

SUBSTITUTE FOR
SENATE BILL NO. 174

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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
FOR FISCAL YEAR 2011-2012

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, 2012,

1 from the following funds:

2 **DEPARTMENT OF EDUCATION**

3 APPROPRIATION SUMMARY

4	Full-time equated unclassified positions.....	6.0	
5	Full-time equated classified positions.....	562.0	
6	GROSS APPROPRIATION.....	\$	113,793,300
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers		0
10	ADJUSTED GROSS APPROPRIATION.....	\$	113,793,300
11	Federal revenues:		
12	IMLS, library services and technology act		5,562,100
13	Federal revenues.....		68,186,100
14	Federal indirect funds.....		4,181,000
15	Total federal revenues.....		77,929,200
16	Special revenue funds:		
17	Local cost sharing (schools for deaf/blind)		6,835,000
18	Local school district service fees.....		324,200
19	Total local revenues.....		7,159,200
20	Gifts, bequests, and donations.....		760,800
21	Private foundations.....		2,283,600
22	Total private revenues.....		3,044,400
23	Total local and private revenues.....		10,203,600
24	Certification fees.....		6,065,200
25	Commodity distribution fees.....		71,700
26	Student insurance revenue.....		218,600
27	Teacher college review fees.....		55,300

1	Teacher testing fees.....	344,500
2	Tenant rent.....	261,000
3	Training and orientation workshop fees.....	150,000
4	Total other state restricted revenues.....	7,166,300
5	State general fund/general purpose.....	\$ 18,494,200
6	Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE	
7	SUPERINTENDENT	
8	Full-time equated unclassified positions..... 6.0	
9	Full-time equated classified positions..... 14.0	
10	State board of education, per diem payments.....	\$ 24,400
11	Unclassified positions--6.0 FTE positions.....	645,600
12	State board/superintendent operations--14.0 FTE	
13	positions	<u>1,943,800</u>
14	GROSS APPROPRIATION.....	\$ 2,613,800
15	Appropriated from:	
16	Federal revenues:	
17	Federal revenues.....	114,400
18	Special revenue funds:	
19	Private foundations.....	28,100
20	Certification fees.....	627,000
21	State general fund/general purpose.....	\$ 1,844,300
22	Sec. 103. CENTRAL SUPPORT	
23	Full-time equated classified positions..... 21.6	
24	Central support--21.6 FTE positions.....	\$ 3,070,600
25	Worker's compensation.....	54,000
26	Building occupancy charges - property management	
27	services	2,628,200

1	Tenant rent.....	261,000
2	Training and orientation workshops.....	150,000
3	Terminal leave payments.....	<u>554,700</u>
4	GROSS APPROPRIATION.....	\$ 6,718,500
5	Appropriated from:	
6	Federal revenues:	
7	Federal revenues.....	1,441,700
8	Federal indirect funds.....	2,294,700
9	Special revenue funds:	
10	Certification fees.....	413,800
11	Teacher testing fees.....	13,500
12	Tenant rent.....	261,000
13	Training and orientation workshop fees.....	150,000
14	State general fund/general purpose.....	\$ 2,143,800
15	Sec. 104. INFORMATION TECHNOLOGY SERVICES	
16	Information technology operations.....	\$ <u>3,142,300</u>
17	GROSS APPROPRIATION.....	\$ 3,142,300
18	Appropriated from:	
19	Federal revenues:	
20	Federal revenues.....	494,600
21	Federal indirect funds.....	1,455,300
22	Special revenue funds:	
23	Local cost sharing (schools for deaf/blind).....	76,500
24	Certification fees.....	313,000
25	State general fund/general purpose.....	\$ 802,900
26	Sec. 105. SPECIAL EDUCATION SERVICES	
27	Full-time equated classified positions.....	47.0

1	Special education operations--47.0 FTE positions	\$	<u>7,909,900</u>
2	GROSS APPROPRIATION.....	\$	7,909,900
3	Appropriated from:		
4	Federal revenues:		
5	Federal revenues.....		7,463,200
6	Special revenue funds:		
7	Private foundations.....		110,100
8	Certification fees.....		39,500
9	State general fund/general purpose.....	\$	297,100
10	Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND		
11	Full-time equated classified positions.....		109.0
12	Michigan schools for the deaf and blind		
13	operations--108.0 FTE positions.....	\$	13,632,000
14	Camp Tuhsmeheeta--1.0 FTE position.....		295,100
15	Private gifts - blind.....		200,000
16	Private gifts - deaf.....		<u>250,000</u>
17	GROSS APPROPRIATION.....	\$	14,377,100
18	Appropriated from:		
19	Federal revenues:		
20	Federal revenues.....		6,326,700
21	Special revenue funds:		
22	Local cost sharing (schools for deaf/blind)		6,758,500
23	Local school district service fees.....		312,500
24	Gifts, bequests, and donations.....		760,800
25	Student insurance revenue.....		218,600
26	State general fund/general purpose.....	\$	0
27	Sec. 107. PROFESSIONAL PREPARATION SERVICES		

1	Full-time equated classified positions.....	34.0	
2	Professional preparation operations--34.0 FTE		
3	positions		\$ 5,674,100
4	Department of attorney general.....		<u>50,000</u>
5	GROSS APPROPRIATION.....		\$ 5,724,100
6	Appropriated from:		
7	Federal revenues:		
8	Federal revenues.....		1,386,700
9	Special revenue funds:		
10	Certification fees.....		3,564,900
11	Teacher testing fees.....		331,000
12	Teacher college review fees.....		55,300
13	State general fund/general purpose.....		\$ 386,200
14	Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY		
15	SERVICES		
16	Full-time equated classified positions.....	26.0	
17	Early childhood education and family services		
18	operations--26.0 FTE positions.....		\$ <u>4,195,700</u>
19	GROSS APPROPRIATION.....		\$ 4,195,700
20	Appropriated from:		
21	Federal revenues:		
22	Federal revenues.....		3,388,300
23	Special revenue funds:		
24	Certification fees.....		59,100
25	State general fund/general purpose.....		\$ 748,300
26	Sec. 109. STATE AID AND SCHOOL FINANCE SERVICES		
27	Full-time equated classified positions.....	7.5	

1	State aid and school finance operations--7.5 FTE		
2	positions	\$	<u>935,400</u>
3	GROSS APPROPRIATION.....	\$	935,400
4	Appropriated from:		
5	State general fund/general purpose	\$	935,400
6	Sec. 110. AUDIT SERVICES		
7	Full-time equated classified positions..... 3.5		
8	Audit operations--3.5 FTE positions	\$	<u>541,800</u>
9	GROSS APPROPRIATION.....	\$	541,800
10	Appropriated from:		
11	Federal revenues:		
12	Federal revenues		431,000
13	Special revenue funds:		
14	Certification fees		55,200
15	State general fund/general purpose	\$	55,600
16	Sec. 111. ADMINISTRATIVE LAW SERVICES		
17	Full-time equated classified positions..... 2.0		
18	Administrative law operations--2.0 FTE positions	\$	<u>1,044,800</u>
19	GROSS APPROPRIATION.....	\$	1,044,800
20	Appropriated from:		
21	Federal revenues:		
22	Federal revenues		541,700
23	Special revenue funds:		
24	Certification fees		452,000
25	State general fund/general purpose	\$	51,100
26	Sec. 112. EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY		
27	Full-time equated classified positions..... 64.1		

1	Educational assessment operations--64.1 FTE positions	\$	<u>11,387,500</u>
2	GROSS APPROPRIATION.....	\$	11,387,500
3	Appropriated from:		
4	Federal revenues:		
5	Federal revenues.....		9,704,500
6	State general fund/general purpose.....	\$	1,683,000
7	Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT		
8	SERVICES		
9	Full-time equated classified positions.....		73.6
10	Grants administration and school support services		
11	operations--67.6 FTE positions.....	\$	10,937,400
12	College access challenge grant program--6.0 FTE		
13	positions		4,293,200
14	Federal and private grants.....		<u>3,000,000</u>
15	GROSS APPROPRIATION.....	\$	18,230,600
16	Appropriated from:		
17	Federal revenues:		
18	Federal revenues.....		16,654,000
19	Special revenue funds:		
20	Local school district service fees.....		11,700
21	Private foundations.....		1,000,000
22	Commodity distribution fees.....		71,700
23	State general fund/general purpose.....	\$	493,200
24	Sec. 114. FIELD SERVICES		
25	Full-time equated classified positions.....		44.0
26	Field services operations--44.0 FTE positions	\$	<u>9,302,700</u>
27	GROSS APPROPRIATION.....	\$	9,302,700

1	Appropriated from:	
2	Federal revenues:	
3	Federal revenues.....	8,537,900
4	Special revenue funds:	
5	Private foundations.....	572,100
6	Certification fees.....	51,600
7	State general fund/general purpose.....	\$ 141,100
8	Sec. 115. EDUCATIONAL IMPROVEMENT AND INNOVATION	
9	SERVICES	
10	Full-time equated classified positions.....	55.7
11	Educational improvement and innovation	
12	operations--55.7 FTE positions.....	\$ <u>10,586,100</u>
13	GROSS APPROPRIATION.....	\$ 10,586,100
14	Appropriated from:	
15	Federal revenues:	
16	Federal revenues.....	8,688,200
17	Special revenue funds:	
18	Private foundations.....	573,300
19	Certification fees.....	489,100
20	State general fund/general purpose.....	\$ 835,500
21	Sec. 116. CAREER AND TECHNICAL EDUCATION	
22	Full-time equated classified positions.....	26.0
23	Career and technical education operations--26.0 FTE	
24	positions	\$ <u>4,019,700</u>
25	GROSS APPROPRIATION.....	\$ 4,019,700
26	Appropriated from:	
27	Federal revenues:	

1	Federal revenues.....		3,444,200
2	State general fund/general purpose.....	\$	575,500
3	Sec. 117. LIBRARY OF MICHIGAN		
4	Full-time equated classified positions.....	34.0	
5	Library of Michigan operations--33.0 FTE positions ...	\$	3,808,500
6	Library services and technology program--1.0 FTE		
7	positions		5,562,100
8	State aid to libraries.....		3,642,700
9	Book distribution centers.....		<u>50,000</u>
10	GROSS APPROPRIATION.....	\$	13,063,300
11	Appropriated from:		
12	Federal revenues:		
13	IMLS, library services and technology act		5,562,100
14	State general fund/general purpose	\$	7,501,200

15 PART 2

16 PROVISIONS CONCERNING APPROPRIATIONS

17 FOR FISCAL YEAR 2011-2012

18 **GENERAL SECTIONS**

19 Sec. 201. Pursuant to section 30 of article IX of the state
 20 constitution of 1963, total state spending from state resources
 21 under part 1 for the fiscal year ending September 30, 2012 is
 22 \$25,660,500.00 and state spending from state resources to be paid
 23 to local units of government for the fiscal year ending September
 24 30, 2012 is \$3,642,700.00. The itemized statement below identifies
 25 appropriations from which spending to local units of government

1 will occur:

2 DEPARTMENT OF EDUCATION

3	State aid to libraries.....	\$	<u>3,642,700</u>
4	Total department of education.....	\$	3,642,700

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

8 Sec. 203. As used in this act:

9 (a) "Department" means the Michigan department of education.

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

14 (c) "FTE" means full-time equated.

15 (d) "IMLS" means institute of museum and library services.

16 Sec. 204. The civil service commission shall bill departments
 17 and agencies at the end of the first fiscal quarter for the charges
 18 authorized by section 5 of article XI of the state constitution of
 19 1963. Payments shall be made for the total amount of the billing by
 20 the end of the second fiscal quarter.

21 Sec. 205. The department shall use the Internet to fulfill the
 22 reporting requirements of this act. This requirement may include
 23 transmission of reports via electronic mail to the recipients
 24 identified for each reporting requirement, or it may include
 25 placement of reports on an Internet or Intranet site.

26 Sec. 206. The department shall provide through the Internet
 27 the state board of education agenda and all supporting documents,

1 and shall notify the state budget director and the senate and house
2 fiscal agencies that the agenda and supporting documents are
3 available on the Internet, at the time the agenda and supporting
4 documents are provided to state board of education members.

5 Sec. 208. The department shall require all public school
6 districts to maintain complete records within the personnel file of
7 a teacher or school employee of any disciplinary actions taken by
8 the local school board against the teacher or employee for sexual
9 misconduct. The records shall not be destroyed or removed from the
10 teacher's or employee's personnel file except as required by a
11 court order.

12 Sec. 209. From the funds appropriated in part 1 for
13 information technology, departments and agencies shall pay user
14 fees to the department of technology, management, and budget for
15 technology-related services and projects. Such user fees shall be
16 subject to provisions of an interagency agreement between the
17 departments and agencies and the department of technology,
18 management, and budget.

19 Sec. 210. Amounts appropriated in part 1 for information
20 technology may be designated as work projects and carried forward
21 to support technology projects under the direction of the
22 department of technology, management, and budget. Funds designated
23 in this manner are not available for expenditure until approved as
24 work projects under section 451a of the management and budget act,
25 1984 PA 431, MCL 18.1451a.

26 Sec. 211. Before publishing a list of schools or districts
27 determined to have failed to make adequate yearly progress as

1 required by the no child left behind act of 2001, Public Law 107-
2 110, the department shall allow a school or district to appeal that
3 determination. The department shall consider and act upon the
4 appeal within 30 days after it is submitted and shall not publish
5 the list until after all appeals have been considered and decided.

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

16 Sec. 213. (1) A hiring freeze is imposed on the state
17 classified civil service. State departments and agencies are
18 prohibited from hiring any new full-time state classified civil
19 service employees and prohibited from filling any vacant state
20 classified civil service positions. This hiring freeze does not
21 apply to internal transfers of classified employees from 1 position
22 to another within a department.

23 (2) The state budget director may grant exceptions to this
24 hiring freeze for the purpose of filling positions necessary to
25 carry out state or federal activities related to race to the top
26 legislation, or when the state budget director believes that the
27 hiring freeze will result in rendering a state department or agency

1 unable to deliver basic services, cause loss of revenue to the
2 state, result in the inability of the state to receive federal
3 funds, or necessitate additional expenditures that exceed any
4 savings from maintaining a vacancy. The state budget director shall
5 report quarterly to the chairpersons of the senate and house of
6 representatives standing committees on appropriations the number of
7 exceptions to the hiring freeze approved during the previous
8 quarter and the reasons to justify the exception.

9 Sec. 214. (1) Due to the current budgetary problems in this
10 state, out-of-state travel for the fiscal year ending September 30,
11 2012 shall be limited to situations in which 1 or more of the
12 following conditions apply:

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

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

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

21 (d) The travel is necessary to comply with federal
22 requirements.

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

25 (f) The travel is financed entirely by federal or nonstate
26 funds.

27 (2) Not later than January 1 of each year, each department

1 shall prepare a travel report listing all travel by classified and
2 unclassified employees outside this state in the immediately
3 preceding fiscal year that was funded in whole or in part with
4 funds appropriated in the department's budget. The report shall be
5 submitted to the house and senate standing committees on
6 appropriations, the house and senate fiscal agencies, and the state
7 budget director. The report shall include the following
8 information:

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

11 (b) The destination of each travel occurrence.

12 (c) The dates of each travel occurrence.

13 (d) A brief statement of the reason for each travel
14 occurrence.

15 (e) The transportation and related costs of each travel
16 occurrence, including the proportion funded with state general
17 fund/general purpose revenues, the proportion funded with state
18 restricted revenues, the proportion funded with federal revenues,
19 and the proportion funded with other revenues.

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

22 Sec. 215. The department shall not approve the travel of more
23 than 1 departmental employee to a specific professional development
24 conference or training seminar that is located outside of this
25 state unless the professional development conference or training
26 seminar is funded by a federal or private funding source and
27 requires more than 1 person from a department to attend, or the

1 conference or training seminar includes multiple issues in which 1
2 employee from the department does not have expertise.

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

6 Sec. 217. The state superintendent of public instruction shall
7 take all reasonable steps to ensure businesses in deprived and
8 depressed communities compete for and perform contracts to provide
9 services or supplies, or both. The director shall strongly
10 encourage firms with which the department contracts to subcontract
11 with certified businesses in depressed and deprived communities for
12 services, supplies, or both.

13 Sec. 218. The department and agencies receiving appropriations
14 in part 1 shall receive and retain copies of all reports funded
15 from appropriations in part 1. Federal and state guidelines for
16 short-term and long-term retention of records shall be followed.
17 The department may electronically retain copies of reports unless
18 otherwise required by federal and state guidelines.

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, 2012 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, 2012, 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 Sec. 229. The department and the superintendent of public
9 instruction shall use funds appropriated in part 1 to ensure that
10 all of the activities and duties required to be carried out by the
11 department and the superintendent of public instruction under
12 section 1280c of the revised school code, 1976 PA 451, MCL
13 380.1280c, are completed not later than the deadlines prescribed in
14 that section.

15 Sec. 230. Not later than March 1, 2012, the department shall
16 provide a report to the legislature that includes an estimate of
17 the savings and also details the local and state impacts that would
18 occur if intermediate districts performed the accounting,
19 information technology, and human resources functions of their
20 constituent districts. The report shall include recommendations for
21 consolidation, as well as estimated savings. The department shall
22 convene and lead a workgroup, consisting of education stakeholders,
23 to compile this report.

24 Sec. 231. Not later than March 1, 2012, the department shall
25 provide a report to the legislature that includes an estimate of
26 the costs or savings and also details the local and state impacts
27 that would occur if the state department of education or the center

1 for educational performance and information performed the
2 accounting, information technology, and human resources functions
3 of districts and intermediate districts. The report shall include
4 recommendations for consolidation, as well as estimated costs or
5 savings, at the state and local levels. The department shall
6 convene and lead a workgroup, consisting of education stakeholders,
7 to compile this report.

8 Sec. 232. Not later than March 1, 2012, the department shall
9 provide a report to the legislature including an estimate of the
10 fiscal impact and any local or state implications of consolidating
11 all active school employees into a state-operated health savings
12 account plan for employee health care. The department shall use
13 private industry standards and averages as the basis for the health
14 savings accounts that would be provided to school employees under
15 such a plan.

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

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

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

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

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

26 (3) The state board executive shall report to the public, the

1 senate and house fiscal agencies, and the state budget director the
2 previous quarter's expenses by fund source for members of the state
3 board of education.

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

8 MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

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

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

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

22 (2) From the amount appropriated in part 1 for tenant rent,
23 the department may receive and expend funds from lease agreements
24 at the Michigan schools for the deaf and blind Flint campus that
25 have been negotiated with the approval of the department of
26 technology, management, and budget. These funds shall be used for

1 the operation, maintenance, and renovation expenses associated with
2 the leased space.

3 (3) From the unexpended balances of appropriations for the
4 Michigan schools for the deaf and blind operations, up to
5 \$250,000.00 of any unexpended and unencumbered funds remaining on
6 September 30, 2012 may be carried forward as a work project and
7 expended for special maintenance and repairs of facilities at the
8 campus of the Michigan schools for the deaf and blind in Flint. The
9 work shall be carried out by state employees, or by contract as
10 necessary, at an estimated cost of \$250,000.00. The estimated
11 completion date of the work is September 30, 2013.

12 (4) From the tenant rent appropriation for Michigan schools
13 for the deaf and blind operations, up to \$100,000.00 of any
14 unexpended and unencumbered funds remaining on September 30, 2012
15 may be carried forward as a work project or as restricted revenue
16 and expended for special maintenance and repairs of facilities at
17 Fay hall. The work project may be performed by state employees, or
18 by contract when necessary, at an estimated cost of \$100,000.00.
19 The estimated completion date of the work project is September 30,
20 2013.

21 Sec. 405. The department may assist the department of
22 community health, other departments, and local school districts to
23 secure reimbursement for eligible services provided in Michigan
24 schools from the federal Medicaid program. The department may
25 submit reports of direct expenses related to this effort to the
26 department of community health for reimbursement.

27 Sec. 406. (1) The Michigan schools for the deaf and blind may

1 promote its residential program as a possible appropriate option
2 for children who are deaf or hard of hearing or who are blind or
3 visually impaired. The Michigan schools for the deaf and blind
4 shall distribute information detailing its services to all
5 intermediate school districts in the state.

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

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

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

19 **PROFESSIONAL PREPARATION SERVICES**

20 Sec. 501. From the funds appropriated in part 1 for
21 professional preparation services, the department shall maintain
22 the professional personnel register and certificate
23 revocation/felony conviction files.

24 Sec. 502. The department shall authorize teacher preparation
25 institutions to provide an alternative program by which up to 1/2
26 of the required student internship or student teaching credits may

1 be earned through substitute teaching. The department shall require
2 that teacher preparation institutions collaborate with school
3 districts to ensure that the quality of instruction provided to
4 student teachers is comparable to that required in a traditional
5 student teaching program.

6 Sec. 506. Revenue received from teacher testing fees 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 OFFICE OF EDUCATIONAL IMPROVEMENT AND INNOVATION

11 Sec. 601. From the amount appropriated in part 1 for the
12 office of educational improvement and innovation, there is
13 allocated \$350,000.00 and 3.5 FTE positions to operate a charter
14 school office to administer charter school legislation and
15 associated regulations, and to coordinate the activities of the
16 department relating to charter schools.

17 INFORMATION TECHNOLOGY

18 Sec. 701. The department shall work in collaboration with the
19 center for educational performance and information to support the
20 comprehensive educational information system and all data
21 collection and reporting efforts of the department.

22 LIBRARY OF MICHIGAN

23 Sec. 801. In addition to the funds appropriated in part 1, the
24 funds collected by the department for document reproduction and

1 services; conferences, workshops, and training classes; and the use
2 of specialized equipment, facilities, and software are appropriated
3 for all expenses necessary to provide the required services. These
4 funds are available for expenditure when they are received and may
5 be carried forward into the next succeeding fiscal year.

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

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

14 Sec. 805. The funds appropriated in part 1 for book
15 distribution centers shall be distributed to the Michigan friends
16 of education.

17 GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES

18 Sec. 901. Within 10 days of the receipt of a grant
19 appropriated in the federal and private grants line item in part 1,
20 the department shall notify the house and senate chairpersons of
21 the appropriations subcommittees responsible for the department
22 budget, the house and senate fiscal agencies, and the state budget
23 director of the receipt of the grant, including the funding source,
24 purpose, and amount of the grant.

25 Sec. 902. The college access challenge grant program is a work
26 project as provided in section 451a of the management and budget

1 act, 1984 PA 431, MCL 18.1451a, and as follows and as such
2 appropriations for the program shall not lapse at the end of the
3 fiscal year but shall continue to be available for expenditure
4 until the project has been completed:

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

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

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

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

13 Sec. 903. By not later than March 1, 2012, the department
14 shall work with districts that operate as a school of excellence
15 cyber school as defined in section 551 of the revised school code,
16 1976 PA 451, MCL 380.551, and districts that operate an alternative
17 education program with a seat-time waiver under section 101 of the
18 state school aid act of 1979, 1979 PA 94, MCL 388.1701, to provide
19 a report to the house and senate chairpersons of the appropriations
20 subcommittees responsible for the department budget, the house and
21 senate fiscal agencies, and the state budget director on all of the
22 following:

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

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

27 (c) The district in which each pupil is enrolled if other than

1 the district with the seat-time wavier or the cyber school.

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

5 (e) The number of participating students who had previously
6 dropped out of school.

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

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

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

12 (i) The name of each online education provider contracted by a
13 district with a seat-time waiver or a cyber school and the state in
14 which the online education provider is located.

15 PART 2A

16 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

17 FOR FISCAL YEAR 2012-2013

18 **GENERAL SECTIONS**

19 Sec. 1201. It is the intent of the legislature to provide
20 appropriations for the fiscal year ending on September 30, 2013 for
21 the line items listed in part 1. The fiscal year 2012-2013
22 appropriations are anticipated to be the same as those for fiscal
23 year 2011-2012, except that the line items will be adjusted for
24 changes in caseload and related costs, federal fund match rates,
25 economic factors, and available revenue. These adjustments will be
26 determined after the January 2012 consensus revenue estimating

1 conference. The January 2012 consensus revenue estimating
2 conference shall include estimates for fiscal year 2011-2012,
3 fiscal year 2012-2013, and fiscal year 2013-2014 for the following:

4 (a) State revenue.

5 (b) Prison population and correction expenditures.

6 (c) Annual percentage growth in the school aid basic
7 foundation allowance.

8 (d) Medicaid expenditures.

9 (e) Human service caseloads and expenditures.