

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 1154, entitled

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

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2011; to provide for the expenditure of

the appropriations; and to provide for the disposition of fees and other income received by the state agency.

Ron Jelinek

Terry Brown

Cameron Brown

George Cushingberry, Jr.

Michael Switalski

Gail Haines

Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR
SENATE BILL NO. 1154**

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

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

DEPARTMENT OF EDUCATION

| | | | |
|----|------------------------------------------------------|-------|----------------|
| 1 | APPROPRIATION SUMMARY | | |
| 2 | Full-time equated unclassified positions..... | 6.0 | |
| 3 | Full-time equated classified positions..... | 556.5 | |
| 4 | GROSS APPROPRIATION..... | | \$ 126,959,900 |
| 5 | Interdepartmental grant revenues: | | |
| 6 | Total interdepartmental grants and intradepartmental | | |
| 7 | transfers | | 0 |
| 8 | ADJUSTED GROSS APPROPRIATION..... | | \$ 126,959,900 |
| 9 | Federal revenues: | | |
| 10 | IMLS, library services and technology act..... | | 5,561,800 |
| 11 | Federal revenues..... | | 78,451,600 |
| 12 | Federal indirect funds..... | | 3,758,700 |
| 13 | Total federal revenues..... | | 87,772,100 |
| 14 | Special revenue funds: | | |
| 15 | Local cost sharing (schools for deaf/blind) | | 6,879,800 |
| 16 | Local school district service fees..... | | 319,600 |
| 17 | Total local revenues..... | | 7,199,400 |
| 18 | Gifts, bequests, and donations..... | | 650,600 |
| 19 | Private foundations..... | | 2,473,900 |
| 20 | Total private revenues..... | | 3,124,500 |
| 21 | Total local and private revenues..... | | 10,323,900 |
| 22 | Certification fees..... | | 5,858,100 |
| 23 | Commodity distribution fees..... | | 71,700 |
| 24 | Student insurance revenue..... | | 218,600 |
| 25 | Teacher college review fees..... | | 54,000 |
| 26 | Teacher testing fees..... | | 336,400 |
| 27 | Tenant rent..... | | 261,000 |

| | | |
|----|---------------------------------------------------------|------------------|
| 1 | Training and orientation workshop fees | 150,000 |
| 2 | Total other state restricted revenues | 6,949,800 |
| 3 | State general fund/general purpose | \$ 21,914,100 |
| 4 | Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE | |
| 5 | SUPERINTENDENT | |
| 6 | Full-time equated unclassified positions..... 6.0 | |
| 7 | Full-time equated classified positions..... 14.0 | |
| 8 | State board of education, per diem payments | \$ 24,400 |
| 9 | Unclassified positions--6.0 FTE positions | 645,600 |
| 10 | State board/superintendent operations--14.0 FTE | |
| 11 | positions | <u>2,091,300</u> |
| 12 | GROSS APPROPRIATION..... | \$ 2,761,300 |
| 13 | Appropriated from: | |
| 14 | Federal revenues: | |
| 15 | Federal revenues | 111,400 |
| 16 | Special revenue funds: | |
| 17 | Private foundations..... | 27,400 |
| 18 | Certification fees..... | 612,000 |
| 19 | State general fund/general purpose | \$ 2,010,500 |
| 20 | Sec. 103. CENTRAL SUPPORT | |
| 21 | Full-time equated classified positions..... 21.6 | |
| 22 | Central support--21.6 FTE positions | \$ 2,984,400 |
| 23 | Worker's compensation..... | 45,900 |
| 24 | Building occupancy charges - property management | |
| 25 | services | 2,723,400 |
| 26 | Tenant rent..... | 261,000 |
| 27 | Training and orientation workshops | 150,000 |

| | | | |
|----|--------------------------------------------------------|----|-------------------|
| 1 | Terminal leave payments..... | | <u>554,700</u> |
| 2 | GROSS APPROPRIATION..... | \$ | 6,719,400 |
| 3 | Appropriated from: | | |
| 4 | Federal revenues: | | |
| 5 | Federal revenues..... | | 1,414,700 |
| 6 | Federal indirect funds..... | | 2,147,200 |
| 7 | Special revenue funds: | | |
| 8 | Local cost sharing (schools for deaf/blind) | | 68,400 |
| 9 | Certification fees..... | | 405,800 |
| 10 | Teacher testing fees..... | | 13,500 |
| 11 | Tenant rent..... | | 261,000 |
| 12 | Training and orientation workshop fees..... | | 150,000 |
| 13 | State general fund/general purpose..... | \$ | 2,258,800 |
| 14 | Sec. 104. INFORMATION TECHNOLOGY SERVICES | | |
| 15 | Information technology operations..... | \$ | <u>3,307,700</u> |
| 16 | GROSS APPROPRIATION..... | \$ | 3,307,700 |
| 17 | Appropriated from: | | |
| 18 | Federal revenues: | | |
| 19 | Federal revenues..... | | 685,500 |
| 20 | Federal indirect funds..... | | 1,228,600 |
| 21 | Special revenue funds: | | |
| 22 | Local cost sharing (schools for deaf/blind) | | 150,100 |
| 23 | Certification fees..... | | 232,300 |
| 24 | State general fund/general purpose..... | \$ | 1,011,200 |
| 25 | Sec. 105. SPECIAL EDUCATION SERVICES | | |
| 26 | Full-time equated classified positions..... 47.0 | | |
| 27 | Special education operations--47.0 FTE positions | \$ | <u>11,704,700</u> |

| | | | |
|----|----------------------------------------------------------|----|------------|
| 1 | GROSS APPROPRIATION..... | \$ | 11,704,700 |
| 2 | Appropriated from: | | |
| 3 | Federal revenues: | | |
| 4 | Federal revenues..... | | 11,267,800 |
| 5 | Special revenue funds: | | |
| 6 | Private foundations..... | | 107,700 |
| 7 | Certification fees..... | | 38,600 |
| 8 | State general fund/general purpose..... | \$ | 290,600 |
| 9 | Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND | | |
| 10 | Full-time equated classified positions..... 109.0 | | |
| 11 | Michigan schools for the deaf and blind | | |
| 12 | operations--108.0 FTE positions..... | \$ | 13,442,000 |
| 13 | Camp Tuhsmeheta--1.0 FTE position..... | | 295,100 |
| 14 | Private gifts - blind..... | | 90,000 |
| 15 | Private gifts - deaf..... | | 250,000 |
| 16 | GROSS APPROPRIATION..... | \$ | 14,077,100 |
| 17 | Appropriated from: | | |
| 18 | Federal revenues: | | |
| 19 | Federal revenues..... | | 6,238,500 |
| 20 | Special revenue funds: | | |
| 21 | Local cost sharing (schools for deaf/blind) | | 6,661,300 |
| 22 | Local school district service fees..... | | 308,100 |
| 23 | Gifts, bequests, and donations..... | | 650,600 |
| 24 | Student insurance revenue..... | | 218,600 |
| 25 | State general fund/general purpose..... | \$ | 0 |
| 26 | Sec. 107. PROFESSIONAL PREPARATION SERVICES | | |
| 27 | Full-time equated classified positions..... 34.0 | | |

| | | | |
|----|---------------------------------------------------------|----|------------------|
| 1 | Professional preparation operations--34.0 FTE | | |
| 2 | positions | \$ | 7,084,500 |
| 3 | Department of attorney general..... | | <u>50,000</u> |
| 4 | GROSS APPROPRIATION..... | \$ | 7,134,500 |
| 5 | Appropriated from: | | |
| 6 | Federal revenues: | | |
| 7 | Federal revenues..... | | 2,852,800 |
| 8 | Special revenue funds: | | |
| 9 | Certification fees..... | | 3,479,200 |
| 10 | Teacher testing fees..... | | 322,900 |
| 11 | Teacher college review fees..... | | 54,000 |
| 12 | State general fund/general purpose..... | \$ | 425,600 |
| 13 | Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY | | |
| 14 | SERVICES | | |
| 15 | Full-time equated classified positions..... 26.0 | | |
| 16 | Early childhood education and family services | | |
| 17 | operations--26.0 FTE positions..... | \$ | <u>4,454,200</u> |
| 18 | GROSS APPROPRIATION..... | \$ | 4,454,200 |
| 19 | Appropriated from: | | |
| 20 | Federal revenues: | | |
| 21 | Federal revenues..... | | 3,356,600 |
| 22 | Special revenue funds: | | |
| 23 | Private foundations..... | | 198,700 |
| 24 | Certification fees..... | | 58,500 |
| 25 | State general fund/general purpose..... | \$ | 840,400 |
| 26 | Sec. 109. SCHOOL FINANCE AND SCHOOL LAW SERVICES | | |
| 27 | Full-time equated classified positions..... 16.5 | | |

| | | | |
|----|------------------------------------------------------------|----|------------------|
| 1 | School finance and school law operations--16.5 FTE | | |
| 2 | positions | \$ | <u>2,844,100</u> |
| 3 | GROSS APPROPRIATION..... | \$ | 2,844,100 |
| 4 | Appropriated from: | | |
| 5 | Federal revenues: | | |
| 6 | Federal revenues..... | | 952,700 |
| 7 | Federal indirect funds..... | | 382,900 |
| 8 | Special revenue funds: | | |
| 9 | Certification fees..... | | 493,400 |
| 10 | State general fund/general purpose..... | \$ | 1,015,100 |
| 11 | Sec. 110. EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY | | |
| 12 | Full-time equated classified positions..... 64.1 | | |
| 13 | Educational assessment operations--52.1 FTE positions | \$ | 9,652,300 |
| 14 | State education reforms--12.0 FTE positions | | <u>7,180,300</u> |
| 15 | GROSS APPROPRIATION..... | \$ | 16,832,600 |
| 16 | Appropriated from: | | |
| 17 | Federal revenues: | | |
| 18 | Federal revenues..... | | 14,659,700 |
| 19 | State general fund/general purpose..... | \$ | 2,172,900 |
| 20 | Sec. 111. GRANTS ADMINISTRATION AND SCHOOL SUPPORT | | |
| 21 | SERVICES | | |
| 22 | Full-time equated classified positions..... 71.6 | | |
| 23 | Grants administration and school support services | | |
| 24 | operations--65.6 FTE positions..... | \$ | 10,749,300 |
| 25 | College access challenge grant program--6.0 FTE | | |
| 26 | positions | | 4,268,600 |
| 27 | Federal and private grants..... | | <u>3,000,000</u> |

| | | | |
|----|---------------------------------------------------------|----|-------------------|
| 1 | GROSS APPROPRIATION..... | \$ | 18,017,900 |
| 2 | Appropriated from: | | |
| 3 | Federal revenues: | | |
| 4 | Federal revenues..... | | 16,405,700 |
| 5 | Special revenue funds: | | |
| 6 | Local school district service fees..... | | 11,500 |
| 7 | Private foundations..... | | 1,000,000 |
| 8 | Commodity distribution fees..... | | 71,700 |
| 9 | State general fund/general purpose..... | \$ | 529,000 |
| 10 | Sec. 112. FIELD SERVICES | | |
| 11 | Full-time equated classified positions..... | | 41.0 |
| 12 | Field services operations--41.0 FTE positions..... | \$ | <u>9,258,500</u> |
| 13 | GROSS APPROPRIATION..... | \$ | 9,258,500 |
| 14 | Appropriated from: | | |
| 15 | Federal revenues: | | |
| 16 | Federal revenues..... | | 8,497,300 |
| 17 | Special revenue funds: | | |
| 18 | Private foundations..... | | 569,400 |
| 19 | Certification fees..... | | 51,400 |
| 20 | State general fund/general purpose..... | \$ | 140,400 |
| 21 | Sec. 113. EDUCATIONAL IMPROVEMENT AND INNOVATION | | |
| 22 | SERVICES | | |
| 23 | Full-time equated classified positions..... | | 52.7 |
| 24 | Educational improvement and innovation | | |
| 25 | operations--52.7 FTE positions..... | \$ | <u>10,637,400</u> |
| 26 | GROSS APPROPRIATION..... | \$ | 10,637,400 |
| 27 | Appropriated from: | | |

| | | | |
|----|--------------------------------------------------------|------|------------------|
| 1 | Federal revenues: | | |
| 2 | Federal revenues..... | | 8,648,500 |
| 3 | Special revenue funds: | | |
| 4 | Private foundations..... | | 570,700 |
| 5 | Certification fees..... | | 486,900 |
| 6 | State general fund/general purpose..... | \$ | 931,300 |
| 7 | Sec. 114. CAREER AND TECHNICAL EDUCATION | | |
| 8 | Full-time equated classified positions..... | 25.0 | |
| 9 | Career and technical education operations--25.0 FTE | | |
| 10 | positions | \$ | <u>4,019,500</u> |
| 11 | GROSS APPROPRIATION..... | \$ | 4,019,500 |
| 12 | Appropriated from: | | |
| 13 | Federal revenues: | | |
| 14 | Federal revenues..... | | 3,360,400 |
| 15 | State general fund/general purpose..... | \$ | 659,100 |
| 16 | Sec. 115. LIBRARY OF MICHIGAN | | |
| 17 | Full-time equated classified positions..... | 34.0 | |
| 18 | Library of Michigan operations--33.0 FTE positions ... | \$ | 3,879,200 |
| 19 | Library services and technology program--1.0 FTE | | |
| 20 | position | | 5,561,800 |
| 21 | State aid to libraries..... | | <u>5,750,000</u> |
| 22 | GROSS APPROPRIATION..... | \$ | 15,191,000 |
| 23 | Appropriated from: | | |
| 24 | Federal revenues: | | |
| 25 | IMLS, library services and technology act..... | | 5,561,800 |
| 26 | State general fund/general purpose..... | \$ | 9,629,200 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for the fiscal year ending September 30, 2011 is \$28,863,900.00 and state spending from state resources to be paid to local units of government for the fiscal year ending September 30, 2011 is \$5,750,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF EDUCATION

| | | |
|------------------------------------|----|------------------|
| State aid to libraries..... | \$ | <u>5,750,000</u> |
| Total department of education..... | \$ | 5,750,000 |

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

Sec. 203. As used in this act:

(a) "ARRA" means American recovery and reinvestment act of 2009, Public Law 111-5.

(b) "Department" means the Michigan department of education.

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

(d) "FTE" means full-time equated.

1 (e) "IMLS" means institute of museum and library services.

2 Sec. 204. The civil service commission shall bill departments
3 and agencies at the end of the first fiscal quarter for the charges
4 authorized by section 5 of article XI of the state constitution of
5 1963. Payments shall be made for the total amount of the billing by
6 the end of the second fiscal quarter.

7 Sec. 205. The department shall use the Internet to fulfill the
8 reporting requirements of this act. This requirement may include
9 transmission of reports via electronic mail to the recipients
10 identified for each reporting requirement, or it may include
11 placement of reports on an Internet or Intranet site.

12 Sec. 206. The department shall provide through the Internet
13 the state board of education agenda and all supporting documents,
14 and shall notify the state budget director and the senate and house
15 fiscal agencies that the agenda and supporting documents are
16 available on the Internet, at the time the agenda and supporting
17 documents are provided to state board of education members.

18 Sec. 208. The department shall require all public school
19 districts to maintain complete records within the personnel file of
20 a teacher or school employee of any disciplinary actions taken by
21 the local school board against the teacher or employee for sexual
22 misconduct. The records shall not be destroyed or removed from the
23 teacher's or employee's personnel file except as required by a
24 court order.

25 Sec. 209. From the funds appropriated in part 1 for
26 information technology, departments and agencies shall pay user
27 fees to the department of technology, management, and budget for

1 technology-related services and projects. Such user fees shall be
2 subject to provisions of an interagency agreement between the
3 departments and agencies and the department of technology,
4 management, and budget.

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

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

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

1 to another within a department.

2 (2) The state budget director may grant exceptions to this
3 hiring freeze for the purpose of filling positions necessary to
4 carry out state or federal activities related to race to the top
5 legislation, or when the state budget director believes that the
6 hiring freeze will result in rendering a state department or agency
7 unable to deliver basic services, cause loss of revenue to the
8 state, result in the inability of the state to receive federal
9 funds, or necessitate additional expenditures that exceed any
10 savings from maintaining a vacancy. The state budget director shall
11 report quarterly to the chairpersons of the senate and house of
12 representatives standing committees on appropriations the number of
13 exceptions to the hiring freeze approved during the previous
14 quarter and the reasons to justify the exception.

15 Sec. 214. (1) Due to the current budgetary problems in this
16 state, out-of-state travel for the fiscal year ending September 30,
17 2011 shall be limited to situations in which 1 or more of the
18 following conditions apply:

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

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

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

27 (d) The travel is necessary to comply with federal

1 requirements.

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

4 (f) The travel is financed entirely by federal or nonstate
5 funds.

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

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

17 (b) The destination of each travel occurrence.

18 (c) The dates of each travel occurrence.

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

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

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

1 Sec. 215. The department shall not approve the travel of more
2 than 1 departmental employee to a specific professional development
3 conference or training seminar that is located outside of this
4 state unless the professional development conference or training
5 seminar is funded by a federal or private funding source and
6 requires more than 1 person from a department to attend, or the
7 conference or training seminar includes multiple issues in which 1
8 employee from the department does not have expertise.

9 Sec. 216. The department shall not take disciplinary action
10 against an employee who communicates truthfully and factually with
11 a member of the legislature or his or her staff.

12 Sec. 217. The state superintendent of public instruction shall
13 take all reasonable steps to ensure businesses in deprived and
14 depressed communities compete for and perform contracts to provide
15 services or supplies, or both. The director shall strongly
16 encourage firms with which the department contracts to subcontract
17 with certified businesses in depressed and deprived communities for
18 services, supplies, or both.

19 Sec. 219. (1) In addition to the funds appropriated in part 1,
20 there is appropriated an amount not to exceed \$5,000,000.00 for
21 federal contingency funds. These funds are not available for
22 expenditure until they have been transferred to another line item
23 in this act under section 393(2) of the management and budget act,
24 1984 PA 431, MCL 18.1393.

25 (2) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$700,000.00 for state
27 restricted contingency funds. These funds are not available for

1 expenditure until they have been transferred to another line item
2 in this act under section 393(2) of the management and budget act,
3 1984 PA 431, MCL 18.1393.

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

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

16 Sec. 220. The department shall provide data requested by a
17 member of the legislature, his or her staff, or the house and
18 senate fiscal agencies in a timely manner.

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

25 Sec. 222. (1) The department shall report no later than April
26 1, 2011 on each specific policy change made by the department to
27 implement a public act affecting that department that took effect

1 during the preceding calendar year. The department shall report to
2 the house and senate appropriations subcommittees on the budget for
3 the department, the joint committee on administrative rules, and
4 the senate and house fiscal agencies.

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

12 (3) As used in this section:

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

15 (b) "Small business" means that term as defined under section
16 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
17 24.207a.

18 Sec. 225. It is the intent of the legislature that not later
19 than 60 days after the state receives audited membership counts
20 from intermediate school districts, the state superintendent of
21 public instruction shall investigate and report to the legislature
22 on the scope of and proposed solutions to pupil membership fraud
23 and the incidence of students counted in membership in a district
24 and not remaining in that district for the balance of the school
25 year.

26 Sec. 226. Not later than October 15, 2011, the department
27 shall prepare and transmit a report that provides for estimates of

1 the total general fund/general purpose appropriation lapses at the
2 close of the fiscal year. This report shall summarize the projected
3 year-end general fund/general purpose appropriation lapses by major
4 departmental program or program areas. The report shall be
5 transmitted to the office of the state budget, the chairpersons of
6 the senate and house appropriations committees, and the senate and
7 house fiscal agencies.

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

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

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

14 (b) State board of education - member other than president -
15 \$100.00 per day.

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

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

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

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

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

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

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

15 (2) From the amount appropriated in part 1 for tenant rent,
16 the department may receive and expend funds from lease agreements
17 at the Michigan schools for the deaf and blind Flint campus that
18 have been negotiated with the approval of the department of
19 technology, management, and budget. These funds shall be used for
20 the operation, maintenance, and renovation expenses associated with
21 the leased space.

22 (3) From the unexpended balances of appropriations for the
23 schools for the deaf and blind operations, up to \$250,000.00 of any
24 unexpended and unencumbered funds remaining on September 30, 2011
25 may be carried forward as a work project and expended for special
26 maintenance and repairs of facilities at the campus of the Michigan
27 schools for the deaf and blind in Flint. The work shall be carried

1 out by state employees, or by contract as necessary, at an
2 estimated cost of \$250,000.00. The estimated completion date of the
3 work is September 30, 2012.

4 (4) From the tenant rent appropriation for Fay hall, up to
5 \$100,000.00 of any unexpended and unencumbered funds remaining on
6 September 30, 2011 may be carried forward as a work project or as
7 restricted revenue and expended for special maintenance and repairs
8 of facilities at Fay hall. The work project may be performed by
9 state employees, or by contract when necessary, at an estimated
10 cost of \$100,000.00. The estimated completion date of the work
11 project is September 30, 2012.

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

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

24 (2) Upon knowledge of or recognition by an intermediate school
25 district that a child in the district is deaf or hard of hearing or
26 blind or visually impaired, the intermediate school district shall
27 provide to the parents of the child the literature distributed by

1 the Michigan schools for the deaf and blind to intermediate school
2 districts under subsection (1).

3 (3) Parents will continue to have a choice regarding the
4 educational placement of their deaf or hard-of-hearing children.

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

10 **PROFESSIONAL PREPARATION SERVICES**

11 Sec. 501. From the funds appropriated in part 1 for
12 professional preparation services, the department shall maintain
13 the professional personnel register and certificate
14 revocation/felony conviction files.

15 Sec. 502. The department shall authorize teacher preparation
16 institutions to provide an alternative program by which up to 1/2
17 of the required student internship or student teaching credits may
18 be earned through substitute teaching. The department shall require
19 that teacher preparation institutions collaborate with school
20 districts to ensure that the quality of instruction provided to
21 student teachers is comparable to that required in a traditional
22 student teaching program.

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

1 **OFFICE OF EDUCATIONAL IMPROVEMENT AND INNOVATION**

2 Sec. 601. From the amount appropriated in part 1 for the
3 office of educational improvement and innovation, there is
4 allocated \$350,000.00 and 3.5 FTE positions to operate a charter
5 school office to administer charter school legislation and
6 associated regulations, and to coordinate the activities of the
7 department relating to charter schools.

8 **INFORMATION TECHNOLOGY**

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

13 **LIBRARY OF MICHIGAN**

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

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

24 Sec. 804. From the funds appropriated in part 1 and other

1 funding available, the department and library of Michigan shall
2 maintain custody of the non-Michigan genealogy and all Michigan-
3 specific collections. These collections shall continue to be made
4 available to the public.

5 **GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES**

6 Sec. 901. Within 10 days of the receipt of a grant
7 appropriated in the federal and private grants line item in part 1,
8 the department shall notify the house and senate chairpersons of
9 the appropriations subcommittees responsible for the department
10 budget, the house and senate fiscal agencies, and the state budget
11 director of the receipt of the grant, including the funding source,
12 purpose, and amount of the grant.

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

19 (a) The purpose of the project is to provide assistance and
20 training to Michigan families, counselors, teachers, and community
21 leaders in applying for and securing funds for college to low-
22 income students.

23 (b) The project will be accomplished by state employees and/or
24 by contracts with private vendors.

25 (c) The total estimated cost of the project is \$8,571,000.00.

26 (d) The tentative completion date is September 30, 2012.

1 Sec. 903. By not later than March 1, 2011, the department
2 shall work with districts that operate as a school of excellence
3 cyber school as defined in section 551 of the revised school code,
4 1976 PA 451, MCL 380.551, and districts that operate an alternative
5 education program with a seat-time waiver under section 101 of the
6 state school aide act of 1979, 1979 PA 94, MCL 388.1701, to provide
7 a report to the house and senate chairpersons of the appropriations
8 subcommittees responsible for the department budget, the house and
9 senate fiscal agencies, and the state budget director on all of the
10 following:

11 (a) Each district operating a program and the districts that
12 enroll students in their program.

13 (b) The total number of students and membership pupils
14 enrolled in each program.

15 (c) The district in which each pupil is enrolled if other than
16 the district with the seat-time waiver or the cyber school.

17 (d) The district in which the pupil was enrolled prior to
18 enrolling in the cyber school or the district with a seat-time
19 waiver program.

20 (e) The number of participating students who had previously
21 dropped out of school.

22 (f) The number of participating students who had previously
23 been expelled from school.

24 (g) The cost per pupil paid to each online education provider.

25 (h) The cost per pupil charged to school districts that enroll
26 their students in the program.

27 (i) The name of each online education provider contracted by a

1 district with a seat-time waiver or a cyber school and the state in
2 which the online education provider is located.

3 Sec. 904. From the amount appropriated in part 1 for grants
4 administration and school support, there is appropriated
5 \$1,862,700.00 to administer the funding received under section 101
6 of title 1 of Public Law 111-226.