

FIRST CONFERENCE REPORT

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

Senate Bill No. 765, entitled

A bill to make appropriations for the department of education for the fiscal year ending September 30, 2015; and to provide for the expenditure of the appropriations.

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 for the fiscal year ending September 30, 2015; and to provide for the expenditure of the appropriations.

Howard Walker

Bill Rogers

Roger Kahn

Matt Lori

Hoon-Yung Hopgood

Samir Singh

Conferees for the Senate

Conferees for the House

SUBSTITUTE FOR

A bill to make appropriations for the department of education for the fiscal year ending September 30, 2015; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. There is appropriated for the department of
4 education for the fiscal year ending September 30, 2015, from the
5 following funds:

6 DEPARTMENT OF EDUCATION

7 APPROPRIATION SUMMARY

8	Full-time equated unclassified positions.....	6.0
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9	Full-time equated classified positions.....	600.5
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1	GROSS APPROPRIATION.....	\$	287,096,100
2	Interdepartmental grant revenues:		
3	Total interdepartmental grants and intradepartmental		
4	transfers		0
5	ADJUSTED GROSS APPROPRIATION.....	\$	287,096,100
6	Federal revenues:		
7	Total federal revenues.....		189,473,500
8	Special revenue funds:		
9	Total local revenues.....		5,633,700
10	Total private revenues.....		1,933,300
11	Total other state restricted revenues.....		7,972,600
12	State general fund/general purpose.....	\$	82,083,000
13	Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE		
14	SUPERINTENDENT		
15	Full-time equated unclassified positions..... 6.0		
16	Full-time equated classified positions..... 11.0		
17	State board of education, per diem payments.....	\$	24,400
18	Unclassified positions--6.0 FTE positions.....		795,100
19	State board/superintendent operations--11.0 FTE		
20	positions		<u>2,110,000</u>
21	GROSS APPROPRIATION.....	\$	2,929,500
22	Appropriated from:		
23	Federal revenues:		
24	Federal revenues.....		222,400
25	Special revenue funds:		
26	Private foundations.....		28,100
27	Certification fees.....		861,100

1	State general fund/general purpose	\$	1,817,900
2	Sec. 103. CENTRAL SUPPORT		
3	Full-time equated classified positions.....	23.6	
4	Central support operations--23.6 FTE positions	\$	3,623,400
5	Worker's compensation.....		30,800
6	Building occupancy charges - property management		
7	services		3,053,700
8	Training and orientation workshops		150,000
9	Terminal leave payments.....		554,700
10	GROSS APPROPRIATION.....	\$	7,412,600
11	Appropriated from:		
12	Federal revenues:		
13	Federal revenues.....		1,641,400
14	Federal indirect funds.....		2,550,400
15	Special revenue funds:		
16	Certification fees.....		403,200
17	Teacher testing fees.....		3,800
18	Training and orientation workshop fees.....		150,000
19	State general fund/general purpose	\$	2,663,800
20	Sec. 104. INFORMATION TECHNOLOGY SERVICES		
21	Information technology operations.....	\$	4,192,200
22	GROSS APPROPRIATION.....	\$	4,192,200
23	Appropriated from:		
24	Federal revenues:		
25	Federal revenues.....		605,800
26	Federal indirect funds.....		1,789,800
27	Special revenue funds:		

1	Local cost sharing (schools for deaf/blind)	76,500
2	Certification fees	390,400
3	State general fund/general purpose	\$ 1,329,700
4	Sec. 105. SPECIAL EDUCATION SERVICES	
5	Full-time equated classified positions	47.0
6	Special education operations--47.0 FTE positions	\$ <u>8,937,300</u>
7	GROSS APPROPRIATION	\$ 8,937,300
8	Appropriated from:	
9	Federal revenues:	
10	Federal revenues	8,457,300
11	Special revenue funds:	
12	Private foundations	110,100
13	Certification fees	44,100
14	State general fund/general purpose	\$ 325,800
15	Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	
16	Full-time equated classified positions	77.0
17	Michigan schools for the deaf and blind operations--	
18	76.0 FTE positions	\$ 12,664,500
19	Camp Tuhsmeheeta--1.0 FTE position	295,100
20	Private gifts - blind	200,000
21	Private gifts - deaf	<u>50,000</u>
22	GROSS APPROPRIATION	\$ 13,209,600
23	Appropriated from:	
24	Federal revenues:	
25	Federal revenues	6,900,400
26	Special revenue funds:	
27	Local cost sharing (schools for deaf/blind)	5,233,000

1	Local school district service fees	312,500
2	Gifts, bequests, and donations	545,100
3	Student insurance revenue	218,600
4	State general fund/general purpose	\$ 0
5	Sec. 107. PROFESSIONAL PREPARATION SERVICES	
6	Full-time equated classified positions	34.0
7	Professional preparation operations--34.0 FTE	
8	positions	\$ 5,896,800
9	Department of attorney general	<u>66,000</u>
10	GROSS APPROPRIATION	\$ 5,962,800
11	Appropriated from:	
12	Federal revenues:	
13	Federal revenues	1,444,800
14	Special revenue funds:	
15	Certification fees	3,882,700
16	Teacher college review fees	55,300
17	Teacher testing fees	359,300
18	State general fund/general purpose	\$ 220,700
19	Sec. 108. MICHIGAN OFFICE OF GREAT START	
20	Full-time equated classified positions	65.0
21	Office of great start operations--64.0 FTE positions .	\$ 22,830,300
22	Child development and care external support	17,766,500
23	Head start collaboration office--1.0 FTE position	307,700
24	Child development and care public assistance	<u>110,292,000</u>
25	GROSS APPROPRIATION	\$ 151,196,500
26	Appropriated from:	
27	Federal revenues:	

1	Federal revenues.....	110,264,600
2	Special revenue funds:	
3	Private foundations.....	250,000
4	Certification fees.....	64,200
5	State general fund/general purpose.....	\$ 40,617,700
6	Sec. 109. STATE AID AND SCHOOL FINANCE SERVICES	
7	Full-time equated classified positions..... 11.5	
8	State aid and school finance operations--9.5 FTE	
9	positions	\$ 1,361,500
10	Financial independence team operations--2.0 FTE	
11	positions	<u>500,000</u>
12	GROSS APPROPRIATION.....	\$ 1,861,500
13	Appropriated from:	
14	State general fund/general purpose.....	\$ 1,861,500
15	Sec. 110. AUDIT SERVICES	
16	Full-time equated classified positions..... 4.5	
17	Audit operations--4.5 FTE positions.....	\$ <u>602,200</u>
18	GROSS APPROPRIATION.....	\$ 602,200
19	Appropriated from:	
20	Federal revenues:	
21	Federal indirect funds.....	478,700
22	Special revenue funds:	
23	Certification fees.....	61,200
24	State general fund/general purpose.....	\$ 62,300
25	Sec. 111. ADMINISTRATIVE LAW SERVICES	
26	Full-time equated classified positions..... 2.0	
27	Administrative law operations--2.0 FTE positions	\$ <u>1,310,700</u>

1	GROSS APPROPRIATION.....	\$	1,310,700
2	Appropriated from:		
3	Federal revenues:		
4	Federal revenues.....		551,600
5	Special revenue funds:		
6	Certification fees.....		686,000
7	State general fund/general purpose.....	\$	73,100
8	Sec. 112. ACCOUNTABILITY SERVICES		
9	Full-time equated classified positions.....		65.6
10	Accountability services operations--65.6 FTE positions	\$	<u>14,637,700</u>
11	GROSS APPROPRIATION.....	\$	14,637,700
12	Appropriated from:		
13	Federal revenues:		
14	Federal revenues.....		13,460,700
15	State general fund/general purpose.....	\$	1,177,000
16	Sec. 113. SCHOOL SUPPORT SERVICES		
17	Full-time equated classified positions.....		82.6
18	School support services operations--82.6 FTE positions	\$	15,111,700
19	Federal and private grants.....		<u>3,000,000</u>
20	GROSS APPROPRIATION.....	\$	18,111,700
21	Appropriated from:		
22	Federal revenues:		
23	Federal revenues.....		16,263,600
24	Special revenue funds:		
25	Local school district service fees.....		11,700
26	Private foundations.....		1,000,000
27	Certification fees.....		85,700

1	Commodity distribution fees.....	71,700
2	State general fund/general purpose.....	\$ 679,000
3	Sec. 114. FIELD SERVICES	
4	Full-time equated classified positions.....	45.0
5	Field services operations--45.0 FTE positions.....	\$ <u>9,194,500</u>
6	GROSS APPROPRIATION.....	\$ 9,194,500
7	Appropriated from:	
8	Federal revenues:	
9	Federal revenues.....	8,894,300
10	Special revenue funds:	
11	Certification fees.....	77,200
12	State general fund/general purpose.....	\$ 223,000
13	Sec. 115. EDUCATIONAL IMPROVEMENT AND INNOVATION	
14	SERVICES	
15	Full-time equated classified positions.....	63.7
16	Educational improvement and innovation operations--	
17	63.7 FTE positions	\$ 9,382,500
18	Educator evaluations and assessments phase-in	
19	operations	<u>3,414,000</u>
20	GROSS APPROPRIATION.....	\$ 12,796,500
21	Appropriated from:	
22	Federal revenues:	
23	Federal revenues.....	6,514,500
24	Special revenue funds:	
25	Certification fees.....	558,100
26	State general fund/general purpose.....	\$ 5,723,900
27	Sec. 116. CAREER AND TECHNICAL EDUCATION	

1	Full-time equated classified positions.....	27.0	
2	Career and technical education operations--27.0 FTE		
3	positions		\$ <u>4,758,300</u>
4	GROSS APPROPRIATION.....		\$ 4,758,300
5	Appropriated from:		
6	Federal revenues:		
7	Federal revenues.....		3,826,200
8	State general fund/general purpose		\$ 932,100
9	Sec. 117. LIBRARY OF MICHIGAN		
10	Full-time equated classified positions.....	33.0	
11	Library of Michigan operations--32.0 FTE positions ...		\$ 4,419,700
12	Library services and technology program--1.0 FTE		
13	position		5,607,000
14	State aid to libraries.....		8,876,000
15	Michigan eLibrary.....		1,750,000
16	Renaissance zone reimbursements.....		4,700,000
17	MPERS payments to libraries.....		<u>2,200,000</u>
18	GROSS APPROPRIATION.....		\$ 27,552,700
19	Appropriated from:		
20	Federal revenues:		
21	IMLS, library services and technology act.....		5,607,000
22	State general fund/general purpose		\$ 21,945,700
23	Sec. 118. SCHOOL REFORM OFFICE		
24	Full-time equated classified positions.....	8.0	
25	School reform office operations--8.0 FTE positions ...		\$ <u>2,429,800</u>
26	GROSS APPROPRIATION.....		\$ 2,429,800
27	Appropriated from:		

1 State general fund/general purpose \$ 2,429,800

2 PART 2

3 PROVISIONS CONCERNING APPROPRIATIONS

4 FOR FISCAL YEAR 2014-2015

5 GENERAL SECTIONS

6 Sec. 201. Pursuant to section 30 of article IX of the state
 7 constitution of 1963, total state spending from state resources
 8 under part 1 for the fiscal year ending September 30, 2015 is
 9 \$90,055,600.00 and state spending from state resources to be paid
 10 to local units of government for the fiscal year ending September
 11 30, 2015 is \$15,776,000.00. The itemized statement below identifies
 12 appropriations from which spending to local units of government
 13 will occur:

14 DEPARTMENT OF EDUCATION

15	State aid to libraries.....	\$	8,876,000
16	Renaissance zone reimbursements.....		4,700,000
17	MPSERS payments to libraries.....		<u>2,200,000</u>
18	Total department of education.....	\$	15,776,000

19 Sec. 202. The appropriations authorized under this part and
 20 part 1 are subject to the management and budget act, 1984 PA 431,
 21 MCL 18.1101 to 18.1594.

22 Sec. 203. As used in this part and part 1:

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

24 (b) "District" means a local school district as defined in
 25 section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a

1 public school academy as defined in section 5 of the revised school
2 code, 1976 PA 451, MCL 380.5.

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

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

5 (e) "Participating entity" means a district library that is a
6 reporting unit of the Michigan public school employees' retirement
7 system under the public school employees retirement act of 1979,
8 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to
9 the Michigan public school employees' retirement system for the
10 applicable fiscal year.

11 (f) "Retirement board" means the board that administers the
12 retirement system under the public school employees retirement act
13 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

14 (g) As used in this part and part 1, "retirement system" and
15 "MPSERS" mean the Michigan public school employees' retirement
16 system under the public school employees retirement act of 1979,
17 1980 PA 300, MCL 38.1301 to 38.1437.

18 Sec. 204. The state superintendent of public instruction shall
19 take all reasonable steps to ensure businesses in deprived and
20 depressed communities compete for and perform contracts to provide
21 services or supplies, or both. The state superintendent of public
22 instruction shall strongly encourage firms with which the
23 department contracts to subcontract with certified businesses in
24 depressed and deprived communities for services, supplies, or both.

25 Sec. 205. The departments and agencies shall use the Internet
26 to fulfill the reporting requirements of this part. This
27 requirement may include transmission of reports via electronic mail

1 to the recipients identified for each reporting requirement, or it
2 may include placement of reports on an Internet or Intranet site.

3 Sec. 206. The department shall provide through the Internet
4 the state board of education agenda and all supporting documents,
5 and shall notify the state budget director and the senate and house
6 fiscal agencies that the agenda and supporting documents are
7 available on the Internet, at the time the agenda and supporting
8 documents are provided to state board of education members.

9 Sec. 207. The department shall cooperate with the department
10 of technology, management, and budget to maintain a searchable
11 website accessible by the public at no cost that includes, but is
12 not limited to, all of the following for each department or agency:

13 (a) Fiscal year-to-date expenditures by category.

14 (b) Fiscal year-to-date expenditures by appropriation unit.

15 (c) Fiscal year-to-date payments to a selected vendor,
16 including the vendor name, payment date, payment amount, and
17 payment description.

18 (d) The number of active department employees by job
19 classification.

20 (e) Job specifications and wage rates.

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

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

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

20 Sec. 214. The department and agencies receiving appropriations
21 in part 1 shall prepare a report on out-of-state travel expenses
22 not later than January 1 of each year. The travel report shall be a
23 listing of all travel by classified and unclassified employees
24 outside this state in the immediately preceding fiscal year that
25 was funded in whole or in part with funds appropriated in the
26 department's budget. The report shall be submitted to the senate
27 and house appropriations committees, the house and senate fiscal

1 agencies, and the state budget director. The report must include
2 the following information:

3 (a) The dates of each travel occurrence.

4 (b) The transportation and related costs of each travel
5 occurrence, including the proportion funded with state general
6 fund/general purpose revenues, the proportion funded with state
7 restricted revenues, the proportion funded with federal revenues,
8 and the proportion funded with other revenues.

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

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

24 (2) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$700,000.00 for state
26 restricted contingency funds. These funds are not available for
27 expenditure until they have been transferred to another line item

1 in part 1 under section 393(2) of the management and budget act,
2 1984 PA 431, MCL 18.1393.

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

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

15 Sec. 220. (1) The department shall provide data requested by a
16 member of the legislature, his or her staff, or the house and
17 senate fiscal agencies in a timely manner. If the department fails
18 to provide reasonably requested data within 30 days after the
19 request, the state money appropriated in part 1 for state
20 board/superintendent operations shall be reduced by 1%.

21 (2) If the department fails to provide to the legislature
22 reports and other data required by boilerplate or statute within 30
23 days after the date the information is due, the state money
24 appropriated in part 1 for state board/superintendent operations
25 shall be reduced by 1%.

26 Sec. 221. Funds appropriated in part 1 shall not be used by a
27 principal executive department, state agency, or authority to hire

1 a person to provide legal services that are the responsibility of
2 the attorney general. This prohibition does not apply to legal
3 services for bonding activities and for those activities that the
4 attorney general authorizes.

5 Sec. 222. The department shall maintain, on a publicly
6 accessible website, a department scorecard that identifies, tracks,
7 and regularly updates key metrics that are used to monitor and
8 improve the agency's performance.

9 Sec. 226. Not later than November 30, the state budget office
10 shall prepare and transmit a report that provides for estimates of
11 the total general fund/general purpose appropriation lapses at the
12 close of the fiscal year. This report shall summarize the projected
13 year-end general fund/general purpose appropriation lapses by major
14 departmental program or program areas. The report shall be
15 transmitted to the office of the state budget, the chairpersons of
16 the senate and house appropriations committees, and the senate and
17 house fiscal agencies.

18 Sec. 227. Within 14 days after the release of the executive
19 budget recommendation, the department shall cooperate with the
20 state budget office to provide the senate and house appropriations
21 chairs, the senate and house appropriations subcommittees
22 responsible for the department budget, respectively, and the senate
23 and house fiscal agencies with an annual report on estimated state
24 restricted fund balances, state restricted fund projected revenues,
25 and state restricted fund expenditures for the fiscal years ending
26 September 30, 2014 and September 30, 2015.

27 Sec. 230. The department may assist the department of

1 community health, other departments, and local school districts to
2 secure reimbursement for eligible services provided in Michigan
3 schools from the federal Medicaid program. The department may
4 submit reports of direct expenses related to this effort to the
5 department of community health for reimbursement.

6 Sec. 231. Total authorized appropriations from all sources
7 under part 1 for legacy costs for the fiscal year ending September
8 30, 2015 is estimated at \$15,637,500.00. Total agency
9 appropriations for pension-related legacy costs are estimated at
10 \$8,739,900.00. Total agency appropriations for retiree health care
11 legacy costs are estimated at \$6,897,600.00.

12 Sec. 233. No state department or agency shall issue a request
13 for proposal (RFP) for a contract in excess of \$5,000,000.00,
14 unless the department or agency has first considered issuing a
15 request for information (RFI) or a request for qualification (RFQ)
16 relative to that contract to better enable the department or agency
17 to learn more about the market for the products or services that
18 are the subject of the future RFP. The department or agency shall
19 notify the department of technology, management, and budget of the
20 evaluation process used to determine if an RFI or RFQ was not
21 necessary prior to issuing the RFP.

22 Sec. 234. (1) For each new program or program expansion for
23 which funds in excess of \$500,000.00 are appropriated in part 1,
24 the department shall identify specific benchmarks intended to
25 measure the performance or return on taxpayer investment of the
26 program and its associated expenditures. Not later than November 1,
27 2014, the department shall report the proposed benchmarks to the

1 house and senate appropriations subcommittees for that department,
2 the house and senate fiscal agencies, and the state budget
3 director. The department shall provide an update on its progress in
4 achieving those benchmarks at an appropriations subcommittee
5 meeting called for the purpose of discussing benchmarks and their
6 status.

7 (2) It is the intent of the legislature that, beginning with
8 the budget for the fiscal year ending September 30, 2016, any
9 proposal for a new program or an expansion of an existing program
10 in excess of \$500,000.00 initiated by the executive branch or the
11 legislature shall include, as part of the original proposal or
12 budget request, a list of benchmarks intended to measure the
13 performance or return on taxpayer investment of the program or
14 spending increase.

15 Sec. 235. The department shall not enter into a contract
16 funded under part 1 that exceeds \$1,000,000.00 or seek a federal
17 waiver from the no child left behind act of 2001, Public Law 107-
18 110, or an amendment to the federal waiver, until after
19 notification of the content to both the house and senate
20 appropriations committees.

21 Sec. 236. From the funds appropriated in part 1, the
22 department shall compile a report that identifies the mandates
23 required of nonpublic schools. In compiling the report, the
24 department may consult with relevant statewide education
25 associations in Michigan. The report compiled by the department
26 shall indicate the type of mandate, including, but not limited to,
27 student health, student or building safety, accountability, and

1 educational requirements, and shall indicate whether a school has
2 to report on the specified mandates. The report required under this
3 section shall be completed by April 1, 2015 and transmitted to the
4 state budget director, the house and senate appropriations
5 subcommittees responsible for the department of education, and the
6 senate and house fiscal agencies not later than April 15, 2015.

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

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

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

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

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

17 Sec. 302. From the amount appropriated in part 1 to the state
18 board of education, not more than \$35,000.00 for the fiscal year
19 ending September 30, 2015 shall be expended for in-state travel and
20 out-of-state travel directly related to the duties of the state
21 board of education.

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

23 Sec. 401. The employees at the Michigan schools for the deaf
24 and blind who work on a school year basis are considered annual
25 employees for purposes of service credits, retirement, and

1 insurance benefits.

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

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

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

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

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

PROFESSIONAL PREPARATION SERVICES

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the registry of educational personnel and certificate revocation/felony conviction files.

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

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

STATE AID AND SCHOOL FINANCE SERVICES

Sec. 601. Funds appropriated in part 1 for the financial independence team shall be expended for the purpose of implementing an early warning system to identify districts and intermediate school districts that are in need of financial attention. The financial independence team shall provide expertise, technical assistance, and the resources necessary to address the financial needs for those identified distressed districts and intermediate school districts.

1 **EDUCATIONAL IMPROVEMENT AND INNOVATION SERVICES**

2 Sec. 702. Funds appropriated in part 1 for educator
3 evaluations and assessments phase-in shall not be expended unless
4 House Bill Nos. 5223 and 5224 of the 97th Legislature are enacted
5 into law.

6 **LIBRARY OF MICHIGAN**

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

14 Sec. 803. It is the intent of the legislature that the library
15 of Michigan and the component programs currently within the library
16 of Michigan with the exception of the genealogical collections
17 shall be kept together in a state department.

18 Sec. 804. (1) The funds appropriated in part 1 for renaissance
19 zone reimbursements shall be used to reimburse public libraries
20 under section 12 of the Michigan renaissance zone act, 1996 PA 376,
21 MCL 125.2692, for taxes levied in 2014. The allocations shall be
22 made not later than 60 days after the department of treasury
23 certifies to the department and to the state budget director that
24 the department of treasury has received all necessary information
25 to properly determine the amounts due to each eligible recipient.

1 (2) If the amount appropriated under this section is not
2 sufficient to fully pay obligations under this section, payments
3 shall be prorated on an equal basis among all eligible public
4 libraries.

5 Sec. 805. (1) The funds appropriated in part 1 for Michigan
6 public school employees' retirement system reform costs shall be
7 used for payments to district libraries that are participating
8 entities of the Michigan public school employees' retirement
9 system.

10 (2) Payments made under this section shall be equal to the
11 difference between the unfunded actuarial accrued liability
12 contribution rate as calculated pursuant to section 41 of the
13 public school employees retirement act of 1979, 1980 PA 300, MCL
14 38.1341, as calculated without taking into account the maximum
15 employer rate of 20.96% included in section 41 of the public school
16 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
17 maximum employer rate of 20.96% included in section 41 of the
18 public school employees retirement act of 1979, 1980 PA 300, MCL
19 38.1341.

20 (3) The amount allocated to each district library under this
21 section shall be based on each district library's proportion of the
22 total covered payroll for the immediately preceding fiscal year for
23 all district libraries that are participating entities. District
24 libraries that receive funds under this section shall use the funds
25 solely for the purpose of retirement contributions as specified in
26 subsection (4).

27 (4) Each participating entity receiving funds under this

1 section shall forward an amount equal to the amount allocated under
2 subsection (3) to the retirement system in a form, manner, and time
3 frame determined by the retirement system.

4 **SCHOOL SUPPORT SERVICES**

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

12 **MICHIGAN OFFICE OF GREAT START**

13 Sec. 1001. By November 1, 2014, the department shall submit a
14 report to the house and senate appropriations subcommittees on the
15 department of education budget and the house and senate fiscal
16 agencies on the number of eligible child care providers by type
17 receiving payment for child care services from the department on
18 October 1, 2014.

19 Sec. 1003. (1) The department shall provide the house and
20 senate appropriations subcommittees on the department budget with
21 an annual report on all funding appropriated to the early childhood
22 investment corporation (ECIC) by the state for fiscal year 2013-
23 2014. The report is due by February 15 and shall contain at least
24 the following information:

25 (a) Total funding appropriated to the early childhood

1 investment corporation by the state for fiscal year 2013-2014.

2 (b) The amount of funding for each grant awarded.

3 (c) The grant recipients.

4 (d) The activities funded by each grant.

5 (e) An analysis of each grant recipient's success in
6 addressing the development of a comprehensive system of early
7 childhood services and supports.

8 (2) All department contracts for early childhood comprehensive
9 systems planning shall be bid out through a statewide request-for-
10 proposal process.

11 **SCHOOL REFORM OFFICE**

12 Sec. 1101. (1) From the funds appropriated in part 1, the
13 department shall assure all of the following:

14 (a) That public schools that are removed from the control of a
15 district by action of the state reform/redesign officer,
16 superintendent of public instruction, or any other entity remain in
17 compliance with all applicable state and federal law concerning
18 special education.

19 (b) That students at public schools described in subdivision
20 (a) with individualized education programs are afforded special
21 education services in accordance with applicable state and federal
22 law concerning special education.

23 (2) The department shall report to the legislature on the
24 number of students in public schools described in subsection (1)(a)
25 who have an individualized education program and the performance
26 results of those students after the change in governance of the

1 public school.

2 PART 2A
3 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
4 FOR FISCAL YEAR 2015-2016

5 **GENERAL SECTIONS**

6 Sec. 1201. It is the intent of the legislature to provide
7 appropriations for the fiscal year ending on September 30, 2016 for
8 the line items listed in part 1. The fiscal year 2015-2016
9 appropriations are anticipated to be the same as those for fiscal
10 year 2014-2015, except that the line items will be adjusted for
11 changes in caseload and related costs, federal fund match rates,
12 economic factors, and available revenue. These adjustments will be
13 determined after the January 2015 consensus revenue estimating
14 conference.