropriated from:	
Federal revenues:	
Federal revenues.....	6,777,400
Special revenue funds:	
Private foundations.....	14,400
Defaulted loan collection fees.....	100,000
Private occupational school license fees.....	248,000
State general fund/general purpose.....	\$ 2,787,000

Professional preparation services.

**Sec. 111. PROFESSIONAL PREPARATION
SERVICES**

Full-time equated classified positions.....	26.5
Professional preparation operations—26.5 FTE positions.....	\$ 2,537,300
Department of attorney general.....	50,000
GROSS APPROPRIATION.....	\$ 2,587,300
Appropriated from:	
Federal revenues:	
Federal revenues.....	212,000
Special revenue funds:	
Certification fees.....	2,125,300
Teacher testing fees.....	250,000
State general fund/general purpose.....	\$ 0

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Field services.

Sec. 112. FIELD SERVICES

Full-time equated classified positions.....	41.0	
Field services operations—41.0 FTE positions.....		\$ 3,812,800
GROSS APPROPRIATION.....		\$ 3,812,800
Appropriated from:		
Federal revenues:		
Federal revenues		3,412,900
State general fund/general purpose		\$ 399,900

Innovation and community services.

Sec. 113. INNOVATION AND COMMUNITY SERVICES

Full-time equated classified positions.....	15.3	
Innovation and community services operations— 15.3 FTE positions.....		\$ 1,291,200
GROSS APPROPRIATION.....		\$ 1,291,200
Appropriated from:		
Federal revenues:		
Federal revenues		723,400
State general fund/general purpose		\$ 567,800

Grants and distributions.

Sec. 114. GRANTS AND DISTRIBUTIONS

FEDERAL PROGRAMS:

Adult basic education.....		\$ 8,024,100
Acquired immunodeficiency syndrome education grants.....		600,000
Competitive child care and development		500,000
Drug-free schools grant.....		16,758,400
Eisenhower mathematics and science grants.....		12,940,000
Emergency immigrant.....		850,000
Goals 2000 grants.....		17,082,200
Handicapped infants and toddlers		16,000,000
Homeless children and youth		833,000
Job training partnership act.....		7,952,700
Michigan charter school subgrant program.....		3,483,600
Migrant technology		576,300
Preschool grants (PL 94-142)		12,400,000
School-age child care grants		288,000
School lunch program - federal share		226,000,000
School-to-work.....		1,800,000
Serve America grants.....		840,000
Special education		17,189,800
Statewide systemic initiative grant		200,000
Surplus commodity		2,506,000
Technology literacy challenge grant		17,784,300
Title I, disadvantaged children		331,000,000
Title I, even start		4,400,000

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Title I, migrant.....	\$ 12,000,000
Title I, comprehensive school reform.....	5,889,200
Title VI, innovative strategies.....	13,480,900
Training personnel for education of the handicapped.....	253,600
Vocational education act of 1963.....	38,507,200
STATE PROGRAMS:	
Christa McAuliffe grants.....	94,800
Driver education.....	7,600,000
School readiness grants.....	12,083,000
Motorcycle safety education.....	867,300
National board certification.....	20,000
Michigan geographic alliance.....	300,000
Off-road vehicle safety training grant.....	194,300
Reading plan for Michigan grants.....	5,000,000
School lunch and breakfast.....	6,728,000
Fast track program.....	300,000
GROSS APPROPRIATION.....	\$ 803,326,700
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DAG, food and nutrition service, national school lunch.....	226,000,000
DAG, the emergency food assistance program.....	2,506,000
DED, grants and contracts service, school-to-work.....	1,800,000
DED-OBEMLA, emergency immigrant education assistance.....	850,000
DED-OESE, charter schools.....	3,483,600
DED-OESE, drug-free schools and communities.....	16,758,400
DED-OESE, goals 2000.....	22,082,200
DED-OESE, Eisenhower mathematics and science administration.....	12,940,000
DED-OESE, migrant technology.....	576,300
DED-OESE, technology literacy challenge fund.....	17,784,300
DED-OESE, title I, disadvantaged children.....	331,000,000
DED-OESE, title I, even start.....	4,400,000
DED-OESE, title I, migrant education.....	12,000,000
DED-OESE, title I, comprehensive school reform.....	5,031,900
DED-OESE, title VI, innovative strategies.....	13,480,900
DED-OESE, title X, comprehensive school reform.....	857,300
DED-OSERS, handicapped infants and toddlers.....	16,000,000
DED-OSERS, handicapped preschool incentive grants.....	12,400,000
DED-OSERS, handicapped program, individuals with disabilities act.....	17,189,800
DED-OSERS, personnel development.....	253,600
DED-OVAE, adult education, state administered program.....	8,024,100
DED-OVAE, basic grants to states.....	38,507,200
DED-OVAE, homeless children and youth.....	833,000
DOL, job training partnership act.....	7,952,700
HHS-ACF, at-risk child care.....	500,000

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HHS-CDC, AIDS education	\$ 600,000
HHS-ACF, dependent care block grant.....	288,000
National science foundation	200,000
Corporation for national and community service	840,000
Special revenue funds:	
Driver fees	7,600,000
Motorcycle license fees	867,300
Private foundations	94,800
Safety education fund	194,300
State general fund/general purpose	\$ 19,431,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government; notice of approximate shortfall.

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1998-99 is estimated at \$57,809,500.00 in this act and state spending from state sources paid to local units of government for fiscal year 1998-99 is estimated at \$27,492,600.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF EDUCATION
GRANTS AND DISTRIBUTIONS
STATE PROGRAMS:

Driver education	\$ 7,600,000
School readiness grants	12,083,000
Motorcycle safety education	867,300
National board certification	20,000
Off-road vehicle safety training grant	194,300
School lunch and breakfast	6,728,000
TOTAL	\$ 27,492,600

(2) If it appears to the principal executive officer of each department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations subcommittees responsible for the department's budget, and the senate and house fiscal agencies.

Appropriations and expenditures subject to §§18.1101 to 18.1594.

Sec. 202. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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Definitions.

Sec. 203. As used in this act:

- (a) "ACF" means administration for children and families.
- (b) "CDCP" means center for disease control and prevention.
- (c) "DAG" means the United States department of agriculture.
- (d) "DED" means the United States department of education.
- (e) "Department" means the Michigan department of education.
- (f) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6.
- (g) "DOL" means the United States department of labor.
- (h) "ETA" means employment and training administration.
- (i) "FCS" means food and consumer service.
- (j) "HHS" means the United States department of health and human services.
- (k) "OBEMLA" means office of bilingual education and minority languages affairs.
- (l) "OERI" means office of educational research and improvement.
- (m) "OESE" means office of elementary and secondary education.
- (n) "OHDS" means office of human development services.
- (o) "OPSE" means office of postsecondary education.
- (p) "OSERS" means the office of special education rehabilitation service.
- (q) "OVAE" means office of vocational and adult education.

Hiring freeze; exceptions.

Sec. 204. (1) Beginning October 1, 1998, 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 or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Contingency funds.

Sec. 205. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$30,000,000.00 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.

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(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 \$250,000.00 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.

Billing charge by department of civil service.

Sec. 206. A department or agency billed by the department of civil service for the 1% charge authorized by section 5 of article XI of the state constitution of 1963 by the end of the first fiscal quarter shall pay the total amount of the billing by the end of the second fiscal quarter.

Carrying unexpended federal pass-through funds to local institutions and governments.

Sec. 207. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

State board of education agenda and supporting documents; providing copies.

Sec. 208. The department shall provide the department of management and budget and the senate and house fiscal agencies with copies of the state board of education agenda and all supporting documents at the time the agenda and supporting documents are provided to state board of education members.

Changing computer software and hardware to perform in year 2000; progress billings.

Sec. 209. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees with jurisdiction over technology issues periodic reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond. At the time progress billings are presented for reimbursement, the department shall identify and forward as appropriate the funding sources that should support the work performed.

Property lease; fair market value.

Sec. 210. The department shall not lease real property for less than fair market value.

Purchase of foreign goods or services.

Sec. 211. Money appropriated in part 1 shall not be used for the purchase of foreign goods or services when competitively priced and of comparable quality American goods or

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services are available. By May 1, 1999, the department shall submit a report to the department of management and budget, the speaker and minority leader of the house of representatives, the majority and minority leaders of the senate, and the chairpersons of the house and senate appropriations committees on efforts to comply with this section.

Appropriations reports; receipt and retention of copies.

Sec. 212. The department shall receive and retain copies of all reports from the appropriations in part 1.

Funding administrative costs of proprietary schools oversight unit.

Sec. 213. Of the amounts appropriated in part 1 for higher education management operations, \$250,000.00 of private occupational school license fees shall fund 3.0 FTE positions and related administrative costs of the proprietary schools oversight unit within the department.

Expenditure of funds to replace, renovate, or repair property leased to person or organization; limitation.

Sec. 214. If the department leases real property to a person or organization that is not a department of state government, the department shall not expend funds in excess of the lease revenue received to replace, renovate, or repair that real property. This section shall not apply to emergency repairs or costs associated with technological renovations.

School loan exception fee fund; carrying over unexpended funds.

Sec. 215. Money in the school loan exception fee fund that is unexpended at the end of the fiscal year shall not revert to the general fund but be carried over to the succeeding fiscal year.

Personal service contracts; notification; reports.

Sec. 216. (1) The department of management and budget and each principal executive department and agency shall provide to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies a monthly report on all personal service contracts awarded without competitive bidding, pricing, or rate-setting. The notification shall include all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(2) For personal service contracts of \$100,000.00 or more, the department of management and budget shall provide a monthly report including all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(3) The department of management and budget shall provide a monthly listing of all bid requests or requests for proposal that were issued.

(4) Each principal executive department and agency shall provide a monthly summary listing of information that identifies any authorization for personal service contracts that are provided to the department of civil service pursuant to delegated authority granted to each principal executive department and agency related to personal service contracts.

Privatization; project plan.

Sec. 217. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies within 30 months.

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs; off-setting loan collection costs.

Sec. 218. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Unresolved audits considered as closed.

Sec. 219. Each school district must have the maximum fiscal certainty possible for appropriate fiscal planning. Any departmental audit of school district programs prior to the adoption of proposal A, not yet resolved, shall be considered closed.

Office of safe schools.

Sec. 220. (1) From the amount appropriated in part 1, the department shall establish an office for safe schools within the department. The office for safe schools shall work with local school boards, law enforcement agencies, community leaders, and other state departments and agencies for the prevention of school violence. The office for safe schools 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 office for safe schools shall do all of the following:

(a) Evaluate the effectiveness of, and make recommendations to local school boards concerning, public school violence prevention programs, including but not limited to programs aimed at reducing the possession of weapons and the incidence of other violent behaviors on school campuses, violence prevention curricula, conflict resolution and peer mediation training, interagency cooperative referral and treatment programs, parental involvement programs, and school safety planning.

(b) Develop and distribute to local school boards a model memorandum of understanding with local law enforcement officials and appropriate state agencies to facilitate reporting of incidents affecting school safety that should appropriately be reported to law enforcement officials and provide technical assistance as requested for implementation of the memorandum of understanding and procedures to be followed.

(c) Provide public education on, and coordinate a process for, school violence prevention and crime awareness, intervention, prevention, and treatment. The public education shall include, but is not limited to, presentations to pupils, school personnel, civic groups, and other organizations and agencies.

(d) In consultation with appropriate organizations, develop and distribute to school districts and public school academies a model code of conduct for pupils.

(e) 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.

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(f) Survey public schools around the nation to identify public schools that require or otherwise use school uniforms or strict dress codes for students, identify the best practices for school uniforms or strict dress codes, and provide information to school districts and public school academies on best practices for school uniforms and school dress codes.

(g) Identify the best practices in this state among peer mediation and other conflict resolution programs for pupils and provide information to school districts and public school academies on these best practices.

(h) Work with teacher preparation institutions to encourage training for prospective teachers in classroom management, conflict resolution, and disciplinary techniques.

Businesses in deprived and depressed communities; contracts.

Sec. 221. (1) In the expenditure of funds appropriated under this act, the department shall take all reasonable steps to ensure that businesses in deprived and depressed communities are given the opportunity to compete for and perform contracts to provide services or supplies, or both, for the department.

(2) The department shall strongly encourage firms with which the department contracts to subcontract with businesses in depressed and deprived communities for services or supplies, or both.

Personal services contract with temporary service agency hiring retired state employee.

Sec. 222. If a department enters into a personal services contract with any temporary service agency or similar contractor that hires or subcontracts with a person who retired from employment in the department under the early retirement program under section 19f of the state employees' retirement act, 1943 PA 240, MCL 38.19f, the retired state employee shall be limited to 500 hours for professional, technical, or clerical services and 250 hours for management services. This limitation does not apply to computer technology services. This provision only applies during a 24-month period after the date of retirement. This section applies to each principal executive department and agency.

STATE BOARD/OFFICE OF THE SUPERINTENDENT

Per diem payments to members of boards, committees, and commissions.

Sec. 301. (1) The appropriations in section 102 may be used for per diem payments to members of boards, committees, and commissions for each day's board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. 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
- (c) State tenure commission - member..... \$ 50.00 per day

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

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(3) The administrative secretary of the state board of education shall report to the public, the senate and house fiscal agencies, and the department of management and budget the previous quarter's expenses by fund source for members of the state board of education related to the performance of their responsibilities.

Travel expenditures.

Sec. 302. (1) From the amount appropriated in section 102 to the state board of education, not more than \$27,500.00 shall be expended for travel.

(2) The state board of education shall not expend amounts for travel appropriated from DED-OVAE, basic grants to states.

Establishment and operation of charter school office; exchange program with teachers in state of Shiga in Japan; misrepresentation of enrollment or financial data by public school academy; appeal.

Sec. 303. (1) From the amount appropriated in section 102 for state board/superintendent operations, there is allocated \$500,000.00 and 5.0 FTE positions to establish and 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.

(2) From the amount appropriated in section 102 for state board/superintendent operations, 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.

(3) If an audit finds that a public school academy has significantly misrepresented its enrollment membership or financial data to the department, its funding shall be withheld and the public school academy shall be required to reimburse the state any appropriations made as a result of the misrepresentations.

(4) A public school academy found to have misrepresented its enrollment membership may utilize the same appeal process as a school district.

TECHNOLOGY AND INFORMATION SERVICES

Michigan school report; publication and distribution.

Sec. 401. Included in the appropriation for technology and information services in section 105 is \$50,000.00 to publish and distribute the Michigan school report.

STANDARDS, ASSESSMENT, AND ACCREDITATION SERVICES

Tests to nonpublic schools.

Sec. 501. (1) From the general fund allocations in section 106, the department may provide tests to nonpublic schools. The department shall notify nonpublic schools that they are eligible to receive the tests without cost to them.

(2) The department shall release test results at the same time to all private schools and public school districts taking the tests.

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(3) From the amount appropriated in section 106 for test development and administration, \$200,000.00 shall be expended to expedite the reporting of Michigan educational assessment program high school test results and to improve the method of reporting the results to enable pupils to accurately interpret the information.

Fine arts consultant.

Sec. 502. The funds appropriated in section 106 shall include a fine arts consultant.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Michigan schools for deaf and blind as annual employees.

Sec. 601. 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.

Costs of student's instructional program; assessment to intermediate school district.

Sec. 602. 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.

Rent assessment to corrections staff training academy; rental facilities to private or publicly funded organizations; consent to rent, lease, or declare as surplus property the superintendent's property; funding security guards or other patrols.

Sec. 603. (1) The department may assess rent to the department of corrections for Michigan school for the blind's former site space occupied by the corrections staff training academy. The rental rates and all leasing arrangements shall be subject to the approval of the department of management and budget. Amounts received under section 108 for the corrections academy lease program may be expended by the department for operation, maintenance, and renovation expenses associated with the lease space.

(2) In addition, the department may receive and expend funds in addition to those authorized in section 108 for the rental of facilities at the Michigan school for the blind's former site to private or publicly funded organizations.

(3) The department shall not rent, lease, or declare as surplus property the superintendent's house on the Michigan school for the blind's former site without prior consent from the house and senate appropriations subcommittees on education. Amounts received under section 108 for general services may be expended by the department for operation, maintenance, and renovation expenses associated with the superintendent's house.

(4) Security guards or other patrols at the Michigan school for the blind's former site shall not be funded through section 109 funds appropriated for the Michigan schools for the deaf and blind.

Rent assessment to state employee child care center.

Sec. 604. The department shall assess rent to the state employee child care center for the rental of space it occupies at the Michigan school for the blind's former site. The rental

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rates and all leasing arrangements shall be subject to the approval of the department of management and budget. Amounts received under section 108 for the child care center may be expended by the department for the operation, maintenance, and renovation of the leased space.

Proceeds from sale of surplus property and facilities; use for repairs, renovations, and maintenance; carrying forward unexpended and unencumbered funds as work project; completion date.

Sec. 605. Proceeds from the sale of surplus property and facilities at the Michigan schools for the deaf and blind are hereby appropriated for the purposes of repairs, renovations, and maintenance of the school's campus. Any unexpended and unencumbered funds remaining on September 30, 1999 from such proceeds shall be carried forward as a work project for the purposes of repairs, renovations, and maintenance of the school's campus. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$132,000.00. The estimated completion date of the work is September 30, 2000.

Services provided from federal medicaid program; reimbursement.

Sec. 606. 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.

Carrying forward unexpended and unencumbered funds as work project; expenditure for special maintenance and repairs; completion date.

Sec. 607. The unexpended balances of appropriations for the schools for the deaf and blind operations shall not lapse to the state general fund at the end of the fiscal year. Any unexpended and unencumbered funds remaining on September 30, 1999, shall be carried forward as a work project and expended for special maintenance and repairs of facilities at the Michigan schools for the deaf and blind. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$100,000.00. The estimated completion date of the work is September 30, 2000.

Carrying forward unexpended balances and restricted revenue for former school for the blind site in Lansing; work project or restricted revenue.

Sec. 608. The unexpended balances of appropriations and any surplus restricted revenue for the former school for the blind site in Lansing shall not lapse to the state general fund at the end of the fiscal year. Any unexpended and unencumbered funds remaining on September 30, 1999, shall be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at the former Michigan school for the blind site in Lansing.

Residential program; promotion; distribution of literature.

Sec. 609. (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.

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(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).

General services; report on expenditures.

Sec. 610. The department shall report to the house and senate appropriations subcommittees on education detailed information on the expenditures made from the amount authorized in section 108 for general services for the Michigan school for the blind's former site.

Replacement of employees retired under 1997 early retirement program.

Sec. 611. From the amount of early retirement savings retained by the department resulting from the state's 1997 early retirement program, there is sufficient funding to replace all of the employees at the Michigan schools for the deaf and blind who retire under the state's 1997 early retirement program provided for in section 19f of the state employees' retirement act, 1943 PA 240, MCL 38.19f. The department shall ensure that all positions required to maintain a ratio of 1.0 full-time equated position to 5.5 students enrolled, which are vacated by employees at the Michigan schools for the deaf and blind who retire under the state's 1997 early retirement program, are filled. Replacement of employees at the Michigan schools for the deaf and blind who retired under the state's 1997 early retirement program shall not be counted against the department's 1:4 employee replacement ratio. Replacements of employees as cited in this section are exempt from the hiring freeze prescribed by section 204.

Mid-Michigan academy for capital improvements; receipt and expenditure of funds.

Sec. 612. In addition to those funds appropriated in part 1, the department may receive and expend funds from the mid-Michigan academy for capital improvements. These additional funds are appropriated specifically for capital improvements authorized by the department of management and budget and shall be negotiated as part of the lease agreement.

PROFESSIONAL PREPARATION SERVICES

Professional personnel register and certificate revocation/felony conviction files; maintenance.

Sec. 701. From the funds appropriated in section 111 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

GRANTS AND DISTRIBUTIONS

Disbursement of funds; standards; restriction; waiver.

Sec. 801. 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

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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 department of management and budget and the chairpersons of the senate and house appropriations subcommittees having jurisdiction over the department budget.

Availability of funds for school breakfast programs; expenditures for national school lunch programs.

Sec. 802. (1) The funds appropriated in section 114 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 department, less federal reimbursement, participant payments, and other state reimbursement. Determination of efficient cost by the department shall be determined by using a statistical sampling of statewide and regional cost as reported in a manner approved by the department for the preceding school year.

(d) The payment determined under subdivision (c) is prorated if the appropriation in section 114 is not sufficient to fund all payments determined under this section.

(2) Of the appropriation of federal funds in section 114 for the national school lunch program, expenditures shall not be made in fiscal year 1998-1999 for any programs other than those authorized by the department and funded from this line item in fiscal year 1997-1998.

Availability of funds for school readiness programs; application process; grant awards.

Sec. 803. (1) The funds appropriated in section 114 for school readiness programs shall be made available through a competitive application process as follows:

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

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

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

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

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

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

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

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

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

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

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

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

(i) Review the mechanisms and criteria used to determine referrals for participation in the school readiness program.

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

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

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

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

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

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

(2) Grant awards by the state board of education may be at whatever level the board determines appropriate. A grant, when combined with other sources of state revenue for this program, shall not exceed \$3,100.00 per child or the cost of the program, whichever is less. To achieve the goals and objectives of the early childhood development programs, it is the intent of the legislature to fund these programs at the minimum optimum per pupil level.

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(3) Except as otherwise provided, an applicant that received a grant under this section in the 1997-1998 fiscal year shall receive priority for funding in 1998-1999. However, continuation of funding is contingent on the availability of funds and documented evidence of grantee compliance with standards for early childhood development consistent with programs for 4-year-olds, as approved by the state board of education, and with all operational, fiscal, administrative, and other program requirements. After 3 years of funding, a program that received a grant under this section may reapply for funding, but will compete for available funds with other new programs and other programs also completing their third year of funding under this section. A program which offers supplementary day care and thereby offers full-day programs as part of its early childhood development program shall receive priority in the allocation of these competitive funds.

(4) A joint application process and form shall be developed by the family independence agency and the department for those participants who meet the eligibility criteria for the unified child day care program.

Reading plan for Michigan; grants; applications; standards for pupil promotion.

Sec. 804. (1) The reading plan for Michigan (RPM) is a series of elementary education strategies created for the purpose of improving reading skills of K-3 students so that all students are reading at an appropriate grade level prior to the start of the fourth grade. The reading plan for Michigan (RPM) shall be developed by the department in consultation with the RPM advisory council as created by Executive Order 1998-4.

(2) In order to implement the reading plan for Michigan, the department shall do at least all of the following:

(a) Develop a model summer reading program for students who will be attending grades 1 through 4 in the following school year and who have demonstrated the need for additional reading skills training, as evidenced by standardized test results on tests approved by the department for this purpose. The model reading program shall be in conformance with the national education goals and shall also meet criteria for DED-OESE, Title I program funding.

(b) Recommend diagnostic tools and student assessments to local districts to determine reading readiness and ensure progress in reading skills.

(c) Develop and disseminate reading readiness kits to parents of students in preschool and kindergarten to provide parents with information about how they can prepare their children for reading success.

(d) Develop and make available a statewide resource guide of public and private service providers to assist parents in improving their children's reading skills.

(3) The funds appropriated in section 114 for the reading plan for Michigan grants shall be allocated by the department on a competitive grant basis to districts, intermediate districts, or consortia of districts which meet the following criteria:

(a) The district must offer a summer reading program based upon the model reading program developed by the department pursuant to subsection (1) beginning after the close of the 1998-99 school year.

(b) The district must identify money from other sources available to the district which will be used to support at least 50% of the total costs of the summer reading program.

(4) Applications for funding must be submitted to the department no later than December 31, 1998. The department shall notify recipients of the grants no later than March 30, 1999.

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(5) Not later than the 2002-2003 school year, a pupil shall not be promoted to the next grade level at the end of the school year if the pupil has not met the standards for pupil promotion adopted by the local school district.

Early childhood education programs.

Sec. 805. If there is appropriated for fiscal year 1997-98 not more than \$2,000,000.00 from the general fund/general purpose revenues from the state school aid fund to develop early childhood education programs for children ages 0 to 3, the department shall administer the grant program in accordance with the criteria stated for the early childhood education program in the state school aid act.

Teachers applying to national board for professional teaching standards; payment of fees or grants.

Sec. 806. 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 deemed by the department by March 1, 1998 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.

This act is ordered to take immediate effect.

Approved July 27, 1998.

Filed with Secretary of State July 31, 1998.
