CHAPTER 388. SCHOOLS AND SCHOOL AID

SCHOOL AID
Act 26 of 1948 (1st Ex. Sess.)


SCHOOL AID
Act 238 of 1955


SCHOOL DISTRICT IN INCORPORATED VILLAGE
Act 201 of 1929


ORGANIZATION OF SCHOOL DISTRICT IN CITY
Act 169 of 1927


ORGANIZATION OF SCHOOL DISTRICT IN CITY
Act 279 of 1927


ANNEXATION OF SCHOOL DISTRICTS
Act 247 of 1941


DIVISION OF FIRST CLASS SCHOOL DISTRICTS INTO REGIONS
Act 244 of 1969


LOANS TO COUNTY SCHOOL DISTRICTS
Act 44 of 1937


EMERGENCY FINANCIAL ASSISTANCE FOR INSOLVENT SCHOOL DISTRICTS
Act 32 of 1968


EMERGENCY FINANCIAL ASSISTANCE FOR INSOLVENT SCHOOL DISTRICTS
Act 225 of 1972


COUNTY COMMISSIONER OF SCHOOLS
Act 147 of 1891

EMERGENCY LOANS FOR SCHOOL DISTRICTS
Act 12 of 1973


TOWNSHIP SCHOOL DISTRICT
Act 127 of 1937


TOWNSHIP SCHOOL DISTRICT BUILDING PROGRAM
Act 323 of 1941


TOWNSHIP CONTINGENT FUND
Act 238 of 1939


RURAL SCHOOLHOUSE NAMES AND MAILBOXES
Act 81 of 1931


SCHOOL MEAL PROGRAMS AND SERVICES
Act 454 of 1976


TEACHING OF CIVICS AND POLITICAL SCIENCE
Act 205 of 1931

AN ACT to create a critical health problems education program in the state department of education; and
to define the powers and duties of the department.


The People of the State of Michigan enact:

388.381 Critical health problems education act; short title.
Sec. 1. This act may be cited as the “critical health problems education act”.


388.382 Critical health problems education act; definitions.
Sec. 2. As used in this act:
(a) “Critical health problems education program” means a systematic and integrated program designed to
provide appropriate learning experiences based on scientific knowledge of the human organism as it functions
within its environment and designed to favorably influence the health, understanding, attitudes and practices
of the individual child which will enable him to adapt to changing health problems of our society. The
program shall be designed to educate youth with regard to critical health problems and shall include, but not
be limited to, the following topics as the basis for comprehensive education curricula in all elementary and
secondary schools: drugs, narcotics, alcohol, tobacco, mental health, dental health, vision care, nutrition,
disease prevention and control, accident prevention and related health and safety topics.
(b) “Superintendent” means the superintendent of public instruction of the state department of education.


388.383 Education program; creation, promotion, scope.
Sec. 3. A critical health problems education program is created in the state department of education. The
superintendent is authorized to promote, support and conduct programs to carry out the purposes of this act.
These programs shall include, but not be limited to:
(a) Establishing guidelines to help local school districts develop comprehensive health education programs.
(b) Establishing special inservice programs to provide professional preparation in health education for
teachers throughout the state.
(c) Providing leadership for institutions of higher education to develop and extend curricula in health
education for professional preparation in both inservice and preservice programs.
(d) Developing cooperative programs between school districts and institutions of higher education whereby
the appropriate health personnel of such institutions would be available to guide the continuing professional
preparation of teachers and the development of curricula for local programs.
(e) Adding to the staff of the department of education competent specialists in the field of school health
education to work with local school districts in the development of curricula and the preparation of teachers in
health education.
(f) Employing, on a contractual basis, authorities in health education to provide assistance to the
department of education in its inservice programs for teachers.
(g) Assisting in the development of plans and procedures for the evaluation of health education curricula
determining that a program of comprehensive health education is being carried out which meets the needs
of the children and youth within the local school district.


388.384 Advisory committee; appointment, purpose; federal agencies; federal funds.
Sec. 4. (1) The department of education may appoint an advisory committee from universities and colleges,
the various fields of education, the voluntary health agencies, the department of public health, the department
of mental health, the professional health associations and other groups or agencies it deems appropriate to
advise it on the implementation of this act, including teachers, administrators and local boards of education.
(2) The department of education shall cooperate with agencies of the federal government and receive and
use federal funds for the purposes of this act.


388.385 Rules; promulgation, effective date.
Sec. 5. The department of education shall promulgate, prior to the effective date of this act, rules to
implement this act in accordance with the provisions of Act No. 88 of the Public Acts of 1943, as amended, being sections 24.71 to 24.80 of the Compiled Laws of 1948, and subject to Act No. 197 of the Public Acts of 1952, as amended, being sections 24.101 to 24.110 of the Compiled Laws of 1948, but such rules shall not become effective until approved by concurrent resolution of the legislature.


**Administrative rules:** R 388.271 et seq. of the Michigan Administrative Code.

**EDUCATION OF PREGNANT STUDENTS**

**Act 242 of 1970**

OATH OF TEACHERS
Act 23 of 1935

AN ACT to require all teachers, instructors and professors in educational institutions, junior colleges, colleges and universities to take and subscribe an oath or affirmation to support the constitution of the United States and the constitution of the state of Michigan, to provide the manner for the taking of such oath or affirmation, and to repeal all acts or parts of acts in conflict with the provisions of this act.


The People of the State of Michigan enact:

388.401 Oath of college faculty members; filing.
Sec. 1. From and after September 1, 1935, it shall be unlawful for any citizen of the United States to serve as a teacher, instructor or professor in any state educational institution or any educational institution supported in whole or in part by public funds, or in any junior college, college or university of this state or any junior college, college or university whose property, or any part thereof, is exempt from taxation unless and until he or she shall have taken and subscribed the following oath or affirmation:

“I do solemnly swear (or affirm) that I will support the constitution of the United States of America and the constitution of the state of Michigan, and that I will faithfully discharge the duties of my position, according to the best of my ability.”

The oath required by this section shall be notarized and transmitted to the superintendent of public instruction, who shall file it in his office, where it shall be subject to public inspection. It shall be unlawful for an officer, person or board having control of the employment, dismissal or suspension of teachers, instructors or professors in any such educational institution, junior college, college or university to permit a person to serve in any such capacity therein in violation of the provisions of this section. This section shall not be construed to require a person to take such oath more than once during the time he or she is employed in the educational institutions in this state, though there be a change in the title or duties of the position: Provided, however, That this requirement shall not be construed as prohibiting such officer, person or board from employing for limited periods instructors or lecturers who are citizens of foreign countries.


388.402 Unlawful employment; penalties.
Sec. 2. Any educational institution, junior college, college or university which shall employ any such person in violation of the terms of this act shall, during the continuance of such unlawful employment
(a) If such be an institution supported wholly or in part by state funds, not receive any state moneys for any purpose whatsoever.
(b) If such institution be a private, charitable and/or denominational college or university whose property, or any part thereof, is exempt from taxation, immediately forfeit all right to such tax exemption.

REEMPLOYMENT OF TEACHERS HONORABLY DISCHARGED FROM MILITARY SERVICE
Act 145 of 1943

AN ACT to provide for the reemployment by school districts of teachers who are honorably discharged from military service.


The People of the State of Michigan enact:

388.421 Reemployment of school teachers honorably discharged from military service.
Sec. 1. Any teacher who has left or leaves a teaching position, other than a temporary teaching position, in any school district in Michigan in order to serve in any branch of the armed services of the United States and who upon termination of such services (1) receives an honorable discharge from the armed forces; (2) is still qualified and competent to perform the duties of such teaching position; and (3) makes application to said school district for reemployment within 90 days after he is relieved from such military service shall be restored at the beginning of the semester or term following the application to such teaching position or to a position of like nature, seniority, status, and pay unless circumstances have so changed as to make it impossible or unreasonable to do so.


388.422 Restoration without loss of status or seniority; benefits.
Sec. 2. Any teacher who is restored to a position in accordance with the provisions of this act shall be considered as having been on leave of absence during his period of training and service in the military forces of the United States, shall be restored without loss of status or seniority, shall be entitled to participate in any benefits under the established rules and regulations of the school district and shall not be discharged from such position without cause within 1 year after such restoration.


BEHAVIOR PROBLEMS OF CHILDREN
Act 38 of 1944 (1st Ex. Sess.)


ADULT EDUCATION
Act 46 of 1944 (1st Ex. Sess.)

POSTSECONDARY ENROLLMENT OPTIONS ACT
Act 160 of 1996

AN ACT to establish a postsecondary enrollment options program for certain students enrolled in Michigan schools; to prescribe certain duties of public schools, certain nonpublic schools, and certain postsecondary institutions; to prescribe certain powers and duties of certain state departments, officials, and agencies; and to repeal acts and parts of acts.


The People of the State of Michigan enact:

388.511 Short title.
Sec. 1. This act shall be known and may be cited as the “postsecondary enrollment options act”.


388.512 Purpose of act.
Sec. 2. The purpose of this act is to provide a wider variety of options to high school pupils by encouraging and enabling qualified pupils to enroll in courses or programs in eligible postsecondary institutions.


388.513 Definitions; rules; scope.
Sec. 3. (1) As used in this act:
(a) “Community college” means a community college established under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a federal tribally controlled community college located in this state that is recognized under the tribally controlled colleges and universities assistance act of 1978, 25 USC 1801 to 1864, and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body.
(b) “Department” means the department of education.
(c) “Eligible charges” means tuition and mandatory course fees, material fees, and registration fees required by an eligible institution for enrollment in an eligible course. Eligible charges also include any late fees charged by an eligible postsecondary institution due to the school district's or department of treasury's failure to make a required payment according to the timetable prescribed under this act. Eligible charges do not include transportation or parking costs or activity fees. For eligible students enrolled in an out-of-state college that is an eligible postsecondary institution, eligible charges shall not exceed the lesser of the in-district rate for the community college located in the district in which the eligible student resides or the in-district rate for the out-of-state college in which the eligible student is enrolled.
(d) “Eligible course” means a course offered by an eligible postsecondary institution that is offered for postsecondary credit; that is not offered by the school district or state approved nonpublic school in which the eligible student is enrolled, or that is offered by the school district or state approved nonpublic school but is determined by its governing board to not be available to the eligible student because of a scheduling conflict beyond the eligible student's control; that is an academic course not ordinarily taken as an activity course; that is a course that the postsecondary institution normally applies toward satisfaction of degree requirements; that is not a hobby, craft, or recreational course; and that is in a subject area other than physical education, theology, divinity, or religious education. However, for an eligible student who has not achieved a qualifying score in each subject area on a readiness assessment or the Michigan merit examination, as applicable for the student, an eligible course is limited to a course in a subject area for which he or she has achieved a qualifying score, a course in computer science or foreign language not offered by the school district, or a course in fine arts as permitted by the school district. For each individual eligible student, unless there is a written agreement between the eligible student's school district and the eligible postsecondary institution to waive these limits, a course described in this subdivision is not an eligible course if the eligible student's enrollment in, and the payment of eligible charges under this act for, the course would exceed the following limits:
(i) Not more than 10 courses overall. This limit and the limits under subparagraphs (ii) to (iv) do not apply to a course if the eligible student does not receive tuition and fee support under this act for that course.
(ii) If the eligible student first enrolls in a course under this act when the eligible student is in grade 9, not more than 2 courses during each academic year in the eligible student’s first, second, or third academic year of enrollment under this act in an eligible postsecondary institution and not more than 4 courses during the academic year in the eligible student's fourth academic year of enrollment under this act in an eligible
postsecondary institution.

(iii) If the eligible student first enrolls in a course under this act when the eligible student is in grade 10, not more than 2 courses during the academic year in the eligible student's first academic year of enrollment under this act in an eligible postsecondary institution, not more than 4 courses during the academic year in the eligible student's second academic year of enrollment under this act in an eligible postsecondary institution, and not more than 4 courses during the academic year in the eligible student's third academic year of enrollment under this act in an eligible postsecondary institution.

(iv) Subject to the overall course limit under subparagraph (i), if the eligible student first enrolls in a course under this act when the eligible student is in grade 11 or 12, not more than 6 courses during either of those academic years of enrollment in an eligible postsecondary institution.

(e) "Eligible postsecondary institution" means a state university, community college, or independent nonprofit degree-granting college or university that is located in this state and that chooses to comply with this act. However, an out-of-state college that is located within 20 miles of a border with this state and that chooses to comply with this act is also an eligible postsecondary institution for an eligible student if at least 1 of the following is met:

(i) The eligible student is enrolled in a school district, as that term is defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, that shares a border with the state in which the out-of-state college is located.

(ii) The eligible student is enrolled in a public school academy, as that term is defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5, that is located in a school district described in subparagraph (i).

(iii) The eligible student is enrolled in a state approved nonpublic school that is located in a school district described in subparagraph (i).

(f) "Eligible student" means, except as otherwise provided in this subdivision, a student enrolled in at least 1 high school class in a school district or state approved nonpublic school in this state, except a foreign exchange pupil enrolled under a cultural exchange program or a student who does not have at least 1 parent or legal guardian who is a resident of this state. However, subject to subsection (2), the student shall not have been enrolled in high school for more than 4 school years including the school year in which the student seeks to enroll in an eligible course under this act. To be an eligible student, a student who has not taken the Michigan merit examination must have achieved a qualifying score in all subject areas on a readiness assessment and a student who has taken the Michigan merit examination must have achieved a qualifying score in all subject areas on the Michigan merit examination, and, subject to subsection (2), the student shall not have been enrolled in high school for more than 4 school years including the school year in which the student seeks to enroll in an eligible course under this act. However, if the student has not achieved a qualifying score in all subject areas on a readiness assessment or the Michigan merit examination, as applicable for the student, the student is an eligible student only for the limited purpose of enrolling in 1 or more eligible courses under this act in a subject area for which he or she has achieved a qualifying score, in computer science or foreign language not offered by the school district, or in fine arts as permitted by the school district. For the purposes of determining the number of years a pupil has been enrolled in high school, a pupil who is enrolled in high school for less than 90 days of a school year due to illness or other circumstances beyond the control of the pupil or the pupil's parent or guardian is not considered to be enrolled in high school for that school year.

(g) "Intermediate school district" means that term as defined in section 4 of the revised school code, 1976 PA 451, MCL 380.4.

(h) "Michigan merit examination" means that examination developed under section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g.

(i) "Out-of-state college" means a state university, community college, or independent nonprofit degree-granting college or university that is located in another state and that is legally established under the laws of that other state.

(j) "Qualifying score" means a score on a readiness assessment or the Michigan merit examination that has been determined by the superintendent of public instruction to indicate readiness to enroll in a postsecondary course in that subject area under this act.

(k) "Readiness assessment" means assessment instruments that are aligned with state learning standards; that are used nationally to provide high school students with an early indication of college readiness proficiency in English, mathematics, reading, social studies, and science and may contain a comprehensive career planning program; and that are approved by the superintendent of public instruction for the purposes of this act.

(l) "School district" means that term as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.4.
380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5, except as provided in subdivision (e).

(m) "State approved nonpublic school" means that term as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6.

(n) "State university" means a state institution of higher education described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(2) The superintendent of public instruction shall promulgate rules establishing criteria and procedures under which a student who has been enrolled in high school for more than 4 years but not more than 5 years may be considered to be an eligible student. The rules shall address special circumstances under which a student may qualify to be considered an eligible student under this subsection and may limit the number of courses in which a student who qualifies under this subsection may enroll. For the purposes of determining the number of years a pupil has been enrolled in high school, a pupil who is enrolled in high school for less than 90 days of a school year due to illness or other circumstances beyond the control of the pupil or the pupil's parent or guardian is not considered to be enrolled for that school year.


388.513a Readiness assessment; duties of superintendent of public instruction.

Sec. 3a. (1) Not later than July 1, 2005, the superintendent of public instruction shall do both of the following:

(a) Approve 1 or more readiness assessments that may be used for the purposes of determining eligible students beginning with participation in the 2006-2007 school year. Readiness assessments shall be aligned with state learning standards and shall provide high school students with an early indication of proficiency in the subject areas of English, mathematics, reading, social studies, and science and contain a comprehensive career planning program.

(b) Determine qualifying scores for each subject area component of a readiness assessment that indicate readiness to enroll in a postsecondary course in that subject area under this act.

(2) Not later than July 1, 2006, the superintendent of public instruction shall determine qualifying scores for each subject area component of the Michigan merit examination that indicate readiness to enroll in a postsecondary course in that subject area under this act.

(3) Unless the school district or state approved nonpublic school in which the student is enrolled elects to pay these costs, a student who takes a readiness assessment for the purposes of this act is responsible for paying all costs for taking and obtaining qualifying scores on a readiness assessment for the purposes of this act. This state is not responsible for any of these costs.


388.514 Student eligibility; letter signed by student's principal; application for enrollment; notice to be sent by postsecondary institution; bill detailing eligible charges; payment by school district or department of treasury; late fee; attendance verification; refund; availability of correspondence; books as school property; section inapplicable to certain courses; transportation and parking costs not required.

Sec. 4. (1) The school district or state approved nonpublic school in which an eligible student is enrolled shall provide to the eligible student a letter signed by the student's principal indicating the student's eligibility under this act.

(2) An eligible student may apply to an eligible postsecondary institution to enroll in 1 or more eligible courses offered by that eligible postsecondary institution and, if accepted, may enroll in 1 or more of those courses.

(3) For an eligible student enrolled in a school district, within a reasonable time after registration, the eligible postsecondary institution shall send written notice to the eligible student and his or her school district. For an eligible student enrolled in a state approved nonpublic school, within a reasonable time after registration, the eligible postsecondary institution shall send written notice to the eligible student and his or her state approved nonpublic school and to the department. The notice shall indicate the course or courses and hours of enrollment of that eligible student. The eligible postsecondary institution shall notify the eligible student about tuition, fees, books, materials, and other related charges, as determined by the postsecondary institution, in the customary manner used by the eligible postsecondary institution, and shall notify the eligible student of the estimated amount of the eligible charges that will be billed to the school district or the department, as applicable, under subsection (4).

(4) For an eligible student enrolled in a school district, unless otherwise agreed between the eligible student and the school district, transportation and parking costs shall be born by the eligible student.
postsecondary institution and the school district, after the expiration of the institution's drop/add period for the
course, an eligible postsecondary institution shall send a bill to the eligible student's school district detailing
the eligible charges for each eligible course in which the eligible student is enrolled under this act. For an
eligible student who is enrolled in a state approved nonpublic school, after the expiration of the eligible
postsecondary institution's drop/add period for the course, both of the following apply:

(a) Eligible postsecondary institution shall send a bill to the department detailing the eligible charges for
each eligible course in which the eligible student is enrolled under this act.

(b) The department shall determine the amount of the eligible charges to be paid by the department of
treasury to the eligible postsecondary institution on behalf of the eligible student under this act and shall
deliver this information to the department of treasury by appropriate electronic means.

(5) For an eligible student enrolled in a school district, upon receiving the bill under subsection (4), the
school district shall cause to be paid to the eligible postsecondary institution on behalf of the eligible student
an amount equal to the lesser of the amount of the eligible charges or the prorated percentage of the statewide
pupil-weighted average foundation allowance, as calculated under section 20 of the state school aid act of
1979, 1979 PA 94, MCL 388.1620, for all school districts for the state fiscal year that begins on October 1 of
the academic year of enrollment in the eligible postsecondary institution, with the proration based on the
proportion of the school year that the eligible student attends the eligible postsecondary institution. However,
in the calculation of the statewide pupil-weighted average foundation allowance for the purposes of this
subsection, if a school district's foundation allowance is above the basic foundation allowance under section
20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, then the school district's foundation
allowance shall be considered to be the basic foundation allowance. Not later than September 1 of each year,
the department shall notify the department of treasury of the amount of the statewide pupil-weighted average
foundation allowance as calculated for the purposes of this subsection. A school district may pay more money
to an eligible postsecondary institution on behalf of an eligible student than is required under this act, and may
use local school operating revenue for that purpose. The eligible student is responsible for payment of the
remainder of the costs associated with his or her postsecondary enrollment that exceed the amount the school
district is required to pay under this act and that are not paid by the school district. As used in this subsection,
"local school operating revenue" means that term as defined in section 20 of the state school aid act of 1979,
1979 PA 94, MCL 388.1620.

(6) For an eligible student who is enrolled in a state approved nonpublic school, upon receiving from the
department under subsection (4) the amount of the eligible charges to be paid on behalf of the eligible student,
the department of treasury shall cause to be paid to the eligible postsecondary institution on behalf of the
eligible student an amount equal to the lesser of the amount of the eligible charges or the prorated percentage
of the statewide pupil-weighted average foundation allowance, as calculated under section 20 of the state
school aid act of 1979, 1979 PA 94, MCL 388.1620, for all school districts for the state fiscal year that begins
on October 1 of the academic year of enrollment in the eligible postsecondary institution, with the proration
based on the proportion of the school year that the eligible student attends the eligible postsecondary
institution. However, in the calculation of the statewide pupil-weighted average foundation allowance for the
purposes of this subsection, if a school district's foundation allowance is above the basic foundation allowance
under section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, then the school district's foundation
allowance shall be considered to be the basic foundation allowance. Not later than September 1 of each year,
the department shall notify the department of treasury of the amount of the statewide pupil-weighted average
foundation allowance as calculated for the purposes of this subsection. The eligible student is responsible for payment of the
remainder of the costs associated with his or her postsecondary enrollment that exceed the amount the school
district is required to pay under this act and that are not paid by the school district.

(7) An eligible postsecondary institution shall not charge a late fee to an eligible student, a school district,
the department, or the department of treasury for a payment that is made in compliance with the timetable
prescribed under this act even if the payment would otherwise be considered late by the postsecondary
institution.

(8) A school district, state approved nonpublic school, or the department may require an eligible student to
provide, on a form supplied by the school district, state approved nonpublic school, or the department,
reasonable verification that the eligible student is regularly attending a postsecondary course.

(9) For an eligible student who is enrolled in a school district and who enrolls in an eligible course under
this act, if the student does not complete the eligible course or, if the student enrolls in an eligible course for
postsecondary credit only and the student does not successfully complete the eligible course, as determined by
the eligible postsecondary institution, and if the school district has paid money for the course on behalf of the
student, all of the following apply:
(a) The eligible postsecondary institution shall forward to the school district any funds that are refundable due to noncompletion of the course. The school district shall then forward to the eligible student any refunded money in excess of the amount paid by the school district for the course on behalf of the eligible student.

(b) The eligible student shall repay to the school district any funds that were expended by the school district for the course that are not refunded to the school district by the eligible postsecondary institution. If the eligible student does not repay this money, the school district may impose sanctions against the eligible student as determined by school district policy. This subdivision does not apply to an eligible student who does not complete the course due to a family or medical emergency, as determined by the eligible postsecondary institution.

(10) For an eligible student who is enrolled in a state approved nonpublic school, and who enrolls in an eligible course under this act, if the eligible student does not complete the eligible course or, if the eligible student enrolls in an eligible course for postsecondary credit only and the eligible student does not successfully complete the eligible course, as determined by the eligible postsecondary institution, and if the department of treasury has paid money for the course on behalf of the eligible student, all of the following apply:

(a) The eligible postsecondary institution shall forward to the department of treasury any funds that are refundable due to noncompletion of the course. If applicable, the eligible postsecondary institution shall then refund to the eligible student any funds that are refundable due to noncompletion of the course and are in excess of the amount paid by the department of treasury for the course on behalf of the eligible student.

(b) The eligible student shall repay to the department of treasury any funds that were expended by the department of treasury for the course that are not refunded to the department of treasury by the eligible postsecondary institution. This subdivision does not apply to an eligible student who does not complete the course due to a family or medical emergency, as determined by the eligible postsecondary institution.

(11) A school district, state approved nonpublic school, the department, or the department of treasury shall make available to an eligible student copies of all correspondence in the possession of the school district, state approved nonpublic school, department, or department of treasury regarding the eligible student's participation in postsecondary enrollment under this act. Correspondence described in this subsection shall be kept by the school district, state approved nonpublic school, department, or department of treasury for at least 1 year.

(12) If a school district pays for books for an eligible student for a postsecondary course under this section, the books are the property of the school district and shall be turned over to the school district after the eligible student completes the course.

(13) This section does not apply to any postsecondary courses in which an eligible student is enrolled in addition to being enrolled full-time in that eligible student's school district or state approved nonpublic school; to a postsecondary course an eligible student is retaking after failing to achieve a satisfactory grade; or to a course contrary to the eligibility provisions of this act. In determining full-time enrollment in a school district under this section or a school district's full-time equated membership under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, for a pupil enrolled in a postsecondary institution under this act, the pupil's enrollment in both the school district and the postsecondary institution shall be counted as enrollment in the school district and a pupil shall not be considered to be enrolled in a school district less than full-time solely because of the effect of the pupil's postsecondary enrollment, including necessary travel time, on the number of class hours provided by the school district to the pupil. In determining full-time enrollment in a state approved nonpublic school under this section for a student enrolled in a postsecondary institution under this act, the student's enrollment in both the state approved nonpublic school and the postsecondary institution shall be counted as enrollment in the state approved nonpublic school and a student shall not be considered to be enrolled in a state approved nonpublic school less than full-time solely because of the effect of the student's postsecondary enrollment under this act, including necessary travel time, on the number of class hours provided by the state approved nonpublic school to the student.

(14) This act does not require a school district or the department of treasury to pay or otherwise provide financial support for transportation or parking costs necessary for an eligible student to participate in postsecondary enrollment under this act. A school district, state approved nonpublic school, or this state is not liable for any injury incurred by an eligible student that is related to transportation necessary for the eligible student to participate in postsecondary enrollment under this act.

(15) The legislature shall appropriate funds to the department of treasury for making payments required to be made by the department of treasury under this act.


388.515 Participation in intercollegiate athletics prohibited.
Sec. 5. An eligible student enrolled in a postsecondary institution under this act shall not participate in intercollegiate athletics at the postsecondary institution while he or she is enrolled under this act. An eligible student who violates this subsection forfeits his or her eligibility under this act.


388.516 Priority of students.

Sec. 6. An eligible postsecondary institution may give priority to its postsecondary students when enrolling eligible students in postsecondary courses under this act for high school credit only. Once an eligible student has been enrolled in a postsecondary course under this act, the postsecondary institution shall not displace the eligible student with another student.


388.517 Academic credit.

Sec. 7. (1) An eligible student who is enrolled in a school district may enroll in, and receive payment by the school district under section 4(5) of all or part of eligible charges for, an eligible course under this act for high school credit or postsecondary credit, or both. At the time an eligible student who is enrolled in a school district enrolls in a postsecondary course under this act, he or she shall designate whether the course is for high school or postsecondary credit, or both, and shall notify both his or her high school and the eligible postsecondary institution of that designation. An eligible student taking more than one postsecondary course under this act may make different credit designations under this subsection for different courses.

(2) Except as otherwise provided in subsection (3), an eligible student who is enrolled in a state approved nonpublic school may enroll in, and receive payment by the department of treasury under section 4(6) of all or part of eligible charges for, an eligible course under this act only for postsecondary credit and may not receive high school credit for the course.

(3) If an eligible student who is enrolled in a state approved nonpublic school is enrolled in an eligible course that would have been considered a nonessential elective course under Snyder v Charlotte School Dist., 421 Mich 517 (1984), then the eligible student may enroll in, and receive payment by the department of treasury under section 4(6) of all or part of eligible charges for, an eligible course under this act for high school credit or postsecondary credit, or both. At the time an eligible student enrolls under this act in an eligible course described in this subsection, he or she shall designate whether the course is for high school or postsecondary credit, or both, and shall notify both his or her high school and the eligible postsecondary institution of that designation. An eligible student taking more than one eligible course described in this subsection under this act may make different credit designations under this subsection for different courses.

(4) An eligible student shall not audit a postsecondary course in which he or she is enrolled under this act.

(5) A school district shall grant academic credit to an eligible student enrolled in an eligible course for high school credit under this act if he or she successfully completes the course, as determined by the eligible postsecondary institution. The amount of high school credit granted by a school district for a postsecondary course completed under this act shall be determined by the school district.

(6) The high school credits granted to an eligible student under this act shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and high school credits granted shall be included in the eligible student's high school record. Subject to 20 USC 1232g, commonly referred to as the family educational rights and privacy act of 1974, an eligible postsecondary institution shall provide the school district with a copy of the eligible student's grade in each course taken for high school credit under this act. Upon the request of an eligible student, his or her high school record and transcript shall also include evidence of successful completion and postsecondary credits granted for a course taken for postsecondary credit under this act. In either case, the eligible student's high school record and transcript shall indicate that the credits were earned at an eligible postsecondary institution and identify the postsecondary institution.

(7) If a student enrolls in an eligible postsecondary institution after leaving high school, the eligible postsecondary institution, in accordance with institutional policy, shall award postsecondary credit for postsecondary courses successfully completed by that student for high school credit under this act at that eligible postsecondary institution. An eligible postsecondary institution shall not charge a student for credit awarded under this subsection.


388.518 Enrollment without tuition or fee support.

Sec. 8. This act does not restrict the ability of an eligible student or any other pupil to enroll in any postsecondary institution without tuition and fee support under this act.
Sec. 9. (1) Each school district or state approved nonpublic school shall provide information to all high school students on the postsecondary enrollment options under this act, including enrollment eligibility; the institutions and types of courses that are eligible for participation; the decision making process for granting academic credits; an explanation of eligible charges that will be paid by the school district or department of treasury, as applicable, and of financial arrangements for eligible charges and for paying costs not paid for by the school district or department of treasury; eligibility for payment of all or part of eligible charges by the school district or department of treasury, as applicable, under this act; an explanation that, if the student qualifies for payment of all or part of eligible charges by the school district or department of treasury under this act, the school district or department of treasury, as applicable, will pay that support directly to the eligible postsecondary institution upon being billed by the eligible postsecondary institution and that the student is not responsible for that payment but is responsible for payment of costs not paid for under this act; available support services; the need to arrange an appropriate schedule; consequences of failing or not completing a postsecondary course in which the eligible student enrolls, including the possibility of being required to repay the school district or department of treasury, as applicable, for money paid on behalf of the eligible student; the effect of enrolling in a postsecondary course on the eligible student's ability to complete the required high school graduation requirements; and the academic and social responsibilities that must be assumed by the eligible student and his or her parent or guardian.

(2) To the extent possible, a school district or state approved nonpublic school shall provide counseling services to an eligible student and his or her parent or guardian before the eligible student enrolls in postsecondary courses under this act to ensure that the eligible student and his or her parent or guardian are fully aware of the benefits, risks, and possible consequences of enrolling in a postsecondary course. The person providing the counseling shall encourage the eligible student and his or her parent or guardian to also use available counseling services at the eligible postsecondary institutions before the quarter or semester of enrollment to ensure that anticipated plans are appropriate. A school district or state approved nonpublic school may provide the counseling required under this section in a group meeting if additional personalized counseling is also made available.

(3) Before enrolling in an eligible course at an eligible postsecondary institution under this act, an eligible student and his or her parent or guardian shall file with the eligible postsecondary institution a signed form provided by the eligible student's school district or state approved nonpublic school stating that the student is an eligible student and has received the information and counseling specified in subsections (1) and (2) and that the student understands the responsibilities that must be assumed in enrolling in the course. Upon request, the department shall provide technical assistance to a school district or state approved nonpublic school and to an eligible postsecondary institution in developing appropriate forms and counseling guidelines for purposes of this section.


Sec. 10. By March 1 of each year, a school district or state approved nonpublic school shall provide general information about the postsecondary enrollment options under this act to all pupils in grade 8 or higher.


Sec. 11. (1) Each intermediate school district annually shall collect from each of its constituent school districts and provide to the department at the same time that it submits the annual comprehensive financial report required under section 18 of the state school aid act of 1979, 1979 PA 94, MCL 388.1618, information for the immediately preceding school year on all of the following:

(a) The amount of money expended by the school district for payments required under this act.

(b) The number of eligible students who were enrolled in the school district and the number of those eligible students who enrolled in 1 or more postsecondary courses and received payment of all or part of eligible charges under this act, both in the aggregate and by grade level.

(c) The percentage of the school district’s enrollment represented by the eligible students described in subdivision (b), both in the aggregate and by grade level.

(d) The total number of postsecondary courses for which the school district made payment under this act, the number of those courses for which postsecondary credit was granted, the number of those courses for
which high school credit was granted, and the number of those courses that were not completed by the eligible student.

(2) Each eligible postsecondary institution shall annually report to the department, in the form and manner prescribed by the department, all of the following information:
   (a) The number of eligible students who enrolled in the eligible postsecondary institution under this act during the preceding academic year.
   (b) The total number of eligible courses completed by eligible students under this act at the eligible postsecondary institution during the preceding academic year.
   (c) The number of eligible courses under subdivision (b) for which the eligible postsecondary institution granted postsecondary credit to the eligible student.
   (d) The number of eligible courses under subdivision (b) for which the eligible postsecondary institution declined to grant postsecondary credit to the eligible student.

(3) Not later than March 1 of each year, the department shall prepare and submit to the house and senate fiscal agencies and the department of technology, management, and budget a summary annual report on the information received under this section.


388.522 Rules.
   Sec. 12. (1) The department may promulgate rules it considers necessary to implement this act. Rules shall be promulgated under the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

   (2) If the Michigan supreme court rules that sections 45 and 46 of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.245 and 24.246 of the Michigan Compiled Laws, are unconstitutional and a statute requiring legislative review of administrative rules is not enacted within 90 days after the Michigan supreme court ruling, the department may not promulgate rules under this section.


Compiler's note: In separate opinions, the Michigan Supreme Court held that Section 45(8), (9), (10), and (12) and the second sentence of Section 46(1) (“An agency shall not file a rule ... until at least 10 days after the date of the certificate of approval by the committee or after the legislature adopts a concurrent resolution approving the rule.”) of the Administrative Procedures Act of 1969, in providing for the Legislature's reservation of authority to approve or disapprove rules proposed by executive branch agencies, did not comply with the enactment and presentment requirements of Const 1963, Art 4, and violated the separation of powers provision of Const 1963, Art 3, and, therefore, were unconstitutional. These specified portions were declared to be severable with the remaining portions remaining effective. Blank v Department of Corrections, 462 Mich 103 (2000).


Compiler's note: The repealed section pertained to effective date and repeal of act.

388.524 Conditional effective date.
   Sec. 14. This act shall not take effect unless all of the following bills of the 88th Legislature are enacted into law:
   (a) House Bill No. 4640.
   (b) House Bill No. 4642.

ADULT EDUCATION
Act 18 of 1946 (1st Ex. Sess.)

AN ACT to authorize counties to provide a program of adult education; to provide personnel and equipment; to require approval of the superintendent of public instruction; and to authorize county appropriations therefor.


The People of the State of Michigan enact:

388.531 Program of adult education by counties.
Sec. 1. The county board of supervisors, through the office of the county commissioner of schools, may establish a program of adult education and may employ the necessary teachers and other personnel, and may purchase such equipment and instructional supplies as shall be required to provide an adequate program for the education of adults residing within the county: Provided, That the board of supervisors of any county proposing to establish such a program shall first furnish evidence concerning local or county needs for adult education satisfactory to the superintendent of public instruction.


Compiler's note: For transfer of powers and duties of superintendent of public instruction to administer adult education services to the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

388.532 Instructors; training, approval.
Sec. 2. All persons appointed as instructors or employed in any other capacity in the program established under this act shall have special training for such work. The proposed program and the qualifications of the personnel shall be approved by the superintendent of public instruction upon the basis of such reports and other information as he shall require.


Compiler's note: For transfer of powers and duties of superintendent of public instruction to administer adult education services to the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

388.533 Budget.
Sec. 3. Any county board of supervisors operating a program under this act shall include in its annual budget a sufficient sum to operate the program.

PRIVATE, DENOMINATIONAL, AND PAROCHIAL SCHOOLS
Act 302 of 1921

AN ACT to provide for the supervision of private, denominational and parochial schools; to provide the manner of securing funds in payment of the expense of such supervision; to provide the qualifications of the teachers in such schools; and to provide for the endorsement of the provisions hereof.


The People of the State of Michigan enact:

388.551 Private, denominational, and parochial schools; supervision by superintendent of public instruction; assistants; compensation; removal; intent of act.

Sec. 1. The superintendent of public instruction has supervision of all the private, denominational, and parochial schools of this state in such matters and manner as provided in this act. The superintendent of public instruction shall employ assistants and employees as may be necessary to comply with the provisions of this act. The number of assistants and employees is subject to the approval of the state administrative board. The salaries and expenses shall be paid by the state treasurer from the fund designated in this act at the time and in the manner as other state officers and employees are paid. The superintendent of public instruction may remove any appointee under this act at any time that the superintendent of public instruction considers advisable. It is the intent of this act that the sanitary conditions of the schools subject to this act, the courses of study in those schools, and the qualifications of the teachers in those schools shall be of the same standard as provided by the general school laws of this state.


Constitutionality: Requiring all teachers in the state to be certified is not unconstitutional. Sheridan Road Baptist Church v Department of Education, 426 Mich 462; 396 NW2d 373 (1986).

388.552 Private, denominational or parochial schools; definition.

Sec. 2. A private, denominational or parochial school within the meaning of this act shall be any school other than a public school giving instruction to children below the age of 16 years, in the first 8 grades as provided for the public schools of the state, such school not being under the exclusive supervision and control of the officials having charge of the public schools of the state.


388.553 Private, denominational and parochial schools; teachers, qualifications, examinations.

Sec. 3. No person shall teach or give instruction in any of the regular or elementary grade studies in any private, denominational or parochial school within this state who does not hold a certificate such as would qualify him or her to teach in like grades of the public schools of the state: Provided, however, That any person who shall have taught in any elementary school or schools of the standard specified in this act for a period of 10 years or more preceding the passage of this act, shall, upon filing proof of service with the superintendent of public instruction, be entitled to a certificate by said superintendent of public instruction in such form as he shall prescribe, to teach in any of the said schools within the state: Provided further, That teaching in such schools shall be equivalent to teaching in the public schools for all purposes in obtaining a certificate: Provided further, That the teachers affected by this act may take any examination as now provided by law and that the superintendent of public instruction may direct such other examinations at such time and place as he may see fit. In all such examinations 2 sets of questions shall be prepared in subjects ordinarily written on Saturday, 1 of which sets shall be available for use on Wednesday by applicants who observe Saturday as their Sabbath: Provided further, That any certificate issued under or by virtue of this act shall be valid in any county in this state for the purpose of teaching in the schools operated under this act: Provided further, That any person holding a certificate issued by the authorities of any recognized or accredited normal school, college or university of this or other state shall be entitled to certification as now provided by law: Provided, however, That teachers employed in such private, denominational or parochial schools when this act takes effect shall have until September first, 1925, to obtain a legal certificate as herein provided.


Constitutionality: Michigan Supreme Court held that the “teacher certification requirement [for home schools] is an unconstitutional violation of the Free Exercise Clause of the First Amendment as applied to families whose religious convictions prohibit the use of certified instructors.” People v DeJonge, 442 Mich 266; 501 NW2d 127 (1993).
388.554 Violation of act; hearing, closing of school, compulsory attendance.

Sec. 4. In event of any violation of this act the superintendent of public instruction shall serve the person, persons, corporation, association or other agencies who operate, maintain and conduct a private, denominational or parochial school within the meaning of this act with a notice, time and place of hearing, such hearing to take place within 15 days after the date of said notice and at a place located in or conveniently near the county where such violation took place, accompanied by a copy of the complaint stating the substance of said violation: Provided, That no person shall be called to attend any such hearing on any day observed by him as the Sabbath. If at such hearing the superintendent of public instruction shall find that the violation complained of has been established he shall then serve said person, persons, corporation, association or other agencies with an order to comply with the requirements of this act found to have been violated within a reasonable time not to exceed 60 days from the date of such order: Provided, That in the event that such order refers to sanitary conditions that the said person, persons, corporation, association or other agencies shall have 6 months in which to remedy the defect. If the order of the superintendent of public instruction as specified in said notice shall not have been obeyed within the time specified herein said superintendent of public instruction may close said school and prohibit the said person, persons, corporation, association or other agencies operating or maintaining such private, denominational or parochial school from maintaining said school or from exercising any of the functions hereunder until said order of the superintendent of public instruction has been complied with. The children attending a private, denominational or parochial school refusing to comply with the requirements hereof after proceedings herein set forth shall be compelled to attend the public schools or approved private, denominational or parochial school under the provisions of the compulsory education act, the same being Act No. 200 of the Public Acts of 1905, as amended. And it shall be the duty of the person or persons having charge of the enforcement of the said compulsory education act, upon notice from the superintendent of public instruction that said private, denominational or parochial school has not complied with the provisions hereof, to compel the attendance of the children of said school or schools at the public schools or approved private, denominational or parochial school.

Compiler's note: Act 200 of 1905, referred to in this section, was repealed by Act 319 of 1927.

388.555 School investigation and examination; failure to permit, cause for suspension.

Sec. 5. The superintendent of public instruction by himself, his assistants, or any duly authorized agent, shall have authority at any time to investigate and examine into the conditions of any school operating under this act as to the matters hereinbefore set forth and it shall be the duty of such school to admit such superintendent, his assistants or authorized agents and to submit for examination its sanitary condition, the records of enrollment of pupils, its courses of studies as set forth in section 1 of this act and the qualifications of its teachers. Any refusal to comply with provisions herein on the part of such school or teacher shall be considered sufficient cause to suspend the operation of said school after proceedings taken as stated in section 4 of this act.


388.557 Construction of act.

Sec. 7. Nothing in this act contained shall be construed so as to permit any parochial, denominational, or private school to participate in the distribution of the primary school fund.


388.558 Schools for handicapped children; standards of instruction.

Sec. 8. Any private, denominational or parochial school which maintains classes for the instruction of children below the age of 16 years who are physically or mentally handicapped or who are socially maladjusted shall be required to meet the standards prescribed for instruction of handicapped children in the public schools under the provisions of section 2 of chapter 19 of part 2 of Act No. 319 of the Public Acts of 1927, as amended, in addition to standards required of private, denominational and parochial schools under sections 1 and 3 of this act.

Compiler's note: Act 319 of 1927, referred to in this section, was repealed by Act 269 of 1955.

SCHOOL AID
Act 312 of 1957


SCHOOL AID
Act 230 of 1964

AN ACT to provide for the study and development of plans for the reorganization of school districts and for elections to accomplish same; to provide for the creation of state and intermediate reorganization committees; to prescribe their powers and duties; to provide for hearings and elections on reorganization plans; and to prescribe the powers and duties of the superintendent of public instruction.


The People of the State of Michigan enact:

388.681 Reorganization of school districts; definitions.
Sec. 1. As used in this act:
(a) “Reorganization of school districts” means the formation of new school districts, the alteration of boundaries of established school districts, and the dissolution or disorganization of established school districts through or by means of any one or combination of the methods as set forth in this act.
(b) “State committee” means the state committee for the reorganization of school districts created in this act.
(c) “Intermediate committee” means the committee for the reorganization of school districts created in this act.
(d) “Plan of reorganization” means a concrete proposal for readjustment and realignment of the boundaries of school districts within an intermediate school district area.
(e) “Non-high school district” means a school district presently operating less than a kindergarten through twelfth grade program.


388.682 State committee for reorganization of school districts; appointments, distribution; vacancies, compensation.
Sec. 2. There is created, for the term of time necessary to complete the requirements of this act, a state committee for the reorganization of school districts, appointed by the governor, and composed of 7 members, at least 1 of whom shall represent the Upper Peninsula, 1 the area above the Bay City-Muskegon line, and 5 shall be appointed in such manner as to represent fairly the remainder of the state. The superintendent of public instruction shall be the nonvoting chairman of the committee. Vacancies shall be filled by appointment of the governor. Members of the state committee shall serve without compensation. The members of the committee shall be appointed within 60 days after the effective date of this act.


388.683 State committee for reorganization of school districts; organization; election of vice-chairperson and secretary; vice-chairperson acting as chairperson; records of meetings; preparation and distribution of materials; availability of records and other writings to public; meetings; quorum; conducting business at public meeting; notice of meeting.
Sec. 3. (1) By November 26, 1964, the state committee shall organize by electing a vice-chairperson and a secretary. The vice-chairperson shall act as chairperson at the request of the superintendent of public instruction. The secretary shall keep the records of official committee meetings and prepare and distribute materials as requested by the state committee. The records and any other writing prepared, owned, used, in the possession of, or retained by the committee in the performance of an official function shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.
(2) A meeting of the committee shall be held upon the call of the chairperson or 3 members of the committee. Five members, which may include the superintendent of public instruction, constitute a quorum. The business which the committee may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.


***** 388.684 THIS SECTION IS SUBJECT TO CONDITIONAL EXPIRATION: See 388.693 *****

388.684 School district reorganization program; surveys, approval of proposals, reports.

Sec. 4. The state committee shall:
(a) Within 12 months after the effective date of this act, develop policies, principles and procedures for a statewide school district reorganization program planned so that all areas may become part of a school district operating or designed to operate at least 12 grades. In no case can an intermediate district committee plan be submitted under this act which would require the merger of 2 or more school districts of the third class or higher. There shall be created no less than 500 school districts operating 12 grades.
(b) Direct area surveys and develop a manual of procedure to be printed and distributed to all intermediate district superintendents of schools.
(c) Perform either by itself or by its authorized representative any or all of the duties required by this act to be performed by the intermediate school district superintendent, the intermediate district board of education, the intermediate district committee, or the probate judge or judges, in case of failure by any or all of them to perform these duties.
(d) Review and approve or reject intermediate district plans within 60 days after receipt of plans from the intermediate district committees.
(e) Report to each intermediate district the acceptance or rejection of the proposed plans with recommendations for changes.
(f) Present a progress report on reorganization under this act to the state legislature on or before March 1 of each year.


***** 388.685 THIS SECTION IS SUBJECT TO CONDITIONAL EXPIRATION: See 388.693 *****

388.685 Intermediate district committee for reorganization of school districts; membership, election, vacancies, organization.

Sec. 5. (1) A committee shall be organized in each intermediate district in the state to be known as the intermediate district committee for the reorganization of school districts. The intermediate district superintendent of schools shall be nonvoting chairman of the intermediate district committee, and he shall preside over all meetings of the intermediate district committee. The intermediate district committee shall complete the requirements of this act and comply with the requests made by the state committee.

There shall be 18 members on the intermediate district committee each of whom shall be a registered resident elector. In intermediate districts containing no district operating 12 grades or more and in intermediate districts containing no non-high school districts the committee shall consist of 13 members.

(2) Members of the intermediate district committee shall be chosen as follows:
(a) The intermediate board of education shall appoint 3 of its members to serve on the committee.
(b) The intermediate district superintendent of schools, by notice sent by mail, shall call a meeting of the boards of education of all school districts operating a program of 12 grades or more in the intermediate district. The meeting shall be held at some convenient place within the intermediate district within 60 days after the effective date of this act. The intermediate district superintendent shall act as chairman of this meeting, and the board members shall elect by ballot 5 persons to serve on the intermediate district committee not more than 2 of whom shall be from any one constituent district, unless there are fewer districts than there are positions to fill. The 5 persons receiving the highest number of votes shall be declared elected. No person may be elected to or serve on the committee who is an employee of any constituent school district or of the intermediate school district. The chairman shall appoint 3 or more tellers to conduct the election and to canvass the vote. Whenever not more than 2 of the 5 members fail to serve on the committee, the remaining members shall fill the vacancy from the same constituent district in which the vacancy occurs. Whenever 3 or more vacancies occur at the same time, the vacancies shall be filled in the same manner as the original committee members were elected.
(c) The intermediate district superintendent of schools, by notice sent by mail, shall call a meeting of the boards of education of all school districts operating less than a twelve-grade program in the intermediate district. The meeting shall be held at some convenient place within the intermediate district within 60 days after the effective date of this act. The intermediate district superintendent shall act as chairman of this meeting, and the board members shall elect by ballot 5 persons to serve on the intermediate district committee not more than 2 of whom shall be from any one constituent district, unless there are fewer districts than there are positions to be filled. The 5 persons receiving the highest number of votes shall be declared elected. No person may be elected to or serve on the committee who is an employee of any constituent school district or of the intermediate school district. The chairman shall appoint 3 or more tellers to conduct the election and to canvass the vote. Whenever not more than 2 of the 5 members fail to serve on the committee, the remaining members shall fill the vacancy from the same constituent district in which the vacancy occurs. Whenever 3 or more vacancies occur at the same time, the vacancies shall be filled in the same manner as the original committee members were elected.

(d) The intermediate district superintendent of schools, by notice sent by letter, shall notify the probate judge of the area, who, within 60 days after the effective date of this act, shall appoint 5 members to the committee fairly representing all areas of the intermediate district. The qualifications of these members shall be the same as those of the other members of the committee. The probate judge shall fill all vacancies that may occur among his appointees. In any intermediate district where there are 2 or more probate judges the judges acting jointly shall make the appointments.

(3) Organization of the intermediate district committee shall be completed in each district within 6 months after the effective date of this act. If an intermediate district committee has not been organized within 6 months, the state committee shall appoint the members within 60 days thereafter. In which event the same limitations shall apply as provided in this section.


***** 388.686 THIS SECTION IS SUBJECT TO CONDITIONAL EXPIRATION: See 388.693 *****

388.686 Intermediate district reorganization committee; meetings, records, district reorganization plan, hearings, approval, revision, dissolution of committee.

Sec. 6. Each intermediate district committee shall elect a secretary who shall keep the minutes and records of all official meetings. Meetings shall be held upon the call of the chairman or any 3 members of the committee. A majority of the committee shall constitute a quorum. The intermediate district committee shall follow the procedure guide provided by the state committee and prepare a district reorganization plan, which shall be submitted to the state committee for its approval or disapproval. The plan shall provide for the reorganization of school districts within the intermediate district so that all areas of the district may become a part of a school district operating or designed to operate at least 12 grades. The intermediate district committee shall hold at least 1 public hearing regarding the plan but may hold as many more as it deems necessary. Hearings shall be advertised by publication at least once in a newspaper of general circulation in the districts 10 days or more before the scheduled hearing. The intermediate district plan for reorganization shall be submitted to the state committee for its consideration within 9 months after receiving the manual of procedure from the state committee. If the intermediate district plan is approved by the state committee, the plan shall be submitted to the electors as provided in section 7 of this act. If an intermediate district plan is rejected by the state committee, a revised plan shall be submitted by the intermediate district committee within 90 days after receipt of the rejection of the original plan. If the revised plan is not accepted by the state committee, the state committee shall submit a plan for the reorganization of the school districts in the intermediate school district and the intermediate committee shall also submit a plan for the reorganization of the school districts in the intermediate school district. The intermediate school district board shall submit both plans to the electors of the intermediate school district and the plan receiving the larger number of votes shall be submitted to the qualified electors of the intermediate school district in accordance with the requirements of method 2 provided in section 7 of this act. Following this election, the intermediate committee shall be dissolved and the requirements of this act shall have been met and no further plans shall be re-submitted for 5 years by either the state committee or the intermediate district. The intermediate district committee shall also be dissolved on completion and acceptance of the plan by the state committee and the vote or votes on the plan by the electors of the proposed school district.


***** 388.687 THIS SECTION IS SUBJECT TO CONDITIONAL EXPIRATION: See 388.693 *****
Optional election methods for adoption of reorganization plans; conduct.

Sec. 7. Not less than 90 days nor more than 6 months following approval of an intermediate district plan as provided in section 6 of this act elections shall be held according to one of 2 methods. The intermediate district committee shall determine which election method shall be used.

Method 1. The entire area encompassed by the intermediate district plan shall vote as a unit on the question: “Shall the approved reorganization plan for the ............ intermediate district be adopted?

Yes ( )
No ( )

If a majority of the qualified electors present and voting approve the plan it shall be declared adopted and shall become effective throughout the area on the date of the election if the election is held after April 30 but before September 1. The effective date shall be July 1 following if the election is held after August 31 but before May 1.

Method 2. The proposed districts provided for in the approved plan shall vote by proposed districts on the question: “Shall the approved reorganization plan for a proposed local district ........... within the intermediate district of ......... be adopted?

Yes ( )
No ( )

If a majority of the qualified electors present and voting in a proposed district approve the plan for that proposed district it shall be declared adopted and shall become effective throughout the proposed district on the date of the election if the election is held after April 30 but before September 1. The effective date shall be July 1 following if the election is held after August 31 but before May 1.

If election method number 1 is adopted by the intermediate district committee and if the question voted on fails to obtain an affirmative majority, then another election using method number 2 shall be held not less than 90 days nor more than 6 months after the date of the first election. The results of this election using method number 2 shall be final and the requirements of this act shall have been met.

If the intermediate district plan provides that the boundaries of an existing school district shall remain the same such district shall not participate in an election held under either method number 1 or method number 2.

If the election is held under method number 1, the plan to be voted on shall not cause an existing school district to be divided between 2 intermediate districts but property transfers may be made later according to the provisions of chapter 5, part 2 of the school code. The plan may provide for division of districts within an intermediate district.

If and when voting method number 2 is used, the plan shall not cause an existing school district to be divided between 2 proposed local districts within the intermediate unit but property transfers may be made later according to chapter 5, part 2 of the school code.

No property transfers shall be made after the approval of the intermediate district plan by the state committee until after the elections provided for in this section have been held.

The question of assumption of bonded indebtedness shall not be included in any election held under the provisions of this act but the provisions of sections 412 and 413 of the school code regarding assumption of debt shall apply.

The qualifications of electors shall be the same as now provided in the statutes for votes on consolidation and annexation and the provisions of the general election laws shall apply.

The board of education of the intermediate school district shall conduct the election or elections provided for in this section according to the general election laws and according to chapters 7 and 8 of part 2 of the school code.


388.688 Classification of districts formed.

Sec. 8. Districts formed under the provisions of this act shall be classified as second, third or fourth class districts depending upon the school census as provided for in chapters 3, 4 and 5, part 1 of the school code.


388.689 Consolidation, annexation or division of districts.

Sec. 9. After the effective date of this act, the superintendent of public instruction, when requested to approve a consolidation, annexation or division of a district, shall give careful consideration to the progress of
the implementation of the requirements of this act.


\textbf{388.690 School aid; apportionment.}

Sec. 10. School districts formed under the provisions of this act shall be entitled to and receive financial aid from the state in the manner provided by legislative appropriation for school aid purposes except that the apportionments of state aid due any school district formed under this act in the 2 fiscal years next following reorganization shall not be less than the aggregate of state aid which would have been due proportionately to the component districts prior to the reorganization. It shall be the duty of the superintendent of public instruction in making apportionments of state aid to adjust the amount of state aid due each such school district accordingly.


\textbf{388.691 Board of education of newly-formed district.}

Sec. 11. Where the proposed district involves expansion of the boundaries of an existing twelve-grade district by addition of non-twelve-grade territory the board of education of the twelve-grade district shall continue as the board of the enlarged district.

Where the proposed district involves the merger of 2 or more twelve-grade districts with or without the addition of non-twelve-grade territory, or where the proposed district involves merger of non-twelve-grade districts into a new twelve-grade district a board of education fairly representing all areas of the new district shall be appointed by the intermediate district board to serve until a new board is elected as provided in section 410 of the school code.


\textbf{388.692 Board of education of district losing identity; records, property.}

Sec. 12. The boards of education of any district which lose identity shall turn over their books, records, funds and property to the new board within 10 days after the effective date of the reorganization. If any existing district is divided, the intermediate district board, or boards, shall specify the division of assets and liabilities.


\textbf{388.693 Final report; expiration of act.}

Sec. 13. The state commission shall make a final report to the state legislature on or before September 1, 1968, and this act shall expire on the date of filing the final report.


\textbf{THIRD CLASS SCHOOL DISTRICTS; BOUNDARIES}

\textbf{Act 254 of 1945}

REORGANIZATION OF SCHOOL DISTRICTS
Act 239 of 1967

AN ACT to provide recognition of a state of emergency in certain school districts in the state; to provide for continuance of the state committee on reorganization of school districts; and to provide certain powers and duties of the state board of education in connection therewith.


The People of the State of Michigan enact:

388.711 Reorganization of school districts; determination of emergency.
Sec. 1. The state committee for the reorganization of school districts, created by Act No. 289 of the Public Acts of 1964, being sections 388.681 to 388.693 of the Compiled Laws of 1948 shall determine the existence of an emergency warranting immediate reorganization within any primary school district or school district of the fourth class not reorganized under the provisions of Act No. 289 of the Public Acts of 1964.


388.712 Emergency school district; reorganization; applicability; determination of emergency.
Sec. 2. This act applies only to school districts lying wholly in, or the major part of the territory of which lies wholly in, a county having a population of more than 1,000,000. The board of education or 5% of the school electors, but not less than 5 electors in a primary school district or less than 25 electors in a school district of the fourth class, of any primary school district or school district of the fourth class not reorganized under the provisions of Act No. 289 of the Public Acts of 1964, may petition the state board of education to determine if an emergency warranting immediate reorganization exists within the district.


388.713 Determination of emergency; hearing.
Sec. 3. Upon receipt of the petition, the state committee shall conduct, or cause to be conducted, an impartial study to determine if an emergency exists. Within 20 days following publication of the results of the study, a member of the state committee, or the secretary designated by the committee, shall hold a hearing in the district. Notice of the time and place of the hearing shall be given the voters of the district and the superintendent of the intermediate school district to which the district is constituent.


388.714 Reorganization committee; findings, contents.
Sec. 4. Within 20 days following receipt of a transcript of the hearing, the state committee shall make a finding relative to the existence of a condition or conditions warranting immediate reorganization of the district. The finding shall include consideration of the adequacy of the district to provide the following:
(a) An educational program meeting standards established by the state department of education or by accrediting agencies.
(b) A physical plant which can contain an acceptable school program.
(c) Transportation for students.
(d) Necessary tax base.
(e) Pupil services, administrative and teaching staff, and auxiliary services in compliance with rules prescribed by the department of education.


388.715 Need for immediate reorganization; report and recommendations.
Sec. 5. Upon a finding by the state committee that conditions in a school district warrant immediate reorganization, the state committee shall transmit its report with recommendations to the state board of education.


388.716 State committee report and recommendations; publication; filing of objections and recommendations; determination of state board.
Sec. 6. The state board of education shall publish the report and recommendations of the state committee and shall invite objections or comments to be filed with it within 20 days following publication of the report.
The state board then shall consider the report of the state committee, together with the comments and objections filed, and make a determination as to endorsement of the finding of the state committee.


### 388.717 Attachment of territory by annexation; effective date; finality; conclusiveness.

Sec. 7. The state board of education, upon the finding that an emergency warrants immediate reorganization of a school district, shall attach the district by annexation or division to such other district or districts as will provide the most equitable educational opportunity for all of the students of the reorganized district and shall determine the effective date of attachment. Action of the state board of education shall be final. For the 4 fiscal years immediately subsequent to the annexation, the receiving district may elect to compute and receive state aid for that portion of the district annexed based upon the per pupil state equalized valuation of the annexed portion.


### 388.718 Reorganized school district; bonded indebtedness, levy of taxes.

Sec. 8. If a district attached under the provisions of this act at the time of reorganization, has a bonded indebtedness incurred after December 8, 1932, its identity shall not be lost and its territory shall remain as an assessing unit for purposes of such bonded indebtedness until the indebtedness has been retired or the outstanding bonds refunded by the reorganized district. The board of the reorganized district, or the board of the district which has succeeded to the largest share of the state equalized valuation of the attached district, shall constitute the board of trustees for the original district having bonded indebtedness and the officers of the reorganized or successor district shall be the officers for the original district. The board of the reorganized or successor district shall certify and order the levy of taxes for the bonded indebtedness in the name of the original district, shall not commingle the debt retirement funds of the original district with funds of the reorganized or successor district and shall do all things relative to such bonded indebtedness required by law and by the terms under which the issue and sale of the bonds were originally authorized. All other tax levies for purposes of the reorganized district shall be spread over the entire area of the reorganized district.


### 388.719 Reorganized school district; assumption of bonded indebtedness of original school district; effect; certification, levy of taxes; election.

Sec. 9. Any time after 3 years following reorganization, the reorganized district, or that district which has succeeded to the largest share of the attached district's state equalized valuation, may assume the obligation of the bonded indebtedness incurred after December 8, 1932, of the original district which has become a part of the reorganization and pay the same from the proceeds of a debt retirement tax levy spread uniformly over the territory of the reorganized or successor district whenever the electors of the reorganized or successor district shall have approved an increase in the limitation on taxes for that purpose and the school tax electors of the district have approved the assumption of such bonded indebtedness. Assumption of the bonded indebtedness of an original school district shall not release the territory of the original district from the final responsibility of paying the obligation or rescind the increase in the limitation on taxes pledged to the bond issue or available to it in the original district, nor be construed as so doing. When the bonded indebtedness of an original district has been so assumed, the board of the reorganized or successor district shall certify and order the levy of taxes for the bonded indebtedness equivalent in terms of money to those required by the terms under which the indebtedness was originally incurred and carry out all provisions of the original bond contract. The election to assume the bonded indebtedness of an attached district may be held at any time after 3 years following the effective date of reorganization when a proposal is placed before the school tax electors to increase the bonded indebtedness of the combined district.


### 388.720 Petitions for emergency reorganization; intermediate district superintendent to furnish; form; who may sign; circulation signatures.

Sec. 10. The intermediate district superintendent upon request shall furnish any school district with petitions. The petitions shall be printed or duplicated and the first page shall be in the following form:

**Petition no. ................ consisting of ............... pages.**

(Signed) .................................................................

Superintendent of intermediate district of ........................

To the state committee on reorganization of school districts,
Lansing, Michigan.

We, the undersigned, qualified (here insert "registered" in the case of a registration district) electors of..................

(name of school district)
declare that in the following school district there does exist an emergency calling for immediate reorganization, and we do call upon the state board of education to reorganize the district:

Name of school district to be reorganized to be listed here.

Signatures of petitioners
Name                   Address              Date of signing

Each additional page of any such petition shall have at or near the top of the page the following:

Official petition
No. ........       Page no. ......
Signature of intermediate district superintendent...........

Each page shall have printed or duplicated the following statement below the space for signature for petitioners:

The undersigned certifies that he is a qualified (here insert "registered" in the case of a registration district) elector of

(name of school district)

and that each signature appearing on this page is the genuine signature of the person signing the same and that to his best knowledge and belief each such person was at the time of signing a qualified (here insert "registered" in the case of a registration district) elector of the school district.

Dated this ..........day of.........................19......

Each petition shall be signed by the intermediate district superintendent as indicated in the foregoing form before being issued to any person for circulation.

Only qualified school electors of the districts in which signatures to the petitions are being sought shall circulate such petitions and the statement appearing below the signatures of petitioners shall be dated or signed on each page before returning to the state committee.


388.720a State committee on reorganization of school districts; continuation.

Sec. 10a. The state committee on reorganization of school districts shall continue in existence for purposes of this act, notwithstanding any expiration date otherwise provided by law.


Compiler's note: The repealed section pertained to termination of school aid act July 1, 1968.
FEDERAL GRANTS TO SCHOOLS
Act 16 of 1942 (1st Ex. Sess.)

AN ACT to designate the superintendent of public instruction as the state agency to apply to and receive from the federal government, or any agency thereof, grants in aid of the public schools of this state and educational activities in this state; and to provide for the disbursement thereof.


The People of the State of Michigan enact:

388.801 Federal grants to schools; superintendent of public instruction, sole agent to administer and receive.
Sec. 1. Whenever the federal government or any agency thereof shall provide grants of general federal aid for the use and benefit of the public schools of the state, the superintendent of public instruction is hereby designated as the sole state agency to apply to and receive from the federal government, or any agency thereof, such grants which may now or hereafter be available to the state of Michigan or any school district therein. Provided, however, That funds made available through the provisions of Act No. 149 of the Public Acts of 1919, and Act No. 211 of the Public Acts of 1921 are excepted: Provided further, That the superintendent of public instruction shall enter into no agreement with any agency of the federal government whereby any such agency shall directly or indirectly control the administration of the state public schools or the courses of study therein.


Compiler's note: Act 211 of 1921, referred to in this section, was repealed by Act 232 of 1964.

388.802 Superintendent of public instruction; powers and duties.
Sec. 2. To these ends and purposes the superintendent of public instruction is authorized, directed and empowered:
(a) To originate the documentary data prerequisite to the disbursement of all funds made available at any time by the federal government to the state of Michigan for said purposes in accordance with existing and usual procedures covering disbursements from the state treasury.
(b) To adopt, carry out and administer a plan or plans for any such purposes not contrary to or inconsistent with the laws of this state. Such plan or plans so adopted shall be made statewide in application insofar as reasonably feasible, possible or permissible, and shall be so devised as to meet the approval of the federal government, or any of its agencies.


388.803 Deposit and disbursement of funds received.
Sec. 3. A grant or grants received by this state from the federal government under this act shall be paid in to the state treasurer. Disbursement of the funds from the state treasury shall be by warrant of the state treasurer.


388.804 Other acts inapplicable to educational grants.
Sec. 4. Section 1 of Act No. 145 of the Public Acts of 1901 and an act of the Public Acts of the First Extra Session of 1942, entitled “An act to authorize the acceptance of federal equipment, supplies, materials and funds,” shall not apply to grants described in section 1 hereof.


Compiler's note: For provisions of section 1 of Act 145 of 1901, referred to in this section, see MCL 21.161. The act of 1942, 1st Ex. Sess., referred to in this section, was repealed by Act 124 of 1960.

388.805 Grants for vocational education and rehabilitation.
Sec. 5. All funds made available to the state by federal appropriations for the purpose and operation of vocational education and vocational rehabilitation, including vocational training for defense workers, shall be received and administered by the state board of control for vocational education.


Compiler's note: For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.
EMERGENCY FINANCIAL ASSISTANCE FOR CERTAIN SCHOOL DISTRICTS
Act 26 of 1982


NATIONAL FOREST SCHOOL AND HIGHWAY AID
Act 37 of 1933

FARM-TO-SCHOOL PROCUREMENT ACT  
Act 315 of 2008

AN ACT to provide for the coordination and development of certain farm-to-school procurement processes and procedures; to provide for procedures and recommendations for certain farm product producers to access school-related food programs; to provide for certain powers and duties for the departments of education and agriculture; and to provide for the dissemination of certain information to schools and farm product producers.


The People of the State of Michigan enact:

388.841 Short title.  
Sec. 1. This act shall be known and may be cited as the "farm-to-school procurement act".


388.842 Definitions.  
Sec. 2. As used in this act:
(a) "Farm product" means that term as defined in section 2 of the Michigan right to farm act, 1981 PA 93, MCL 286.472.
(b) "MDA" means the Michigan department of agriculture.
(c) "MDE" means the Michigan department of education.


388.843 Memorandum of understanding; execution between MDE and MDA; duties.  
Sec. 3. (1) The MDE and the MDA shall collaborate and cooperate by means of a memorandum of understanding executed between the departments in order to implement the provisions of this act.
(2) As part of the collaboration, the MDE shall do the following:
(a) Investigate the potential of various procurement procedures and tools for school food authorities to purchase local farm products and abide by federal regulations, including, but not limited to, the small purchase threshold and multiple or line-item awards to farmers, processors, and suppliers within larger food contracts.
(b) Educate food service directors on the small purchase threshold and other procurement procedures and tools and promote their use for farm-to-school initiatives.
(c) Implement food preparation training for food service staff to accommodate sourcing fresh and local foods.
(d) Encourage school food service directors to include local farmers, processors, and suppliers when taking bids for farm products that fall under the small purchase threshold.
(e) Encourage all new school construction projects to consider kitchen facilities capable of producing fresh and healthy school meals and opportunities for hands-on learning.
(3) As part of the collaboration, the MDA shall do the following:
(a) House a farm-to-school point person to coordinate efforts between MDA, MDE, and the Michigan department of community health, who would be responsible for identifying local farmers, processors, and suppliers and work with MDE to make that information available to school food service directors and for creating and disseminating information on the school food procurement process to help farmers, processors, and suppliers learn more about the process.
(b) Identify, target, and promote job creation around farm-to-school initiatives.
(c) In cooperation with commodity groups and growers associations, utilize existing web-based market development tools or adopt a voluntary web-based directory of farmers searchable by location. The directory should be updated and consistently maintained and usable by anyone interested in locating farmers and Michigan farm products.
(d) Investigate opportunities for farmers to supply their products to commercial distributors.


388.844 Funds from federal, state, or private sources.  
Sec. 4. The MDE and the MDA may accept funds from any federal, state, or private source to implement this act.

CONSTRUCTION OF SCHOOL BUILDINGS
Act 306 of 1937

AN ACT to promote the safety, welfare, and educational interests of the people of the state of Michigan by regulating the construction, reconstruction, and remodeling of certain public or private school buildings or additions to such buildings, by regulating the construction, reconstruction, and remodeling of buildings leased or acquired for school purposes, and to define the class of buildings affected by this act; to prescribe the powers and duties of certain state agencies and officials; to prescribe penalties for the violation of this act; and to repeal acts and parts of acts.


The People of the State of Michigan enact:

388.851 School buildings; construction requirements; rules; "department" defined.

Sec. 1. (1) Except as provided in subsection (2), a school building, public or private, or any additions to a school building, shall not be erected, remodeled, or reconstructed in this state unless all of the following requirements are met:

(a) All plans and specifications for buildings shall be prepared by an architect or professional engineer who is licensed in this state. An architect or professional engineer licensed in this state or another person qualified to supervise construction shall supervise the construction of a school building. For energy conservation improvements and services under section 1274a of the revised school code, 1976 PA 451, MCL 380.1274a, the licensed architect or professional engineer may be directly affiliated with the qualified provider, as defined under that section, that is providing the applicable improvements and services. However, the specifications for the project shall be generic in character and, to the extent possible, shall not include proprietary equipment or technology developed by the qualified provider or in which the qualified provider has an interest.

(b) All walls, floors, partitions, and roofs shall be constructed of fire-resisting materials such as stone, brick, tile, concrete, gypsum, steel, or similar fire-resisting material. All steel members shall be protected by at least 3/4 of an inch of fire-resisting material.

(c) Wood lath or wood furring shall not be used in the construction. This requirement does not prohibit the use of finished wood flooring, wood door and window frames, wood sash, or wood furring and grounds, for the purpose of installing wood trim, panelling, acoustical units, or similar facing materials on masonry walls, structural steel, or concrete ceiling members.

(d) Every room enclosing a heating unit shall be enclosed by walls of fire-resisting materials and shall be equipped with automatically closing fire doors. A heating unit shall not be located directly beneath any portion of a school building or addition that is constructed or reconstructed after January 1, 2003. This requirement does not require the removal of an existing heating plant from beneath an existing building when an addition to the building is constructed unless the department requires that removal in the interests of the public safety. In any school where natural gas or any other kind of gas is used for heating purposes, the gas shall be chemically treated before being used in such a manner as to give a very distinguishable odor if a leak develops in the heating system.

(e) In a gymnasium, fire-proofings may be omitted from the trusses and purlins if they are more than 16 feet off the main floor level.

(f) The architect or engineer shall provide adequate exits from all parts of a school building. In all cases, there shall be at least 2 stairways and the distance from the door of any class or assembly room to a stairway or exit shall not exceed 100 feet.

(g) A requirement in subdivisions (b) to (f) may be waived in writing by the department.

(h) Compliance with section 1b.

(2) The director of the department shall promulgate rules that establish standards and requirements for the relocation and reuse of used modular classrooms. The rules shall require an inspection of a relocated used modular classroom at its original location, at its new location, or at any location where repairs are made to the used modular classroom.

(3) As used in this section, "department" means the department of labor and economic growth.


Compiler's note: For transfer of powers and duties of state fire marshal to department of labor and economic growth, bureau of rendered Tuesday, August 13, 2019 Michigan Compiled Laws Complete Through PA 47 of 2019 © Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov
388.851a Construction of school buildings; definitions.
Sec. 1a. Words and phrases used in this act shall be defined as follows:
(a) “School buildings” shall include all buildings used for school purposes.
(b) “Remodeling” shall mean the alteration, construction or remodeling of partitions, hallways, stairways and means of egress, the replacement, relocation or reconstruction of heating, ventilating and sanitary equipment.
(c) “Addition” shall mean added space which results in additional cubic contents to existing building.
(d) “Total cost” shall be interpreted to mean the monetary worth of the building when ready for occupancy, regardless of the source of funds, labor or material and shall include the cost of general construction, plumbing, heating and ventilation, electrical work, all fixed equipment, together with the cost of architects, engineers and building superintending services.
(e) A building having a basement shall be considered to be a 2 story building for the purposes of this act.


Compiler's note: For transfer of powers and duties of state fire marshal to department of labor and economic growth, bureau of construction codes and fire safety, by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

388.851b School building; administration and enforcement of act; inspection; methods; plan reviews; delegation of responsibilities; certificate of approval under fire prevention code; scope of act; definitions.
Sec. 1b. (1) Except as otherwise provided in this act, the department is responsible for the administration and enforcement of this act and the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531, in each school building in this state.
(2) Except as provided in subsection (5), a school building covered by bond issues that were approved by the department of treasury after July 1, 2003 shall not be constructed, remodeled, or reconstructed in this state until written approval of the plans and specifications is obtained from the department indicating that the school building will be designed and constructed in conformance with the code. This subsection does not apply to any school building for which construction is covered by bond issues that were approved by the department of treasury before July 1, 2003.
(3) Responsibility for inspections of school buildings shall be determined by 1 of the following methods:
(a) By an independent third party designated in the contract governing the construction, remodeling, or reconstruction of a school building. The independent third party shall be responsible for all inspections required to insure compliance with the code. The school authority shall verify that the independent third party named is knowledgeable about construction practices and codes and is otherwise qualified to conduct the inspections. The name of the independent third party to be responsible for conducting inspections shall be submitted to the department with the plans and specifications required by subsection (2). If the department determines that the independent third party is not qualified to conduct the inspections or is not an independent third party, it shall disapprove of the designation and notify the school authority. All inspection reports prepared by the person designated by the school authority under this subdivision shall be sent to the department upon completion of the inspection. The department may return the report for further work if there are questions relating to the scope of the inspection or whether the construction, remodeling, or reconstruction meets the requirements of the code.
(b) If a designation of an independent third party is not made as required under subdivision (a), the inspections required to insure compliance with the code will be performed by the department or as provided under subsection (5).
(4) Except as provided in subsection (5), the department shall perform for school buildings all plan reviews within 60 days from the date the plans are filed or considered approved and inspections within 5 business days as required by the code and shall be the enforcing agency for this act.
(5) The department shall delegate the responsibility for the administration and enforcement of this act to the applicable agency if both the school board and the governing body of the governmental subdivision have annually certified to the department, in a manner prescribed by the department, that full-time code officials, inspectors, and plan reviewers who are registered under article 10 of the skilled trades regulation act, MCL 339.6001 to 339.6023, will conduct plan reviews and inspections of school buildings.
(6) This section does not affect the responsibilities of the bureau of fire services under the fire prevention code, 1941 PA 207, MCL 29.1 to 29.33. The bureau of construction codes and the bureau of fire services in the department shall jointly develop procedures to use the plans and specifications submitted in carrying out the requirements of this act and the fire prevention code, 1941 PA 207, MCL 29.1 to 29.33. A certificate of
occupancy shall not be issued by the appropriate code enforcement agency until a certificate of approval is issued under the fire prevention code, 1941 PA 207, MCL 29.1 to 29.33.

(7) This section applies to construction, remodeling, or reconstruction of school buildings that are covered by bond issues that were approved by the department of treasury after July 1, 2003. Construction, remodeling, or reconstruction of school buildings that are covered by bond issues approved before July 1, 2003 shall submit the plans and specifications to the department for approval under section 1. The department shall not grant approval until it has received the certification described in section 3 relative to fire safety and from the appropriate health department relative to water supply, sanitation, and food handling.

(8) As used in this section:
(a) "Code" means the state construction code provided for in the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.
(b) "Construction" means that term as defined in section 2a of the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1502a.
(c) "Department" means the department of licensing and regulatory affairs.

Compiler's note: For transfer of powers and duties of state fire marshal to department of labor and economic growth, bureau of construction codes and fire safety, by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

388.852 School building; architect or engineer; responsibilities; violation; penalty.
Sec. 2. (1) The licensed architect or engineer preparing the plans and specifications of a school building is responsible for assuring that the design documents provide for a structure with sufficient structural strength and fire resistance and that the building will meet all applicable codes, standards, and regulations.

(2) The person supervising the construction of a school building is responsible for the construction of the school building in conformance with the approved plans and specifications prepared by the licensed architect or engineer.

(3) A person that violates this section is subject to all of the following:
(a) A state civil infraction punishable by a civil fine of not more than $10,000.00.
(b) If the person knowingly violated this section, a misdemeanor punishable by a fine of not more than $10,000.00 or imprisonment for not more than 180 days, or both.

Compiler's note: For transfer of powers and duties of state fire marshal to department of labor and economic growth, bureau of construction codes and fire safety, by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

388.853 Inspection by bureau of fire services; notice; exception.
Sec. 3. (1) Except as provided in subsection (2), the bureau of fire services created in section 1b of the fire prevention code, 1941 PA 207, MCL 29.1b, shall inspect a school building to determine whether its construction complies with this act. The bureau of fire services shall inspect each building at least twice during construction, once to inspect the framework of the building before plastering and once on the completion of the building. The person supervising construction of the school building shall notify the bureau of fire services when the building is ready for inspection. In making an inspection under this subsection, the bureau of fire services has the powers set forth in the fire prevention code, 1941 PA 207, MCL 29.1 to 29.34.

(2) The bureau of fire services is not required to inspect or make a determination of fire safety in an existing school building in relation to operation, maintenance, remodeling, or repairs, or to inspect a school building to determine whether its construction complies with this act, if the school building is located in a municipality where both the school board and the governing body of the municipality have certified to the superintendent of public instruction, in a manner prescribed by the superintendent, that the fire safety inspections and fire safety measures for the schools located in the municipality are provided for by a municipal code or ordinance administered and enforced by a full-time fire prevention and safety department, division, or bureau maintained by the municipality and are satisfactory to both the school board and the governing body. Either the school board or the governing body may rescind the certification. A certification under this subsection shall not be submitted to or accepted by the superintendent of public instruction unless the municipality has received from the bureau of fire services written attestation that the municipality has an ordinance or code for fire protection in schools equal to the minimum state requirements and has a full-time fire prevention inspection service with a qualified program of school plan review and inspection. The state fire safety board shall hear and decide an appeal from a decision made under this section as a contested case under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. After a hearing, the
board, acting in accordance with its statutory authority and provisions, may vary the application of any school fire safety rule or may modify the ruling or interpretation of the municipal enforcing authority if the board decides that the enforcement would do manifest injustice and would be contrary to the public interest. A decision of the board to vary the application of any fire safety rule, or to modify or change a ruling of the municipal enforcing authority, shall specify in what manner the variation, modification, or change is made, the conditions upon which it is made, and the reasons for the variation, modification, or change.


**Compiler's note:** For transfer of powers and duties of the fire marshal division programs relating to plan review and construction inspections of schools, colleges, universities, school dormitories, as well as adult foster care, correctional, and health care facilities, from the department of state police to the department of consumer and industry services, see E.R.O. No. 1997-2, compiled at MCL 29.451 of the Michigan Compiled Laws.

For transfer of powers and duties of state fire marshal to department of labor and economic growth, bureau of construction codes and fire safety, by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

### 388.854 Violation of act; penalty; injunction proceedings.

Sec. 4. The license or registration of an architect or engineer convicted of violating this act shall be revoked. A school officer, member of a school board, or other person who neglects or refuses to do or perform any act required by this act, or who violates or knowingly permits or consents to any violation of this act, is guilty of a misdemeanor punishable by a fine of not more than $500.00 or imprisonment for not more than 3 months, or both. Any violation of this act may be enjoined in an action brought by the bureau of fire services created in section 1b of the fire prevention code, 1941 PA 207, MCL 29.1b, in the circuit court for the county in which the school buildings are or will be situated.


**Compiler's note:** For transfer of powers and duties of state fire marshal to department of labor and economic growth, bureau of construction codes and fire safety, by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

### 388.855a Applicability of act; exemptions.

Sec. 5a. (1) Except as provided in this section, this act does not apply to 1-story school buildings, to 1-story additions to school buildings, or to the construction, reconstruction, or remodeling of a school building if the total cost of construction, reconstruction, or remodeling is less than $15,000.00.

(2) Section 1(a) applies to the construction of all school buildings and additions to school buildings regardless of the number of stories of the buildings or additions if the total cost of construction exceeds $15,000.00.

(3) Section 1(d) applies to the construction of all school buildings and additions to school buildings of 1 or more stories regardless of the cost of construction.

(4) This act applies to the reconstruction of a school building destroyed or partially destroyed by fire, windstorm, or other catastrophe if more than 50% of the entire building is destroyed. The bureau of fire services created in section 1b of the fire prevention code, 1941 PA 207, MCL 29.1b, acting jointly with the superintendent of public instruction, may require that the damaged portion or the remaining portion of the building, or both, be remodeled or reconstructed in accordance with this act.

(5) This act applies to the remodeling of existing school buildings and other buildings to be used for school purposes.

(6) An existing building or part of an existing building, regardless of the number of stories or the cost to the school district of the building, that has not been used as a school building shall not be used as a school building unless it is approved by the superintendent of public instruction and the bureau of fire services.

(7) If the construction, reconstruction, or remodeling of a school building costs less than $15,000.00, it is not necessary to employ a registered architect or engineer, but the plans for the building shall be submitted to the bureau of fire services and to the superintendent of public instruction or the superintendent's authorized agent for criticism, suggestions, and approval.


**Compiler's note:** For transfer of powers and duties of state fire marshal to department of labor and economic growth, bureau of construction codes and fire safety, by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.
ASBESTOS IN EDUCATIONAL FACILITIES
Act 51 of 1993

AN ACT to regulate levels of asbestos and asbestos-containing material in educational facilities; and to designate conditions under which response actions may be conducted.


The People of the State of Michigan enact:

388.861 Definitions.
Sec. 1. As used in this act:
(a) “Asbestos” means a group of naturally occurring minerals that separate into fibers, including chrysotile, amosite, crocidolite, asbestiform anthophyllite, asbestiform tremolite, and asbestiform actinolite.
(b) “Asbestos-containing material” means any material or product containing more than 1% asbestos.
(c) “Cost” means the discounted present value of all anticipated future expenditures associated with a course of action in an area where asbestos removal is being considered.
(d) “Educational facility” means a building owned, leased, or under the control of a public or nonpublic school or school system containing any of grades K-12.
(e) “Friable”, when referring to asbestos-containing material, means material that can, by hand pressure, be crumbled, pulverized, or reduced to powder when dry.
(f) “Operations and maintenance plan” means a program of work practices designed to maintain asbestos or friable asbestos-containing material in good condition to ensure the cleanup of asbestos or friable asbestos-containing material previously released and to prevent the further release of asbestos or asbestos-containing material by minimizing and controlling the damage or disturbance of asbestos or asbestos-containing material.
(g) “Removal” means the taking out or stripping of asbestos or asbestos-containing material from an existing structure.


388.862 Measurement of asbestos levels; methods.
Sec. 2. (1) The measurement of asbestos levels shall be made by either or both of the following methods:
(a) Optical phase contrast microscopy in the manner described in the measurement protocol provided by the United States occupational safety and health administration in 29 C.F.R. part 1910.
(b) Transmission electron microscopy (TEM) in the manner described in the nonmandatory TEM protocol in appendix A to subpart E of part 763 of title 40 of the Code of Federal Regulations, counting only fibers longer than 5 microns.
(2) If the results of a laboratory analysis of air samples obtained using optical phase contrast microscopy as described in subsection (1)(a) indicate that asbestos levels exceed .01 fibers per cubic centimeter, air samples shall be recollected and analyzed using an electron microscope pursuant to subsection (1)(b), and the results of the laboratory analysis of air samples obtained using transmission electron microscopy control.
(3) If both methods are used and a question arises as to the presence of fibers that may not be asbestos, a measurement made by transmission electron microscopy controls.


388.863 Implementation of operations and maintenance plans; compliance.
Sec. 3. Educational facilities shall comply with the standards contained in title II of the toxic substances control act, Public Law 94-469, 15 U.S.C. 2641 to 2656, regarding the implementation of operations and maintenance plans for educational facilities found to contain asbestos or asbestos-containing material.


388.864 Removal; circumstances.
Sec. 4. Asbestos or asbestos-containing material shall not be removed from an educational facility unless 1 or more of the following circumstances exist:
(b) The removal is required under title II of the toxic substances control act, Public Law 94-469, 15 U.S.C. 2641 to 2656.
(c) The exposure level of asbestos fibers in an educational facility exceeds .01 fibers longer than 5 microns.
per cubic centimeter of air calculated as an 8-hour time weighted average during periods of normal building occupancy as determined by the testing methods described in section 2.


(e) Removal of the material is incidental to normal maintenance or repair.


**CONSTRUCTION OF SCHOOL BUILDINGS**

*Act 223 of 1941*


**EDUCATIONAL PROGRAMS FOR MENTALLY HANDICAPPED CHILDREN**

*Act 214 of 1949*

STATE LOANS TO SCHOOL DISTRICTS
Act 74 of 1955

AN ACT to authorize and provide for the issuance and sale of bonds of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; and to provide for use of moneys repaid to the state by school districts.


The People of the State of Michigan enact:

388.921 School loan bonds or notes; issuance, redemption, execution, interest, sale.

Sec. 1. The people of the state of Michigan by constitutional amendments having authorized the state to borrow not to exceed $100,000,000.00, pledge its faith and credit and issue its bonds or notes therefor, for the purpose of making loans to school districts for the payment of principal and interest on school bonds heretofore or hereafter issued on certain conditions, the state administrative board is hereby authorized and directed to borrow on the full faith and credit of the state, from time to time, moneys not to exceed said aggregate sum, and to issue serial bonds of the state therefor. The amount to be borrowed from time to time shall not be less than such amount as shall be certified in writing by the superintendent of public instruction as being in his opinion necessary to provide funds for such loans to school districts over the next ensuing 2 calendar years. Such bonds shall be designated school loan bonds, and may be issued in series from time to time as moneys are needed for such school loan purposes, with different dates of issuance for each such series, and the state administrative board may from time to time determine and by resolution prescribe, the date of issue of each such series, the amount of bonds to be included in such series, the maturities of such bonds so included, the maximum rate or rates of interest on the bonds, the place or places of payment thereof, and provisions relative to registration of bonds, if any. Such bonds or any portion thereof may be made subject to redemption prior to maturity upon such terms as may be prescribed prior to the issuance of the bonds by resolution of said state administrative board. Said bonds shall be executed for and on behalf of the state of Michigan by the state treasurer and the secretary of state, or their deputies, and the seal of the state shall be affixed thereto by the secretary of state. Interest coupons evidencing accrued interest to the respective dates of maturity of said bonds shall bear the facsimile signature of the state treasurer. The bonds herein authorized to be issued shall be sold by the state administrative board, at not less than par and accrued interest. Such sale or sales shall be public sales held from time to time at the discretion of the said state administrative board, after notice by publication at least 5 days before each such sale, in a publication printed in the English language and circulated in the state of Michigan which carries as part of its regular service, notices of sale of municipal bonds. The bonds so sold at each such sale shall be awarded to the bidder whose bid in the opinion of said state administrative board would result in the lowest interest cost to the state. The state administrative board shall have the right to reject any or all bids.


388.922 School loan bonds or notes; deposit of proceeds.

Sec. 2. The proceeds of sale of the bonds or notes shall be deposited in the state treasury, and shall constitute a fund to be known as “the school bond loan fund”, hereby created in the state treasury as a special trust fund, and shall be paid out in no other manner or for any other purpose than provided in section 27 of article 10 of the constitution of Michigan and laws enacted pursuant thereto.


Compiler’s note: In this section, “section 27 of article 10 of the constitution” refers to the Constitution of 1908. See now Const. 1963, Art. IX, § 16.

388.923 School loan bonds or notes; continuing appropriation for payment.

Sec. 3. For the prompt payment of the principal and interest upon each bond or note issued under this act, the full faith and credit of the state are pledged, and there is hereby appropriated each year during the life of these bonds or notes, from the general fund, a sufficient amount to pay the principal and interest on said bonds or notes maturing each year.
388.924 School loans; repayment, reimbursement.

Sec. 4. Any moneys repaid by school districts on loans made from the school bond loan fund shall first be used to pay principal and interest on outstanding bonds or notes issued under the provisions of this act, and shall next be used to reimburse the general fund of the state to the extent of any appropriations made therefor for the administration of acts pursuant to section 27 of article 10 of the state constitution. Any moneys remaining after the satisfaction of these 2 priorities may be deposited in the state bond loan fund and used for the purpose for which such fund is established, but the aggregate of all loans made pursuant to said section 27 of article 10 and laws enacted pursuant thereto shall not exceed $100,000,000.00.


Compiler's note: In this section, “section 27 of article 10 of the state constitution” refers to the Constitution of 1908. See now Const. 1963, Art. IX, § 16.

388.925 School loans; notes; interest; maximum.

Sec. 5. As an alternative method of providing funds for the purpose of making loans to school districts for the payment of principal and interest on school bonds heretofore or hereafter issued on certain conditions, the state administrative board is hereby authorized and empowered on behalf of the state of Michigan to borrow from time to time upon the full faith and credit of this state, such sums of money as may be necessary therefor. As evidence of such loan or loans, the state administrative board may by resolution direct and cause to be issued serial notes of the state of Michigan and to renew the same. Such notes, or any renewals thereof, shall be made redeemable at the option of the state administrative board upon any interest payment date. They shall bear interest at such a rate as may be approved by the state administrative board and shall be in the form approved by the state administrative board. The notes shall be executed for and on behalf of the state of Michigan by the state treasurer and the secretary of state: Provided, That the total of such notes outstanding at any one time shall not exceed the sum of $1,000,000.00.

AN ACT to provide for loans by the state of Michigan to school districts for the payment of principal and interest upon school bonds; to prescribe the terms and conditions thereof, and the conditions upon which levies for bond principal and interest shall be included in computing the amount to be so loaned by the state; to prescribe the duties of the superintendent of public instruction in relation to such loans; to provide for the repayment of such loans; and to provide for other matters in respect to such loans.


388.931 Purpose of act.

Sec. 1. This act is for the purpose of implementing section 27 of article 10 of the Michigan constitution, adopted by the electors of the state at the election held on the fourth day of April, 1955, hereinafter referred to as section 27.


Compiler’s note: In this section, “section 27 of article 10 of the Michigan constitution” refers to the Constitution of 1908. See now Const. 1963, Art. IX, § 16.


388.932 State loans to school districts; basis; limitations.

Sec. 2. If the minimum amount necessary to be levied in any calendar year for the payment of principal and interest on the bonds of a school district issued prior to July 1, 1962, after deducting any funds pledged to and available for the payment thereof, shall exceed 13 mills on each dollar of its assessed valuation as last equalized by the state, then the state of Michigan shall loan such school district the amount of such excess, but all loans so made shall not exceed in the aggregate the sum of $100,000,000.00 and shall be subject to the terms and conditions prescribed in this act.


388.933 State loans to school districts; qualification of bonds by superintendent of public instruction.

Sec. 3. The principal and interest on any issue of school district bonds issued prior to May 4, 1955, shall be automatically included in computing the amount to be loaned by the state under said section 27 and this act, but the principal and interest on any issue of school district bonds issued on or after May 4, 1955, shall not be included in making such computation, unless the said bonds have been qualified therefor by the superintendent of public instruction, which bonds, including both those automatically qualified and those qualified by the superintendent of public instruction, are sometimes hereinafter referred to as “qualified bonds”. No issue of bonds shall be qualified by the superintendent of public instruction unless he shall find as follows, to wit:

1. That the last maturity date on such issue of bonds is not less than 25 years from the issuance date appearing thereon and that the yearly principal maturity date is not less than 6 months after the major part of the taxes therefor become by law a lien upon the property assessed.

2. That the amount of principal maturing in any calendar year is not less than two-thirds of the amount of principal maturing in any prior calendar year.

3. That the cost of the project for which the bonds are to be issued is within such reasonable standards of costs as shall have been established by the state board of education, which standards may vary as to different localities in accordance with any variance in construction costs as between such localities.

4. That the project is designed to provide classrooms and furnishings, with the facilities necessarily connected therewith, including site, and is adequate for that purpose. A classroom is a room primarily used for teaching courses of study. Without limiting the foregoing, swimming pools, athletic fields and athletic stadiums shall not be deemed to be classrooms or primarily used for teaching courses of study. In addition, gymnasiums and auditoriums shall not be deemed to be classrooms except in those cases in which the school district provides adequate proof that the gymnasium and/or auditorium is necessary and will be used primarily.
for regularly scheduled instructional purposes.

5. That there exists a need for the project based upon current and probable future enrollment.

6. That there is reasonable evidence that the project will not hinder school district reorganization in the area in the foreseeable future.

7. That the project shall be for the purpose of construction of 6 or more classrooms, unless the superintendent of public instruction shall determine and certify that circumstances of location, or topography, or transportation, or population density are clearly such as to warrant construction of a school building or addition of a lesser number of classrooms.

Provided, That if any project shall exceed the above limitations as to cost and/or purpose, the bonds therefor may be qualified by the superintendent of public instruction to the extent of that percentage which represents the percentage of the project cost which is within such limitations. If the superintendent of public instruction shall find as aforesaid, then he shall issue his certificate setting forth such findings and certifying that the bonds, or such percentage thereof, are qualified under the terms of said section 27 and this act, and that the minimum amount necessary to be levied in any calendar year for principal and interest on the bonds or such portion as may be qualified after deducting any funds pledged to and available for the payment thereof, shall be included in computing the amount, if any, to be loaned by the state under said section 27 and this act. In the case of refunding bonds issued on or after May 4, 1955, to refund bonds issued prior to May 4, 1955, the superintendent of public instruction shall issue his certificate of qualification if he finds that such refunding bonds comply with the qualifications set forth in paragraphs numbered 1 and 2 of this section.

In the case of refunding bonds to refund obligations originally incurred on or after May 4, 1955, the superintendent of public instruction shall not issue his certificate of qualification therefor unless the bonds representing the original indebtedness had been qualified by him. All such certificates shall be kept in a permanent file in the office of the superintendent of public instruction, and copies thereof shall be delivered to the school district and to the office of the municipal finance commission. Application for such a certificate of qualification shall be made on forms prepared and supplied by the superintendent of public instruction. He shall prescribe reasonable rules and regulations in respect thereto. If prior to the issuance of bonds, the school district does not secure such certificate of qualification from the superintendent of public instruction, it shall be deemed to have waived the right to have such bonds so qualified.


388.934 State loans to school districts; procedure; receipts.

Sec. 4. In any school district where the amount necessary to be levied in any calendar year for principal and interest on qualified bonds, shall exceed 13 mills on each dollar of its assessed valuation as last equalized by the state, such school district on or before 60 days prior to the time the certification of its tax levy to the assessing officer, may file with the superintendent of public instruction a preliminary application for a loan from the state: Provided, That if the excess over 13 mills is reached or increased by reason of bonds voted within said 60 day period, an original or amended application shall be filed within said period. Such application shall set forth the amount of the last state equalized valuation of the school district, the amount of principal and interest on qualified bonds necessary to be levied upon the tax roll of such year, the amount of any moneys on hand pledged to and available for the payment of such principal and interest, the probable delinquency in tax collections at the times such principal and interest will become due, the estimated amount of the loan which will be required from the state and any other pertinent facts which may be required to be included therein by the superintendent of public instruction. The superintendent of public instruction shall examine said application as soon as possible and notify the school district of any erroneous statements or assumptions therein. If a loan from the state shall become necessary for the payment of such principal and interest, then the school district shall file a supplemental application with the superintendent of public instruction setting forth the amount of the tax collections to the date of said application, an estimate of probable collections prior to the time when such principal and interest will become due and the amount of the loan necessary from the state. Such supplemental application shall be made not less than 30 days prior to the time when the proceeds of the loan will be necessary in order to pay maturing principal and/or interest. Upon receipt of such supplemental application it shall be the duty of the superintendent of public instruction after auditing the same, to forward to the state treasurer a statement setting forth the amount to be loaned to the school district for the payment of principal and interest and the date on or before which such loan shall be made. He shall also prepare the proper voucher as a basis for the issuance of the necessary warrant in accordance with state accounting practices. Upon receipt of such statement and warrant, it shall be the duty of the state treasurer to loan to the school district from “the school bond loan fund” the amount set forth in the statement of the superintendent of public instruction on or before the date specified therein. The state treasurer
upon the making of said loan shall obtain from the school district a receipt for the amount so loaned, which
receipt shall specify the terms of repayment in accordance with the provisions of said section 27 and this act.
Upon receipt by any school district of such a loan it shall be the duty of the treasurer thereof to cause the same
to be deposited in the debt retirement fund and used solely for the payment of principal and interest on
qualified bonds.


388.935 State loans to school districts; repayment to state; interest.

Sec. 5. Any school district having received a loan from “the school bond loan fund” under the provisions
of this act, shall continue thereafter to levy on its tax rolls not less than 13 mills on each dollar of its assessed
valuation as last equalized by the state, exclusive of any levy for unqualified bonds, until all loans made to the
school district by the state are repaid with interest rates to be annually adjusted by the state administrative
board which shall represent the average interest cost to the state on the outstanding bonds issued under said
section 27 and any implementing act, computed to the nearest 1/8 of 1%. The superintendent of public
instruction shall annually certify to the several borrowing districts the rate of interest to be currently collected.
The proceeds of each such levy shall be used first, for the payment of the minimum principal and interest
requirements on the qualified bonds which shall become due prior to the time of the next tax collection, and
any balance shall be paid to the state until the principal and interest due the state shall have been paid.


388.936 State loans to school district; false statements, concealment; penalty.

Sec. 6. Any person who shall knowingly make any false statement or conceal any material information for
the purpose of obtaining a loan under the provisions of this act, or use the proceeds of a loan or any portion
thereof for any purpose not authorized by this act shall be guilty of a felony.


388.937 State loans to school district; levy; default, nondistribution of primary school
interest or school aid funds.

Sec. 7. In case any school district obtaining a loan pursuant to this act shall fail to levy at least 13 mills
upon its state equalized valuation for debt retirement purposes while any part of such loan is unpaid, or shall
default in its agreement to repay the loan or any installment thereof, no money shall be distributed to such
school district out of the primary school interest fund or out of the state school aid fund until satisfactory
arrangements have been made with the superintendent of public instruction for the payment of the amount in
default.


388.938 State loans to school districts; qualification fee; rules and regulations.

Sec. 8. Any school district applying for qualification of bonds, such bonds having been issued on or after
May 4, 1955, shall pay a fee for such qualification, which fee shall be used toward defraying the
administrative expenses in connection with this act. The fee shall be paid to the superintendent of public
instruction within 30 days after the moneys obtained through the sale of bonds so qualified have been
received by the treasurer of the board of education of the school district. The amount of the fee to be paid by
the school district shall be based upon the total amount of the bond issue included in the application for
qualification, and shall be determined by the superintendent of public instruction. The superintendent of
public instruction shall prescribe necessary rules and regulations, in accordance with Act No. 88 of the Public
Acts of 1943, as amended, being sections 24.71 to 24.82, inclusive, of the Compiled Laws of 1948, and
subject to Act No. 197 of the Public Acts of 1952, as amended, being sections 24.101 to 24.110, inclusive, of
the Compiled Laws of 1948. The amount of the fee to be charged to the school district may vary according to
the amount of the bond issue, except that in no case shall this amount be less than $100.00, and the total
amount to be charged to all school districts in any one fiscal year shall be approximately equal to the
estimated administrative expenses in connection with this act for the same fiscal year. Upon failure of any
school district to pay such qualification fee within the time specified, the superintendent of public instruction
is hereby authorized to withhold the amount of such fee from the payment of state school aid money next due
the district: Provided, That the provisions of this section shall not apply to any issue of school district bonds
qualified by the superintendent of public instruction prior to July 1, 1956.

Act 108 of 1961

STATE LOANS TO SCHOOL DISTRICTS
Act 112 of 1961

AN ACT to authorize and provide for the issuance, sale, and refunding of bonds, notes, or commercial paper of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; to provide for use of moneys repaid to the state by school districts; and to make an appropriation.


The People of the State of Michigan enact:

388.981 State loans to school districts; bonds, notes, or commercial paper.

Sec. 1. (1) The people of this state by virtue of the provisions of section 16 of article IX of the state constitution of 1963 having authorized the state to borrow from time to time such amounts as shall be required, pledge its faith and credit, and issue its notes or bonds for the purpose of making loans to school districts as provided in that constitutional provision and legislation enacted to implement that constitutional provision, the state administrative board is authorized and directed to borrow on the full faith and credit of the state from time to time such sums of money as may be necessary for these purposes, including such sums as may be necessary to reimburse funds advanced or loaned by this state or the Michigan finance authority to the school bond loan fund or the school loan revolving fund established under section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c, to make loans to school districts or to refund bonds, notes, or commercial paper issued under this act or to pay the principal of and interest on any notes or renewals of notes issued pursuant to the provisions of section 5 to provide temporary financing of sums used for the purpose of making loans to school districts. The amount to be borrowed from time to time shall be not less than an amount certified in writing by the state treasurer as being in his or her opinion necessary to provide funds for the purposes of this act.

(2) The bonds, notes, or commercial paper issued under this act shall be designated school loan bonds, notes, or commercial paper, respectively, and may be issued in series from time to time as money is needed for purposes of this act, with different dates of issuance for each series. The state administrative board may from time to time determine, and by resolution prescribe, the date of issue of each series, the amount of bonds, notes, or commercial paper to be included in each series, the maturities of the bonds, notes, or commercial paper so included, the maximum rate or rates of interest on the bonds, notes, or commercial paper, the dates of payment of interest, the place or places of payment of principal and interest, and provisions relative to registration of bonds, notes, or commercial paper, if any. The bonds, notes, or commercial paper, or any portion thereof, may be made subject to redemption before maturity upon such terms as may be prescribed before the issuance of the bonds, notes, or commercial paper by resolution of the state administrative board.

(3) The bonds, notes, or commercial paper issued under this act shall be executed for and on behalf of this state by the state treasurer or a deputy state treasurer, and a facsimile of the seal of the state treasurer shall be printed or impressed on or affixed to the bonds, notes, or commercial paper. Interest coupons, if any, evidencing accrued interest to the respective dates of maturity of the bonds, notes, or commercial paper shall bear the facsimile signature of the state treasurer.

(4) The bonds, notes, or commercial paper issued under this act shall be sold by the state administrative board at a price determined by or pursuant to a resolution of the state administrative board. The sales shall be public or private sales, as determined by the state administrative board.

(5) The state administrative board may authorize payment of the costs of issuance from the proceeds of the bonds, notes, or commercial paper issued under this act, including, but not limited to, fees for placement and fees and charges for insurance, letters of credit, purchase of sale agreements or commitments, or agreements to provide security to assure timely payment of the bonds, notes, or commercial paper.

(6) As used in this act, except for this subsection, "state treasurer“ means the state treasurer or his or her designee. This designation shall be in a written instrument signed by the state treasurer and maintained in a permanent file. The signature of any designee shall have the same force and effect as the signature of the state treasurer for all purposes of all other provisions of this act.

(7) As used in this act, "Michigan finance authority“ means the Michigan finance authority created under MCL 12.194.


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388.981a Issuance of bonds by state administrative board.
Sec. 1a. The state administrative board may issue bonds, notes, or commercial paper to refund bonds, notes, or commercial paper issued under this act by the issuance of new bonds, notes, or commercial paper, whether or not the bonds, notes, or commercial paper to be refunded have matured or are subject to prior redemption. The state administrative board may issue bonds, notes, or commercial paper partly to refund bonds, notes, or commercial paper issued under this act and partly for any other purpose provided by this act.


388.981b Security for payment or purchase of bonds, notes, or commercial paper; authorization and approval by state administrative board; authority of state treasurer or deputy treasurer.
Sec. 1b. (1) The state administrative board may authorize and approve insurance contracts; agreements for lines of credit; letters of credit; commitments to purchase bonds, notes, or commercial paper; and any other transaction to provide security to assure timely payment or purchase of any bonds, notes, or commercial paper issued under this act. The state administrative board may authorize and approve an interest rate exchange or swap, hedge, or similar agreement or agreements in connection with the issuance of bonds, notes, or commercial paper issued under this act or in connection with outstanding bonds, notes, or commercial paper, or other obligations or evidence of indebtedness of this state under this act.

(2) The state administrative board may authorize the state treasurer or a deputy treasurer, but only within limitations that are contained in the authorizing resolution of the state administrative board, to do 1 or more of the following:
   (a) Sell and deliver and receive payment for bonds, notes, or commercial paper issued under this act.
   (b) Deliver bonds, notes, or commercial paper partly to refund bonds, notes, or commercial paper and partly for other authorized purposes.
   (c) Select which outstanding bonds, notes, or commercial paper will be refunded, if any, by the new issue of bonds, notes, or commercial paper.
   (d) Buy bonds, notes, or commercial paper issued under this act.
   (e) Approve interest rates, if any, or methods for determining interest rates, including fixed or variable rates; prices; discounts; maturities; principal amounts; purchase prices; purchase dates; remarketing dates; denominations; dates of issuance; interest payment dates; redemption rights at the option of the state or the owner; the place and time of delivery and payment; and other matters and procedures necessary to complete the authorized transactions.
   (f) Execute, deliver, and pay the cost of remarketing agreements; insurance contracts; agreements for lines of credit; letters of credit; commitments to purchase bonds, notes, or commercial paper; and any other transaction to provide security to assure timely payments or purchase of any bonds, notes, or commercial paper issued under this act.
   (g) Determine the details of, execute, deliver, and pay the cost of any interest rate exchange or swap, hedge, or similar agreement or agreements.


388.981c Bonds and notes; revised municipal finance act inapplicable; agency financing reporting act applicable.
Sec. 1c. (1) Bonds and notes issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) The issuance of bonds or notes under this act is subject to the agency financing reporting act.


388.982 Sale of refunding bonds, notes, or commercial paper; disposition of proceeds; payment.
Sec. 2. The proceeds of sale of refunding bonds, notes, or commercial paper issued under this act shall be applied as determined by the state administrative board. The proceeds of sale of bonds, notes, or commercial paper issued under this act for the purpose of reimbursing this state or the Michigan finance authority shall be
applied as determined by the state administrative board. The proceeds of sale of other bonds, notes, or commercial paper issued under this act shall be deposited in the school loan revolving fund established under section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c, and shall be paid out in no other manner or for any other purpose than provided in section 16 of article IX of the state constitution of 1963 and laws enacted pursuant to that section.


### 388.983 Appropriation for payment of principal and interest on bonds or notes.

Sec. 3. (1) For the prompt payment of the principal and interest upon each bond or note issued under this act, the full faith and credit of the state are pledged, and there is appropriated each year during the life of these bonds or notes from the general fund a sufficient amount to pay the principal and interest on the bonds or notes maturing each year.

(2) For the 1990-91 state fiscal year only, there is appropriated from the general fund a sufficient amount to pay in full the principal and interest upon each of the bonds or notes issued under this act, including the defeasance of the principal and interest and any redemption premium on each bond or note that matures after September 30, 1991. However, the state treasurer shall expend money from this appropriation for the defeasance of the principal and interest and any redemption premium on a bond or note that matures after September 30, 1991 only to the extent the state administrative board provides by resolution for that defeasance to be made from this appropriation.

(3) Loan repayments deposited in the general fund pursuant to section 4 on the settlement date, as determined under section 9c of 1961 PA 108, MCL 388.959c, shall be used as follows:

(a) For fiscal year 2003-2004, an amount determined by the state treasurer to be equal to the difference between the outstanding amount of general obligation debt incurred pursuant to this act and the outstanding amount of loans under 1961 PA 108, MCL 388.951 to 388.963, immediately preceding the settlement date, as reduced in accordance with section 9c(1) of 1961 PA 108, MCL 388.959c, is appropriated to the state school aid fund. This appropriation shall be used to make state school aid payments to school districts within 90 days after the settlement date.

(b) For fiscal year 2003-2004, there is appropriated from the general fund to the state school aid fund an amount equal to the amount of all school bond loan fund repayments that are received by the state treasurer from June 1, 2003 through the settlement date, that are determined by the state treasurer not to have been paid from proceeds of bonds of the school district, and that represent the difference between the outstanding amount of general obligation debt incurred by this state under this act and the outstanding amount of loans under 1961 PA 108, MCL 388.951 to 388.963, at the time of repayment. This appropriation shall be used to make state school aid payments to school districts within 90 days after the settlement date.

(c) The state treasurer shall use the balance of the deposits, if any, within 90 days after the settlement date to pay or prepay outstanding general obligation debt incurred under this act.


### 388.984 Money repaid by school districts on loans from school loan revolving fund; deposit; assignment of loans or repayments on loans.

Sec. 4. Any money repaid by school districts on loans made from the school loan revolving fund established under section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c, other than loans or repayments that have been assigned to this state by the Michigan finance authority, shall be deposited in the school loan revolving fund. Unless amounts on deposit in the school loan revolving fund are insufficient for the purpose of making loans to school districts, the state treasurer may satisfy the requirements of section 16 of article IX of the state constitution of 1963 and laws enacted pursuant to that section by causing loans to be made from the school loan revolving fund. The state treasurer may assign repayments on loans previously made from the school bond loan fund before July 20, 2005 to require the deposit of proceeds of sale to the school loan revolving fund. The state treasurer may accept the assignment to this state of loans or repayments on loans made from or payable to the school loan revolving fund. The state treasurer may accept the assignment to this state of loans or repayments made from the school bond loan fund before July 20, 2005 to require the deposit of proceeds of sale to the school loan revolving fund.


### 388.985 State loans to school districts; notes.

Sec. 5. In addition to issuing bonds under section 1 for the purpose of making loans to school districts for
the payment of principal and interest on school bonds heretofore or hereafter issued as provided by section 16 of article 9 of the state constitution, and legislation enacted to implement the constitutional provision, the state administrative board is authorized and empowered on behalf of the state of Michigan to borrow on a temporary basis from time to time upon the full faith and credit of this state, such sums of money as may be necessary therefor, and as evidence of such loan or loans, the state administrative board may by resolution direct and cause to be issued notes of the state of Michigan and to renew the same. The notes or any renewals thereof shall mature not more than 5 years from the date thereof and may be made redeemable prior to maturity at the option of the state administrative board at such times and in such a manner as shall be determined by the state administrative board. They shall bear interest at such a rate as may be approved by the state administrative board and shall be in the form approved by the state administrative board. The notes shall be executed for and on behalf of the state by the state treasurer. The notes issued under the provisions of this section may be sold at either public or private sale as shall be determined by the state administrative board. The principal of any notes or renewals thereof heretofore or hereafter issued pursuant to the provisions of this section may be paid either upon maturity or prior redemption from the proceeds of the sale of bonds issued pursuant to the provisions of section 1 to provide long-term financing of sums used for the purpose of making loans to school districts.

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 1993-10

388.990 Transfer of powers and duties relating to school bond loan administration from the department of education to the department of treasury by a type II transfer.

WHEREAS, Article V, Section 2, of the Constitution of the State of Michigan of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units which he considers necessary for efficient administration; and

WHEREAS, it is necessary in the interests of efficient administration and effective government to effect changes in the organization of the Executive Branch of government; and

WHEREAS, the Department of Education performs administrative functions and receives fees from school districts for expenses related to the qualification of school bonds under Act No. 108 of the Public Acts of 1961, as amended, being Section 388.951 et seq. of the Michigan Compiled Laws; and

WHEREAS, the Department of Treasury is responsible for the School Bond Loan Fund established under Act No. 74 of the Public Acts of 1955, as amended, being Section 388.921 et seq. of the Michigan Compiled Laws, and Act No. 112 of the Public Acts of 1961, as amended, being Section 388.981 et seq. of the Michigan Compiled Laws, and continued under Article IX, Section 16 of the constitution of the State of Michigan of 1963; and

WHEREAS, the Department of Treasury is responsible for the School Loan Bond Redemption Fund established under Act No. 74 of the Public Acts of 1955, as amended, being Section 388.921 et seq. of the Michigan Compiled Laws, to account for debt service on general obligation bonds issued to finance loans to school districts; and

WHEREAS, state activities related to bond qualification and state borrowing functions for the provision of loans by the State of Michigan to school districts can be performed more efficiently by one agency; and

WHEREAS, the functions, duties and responsibilities related to school bonds can be more effectively organized and carried out under the supervision and direction of the State Treasurer as the head of the Department of Treasury.

NOW, THEREFORE, I, John Engler, Governor of the State of Michigan, pursuant to the powers vested in me by the Constitution of the State of Michigan of 1963 and the laws of the State of Michigan, do hereby order the following:

1. All authority, powers, duties, functions and responsibilities of the Department of Education under Act No. 108 of the Public Acts of 1961, as amended, being Section 388.951 et seq. of the Michigan Compiled Laws, Act No. 74 of the Public Acts of 1955, as amended, being Section 388.921 et seq. of the Michigan Compiled Laws, Act No. 112 of the Public Acts of 1961, as amended, being Section 388.981 et seq. of the Michigan Compiled Laws, and Act No. 151 of the Public Acts of 1955, as amended, being Section 388.931 et seq. of the Michigan Compiled Laws, are hereby transferred to the Department of Treasury by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

2. The State Treasurer shall provide executive direction and supervision for the implementation of the transfer. The assigned functions shall be administered under the direction and supervision of the State Treasurer.

3. The State Treasurer shall administer the assigned functions in such a way as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

4. All records, personnel, property, and unexpended balances of appropriations, allocations and other funds used, held, employed, available or to be made available to the Department of Education for the functions transferred to the Department of Treasury by this Order are hereby transferred to the Department of Treasury.

5. The State Treasurer and the Superintendent of Public Instruction shall immediately initiate coordination to facilitate the transfer and develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Department of Education.

6. All rules, orders, contracts and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended or repealed.

7. Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by this Order shall not abate by reason of the taking effect of this Order. Any suit, action or other proceeding may be maintained by, against or before the appropriate successor of any entity affected by this Order.

In fulfillment of the requirement of Article V, Section 2, of the Constitution of the State of Michigan of...
1963, the provisions of this Executive Order shall become effective January 1, 1994.


EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 1993-11

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 1993-12

388.992 Transfer of powers and duties relating to disability determination services from the department of education to the department of social services by a type II transfer.
WHEREAS, Article V, Section 2, of the Constitution of the State of Michigan of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units which he considers necessary for efficient administration; and
WHEREAS, it is necessary in the interests of efficient administration and effective government to effect changes in the organization of the Executive Branch of government; and
WHEREAS, Disability Determination Services was created pursuant to 42 USC 421, and 20 CFR, Section 404.1503(a), to make disability and blindness determinations for the United States Secretary of Health and Human Services pursuant to the federal Social Security Act of 1935, 42 USC 301 et seq.; and
WHEREAS, the Department of Education has administered the functions of Disability Determination Services; and
WHEREAS, the functions, duties and responsibilities assigned to Disability Determination Services can be more effectively organized and carried out under the supervision and direction of the Director of the Department of Social Services.
NOW, THEREFORE, I, John Engler, Governor of the State of Michigan, pursuant to the powers vested in me by the Constitution of the State of Michigan of 1963 and the laws of the State of Michigan, do hereby order the following:
1. All authority, powers, duties, functions and responsibilities of the Department of Education pursuant to 42 USC 421, and 20 CFR, Section 404.1503(a), are hereby transferred to the Department of Social Services by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.
2. The state agency referenced in 42 USC 421, and 20 CFR, Section 404.1503(a), shall be the Department of Social Services.
3. The Director of the Department of Social Services shall provide executive direction and supervision for the implementation of the transfer. The assigned functions shall be administered under the direction and supervision of the Director of the Department of Social Services.
4. The Director of the Department of Social Services shall administer the assigned functions in such a way as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.
5. All records, personnel, property, and unexpended balances of appropriations, allocations and other funds used, held, employed, available or to be made available to the Department of Education for the functions transferred to the Department of Social Services by this Order are hereby transferred to the Department of Social Services.
6. The Director of the Department of Social Services and the Superintendent of Public Instruction shall immediately initiate coordination to facilitate the transfer and develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Department of Education.
7. All rules, orders, contracts and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended or repealed.
8. Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by this Order shall not abate by reason of the taking effect of this Order. Any suit, action or other proceeding may be maintained by, against or before the appropriate successor of any entity affected by this Order.
In fulfillment of the requirement of Article V, Section 2, of the Constitution of the State of Michigan of 1963, the provisions of this Executive Order shall become effective January 1, 1994.

EXECUTIVE REORGANIZATION ORDER  
E.R.O. No. 1996-6

388.993 Transfer of administrative powers and duties of state board of education as administrative head of department of education to superintendent of public instruction by type II transfer; rescission of Executive Order No. 1965-9.

WHEREAS, Article 5, Section 2 of the Constitution of the State of Michigan of 1963 empowers the Governor to make changes in the organization of the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration; and

WHEREAS, pursuant to Article 8, Section 3 of the Michigan Constitution of 1963 the State Board of Education provides leadership and general supervision over public education, including adult education and instructional programs in state institutions, serves as the general planning and coordinating body for all public education, including higher education, and advises the legislature as to financial requests in connection therewith; and

WHEREAS, as explained in the Address to the People accompanying Article 8, Section 3, the State Board of Education was to provide its constitutional leadership by being a state level policy-making body which was to emphasize two fundamental principles: (1) the concern of all people in the educational processes as a safeguard for democracy, and (2) greater public participation in the operation of educational institutions; and

WHEREAS, the State Board of Education provides its constitutional general supervision by developing and creating general guidelines and standards by which public education is provided; and

WHEREAS, as reflected in the Address to the People accompanying Article 8, Section 3, the State Board of Education exercises its constitutional general planning and coordinating authority by being the unifying and coordinating force for education within the state, by receiving and considering information from all levels of public education, and by advising local school boards, governing boards of colleges and universities and the legislature as to the total needs of education in this state; and

WHEREAS, the Department of Education was created as an executive department of state government by section 300 of Act No. 380 of the Public Acts of 1965, being section 16.400 of the Michigan Compiled Laws; and

WHEREAS, Article 8, Section 3 of the Constitution of the State of Michigan of 1963 provides that the Superintendent of Public Instruction shall be the principal executive officer of the State Department of Education; and

WHEREAS, as reflected in the Address to the People accompanying Article VIII, Section 3 of the Constitution of the State of Michigan of 1963, Article VIII Section 3 intended for the Superintendent of Public Instruction to be the administrative head of the Department of Education; and

WHEREAS, Article 8, Section 3 of the Constitution of the State of Michigan of 1963, section 14 of Act No. 287 of the Public Acts of 1964, as amended, being section 388.1014 of the Michigan Compiled Laws, and section 305 of Act No. 380 of the Public Acts of 1965, as amended, being section 16.405 of the Michigan Compiled Laws, provide that the Superintendent of Public Instruction is the principal executive and administrative officer of the Department of Education; and

WHEREAS, Article 5, Section 3 of the Michigan Constitution of 1963 provides that the head of each principal department shall be a single executive unless otherwise provided by the constitution or by law; and

WHEREAS, it is in the interest of the efficient administration of government for an executive department to be headed by a single executive; and

WHEREAS, because staff reductions at the Department of Education resulting from implementation of the state early retirement program may equal 10% of the Department's total staff, it will be necessary for the Department to analyze its organizational structure and prioritize its functions, which may best be accomplished by a single executive; and

WHEREAS, through the effects of this Order the State Board of Education will be alleviated from many statutory administrative functions which unnecessarily burden the time of the Board, thereby allowing the Board to continue its esteemed and focused leadership, general supervision, planning and coordinating for public education.

NOW, THEREFORE, I, John Engler, Governor of the State of Michigan, pursuant to the powers vested in me by the Constitution of the State of Michigan of 1963 and the laws of the State of Michigan, do hereby order the following:

1. All of the administrative statutory powers, duties, functions and responsibilities of the Board of Education as administrative head of the Department of Education, including but not limited to those set forth in or pursuant to section 301 of Act No. 380 of the Public Acts of 1965, as amended, being section 16.401 of
the Michigan Compiled Laws; section 7(a) of Act No. 380 of the Public Acts of 1965, being section 16.107(a) of the Michigan Compiled Laws; and section 9 of Act No. 380 of the Public Acts of 1965, being section 16.109 of the Michigan Compiled Laws, which includes the power to establish the internal organization of the Department and to allocate and reallocate duties and functions to promote the efficient administration and operation of resources of the Department, including the power to promulgate necessary rules and regulations to carry out such functions, are hereby transferred to the Superintendent of Public Instruction by a Type II transfer as defined by section 3 of Act No. 380 of the Public Acts of 1965, as amended, being section 16.103 of the Michigan Compiled Laws.

2. Nothing in this Executive Order should be construed to diminish the constitutional authority of the State Board of Education to provide leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, and its authority to serve as the general planning and coordinating body for all public education including higher education, and to advise the legislature as to the financial requirements in connection therewith.

3. Executive Order 1965-9 is hereby rescinded.

4. The Superintendent of Public Instruction, in cooperation with the State Board of Education, shall provide executive direction and supervision for the implementation of the transfer. The Superintendent of Public Instruction shall administer the assigned functions in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

5. All records, personnel, property and funds used, held, employed or to be made available to the State Board of Education for the activities transferred herein are, to the extent necessary, hereby transferred to the Superintendent of Public Instruction as administrative head of the Department of Education.

6. All rules, orders, contracts, and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended or rescinded.

7. Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by the Order shall not abate by reason of the taking effect of this Order. Any suit, action or other proceeding may be maintained by, against or before the appropriate successor of any entity affected by this Order.

In fulfillment of the requirement of Article 5, Section 2, of the Constitution of the State of Michigan of 1963, the provisions of this Executive Order shall become effective March 10, 1997.

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 1996-7

388.994 Transfer of administrative powers and duties of state board of education to superintendent of public instruction by type II transfer; retention of statutory policy making powers and duties by state board of education.

WHEREAS, Article 5, Section 2 of the Constitution of the State of Michigan of 1963 empowers the Governor to make changes in the organization of the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration; and

WHEREAS, Article 8, Section 3 of the Constitution of the State of Michigan of 1963 provides that the leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, is vested in a State Board of Education; and

WHEREAS, as explained in the Address to the People accompanying Article 8, Section 3, the State Board of Education was to provide its constitutional leadership by being a state level policy-making body which was to emphasize two fundamental principles: (1) the concern of all people in the educational processes as a safeguard for democracy, and (2) greater public participation in the operation of educational institutions; and

WHEREAS, the State Board of Education provides its constitutional general supervision by developing and creating general guidelines and standards by which public education is provided; and

WHEREAS, Article 8, Section 3 of the Constitution of the State of Michigan of 1963 provides that the State Board of Education serves as the general planning and coordinating body for all public education, including higher education, and advises the legislature as to the financial requirements in connection therewith; and

WHEREAS, as reflected in the Address to the People accompanying Article 8, Section 3, the State Board of Education exercises its constitutional general planning and coordinating authority by being the unifying and coordinating force for education within the state, by receiving and considering information from all levels of public education, and by advising local school boards, governing boards of colleges and universities and the legislature as to the total needs of education in this state; and

WHEREAS, Article 8, Section 3 of the Constitution of the State of Michigan of 1963 provides that the Superintendent of Public Instruction is to be appointed by the State Board of Education and is responsible for executing its policies; and

WHEREAS, Article 8, Section 3 of the Constitution of the State of Michigan of 1963 provides that the Superintendent of Public Instruction is the principle executive officer of a Department of Education which shall have powers and duties provided by law; and

WHEREAS, Executive Order 1996 - 11 transferred all the administrative statutory powers, duties, functions and responsibilities of the State Board of Education as administrative head of the Department of Education to the Superintendent of Public Instruction; and

WHEREAS, Article 8, Section 3 of the Michigan Constitution of 1963, section 14 of Act No. 287 of the Public Acts of 1964, as amended, being section 388.1014 of the Michigan Compiled Laws, and section 305 of Act No. 380 of the Public Acts of 1965, as amended, being section 16.405 of the Michigan Compiled Laws, provide that the Superintendent of Public Instruction is the principal executive and administrative officer of the Department of Education; and

WHEREAS, the Department of Education was created as an executive department of state government by section 300 of Act No. 380 of the Public Acts of 1965, being section 16.400 of the Michigan Compiled Laws; and

WHEREAS, Article 5, Section 3 of the Michigan Constitution of 1963 provides that the head of each principal department shall be a single executive unless otherwise provided by the constitution or by law; and

WHEREAS, it is in the interest of the efficient and effective administration of government for an executive department to be headed by a single executive; and

WHEREAS, through the effects of this Order the State Board of Education will be alleviated from many statutory administrative functions which unnecessarily burden the time of the State Board of Education, thereby allowing the State Board of Education to continue its esteemed and focused leadership, general supervision, planning, and coordinating for public education.

NOW, THEREFORE, I, John Engler, Governor of the State of Michigan, pursuant to the powers vested in me by the Constitution of the State of Michigan of 1963 and the laws of the State of Michigan, do hereby order the following:

1. All of the administrative statutory powers, duties, functions, and responsibilities of the State Board of
Education set forth in the following provisions of the Michigan Compiled Laws:

a. 141.1201 et seq. regarding procedures for the state take-over of a district in financial distress;
b. 380.3 regarding the designation of service area boundaries for area vocational-technical programs;
c. 380.11b regarding a report to the legislature on legislative mandates;
d. 380.404b regarding the approval of voting district boundaries for first class school districts;
e. 380.451(1) regarding the definition of "operation costs" for purposes of first class tax levies;
f. 380.502(5) regarding the authority to suspend the power of authorizing bodies to authorize public school academies;
g. 380.503(3) and 380.513(4) regarding the receipt of copies of contracts with public school academies by authorizing bodies;
h. 380.516a(2) regarding the authority to reject public school academy contracts or incorporations, the authority to delay state aid, and the authority to mediate solutions and enforce laws;
i. 380.517(3) regarding the ability to revoke public school academy contracts under specified conditions;
j. 380.605 regarding the ability to determine the reorganization of consolidated intermediate school districts under limited circumstances;
k. 380.605(1) regarding responsibilities in local school district reorganization;
l. 380.626 regarding intermediate school districts reports' of local school district boundary changes;
m. 380.662(7) regarding the receipt of election canvass results;
n. 380.671(1), 684(2), 673, 668, 690 and 380.4(1) regarding the criteria for establishing Regional Educational Media Centers and area vocational technical programs;
o. 380.692(3) regarding approval of intermediate school district charter building authorities;
p. 380.701(3) regarding the approval of intermediate school district consolidation petitions;
q. 380.702(1) regarding the approval of intermediate school district annexation elections;
r. 380.702(3) regarding the receipt of notice of successful annexations and appointment power for new intermediate school district boards;
s. 380.703(5) regarding the approval of the dissolution of an intermediate school district;
t. 380.703(7) regarding the notice of an appointment of an intermediate school district's new board after dissolution;
u. 380.852 and 380.854 regarding the receipt of notice and approval of local school district consolidations;
v. 380.901(1) regarding the approval of local school district annexations;
w. 380.902 regarding the receipt of notice of the annexation of local school districts;
x. 380.922 regarding the approval of annexation of nonoperating districts;
y. 380.932 regarding the approval of the division and attachment of local school districts;
z. 380.933 regarding the receipt of notice of local school district boundary changes;
aa. 380.971 regarding the approval of property transfers among local districts;
bb. 380.1157 regarding service training for limited English proficiency and the bilingual education teachers' endorsement;
c. 380.1169(2) regarding the training of trainers for Acquired Immunization Deficiency Syndrome (AIDS) education;
dd. 380.1225(5)-(10) regarding the approval of financial notes under certain circumstances;
ne. 380.1226 regarding the receipt of county assessment rolls;
ff. 380.1233(2) regarding the receipt of lists of uncertified teachers teaching in constituent districts from intermediate school districts;
gg. 380.1251(2) regarding the authority to require reports about psychology programs;
hh. 380.1260(1) regarding the approval of deed restrictions of public school property;
ii. 380.1272c(b) regarding the approval of noncompliance with breakfast and lunch guidelines;
jj. 380.1279c regarding assurance that the Michigan Educational Assessment Program (MEAP) does not test values or attitudes;
kk. 380.1280 (3), (4), (5), (6), (7), (9), (10), (12) regarding the development and distribution of accreditation standards, sanctions for unaccredited schools, and annual reviews;
ll. 380.1281 regarding duties of supervision over specific local school districts and public school academies and intermediate school districts, including their observation of laws, the examination and audit of official records and accounts, and the authority to compel an accounting;
mm. 380.1297(3) regarding the approval of the operation and capital outlay costs for schools of the federal government;
nn. 380.1298 regarding the approval of the attachment of land for educational purposes for federal land;
oo. 380.1406 regarding the approval of high school eligibility to receive tuition;
pp. 380.1411 regarding the approval of tuition for transportation costs to vocational-technical schools
under certain circumstances;

qq. 380.1474 regarding the annual publication and distribution of a college equivalent course directory;
rr. 380.1531 regarding the determination of requirements for licenses and certificates for teachers;
ss. 380.1532(4), (5) regarding the nullification of teacher certificates for specified reasons;
tt. 380.1535 regarding the confirmation or rejection of teacher certificates;
uu. 380.1535a(1), (2), (3), (4), (7) regarding duties involving teachers convicted of certain crimes;
vv. 380.1539a regarding duties involving school administrators convicted of certain crimes;
ww. 380.1539b regarding duties involving persons holding certification convicted of certain crimes;
x. 380.1603 regarding the approval of the joint establishment by school districts of community colleges;
yy. 380.1605(1) regarding the approval of the discontinuation of a community college;
zz. 380.1702(3), (4) regarding oversight of local school districts and public school academies not providing special education services or those needing waivers;

aaa. 380.1711(1)(a) regarding the approval of intermediate school districts' special education plans;
bbb. 380.1711(1)(h) regarding the receipt of intermediate school districts' reports of the failures of constituent districts to comply with special education administrative rules;
cccc. 380.1711(1)(i) regarding the approval of intermediate school districts' special education contracts;
ddd. 388.712 regarding the receipt of petitions for the declaration of an emergency requiring district reorganization;
eee. 388.715 regarding the receipt of a report by the state committee on reorganization;
fff. 388.716 regarding the publication of a report by the state committee on reorganization and the determination of whether an emergency exists;
ggg. 388.717 regarding the reorganization of a district found to be in an emergency;
hhh. 388.851 et seq. regarding the construction of school buildings;
iii. 388.1010(a) and 388.1008b regarding the jurisdiction and control of the Michigan Schools for the Deaf and Blind and the acceptance of gifts, grants, and bequests for the schools;
jjj. 388.1010(a) and 395.151 et seq. regarding the jurisdiction and control over the State Technical Institute and Rehabilitation Center at Pine Lake;
kkk. 388.1010(b) regarding the regulation of school bus transportation, the review of annexation or attachment of nonoperating districts, and the hearing of appeals regarding school boundary alterations;
lll. 388.1010(c) regarding the inspection of educational corporations;
mnn. 388.1014a regarding the deposit and maintenance of records of nonoperating education agencies;
noo. 388.1008a(2) regarding the authorization of the taking of necessary action to comply with a specific federal grant program (Higher Education Act of 1965 (20 USC 1001 et seq.));
ppp. 388.1031 et seq. regarding the authorization of the taking of necessary action to comply with a specific federal grant program (Elementary and Secondary Act of 1965 (20 USC 821)) and the use of federal funds for research, and reports to the legislature;
qqq. 388.1041 regarding the authorization of the taking of necessary action to comply with specific federal grant programs (Television Broadcasting Facilities Act of 1962 (47 USC 391 et seq.) and National Defense Education Act of 1958 (20 USC 541 et seq.));
rrr. 388.1061 regarding the authorization of the taking of necessary action to comply with a specific federal grant program (National Funding of the Arts and Humanities Act of 1965 (20 USC 951 et seq.));
sss. 388.1701(1) regarding the requirement of intermediate school districts filing of pupil membership counts in accordance with administrative rules;
ttt. 389.11, 389.31(1), 389.35a(1)(a), and 389.51(2) regarding the approval of community college districts and tax rates prior to submission to voters;
uuu. 389.21, 389.41(2), and 389.61(2) regarding the approval of community college annexation proposals prior to submission to voters;
vvv. 389.71 regarding the approval of petitions to establish community colleges;
www. 389.105(4) regarding the designation of territory outside of a community college district to become part of its vocational-technical service area;
xxx. 389.109(2) regarding the approval of a community college name;
yyy. 389.123(b) regarding the approval of tuition waivers in exchange for educational services rendered to community colleges;
zzz. 389.124(a) regarding minimal requirements for a community college administrator or director;
aaaa. 389.143 regarding the approval of the community college accounting system, the filing of audits, and inspection of books;
bbbb. 390.502 regarding the designation of a reciprocal agency to enter into agreements with other states;
cccc. 390.974(1)(b) regarding the determination of which General Educational Development programs are sufficient for the state competitive scholarship program;

ddddd. 390.977 regarding the designation of institutions that can receive state competitive scholarships;

eeeeee. 390.991-992 regarding the designation of the independent colleges and universities that can receive tuition grants;

fffff. 390.1021 regarding the administration of and reporting about the allied health degree program;

ggggg. 390.1152(d) regarding the designation of vocational schools eligible to receive student loans;

hhhhhh. 390.1283(d) regarding the designation of eligible post-secondary institutions for participation in the Part Time, Independent Student Grant Program;

iiiii. 390.1323 regarding the designation of graduate and professional schools eligible to participate in the Michigan Graduate Work-Study Program;

jjjjjj. 390.1373 regarding the designation of post-secondary schools eligible for the Michigan Work-Study Program;

kkkkkk. 390.1403 regarding the designation of eligible post-secondary schools for the Michigan Educational Opportunity Grant Program;

llllll. 390.1428(1) regarding the independent college/universities recognized on the state level as criteria to terminate Michigan Educational Trust Act contracts;

mmmmmmm. 395.21, 395.31 et seq., 395.1 et seq., and 388.805 regarding the transfer of authority of the abolished state board of control for vocational education which includes the authority to accept and disburse federal funds for specific federal grant programs (Promotion of Vocational Education Act (20 USC 11 et seq.); and Federal Funds for Vocational Education (20 USC 15aa et seq. and 20 USC § 2301 et seq.);

nnnnnn. 395.84 regarding the provision of the vocational rehabilitation services;

oooooo. 395.86 regarding the authorization to cooperate with the federal government to receive federal funds for such purposes;

ppppppp. 395.88 regarding the use of gifts and bequeaths for rehabilitation act purposes;

qqqqqqq. 395.101-102 regarding the issuance, renewal, and revocation of temporary and permanent proprietary school licenses;

rrrrrrrrr. 395.102a(2) regarding the receipt of reports and the collection of fees from proprietary schools;

ssssss. 395.102a(3) regarding the exercise of jurisdiction and control over proprietary schools;

tttttttttt. 395.102b regarding the receipt of evidence of surety and indemnification from proprietary schools;

uuuuuuuu. 395.123(6) regarding the authority to adjust fee schedules for solicitor permits for private schools; and

vvvvv. 450.177 et seq. regarding the supervision, inspection, and visitation of educational corporations, are hereby transferred to the Superintendent of Public Instruction by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

2. All of the statutory rule making powers, duties, functions, and responsibilities of the State Board of Education set forth in the following provisions of the Michigan Compiled Laws:

a. 38.71-72 regarding teachers certified in accordance with administrative rules;

b. 257.1809 regarding the regulation of and administrative rule authority over pupil transportation;

c. 380.5(2) regarding the definition of pupil membership pursuant to administrative rules;

d. 380.516a(1) regarding administrative rule making authority involving public school academy applications, the application process, basic contract terms, and enforcement;

e. 380.517(1)-2 regarding the recognition that public school academies are their own fiscal agent;

f. 380.622(1) regarding the approval of intermediate school district code accounts;

g. 380.1153(3) regarding administrative rules defining membership for intermediate school district bilingual education programs;

h. 380.1215(1) regarding the establishment of fund designations for general funds;

i. 380.1172 regarding administrative rules regulating personality testing;

j. 380.1246(2) regarding administrative rules for continuing education for administrators;

k. 380.1251(1) regarding psychology school personnel administrative rules;

l. 380.1252(1) regarding the certification of certain nursing services and administrative rules for certification;

m. 380.1281(1) regarding administrative rules authority over safety;

n. 380.1281(3) regarding waivers from compliance with administrative rules under certain circumstances;

o. 380.1284(3) and (6) regarding administrative rules defining the length of the school term and the
minimum number of days and hours for State Aid purposes;
   p. 380.1288(2) regarding administrative rules requiring protective eye devices;
   q. 380.1296 regarding administrative rules to provide auxiliary services;
   r. 380.1301(2), (4) regarding administrative rules regarding pregnant persons;
   s. 380.1311(1) regarding administrative rules for classifying children as handicapped;
   t. 380.1322(1) regarding administrative rules for pupil transportation;
   u. 380.1333(6) regarding administrative rules for the use of school buses for nonschool purposes;
   v. 380.1335 regarding administrative rules for the licensing and regulation of boarding schools;
   w. 380.1701 regarding the creation and submission of a state special education plan and administrative
   rules therefore;
   x. 380.1702 regarding the waiver of special education rules under emergency circumstances;
   y. 380.1703(1), (3) regarding administrative rules promulgated for special education personnel;
   z. 380.1711(1)(c) regarding administrative rules for special education personnel;
   aa. 380.1741; 380.4(2) regarding administrative rules for special education membership for State Aid
   purposes;
   bb. 380.1751(2)(c) regarding administrative rules for the local district contribution of special education
   funds;
   cc. 380.1761 regarding administrative rules for reimbursement of special education boarding costs;
   dd. 388.1015 and 388.1010 regarding administrative rule making authority to carry out the authority vested
   by the State Board Organizational Act;
   ee. 388.1661a regarding administrative rules about vocational education consortiums for State Aid
   purposes;
   ff. 388.1681(3) regarding administrative rules about Regional Educational Media Centers;
   gg. 388.1701(6) regarding the waiver of the forfeiture of funds if the alternative scheduling of a
   kindergarten is approved;
   hh. 388.1701(7)-(11) regarding the waiver of the 180 day requirement for experimental school years;
   ii. 388.1701(3) regarding administrative rules defining school days and clock hours;
   jj. 395.83 regarding the authority to administer the vocational rehabilitation act, including employment of
   staff;
   kk. 395.84 regarding the collection of fees and promulgation of rules for the rehabilitation act;
   ll. 395.102a(1) regarding the inspection of proprietary schools and administrative rules authority; and
   mm. 397.136 regarding administrative rules involving the state library network,
   are hereby transferred to the Superintendent of Public Instruction by a Type II transfer, as defined by
   Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan
   Compiled Laws. The State Board of Education shall retain its policy making authority with regard to these
   statutory provisions by determining the policies, if any, on which the rules shall be based.

3. In addition to, or consistent with all of the statutory policy making powers, duties, functions, and
   responsibilities reserved to the State Board of Education in paragraphs one (1) and two (2) above, all the
   statutory policy making powers, duties, functions, and responsibilities set forth in the following provisions of
   the Michigan Compiled Laws:
   a. 380.7(4) regarding the definition of vocational education;
   b. 380.501 regarding the recognition of the constitutional power of the State Board of Education with
      regard to public school academies;
   c. 380.501a and 380.511a regarding an annual report to the Legislature on public school academies;
   d. 380.513(6)(j) regarding that public school academies' contracts must have a list of legal remedies for
      noncompliance that includes reference to the State Board of Education's authority;
   e. 380.517a regarding a report to the legislative education committees on public school academies;
   f. 380.614(3) regarding the authority to fill vacancies on intermediate school district boards;
   g. 380.623 regarding the performance of State Board of Education designated duties by intermediate
      school districts;
   h. 380.1229a regarding the limitations involving the hiring and removal of the Superintendent of Public
      Instruction;
   i. 380.1233(1) regarding the defining of the counselor endorsement;
   j. 380.1233b(1) regarding the designation of subject areas for alternative teacher certification;
   k. 380.1277(1)-(2) regarding school improvement plan criteria;
   l. 380.1277(4) regarding the annual review of school improvement plans and a legislative report on school
      improvement plans;
   m. 380.1278 regarding the development and implementation of the model core curriculum;
n. 380.1279(2), (8), (9), (10), (11) regarding the development of the high school proficiency tests;
o. 380.1280(3) and (8) regarding the approval of accreditation standards;
p. 380.1312(9) regarding the creation of a list of alternatives to the use of corporal punishment;
q. 380.1525(2)-(4) regarding the approval of state funds for specific professional development programs;
r. 380.1531a regarding the determination of positions in state agencies requiring valid teaching certificates;
s. 380.1531c regarding the administrative rules to approve fast track teacher preparation;
t. 380.1565 regarding guidelines for silent meditation;
u. 380.1809 regarding penalties for defrauding approval of employment status;
v. 388.1009 regarding the recognition of the State Board's constitutional authority and the conducting of research studies about general public school problems;
w. 388.1009a regarding the appointment of the special education advisory committee;
x. 388.1010(d) and 390.911 regarding the appointment of the State Board for Public Community and Junior Colleges;
y. 388.1011 regarding a report to the Legislature about State Board of Education operations and the financial requirements of public schools;
z. 388.1043 regarding the appointment of an advisory committee about the use of educational television;
aa. 388.1093 regarding the appointment of members to an advisory board about gifted students;
bb. 388.1313 regarding the appointment of members to the Career Education Advisory Committee;
c. 388.1315 regarding the development of guidelines involving career education programs;
dd. 388.1661a(2) regarding the development of guidelines for defining administrative costs for reimbursement in vocational education;
ee. 388.1699(1) regarding funds allocated to districts to implement the State Board of Education comprehensive master plan for math and science;
ff. 388.1707(12) regarding funds allocated to districts meeting State Board of Education adult education guidelines;
gg. 380.653 regarding the performance of State Board of Education duties, including reporting, by intermediate school district superintendents;
hh. 390.505 regarding annual reviews of reciprocal agreements for fiscal effects;
ii. 395.84(6) and 395.89 regarding the forwarding of biennial reports to the Governor and the Legislature regarding the rehabilitation act; and
jj. 395.85 regarding annual recommendations about the fiscal demands of the rehabilitation act, shall remain with the State Board of Education.

4. To the extent the transfers set forth in paragraph one (1) and two (2) above are affected by the provisions of section 14 of Act No. 287 of the Public Acts of 1964, as amended, being section 388.1014 of the Michigan Compiled Laws, all of the statutory administrative powers, duties, functions and responsibilities transferred to the State Board of Education by section 14 are hereby transferred to the Superintendent of Public Instruction by a Type II transfer as defined by section 3 of Act No. 380 of the Public Acts of 1965, as amended, being section 16.103 of the Michigan Compiled Laws.

5. Nothing in this Executive Order should be construed to diminish the constitutional authority of the State Board of Education to provide leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, and its authority to serve as the general planning and coordinating body for all public education including higher education, and to advise the legislature as to the financial requirements in connection therewith.

6. The Superintendent of Public Instruction, in consultation with the State Board of Education, shall provide executive direction and supervision for the implementation of the transfers. The Superintendent of Public Instruction shall administer the assigned functions in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

7. All records, personnel, property and funds used, held, employed or to be made available to the State Board of Education for the activities transferred are, to the extent necessary, hereby transferred to the Superintendent of Public Instruction as administrative head of the Department of Education.

8. All rules, orders, contracts, and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended or rescinded.

9. Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by the Order shall not abate by reason of the taking effect of this Order. Any suit, action or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

10. If a court or other entity with proper jurisdiction finds any portion of this Order to be invalid, such
invalidity shall not affect the remaining portions of the Order which can be given effect without the invalid portion. Any portions found invalid shall be severable from the remaining portions of this Order.

In fulfillment of the requirement of Article 5, Section 2, of the Constitution of the State of Michigan of 1963, the provisions of this Executive Order shall become effective July 1, 1997.

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 1999-7

388.995 Transfer of certain functions relating to career and technical education services, adult education services, and postsecondary services from the state board of education or the superintendent of public instruction to the department of career development by type II transfer; transfer of certain functions associated with MEAP assessments from the department of education to the department of treasury by type II transfer.

WHEREAS, Article V, Section 2 of the Constitution of the state of Michigan of 1963 empowers the Governor to make changes in the organization of the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration; and

WHEREAS, the Governor's authority to exercise his powers under Article V, Section 2 of the Constitution of the state of Michigan of 1963 and the Executive Reorganization Act, Section 16.101 et seq. of the Michigan Compiled Laws with respect to the organization of the executive branch and transfers among its units has been consistently upheld by the Michigan Supreme Court. Soap and Detergent Association v Natural Resources Commission, 415 Mich 728; 330 NW2d 346 (1982); House Speaker v Governor, 443 Mich 560; 506 NW2d 190 (1993); and Straus v Governor, 459 Mich 526; 592 NW2d 53 (1999); and

WHEREAS, Michigan's remarkable economic resurgence enhances the need for employers to find skilled workers in order to continue job growth, increase future investment and assure the ability of employees to have rising, real incomes; and

WHEREAS, on April 5, 1999, the Michigan Department of Career Development was created to focus on providing resources and supporting efforts to increase the skill levels of Michigan workers, with a special emphasis on providing students and first time job seekers with information, skills and requirements of specific careers; and

WHEREAS, Michigan's already successful career development programs will benefit from greater coordination which will improve their effectiveness and efficiency; and

WHEREAS, successful state career development programs require long-term continuity yet maximum flexibility for Michigan citizens to compete effectively in the national and international market place; and

WHEREAS, successful vocational and career development programs can be further improved and enhanced by close coordination with the state's Workforce Development Boards; and

WHEREAS, the state can more effectively and efficiently carry out the Career and Technical Education Services, Adult Education Services, and the Postsecondary Services of the Department of Education by consolidating those services within the Department of Career Development; and

WHEREAS, strengthening and aligning these functions with career development and training opportunities will enhance Michigan's reputation as the state with the most highly skilled men and women; and

WHEREAS, the Michigan Merit Award Board was established within the Department of Treasury pursuant to Act No. 94 of the Public Acts of 1999, being Sections 390.1451 et seq. of the Michigan Compiled Laws, to increase access to postsecondary education and training, and to reward Michigan high school graduates who have demonstrated academic achievement; and

WHEREAS, pursuant to Act No. 94 of the Public Acts of 1999, being Sections 390.1451 et seq. of the Michigan Compiled Laws, the Michigan Merit Award Board is statutorily charged with administering the Michigan Merit Award Scholarship Program (the "Scholarship Program"'), for which a primary eligibility requirement is that a student take and pass the Michigan Educational Assessment Program ("MEAP") subject area assessments in reading, writing, mathematics, and science; and

WHEREAS, pursuant to Section 7 of Act No. 94 of the Public Acts of 1999, being Section 390.1457 of the Michigan Compiled Laws, for assessments administered after January 1, 2000, the Michigan Merit Award Board shall review and approve the assessments before they may be used to determine eligibility under the Scholarship Program; and

WHEREAS, the Scholarship Program will be better coordinated and more effectively and efficiently administered by transferring the responsibility for certain functions associated with the MEAP assessments from the Department of Education to the Department of Treasury.

NOW, THEREFORE, I, John Engler, Governor of the state of Michigan, pursuant to the powers vested in me by the Constitution of the state of Michigan of 1963 and the laws of the state of Michigan, do hereby order the following:

I. DEFINITION
As used herein:

The State Board of Education means the State Board of Education created by Article 8, Section 3 of the

The Department of Education is the Department of Education created by Section 300 of Act No. 380 of the Public Acts of 1965, being Section 16.400 of the Michigan Compiled Laws, as reorganized by Executive Order 1996-11 and Executive Order 1996-12.

The Department of Career Development is the Department of Career Development created by Executive Order 1999-1.

II. TRANSFER OF FUNCTIONS - DEPARTMENT OF CAREER DEVELOPMENT

A. All of the administrative statutory powers, duties, functions and responsibilities of the Superintendent of Public Instruction set forth in the following provisions of the Michigan Compiled Laws to administer all Adult Education Services, as set forth in the following sections of the Michigan Compiled Laws:

1. Section 388.531 regarding adult education programs by counties; and
2. Section 388.532 regarding training and approval of adult education instructors, are hereby transferred to the Department of Career Development by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws ("Type II transfer"). The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

B. All of the administrative statutory powers, duties, functions and responsibilities of the State Board of Education set forth in the following provisions of federal law regarding vocational education:

1. The Carl D. Perkins Vocational and Applied Technology Education Act, 20 USC 2301 et seq.;
2. The School to Work Opportunities Act of 1994, 20 USC 6101 et seq.; and
3. The Job Training Partnership Act, 29 USC 1501 et seq., are hereby transferred to the Department of Career Development by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

C. All of the administrative statutory powers, duties, functions and responsibilities of the State Board of Education or Superintendent of Public Instruction, as applicable, set forth in the following provisions of the Michigan Compiled Laws to administer the following postsecondary services:

1. Sections 395.101 to 395.103 regarding proprietary schools;
2. Sections 395.121 to 395.124 regarding private trade or business schools;
3. Sections 450.170 to 450.177 and Section 388.1010(c) regarding educational corporations; and
4. The King-Chavez-Parks Program authorized in the Appropriations Act for Higher Education in 1986 (1999 PA 93, sections 118, 501-507), are hereby transferred to the Department of Career Development by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

D. All of the administrative statutory powers, duties, functions and responsibilities of the Superintendent of Public Instruction as set forth in the following provisions of the Michigan Compiled Laws regarding the administration of postsecondary services:

1. Section 380.3 regarding the designation of service area boundaries for area vocational-technical programs;
2. Section 389.105(4) regarding the designation of territory outside of a community college district to become part of its vocational-technical service area;
3. Section 389.123(b) regarding the approval of tuition waivers in exchange for educational services rendered to community colleges;
4. Section 389.124(a) regarding the education reports for a community college;
5. Section 389.143 regarding the approval of the community college accounting system, the filing of audits, and inspection of books;
6. Section 390.1152(d) regarding the designation of vocational schools eligible to receive student loans;
7. Section 390.1283(d) regarding the designation of eligible postsecondary institutions for participation in the part-time, Independent Student Grant Program;
8. Section 390.1323 regarding the designation of graduate and professional schools eligible to participate in the Michigan Graduate Work-Study Program;
9. Section 390.1373 regarding the designation of postsecondary schools eligible for the Michigan Work-Study Program;
10. Section 390.1403 regarding the designation of eligible postsecondary schools for the Michigan Educational Opportunity Grant Program; and
11. Sections 395.21, 395.31 et seq., 395.1 et seq., and 388.805 regarding the transfer of authority of the abolished state board of control for vocational education that includes the authority to accept and disburse
federal funds for specific federal grant programs [Federal Funds for Vocational Education (20 USC 2301 et seq.), are hereby transferred to the Department of Career Development by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

E. All of the statutory rule making powers, duties, functions and responsibilities of the State Board of Education or the Superintendent of Public Instruction, as applicable, as set forth in the following provisions of the Michigan Compiled Laws or Michigan Administrative Code:

1. Section 388.1661a regarding administrative rules about vocational education consortia for State Aid purposes; and
2. R 395.231 - 395.376 regarding reimbursed programs of vocational-technical education, are hereby transferred to the Department of Career Development by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

F. All of the administrative statutory powers, duties, functions and responsibilities of the Superintendent of Public Instruction regarding the administration of career preparation program as set forth in the following provisions of the Michigan Compiled Laws:

1. Section 388.1663 regarding the Michigan Manufacturing Technology Program;
2. Section 388.1667(6)(a) regarding the Advanced Career Academy; and
3. Section 388.1668 regarding the Michigan Career Preparation System, are hereby transferred to the Department of Career Development by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining policies, if any, on which the administration of these provisions shall be based.

III. TRANSFER OF FUNCTIONS - DEPARTMENT OF TREASURY

A. All of the administrative statutory powers, duties, functions and responsibilities of the State Board of Education and the Superintendent of Public Instruction as they relate to state assessments as set forth in the following provisions of the Michigan Compiled Laws:

1. Section 388.1081 et seq. regarding assessment of educational progress;
2. Section 380.1279c and Section 380.1279(2)(3)(6)(7)(9)(10) and (12-16) regarding state assessments administered to high school pupils; and
3. Section 388.1704a(2)(3)(6)(7)(9)(11)(13)(14)(15) and (16) regarding state assessments administered to high school pupils, are hereby transferred to the Department of Treasury by a Type II transfer. The State Board of Education shall retain its policy making authority with regard to these statutory provisions by determining the policies, if any, on which the administration of these provisions shall be based.

IV. IMPLEMENTATION OF THE EXECUTIVE ORDER

A. Nothing in this Executive Order should be construed to diminish the constitutional authority of the State Board of Education to provide leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, and its authority to serve as the general planning and coordinating body for all public education including higher education, and to advise the legislature as to the financial requirements in connection therewith.

B. The Director of the Department of Career Development and the State Treasurer, in consultation with the Superintendent of Public Instruction, shall provide executive direction and supervision for the implementation of applicable functions in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

C. All records, personnel, property and funds used, held, employed or to be made available to the State Board of Education and Superintendent for Public Instruction for the activities transferred to the Department of Career Development and the Department of Treasury are hereby transferred to the Department of Career Development and the Department of Treasury, respectively.

D. The Department of Management and Budget shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system for the remainder of this fiscal year.

E. All rules, orders, contracts, and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be in effect until revised, amended or rescinded.

F. Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by this Order shall not abate by reason of the taking effect of this Order. Any suit, action or other proceeding may be maintained by, against or before the appropriate successor of any entity affected by this Order.
G. If a court or other entity with proper jurisdiction finds any portion of this Order to be invalid, such invalidity shall not affect the remaining portions of the Order that can be given effect without the invalid portion. Any portions found invalid shall be severable from the remaining portions of this Order.

In fulfillment of the requirement of Article V, Section 2, of the Constitution of the state of Michigan of 1963, the provisions of this Executive Order shall take effect January 1, 2000.


Compiler's note: For transfer of powers and duties relating to Michigan educational assessment program from department of treasury to superintendent of public instruction by type II transfer, see E.R.O. No. 2003-2, compiled at MCL 388.997.

For transfer of powers and duties of superintendent of public instruction to administer adult education services to the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.
EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2000-6


EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2003-2

388.997 Transfer of powers and duties of department of treasury related to administration of Michigan educational assessment to the superintendent of public instruction by type II transfer; transfer of powers and duties of Michigan assessment governing board to superintendent of public instruction by type III transfer; transfer of certain powers and duties of merit award board to superintendent of public instruction by type II transfer; rescission of Executive Order No. 2000-11.

WHEREAS, Article V, Section 1 of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Article V, Section 2 of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, the Department of Treasury was created as a principal department of state government under Section 75 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.175;

WHEREAS, the Department of Education is focused on the collection and investment of state revenue, managing state debt, and providing fiscal oversight of local governments;

WHEREAS, the Department of Education was created as a principal department of state government by Section 300 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.400;

WHEREAS, the Department of Education is focused on improving student achievement and administers state school aid payments and federal grants to Michigan public schools;

WHEREAS, the Michigan Educational Assessment Program was established to provide statewide assessment of the basic skills and educational progress of Michigan students using subject-based tests;

WHEREAS, administration of the Michigan Educational Assessment Program is a function requiring staff with educational content knowledge and expertise to measure and assess the educational progress of students, test development expertise, and other education-related skills conducive to measuring the educational progress of students;

WHEREAS, transferring primary responsibility for devising and administering statewide assessment testing programs to the Department of Education will lead to greater efficiency and accountability, foster greater coordination of educational functions, and result in more consistent programs and policies;

WHEREAS, it is necessary in the interests of efficient administration and effectiveness of government to effect changes in the organization of the Executive Branch of state government;

NOW THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, pursuant to the powers vested in me by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

A. As used in this Order:


2. "Department of Treasury" means the principal department of state government created under Section 75 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.175.

3. "Merit Award Board" means the board created under Section 4 of the Michigan Merit Award Scholarship Act, 1999 PA 94, MCL 390.1454.

4. "Michigan Educational Assessment Program" or "MEAP" means the Michigan Educational Assessment Program for subject assessment of students, including but not limited to the statewide program of assessment of educational progress and remedial assistance in the basic skills of students in reading, mathematics, language arts, and/or other general subject areas, established under 1970 PA 38, MCL 388.1081 to 388.1086.


7. "Type II Transfer" means that type of transfer as defined in Section 3(b) of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.103(b).

8. "Type III Transfer means that type of transfer as defined in Section 3(c) of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.103(c).

II. TRANSFER OF MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM (MEAP)

A. All authority, powers, duties, functions, responsibilities, and rule-making authority of the Department of
Treasury related to the administration of the Michigan Educational Assessment Program are transferred by Type II Transfer to the Superintendent of Public Instruction, including but not limited to any authority, powers, duties, functions, responsibilities, or rule-making authority under any of the following:

5. Sections 1 to 6 of 1970 PA 38, MCL 388.1081 to 388.1086 (assessment of educational progress and remedial assistance).
6. Section 104a of The State School Aid Act of 1979, 1979 PA 94, MCL 388.1704a (state assessments administered to high school pupils).
7. Section 951 of 2003 PA 161.

B. All authority, powers, duties, functions, responsibilities, or rule-making authority, if any, of the Michigan Assessment Governing Board, including but not limited to authority, powers, duties, functions, responsibilities, or rule-making authority under Section 104a of The State School Aid Act of 1979, 1979 PA 94, MCL 388.1704a, are transferred by Type III Transfer to the Superintendent of Public Instruction. The Michigan Assessment Governing Board is abolished.

C. All authority, powers, duties, functions, responsibilities and rule-making authority of the Merit Award Board under Sections 4(8), 5(c), and 9(f) of the Michigan Merit Award Scholarship Act, 1999 PA 94, MCL 390.1454(8), 390.1455(c), and 390.1459(f), are transferred by Type II Transfer to the Superintendent of Public Instruction. The Department of Education shall assist the Merit Award Board in the performance of the Board's authority, powers, duties, functions, and responsibilities under the Michigan Merit Award Scholarship Act, 1999 PA 94, MCL 390.1451 to 390.1459.

D. The State Board of Education shall retain its policy-making authority with regard to any statutory authority, power, duty, function, or responsibility transferred under this Section II, if any, on which the administration of such statutory authority, power, duty, function, or responsibility shall be based.

III. IMPLEMENTATION

A. The Department of Information Technology shall provide the Department of Education with management and information processing services related to the authority, powers, duties, functions, and responsibilities transferred under this Order, including but not limited to application development and maintenance; desktop computer support and management; mainframe computer support and management; server support and management; local area network support and management; information technology procurement; information technology-related contract selection and oversight; information technology project management; information technology planning and budget management; and telecommunications services, infrastructure, and security.

B. Nothing in this Executive Order shall be construed to diminish the constitutional authority of the State Board of Education to provide leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, to serve as the general planning and coordinating body for all public education, or to advise the Legislature as to the financial requirements in connection therewith.

C. The Superintendent of Public Instruction, in consultation with the State Treasurer, shall provide executive direction and supervision for the implementation of all transfers to the Department of Education under this Order. The functions transferred to the Department of Education under this Order shall be administered under the direction and supervision of the Superintendent of Public Instruction to the extent provided in this Order, including but not limited to, all prescribed functions of rule-making, licensing, registration, and the prescription of rules, regulations, standards, and adjudications.

D. All records, personnel, property, and funds used, held, employed, or to be made available to the Department of Treasury for the activities transferred to the Department of Education under this Order are transferred to the Department of Education.

E. Any authority, duties, powers, functions, and responsibilities transferred in this Order and not statutorily mandated may in the future be reorganized to promote efficient administration by the Superintendent of Public Instruction.

F. The Superintendent of Public Instruction, in addition to the other duties and responsibilities given to the Superintendent under this Order, shall be responsible for the oversight and supervision of the employees of...
the Department of Education and for the operations of the Department of Education. The Superintendent shall also perform other duties and exercise other powers as the Governor or the State Board of Education may prescribe.

G. The Superintendent of Public Instruction may perform a duty or exercise a power conferred by law or executive order upon the Superintendent at the time and to the extent the duty or power is delegated to the Superintendent by law or order.

H. The Superintendent of Public Instruction shall administer the assigned functions transferred by this Order in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

I. The Superintendent of Public Instruction may by written instrument delegate a duty or power conferred by law or this Order and the person to whom the duty or power is delegated may perform the duty or exercise the power at the time and to the extent the duty or power is delegated by the Superintendent.

IV. RESCISSION OF EXECUTIVE ORDER 2000-11
A. The MEAP Subject Area Blue Ribbon Advisory Committee for Reading and Writing required and established within the Department of Treasury under Executive Order 2000-11 but never appointed is abolished.

B. The MEAP Subject Area Blue Ribbon Advisory Committee for Math required and established within the Department of Treasury under Executive Order 2000-11 but never appointed is abolished.

C. The MEAP Subject Area Blue Ribbon Advisory Committee for Science required and established within the Department of Treasury under Executive Order 2000-11 but never appointed is abolished.

D. The MEAP Subject Area Blue Ribbon Advisory Committee for Social Studies required and established within the Department of Treasury under Executive Order 2000-11 but never appointed is abolished.

E. Executive Order 2000-11 is rescinded in its entirety.

V. MISCELLANEOUS
A. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary to implement this Order.

B. All rules, orders, contracts, and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, or repealed.

C. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected by this Order, shall not abate by reason of the taking effect of this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

D. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2007-1

388.998 Transfer of powers and duties of state administrative board to administer Perkins act to state board of education; transfer of powers and duties of department of labor and economic growth regarding administration of Perkins act for secondary students to department of education by type II transfer.

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, to ensure that our students have the skills and knowledge needed for the jobs of the 21st Century global economy, Michigan recently enacted the Michigan Merit Curriculum, a rigorous new set of statewide graduation requirements for high school students;

WHEREAS, the Department of Education is creating content guidelines for the courses required by the Michigan Merit Curriculum to provide all educators and students with a common understanding of what high school students should know and be able to do at the completion of each required course;

WHEREAS, under Section 1278b of the Revised School Code, 1976 PA 451, MCL 380.1278b, students can meet the Michigan Merit Curriculum requirements by completing “career or technical education courses, industrial technology courses, or vocational education”;

WHEREAS, Section 1278b of the Revised School Code, 1976 PA 451, MCL 380.1278b, requires the Department of Education to “[d]evelop and make available material to assist school districts and public school academies” to implement the requirements of the Michigan Merit Curriculum, including developing guidelines for career or technical education courses, industrial technology courses, or vocational education;

WHEREAS, career and technical education programs in secondary schools in Michigan are currently under the administrative oversight of the Office of Career and Technical Preparation within the Department of Labor and Economic Growth and the State Administrative Board;

WHEREAS, transferring the responsibilities of administrative oversight of secondary career and technical education programs to the Department of Education will lead to greater efficiency and accountability, foster greater coordination of educational functions, and result in more consistent programs and policies regarding career and technical training programs in secondary schools;

WHEREAS, federal law requires the State of Michigan to designate a single state board to be responsible for the administration and supervision of career and technical education in Michigan;

WHEREAS, it is necessary in the interests of efficient administration and effectiveness of government to effect changes in the organization of the Executive Branch of state government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in me by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

A. As used in this Order:
   6. "Type II transfer" means that type of transfer as defined in Section 3 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.103.

II. ESTABLISHMENT OF THE STATE BOARD OF EDUCATION AS THE ELIGIBLE AGENCY

Rendered Tuesday, August 13, 2019

Michigan Compiled Laws Complete Through PA 47 of 2019

© Legislative Council, State of Michigan

Courtesy of www.legislature.mi.gov
UNDER THE PERKINS ACT

A. All of the administrative authority, powers, duties, functions, responsibilities, and rule-making authority of the State Administrative Board to administer the Perkins Act previously transferred from the Department of Career Development to the State Administrative Board by Executive Order No. 2000-12, MCL 17.61, are transferred to the State Board of Education.

B. The State Board of Education is designated the "eligible agency" for the supervision and administration of the responsibilities of career and technical education pursuant to the Perkins Act. The State Board of Education is the sole state agency responsible for the administration of career and technical education in Michigan.

C. The responsibilities of the State Board of Education shall include all of the following:
   1. Coordination of the development, submission, and implementation of the state plan required by the Perkins Act, and the evaluation of the program, services, and activities assisted under the Perkins Act, including preparation for non-traditional fields.
   2. Consultation with the Governor and appropriate agencies, groups, and individuals including parents, students, teachers, teacher and faculty preparation programs, representatives of businesses (including small businesses), labor organizations, eligible recipients, state and local officials, and local program administrators, involved in the planning, administration, evaluation, and coordination of programs funded under the Perkins Act.
   3. Convening and meeting at such time as the State Board of Education determines necessary to carry out its responsibilities under the Perkins Act, but not less than four times annually.
   4. The adoption of such procedures as the State Board of Education considers necessary to do any of the following:
      a. Implement state level coordination with the activities undertaken by the State of Michigan under Section 121 of the federal Workforce Investment Act of 1998, Public Law 105-228, as amended, 29 USC 2841.
      b. Make available to the service delivery system under 29 USC 2841 within Michigan a listing of all school dropout, postsecondary education, and adult programs assisted under this subchapter.

D. The responsibilities of the Department of Labor and Economic Growth under Section 511 of 2006 PA 341 that are required to be vested in the state's "eligible agency" by Section 121 of the Perkins Act, 20 USC 2341, are transferred to the State Board of Education.

III. ADMINISTRATIVE OVERSIGHT OF POSTSECONDARY CAREER AND TECHNICAL EDUCATION

A. The State Board of Education shall delegate to the Department of Labor and Economic Growth all responsibilities regarding postsecondary career and technical education that may be delegated under Section 121(b) of the Perkins Act, 20 USC 2341.

B. Except as provided in Section II, the Department of Labor and Economic Growth shall retain all other administrative authority, powers, duties, functions, responsibilities, and rule-making authority relating to postsecondary career and technical education under state law and federal law.

IV. ADMINISTRATIVE OVERSIGHT OF SECONDARY CAREER AND TECHNICAL EDUCATION

A. All of the authority, powers, duties, functions, responsibilities, and rule-making authority of the Department of Labor and Economic Growth regarding the administration of the state's Career and Technical Education Program for secondary students are transferred by Type II transfer to the Department of Education, including but not limited to the following:
   1. All of the authority, powers, duties, functions, responsibilities, and rule-making authority regarding the administration of the Perkins Act for secondary students that were delegated to the Department of Labor and Economic Growth by the State Administrative Board or otherwise remained in the Department of Career Development or the Department of Labor and Economic Growth subsequent to Executive Order 2000-12, MCL 17.61, and Executive Order 2003-18, MCL 445.2011.
   2. Any remaining authority, powers, duties, functions, responsibilities, and rule-making authority regarding career and technical education for secondary students under 1919 PA 149, MCL 395.1 to 395.10.
   3. Any remaining authority, powers, duties, functions, responsibilities, and rule-making authority regarding career and technical education for secondary students under Section 5 of 1942 (1st Ex Sess) PA 16, MCL 388.805.
   5. Any remaining authority, powers, duties, functions, responsibilities, and rule-making authority regarding career and technical education for secondary students under 1964 PA 44, MCL 395.31 to 395.34.
6. All of the authority, powers, duties, functions, responsibilities, and rule-making authority regarding the designation of service area boundaries for area vocational-technical programs under Section 3 of 1976 PA 451, MCL 380.3.

7. All of the authority, powers, duties, functions, responsibilities, and rule-making authority under the Career and Technical Preparation Act, 2000 PA 258, MCL 388.1901 to 388.1913.

8. All of the authority, powers, duties, functions, responsibilities, and rule-making authority under Section 61a of the School Aid Act of 1979, 1979 PA 94, MCL 388.1661a.

9. All of the authority, powers, duties, functions, responsibilities, and rule-making authority regarding the designation of territory outside of a community college district to become part of an area vocational-technical education program under Section 105(a) of the Community Colleges Act of 1996, 1996 PA 331, MCL 389.105(a).

10. All of the authority, powers, duties, functions, responsibilities, and rule-making authority regarding the designation of vocational schools eligible to receive student loans under Section 2(d) of the Higher Education Loan Authority Act, 1975 PA 222, MCL 390.1152(d).

V. IMPLEMENTATION

A. Nothing in this Order shall be construed to diminish the constitutional authority of the State Board of Education to provide leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, to serve as the general planning and coordinating body for all public education, or to advise the Legislature as to the financial requirements in connection therewith.

B. The Superintendent of Public Instruction, in consultation with the Director of the Department of Labor and Economic Growth, shall provide executive direction and supervision for the implementation of all transfers under this Order.

C. All records, personnel, property, and funds used, held, employed, available or to be made available to the Department of Labor and Economic Growth or the State Administrative Board for the activities transferred to the Department of Education or the State Board of Education under this Order are transferred to the Department of Education.

D. The Superintendent of Public Instruction shall administer the assigned functions transferred by this Order in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

E. The Superintendent of Public Instruction may by written instrument delegate a duty or power conferred by law or this Order and the person to whom the duty or power is delegated may perform the duty or exercise the power at the time and to the extent the duty or power is delegated by the Superintendent.

VI. MISCELLANEOUS

A. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state’s financial management system necessary to implement this Order.

B. All rules, orders, contracts, and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, or repealed.

C. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected by this Order, shall not abate by reason of the taking effect of this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

D. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

E. In fulfillment of the requirements under Article V, Section 2, of the Michigan Constitution of 1963, the provisions of this Executive Order are effective July 1, 2007 at 12:01 a.m.

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2007-19

388.999 Transfer of powers and duties of school district accountability board to state board of education; abolition of school district accountability board.

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch of state government or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, Section 3 of Article VIII of the Michigan Constitution of 1963 vests leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, in an elected State Board of Education;

WHEREAS, 1999 PA 10 removed the elected school board for the Detroit Public School District and replaced the board with an appointed board consisting of six appointees and the State Superintendent of Public Instruction;

WHEREAS, 1999 PA 10 also created within the Department of Education a School District Accountability Board consisting of the State Superintendent of Public Instruction, the State Treasurer, the State Budget Director, and two persons appointed by Governor John M. Engler to review district improvement plans submitted by the appointed school board and monitor any progress being made in achieving goals and benchmarks under the plan;

WHEREAS, under 1999 PA 10, the powers of the School District Accountability Board were limited to a qualifying school district in which an appointed school reform board is in place, such as the board appointed for the Detroit Public School District in 1999;

WHEREAS, the takeover of the Detroit Public School District by an appointed board mandated under 1999 PA 10 was a failure, resulting in a $198 million deficit during Fiscal Year 2005;

WHEREAS, 2003 PA 303 amended 1990 PA 10 to end the state takeover of the Detroit Public School District, allowing Detroit voters, rather than Lansing lawmakers, to determine the powers of the Detroit School Board and what is best for their schools and their children;

WHEREAS, when given a choice, Detroit voters chose to govern their school district by an elected board in the same manner as other districts throughout this state, and the elected board they selected is now in place;

WHEREAS, return to an elected school board for Detroit Public Schools eliminates the need for a special School District Accountability Board to provide state oversight of an appointed board for the Detroit Public School District;

WHEREAS, the functions of the School District Accountability Board are best vested in elected officials directly accountable to the public;

WHEREAS, it is necessary in the interests of efficient administration and effectiveness of government to change the organization of the executive branch of state government;

NOW THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in me by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

As used in this Order:

A. "Department" means the Department of Education, a principal department of state government created under Section 300 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.400.

B. "School District Accountability Board" means the board created within the Department under Section 376 of The Revised School Code, MCL 380.376, consisting of the Superintendent of Public Instruction, the State Treasurer, the State Budget Director, and gubernatorial appointees.

C. "State Board of Education" means the elected State Board of Education created under Section 3 of Article VIII of the Michigan Constitution of 1963.

D. "Superintendent of Public Instruction" means the principal executive officer of the Department appointed by the State Board of Education as provided under Section 3 of Article VIII of the Michigan Constitution of 1963.

II. ABOLISHMENT OF THE SCHOOL DISTRICT ACCOUNTABILITY BOARD FOR THE DETROIT PUBLIC SCHOOL DISTRICT

A. All of the authority, powers, duties, functions, responsibilities, rule-making authority, records, personnel, property, unexpended balances of appropriations, allocations, or other funds of the School District
Accountability Board are transferred to the elected State Board of Education.

B. The School District Accountability Board is abolished.

III. IMPLEMENTATION

A. The Superintendent of Public Instruction shall immediately initiate coordination to facilitate the implementation of the transfers under this Order.

B. The Superintendent of Public Instruction shall provide executive direction and supervision for the implementation of all transfers to the State Board of Education under this Order. The functions transferred to the State Board of Education under this Order shall be administered under the direction and supervision of the State Board of Education, including, but not limited to, any prescribed functions of rule-making, licensing, registration, and the prescription of rules, regulations, standards, and adjudications.

C. All records, personnel, property, and funds used, held, employed, or to be made available to the School District Accountability Board for the activities transferred to the State Board of Education under this Order are transferred to the State Board of Education.

D. The Superintendent of Public Instruction and the Chairperson of the School District Accountability Board shall develop a memorandum of record identifying any pending settlements, issues of compliance with any applicable state or federal laws or regulations, or other obligations to be resolved by the School District Accountability Board.

E. The State Board of Education shall administer the assigned functions transferred under this Order in such ways as to promote efficient administration and the Superintendent of Public Instruction shall make organizational changes within the Department as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

F. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary to implement this Order.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

B. This Order shall not abate any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective July 15, 2007 at 12:01 a.m.

STATE BOARD OF EDUCATION
Act 287 of 1964

AN ACT to provide for the organization and functions of the state boards of education under the constitutions of 1908 and 1963; to provide for the appointment and functions of the superintendent of public instruction under the constitution of 1963; and to repeal certain acts and parts of acts.


The People of the State of Michigan enact:

388.1001 State board of education; succession to powers; right to records; property, hearings.
Sec. 1. The state board of education provided for in the constitution of 1908, hereinafter referred to as the “old board”, shall continue to function until 12 noon on January 1, 1965, at which time it is abolished and the terms of its members shall expire. The old board shall then be succeeded by the state board of education provided for in article 8 of the constitution of 1963, hereinafter referred to as the “state board”. As soon after that time as convenient for the state board all records, files, papers and property of the old board shall be delivered and transferred to the state board. A hearing or proceeding pending before the old board shall not abate but shall be continued and determined by the state board in accordance with the law governing such hearing or proceeding. Whenever in any law, including this act, reference is made to the state board of education, it is deemed to be made, except where otherwise specifically provided, to the old board prior to such hour and to the state board thereafter.


388.1002 State board of education; nomination, election, vacancies, membership.
Sec. 2. Members of the state board shall be nominated and elected and vacancies in their offices shall be filled in accordance with the election laws of this state. The governor shall be ex officio a member of the state board, and the superintendent of public instruction appointed under the constitution of 1963 shall be its chairman, but neither of them shall have the right to vote.


388.1003 State board of education; president; secretary; treasurer, bond.
Sec. 3. The state board of education shall elect a president, a secretary, a treasurer and such other officers as it deems necessary. The treasurer shall furnish a corporate surety bond in a sum determined by the board as adequate to cover the funds to be handled by him and conditioned upon the faithful discharge of his duties. The cost of the bond shall be paid by the state and the bond shall be filed in the office of the secretary of state.


388.1004 State board of education; quorum; transacting and conducting business; notice of meeting; service of process.
Sec. 4. A quorum of the state board of education shall consist of a majority of the board's members. An affirmative vote by the majority of the members serving on the board shall be required to transact business. The business which the board may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. Process against the board shall be served on the chairperson or secretary.


388.1005 State board of education; compensation and expenses.
Sec. 5. The per diem compensation of members of the board and the schedule for reimbursement of expenses shall be established annually by the legislature.


388.1006 State board of education; members, interest in publication of books prohibited.
Sec. 6. A member of the state board of education shall not act as the agent of any publisher of school books or school library books or be interested in the publication or sale of any such book as agent or otherwise.

388.1007 State board of education; body corporate; seal; ordinances, bylaws, regulations.

Sec. 7. The state board of education is a body corporate and may purchase, have, hold, possess, enjoy, grant, alien, invest, sell, and dispose of real and personal property of every kind; may sue and be sued, plead and be impleaded in all the courts in this state; may have, use, alter and renew a seal; and may make such ordinances, bylaws and regulations as it deems proper for the government and conduct of the board and for the transaction of its business and the operation of the state institutions under its control if they are not repugnant to the constitution or laws of this state or of the United States.


388.1008 State board of education; gifts, grants; special funds.

Sec. 8. The state board of education may take by gift, grant from federal or other sources, devise, bequest, or in any other lawful manner, property, money, pledges or promises to pay money for the purpose of carrying on any of its powers and duties and may, with the approval of the legislature, use the same for the purposes for which they were donated. The board may place such moneys in a special fund to be spent under its direction for the purposes for which they were donated subject to the conditions of such gift, grant, devise or bequest.


388.1008a Compliance with federal law; accepting and expending federal funds; rules; report; expenditure of state funds; compliance with fund accounting procedures.

Sec. 8a. (1) The state board of education may take any necessary action consistent with state law to comply with the provisions of Public Law 85-864 (1958), as amended, being 20 U.S.C. sections 401 et seq., and known as the “federal national defense education act of 1958”, and to accept and expend federal funds available under that act for the extension and improvement of the state's educational program, as outlined in state plans approved by the United States commissioner of education.

(2) The state board of education may take any necessary action consistent with state law to comply with the provisions of Public Law 89-329 (1965), as amended, being 20 U.S.C. sections 1001 et seq., and known as the “higher education act of 1965” to strengthen the educational resources of Michigan colleges and universities and to provide financial assistance for students in post-secondary and higher education through a program of administration, research, and consultation. The state board of education may accept and expend federal funds available under such provisions and promulgate rules necessary for the conduct of this program. The state board of education shall submit to the legislature on or before April 1 of each year a report of projects conducted during the preceding year under the federal higher education act of 1965, as amended.

(3) This shall not be construed as authorization to expend nor to incur any obligation to expend any state funds in excess of any amount which may be appropriated by the legislature for programs under subsections (1) and (2). Any funds appropriated shall be paid out of the state treasury in accordance with any fund accounting procedures necessary to assure proper distribution of and accounting for federal funds paid to the state for these programs.


388.1008b Acceptance of gifts, grants, devises, and bequests for students who are blind; special fund; report.

Sec. 8b. The superintendent of public instruction may take by gift, grant from federal or other sources, devise, bequest, or in any other lawful manner, property, money, pledges, or promises to pay money for the benefit of students who are blind. Notwithstanding the provisions of section 8, the state treasurer shall transmit to the superintendent of public instruction all of this money that is held in the state treasury. The superintendent of public instruction shall place this money and grants in a special fund to be spent as authorized by the superintendent of public instruction for the purposes for which they were donated subject to the conditions of the gift, grant, devise, or bequest without further approval of the legislature unless additional costs to the state will be involved in the spending of these funds. The superintendent of public instruction shall submit a report of all funds received and expended under this section to the senate and house committees on appropriations.


388.1009 State board of education; supervision of public education; planning and coordinating body; research.
Sec. 9. The state board of education has leadership and general supervision of all public education, including adult education and instructional programs of the state institutions, except as to institutions of higher education granting baccalaureate degrees. The board serves as the general planning and coordinating body for all public education, including higher education. The board may conduct research studies relating to general school problems of the public schools of this state.


388.1009a Special education advisory committee; creation; appointment and terms of members; ex officio members; chairperson; expenses; duty.

Sec. 9a. The special education advisory committee is created in the department of education and shall consist of not less than 9 and not more than 33 members appointed by the state board of education for terms of 3 years. The person within the department directly responsible for special education programs and other persons as appointed by the committee to represent other departments, agencies, and 4-year colleges and universities, upon consultation with those departments, agencies, and colleges and universities, shall be ex officio members of the committee. Each year the committee shall elect a chairperson and other officers as it considers necessary. Members of the committee may be reimbursed, to the extent provided by the state board, for expenses incurred in performing their functions. The committee shall act as an adviser to the state board of education in the field of special education.


388.1010 Additional powers and duties.

Sec. 10. The state board of education shall have the following powers and duties:

(a) Jurisdiction and control of the Michigan school for the deaf at Flint, the Michigan school for the blind at Lansing, and the Michigan rehabilitation institute for veterans and disabled adults at Pine lake, including power to make rules for the schools necessary to enforce discipline, preserve health, and provide for proper physical, intellectual, and moral training of their pupils.

(b) Regulation of school bus transportation, review of the annexation or attachment of nonoperating school districts to operating school districts, and the hearing of appeals from decisions on alterations of boundaries of school districts as may be provided by law. The board may appoint a hearing officer to hear the appeals from decisions on alterations of boundaries of school districts who shall prepare a written report for consideration of the board. A copy of the written report shall be furnished to the designated appellant and appellee, who within 20 days may file written objections to the report with the state board of education for its consideration. After considering the report of the hearing officer and any objections filed by interested parties, the board may determine the appeal or order a hearing by it of the appeal from the decision on alterations of boundaries of school districts.

(c) Inspection of educational corporations as may be provided by law.

(d) The appointment of the members of the state board for public community and junior colleges, as provided by law.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.


388.1011 State board of education; report to legislature; financial requirements of all public education.

Sec. 11. The state board of education shall report to the legislature at each regular session as to its operations and recommendations including an itemized statement of its receipts and expenditures for its preceding fiscal year, and advise as to the financial requirements of all public education, including higher education.


388.1012 Superintendent of public instruction; continuance in office.

Sec. 12. The superintendent of public instruction elected under the 1908 constitution shall serve as superintendent of public instruction until June 30, 1965.

388.1013 Superintendent of public instruction; appointment; removal; term.

Sec. 13. The state board by the affirmative vote of a majority of its members shall appoint and may remove a superintendent of public instruction and determine the term of office.


388.1014 Superintendent of public instruction; references in other laws.

Sec. 14. After June 30, 1965, a reference in any law to the powers and duties of the superintendent of public instruction is deemed to be made to the state board unless the law names the superintendent as a member of another governmental agency or provides for an appeal to the state board of education from a decision of the superintendent, in which cases the reference is deemed to be made to the superintendent of public instruction appointed under the 1963 constitution. Such superintendent of public instruction shall be responsible for the execution of the policies of the state board. The state board may delegate any of its functions to him. He shall be the principal executive and administrative officer of the state department of education.


388.1014a Records of grades attained by students at former educational institutions; central depository; availability to public of records and other writings; custody of records; transcripts.

Sec. 14a. (1) The trustees or officers of a college or other institution of learning, whether incorporated or not, upon going out of existence or ceasing to function as an educational institution, shall turn over the records of all grades attained by its students to the state board of education. The office of the superintendent of public instruction shall be the central depository for these records.

(2) The records and any other writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

(3) The superintendent of public instruction shall have the supervision, care, custody, and control of these records, and shall, when requested, prepare transcripts necessary for a former student. The transcripts shall be certified by the superintendent of public instruction and shall be considered and accepted as evidence for all purposes, the same as the original record.


388.1015 State board of education; rules and regulations.

Sec. 15. The state board of education shall prescribe rules and regulations that it deems necessary to carry out the provisions of this act, in accordance with Act No. 88 of the Public Acts of 1943, as amended, being sections 24.71 to 24.82 of the Compiled Laws of 1948, and subject to Act No. 197 of the Public Acts of 1952, as amended, being sections 24.101 to 24.110 of the Compiled Laws of 1948.


388.1016 Saving clause.

Sec. 16. All contracts and obligations of the old board shall continue and have the same effect under the state board as they had under the old board, except as otherwise provided by law.


388.1017 Repeal.


PARENT COOPERATIVE PRESCHOOLS
Act 143 of 1976

AN ACT to license and regulate parent cooperative preschools; to prescribe the powers and duties of certain state agencies; and to provide for the certification of parent cooperative preschool teachers.


The People of the State of Michigan enact:

388.1021 Definitions.
Sec. 1. As used in this act:
(a) “Parent cooperative preschool” means a nonprofit, nondiscriminatory institution, maintained as a community service and administered by parents of children currently enrolled in the preschool, which institution provides an educational and developmental program for children younger than compulsory school age and which provides an educational program for parents, including active parental participation with children in preschool activities.

(b) “Child development course work” means child development course work, early childhood course work, child psychology course work, or any combination thereof.


388.1022 Licensing parent cooperative preschool; conditions.
Sec. 2. The department of education shall license a parent cooperative preschool as an educational institution, if all of the following are satisfied:
(a) The parent cooperative preschool is duly licensed by the department of social services as a child care organization under Act No. 116 of the Public Acts of 1973, as amended, being sections 722.111 to 722.128 of the Michigan Compiled Laws.
(b) The parent cooperative preschool employs not less than 1 qualified parent cooperative preschool teacher, as provided in this act, to direct educational and developmental programs for the children.


388.1023 Certification of applicant as qualified parent cooperative preschool teacher; requirements.
Sec. 3. The department of education shall certify an applicant as a qualified parent cooperative preschool teacher for purposes of this act if the applicant meets any of the following requirements:
(a) The applicant has earned 120 semester credit hours in an accredited institution of higher education, including not less than 15 semester hours of child development course work.
(b) The applicant has earned 60 semester credit hours in an accredited institution of higher education before July 1, 1979, including not less than 15 semester hours of child development course work.
(c) The applicant has taught in a parent cooperative preschool for not less than 5 years before the effective date of this act.


388.1024 Crediting teaching experience of qualified parent cooperative preschool teacher.
Sec. 4. The department of education shall credit the successful teaching experience of a qualified parent cooperative preschool teacher holding from the department of education a current elementary certificate or a secondary certificate with a home economics endorsement, vocational endorsement in child care and guidance, or an early childhood endorsement for purposes of qualifying for continuing certification.

FEDERAL FUNDS FOR EDUCATION
Act 209 of 1965

AN ACT to authorize the state board of education to accept federal funds for the conduct of research, surveys and demonstrations in the field of education and to strengthen and improve educational policy and educational opportunities in elementary and secondary education.


The People of the State of Michigan enact:

388.1031 State board of education; acceptance and expenditure of federal funds; rules and regulations to improve educational policy.

Sec. 1. The state board of education may take any necessary action consistent with state law to comply with the provisions of Public Law 531 of the 83rd Congress, known as the “cooperative research act” to encourage research and related activities which are of significance to education and with the provisions of Public Law 10 of the 89th Congress, known as the “elementary and secondary education act of 1965”. The state board of education may accept and expend federal funds available under such provisions and promulgate rules and regulations for the conduct of research, surveys and demonstrations in the field of education and for the purposes of strengthening and improving educational policy and educational opportunities in elementary and secondary education.


388.1032 Construction of act; payment of funds.

Sec. 2. This act shall not be construed as authorization to expend nor to incur any obligation to expend any state funds in excess of any amount which may be appropriated for such purpose by the legislature. Any funds appropriated shall be paid out of the state treasury in accordance with any fund accounting procedures necessary to assure proper distribution of and accounting for federal funds paid to the state.


Compiler's note: The repealed section pertained to submission of projects report by state board of education.
FEDERAL FUNDS FOR EDUCATIONAL TELEVISION  
Act 153 of 1966

AN ACT to authorize the state board of education to accept federal funds under the provisions of the television broadcasting facilities act of 1962, and under Title VII of the national defense education act of 1958, as amended; to make an appropriation and to provide for the expenditure of such funds.


The People of the State of Michigan enact:

388.1041 State board of education; acceptance and expenditure of federal funds for educational television.

Sec. 1. The state board of education may take any necessary action consistent with state law to comply with the provisions of Public Law 447 of the 87th Congress, known as the “television broadcasting facilities act of 1962,” and with the provisions of Title VII of Public Law 864 of the 85th Congress, as amended, known as the “national defense education act of 1958,” and may accept and expend federal funds available under these laws.


388.1042 Construction of act; payment of funds.

Sec. 2. This act shall not be construed as authorization to expend or to incur any obligation to expend any state funds in excess of any amount which may be appropriated for such purpose by the legislature. Any funds appropriated shall be paid out of the state treasury in accordance with state accounting procedures necessary to assure proper distribution of and accounting for federal funds paid to the state.


388.1043 Advisory committee for development of educational television system; appointment.

Sec. 3. The state board of education may appoint an advisory committee to conduct studies relating to the development of an educational television system in the state with particular emphasis on a complete engineering study of the feasibility of a multichannel broadcasting system for instruction, materials distribution and administrative data handling.


388.1044 Feasibility study; appropriation.

Sec. 4. There is hereby appropriated to the state board of education $50,000.00 from the general fund for the fiscal year ending June 30, 1967, to conduct such a feasibility study in conjunction with federal funds as might be available.


388.1045 Feasibility study; report; expenditure of funds.

Sec. 5. A report on the feasibility study shall be presented to the legislature by March 1, 1967. No funds, federal or state, shall be expended to implement recommendations of the feasibility study until specifically authorized by legislative act.


SPECIAL EDUCATION SCHOLARSHIPS  
Act 156 of 1966

FEDERAL FUNDS FOR ARTS AND HUMANITIES
Act 316 of 1966

AN ACT to authorize the state board of education to accept federal funds under the national foundation on the arts and the humanities act of 1965; and to provide for the expenditure of such funds.


The People of the State of Michigan enact:

388.1061 State board of education; acceptance and expenditure of federal funds for arts and humanities.
Sec. 1. The state board of education may take any necessary action consistent with state law to comply with the provisions of Public Law 209 of the 89th Congress, known as the “national foundation on the arts and the humanities act of 1965” and may accept and expend federal funds available under this law.


388.1062 Construction of act; payment of funds.
Sec. 2. This act shall not be construed as authorization to expend nor to incur any obligation to expend any state funds in excess of any amount which may be appropriated for such purpose by the legislature. Any funds appropriated shall be paid out of the state treasury in accordance with state accounting procedures necessary to assure proper distribution of and accounting for federal funds paid to the state.


NEIGHBORHOOD EDUCATION CENTERS
Act 39 of 1970


Compiler's note: Prior to the expiration of this act, MCL 388.1074 was repealed by Act 601 of 1978.
AN ACT to provide for assessment and remedial assistance programs of students in reading, mathematics and vocational education.


The People of the State of Michigan enact:

388.1081 Assessment of educational progress and remedial assistance; purposes.

Sec. 1. A statewide program of assessment of educational progress and remedial assistance in the basic skills of students in reading, mathematics, language arts and/or other general subject areas is established in the department of education which program shall:

(a) Establish meaningful achievement goals in the basic skills for students, and identify those students with the greatest educational need in these skills.

(b) Provide the state with the information needed to allocate state funds and professional services in a manner best calculated to equalize educational opportunities for students to achieve competence in such basic skills.

(c) Provide school systems with strong incentives to introduce educational programs to improve the education of students in such basic skills and model programs to raise the level of achievement of students.

(d) Develop a system for educational self-renewal that would continuously evaluate the programs and by this means help each school to discover and introduce program changes that are most likely to improve the quality of education.

(e) Provide the public periodically with information concerning the progress of the state system of education. Such programs shall extend current department of education efforts to conduct periodic and comprehensive assessment of educational progress.


Compiler's note: For transfer of powers and duties relating to Michigan educational assessment program from department of treasury to superintendent of public instruction by type II transfer, see E.R.O. No. 2003-2, compiled at MCL 388.997.

388.1082 Assessment program; coverage; conduct; requirements; results.

Sec. 2. (1) The statewide assessment program of educational progress shall cover all students annually in at least 2 elementary and middle school grade levels in public schools. If the federal government requires assessments at additional grade levels under the no child left behind act of 2001, Public Law 107-110, the superintendent of public instruction shall ensure that this state complies with those requirements.

(2) The superintendent of public instruction shall develop and conduct the assessment program and may utilize the assistance of appropriate testing organizations or testing specialists. Beginning with assessments conducted in the 2005-2006 school year, all of the following apply to the assessment program:

(a) The superintendent of public instruction shall ensure that any contractor used for scoring an assessment instrument supplies an individual report for each student that will identify for the student's parents and teachers whether the student met expectations or failed to meet expectations for each standard, to allow the student's parents and teachers to assess and remedy problems before the student moves to the next grade.

(b) The superintendent of public instruction shall ensure that any contractor used for scoring, developing, or processing an assessment instrument meets quality management standards commonly used in the assessment industry, including at least level 2 of the capability maturity model developed by the software engineering institute of Carnegie Mellon university for the 2005-2006 school year assessments and at least level 3 of the capability maturity model for subsequent assessments.

(c) The superintendent of public instruction shall ensure that any contract it enters into for scoring, administering, or developing an assessment instrument includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent of public instruction shall ensure that the assessment instruments meet all of the following:

(i) Are designed to test students on grade level content expectations in all subjects tested for each grade level tested.

(ii) Comply with requirements of the no child left behind act of 2001, Public Law 107-110.

(iii) Are consistent with the code of fair testing practices in education prepared by the joint committee on
testing practices of the American psychological association.

(iv) Are factually accurate. If the superintendent of public instruction determines that a question is not factually accurate and should be removed from an assessment instrument, the state board and the superintendent shall ensure that the question is removed from the assessment instrument.

(3) The program shall assess competencies in the basic skills and collect and utilize other relevant information essential to the assessment program.

(4) Based on information from the program, the public schools shall identify students who have extraordinary need for assistance to improve their competence in the basic skills and shall identify students who have demonstrated extraordinary competence in multiple subject areas who should be recommended for advancement.

(5) Information from the program shall be given to each school as soon as possible to assist it in its efforts to improve the achievement of students in the basic skills.


Compiler's note: For transfer of powers and duties relating to Michigan educational assessment program from department of treasury to superintendent of public instruction by type II transfer, see E.R.O. No. 2003-2, compiled at MCL 388.997.

388.1083 Remedial assistance programs; components; guidelines and specifications; staff training; demonstration projects; audit.

Sec. 3. (1) Based on information from the mathematics, reading and language arts assessment program, the department shall provide remedial assistance programs, as funds are made available by law to school districts to raise competencies in basic skills of students identified pursuant to subsection (4) of section 2. A funded program shall include but not be limited to the following components:

(a) Diagnosis of each student's performance difficulties and the development of an instructional program best suited to his individual needs.

(b) Provision for selection, adaptation and installation of instructional systems that take account of individual student needs.

(c) Provision for an evaluation of the program in order to identify changes needed to improve program effectiveness.

(2) The department shall establish guidelines and specifications for the program components. The department shall provide technical assistance to each school district in its implementation of the guidelines and specifications. The department shall conduct such evaluations necessary to provide adequate information for the setting of guidelines.

(3) The department shall provide for preservice and inservice training of staff who would be involved in the school programs.

(4) The department with the cooperation of selected schools shall establish demonstration projects in basic skills.

(5) A remedial assistance program shall be audited as part of its evaluation by an agency independent of the state department of education to facilitate the accountability of each school for its programs.


Compiler's note: For transfer of powers and duties relating to Michigan educational assessment program from department of treasury to superintendent of public instruction by type II transfer, see E.R.O. No. 2003-2, compiled at MCL 388.997.

388.1084 Vocational education demonstration program; establishment, purposes.

Sec. 4. A vocational education demonstration program is established in the department of education to develop, test and evaluate the following innovative programs:

(a) A vocational education assessment and counseling system using computer and other automated techniques.

(b) A new career development program to devise curricula and materials for new careers in the labor market.


Compiler's note: For transfer of powers and duties relating to Michigan educational assessment program from department of treasury to superintendent of public instruction by type II transfer, see E.R.O. No. 2003-2, compiled at MCL 388.997.

388.1085 Vocational education demonstration program; development and testing, operation, evaluation.

Sec. 5. (1) The vocational education demonstration program shall be developed and tested in not more than 3 school districts. The department shall formulate plans and rules, select the demonstration districts and develop instruments for measurement of the program. Demonstration programs shall be operated in school
districts during the 1971-72 school year.

(2) The department shall evaluate the program and recommend to the governor and the legislature a statewide vocational education assessment, counseling and evaluation program by December 31, 1972.


Compiler's note: For transfer of powers and duties relating to Michigan educational assessment program from department of treasury to superintendent of public instruction by type II transfer, see E.R.O. No. 2003-2, compiled at MCL 388.997.

388.1086 Rules for administration of act.
Sec. 6. The department shall promulgate rules necessary to carry out the provisions of this act, in accordance with and subject to the provisions of Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.313 of the Compiled Laws of 1948.


Compiler's note: For transfer of powers and duties relating to Michigan educational assessment program from department of treasury to superintendent of public instruction by type II transfer, see E.R.O. No. 2003-2, compiled at MCL 388.997.

EDUCATION FOR THE GIFTED AND/OR ACADEMICALLY TALENTED ACT
Act 299 of 1974


STATE SCHOOL AID ACT OF 1972
Act 258 of 1972


EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2011-7

388.1281 Creation of Michigan office of great start within Michigan department of education; transfer of powers and duties of office of child development and care within department of human services, head start collaboration office within department of human services, and office of early childhood education and family services within department of education to Michigan office of great start.

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the state of Michigan in the Governor; and

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch or in the assignment of functions among its units that the Governor considers necessary for efficient administration; and

WHEREAS, there is a continued need to reorganize functions among state departments to ensure efficient administration; and

WHEREAS, Section 3 of Article VIII of the Michigan Constitution of 1963, section 14 of Act No. 287 of the Public Acts of 1964, as amended, being section 388.1014 of the Michigan Compiled Laws, and section 305 of Act No. 380 of the Public Acts of 1965, as amended, being section 16.405 of the Michigan Compiled Laws, provide that the Superintendent of Public Instruction is the principal executive and administrative officer of the Department of Education; and

WHEREAS, there is a need to create a coherent system of health and early learning that aligns, integrates and coordinates Michigan's investments from prenatal to third grade; and

WHEREAS, Michigan's early childhood development programs and funding are fragmented across state government; and

WHEREAS, Michigan's approach to investing in school readiness and early elementary success should be values-based and founded on sound scientific and economic evidence; and

WHEREAS, we must refocus the state's early childhood investment, policy, and administrative structures by adopting a single set of early childhood outcomes and measuring performance against those outcomes; and

WHEREAS, Michigan children should be developmentally ready to succeed at the time of school entry;

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. MICHIGAN OFFICE OF GREAT START
   A. The Michigan Office of Great Start is created within the Michigan Department of Education.
   B. The Superintendent of Public Instruction shall exercise all administrative powers, duties, functions, and responsibilities of the Michigan Office of Great Start.
   C. All authority, powers, duties, functions, and responsibilities of the Office of Child Development and Care within the Department of Human Services, including the functions of budgeting, procurement, and management-related functions, are transferred to the Michigan Office of Great Start.
   D. All authority, powers, duties, functions, and responsibilities of the Head Start Collaboration Office within the Department of Human Services, including the functions of budgeting, procurement, and management-related functions, are transferred to the Michigan Office of Great Start.
   E. All authority, powers, duties, functions, and responsibilities of the Office of Early Childhood Education and Family Services within the Michigan Department of Education, including the functions of budgeting, procurement, and management-related functions, are transferred to the Michigan Office of Great Start.

II. MISCELLANEOUS
   A. All rules, orders, opinions, contracts, and agreements relating to the functions of the Office of Child Development and Care, the Head Start Collaboration Office, and the Office of Early Childhood Education and Family Services, transferred to the Michigan Office of Great Start under this Order, and lawfully adopted prior to the issuance of this Order, shall continue to be effective until revised, amended, or rescinded.
   B. All records, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the Department of Human Services and the Department of Education for the activities, powers, duties, functions, and responsibilities transferred under this Order, are transferred to the Michigan Office of Great Start.
   C. The Superintendent of Public Instruction shall provide executive direction and supervision for the implementation of the transfers. The Superintendent of Public Instruction shall administer the assigned functions in such ways as to promote efficient administration and shall make internal organizational changes.
as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

D. The State Budget Director shall determine the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary for the implementation of this Order.

E. Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by this Order, shall not abate by reason of the taking effect of this Order. Any suit, action or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

F. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

G. The Superintendent of Public Instruction and the Director of the Department of Human Services shall immediately initiate coordination to facilitate the transfers set forth in this Order and shall develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Departments of Human Services and Education.

H. The Director of the Department of Community Health ("Department") shall coordinate with the Superintendent of Public Instruction concerning administration of the programs and services the Department provides that affect early childhood development. The programs and services the Department provides shall to the extent practicable complement and support the efforts of the Office of Great Start, and the Department and the Superintendent shall utilize their early childhood resources in a coordinated fashion.

In fulfilment of the requirements of Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order shall be effective 60 days after the filing of this Order.


**Compiler's note:** Executive Reorganization Order No. 2011-7 was promulgated June 29, 2011 as Executive Order No. 2011-8, Eff. August 29, 2011.
EXECUTIVE REORGANIZATION ORDER  
E.R.O. No. 2017-2  

388.1282 Transfer of state school reform/redesign office from department of technology, management, and budget to department of education; transfer of certain powers and duties transferred from superintendent of public instruction to state school reform/redesign office under Executive Reorganization Order No. 2015-2, MCL 18.445, to superintendent of public instruction.

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the state of Michigan in the Governor; and

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that he considers necessary for efficient administration; and

WHEREAS, Section 8 of Article V of the Michigan Constitution of 1963 provides that each principal department shall be under the supervision of the Governor unless otherwise provided by the Constitution; and

WHEREAS, Section 1 of Article VIII of the Michigan Constitution of 1963 provides in part that schools and the means of education shall forever be encouraged; and

WHEREAS, Section 2 of Article VIII of the Michigan Constitution of 1963 provides in part that the legislature shall maintain and support a system of free public elementary and secondary schools as defined by law; and

WHEREAS, Section 3 of Article VIII of the Michigan Constitution of 1963 vests leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, in the State Board of Education; and

WHEREAS, there is a continued need to reorganize functions among state departments to ensure efficient administration; and

WHEREAS, the economic success of our state is dependent on having an educated and skilled citizenry that begins with every student having a quality education that prepares them for career and college readiness and success; and

WHEREAS, the State School Reform/Redesign Officer position and the State School Reform/Redesign School District were created by statute to advance improvement in Michigan’s lowest achieving public schools, as defined under state law; and

WHEREAS, on March 12, 2015, by Executive Order 2015-9, the State School Reform/Redesign Office was created as an autonomous entity within the Department of Technology, Management and Budget; and

WHEREAS, on March 12, 2015, by Executive Order 2015-9, the State School Reform/Redesign School District was transferred from the Department of Education to the State School Reform/Redesign Office; and

WHEREAS, on March 12, 2015, by Executive Order 2015-9, the State School Reform/Redesign Officer was transferred from the Department of Education to the State School Reform/Redesign Office; and

WHEREAS, the Superintendent of Public Instruction and the State School Reform/Redesign Officer have been working closely together in partnership to identify and improve the performance of low achieving schools designated in 2017 for possible closure; and

WHEREAS, transferring the State School Reform/Redesign Office to the Department of Education will ensure the efficient continuation of the work by the Superintendent of Public Instruction in conjunction with the State School Reform/Redesign Office.

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the powers and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

As used in this Order:

A. "Department of Education" means the principal department of state government created under Section 300 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.400.

B. "Department of Technology, Management and Budget" means the principal department of state government created by Section 121 of the Management and Budget Act, 1984 PA 431, MCL 18.1121, and renamed the Department of Technology, Management and Budget under Executive Order 2009-55, MCL 18.441.

C. "State Board of Education" means the board created under Section 3, Article VIII, of the Michigan Constitution of 1963.
D. "State Budget Director" means the individual appointed by the Governor pursuant to Section 321 of the Management and Budget Act, 1984 PA 431, MCL 18.1321, and Executive Order 2009-55, MCL 18.441.

E. "State School Reform/Redesign School District" means the school district created under Section 1280c(6) of the Revised School Code, 1976 PA 451, MCL 380.1280c.

F. "State School Reform/Redesign Office" means the office created within the Department of Technology, Management and Budget under Executive Order 2015-9.

G. "State School Reform/Redesign Officer" means the officer described in Section 1280c(9) of the Revised School Code, 1976 PA 451, MCL 380.1280c, and authorized to act as the superintendent of the State School Reform/Redesign District under Section 1280c(6)(b) of the Revised School Code, 1976 PA 451, MCL 380.1280c.

H. "Superintendent of Public Instruction" means the principal executive officer of the Department of Education required under Section 3, Article VIII, of the Michigan Constitution of 1963.

II. TRANSFER OF THE STATE SCHOOL REFORM/REDESIGN OFFICE

A. The State School Reform/Redesign Office, including but not limited to the State School Reform/Redesign School District and the State School Reform/Redesign Officer, is transferred from the Department of Technology, Management and Budget to the Department of Education.

B. All authority, powers, duties, functions, and responsibilities under Section 1280c of the Revised School Code, 1976 PA 451, MCL 380.1280c, that were transferred from the Department of Education to the State School Reform/Redesign Office by Executive Order 2015-9, are transferred back to the Department of Education with the transfer of the State School Reform/Redesign Office from the Department of Technology, Management and Budget to the Department of Education.

C. All authority, powers, duties, functions, and responsibilities under Section 1280c of the Revised School Code, 1976 PA 451, MCL 380.1280c, and Section 15(6) of 1947 PA 336, MCL 423.215, that were transferred from the Superintendent of Public Instruction to the State School Reform/Redesign Office by Executive Order 2015-9, are transferred back to the Superintendent of Public Instruction with the transfer of the State School Reform/Redesign Office from the Department of Technology, Management and Budget to the Department of Education.

D. All of the following authority, powers, duties, functions, and responsibilities that were transferred from the Superintendent of Public Instruction to the State School Reform/Redesign Office by Executive Order 2015-9 are transferred back to the Superintendent of Public Instruction with the transfer of the State School Reform/Redesign Office from the Department of Technology, Management and Budget to the Department of Education:

1. Determining that a public school academy that has been operating for at least 4 years is among the lowest achieving 5% of all public schools in this state, as defined for the purposes of the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, is in year 2 of restructuring sanctions under the No Child Left Behind Act of 2001, Public Law 107-110, not to include the individualized education plan subgroup, and is not currently undergoing reconstitution under Section 507 of the Revised School Code, 1976 PA 451, MCL 380.507, and notifying the public school academy’s authorizing body under Section 507(5) of the Revised School Code, 1976 PA 451, MCL 380.507, of that determination.

2. Determining that an urban high school academy that has been operating for at least 4 years is among the lowest achieving 5% of all public schools in this state, as defined for the purposes of the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, is in year 2 of restructuring sanctions under the No Child Left Behind Act of 2001, Public Law 107-110, not to include the individualized education plan subgroup, and is not currently undergoing reconstitution under Section 528 of the Revised School Code, 1976 PA 451, MCL 380.528, and notifying the urban high school academy’s authorizing body under Section 528(5) of the Revised School Code, 1976 PA 451, MCL 380.528, of that determination.

3. Determining that a school of excellence serving a special student population that has been operating for at least 4 years is among the lowest achieving 5% of all public schools in this state, as defined for the purposes of the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, is in year 2 of restructuring sanctions under the No Child Left Behind Act of 2001, Public Law 107-110, not to include the individualized education plan subgroup, and is not currently undergoing reconstitution under Section 561 of the Revised School Code, 1976 PA 451, MCL 380.561, and notifying the school’s authorizing body under Section 561 of the Revised School Code, 1976 PA 451, MCL 380.561, of that determination.

E. Paragraph III.B of Executive Order 2015-9 is rescinded. The State School Reform/Redesign Officer transferred back to the Department of Education with the transfer of the State School Reform/Redesign Office.
from the Department of Technology, Management and Budget to the Department of Education shall have the status, powers, and responsibilities set forth in Section 1280c of the Revised School Code, 1976 PA 451, MCL 380.1280c.

III. IMPLEMENTATION

A. Any records, personnel, property, unexpended balances of appropriations, allocations, or other funds used, held, employed, available, or to be made available to the State School Reform/Redesign Office for the authority, powers, duties, functions, and responsibilities transferred under this Order are transferred with the Office to the Department of Education.

B. The Superintendent of Public Instruction, after consultation with the Director of the Department of Technology, Management and Budget, shall provide executive direction and supervision for the implementation of the transfers under this Order. The assigned functions shall be administered under the direction and supervision of the Superintendent of Public Instruction. The Superintendent of Public Instruction shall make internal organizational changes as may be administratively necessary to complete the realignment of functions and responsibilities by this Order pursuant to MCL 16.107.

C. The Director of the Department of Technology, Management and Budget and the Superintendent of Public Instruction shall immediately initiate coordination to facilitate the transfers under this Order and shall develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved.

D. The State Budget Director shall determine and authorize the most efficient manner possible for the handling of financial transactions and records in the state’s financial management system necessary for the implementation of this Order.

IV. MISCELLANEOUS

A. All rules, orders, contracts, plans, and agreements relating to the functions and responsibilities transferred by this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, or rescinded.

B. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity transferred by this Order shall not abate by reason of the taking effect of this Order. Any lawfully commenced suit, action, or other proceeding involving any entity affected by this Order may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements of Section 2 of Article V of the Michigan Constitution of 1963, this Order shall be effective on 60 days after the filing of this Order.


AN ACT to prohibit the disclosure or use of certain information.


The People of the State of Michigan enact:

388.1291 Short title.
Sec. 1. This act shall be known and may be cited as the "student online personal protection act".


388.1293 Definitions.
Sec. 3. As used in this act:
(a) "Covered information" means personally identifiable information or material in any media or format that is any of the following:
(i) Created by or provided to an operator by a student, or the student's parent or legal guardian, in the course of the student's, parent's, or legal guardian's use of the operator's site, service, or application for K–12 school purposes.
(ii) Created by or provided to an operator by an employee or agent of a K-12 school or school district for K-12 school purposes.
(iii) Gathered by an operator through the operation of a site, service, or application for K-12 school purposes and personally identifies a student, including, but not limited to, information in the student's educational record or electronic mail, first and last name, home address, telephone number, electronic mail address, or other information that allows physical or online contact, discipline records, test results, special education data, juvenile dependency records, grades, evaluations, criminal records, medical records, health records, social security number, biometric information, disabilities, socioeconomic information, food purchases, political affiliations, religious information, text messages, documents, student identifiers, search activity, photos, voice recordings, or geolocation information.
(b) "Interactive computer service" means that term as defined in 47 USC 230.
(c) "K-12 school" means a school that offers any of grades kindergarten to 12 and that is operated by a school district.
(d) "K–12 school purposes" means purposes that are directed by or that customarily take place at the direction of a K–12 school, teacher, or school district or aid in the administration of school activities, including, but not limited to, instruction in the classroom or at home, administrative activities, and collaboration between students, school personnel, or parents, or are for the use and benefit of the school. Other than advertising described in section 5(3)(b), K-12 school purposes also includes those purposes related to K-12 students preparing for postsecondary education.
(e) "Operator" means, to the extent that it is operating in this capacity, the operator of an Internet website, online service, online application, or mobile application with actual knowledge that the site, service, or application is used primarily for K–12 school purposes and was designed and marketed for K–12 school purposes.
(f) "School district" means a school district, intermediate school district, or public school academy, as those terms are defined in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.
(g) "Service provider" means a person or entity that provides a service that enables users to access content, information, electronic mail, or other services offered over the Internet or a computer network.
(h) "Targeted advertising" means presenting an advertisement to a student where the advertisement is selected based on information obtained or inferred from that student's online behavior, usage of applications, or covered information. Targeted advertising does not include advertising to a student at an online location based upon that student's current visit to that location or single search query without the collection and retention of a student's online activities over time.


388.1295 Operator; prohibited conduct; duties; use of disclosed covered information; conditions; scope and limitations of section.
Sec. 5. (1) An operator shall not knowingly do any of the following:
(a) Engage in targeted advertising on the operator's site, service, or application, or target advertising on any other site, service, or application if the targeting of the advertising is based on any information, including
covered information and persistent unique identifiers, that the operator has acquired because of the use of that operator's site, service, or application for K-12 school purposes.

(b) Use information, including persistent unique identifiers, created or gathered by the operator's site, service, or application, to amass a profile about a student except in furtherance of K-12 school purposes. As used in this subdivision, "amass a profile" does not include the collection and retention of account registration records or information that remains under the control of the student, the student's parent or guardian, or K-12 school.

(c) Sell or rent a student's information, including covered information. This subdivision does not apply to the purchase, merger, or other type of acquisition of an operator by another entity, if the operator or successor entity complies with this section regarding previously acquired student information.

(d) Except as otherwise provided in subsection (3), disclose covered information unless the disclosure is made for the following purposes:

(i) In furtherance of the K-12 school purpose of the site, service, or application, if the recipient of the covered information disclosed under this subparagraph does not further disclose the information unless done to allow or improve operability and functionality of the operator's site, service, or application.

(ii) To ensure legal and regulatory compliance or protect against liability.

(iii) To respond to or participate in the judicial process.

(iv) To protect the safety or integrity of users of the site or others or the security of the site, service, or application.

(v) For a school, educational, or employment purpose requested by the student or the student's parent or guardian, provided that that information is not used or further disclosed for any other purpose.

(vi) To a service provider, if the operator contractually prohibits the service provider from using any covered information for any purpose other than providing the contracted service to or on behalf of the operator, prohibits the service provider from disclosing any covered information provided by the operator with subsequent third parties, and requires the service provider to implement and maintain reasonable security procedures and practices. This subparagraph does not prohibit the operator's use of information for maintaining, developing, supporting, improving, or diagnosing the operator's site, service, or application.

(2) An operator shall do all of the following:

(a) Implement and maintain reasonable security procedures and practices appropriate to the nature of the covered information, and protect that covered information from unauthorized access, destruction, use, modification, or disclosure.

(b) Delete a student's covered information if the K-12 school or school district requests deletion of covered information under the control of the K-12 school or school district.

(3) An operator may use or disclose covered information of a student under the following circumstances:

(a) If other provisions of federal or state law require the operator to disclose the information, and the operator complies with the requirements of federal and state law in protecting and disclosing that information.

(b) For legitimate research purposes as required by state or federal law and subject to the restrictions under applicable state and federal law or as allowed by state or federal law and under the direction of a K-12 school, school district, or state department of education, if covered information is not used for advertising or to amass a profile on the student for purposes other than K-12 school purposes.

(c) To a state or local educational agency, including K-12 schools and school districts, for K-12 school purposes, as permitted by state or federal law.

(4) This section does not prohibit an operator from doing any of the following:

(a) Using covered information that is not associated with an identified student within the operator's site, service, or application or other sites, services, or applications owned by the operator to improve educational products.

(b) Using covered information that is not associated with an identified student to demonstrate the effectiveness of the operator's products or services, including in their marketing.

(c) Sharing covered information that is not associated with an identified student for the development and improvement of educational sites, services, or applications.

(d) Using recommendation engines to recommend to a student either of the following:

(i) Additional content relating to an educational, other learning, or employment opportunity purpose within the operator's site, service, or application if the recommendation is not determined in whole or in part by payment or other consideration from a third party.

(ii) Additional services relating to an educational, other learning, or employment opportunity purpose within the operator's site, service, or application if the recommendation is not determined in whole or in part by payment or other consideration from a third party.

(e) Responding to a student's request for information or for feedback to help improve learning without the
information or response being determined in whole or in part by payment or other consideration from a third party.

(5) This section does not do any of the following:

(a) Limit the authority of a law enforcement agency to obtain any content or information from an operator as authorized by law or under a court order.

(b) Limit the ability of an operator to use student data, including covered information, for adaptive learning or customized student learning purposes.

(c) Apply to general audience Internet websites, general audience online services, general audience online applications, or general audience mobile applications, even if login credentials created for an operator's site, service, or application may be used to access those general audience sites, services, or applications.

(d) Limit service providers from providing Internet connectivity to schools or students and their families.

(e) Prohibit an operator of an Internet website, online service, online application, or mobile application from marketing educational products directly to parents if the marketing did not result from the use of covered information obtained by the operator through the provision of services covered under this section.

(f) Impose a duty upon a provider of an electronic store, gateway, marketplace, or other means of purchasing or downloading software or applications to review or enforce compliance with this section on those applications or software.

(g) Impose a duty upon a provider of an interactive computer service to review or enforce compliance with this section by third-party content providers.

(h) Prohibit students from downloading, exporting, transferring, saving, or maintaining their own student data or documents.

(i) Prohibit a K-12 school, school district, operator, or service provider from using a student's information, including covered information, solely to identify or display information to the student about or facilitate connection of the student with a not-for-profit institution of higher education or a scholarship opportunity if the K-12 school or school district has first obtained the express written consent of the student's parent or legal guardian or, if the student is age 18 or older or is an emancipated minor, the student. For the purposes of this subdivision, that express written consent may be obtained as a response to the annual notice required under 34 CFR 99.7 and is not required to be in addition to consent given in response to that annual notice.

COMPACT FOR EDUCATION
Act 359 of 1972

AN ACT to enact the compact for education; and to provide the terms of the compact.


The People of the State of Michigan enact:

388.1301 Compact for education.
Sec. 1. The compact for education is entered into and enacted into law with all jurisdictions legally joining therein, in the form substantially as follows:

COMPACT FOR EDUCATION
Article I. Purpose and Policy.

(a) It is the purpose of this compact to:
(1) Establish and maintain close cooperation and understanding among executive, legislative, professional educational and lay leadership on a nationwide basis at the state and local levels.
(2) Provide a forum for the discussion, development, crystallization and recommendation of public policy alternatives in the field of education.
(3) Provide a clearing house of information on matters relating to educational problems and how they are being met in different places throughout the nation, so that the executive and legislative branches of state government and of local communities may have ready access to the experience and record of the entire country, and so that both lay and professional groups in the field of education may have additional avenues for the sharing of experience and the interchange of ideas in the formation of public policy in education.
(4) Facilitate the improvement of state and local educational systems so that all of them will be able to meet adequate and desirable goals in a society which requires continuous qualitative and quantitative advance in educational opportunities, methods and facilities.
(b) It is the policy of this compact to encourage and promote local and state initiative in the development, maintenance, improvement and administration of educational systems and institutions in a manner which will accord with the needs and advantages of diversity among localities and states.
(c) The party states recognize that each of them has an interest in the quality and quantity of education furnished in each of the other states, as well as in the excellence of its own educational systems and institutions, because of the highly mobile character of individuals within the nation, and because the products and services contributing to the health, welfare and economic advancement of each state are supplied in significant part by persons educated in other states.

Article II. State Defined.
As used in this compact, "state" means a state, territory or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

Article III. The Commission.
(a) The education commission of the states, hereinafter called "the commission", is established. The commission shall consist of seven members representing each party state. One of such members shall be the governor; two shall be members of the state legislature selected by its respective houses and serving in such manner as the legislature may determine; and four shall be appointed by and serve at the pleasure of the governor, unless the laws of the state otherwise provide. If the laws of a state prevent legislators from serving on the commission, six members shall be appointed and serve at the pleasure of the governor, unless the laws of the state otherwise provide. In addition to any other principles or requirements which a state may establish for the appointment and service of its members of the commission, the guiding principle for the composition of the membership on the commission from each party state shall be that the members representing such state shall, by virtue of their training, experience, knowledge or affiliations be in a position collectively to reflect broadly the interests of the state government, higher education, the state education system, local education, lay and professional, public and nonpublic educational leadership. Of those appointees, one shall be the head of a state agency or institution, designated by the governor, having responsibility for one or more programs of public education. In addition to the members of the commission representing the party states, there may be not to exceed ten nonvoting commissioners selected by the steering committee for terms of one year. Such commissioners shall represent leading national organizations of professional educators or persons concerned with educational administration.
(b) The members of the commission shall be entitled to one vote each on the commission. No action of the commission shall be binding unless taken at a meeting at which a majority of the total number of votes on the commission are cast in favor thereof. Action of the commission shall be only at a meeting at which a majority
of the commissioners are present. The commission shall meet at least once a year. In its bylaws, and subject to
such directions and limitations as may be contained therein, the commission may delegate the exercise of any
of its powers to the steering committee or the executive director, except for the power to approve budgets or
requests for appropriations, the power to make policy recommendations pursuant to Article IV and adoption
of the annual report pursuant to Article III(j).

(c) The commission shall have a seal.

(d) The commission shall elect annually, from among its members, a chairman, who shall be a governor, a
vice chairman and a treasurer. The commission shall provide for the appointment of an executive director.
Such executive director shall serve at the pleasure of the commission, and together with the treasurer and such
other personnel as the commission may deem appropriate shall be bonded in such amount as the commission
shall determine. The executive director shall be secretary.

(e) Irrespective of the civil service, personnel or other merit system laws of any of the party states, the
executive director subject to the approval of the steering committee shall appoint, remove or discharge such
personnel as may be necessary for the performance of the functions of the commission, and shall fix the duties
and compensation of such personnel. The commission in its bylaws shall provide for the personnel policies
and programs of the commission.

(f) The commission may borrow, accept or contract for the services of personnel from any party
jurisdiction, the United States, or any subdivision or agency of the aforementioned governments, or from any
agency of two or more of the party jurisdictions or their subdivisions.

(g) The commission may accept for any of its purposes and functions under this compact any and all
donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from
any state, the United States, or any other governmental agency, or from any person, firm, association,
foundation or corporation, and may receive, utilize and dispose of the same. Any donation or grant accepted
by the commission pursuant to this paragraph or services borrowed pursuant to paragraph (f) of this article
shall be reported in the annual report of the commission. Such report shall include the nature, amount and
conditions, if any, of the donation, grant or services borrowed, and the identity of the donor or lender.

(h) The commission may establish and maintain such facilities as may be necessary for the transacting
of its business. The commission may acquire, hold and convey real and personal property and any interest
therein.

(i) The commission shall adopt bylaws for the conduct of its business and shall have the power to amend
and rescind these bylaws. The commission shall publish its bylaws in convenient form and shall file a copy
thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the party
states.

(j) The commission annually shall make to the governor and legislature of each party state a report
covering the activities of the commission for the preceding year. The commission may make such additional
reports as it may deem desirable.

Article IV. Powers.

In addition to authority conferred on the commission by other provisions of the compact, the commission
shall have authority to:

(1) Collect, correlate, analyze and interpret information and data concerning educational needs and
resources.

(2) Encourage and foster research in all aspects of education, but with special reference to the desirable
scope of instruction, organization, administration, and instructional methods and standards employed or
suitable for employment in public educational systems.

(3) Develop proposals for adequate financing of education as a whole and at each of its many levels.

(4) Conduct or participate in research of the types referred to in this article in any instance where the
commission finds that such research is necessary for the advancement of the purposes and policies of this
compact, utilizing fully the resources of national associations, regional compact organizations for higher
education, and other agencies and institutions, both public and private.

(5) Formulate suggested policies and plans for the improvement of public education as a whole, or for any
segment thereof, and make recommendations with respect thereto available to the appropriate governmental
units, agencies and public officials.

(6) Do such other things as may be necessary or incidental to the administration of any of its authority or
functions pursuant to this compact.

Article V. Cooperation With Federal Government.

(a) If the laws of the United States specifically so provide, or if administrative provision is made therefor
within the federal government, the United States may be represented on the commission by not to exceed ten
representatives. Any such representative or representatives of the United States shall be appointed and serve
in such manner as may be provided by or pursuant to federal law, and may be drawn from any one or more branches of the federal government, but no such representative shall have a vote on the commission.

(b) The commission may provide information and make recommendations to any executive or legislative agency or officer of the federal government concerning the common educational policies of the states, and may advise with any such agencies or officers concerning any matter of mutual interest.

Article VI. Committees.

(a) To assist in the expeditious conduct of its business when the full commission is not meeting, the commission shall elect a steering committee of 32 members which, subject to the provisions of this compact and consistent with the policies of the commission, shall be constituted and function as provided in the bylaws of the commission. One-fourth of the voting membership of the steering committee shall consist of governors, 1/4 shall consist of legislators, and the remainder shall consist of other members of the commission. A federal representative on the commission may serve with the steering committee, but without vote. The voting members of the steering committee shall serve for terms of 2 years, except that members elected to the first steering committee of the commission shall be elected as follows: 16 for 1 year and 16 for 2 years. The chairman, vice chairman and treasurer of the commission shall be members of the steering committee and, anything in this paragraph to the contrary notwithstanding, shall serve during their continuance in these offices. Vacancies in the steering committee shall not affect its authority to act, but the commission at its next regularly ensuing meeting following the occurrence of any vacancy shall fill it for the unexpired term. No person shall serve more than 2 terms as a member of the steering committee; provided that service for a partial term of 1 year or less shall not be counted toward the 2 term limitation.

(b) The commission may establish advisory and technical committees composed of state, local and federal officials, and private persons to advise it with respect to any one or more of its functions. Any advisory or technical committee may, on request of the states concerned, be established to consider any matter of special concern to 2 or more of the party states.

(c) The commission may establish such additional committees as its bylaws may provide.

Article VII. Finance.

(a) The commission shall advise the governor or designated officer or officers of each party state of its budget and estimated expenditures for such period as may be required by the laws of that party state. Each of the commission’s budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states.

(b) The total amount of appropriation requests under any budget shall be apportioned among the party states. In making such apportionment, the commission shall devise and employ a formula which takes equitable account of the populations and per capita income levels of the party states.

(c) The commission shall not pledge the credit of any party states. The commission may meet any of its obligations in whole or in part with funds available to it pursuant to Article III(g) of this compact, provided that the commission takes specific action setting aside such funds prior to incurring an obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it pursuant to Article III(g) thereof, the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

(d) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established by its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant, and the report of the audit shall be included in and become part of the annual reports of the commission.

(e) The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.

(f) Nothing contained herein shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

Article VIII. Eligible Parties; Entry Into and Withdrawal.

(a) This compact shall have as eligible parties all states, territories, and possessions of the United States, the District of Columbia and the Commonwealth of Puerto Rico. In respect of any such jurisdiction not having a governor, the term “governor”, as used in this compact, shall mean the closest equivalent official of such jurisdiction.

(b) Any state or other eligible jurisdiction may enter into this compact and it shall become binding thereon when it has adopted the same: Provided that in order to enter into initial effect, adoption by at least ten eligible party jurisdictions shall be required.

(c) Adoption of the compact may be either by enactment thereof or by adherence thereto by the governor:
Provided that in the absence of enactment, adherence by the governor shall be sufficient to make his state a party only until December 31, 1967. During any period when a state is participating in this compact through gubernatorial action, the governor shall appoint those persons who, in addition to himself, shall serve as the members of the commission from his state, and shall provide to the commission an equitable share of the financial support of the commission from any source available to him.

(d) Except for a withdrawal effective on December 31, 1967 in accordance with paragraph (c) of this article, any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until 1 year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

Article IX. Construction and Severability

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the state affected as to all severable matters.


388.1302 Education council.

Sec. 2. The education council composed of the members of the education commission of the states representing this state, and 3 other persons appointed by the governor for terms of 3 years is established within the department of education. The other persons shall be selected so as to be broadly representative of professional and lay interest within this state having the responsibilities for, knowledge with respect to, and interest in educational matters. The chairman shall be designated by the governor from among its members. The council shall meet on the call of its chairman or at the request of a majority of its members, but in any event the council shall meet not less than 3 times in each year. The council may consider any matters relating to recommendations of the education commission of the states and the activities of the members in representing this state thereon.


388.1303 Filing bylaws and amendments thereto.

Sec. 3. Pursuant to Article III(i) of the compact, the commission shall file a copy of its bylaws and any amendment thereto with the department of education.


388.1304 Effective date.

Sec. 4. This act shall not become effective prior to the enactment of an appropriation bill providing suitable funding for its provisions.


CAREER EDUCATION ACT

Act 97 of 1974


ADVISORY COMMITTEE ON THE DEVELOPMENT OF COMPREHENSIVE ARTS EDUCATION PROGRAMS

Act 42 of 1976

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2009-33

388.1361 Transfer of advisory committee for development of educational television system to department of education by type III transfer; abolishment of advisory committee for development of educational television system.

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;
WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch of state government or in the assignment of functions among its units that the Governor considers necessary for efficient administration;
WHEREAS, there is a continuing need to reorganize functions amongst state departments to ensure efficient administration and effectiveness of government;
WHEREAS, abolishing the Advisory Committee for Development of Educational Television System will contribute to a smaller and more efficient state government;
NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

As used in this Order:
A. "Advisory Committee for Development of Educational Television System" means the committee created under Section 3 of 1966 PA 153, MCL 388.1043.
B. "Department of Education" means the principal department of state government created under Section 300 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.400.
C. "State Budget Director" means the individual appointed by the Governor pursuant to Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.
E. "Type III transfer" means that term as defined under Section 3(c) of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.103.

II. TRANSFER OF AUTHORITY

A. The Advisory Committee for Development of Educational Television System is transferred by Type III transfer to the Department of Education.
B. The Advisory Committee for Development of Educational Television System is abolished.

III. IMPLEMENTATION OF TRANSFERS

A. The Superintendent of Public Instruction shall provide executive direction and supervision for the implementation of all transfers of functions under this Order and shall make internal organizational changes as necessary to complete the transfers under this Order.
B. The functions transferred under this Order shall be administered by the Superintendent of Public Instruction in such ways as to promote efficient administration.
C. All records, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the Advisory Committee for Development of Educational Television System for the activities, powers, duties, functions, and responsibilities transferred under this Order are transferred to the Department of Education.
D. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary for the implementation of this Order.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.
B. This Order shall not abate any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.
C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.
In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective December 28, 2009 at 12:01 a.m.

The People of the State of Michigan enact:

388.1371 Interstate agreement on qualification of educational personnel; form.
Sec. 1. The interstate agreement on qualification of educational personnel is enacted into law and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

Article 1
Purpose, Findings and Policy
1. The states party to this agreement, desiring by common action to improve their respective school systems by utilizing the teacher or other professional educational person wherever educated, declare that it is the policy of each of them, on the basis of cooperation with one another, to take advantage of the preparation and experience of such persons wherever gained, thereby serving the best interests of society, of education, and of the teaching profession. It is the purpose of this agreement to provide for the development and execution of such programs of cooperation as will facilitate the movement of teachers and other professional educational personnel among the states party to it, and to authorize specific interstate educational personnel contracts to achieve that end.

2. The party states find that included in the large movement of population among all sections of the nation are many qualified educational personnel who move for family and other personal reasons but who are hindered in using their professional skill and experience in their new locations. Variations from state to state in requirements for qualifying educational personnel discourage such personnel from taking the steps necessary to qualify in other states. As a consequence, a significant number of professionally prepared and experienced educators is lost to our school systems. Facilitating the employment of qualified educational personnel, without reference to their state of origin, can increase the available educational resources. Participation in this compact can increase the availability of educational manpower.

Article 2
Definitions
As used in this agreement and contracts made pursuant to it, unless the context clearly requires otherwise:
1. “Educational personnel” means persons who must meet requirements pursuant to state law as a condition of employment in educational programs.

2. “Designated state official” means the education official of a state selected by that state to negotiate and enter into, on behalf of his state, contracts pursuant to this agreement.

3. “Accept”, or any variant thereof, means to recognize and give effect to 1 or more determinations of another state relating to the qualifications of educational personnel in lieu of making or requiring a like determination that would otherwise be required by or pursuant to the laws of a receiving state.

4. “State” means a state, territory or possession of the United States: the district of columbia; or the commonwealth of Puerto Rico.

5. “Originating state” means a state (and the subdivision thereof, if any) whose determination that certain educational personnel are qualified to be employed for specific duties in schools is acceptable in accordance with the terms of a contract made pursuant to article 3.

6. “Receiving state” means a state (and the subdivisions thereof) which accept educational personnel in accordance with the terms of a contract made pursuant to article 3.

Article 3
Interstate Educational Personnel Contracts
1. The designated state official of a party state may make 1 or more contracts on behalf of his state law as a condition of employment in educational programs.

2. Any such contract shall provide for:
(a) Its duration.
(b) The criteria to be applied by an originating state in qualifying educational personnel for acceptance by a receiving state.
(c) Such waivers, substitutions, and conditional acceptances as shall aid the practical effectuation of the contract without sacrifice of basic educational standards.
(d) Any other necessary matters.

3. No contract made pursuant to this agreement shall be for a term longer than 5 years but any such contract may be renewed for like or lesser periods.

4. Any contract dealing with acceptance of educational personnel on the basis of their having completed an educational program shall specify the earliest date or dates on which originating state approval of the program or programs involved can have occurred. No contract made pursuant to this agreement shall require acceptance by a receiving state of any persons qualified because of successful completion of a program prior to January 1, 1954.

5. The certification or other acceptance of a person who has been accepted pursuant to the terms of a contract shall not be revoked or otherwise impaired because the contract has expired or been terminated. However, any certificate or other qualifying document may be revoked or suspended on any ground which would be sufficient for revocation or suspension of a certificate or other qualifying document initially granted or approved in the receiving state.

6. A contract committee composed of the designated state officials of the contracting states or their representatives shall keep the contract under continuous review, study means of improving its administration, and report no less frequently than once a year to the heads of the appropriate education agencies of the contracting states.

Article 4
Approved and Accepted Programs

1. Nothing in this agreement shall be construed to repeal or otherwise modify any law or regulation of a party state relating to the approval of programs of educational preparation having effect solely on the qualification of educational personnel within that state.

2. To the extent that contracts made pursuant to this agreement deal with the educational requirements for the proper qualification of educational personnel, acceptance of a program of educational preparation shall be in accordance with such procedures and requirements as may be provided in the applicable contract.

Article 5
Interstate Cooperation

The party states agree that:

1. They will, so far as practicable, prefer the making of multi-lateral contracts pursuant to article 3 of this agreement.

2. They will facilitate and strengthen cooperation in interstate certification and other elements of educational personnel qualification and for this purpose shall cooperate with agencies, organizations, and associations interested in certification and other elements of educational personnel qualification.

Article 6
Agreement Evaluation

The designated state officials of any party state may meet from time to time as a group to evaluate progress under the agreement, and to formulate recommendations for changes.

Article 7
Other Arrangements

Nothing in this agreement shall be construed to prevent or inhibit other arrangements or practices of any party state or states to facilitate the interchange of educational personnel.

Article 8
Effect and Withdrawal

1. This agreement shall become effective when enacted into law by 2 states. Thereafter it shall become effective as to any state upon its enactment of this agreement.

2. Any party state may withdraw from this agreement by enacting a statute repealing the same, but no such withdrawal shall take effect until 1 year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states.

3. No withdrawal shall relieve the withdrawing state of any obligation imposed upon it by a contract to which it is a party. The duration of contracts and the methods and conditions of withdrawal therefrom shall be those specified in their terms.

Article 9
Construction and Severability
This agreement shall be liberally construed so as to effectuate the purposes thereof. The provisions of this agreement shall be severable and if any phrase, clause, sentence, or provision of this agreement is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this agreement and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this agreement shall be held contrary to the constitution of any state participating therein, the agreement shall remain in full force and effect as to the state affected as to all severable matters.


### 388.1372 Superintendent of public instruction as “designated state official”; contracts generally.

Sec. 2. The “designated state official” for this state shall be the superintendent of public instruction. He shall enter into contracts pursuant to article 3 of the agreement only with the approval of the state board of education.


### 388.1373 Filing and publication of contracts.

Sec. 3. True copies of all contracts made on behalf of this state pursuant to the agreement shall be kept on file in the office of the state department of education and in the office of the secretary of state. The state department of education shall publish all such contracts in convenient form.


**THE STATE SCHOOL AID ACT OF 1977**

**Act 90 of 1977**

EXECUTIVE REORGANIZATION ORDER  
E.R.O. No. 2010-8

388.1581 Transfer of powers and duties of center for educational performance and information advisory committee to P-20 longitudinal data system advisory council; abolishment of center for educational performance and information advisory committee.

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch of state government or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, there is a continuing need to reorganize functions amongst state departments to ensure efficient administration and effectiveness of government;

WHEREAS, abolishing the Center for Educational Performance and Information Advisory Committee will contribute to a smaller and more efficient state government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

As used in this Order:

A. "Department of Technology, Management, and Budget" means the principal department of state government created as the Department of Management and Budget under Section 121 of The Management and Budget Act, 1984 PA 431, MCL 18.1121, and renamed under Executive Order 2009-55, MCL 18.441.

B. "Center for Educational Performance and Information Advisory Committee" means the committee created under Section 94a of the State School Aid Act, 1979 PA 94, MCL 388.1694a.

C. "P-20 Longitudinal Data System Advisory Council" means the council created under Section II of Executive Order 2010-15.

D. "State Budget Director" means the individual appointed by the Governor pursuant to Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321 and Executive Order 2009-55, MCL 18.441.

E. "State Budget Office" means the office created within the Department of Technology, Management, and Budget under Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321, and renamed under Executive Order 2009-55, MCL 18.441.

II. TRANSFER OF AUTHORITY

A. The authority, powers, duties, functions, responsibilities, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Center for Educational Performance and Information Advisory Committee are transferred to the P-20 Longitudinal Data System Advisory Council.

B. The Center for Educational Performance and Information Advisory Committee is abolished.

III. IMPLEMENTATION OF TRANSFERS

A. The State Budget Director shall provide executive direction and supervision for the implementation of all transfers of functions under this Order and shall make internal organizational changes as necessary to complete the transfers under this Order.

B. The functions transferred under this Order shall be administered by the State Budget Director in such ways as to promote efficient administration.

C. All records, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the Center for Educational Performance and Information Advisory Committee and the activities, powers, duties, functions, and responsibilities transferred under this Order are transferred to the P-20 Longitudinal Data System Advisory Council.

D. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary for the implementation of this Order.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

B. This Order shall not abate any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.
C. This Order shall not abate any criminal action commenced by this state prior to the effective date of this Order.

D. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective October 18, 2010 at 12:01 a.m.

THE STATE SCHOOL AID ACT OF 1979
Act 94 of 1979

AN ACT to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts.


Compiler’s note: Sec. 42, as added by Act 207 of 1990, was vetoed by the governor on July 27, 1990.
Secs. 43, 92, and 111a, as added by Act 118 of 1991, were vetoed by the governor on October 11, 1991.
Sec. 71a, as added by Act 283 of 1994, was vetoed by the governor on July 9, 1994.
Secs. 20h, 28h, 56a, and 94a, as added by Act 130 of 1995, were vetoed by the governor on June 30, 1995.
Secs. 29 and 95a, as added by Act 300 of 1996, were vetoed by the governor on June 19, 1996.
Sec. 11e, as added by Act 372 of 1996, was vetoed by the governor July 3, 1996.
Sec. 11j, Sec. 11k, and Sec. 31b, as added by Act 339 of 1998, were vetoed by the governor on October 13, 1998.
Secs. 20k and 34, as added by Act 119 of 1999, were vetoed by the governor on July 19, 1999.
Secs. 11j and 11k, as added by Act 297 of 2000, were vetoed by the governor on June 26, 2000.
Secs. 22d, 22e, and 55a, as added by Act 158 of 2003, were vetoed by the governor on August 11, 2003.
Sec. 77, as added by Act 137 of 2007, was vetoed by the governor on November 8, 2007.
Secs. 20j, 32c, 57, and 99p, as amended by Act 121 of 2009, were vetoed by the governor on October 19, 2009.
Secs. 20j, 32c, and 99p, as amended by Act 110 of 2010, and sec. 92, as added by Act 110 of 2010, were vetoed by the governor on July 7, 2010.

The People of the State of Michigan enact:

ARTICLE I

STATE AID TO PUBLIC SCHOOLS, EARLY CHILDHOOD, AND ADULT EDUCATION

388.1601 Short title.
Sec. 1. This act shall be known and may be cited as “the state school aid act of 1979”.


Compiler’s note: For creation of Michigan public educational facilities authority within department of treasury; transfer of certain powers and duties from Michigan strategic fund and Michigan strategic fund board of directors to Michigan public educational facilities authority and Michigan public educational facilities authority board of trustees; transfer of certain powers and duties of Michigan municipal bond authority and Michigan municipal bond authority board of trustees to Michigan public and educational facilities authority and Michigan public education facilities authority board of trustees, see E.R.O. No. 2002-3, compiled at MCL 12.192 of the Michigan Compiled Laws.

388.1602 Meanings of words and phrases.
Sec. 2. As used in this article, article IV, and article V, the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.


388.1603 Definitions; A to D.
Sec. 3. (1) "Average daily attendance", for the purposes of complying with federal law, means 92% of the pupils counted in membership on the pupil membership count day, as defined in section 6(7).
(2) "Board" means the governing body of a district or public school academy.
(3) "Center" means the center for educational performance and information created in section 94a.
(4) "Community district" means a school district organized under part 5b of the revised school code.
(5) "Cooperative education program" means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement shall be approved by all affected districts at least annually and shall specify the educational programs to be provided and the estimated number of pupils from each district who will participate in the educational programs.
(6) "Department", except in section 107, means the department of education.
(7) "District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, 31a, 51al(14), 105, 105c, and 166b, a public school academy. Except in section 20, district also includes a community district.
(8) "District of residence", except as otherwise provided in this subsection, means the district in which a pupil’s custodial parent or parents or legal guardian resides. For a pupil described in section 24b, the pupil's...
district of residence is the district in which the pupil enrolls under that section. For a pupil described in section 6(4)(d), the pupil’s district of residence shall be considered to be the district or intermediate district in which the pupil is counted in membership under that section. For a pupil under court jurisdiction who is placed outside the district in which the pupil’s custodial parent or parents or legal guardian resides, the pupil’s district of residence shall be considered to be the educating district or educating intermediate district.

(9) "District superintendent" means the superintendent of a district or the chief administrator of a public school academy.


**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of Act 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,285,376,300.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,186,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $10,718,801,700.00."

**388.1604 Definitions; E to H.**

Sec. 4. (1) "Elementary pupil" means a pupil in membership in grades K to 8 in a district not maintaining classes above the eighth grade or in grades K to 6 in a district maintaining classes above the eighth grade. For the purposes of calculating universal service fund (e-rate) discounts, "elementary pupil" includes children enrolled in a preschool program operated by a district in its facilities.

(2) "Extended school year" means an educational program conducted by a district in which pupils must be enrolled but not necessarily in attendance on the pupil membership count day in an extended year program. The mandatory clock hours shall be completed by each pupil not more than 365 calendar days after the pupil’s first day of classes for the school year prescribed. The department shall prescribe pupil, personnel, and other reporting requirements for the educational program.

(3) "Fiscal year" means the state fiscal year that commences October 1 and continues through September 30.

(4) "High school equivalency certificate" means a certificate granted for the successful completion of a high school equivalency test.

(5) "High school equivalency test" means the G.E.D. test developed by the GED Testing Service, the Test Assessing Secondary Completion (TASC) developed by CTS/McGraw-Hill, the HISET test developed by the Education Testing Service (ETS), or another comparable test approved by the department of talent and economic development.

(6) "High school equivalency test preparation program" means a program that has high school level
courses in English language arts, social studies, science, and mathematics and that prepares an individual to successfully complete a high school equivalency test.

(7) "High school pupil" means a pupil in membership in grades 7 to 12, except in a district not maintaining grades above the eighth grade.


Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."
immediately preceding school year plus the final audited count from the supplemental count day of pupils in grades K to 12 actually enrolled and in regular daily attendance in the education achievement system for the immediately preceding school year. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, a public school academy, or an intermediate district:

(a) Except as otherwise provided in this subsection, and pursuant to subsection (6), a pupil shall be counted in membership in the pupil’s educating district or districts. An individual pupil shall not be counted for more than a total of 1.0 full-time equated membership.

(b) If a pupil is educated in a district other than the pupil's district of residence, if the pupil is not being educated as part of a cooperative education program, if the pupil's district of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil's district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district.

(d) A pupil placed by a court or state agency in an on-grounds program of a juvenile detention facility, a child caring institution, or a mental health institution, or a pupil funded under section 53a, shall be counted in membership in the district or intermediate district approved by the department to operate the program.

(e) A pupil enrolled in the Michigan Schools for the Deaf and Blind shall be counted in membership in the pupil's intermediate district of residence.

(f) A pupil enrolled in a career and technical education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(h) For the purposes of this section and section 6a, for a cyber school, as defined in section 551 of the revised school code, MCL 380.551, that is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber school's educational program is considered regular daily attendance, and for a district or public school academy, a pupil's participation in a virtual course as defined in section 21f is considered regular daily attendance. For the purposes of this subdivision, for a pupil enrolled in a cyber school and utilizing sequential learning, participation means that term as defined in the pupil accounting manual, section 5-o-d: requirements for counting pupils in membership-subsection 10.

(i) For a new district or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(ii) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) For an extended school year program approved by the superintendent, a pupil enrolled, but not
scheduled to be in regular daily attendance, on a pupil membership count day, shall be counted in membership.

(i) To be counted in membership, a pupil shall meet the minimum age requirement to be eligible to attend school under section 1147 of the revised school code, MCL 380.1147, or shall be enrolled under subsection (3) of that section, and shall be less than 20 years of age on September 1 of the school year except as follows:

(i) A special education pupil who is enrolled and receiving instruction in a special education program or service approved by the department, who does not have a high school diploma, and who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(ii) A pupil who is determined by the department to meet all of the following may be counted in membership:

(A) Is enrolled in a public school academy or an alternative education high school diploma program, that is primarily focused on educating pupils with extreme barriers to education, such as being homeless as defined under 42 USC 11302.

(B) Had dropped out of school.

(C) Is less than 22 years of age as of September 1 of the current school year.

(iii) If a child does not meet the minimum age requirement to be eligible to attend school for that school year under section 1147 of the revised school code, MCL 380.1147, but will be 5 years of age not later than December 1 of that school year, the district may count the child in membership for that school year if the parent or legal guardian has notified the district in writing that he or she intends to enroll the child in kindergarten for that school year.

(m) An individual who has achieved a high school diploma shall not be counted in membership. An individual who has achieved a high school equivalency certificate shall not be counted in membership unless the individual is a student with a disability as defined in R 340.1702 of the Michigan Administrative Code.

An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the department of talent and economic development, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy unless a written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q) and section 101. However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(i) If the public school academy provides instruction for at least 1/2 of the class hours required under section 101, the public school academy shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours required under section 101 for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(ii) If the public school academy provides instruction for less than 1/2 of the class hours required under section 101, the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours required under section 101 for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy.

(o) An individual less than 16 years of age as of September 1 of the current school year who is being educated in an alternative education program shall not be counted in membership if there are also adult education participants being educated in the same program or classroom.

(p) The department shall give a uniform interpretation of full-time and part-time memberships.

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101. In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution or for pupils engaged in an internship or work experience under section 1279h of the revised school code, MCL 380.1279h, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment or engagement in the internship or work experience, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of instructional hours scheduled and provided per year per kindergarten pupil by the same number used for
determining full-time equated memberships for pupils in grades 1 to 12. However, to the extent allowable under federal law, for a district or public school academy that provides evidence satisfactory to the department that it used federal title I money in the 2 immediately preceding school fiscal years to fund full-time kindergarten, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12. The change in the counting of full-time equated memberships for pupils in kindergarten that took effect for 2012-2013 is not a mandate.

(s) For a district or a public school academy that has pupils enrolled in a grade level that was not offered by the district or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(t) A pupil enrolled in a cooperative education program may be counted in membership in the pupil's district of residence with the written approval of all parties to the cooperative agreement.

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home or otherwise apart from the general school population, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home or otherwise apart from the general school population, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours required under section 101 for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(i) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home or otherwise apart from the general school population under the supervision of a certificated teacher.

(ii) The district provides instructional materials, resources, and supplies that are comparable to those otherwise provided in the district's alternative education program.

(iii) Course content is comparable to that in the district's alternative education program.

(iv) Credit earned is awarded to the pupil and placed on the pupil's transcript.

(v) If a pupil was enrolled in a public school academy on the pupil membership count day, if the public school academy's contract with its authorizing body is revoked or the public school academy otherwise ceases to operate, and if the pupil enrolls in a district within 45 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.

(w) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .10 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(x) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the number of pupils per square mile for each of the districts for the purposes of this subdivision. The membership figure calculated under this subdivision is the greater of the following:

(i) The average of the district's membership for the 3-fiscal-year period ending with that fiscal year, calculated by adding the district's actual membership for each of those 3 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those 3 membership figures by 3.
(ii) The district's actual membership for that fiscal year as otherwise calculated under this subsection.

(y) Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan Administrative Code shall be determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are receiving early childhood special education services under R 340.1755 or R 340.1862 of the Michigan Administrative Code shall be determined by dividing the number of hours of service scheduled and provided per year per-pupil by 180.

(z) A pupil of a district that begins its school year after Labor Day who is enrolled in an intermediate district program that begins before Labor Day shall not be considered to be less than a full-time pupil solely due to instructional time scheduled but not attended by the pupil before Labor Day.

(aa) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. If a pupil described in this subdivision was counted in membership by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for the purposes of determining the district's membership.

(bb) A district or public school academy that educates a pupil who attends a United States Olympic Education Center may count the pupil in membership regardless of whether or not the pupil is a resident of this state.

(cc) A pupil enrolled in a district other than the pupil’s district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in the educating district.

(dd) For a pupil enrolled in a dropout recovery program that meets the requirements of section 23a, the pupil shall be counted as 1/12 of a full-time equated membership for each month that the district operating the program reports that the pupil was enrolled in the program and was in full attendance. However, if the special membership counting provisions under this subdivision and the operation of the other membership counting provisions under this subsection result in a pupil being counted as more than 1.0 FTE in a fiscal year, the payment made for the pupil under sections 22a and 22b shall not be based on more than 1.0 FTE for that pupil, and any portion of an FTE for that pupil that exceeds 1.0 shall instead be paid under section 25g. The district operating the program shall report to the center the number of pupils who were enrolled in the program and were in full attendance for a month not later than 30 days after the end of the month. A district shall not report a pupil as being in full attendance for a month unless both of the following are met:

(i) A personalized learning plan is in place on or before the first school day of the month for the first month the pupil participates in the program.

(ii) The pupil meets the district's definition under section 23a of satisfactory monthly progress for that month or, if the pupil does not meet that definition of satisfactory monthly progress for that month, the pupil did meet that definition of satisfactory monthly progress in the immediately preceding month and appropriate interventions are implemented within 10 school days after it is determined that the pupil does not meet that definition of satisfactory monthly progress.

(ee) A pupil participating in a virtual course under section 21f shall be counted in membership in the district enrolling the pupil.

(ff) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district or other public school academy in which a former pupil of the closed public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district or other public school academy receives the same amount of membership aid for the pupil as if the pupil were counted in the district or other public school academy on the supplemental count day of the preceding school year.

(gg) If a special education pupil is expelled under section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and is not in attendance on the pupil membership count day because of the expulsion, and if the pupil remains enrolled in the district and resumes regular daily attendance during that school year, the district's membership shall be adjusted to count the pupil in membership as if he or she had been in attendance on the pupil membership count day.

(hh) A pupil enrolled in a community district shall be counted in membership in the community district.

(ii) A part-time pupil enrolled in a nonpublic school in grades K to 12 in accordance with section 166b shall not be counted as more than 0.75 of a full-time equated membership.

(jj) A district that borders another state or a public school academy that operates at least grades 9 to 12 and is located within 20 miles of a border with another state may count in membership a pupil who is enrolled in a course at a college or university that is located in the bordering state and within 20 miles of the border with...
this state if all of the following are met:

(i) The pupil would meet the definition of an eligible student under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, if the course were an eligible course under that act.

(ii) The course in which the pupil is enrolled would meet the definition of an eligible course under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, if the course were provided by an eligible postsecondary institution under that act.

(iii) The department determines that the college or university is an institution that, in the other state, fulfills a function comparable to a state university or community college, as those terms are defined in section 3 of the postsecondary enrollment options act, 1996 PA 160, MCL 388.513, or is an independent nonprofit degree-granting college or university.

(iv) The district or public school academy pays for a portion of the pupil's tuition at the college or university in an amount equal to the eligible charges that the district or public school academy would pay to an eligible postsecondary institution under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, as if the course were an eligible course under that act.

(v) The district or public school academy awards high school credit to a pupil who successfully completes a course as described in this subdivision.

(kk) A pupil enrolled in a middle college program may be counted for more than a total of 1.0 full-time equated membership if the pupil is enrolled in more than the minimum number of instructional days and hours required under section 101 and the pupil is expected to complete the 5-year program with both a high school diploma and at least 60 transferable college credits or is expected to earn an associate's degree in fewer than 5 years.

(ll) If a district's or public school academy's membership for a particular fiscal year, as otherwise calculated under this subsection, includes pupils counted in membership who are enrolled under section 166b, all of the following apply for the purposes of this subdivision:

(i) If the district's or public school academy's membership for pupils counted under section 166b equals or exceeds 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b in the immediately preceding fiscal year, then the growth in the district's or public school academy's membership for pupils counted under section 166b must not exceed 10%.

(ii) If the district's or public school academy's membership for pupils counted under section 166b is less than 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b in the immediately preceding fiscal year, then the district's or public school academy's membership for pupils counted under section 166b must not exceed the greater of the following:

(A) 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b.

(B) 10% more than the district's or public school academy's membership for pupils counted under section 166b in the immediately preceding fiscal year.

(iii) If 1 or more districts consolidate or are parties to an annexation, then the calculations under subdivisions (i) and (ii) must be applied to the combined total membership for pupils counted in those districts for the fiscal year immediately preceding the consolidation or annexation.

(mm) Beginning with the 2019-2020 school year, if a district, intermediate district, or public school academy charges tuition for a pupil that resided out of state in the immediately preceding school year, the pupil shall not be counted in membership in the district, intermediate district, or public school academy.

(5) "Public school academy" means that term as defined in section 5 of the revised school code, MCL 380.5.

(6) "Pupil" means an individual in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence is not required for any of the following:

(a) A nonpublic part-time pupil enrolled in grades K to 12 in accordance with section 166b.

(b) A pupil receiving 1/2 or less of his or her instruction in a district other than the pupil's district of residence.

(c) A pupil enrolled in a public school academy.

(d) A pupil enrolled in a district other than the pupil's district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105.

(e) A pupil enrolled in a district other than the pupil's district of residence if the pupil is enrolled in accordance with section 105 or 105c.

(f) A pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of
residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally makes a false report of a crime to law enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

(i) "At school" means in a classroom, elsewhere on school premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

(ii) "Serious assault" means an act that constitutes a felony violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

(g) A pupil whose district of residence changed after the pupil membership count day and before the supplemental count day and who continues to be enrolled on the supplemental count day as a nonresident in the district in which he or she was enrolled as a resident on the pupil membership count day of the same school year.

(h) A pupil enrolled in an alternative education program operated by a district other than his or her district of residence who meets 1 or more of the following:

(i) The pupil has been suspended or expelled from his or her district of residence for any reason, including, but not limited to, a suspension or expulsion under section 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

(ii) The pupil had previously dropped out of school.

(iii) The pupil is pregnant or is a parent.

(iv) The pupil has been referred to the program by a court.

(i) A pupil enrolled in the Michigan Virtual School, for the pupil's enrollment in the Michigan Virtual School.

(j) A pupil who is the child of a person who works at the district or who is the child of a person who worked at the district as of the time the pupil first enrolled in the district but who no longer works at the district due to a workforce reduction. As used in this subdivision, "child" includes an adopted child, stepchild, or legal ward.

(k) An expelled pupil who has been denied reinstatement by the expelling district and is reinstated by another school board under section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a.

(l) A pupil enrolled in a district other than the pupil's district of residence in a middle college program if the pupil's district of residence and the enrolling district are both constituent districts of the same intermediate district.

(m) A pupil enrolled in a district other than the pupil's district of residence who attends a United States Olympic Education Center.

(n) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148.

(o) A pupil who enrolls in a district other than the pupil's district of residence as a result of the pupil's school not making adequate yearly progress under the no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-95.

However, except for pupils enrolled in the youth challenge program at the site at which the youth challenge program operated for 2015-2016, if a district educates pupils who reside in another district and if the primary instructional site for those pupils is established by the educating district after 2009-2010 and is located within the boundaries of that other district, the educating district must have the approval of that other district to count those pupils in membership.

(7) "Pupil membership count day" of a district or intermediate district means:

(a) Except as provided in subdivision (b), the first Wednesday in October each school year or, for a district or building in which school is not in session on that Wednesday due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which school is in session in the district or building.

(b) For a district or intermediate district maintaining school during the entire school year, the following days:

(i) Fourth Wednesday in July.

(ii) First Wednesday in October.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.
(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher, a teacher engaged to teach under section 1233b of the revised school code, MCL 380.1233b, or an individual working under a valid substitute permit, authorization, or approval issued by the department, are together and instruction is taking place.

(9) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(10) "The revised school code" means the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(11) "School district of the first class", "first class school district", and "district of the first class" mean, for the purposes of this article only, a district that had at least 40,000 pupils in membership for the immediately preceding fiscal year.

(12) "School fiscal year" means a fiscal year that commences July 1 and continues through June 30.

(13) "State board" means the state board of education.

(14) "Superintendent", unless the context clearly refers to a district or intermediate district superintendent, means the superintendent of public instruction described in section 3 of article VIII of the state constitution of 1963.

(15) "Supplemental count day" means the day on which the supplemental pupil count is conducted under section 6a.

(16) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged to the district of residence. Tuition pupil does not include a pupil who is a special education pupil, a pupil described in subsection (6)(c) to (o), or a pupil whose parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's district of residence. A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

(17) "State school aid fund" means the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(18) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(19) "Textbook" means a book, electronic book, or other instructional print or electronic resource that is selected and approved by the governing board of a district and that contains a presentation of principles of a subject, or that is a literary work relevant to the study of a subject required for the use of classroom pupils, or another type of course material that forms the basis of classroom instruction.

(20) "Total state aid" or "total state school aid" means the total combined amount of all funds due to a district, intermediate district, or other entity under this article.
Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Subdivisions 4(o), 4(w), and 4(x), as added by Act 300 of 1996, were vetoed by the governor on June 19, 1996.

In subsection (4), as amended by Act 93 of 1997, the following sentences were vetoed by the governor on August 1, 1997: "Membership," except as otherwise provided in this act, means for a school district the sum of the product of .6 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance. The school district pupil accounting for distribution of state aid rules referred to in subsection (2) became effective August 17, 1984.

Enacting section 1 of Act 73 of 1999, was vetoed by the governor on October 13, 1999.

In subdivision (4)(y), as amended by Act 339 of 1998, was vetoed by the governor on October 13, 1998.

In subdivision (4)(y), as amended by Act 297 of 2000, the phrase "2001-2002, and 2002-2003" was vetoed by the governor July 26, 2000.

Enacting section 3 of Act 521 of 2002 provides:
"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,73,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and PA 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

Enacting section 1 of Act 139 of 2015 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2015 PA 85 and this amendatory act for fiscal year 2015-2016 is estimated at $12,124,885,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2015-2016 are estimated at $11,967,255,600.00."


388.1606a Supplemental pupil count.

Sec. 6a. Except as otherwise provided in this act, in addition to the pupil membership count day, there shall be a supplemental pupil count of the number of full-time equated pupils in grades K-12 actually enrolled and in regular daily attendance in a district or intermediate district on the second Wednesday in February or, for a district that is not in session on that day due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which the district is in session. For the purposes of this act, the day on which the supplemental pupil count is conducted is the supplemental count day.


Compiler's note: This section, as added by Act 336 of 1993, was originally compiled as MCL 388.1606a[1] to distinguish it from a Sec. 6a added by Act 254 of 1992, which pertained to use of alternate pupil membership count day, that was compiled as MCL 388.1606a prior to its repeal by enacting section 3(b) of Act 283 of 1994, Eff. Oct. 1, 1994.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

388.1606b Enrollment of nonresident pupil; counting pupil in membership; adjustment of educating district's pupil count.

Sec. 6b. (1) A district enrolling a nonresident pupil with the approval of the pupil's district of residence may count the pupil in membership in a school year if the approval of the pupil's district of residence is received before the end of that school year.

(2) If the approval described in subsection (1) is received by the educating district at any time before the end of its school year, the department shall adjust the educating district's pupil count for the pupil membership count day or the supplemental count day of that school year, or both as necessary to ensure that the pupil is counted in membership in the educating district for those pupil counts for which the pupil was enrolled and in attendance.


Compiler's note: Former MCL 388.1606b, which pertained to administration of alternative education, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.


Compiler's note: The repealed sections pertained to alternative education programs and district as authorizing body for public school academy.

388.1607 Expenditures included in costs for school operating purposes.

Sec. 7. Costs for school operating purposes include all expenditures necessary to carry out the powers and the financial obligations of the district or intermediate district under the revised school code.


Compiler's note: The repealed section pertained to furnishing annual pupil dropout rate.


Compiler's note: The repealed section pertained to grades K-3 average pupil count.

388.1608b Public school academy district code; assignment; cyber school.

Sec. 8b. (1) The department shall assign a district code to each public school academy that is authorized
under the revised school code and is eligible to receive funding under this article within 30 days after a contract is submitted to the department by the authorizing body of a public school academy.

(2) If the department does not assign a district code to a public school academy within the 30-day period described in subsection (1), the district code the department shall use to make payments under this article to the newly authorized public school academy shall be a number that is equivalent to the sum of the last district code assigned to a public school academy located in the same county as the newly authorized public school academy plus 1. However, if there is not an existing public school academy located in the same county as the newly authorized public school academy, then the district code the department shall use to make payments under this article to the newly authorized public school academy shall be a 5-digit number that has the county code in which the public school academy is located as its first 2 digits, 9 as its third digit, 0 as its fourth digit, and 1 as its fifth digit. If the number of public school academies in a county grows to exceed 100, the third digit in this 5-digit number shall then be 7 for the public school academies in excess of 100.

(3) For each school of excellence that is a cyber school and is authorized under part 6e of the revised school code, MCL 380.551 to 380.561, by a school district, intermediate school district, community college other than a federal tribally controlled community college, or other authorizing body that is not empowered to authorize a school of excellence to operate statewide and is eligible to receive funding under this article, all of the following apply:

(a) The department shall assign a district code that includes as the first 2 digits the county code in which the authorizing body is located.

(b) If the cyber school does not provide instruction at a specific location, the intermediate district that would normally provide programs and services to the school district in which the administrative office of the cyber school is located shall provide programs and services to the cyber school. The intermediate school district required to provide programs and services to a cyber school under this subdivision remains the same for as long as that cyber school is in operation.


Compiler's note: The repealed section pertained to broadband telecommunications infrastructure information.


Compiler's note: The repealed section pertained to rules.


Compiler's note: The repealed section pertained to disposition of funds under MCL 432.201 to 432.216 to separate account.

388.1611 Appropriations.

Sec. 11. (1) For the fiscal year ending September 30, 2018, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $12,682,127,200.00 from the state school aid fund, the sum of $78,500,000.00 from the general fund, an amount not to exceed $72,000,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to exceed $23,100,000.00 from the MPSERS retirement obligation reform reserve fund, and an amount not to exceed $100.00 from the water emergency reserve fund. For the fiscal year ending September 30, 2019, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $12,876,825,200.00 from the state school aid fund, the sum of $87,920,000.00 from the general fund, an amount not to exceed $72,000,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to exceed $31,900,000.00 from the MPSERS retirement obligation reform reserve fund, an amount not to exceed $30,000,000.00 from the school mental health and support services fund created under section 31m, and an amount not to exceed $100.00 from the water emergency reserve fund. In addition, all available federal funds are appropriated each fiscal year for the fiscal years ending September 30, 2018 and September 30, 2019.

(2) The appropriations under this section shall be allocated as provided in this article. Money appropriated under this section from the general fund shall be expended to fund the purposes of this article before the expenditure of money appropriated under this section from the state school aid fund.

(3) Any general fund allocations under this article that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.

Enacting section 2. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated to the school aid fund, established by section 1 of article IX of the state constitution of 1963.

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to the state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2003-2004 are estimated at $11,290,087,100.00 and state appropriations to be paid to local units of government for fiscal year 2003-2004 are estimated at $11,274,332,800.00."

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"(1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00."

Compiler's note: Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."
2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

"Enacting section 1 of 2007 PA 6 provides:

(1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2006 PA 342 from state sources for fiscal year 2006-2007 is estimated at $11,596,963,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,492,472,200.00."

Enacting section 1 of Act 92 of 2007 provides:

(1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for the fiscal period beginning October 1, 2007 and ending October 31, 2007 is estimated at $1,052,305,700.00 and state appropriations to be paid to local units of government for the fiscal period beginning October 1, 2007 and ending October 31, 2007 are estimated at $1,044,700,000.00."

Enacting section 1 of Act 137 of 2007 provides:

(1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

(1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."
(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2012-2013 under article III of the state school aid act of 1979, 1979 PA 94, as amended by this amendatory act, is estimated at $1,302,194,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at $0.00.

Enacting section 1 of Act 60 of 2013 provides:

(3) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2012-2013 under article III of the state school aid act of 1979, 1979 PA 94, as amended by this amendatory act, is estimated at $335,977,600.00.

Enacting section 1 of Act 201 of 2012 provides:

(3) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2012-2013 under article III of the state school aid act of 1979, 1979 PA 94, as amended by this amendatory act, is estimated at $1,419,469,900.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at $0.00.

Enacting section 1 of Act 465 of 2012 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2012-2013 under article III of the state school aid act of 1979, 1979 PA 94, as amended by this amendatory act, is estimated at $335,977,600.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2012-2013 under article II is estimated at $294,130,500.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at $0.00.
under 2014 PA 196 and this amendatory act from state sources for fiscal year 2014-2015 is estimated at $1,419,469,900.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2014-2015 is estimated at $0."

Enacting section 1 of Act 85 of 2015 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on school aid for fiscal year 2014-2015 under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2014 PA 196, 2015 PA 5, and this amendatory act, is estimated at $11,865,797,400.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2014-2015 are estimated at $11,714,612,100.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on school aid for fiscal year 2015-2016 under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory act, is estimated at $12,120,560,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2015-2016 are estimated at $387,255,600.00."

"(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2015-2016 under article III of the state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893, as amended by this amendatory act, is estimated at $1,437,698,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2015-2016 is estimated at $0.00."

Enacting section 1 of Act 139 of 2015 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2015 PA 85 and this amendatory act for fiscal year 2015-2016 is estimated at $12,124,885,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2015-2016 are estimated at $11,967,255,600.00."

Enacting section 1 of Act 249 of 2016 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2015 PA 85, 2015 PA 139, and this amendatory act for fiscal year 2015-2016 is estimated at $11,960,539,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2015-2016 are estimated at $11,919,909,800.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory act, from state sources for fiscal year 2016-2017 is estimated at $12,343,209,400.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2016-2017 are estimated at $12,181,929,700.00."

"(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2016-2017 under article II of the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830a, as amended by this amendatory act, is estimated at $395,925,600.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2016-2017 is estimated at $395,925,600.00."

"(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2017-2018 under article II of the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830a, as amended by this amendatory act, is estimated at $1,481,114,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2016-2017 is estimated at $0."
"(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2018-2019 under article II of the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830, is estimated at $408,215,500.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2018-2019 is estimated at $408,215,500.00.

"(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2018-2019 under article III of the state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891, is estimated at $1,546,206,200.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2018-2019 is estimated at $0.00."

Enacting section 1 of Act 586 of 2018 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2018 PA 265 and this amendatory act, from state sources for fiscal year 2018-2019 is estimated at $13,098,645,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2018-2019 are estimated at $12,900,901,000.00."

388.1611a School aid stabilization fund; creation; deposit; expenditure; investment; money remaining at close of fiscal year; shortfall; full funding.

Sec. 11a. (1) The school aid stabilization fund is created as a separate account within the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(2) The state treasurer may receive money or other assets from any source for deposit into the school aid stabilization fund. The state treasurer shall deposit into the school aid stabilization fund all of the following:

(a) Unexpended and unencumbered state school aid fund revenue for a fiscal year that remains in the state school aid fund as of the bookclosing for that fiscal year.

(b) Money statutorily dedicated to the school aid stabilization fund.

(c) Money appropriated to the school aid stabilization fund.

(3) Money available in the school aid stabilization fund may not be expended without a specific appropriation from the school aid stabilization fund. Money in the school aid stabilization fund shall be expended only for purposes for which state school aid fund money may be expended.

(4) The state treasurer shall direct the investment of the school aid stabilization fund. The state treasurer shall credit to the school aid stabilization fund interest and earnings from fund investments.

(5) Money in the school aid stabilization fund at the close of a fiscal year shall remain in the school aid stabilization fund and shall not lapse to the unreserved school aid fund balance or the general fund.

(6) If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, there is appropriated from the school aid stabilization fund to the state school aid fund an amount equal to the projected shortfall as determined by the department of treasury, but not to exceed available money in the school aid stabilization fund. If the money in the school aid stabilization fund is insufficient to fully fund an amount equal to the projected shortfall, the state budget director shall notify the legislature as required under section 296(2) and state payments in an amount equal to the remainder of the projected shortfall shall be prorated in the manner provided under section 296(3).

(7) For 2018-2019, in addition to the appropriations in section 11, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this article.


Compiler's note: Former MCL 388.1611a, which pertained to additional appropriations, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.
of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."


Compiler's note: The repealed section pertained to school aid stabilization fund.


Compiler's note: The repealed section pertained to deposit to school aid stabilization fund.


Compiler's note: The repealed section pertained to certain deductions from total state school aid and development of service consolidation plan to reduce school operating costs.


Compiler's note: The repealed section pertained to payments to plaintiff districts pursuant to Durant v State of Michigan.

388.1611f Payments to non-plaintiff districts pursuant to Durant v State of Michigan; payments for fiscal year ending September 30, 2008; submission of waiver resolution; creation of obligation or liability; offer of settlement and compromise; payment date; use of payments; form and substance of resolution; early intervening program.

Sec. 11f. (1) From the appropriations under section 11, there is allocated for the purposes of this section an amount not to exceed $32,000,000.00 for the fiscal year ending September 30, 2008. Payments under this section will cease after September 30, 2008. These allocations are for paying the amounts described in subsection (4) to districts and intermediate districts, other than those receiving a lump sum payment under subsection (2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan.

Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district has or may have in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan. The waiver resolution shall be in form and substance as required under subsection (7). The state treasurer is authorized to accept such a waiver resolution on behalf of this state. The amounts described in this subsection represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this subsection.

(2) In addition to any other money appropriated under this act, there was appropriated from the state school aid fund an amount not to exceed $1,700,000.00 for the fiscal year ending September 30, 1999. This appropriation was for paying the amounts described in this subsection to districts and intermediate districts that were not plaintiffs in the consolidated cases known as Durant v State of Michigan; that, on or before March 2, 1998, submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district had or may have had in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan; and for which the total amount listed in section 11h and paid under this section was less than $75,000.00. For a district or intermediate district qualifying for a payment under this subsection, the entire amount listed for the district or intermediate district in section 11h was paid in a lump sum on November 15, 1998 or on the next business day following that date. The amounts paid under this subsection represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this subsection.

(3) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in this section. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in...
any litigation or future litigation with a district or intermediate district.

(4) The amount paid each fiscal year to each district or intermediate district under subsection (1) shall be 1/20 of the total amount listed in section 11h for each listed district or intermediate district that qualifies for a payment under subsection (1). The amounts listed in section 11h and paid in part under this subsection and in a lump sum under subsection (2) are offers of settlement and compromise to each of these districts or intermediate districts to resolve, in their entirety, any claim or claims that these districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts or intermediate districts listed in section 11h or a waiver of any defense that is or would have been available to the state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

(5) The entire amount of each payment under subsection (1) each fiscal year shall be paid on November 15 of the applicable fiscal year or on the next business day following that date.

(6) Funds paid to a district or intermediate district under this section shall be used only for textbooks, electronic instructional material, software, technology, infrastructure or infrastructure improvements, school buses, school security, training for technology, an early intervening program described in subsection (8), or to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section. For intermediate districts only, funds paid under this section may also be used for other nonrecurring instructional expenditures including, but not limited to, nonrecurring instructional expenditures for vocational education, or for debt service for acquisition of technology for academic support services. Funds received by an intermediate district under this section may be used for projects conducted for the benefit of its constituent districts at the discretion of the intermediate board. To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for that debt service.

(7) The resolution to be adopted and submitted by a district or intermediate district under this section and section 11g shall read as follows:

"Whereas, the board of ____________________ (name of district or intermediate district) desires to settle and compromise, in their entirety, any claim or claims that the district (or intermediate district) has or had for violations of section 29 of article IX of the state constitution of 1963, which claim or claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

Whereas, the district (or intermediate district) agrees to settle and compromise these claims for the consideration described in sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and in the amount specified for the district (or intermediate district) in section 11h of the state school aid act of 1979, 1979 PA 94, MCL 388.1611h.

Whereas, the board of ____________________ (name of district or intermediate district) desires to settle and compromise these claims for the consideration described in sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and in the amount specified for the district (or intermediate district) in section 11h of the state school aid act of 1979, 1979 PA 94, MCL 388.1611h.

Now, therefore, be it resolved as follows:

1. The board of ____________________ (name of district or intermediate district) waives any right or interest it may have in any claim or potential claim through September 30, 1997 relating to the amount of funding the district or intermediate district is, or may have been, entitled to receive under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, or any other source of state funding, by reason of the application of section 29 of article IX of the state constitution of 1963, which claims or potential claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

2. The board of ____________________ (name of district or intermediate district) directs its secretary to submit a certified copy of this resolution to the state treasurer no later than 5 p.m. eastern standard time on March 2, 1998, and agrees that it will not take any action to amend or rescind this resolution.

3. The board of ____________________ (name of district or intermediate district) expressly agrees and understands that, if it takes any action to amend or rescind this resolution, the state, its agencies, employees, and agents shall have available to them any privilege, immunity, and/or defense that would otherwise have been available had the claims or potential claims been actually litigated in any forum.

4. This resolution is contingent on continued payments by the state each fiscal year as determined under sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g. However, this resolution shall be an irrevocable waiver of any claim to amounts actually received by the district or intermediate district under this section.
school district or intermediate school district under sections 11f and 11g of the state school aid act of 1979.”.

(8) An early intervening program that uses funds received under this section shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child’s learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using school-wide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.


Compiler’s note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00.”

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,285,376,300.00.”

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00.”

388.1611g Allocation; payments for fiscal year ending September 30, 2015; waiver resolutions, offers of settlement and compromise; creation of obligation or liability; payment date; use of funds; reduction in number of mills levied for debt service; pledge or assignment of payments; dissolution of district.

Sec. 11g. (1) From the appropriation in section 11, there is allocated for this section an amount not to exceed $39,500,000.00 for the fiscal year ending September 30, 2015, after which these payments will cease. These allocations are for paying the amounts described in subsection (3) to districts and intermediate districts, other than those receiving a lump-sum payment under section 11f(2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver resolution described in section 11f. The amounts paid under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this
section.

(2) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in section 11f. This section and any other provision of this article are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district regarding these claims or potential claims.

(3) The amount paid each fiscal year to each district or intermediate district under this section shall be 1 of the following:

(a) If the district or intermediate district does not borrow money and issue bonds under section 11i, 1/30 of the total amount listed in section 11h for the district or intermediate district through the fiscal year ending September 30, 2015.

(b) If the district or intermediate district borrows money and issues bonds under section 11i, an amount in each fiscal year calculated by the department of treasury that is equal to the debt service amount in that fiscal year on the bonds issued by that district or intermediate district under section 11i and that will result in the total payments made to all districts and intermediate districts in each fiscal year under this section being no more than the amount appropriated under this section in each fiscal year.

(4) The entire amount of each payment under this section each fiscal year shall be paid on May 15 of the applicable fiscal year or on the next business day following that date. If a district or intermediate district borrows money and issues bonds under section 11i, the district or intermediate district shall use funds received under this section to pay debt service on bonds issued under section 11i. If a district or intermediate district does not borrow money and issue bonds under section 11i, the district or intermediate district shall use funds received under this section only for the following purposes, in the following order of priority:

(a) First, to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section.

(b) Second, to pay debt service on other limited tax obligations.

(c) Third, for deposit into a sinking fund established by the district or intermediate district under the revised school code.

(5) To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for debt service.

(6) A district or intermediate district may pledge or assign payments under this section as security for bonds issued under section 11i, but shall not otherwise pledge or assign payments under this section.

(7) If a district eligible for payments under this section is dissolved under section 12 of the revised school code, MCL 380.12, the payment otherwise due to the dissolved district under this section shall be paid instead to the intermediate district of the dissolved district. The intermediate district of the dissolved district shall perform any functions and responsibilities of the board and other officers of the dissolved district necessary under this section on behalf of the dissolved district. As used in this subsection, "dissolved district" and "receiving district" mean those terms as defined in section 20.


Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."
Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 97 of 2013 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by enrolled House Bill No. 4228 of the 97th Legislature and this amendatory act, from state sources for fiscal year 2013-2014 is estimated at $11,602,282,300.00 and state appropriations to be paid to local units of government for fiscal year 2013-2014 are estimated at $11,442,024,700.00."

388.1611h Amounts to districts for settlement, compromise, and resolution of claims pursuant to Durant v State of Michigan; section not to be construed as admission of liability or waiver of defense.

Sec. 11h. (1) For the purposes of sections 11f and 11g, the following amounts are offered to each district or intermediate district to settle, compromise, and resolve, in their entirety, any claim or claims that those districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492:

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Rendered Tuesday, August 13, 2019 Michigan Compiled Laws Complete Through PA 47 of 2019

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(2) This section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts designated in this section in any litigation or future litigation with a district or intermediate district. In addition, this section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute a waiver of any defense that is or would have been available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.


**Compiler's note:** In the above table, the entry for “Bridgeport-Saulding Community Schools” should evidently read “Bridgeport-Spaulding Community Schools.”

### 388.1611 Borrowing money and issuing bonds.

Sec. 11i. (1) In addition to any other authority granted under law, an eligible district or intermediate district may borrow from the Michigan municipal bond authority created under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1077, an amount equal to 1/2 of the amount listed for the district or intermediate district in section 11h, in anticipation of the receipt of the payments appropriated under section 11g, and may authorize by resolution of its governing body and issue its bonds to evidence its obligations to the Michigan municipal bond authority on the terms and with those provisions as are provided by resolution of the board of the district or intermediate district and as are acceptable to the Michigan municipal bond authority if the bonds are accompanied by an opinion of bond counsel acceptable to the Michigan municipal bond authority to the effect that the interest on the bonds is excluded from gross income for federal income tax purposes. For the purposes of this section, an eligible district or intermediate district is a district or intermediate district, other than a district or intermediate district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g and that notifies the department of treasury not later than 5 p.m. eastern daylight time on June 30, 1998, in the form and manner prescribed by the department of treasury, that the district or intermediate district will borrow money and issue bonds under this section or is a district, other than a district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g, that has a membership of less than 2,000 full-time equated pupils, that has not submitted to the department of treasury a letter stating its intent not to borrow from the Michigan municipal bond authority, and that notified the department of treasury not later than 5 p.m. eastern daylight time on July 14, 1998, in the form and manner prescribed by the department of treasury, that the district will borrow money and issue bonds under this section. A district or intermediate district may pledge and assign to the Michigan municipal bond authority, as security for the bonds, all of the payments appropriated to it under
section 11g but may not otherwise pledge or assign those payments. Bonds issued under this section are not subject to the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3.

(2) Proceeds of bonds issued under this section shall be made available to districts and intermediate districts on or after November 15, 1998. Each district and intermediate district shall use proceeds of bonds issued by it under this section only for a purpose for which bonds may be issued under section 1351a of the revised school code, MCL 380.1351a.

(3) Bonds issued under this section do not constitute a general obligation or debt of a district or intermediate district within the meaning of any constitutional or statutory debt limitation.

(4) This section shall be construed as cumulative authority for the exercise of the powers granted in this section and shall not be construed to repeal any existing law. The purpose of this section is to create full and complete additional and alternate methods for the exercise of existing powers, and the powers conferred by this section are not affected or limited by any other statute or by any charter or incorporating document.

(5) A pledge made by a district or intermediate district under this section is valid and binding from the time the pledge is made. The revenue or other money pledged under this section and thereafter received by a district or intermediate district is immediately subject to the lien of the pledge without physical delivery of the revenue or money or any further act. The lien of such a pledge is valid and binding against a party having a claim of any kind in tort, contract, or otherwise against the district or intermediate district, irrespective of whether that party has notice of the pledge. The resolution or any other instrument by which a pledge is created is not required to be filed or recorded in order to establish and perfect a lien or security interest in the property pledged.

(6) Bonds issued under this section are not in any way a debt or liability of this state; do not create or constitute any indebtedness, liability, or obligation of this state; are not and do not constitute a pledge of the faith and credit of this state; and shall contain on their face a statement to that effect.


### 388.1611j School loan bond redemption fund; allocation.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed $125,500,000.00 for 2018-2019 for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 296 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.


Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 92 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2007-2008 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00."

Enacting section 1 of Act 299 of 2011 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2011-2012 is estimated at $10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2011-2012 are estimated at $10,701,332,600.00."

388.1611k School loan revolving fund; appropriation; definition.

Sec. 11k. For 2018-2019, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.


Compiler's note: Former MCL 388.1611k, which pertained to project grants to districts, was repealed by Act 111 of 2001, Imd. Eff. Sept. 28, 2001.

Enacting section 1 of 2005 PA 155 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2006-2007 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 132 of 2006 provides:
"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,285,576,300.00."

Enacting section 1 of Act 137 of 2007 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 137 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,718,801,700.00."

388.1611m Fiscal year cash-flow borrowing costs; allocation.

Sec. 11m. From the appropriation in section 11, there is allocated for 2017-2018 an amount not to exceed
$18,000,000.00 and there is allocated for 2018-2019 an amount not to exceed $24,000,000.00 for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.


**Compiler's note:** Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,300.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,900.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,935,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at $10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,562,169,000.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at $10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,701,332,600.00."


**Compiler's note:** The repealed section pertained to 21st century schools fund.


**Compiler's note:** The repealed section pertained to allocations for certain early childhood services, early intervention services, summer great start readiness programs, and summer early childhood programs.


**Compiler's note:** The repealed section pertained to allocation from federal funds.


**Compiler's note:** The repealed section pertained to additional federal education jobs funding.


**Compiler's note:** The repealed section pertained to distressed districts emergency grant fund.

388.1611s Services and programs for children residing within cities for which executive proclamation of emergency issued under MCL 30.401 to 30.421; water emergency reserve fund; employment of school nurses, classroom aides, and school social workers; state early intervention services; contingency funds; payment schedule.

Sec. 11s. (1) From the general fund appropriation in section 11, there is allocated $3,230,000.00 for fiscal year 2009-2010 to 21st century schools fund.
of a district with the majority of its territory located within the boundaries of a city for which an executive proclamation of emergency is issued in the current or immediately preceding 3 fiscal years under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding appropriated in section 11, there is allocated for fiscal year 2018-2019 $100.00 from the water emergency reserve fund for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated to a district with the majority of its territory located within the boundaries of a city in which an executive proclamation of emergency is issued in the current or immediately preceding 3 fiscal years and that has at least 4,500 pupils in membership for the 2016-2017 fiscal year or has at least 4,000 pupils in membership for a fiscal year after 2016-2017, an amount not to exceed $2,625,000.00 for 2018-2019 for the purpose of employing school nurses, classroom aides, and school social workers. The district shall provide a report to the department in a form, manner, and frequency prescribed by the department. The department shall provide a copy of that report to the governor, the house and senate school aid subcommittees, the house and senate fiscal agencies, and the state budget director within 5 days after receipt. The report shall provide at least the following information:

(a) How many personnel were hired using the funds allocated under this subsection.

(b) A description of the services provided to pupils by those personnel.

(c) How many pupils received each type of service identified in subdivision (b).

(d) Any other information the department considers necessary to ensure that the children described in subsection (1) received appropriate levels and types of services.

(3) For 2018-2019 only, from the allocation in subsection (1), there is allocated an amount not to exceed $0.00 to an intermediate district that has a constituent district described in subsection (2) to provide state early intervention services for children described in subsection (1) who are less than 4 years of age as of September 1, 2016. The intermediate district shall use these funds to provide state early intervention services that are similar to the services described in the early on Michigan state plan, including ensuring that all children described in subsection (1) who are less than 4 years of age as of September 1, 2016 are assessed and evaluated at least twice annually.

(4) For 2018-2019, from the allocation in subsection (1), there is allocated an amount not to exceed $605,000.00 for nutritional services to children described in subsection (1).

(5) In addition to other funding allocated and appropriated in this section, there is appropriated an amount not to exceed $15,000,000.00 for fiscal year 2018-2019 for state restricted contingency funds. These contingency funds are not available for expenditure until they have been transferred to a section within this article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(6) Notwithstanding section 17b, payments under this section shall be paid on a schedule determined by the department.


Compiler's note: The repealed section pertained to legislative intent to change name of state school aid fund to comprehensive education fund.


Compiler's note: The repealed section pertained to legislative intent to examine funding structure.


Compiler's note: The repealed section pertained to legislative intent concerning appropriations for fiscal year ending September 30, 2016.

388.1613 Apportionments and limitations of apportionments; basis; counting pupil membership and professionals.

Sec. 13. Except as otherwise provided in this act, the apportionments and limitations of the apportionments made under this act shall be made on the membership and number of teachers and other professionals approved by the superintendent employed as of the pupil membership count day of each year and on the taxable value and the operating millage of each district for the calendar year. In addition, a district maintaining school during the entire year, as provided in section 1561 of the revised school code, MCL 380.1561, shall count memberships and educational personnel pursuant to rules promulgated by the superintendent and shall report to the center as required by state and federal law.

388.1614 Defective data; duties of department.

Sec. 14. If the data from an intermediate district or district upon which a statement of the amount to be disbursed or paid are determined to be defective or incomplete, making it impracticable to ascertain the apportionment to be disbursed or paid, the department shall withhold the amount of the apportionment that cannot be ascertained until the department is able to ascertain by the best evidence available the facts upon which the ratio and amount of the apportionment depend, and then shall make the apportionment accordingly.


Compiler’s note: Enacting section 1 of Act 342 of 2006 provides:
"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,285,376,300.00." 

388.1615 Apportionment of deficiency; state aid overpayments to districts; deduction or payment due to adjustment as result of audit or information; incorrect payment; audits; funding expenditures caused by write-off of prior year accruals; additional appropriation.

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding any other provision in this article, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this article other than a special education or special education transportation payment, from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211. State aid overpayments made in special education or special education transportation payments may be recovered from subsequent special education or special education transportation payments, from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211.

(2) If the result of an audit conducted by or for the department affects the current fiscal year membership, affected payments shall be adjusted in the current fiscal year. A deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, shall be deducted from the district’s apportionments when the adjustment is finalized. At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 9 years for the adjustment and may advance payments to the district otherwise authorized under this article if the district would otherwise experience a significant hardship in satisfying its financial obligations.

(3) If, based on an audit by the department or the department’s designee or because of new or updated information received by the department, the department determines that the amount paid to a district or intermediate district under this article for the current fiscal year or a prior fiscal year was incorrect, the department shall make the appropriate deduction or payment in the district’s or intermediate district’s allocation in the next apportionment after the adjustment is finalized. The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the incorrect amount was paid. If the district does not receive an allocation for the fiscal year or if the allocation is not sufficient to pay the amount of any deduction, the amount of any deduction otherwise applicable shall be satisfied from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211, as determined by the department.

(4) The department may conduct audits, or may direct audits by designee of the department, for the current
fiscal year and the immediately preceding fiscal year of all records related to a program for which a district or intermediate district has received funds under this article.

(5) Expenditures made by the department under this article that are caused by the write-off of prior year accruals may be funded by revenue from the write-off of prior year accruals.

(6) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for 2018-2019 for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.


Compiler’s note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of Act 205 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963 total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 are estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."


Compiler’s note: The repealed section pertained to allowance greater than actual amounts paid prohibited.


Compiler’s note: The repealed section pertained to amount to be distributed in installments to districts.

388.1617a Withholding payment district or intermediate district entitled to receive; extent; plan for financing outstanding obligation defaulted upon by district or intermediate district; use of amounts withheld; agreement assigning or pledging payment; effect of emergency manager or deficit elimination plan; indebtedness of state not created; "trustee of a pooled arrangement" defined; approval or disapproval of trust; allocation contingent upon compliance with section.

Sec. 17a. (1) The department may withhold all or part of any payment that a district or intermediate district is entitled to receive under this article to the extent the withholdings are a component part of a plan, developed and implemented pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, section 1356 of the revised school code, MCL 380.1356, or other statutory authority, for financing an outstanding obligation upon which the district or intermediate district defaulted or for other financial obligations of the district or intermediate district.
offering for sale, as part of a pooled arrangement, certificates representing undivided interests in notes issued
pursuant to this section shall contain a statement to that effect.

(3) Under an agreement entered into by a district or intermediate district assigning all or a portion of the
payment that it is eligible to receive under this article to the Michigan finance authority or to the trustee of a
pooled arrangement or pledging the amount for payment of an obligation it incurred with the Michigan
finance authority or with the trustee of a pooled arrangement, the state treasurer shall transmit to the Michigan
finance authority or a trustee designated by the Michigan finance authority or to the trustee of a pooled
arrangement or other designated depository the amount of the payment that is assigned or pledged under the
agreement.

(4) If a district or intermediate district for which an emergency manager is in place under the local
financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or that has an approved deficit
elimination plan or an approved enhanced deficit elimination plan under the revised school code, enters into
or has entered into an agreement described in subsection (3) pursuant to section 1225(2) of the revised school
code, MCL 380.1225, whether the obligation was issued before or after the effective date of this subsection,
the portion of state school aid paid or to be paid on behalf of the district or intermediate district directly to the
Michigan finance authority, or to a trustee designated by the Michigan finance authority, for the sole purpose
of paying the principal of and interest on the obligation is subject to a lien and trust that is a statutory lien and
trust, paramount and superior to all other liens and interests of any kind, for the sole purpose of paying the
principal of and interest on the obligation. The statutory lien and trust applies to the state school aid received
or to be received by the Michigan finance authority, or trustee designated by the Michigan finance authority,
on behalf of the district or intermediate district, immediately upon the time when the state school aid is
allocated to the district or intermediate district, but is subject to any subsequent reduction of the state school
aid allocation by operation of law or executive order. The lien and trust imposed by this section with respect
to state school aid has a priority as established in the agreement, except that the agreement shall not impair
any existing lien and trust previously created pursuant to this section, including any lien and trust applicable
to a multi-year repayment agreement under section 1225 of the revised school code, MCL 380.1225. Except
as otherwise provided in this subsection, the lien and trust created under this subsection for the benefit of
holders of the obligation issued pursuant to this section is valid and binding against a party having a claim of
any kind in tort, contract, or otherwise against the district or intermediate district that has issued the obligation
secured by a pledge of state school aid pursuant to this section, regardless of whether that party has notice of
the pledge. A pledge made pursuant to this section for the benefit of the holders of obligations or others is
perfected without delivery, recording, or notice. The state school aid paid or to be paid on behalf of a district
or intermediate district to the Michigan finance authority, or trustee designated by the Michigan finance
authority, shall be held in trust for the sole benefit of the holders of the obligation issued pursuant to this
section or section 1225 of the revised school code, MCL 380.1225, and is exempt from being levied upon,
taken, sequestered, or applied toward paying the debts or liabilities of the district or intermediate district other
than for payment of the obligation to which the lien applies. However, nothing in this subsection alters the
ability of the state treasurer to withhold state school aid from a district or intermediate district as provided by
law.

(5) Notwithstanding the payment dates prescribed by this article for distributions under this article, the
state treasurer may advance all or part of a payment that is dedicated for distribution or for which the
appropriation authorizing the payment has been made if and to the extent, under the terms of an agreement
entered into by a district or intermediate district and the Michigan finance authority, the payment that the
district or intermediate district is eligible to receive has been assigned to or pledged for payment of an
obligation it incurred with the Michigan finance authority.

(6) This section does not require the state to make an appropriation to any school district or intermediate
school district and shall not be construed as creating an indebtedness of the state, and any agreement made
pursuant to this section shall contain a statement to that effect.

(7) As used in this section, "trustee of a pooled arrangement" means the trustee of a trust approved by the
state treasurer and, subject to the conditions and requirements of that approval, established for the purpose of
offering for sale, as part of a pooled arrangement, certificates representing undivided interests in notes issued
by districts or intermediate districts under section 1225 of the revised school code, MCL 380.1225.
(8) If a trustee applies to the state treasurer for approval of a trust for the purposes of this section, the state treasurer shall approve or disapprove the trust within 10 days after receipt of the application.

(9) An allocation to a district or intermediate district under this article is contingent upon the district's or intermediate district's compliance with this section.


Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

388.1617b Amounts to be distributed in installments to districts; electronic files; payments; warrant; adjustments; grant payments; installment schedule; advance release of funds.

Sec. 17b. (1) Not later than October 20, November 20, December 20, January 20, February 20, March 20, April 20, May 20, June 20, July 20, and August 20, the department shall prepare electronic files of the amount to be distributed under this act in the installment to the districts and intermediate districts and deliver the electronic files to the state treasurer, and the state treasurer shall pay the installments on each of those dates or, if the date is not a business day, on the next business day following that date. Except as otherwise provided in this act, the portion of the district's or intermediate district's state fiscal year entitlement to be included in each installment shall be 1/11. A district or intermediate district shall accrue the payments received in July and August to the school fiscal year ending the immediately preceding June 30.

(2) The state treasurer shall make payment under this section by drawing a warrant in favor of the treasurer of each district or intermediate district for the amount payable to the district or intermediate district according to the electronic files and delivering the warrant to the treasurer of each district or intermediate district, or if the state treasurer receives a written request by the treasurer of the district or intermediate district specifying an account, by electronic funds transfer to that account of the amount payable to the district or intermediate district according to the electronic files. The department may make adjustments in payments made under this section through additional payments when changes in law or errors in computation cause the regularly scheduled payment to be less than the amount to which the district or intermediate district is entitled pursuant to this act.

(3) Except as otherwise provided in this act, grant payments to districts and intermediate districts under this act shall be paid according to the installment schedule under subsection (1).

(4) Upon the written request of a district or intermediate district and the submission of proof satisfactory to the department of a need of a temporary and nonrecurring nature, the superintendent, with the written concurrence of the state treasurer and the state budget director, may authorize an advance release of funds due a district or intermediate district under this act. An advance authorized under this subsection shall not cause funds to be paid to a district or intermediate district more than 30 days earlier than the established payment date for those funds.


Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

388.1617c Grants to districts, intermediate districts, and eligible entities; accessibility; applicability to federal funds or grants.

Sec. 17c. (1) Except as otherwise provided under this article, the department shall do both of the following for funds appropriated under this article for grants distributed by the department to districts, intermediate districts, and eligible entities:

(a) Not later than September 1 of each fiscal year, open the grant application for funds appropriated for the subsequent fiscal year. The department shall also provide to districts, intermediate districts, and eligible entities, and post on its publicly accessible website, the grant application and award process schedule and the list of state grants and contracts available in the subsequent fiscal year.

(b) Not later than December 1 of each fiscal year, publish grant awards for funds appropriated in that fiscal year.

(2) Information for grants awarded from funds appropriated under this article must be placed on the state board agenda in August of the preceding fiscal year. However, this subsection does not apply to grants awarded, directly or indirectly, from federal funds or federal grants.


Compiler's note: Former MCL 388.1617c, which pertained to grant payments, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

388.1618 Applying money received under article; determining reasonableness of expenditures; withholding apportionment for violation; adoption of annual budget; availability of information on website; submission of annual comprehensive financial data; report; Michigan public school accounting manual chart of accounts; filing special education actual cost report and transportation expenditure report; review and update of pupil accounting and pupil auditing manuals; retention of property by public school academy; failure to comply with subsections (4), (5), (6), (7), and (12); inconsistent financial data; failure to comply with subsection (2); report on virtual learning per-pupil costs; "vendor type" defined; allocation contingent upon compliance with section; list of allocations to association or consortium consisting of associations.

Sec. 18. (1) Except as provided in another section of this article, each district or other entity shall apply the money received by the district or entity under this article to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district under sections 22a and 22b or received by an intermediate district under section 81 may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this article the apportionment otherwise due upon a violation by the recipient.

(2) A district or intermediate district shall adopt an annual budget in a manner that complies with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days after a district board adopts its annual operating budget for the following school fiscal year, or after a district board adopts a subsequent revision to that budget, the district shall make all of the following available through a link on its website homepage, or may make the information available through a link on its intermediate district's website homepage, in a form and manner prescribed by the department:

(a) The annual operating budget and subsequent budget revisions.

(b) Using data that have already been collected and submitted to the department, a summary of district expenditures for the most recent fiscal year for which they are available, expressed in the following 2 visual displays:

(i) A chart of personnel expenditures, broken into the following subcategories:

(A) Salaries and wages.

(B) Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits.

(C) Retirement benefit costs.

(D) All other personnel costs.

(ii) A chart of all district expenditures, broken into the following subcategories:

(A) Instruction.
(B) Support services.
(C) Business and administration.
(D) Operations and maintenance.
(c) Links to all of the following:
   (i) The current collective bargaining agreement for each bargaining unit.
   (ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee in the district.
   (iii) The audit report of the audit conducted under subsection (4) for the most recent fiscal year for which it is available.
   (iv) The bids required under section 5 of the public employees health benefit act, 2007 PA 106, MCL 124.75.
   (v) The district's written policy governing procurement of supplies, materials, and equipment.
   (vi) The district's written policy establishing specific categories of reimbursable expenses, as described in section 1254(2) of the revised school code, MCL 380.1254.
   (vii) Either the district's accounts payable check register for the most recent school fiscal year or a statement of the total amount of expenses incurred by board members or employees of the district that were reimbursed by the district for the most recent school fiscal year.
   (d) The total salary and a description and cost of each fringe benefit included in the compensation package for the superintendent of the district and for each employee of the district whose salary exceeds $100,000.00.
   (e) The annual amount spent on dues paid to associations.
   (f) The annual amount spent on lobbying or lobbying services. As used in this subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.
   (g) Any deficit elimination plan or enhanced deficit elimination plan the district was required to submit under the revised school code.
   (h) Identification of all credit cards maintained by the district as district credit cards, the identity of all individuals authorized to use each of those credit cards, the credit limit on each credit card, and the dollar limit, if any, for each individual's authorized use of the credit card.
   (i) Costs incurred for each instance of out-of-state travel by the school administrator of the district that is fully or partially paid for by the district and the details of each of those instances of out-of-state travel, including at least identification of each individual on the trip, destination, and purpose.
   (3) For the information required under subsection (2)(a), (2)(b)(i), and (2)(c), an intermediate district shall provide the same information in the same manner as required for a district under subsection (2).
   (4) For the purposes of determining the reasonableness of expenditures, whether a district or intermediate district has received the proper amount of funds under this article, and whether a violation of this article has occurred, all of the following apply:
   (a) The department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually, and at such other times as determined by the department, at the expense of the district or intermediate district, as applicable. The audits must be performed by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. A district or intermediate district shall retain these records for the current fiscal year and from at least the 3 immediately preceding fiscal years.
   (b) If a district operates in a single building with fewer than 700 full-time equated pupils, if the district has stable membership, and if the error rate of the immediately preceding 2 pupil accounting field audits of the district is less than 2%, the district may have a pupil accounting field audit conducted biennially but must continue to have desk audits for each pupil count. The auditor must document compliance with the audit cycle in the pupil auditing manual. As used in this subdivision, "stable membership" means that the district's membership for the current fiscal year varies from the district's membership for the immediately preceding fiscal year by less than 5%.
   (c) A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid.
   (d) The pupil and financial accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department.
   (e) All of the following shall be done not later than November 1 each year for reporting the prior fiscal year data:
   (i) A district shall file the annual financial audit reports with the intermediate district and the department.
(ii) The intermediate district shall file the annual financial audit reports for the intermediate district with the department.

(iii) The intermediate district shall enter the pupil membership audit reports for its constituent districts and for the intermediate district, for the pupil membership count day and supplemental count day, in the Michigan student data system.

(f) The annual financial audit reports and pupil accounting procedures reports shall be available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(g) Not later than January 31 of each year, the department shall notify the state budget director and the legislative appropriations subcommittees responsible for review of the school aid budget of districts and intermediate districts that have not filed an annual financial audit and pupil accounting procedures report required under this section for the school year ending in the immediately preceding fiscal year.

(5) By November 1 each fiscal year, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data consistent with the district's or intermediate district's audited financial statements and consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report shall also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620. The department shall ensure that the prescribed Michigan public school accounting manual chart of accounts includes standard conventions to distinguish expenditures by allowable fund function and object. The functions shall include at minimum categories for instruction, pupil support, instructional staff support, general administration, school administration, business administration, transportation, facilities operation and maintenance, facilities acquisition, and debt service; and shall include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. Districts shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report.

(6) By September 30 of each year, each district and intermediate district shall file with the center the special education actual cost report, known as "SE-4096", on a form and in the manner prescribed by the center. An intermediate district shall certify the audit of a district's report.

(7) By October 7 of each year, each district and intermediate district shall file with the center the audited transportation expenditure report, known as "SE-4094", on a form and in the manner prescribed by the center. An intermediate district shall certify the audit of a district's report.

(8) The department shall review its pupil accounting and pupil auditing manuals at least annually and shall periodically update those manuals to reflect changes in this article.

(9) If a district that is a public school academy purchases property using money received under this article, the public school academy shall retain ownership of the property unless the public school academy sells the property at fair market value.

(10) If a district or intermediate district does not comply with subsections (4), (5), (6), (7), and (12), or if the department determines that the financial data required under subsection (5) are not consistent with audited financial statements, the department shall withhold all state school aid due to the district or intermediate district under this article, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (4), (5), (6), (7), and (12). If the district or intermediate district does not comply with subsections (4), (5), (6), (7), and (12) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

(11) If a district or intermediate district does not comply with subsection (2), the department may withhold up to 10% of the total state school aid due to the district or intermediate district under this article, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsection (2). If the district or intermediate district does not comply with subsection (2) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

(12) By November 1 of each year, if a district or intermediate district offers virtual learning under section 21f, or for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the virtual learning by vendor type and virtual learning model. The report shall include information concerning the operation of virtual learning for the immediately preceding school fiscal year, including information concerning summer programming. Information must be collected in a form and manner determined by the department and must be collected in the most efficient manner possible to reduce the administrative burden on reporting entities.

(13) By March 31 of each year, the department shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a report summarizing the per-pupil costs by vendor type of virtual courses available under section 21f and virtual
Grant funds to be expended by end of fiscal year; failure of grant recipient to
expend funds; report; return of unexpended funds.

Sec. 18a. Grant funds awarded and allotted to a district, intermediate district, or other entity, unless
otherwise specified in this article, shall be expended by the grant recipient before the end of the fiscal year
immediately following the fiscal year in which the funds are received. If a grant recipient does not expend the
funds received under this article before the end of the fiscal year in which the funds are received, the grant
recipient shall submit a report to the department not later than November 1 after the fiscal year in which the
funds are received indicating whether it expects to expend those funds during the fiscal year in which the
report is submitted. A recipient of a grant shall return any unexpended grant funds to the department in the
manner prescribed by the department not later than September 30 after the fiscal year in which the funds are
received.

388.1618b Property of public school academy to be transferred to this state.

Sec. 18b. (1) Property of a public school academy that was acquired substantially with funds appropriated under this article shall be transferred to this state by the public school academy corporation if any of the following occur:

(a) The public school academy has been ineligible to receive funding under this article for 18 consecutive months.

(b) The public school academy's contract has been revoked or terminated for any reason.

(c) The public school academy's contract has expired and has not been reissued by the authorizing body.

(2) A public school academy corporation shall initiate the process of transferring property to this state as required under subsection (1) within 30 days after the occurrence of the event that triggers the process under subsection (1).

(3) Property required to be transferred to this state under this section includes title to all real and personal property, interests in real or personal property, and other assets owned by the public school academy corporation that were substantially acquired with funds appropriated under this article.

(4) The state treasurer, or his or her designee, is authorized to dispose of property transferred to this state under this section. Except as otherwise provided in this section, the state treasurer shall deposit in the state school aid fund any money included in that property and the net proceeds from the sale of the property or interests in property, after payment by the state treasurer of any public school academy debt secured by the property or interest in property.

(5) This section does not impose any liability on this state, any agency of this state, or an authorizing body for any debt incurred by a public school academy.

(6) As used in this section and section 18c, "authorizing body" means an authorizing body defined under section 501 or 1311b of the revised school code, MCL 380.501 and 380.1311b.


Compiler's note: Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

388.1618c Contract entered into by public school academy and third party.

Sec. 18c. Any contract, mortgage, loan, or other instrument of indebtedness entered into by a public school academy receiving funds under this article and a third party does not constitute an obligation, either general, special, or moral, of this state or of an authorizing body. The full faith and credit or the taxing power of this state or any agent of this state, or the full faith and credit of an authorizing body, shall not be pledged for the payment of any contract, mortgage, loan, or other instrument of indebtedness entered into by a public school academy.


Compiler's note: The repealed section pertained to claim of debt or financial obligation.

388.1619 Compliance with state and federal reporting requirements; report of graduation and dropout rates; appeal; educational personnel; limitation; failure to comply with requirements; list of school or district accountability designations; appeal of determination; publication of list; implementation of statewide standard reporting requirements.

Sec. 19. (1) A district or intermediate district shall comply with all applicable reporting requirements specified in state and federal law. Data provided to the center, in a form and manner prescribed by the center, shall be aggregated and disaggregated as required by state and federal law. In addition, a district or intermediate district shall cooperate with all measures taken by the center to establish and maintain a statewide P-20 longitudinal data system.
(2) Each district shall furnish to the center not later than 5 weeks after the pupil membership count day and by the last business day in June of the school fiscal year ending in the fiscal year, in a manner prescribed by the center, the information necessary for the preparation of the district and high school graduation report and for the preparation of the state and federal accountability reports. This information shall meet requirements established in the pupil auditing manual approved and published by the department. The center shall calculate an annual graduation and pupil dropout rate for each high school, each district, and this state, in compliance with nationally recognized standards for these calculations. The center shall report all graduation and dropout rates to the senate and house education committees and appropriations committees, the state budget director, and the department not later than 30 days after the publication of the list described in subsection (5). Before reporting these graduation and dropout rates, the department shall allow a school or district to appeal the calculations. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not report these graduation and dropout rates until after all appeals have been considered and decided.

(3) By the first business day in December and by the last business day in June of each year, a district shall furnish to the center, in a manner prescribed by the center, information related to educational personnel as necessary for reporting required by state and federal law. For the purposes of this subsection, the center shall only require districts and intermediate districts to report information that is not already available from the office of retirement services in the department of technology, management, and budget.

(4) If a district or intermediate district fails to meet the requirements of this section, the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this article until the district or intermediate district complies with all of those subsections. If the district or intermediate district does not comply with all of those subsections by the end of the fiscal year, the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those subsections.

(5) Before publishing a list of school or district accountability designations as required by the no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-95, and utilizing data that were certified as accurate and complete after districts and intermediate districts adhered to deadlines, data quality reviews, and correction processes leading to local certification of final student data in subsection (2), the department shall allow a school or district to appeal any calculation errors used in the preparation of accountability metrics. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

(6) Beginning in 2016-2017, the department shall implement statewide standard reporting requirements for education data approved by the department in conjunction with the center. The department shall work with the center, intermediate districts, districts, and other interested stakeholders to implement this policy change. A district or intermediate district shall implement the statewide standard reporting requirements not later than 2017-2018 or when a district or intermediate district updates its education data reporting system, whichever is later.


**Compiler's note:** For transfer of powers, duties, functions, and responsibilities of the department of education regarding educational reports to the center for educational performance and information by type II transfer, see E.R.O. No. 2000-6, compiled at MCL 388.996 of the Michigan compiled laws.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00." 

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00." 

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00." 

Enacting section 1 of Act 268 of 2008 provides:
Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00.

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

388.1619a Reports.

Sec. 19a. All of the following apply to reports required by the superintendent, department, or center to be submitted under this act:

(a) The superintendent, department, or center shall not require, or promulgate a rule requiring, a new report to be submitted unless state or federal law specifically requires or authorizes the report.

(b) The superintendent, department, or center shall not require, or promulgate a rule requiring, any modifications or additions to a report that, as of the effective date of this section, is already required to be submitted unless 1 or both of the following apply:

(i) State or federal law specifically requires or authorizes the modification or addition.

(ii) The modification or addition will reduce or eliminate a reporting requirement.

(c) If the superintendent, department, or center requires, or promulgates a rule requiring, a new report or additional information to be submitted under the conditions specified under subdivisions (a) and (b), the superintendent, department, or center shall ensure that the new report or additional information may be submitted electronically.


Compiler's note: Former MCL 388.1619a, which pertained to core curriculum, was repealed by Act 207 of 1990, Eff. Oct. 1, 1990. Section 3 of Act 207 of 1990 purported to repeal MCL 388.1619a to 388.1619d. However, MCL 388.1619d, as added by Act 197 of 1989, did not take effect pursuant to the terms of subsection (3) of that section.

388.1619b Reports on efficacy and usefulness of certain programs; "reporting entity" defined.

Sec. 19b. (1) A reporting entity required to comply with this section shall provide reports to the house and senate appropriations subcommittees on school aid and the house and senate fiscal agencies on the efficacy and usefulness of the applicable program that comply with the following:

(a) For a program in its first year of funding, a reporting entity shall meet both of the following:

(i) Provide a report no later than 3 months after receipt of funding for that fiscal year that includes all of the following:

(A) A plan describing the intended coverage area, including a plan for disseminating and promoting the program, along with a plan for expanding that coverage statewide as funding allows.

(B) Proposed measurements of outcomes and performance.

(ii) Provide a report no later than 3 months following the end of that fiscal year that includes all of the following:

(A) Actual numbers of students who participated in the program, including the number of districts where the program was implemented.

(B) Actual outcomes and performance based on measurements described in subdivision (a)(i)(B).

(C) Proposed amendments to benchmarks that may better indicate efficacy and usefulness.

(D) Rationale for continuing the program and plans to expand further outreach.

(b) For a program in its second or subsequent year of funding, a reporting entity shall meet both of the following:

(i) Provide a report no later than 3 months after receipt of funding for that fiscal year that includes all of the following:

(A) A plan describing the continued or expanded coverage area for the program, including a plan for how the program and its materials will be disseminated and promoted, and a discussion of expanding the coverage statewide.

(B) Proposed measurements of outcomes and performance, and how to increase performance compared to prior-year performance levels.

(ii) Provide a report no later than 3 months following the end of that fiscal year that includes all of the following:

(A) Actual numbers of students who participated in the program, including the number of districts where the program was implemented, and how those compare to prior-year figures.

(B) Actual outcomes and performance based on measurements described in subdivision (b)(i)(B).

(C) Proposed amendments to benchmarks that may better indicate efficacy and usefulness.
(D) Rationale for continuing the program and plans to expand further outreach.

(2) As used in this section, "reporting entity" means an entity required to comply with this section.


Compiler's note: Former MCL 388.1619b, which pertained to school improvement, was repealed by Act 207 of 1990, Eff. Oct. 1, 1990.

Section 3 of Act 207 of 1990 purported to repeal MCL 388.1619a to 388.1619d. However, MCL 388.1619d, as added by Act 197 of 1989, did not take effect pursuant to the terms of subsection (3) of that section.


Compiler's note: Section 3 of Act 207 of 1990 purported to repeal MCL 388.1619a to 388.1619d. However, MCL 388.1619d, as added by Act 197 of 1989, did not take effect pursuant to the terms of subsection (3) of that section.

The repealed section pertained to standards for accreditation.

388.1620 Foundation allowance; calculations; allocations; pupil membership factor, revenue adjustment factor, and index; reduced foundation allowance or per-pupil payment calculation; definitions.

Sec. 20. (1) For 2018-2019, both of the following apply:

(a) The basic foundation allowance is $8,409.00.

(b) The minimum foundation allowance is $7,871.00.

(2) The amount of each district's foundation allowance shall be calculated as provided in this section, using a basic foundation allowance in the amount specified in subsection (1).

(3) Except as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) Except as otherwise provided in this subdivision, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the minimum foundation allowance for the immediately preceding state fiscal year, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index calculated under this section.

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount equal to the basic foundation allowance for 2018-2019 times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index calculated under this section.

(c) For a district that had a foundation allowance for the immediately preceding state fiscal year that was greater than the basic foundation allowance for the immediately preceding state fiscal year, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(d) For a district that has a foundation allowance that is not a whole dollar amount, the district's foundation allowance shall be rounded up to the nearest whole dollar.

(e) For a district that received a foundation allowance supplemental payment calculated under section 20m and paid under section 22b for 2017-2018, the district's 2017-2018 foundation allowance is considered to have been an amount equal to the sum of the district's actual 2017-2018 foundation allowance as otherwise calculated under this section plus the lesser of the per pupil amount of the district's supplemental payment for 2017-2018 as calculated under section 20m or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.
index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(4) Except as otherwise provided in this subsection, beginning in 2014-2015, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the local portion of the district's foundation allowance. For a district described in subsection (3)(c), beginning in 2014-2015, the state portion of the district's foundation allowance is an amount equal to $6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the local portion of the district's foundation allowance. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For a receiving district, if school operating taxes continue to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, the taxable value per membership pupil of property in the receiving district used for the purposes of this subsection does not include the taxable value of property within the geographic area of the dissolved district. For a community district, if school operating taxes continue to be levied by a qualifying school district under section 12b of the revised school code, MCL 380.12b, with the same geographic area as the community district, the taxable value per membership pupil of property in the community district to be used for the purposes of this subsection does not include the taxable value of property within the geographic area of the community district.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per-pupil allocation under section 20m.

(6) Except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy equal to the foundation allowance of the district in which the public school academy is located or the state maximum public school academy allocation, whichever is less. Except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy that is a cyber school and is authorized by a school district, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy equal to the foundation allowance of the district that authorized the public school academy or the state maximum public school academy allocation, whichever is less. However, a public school academy that had an allocation under this subsection before 2009-2010 that was equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy is located and the state portion of that district's foundation allowance shall not have that allocation reduced as a result of the 2010 amendment to this subsection. Notwithstanding section 101, for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) Except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a community district, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the community district equal to the foundation allowance of the qualifying school district, as described in section 12b of the revised school code, MCL 380.12b, that is located within the same geographic area as the community district.

(8) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the lesser of the sum of the average of the foundation allowances of each of the original or affected districts, calculated as provided in
this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in
the geographic area of each of the original or affected districts plus $100.00 or the highest foundation
allowance among the original or affected districts. This subsection does not apply to a receiving district unless
there is a subsequent consolidation or annexation that affects the district. The calculation under this
subsection shall take into account a district's per-pupil allocation under section 20m.

(9) Each fraction used in making calculations under this section shall be rounded to the fourth decimal
place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest
whole dollar.

(10) State payments related to payment of the foundation allowance for a special education pupil are not
calculated under this section but are instead calculated under section 51a.

(11) To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal
year, each revenue estimating conference conducted under section 367b of the management and budget act,
1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an
index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school
year ending in the current state fiscal year, excluding intermediate district membership, by the estimated
membership for the school year ending in the subsequent state fiscal year, excluding intermediate district
membership. If a consensus membership factor is not determined at the revenue estimating conference, the
principals of the revenue estimating conference shall report their estimates to the house and senate
subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the
revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school
aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for
the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are
deposited in that fund and excluding money transferred into that fund from the countercyclical budget and
economic stabilization fund under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594,
by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated
total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in
the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not
determined at the revenue estimating conference, the principals of the revenue estimating conference shall
report their estimates to the house and senate subcommittees responsible for school aid appropriations not
later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment
factor. If a consensus index is not determined at the revenue estimating conference, the principals of the
revenue estimating conference shall report their estimates to the house and senate subcommittees responsible
for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(12) Payments to districts and public school academies shall not be made under this section. Rather, the
calculations under this section shall be used to determine the amount of state payments under section 22b.

(13) If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some
or all nonpublic schools is approved by the voters of this state, each foundation allowance or per-pupil
payment calculation under this section may be reduced.

(14) As used in this section:

(a) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by
the district in 1993-94.

(b) "Combined state and local revenue" means the aggregate of the district's state school aid received by or
paid on behalf of the district under this section and the district's local school operating revenue.

(c) "Combined state and local revenue per membership pupil" means the district's combined state and local
revenue divided by the district's membership excluding special education pupils.

(d) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(e) "Dissolved district" means a district that loses its organization, has its territory attached to 1 or more
other districts, and is dissolved as provided under section 12 of the revised school code, MCL 380.12.

(f) "Immediately preceding state fiscal year" means the state fiscal year immediately preceding the current
state fiscal year.

(g) "Local portion of the district's foundation allowance" means an amount that is equal to the difference
between (the sum of the product of the taxable value per membership pupil of all property in the district that
is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12,
the product of the taxable value per membership pupil of property in the district that is commercial personal
property times the certified mills minus 12 mills) and (the quotient of the product of the captured assessed
valuation under tax increment financing acts times the district's certified mills divided by the district's membership excluding special education pupils).

(h) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, local school operating revenue does not include school operating taxes levied within the geographic area of the dissolved district.

(i) "Local school operating revenue per membership pupil" means a district's local school operating revenue divided by the district's membership excluding special education pupils.

(j) "Maximum public school academy allocation", except as otherwise provided in this subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year and [(the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year minus $40.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year. For the purposes of this subdivision, for 2018-2019, the maximum public school academy allocation is $7,871.00.

(k) "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(l) "Noneexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, or property occupied by a public school academy.

(m) "Principal residence", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

(n) "Receiving district" means a district to which all or part of the territory of a dissolved district is attached under section 12 of the revised school code, MCL 380.12.

(o) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18 and purposes authorized under section 1211 of the revised school code, MCL 380.1211.

(p) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(q) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(r) "Taxable value per membership pupil" means taxable value, as certified by the county treasurer and reported to the department, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.


Compiler's note: The words "1/3 of" in subsection (20)(a)(i)(Q), as amended by Act 283 of 1994, were vetoed by the governor on
July 9, 1994.

The last sentence of subsection (9), and subsections (18) and (19), as amended by Act 360 of 1994, were vetoed by the governor on December 22, 1994.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Subsection (20), as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003. The text of subsection (20) set forth above in this section (MCL 388.1620) derives from Act 141 of 2003. In the veto message accompanying her veto of certain items in Enrolled House Bill 4401 (Act 158 of 2003), the governor stated, "I have vetoed amendatory language in Section 20(20) that stops the annual $15 million supplemental payment to Detroit Public Schools at the end of fiscal year 2003. Existing language clearly indicates that this supplemental funding is intended to continue as long as the reform board remains in place. I intend to honor that commitment."

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Subsection (25), as amended by Act 110 of 2010, was vetoed by the governor on July 7, 2010. Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."


Compiler's note: The repealed section pertained to determination of district's combined state and local revenue per membership pupil.


Compiler's note: The repealed section pertained to allocation for 1998-99.


Compiler's note: The repealed section pertained to additional payments to districts and public school academies for 1997-98.

388.1620d Requirements for final determination under MCL 388.1620 and former section 388.1620a.

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20 for 2018-2019, the department and the department of treasury shall comply with all of the following:

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of $6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district...
pursuant to this act in 1993-94 shall exclude payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year and the department of treasury shall make a final certification of the number of mills that may be levied by the district under section 1211 of the revised school code, MCL 380.1211, as a result of the adjustment under this subdivision.

(b) If a district had an adjustment made to its 1993-94 total state school aid that excluded payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under sections 51 to 56, if nonresident pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district that an adjustment under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate district center program operated by the district that had the adjustment shall be calculated as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

Historical Reference:

Compiler's note: Subsection (2), as amended by Act 300 of 1996, was vetoed by the governor on June 19, 1996.
Subdivision (c), as amended by Act 93 of 1997, was vetoed by the governor on August 1, 1997.

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."


Compiler's note: The repealed section pertained to state portion of district's foundation allowance.

388.1620f Allocations; eligibility for funding; amount; proration of payments.
Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $18,000,000.00 for 2018-2019 for payments to eligible districts under this section.

(2) The funding under this subsection is from the allocation under subsection (1). A district is eligible for funding under this subsection if the district received a payment under this section as it was in effect for 2013-2014. A district was eligible for funding in 2013-2014 if the sum of the following was less than $5.00:

(a) The increase in the district's foundation allowance or per-pupil payment as calculated under section 20 from 2012-2013 to 2013-2014.

(b) The district's equity payment per membership pupil under former section 22c for 2013-2014.

(c) The quotient of the district's allocation under section 147a for 2012-2013 divided by the district's membership pupils for 2012-2013 minus the quotient of the district's allocation under section 147a for 2013-2014 divided by the district's membership pupils for 2013-2014.

(3) The amount allocated to each eligible district under subsection (2) is an amount per membership pupil equal to the amount per membership pupil the district received under this section in 2013-2014.

(4) The funding under this subsection is from the allocation under subsection (1). A district is eligible for funding under this subsection if the sum of the following is less than $25.00:

(a) The increase in the district's foundation allowance or per-pupil payment as calculated under section 20 from 2014-2015 to 2015-2016.

(b) The decrease in the district's best practices per-pupil funding under former section 22f from 2014-2015 to 2015-2016.

(c) The decrease in the district's pupil performance per-pupil funding under former section 22j from 2014-2015 to 2015-2016.

(d) The quotient of the district's allocation under section 31a for 2015-2016 divided by the district's
membership pupils for 2015-2016 minus the quotient of the district's allocation under section 31a for 2014-2015 divided by the district's membership pupils for 2014-2015.

(5) The amount allocated to each eligible district under subsection (4) is an amount per membership pupil equal to $25.00 minus the sum of the following:

(a) The increase in the district's foundation allowance or per-pupil payment as calculated under section 20 from 2014-2015 to 2015-2016.

(b) The decrease in the district's best practices per-pupil funding under former section 22f from 2014-2015 to 2015-2016.

(c) The decrease in the district's pupil performance per-pupil funding under former section 22j from 2014-2015 to 2015-2016.

(d) The quotient of the district's allocation under section 31a for 2015-2016 divided by the district's membership pupils for 2015-2016 minus the quotient of the district's allocation under section 31a for 2014-2015 divided by the district's membership pupils for 2014-2015.

(6) If the allocation under subsection (1) is insufficient to fully fund payments under subsections (3) and (5) as otherwise calculated under this section, the department shall prorate payments under this section on an equal per-pupil basis.


Compiler's note: Former MCL 388.1620f, which pertained to allocation to instructional program operated by public university was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.


Compiler's note: The repealed section pertained to transition costs relating to pupils enrolled in dissolved district.


Compiler's note: The repealed sections pertained to foundation allowance supplemental payments and reduction in district's state school aid.


Compiler's note: The repealed sections pertained to payments for special education pupils for 1995-96 and funding for districts experiencing large pupil membership growth.

388.1620m Districts with foundation allowance greater than $8,169.00; total payment to district; use of calculations made under section.

Sec. 20m. (1) Foundation allowance supplemental payments for 2017-2018 to districts that in the 2015-2016 fiscal year had a foundation allowance greater than $8,169.00 shall be calculated under this section.

(2) The per-pupil allocation to each district under this section shall be the difference between the dollar amount of the adjustment from the 2015-2016 state fiscal year to the current state fiscal year in the basic foundation allowance minus the dollar amount of the adjustment from the 2015-2016 fiscal year to the current state fiscal year in a qualifying district's foundation allowance.

(3) If a district's local revenue per pupil does not exceed the sum of its foundation allowance under section 20 plus the per-pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the per-pupil allocation under subsection (2) multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the foundation allowance under section 20 but does not exceed the sum of the foundation allowance under section 20 plus the per-pupil allocation under subsection (2) minus the local revenue per pupil multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the sum of the foundation allowance under section 20 plus the per-pupil allocation under subsection (2), there is no payment calculated under this section for the district.

(4) Payments to districts shall not be made under this section. Rather, the calculations under this section shall be made and used to determine the amount of state payments under section 22b.


Compiler's note: The repealed section pertained to districts identified as among lowest achieving 5% of public schools.

Compiler's note: The repealed section pertained to school improvement plans, annual education report, accreditation, and core curriculum; employability skills assessment programs.

388.1621b Support for pupil attending postsecondary institution.

Sec. 21b. (1) Subject to subsections (2) and (3), a district shall use funds received under section 22a or 22b to support the attendance of a district pupil who is an eligible student at an eligible postsecondary institution under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, by paying eligible charges on behalf of the district pupil as required under those acts.

(2) A district is not required to pay transportation costs, parking costs, or activity fees on behalf of an eligible student for attendance at an eligible postsecondary institution as described in subsection (1).

(3) A district may pay more money to an eligible postsecondary institution on behalf of an eligible student than required under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, and may use local school operating revenue for that purpose. An eligible student is responsible for payment of the remainder of the costs associated with his or her postsecondary enrollment that exceed the amount the district is required to pay under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, and that are not paid by the district. As used in this subsection, "local school operating revenue" means that term as defined in section 20.

(4) As used in this section, "eligible student" and "eligible postsecondary institution" mean those terms as defined in section 3 of the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903, as applicable.


Compiler's note: Enacting section 1 of Act 501 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."


Compiler's note: The repealed section pertained to counting certain funds and payments for purposes of MCL 388.1621(5).


Compiler's note: The repealed section pertained to reorganization planning grant.


Compiler's note: The repealed section pertained to allocations to districts.

388.1621f Virtual courses; definitions.

Sec. 21f. (1) A primary district shall enroll an eligible pupil in virtual courses in accordance with the provisions of this section. A primary district shall not offer a virtual course to an eligible pupil unless the virtual course is published in the primary district's catalog of board-approved courses or in the statewide catalog of virtual courses maintained by the Michigan Virtual University pursuant to section 98. The primary district shall also provide on its publicly accessible website a link to the statewide catalog of virtual courses maintained by the Michigan Virtual University. Unless the pupil is at least age 18 or is an emancipated minor, a pupil shall not be enrolled in a virtual course without the consent of the pupil's parent or legal guardian.

(2) Subject to subsection (3), a primary district shall enroll an eligible pupil in up to 2 virtual courses as requested by the pupil during an academic term, semester, or trimester.

(3) A pupil may be enrolled in more than 2 virtual courses in a specific academic term, semester, or trimester if all of the following conditions are met:

(a) The primary district has determined that it is in the best interest of the pupil.

(b) The pupil agrees with the recommendation of the primary district.

(c) The primary district, in collaboration with the pupil, has developed an education development plan, in a form and manner specified by the department, that is kept on file by the district. Beginning October 1, 2016, this subdivision does not apply to a pupil enrolled as a part-time pupil under section 166b.

(4) If the number of applicants eligible for acceptance in a virtual course does not exceed the capacity of
the provider to provide the virtual course, the provider shall accept for enrollment all of the applicants eligible for acceptance. If the number of applicants exceeds the provider's capacity to provide the virtual course, the provider shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders. A primary district that is also a provider shall determine whether or not it has the capacity to accept applications for enrollment from nonresident applicants in virtual courses and may use that limit as the reason for refusal to enroll a nonresident applicant.

(5) A primary district may not establish additional requirements beyond those specified in this subsection that would prohibit a pupil from taking a virtual course. A pupil's primary district may deny the pupil enrollment in an online course if any of the following apply, as determined by the district:

(a) The pupil is enrolled in any of grades K to 5.
(b) The pupil has previously gained the credits that would be provided from the completion of the virtual course.
(c) The virtual course is not capable of generating academic credit.
(d) The virtual course is inconsistent with the remaining graduation requirements or career interests of the pupil.
(e) The pupil has not completed the prerequisite coursework for the requested virtual course or has not demonstrated proficiency in the prerequisite course content.
(f) The pupil has failed a previous virtual course in the same subject during the 2 most recent academic years.
(g) The virtual course is of insufficient quality or rigor. A primary district that denies a pupil enrollment request for this reason shall enroll the pupil in a virtual course in the same or a similar subject that the primary district determines is of acceptable rigor and quality.
(h) The cost of the virtual course exceeds the amount identified in subsection (10), unless the pupil or the pupil's parent or legal guardian agrees to pay the cost that exceeds this amount.
(i) The request for a virtual course enrollment did not occur within the same timelines established by the primary district for enrollment and schedule changes for regular courses.
(j) The request for a virtual course enrollment was not made in the academic term, semester, trimester, or summer preceding the enrollment. This subdivision does not apply to a request made by a pupil who is newly enrolled in the primary district.

(6) If a pupil is denied enrollment in a virtual course by the pupil's primary district, the primary district shall provide written notification to the pupil of the denial, the reason or reasons for the denial pursuant to subsection (5), and a description of the appeal process. The pupil may appeal the denial by submitting a letter to the superintendent of the intermediate district in which the pupil's primary district is located. The letter of appeal shall include the reason provided by the primary district for not enrolling the pupil and the reason why the pupil is claiming that the enrollment should be approved. The intermediate district superintendent or designee shall respond to the appeal within 5 days after it is received. If the intermediate district superintendent or designee determines that the denial of enrollment does not meet 1 or more of the reasons specified in subsection (5), the primary district shall enroll the pupil in the virtual course.

(7) To provide a virtual course to an eligible pupil under this section, a provider shall do all of the following:

(a) Ensure that the virtual course has been published in the pupil's primary district's catalog of board-approved courses or published in the statewide catalog of virtual courses maintained by the Michigan Virtual University.
(b) Assign to each pupil a teacher of record and provide the primary district with the personnel identification code assigned by the center for the teacher of record. If the provider is a community college, the virtual course must be taught by an instructor employed by or contracted through the providing community college.
(c) Offer the virtual course on an open entry and exit method, or aligned to a semester, trimester, or accelerated academic term format.
(d) If the virtual course is offered to eligible pupils in more than 1 district, the following additional requirements must also be met:

(i) Provide the Michigan Virtual University with a course syllabus that meets the definition under subsection (14)(g) in a form and manner prescribed by the Michigan Virtual University for inclusion in a statewide catalog of virtual courses.
(ii) Not later than October 1 of each fiscal year, provide the Michigan Virtual University with an aggregated count of enrollments for each virtual course the provider delivered to pupils pursuant to this section during the immediately preceding school year, and the number of enrollments in which the pupil earned 60% or more of the total course points for each virtual course.
(8) To provide an online course under this section, a community college shall ensure that each online course it provides under this section generates postsecondary credit.

(9) For any virtual course a pupil enrolls in under this section, the pupil's primary district must assign to the pupil a mentor and shall supply the provider with the mentor's contact information.

(10) For a pupil enrolled in 1 or more virtual courses, the primary district shall use foundation allowance or per-pupil funds calculated under section 20 to pay for the expenses associated with the virtual course or courses. A primary district is not required to pay toward the cost of a virtual course an amount that exceeds 6.67% of the minimum foundation allowance for the current fiscal year as calculated under section 20.

(11) A virtual learning pupil shall have the same rights and access to technology in his or her primary district's school facilities as all other pupils enrolled in the pupil's primary district. The department shall establish standards for hardware, software, and internet access for pupils who are enrolled in more than 2 virtual courses in an academic term, semester, or trimester taken at a location other than a school facility.

(12) If a pupil successfully completes a virtual course, as determined by the pupil's primary district, the pupil's primary district shall grant appropriate academic credit for completion of the course and shall count that credit toward completion of graduation and subject area requirements. A pupil's school record and transcript shall identify the virtual course title as it appears in the virtual course syllabus.

(13) The enrollment of a pupil in 1 or more virtual courses shall not result in a pupil being counted as more than 1.0 full-time equivalent pupils under this article. The minimum requirements to count the pupil in membership are those established by the pupil accounting manual as it was in effect for the 2015-2016 school year or as subsequently amended by the department if the department notifies the legislature about the proposed amendment at least 60 days before the amendment becomes effective.

(14) As used in this section:

(a) "Instructor" means an individual who is employed by or contracted through a community college.

(b) "Mentor" means a professional employee of the primary district who monitors the pupil's progress, ensures the pupil has access to needed technology, is available for assistance, and ensures access to the teacher of record. A mentor may also serve as the teacher of record if the primary district is the provider for the virtual course and the mentor meets the requirements under subdivision (e).

(c) "Primary district" means the district that enrolls the pupil and reports the pupil for pupil membership purposes.

(d) "Provider" means the district, intermediate district, or community college that the primary district pays to provide the virtual course or the Michigan Virtual University if it is providing the virtual course.

(e) "Teacher of record" means a teacher who meets all of the following:

(i) Holds a valid Michigan teaching certificate or a teaching permit recognized by the department.

(ii) If applicable, is endorsed in the subject area and grade of the virtual course.

(iii) Is responsible for providing instruction, determining instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies and modifying lessons, reporting outcomes, and evaluating the effects of instruction and support strategies.

(iv) Has a personnel identification code provided by the center.

(v) If the provider is a community college, is an instructor employed by or contracted through the providing community college.

(f) "Virtual course" means a course of study that is capable of generating a credit or a grade and that is provided in an interactive learning environment where the majority of the curriculum is delivered using the internet and in which pupils may be separated from their instructor or teacher of record by time or location, or both.

(g) "Virtual course syllabus" means a document that includes all of the following:

(i) An alignment document detailing how the course meets applicable state standards or, if the state does not have state standards, nationally recognized standards.

(ii) The virtual course content outline.

(iii) The virtual course required assessments.

(iv) The virtual course prerequisites.

(v) Expectations for actual instructor or teacher of record contact time with the virtual learning pupil and other communications between a pupil and the instructor or teacher of record.

(vi) Academic support available to the virtual learning pupil.

(vii) The virtual course learning outcomes and objectives.

(viii) The name of the institution or organization providing the virtual content.

(ix) The name of the institution or organization providing the instructor or teacher of record.

(x) The course titles assigned by the provider and the course titles and course codes from the National Center for Education Statistics (NCES) school codes for the exchange of data (SCED).
(x) The number of eligible pupils that will be accepted by the provider in the virtual course. A primary district that is also the provider may limit the enrollment to those pupils enrolled in the primary district.

(xii) The results of the virtual course quality review using the guidelines and model review process published by the Michigan Virtual University.

(h) "Virtual learning pupil" means a pupil enrolled in 1 or more virtual courses.

Compiler's note: Enacting section 1 of Act 130 of 2013 provides:
"Enacting section 1. This amendatory act takes effect October 1, 2013."

Enacting section 1 of Act 139 of 2015 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2015 PA 85 and this amendatory act for fiscal year 2015-2016 is estimated at $12,124,885,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2015-2016 are estimated at $11,967,255,600.00."


Compiler's note: The repealed section pertained to grant to public-private partnership to develop and pilot competency-based transcript and marketplace.

388.1621h District assigned to partnership to improve student achievement; eligibility for funding; approval of intervention plan; allocation and use of funds; report.

Sec. 21h. (1) From the appropriation in section 11, there is allocated $7,000,000.00 for 2018-2019 for assisting districts assigned by the superintendent to participate in a partnership to improve student achievement. The purpose of the partnership is to identify district needs, develop intervention plans, and partner with public, private, and nonprofit organizations to coordinate resources and improve student achievement. Assignment of a district to a partnership is at the sole discretion of the superintendent.

(2) A district assigned to a partnership by the superintendent is eligible for funding under this section if the district includes at least 1 school that has been rated with a grade of "F", or comparable performance rating, in the most recent state accountability system rating, that is not under the supervision of the state school reform/redesign office, and that does all of the following:

(a) Completes a comprehensive needs evaluation in collaboration with an intermediate school district, community members, education organizations, and postsecondary institutions, as applicable and approved by the superintendent, within 90 days of assignment to the partnership described in this section. The comprehensive needs evaluation shall include at least all of the following:

(i) A review of the district's implementation and utilization of a multi-tiered system of supports to ensure that it is used to appropriately inform instruction.

(ii) A review of the district and school building leadership and educator capacity to substantially improve student outcomes.

(iii) A review of classroom, instructional, and operational practices and curriculum to ensure alignment with research-based instructional practices and state curriculum standards.

(b) Develops an intervention plan that has been approved by the superintendent and that addresses the needs identified in the comprehensive needs evaluation completed under subdivision (a). The intervention plan shall include at least all of the following:

(i) Specific actions that will be taken by the district and each of its partners to improve student achievement.

(ii) Specific measurable benchmarks that will be met within 18 months to improve student achievement and identification of expected student achievement outcomes to be attained within 3 years after assignment to the partnership.

(c) Crafts academic goals that put pupils on track to meet or exceed grade level proficiency.

(3) Upon approval of the intervention plan developed under subsection (2), the department shall assign a team of individuals with expertise in comprehensive school and district reform to partner with the district, the intermediate district, community organizations, education organizations, and postsecondary institutions identified in the intervention plan to review the district's use of existing financial resources to ensure that those resources are being used as efficiently and effectively as possible to improve student academic achievement. The superintendent of public instruction may waive burdensome administrative rules for a partnership district for the duration of the partnership agreement.

(4) Funds allocated under this section may be used to pay for district expenditures approved by the superintendent to improve student achievement. Funds may be used for professional development for teachers
or district or school leadership, increased instructional time, teacher mentors, or other expenditures that
directly impact student achievement and cannot be paid from existing district financial resources. An eligible
district shall not receive funds under this section for more than 3 years. Notwithstanding section 17b,
payments to eligible districts under this section shall be paid on a schedule determined by the department.

(5) The department shall annually report in person to the legislature on the activities funded under this
section and how those activities impacted student achievement in eligible districts that received funds under
this section. To the extent possible, participating districts receiving funding under this section shall participate
in the report.


Compiler’s note: The repealed section pertained to design and implementation of competency-based education program.


Compiler’s note: The repealed section pertained to allocations to districts.

388.1622a Allocation for school operating purposes; payment to district and qualifying
public school academy; definitions.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed
$5,176,000,000.00 for 2017-2018 and there is allocated an amount not to exceed $5,107,000,000.00 for
2018-2019 for payments to districts and qualifying public school academies to guarantee each district and
qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for
school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section
11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which
the district levies a millage rate for school district operating purposes less than it levied in 1994. However,
subsection (2) applies to calculating the payments under this section. Funds allocated under this section that
are not expended in the state fiscal year for which they were allocated, as determined by the department, may
be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated
allocations for the same fiscal year.

(2) To ensure that a district receives an amount equal to the district's 1994-95 total state and local per pupil
revenue for school operating purposes, there is allocated to each district a state portion of the district's
1994-95 foundation allowance in an amount calculated as follows:

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation
allowance is an amount equal to the district's 1994-95 foundation allowance or $6,500.00, whichever is less,
minus the difference between the sum of the product of the taxable value per membership pupil of all property
in the district that is nonexempt property times the district's certified mills and, for a district with certified
mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is
commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem
property tax revenue of the district captured under tax increment financing acts divided by the district's
membership. For a district that has a millage reduction required under section 31 of article IX of the state
constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that
reduction did not occur. For a receiving district, if school operating taxes are to be levied on behalf of a
dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations
of the dissolved district under section 12 of the revised school code, MCL 380.12, taxable value per
membership pupil of all property in the receiving district that is nonexempt property and taxable value per
membership pupil of property in the receiving district that is commercial personal property do not include
property within the geographic area of the dissolved district; ad valorem property tax revenue of the receiving
district captured under tax increment financing acts does not include ad valorem property tax revenue
captured within the geographic boundaries of the dissolved district under tax increment financing acts; and
certified mills do not include the certified mills of the dissolved district. For a community district, the
allocation as otherwise calculated under this section shall be reduced by an amount equal to the amount of
local school operating tax revenue that would otherwise be due to the community district if not for the
operation of section 386 of the revised school code, MCL 380.386, and the amount of this reduction shall be
offset by the increase in funding under section 22b(2).

(b) For a district that had a 1994-95 foundation allowance greater than $6,500.00, the state payment under
this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated
under this subdivision. The amount calculated under this subdivision shall be equal to the difference between
the district's 1994-95 foundation allowance minus $6,500.00 and the current year hold harmless school
operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, ad valorem property tax revenue captured under tax increment financing acts do not include ad valorem property tax revenue captured within the geographic boundaries of the dissolved district under tax increment financing acts.

(3) Beginning in 2003-2004, for pupils in membership in a qualifying public school academy, there is allocated under this section to the authorizing body that is the fiscal agent for the qualifying public school academy an amount equal to the 1994-95 per pupil payment to the qualifying public school academy under section 20.

(4) A district or qualifying public school academy may use funds allocated under this section in conjunction with any federal funds for which the district or qualifying public school academy otherwise would be eligible.

(5) Except as otherwise provided in this subsection, for a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance. This subsection does not apply to a receiving district unless there is a subsequent consolidation or annexation that affects the district.

(6) Payments under this section are subject to section 25g.

(7) As used in this section:
   (a) "1994-95 foundation allowance" means a district's 1994-95 foundation allowance calculated and certified by the department of treasury or the superintendent under former section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.
   (b) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94.
   (c) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.
   (d) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district’s 1994-95 hold harmless millage by the district’s current year taxable value per membership pupil. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, taxable value per membership pupil does not include the taxable value of property within the geographic area of the dissolved district.
   (e) "Dissolved district" means a district that loses its organization, has its territory attached to 1 or more other districts, and is dissolved as provided under section 12 of the revised school code, MCL 380.12.
   (f) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than $6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.
   (g) "Homestead", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.
(h) "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(i) "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, or property occupied by a public school academy.

(j) "Qualifying public school academy" means a public school academy that was in operation in the 1994-95 school year and is in operation in the current state fiscal year.

(k) "Receiving district" means a district to which all or part of the territory of a dissolved district is attached under section 12 of the revised school code, MCL 380.12.

(l) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes as defined in section 20.

(m) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(n) "Taxable value per membership pupil" means each of the following divided by the district's membership:

(i) For the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy may be reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy for the calendar year ending in the current state fiscal year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, mills do not include mills within the geographic area of the dissolved district.

(ii) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.


Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:
Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at $10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,562,169,000.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at $10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,701,332,600.00."

388.1622b Allocation from community district education trust fund; discretionary nonmandated payments; duties of district; purchase and support of business function software; payments for litigation costs; claim of inadequate funding or unfunded constitutional requirement; escrowed funds as work project; purpose; final determination; expedited review of claim by local claims review board; removal to court of appeals; violation of state constitution; lawsuit challenging payments relating to costs reimbursed by federal title XIX Medicaid funds; “title XIX” defined.

Sec. 22b. (1) For discretionary nonmandated payments to districts under this section, there is allocated for 2017-2018 an amount not to exceed $3,957,000,000.00 from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed $72,000,000.00 from the community district education trust fund appropriation in section 11, and there is allocated for 2018-2019 an amount not to exceed $4,252,000,000.00 from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed $72,000,000.00 from the community district education trust fund appropriation in section 11. Except for money allocated from the community district trust fund, money allocated under this section that is not expended in the state fiscal year for which it was allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) Subject to subsection (3) and section 296, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20m, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district under sections 22a and 51c. For a community district, the allocation as otherwise calculated under this section shall be increased by an amount equal to the amount of local school operating tax revenue that would otherwise be due to the community district if not for the
operation of section 386 of the revised school code, MCL 380.386, and this increase shall be paid from the community district education trust fund allocation in subsection (1) in order to offset the absence of local school operating revenue in a community district in the funding of the state portion of the foundation allowance under section 20(4).

(3) In order to receive an allocation under subsection (1), each district shall do all of the following:
   (a) Comply with section 1280b of the revised school code, MCL 380.1280b.
   (b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.
   (c) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.
   (d) Comply with section 1230g of the revised school code, MCL 380.1230g.
   (e) Comply with section 21f.
   (f) For a district or public school academy that has entered into a partnership agreement with the department, comply with section 22p.

(4) Districts are encouraged to use funds allocated under this section for the purchase and support of payroll, human resources, and other business function software that is compatible with that of the intermediate district in which the district is located and with other districts located within that intermediate district.

(5) From the allocation in subsection (1), the department shall pay up to $1,000,000.00 in litigation costs incurred by this state related to commercial or industrial property tax appeals, including, but not limited to, appeals of classification, that impact revenues dedicated to the state school aid fund.

(6) From the allocation in subsection (1), the department shall pay up to $1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1 or more districts or intermediate districts against this state. If the allocation under this section is insufficient to fully fund all payments required under this section, the payments under this subsection shall be made in full before any proration of remaining payments under this section.

(7) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by an entity receiving funds under this article that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (2). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(8) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (7) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (2).

(9) If a claim is made in court that challenges the legislative determination of the adequacy of funding for this state's constitutional obligations or alleges that there exists an unfunded constitutional requirement, any interested party may seek an expedited review of the claim by the local claims review board. If the claim exceeds $10,000,000.00, this state may remove the action to the court of appeals, and the court of appeals shall have and shall exercise jurisdiction over the claim.

(10) If payments resulting from a final determination by the local claims review board or a court of competent jurisdiction that there has been a violation of section 29 of article IX of the state constitution of 1963 exceed the amount allocated for discretionary nonmandated payments under this section, the legislature shall provide for adequate funding for this state's constitutional obligations at its next legislative session.

(11) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX Medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX Medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396w-5.
Supplemental payments to rural districts.


Compiler's note: The repealed section pertained to equity payments to districts having less than certain foundation allowance.

388.1622d Supplemental payments to rural districts.
Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed $6,000,000,000.00 is allocated for 2018-2019 for supplemental payments to rural districts under this section.

(2) From the allocation under subsection (1), there is allocated for 2018-2019 an amount not to exceed $957,300.00 for payments under this subsection to districts that meet all of the following:

(a) Operates grades K to 12.

(b) Has fewer than 250 pupils in membership.

(c) Each school building operated by the district meets at least 1 of the following:

(i) Is located in the Upper Peninsula at least 30 miles from any other public school building.

(ii) Is located on an island that is not accessible by bridge.

(3) The amount of the additional funding to each eligible district under subsection (2) shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall be developed cooperatively by the intermediate superintendents of each intermediate district in which an eligible district is located. The intermediate superintendents shall review the financial situation of each eligible district, determine the minimum essential financial needs of each eligible district, and develop and agree on a spending plan that distributes the available funding under subsection (2) to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under subsection (2) and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for 2018-2019 an amount not to exceed $5,042,700.00 for payments under this subsection to districts that have 7.7 or fewer pupils per square mile as determined by the department.

(5) The funds allocated under subsection (4) shall be allocated on an equal per-pupil basis.

(6) A district receiving funds allocated under subsection (2) is not eligible for funding allocated under subsection (4).


Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00." 

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00." 

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00." 

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00." 

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00." 

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."


Compiler's note: The repealed section pertained to additional payments to eligible districts.
Sec. 22m. (1) From the appropriations in section 11, there is allocated for 2018-2019 an amount not to exceed $2,200,000.00 for supporting the integration of local data systems into the Michigan data hub network based on common standards and applications that are in compliance with section 19(6).

(2) An entity that is the fiscal agent for no more than 5 consortia of intermediate districts that previously received funding from the technology readiness infrastructure grant under former section 22i for the purpose of establishing regional data hubs that are part of the Michigan data hub network is eligible for funding under this section.

(3) The center shall work with an advisory committee composed of representatives from intermediate districts within each of the data hub regions to coordinate the activities of the Michigan data hub network.

(4) The center, in collaboration with the Michigan data hub network, shall determine the amount of funds distributed under this section to each participating regional data hub within the network, based upon a competitive grant process. Entities receiving funding under this section shall represent geographically diverse areas in this state.

(5) Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the center.

(6) To receive funding under this section, a regional data hub must have a governance model that ensures local control of data, data security, and student privacy issues. The integration of data within each of the regional data hubs shall provide for the actionable use of data by districts and intermediate districts through common reports and dashboards and for efficiently providing information to meet state and federal reporting purposes.

(7) Participation in a data hub region in the Michigan data hub network under this section is voluntary and is not required.

(8) Entities receiving funding under this section shall use the funds for all of the following:
   (a) Creating an infrastructure that effectively manages the movement of data between data systems used by intermediate districts, districts, and other educational organizations in Michigan based on common data standards to improve student achievement.
   (b) Utilizing the infrastructure to put in place commonly needed integrations, reducing cost and effort to do that work while increasing data accuracy and usability.
   (c) Promoting the use of a more common set of applications by promoting systems that integrate with the Michigan data hub network.
   (d) Promoting 100% district adoption of the Michigan data hub network by September 30, 2020.
   (e) Ensuring local control of data, data security, and student data privacy.
   (f) Utilizing the infrastructure to promote the actionable use of data through common reports and dashboards that are consistent statewide.
(g) Creating a governance model to facilitate sustainable operations of the infrastructure in the future, including administration, legal agreements, documentation, staffing, hosting, and funding.

(h) Evaluating future data initiatives at all levels to determine whether the initiatives can be enhanced by using the standardized environment in the Michigan data hub network.

(9) Not later than January 1 of each fiscal year, the center shall prepare a summary report of information provided by each entity that received funds under this section that includes measurable outcomes based on the objectives described under this section. The report shall include a summary of compiled data from each entity to provide a means to evaluate the effectiveness of the project. The center shall submit the report to the house and senate appropriations subcommittees on state school aid and to the house and senate fiscal agencies.


388.1622n Additional payments to districts for higher instructional costs of educating high school pupils.

Sec. 22n. (1) From the appropriation in section 11, there is allocated an amount not to exceed $11,000,000.00 for 2018-2019 for additional payments to districts for the higher instructional costs of educating high school pupils.

(2) A district is eligible for a payment under this section if it educates pupils in 1 or more of grades 9 to 12.

(3) The payment to each eligible district under this section shall be an amount equal to $25.00 multiplied by the district's total pupil membership in grades 9 to 12 as calculated under section 6 for the current fiscal year. If the allocation under subsection (1) is insufficient to fully fund payments under this subsection, the department shall prorate payments under this section on an equal per-pupil basis.


388.1622p Partnership agreement; measurable academic outcomes and accountability measures; amended agreement requirements.

Sec. 22p. In order to receive funding under section 22b, a district or public school academy that has a signed partnership agreement with the department must meet both of the following:

(a) Amends the partnership agreement to include measurable academic outcomes that will be achieved after 18 months and after 36 months from the date the agreement was originally signed. Measurable academic outcomes under this subdivision must include outcomes that put pupils on track to meet or exceed grade level proficiency.

(b) Amends the partnership agreement to include accountability measures to be imposed if the district or public school academy does not achieve the measurable academic outcomes under subdivision (a) for a school subject to a partnership agreement. Accountability measures under this subdivision may include either the closure of the school at the end of the current school year or the reconstitution of the school in a final attempt to improve student educational performance or to avoid interruption of the educational process. For a public school academy that amends a partnership agreement under this subdivision, the amended agreement must include a requirement that if reconstitution is imposed on a school that is operated by the public school academy and that is subject to the partnership agreement, the school shall be reconstituted as described in section 507 of the revised school code, MCL 380.507. For a district that amends a partnership agreement under this subdivision, the amended agreement must include a requirement that if reconstitution is imposed on a school that is operated by the district and that is subject to the partnership agreement, all of the following apply:

(i) The district shall make significant changes to the instructional and noninstructional programming of the school based on the needs identified through a comprehensive review of data.

(ii) The district shall replace at least 25% of the faculty and staff of the school.

(iii) The district shall replace the principal of the school, unless the current principal has been in place for less than 3 years and the board of the district determines that it is in the best interests of the district to retain current school leadership.

(iv) The reconstitution plan for the school shall require the adoption of goals similar to the goals included in a partnership agreement, with a limit of 5 years to achieve the goals. If the goals are not achieved within 5 years, the superintendent of public instruction shall either impose a second reconstitution plan on the school or close the school.


Compiler's note: The repealed section pertained to instructional programs offered by public universities.
388.1623a Dropout recovery program.

Sec. 23a. (1) A dropout recovery program operated by a district qualifies for the special membership counting provisions of section 6(4)(dd) and the hours and day of pupil instruction exemption under section 101(12) if the dropout recovery program meets all of the following:

(a) Enrolls only eligible pupils.

(b) Provides an advocate or teacher of record, or both. An advocate may serve in that role for more than 1 pupil but no more than 50 pupils. An advocate or teacher of record may be employed by the district or may be provided by an education management organization that is partnering with the district. Before an individual is assigned to be an advocate or teacher of record for a pupil in the dropout recovery program, the district shall comply with sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to that individual.

(c) Develops a written learning plan.

(d) Monitors the pupil's progress against the written learning plan.

(e) Requires each pupil to make satisfactory monthly progress, as defined by the district under subsection (2).

(f) Reports the pupil's progress results to the partner district at least monthly.

(g) The program may be operated on or off a district school campus, but may be operated using distance learning online only if the program provides a computer and Internet access for each eligible pupil participating in the program.

(h) Is operated throughout the entire calendar year.

(i) If the district partners with an education management organization for the program, the education management organization has a dropout recovery program partnership relationship with at least 1 other district.

(2) A district operating a dropout recovery program under this section shall adopt a definition of satisfactory monthly progress that is consistent with the definition of that term under subsection (3).

(3) As used in this section:

(a) "Advocate" means an adult available to meet in person with assigned pupils, as needed, to conduct social interventions, to proctor final examinations, and to provide academic and social support to pupils enrolled in the district's dropout recovery program.

(b) "Education management organization" means a private provider that operates 1 or more other dropout recovery programs that meet the requirements of this section in partnership with 1 or more districts.

(c) "Eligible pupil" means a pupil who has been expelled from school under the mandatory expulsion provisions in section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a, a pupil who has been suspended or expelled from school under a local policy, a pupil who is referred by a court, a pupil who is pregnant or is a parent, a pupil who was previously a dropout, or a pupil who is determined by the district to be at risk of dropping out.

(d) "Satisfactory monthly progress" means an amount of progress that is measurable on a monthly basis and that, if continued for a full 12 months, would result in the same amount of academic credit being awarded to the pupil as would be awarded to a general education pupil completing a full school year. Satisfactory monthly progress may include a lesser required amount of progress for the first 2 months a pupil participates in the program.

(e) "Teacher of record" means a teacher who holds a valid Michigan teaching certificate; who, if applicable, is endorsed in the subject area and grade of the course; and is responsible for providing instruction, determining instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies. Until February 1, 2020, if the district partners with an education management organization for the program, the teacher of record may be employed by or contracted through the education management organization.

(f) "Written learning plan" means a written plan developed in conjunction with the advocate that includes the plan start and end dates, courses to be taken, credit to be earned for each course, teacher of record for each course, and advocate name and contact information.


Compiler's note: The repealed sections pertained to grants for "tec choices" programs and grants to public universities.
Allocation for on-grounds education program; payments for educating students assigned by court or department of health and human services to reside in juvenile detention facility or child caring institution; definitions; funding for department-approved on-grounds educational program; special education pupils funded under MCL 388.1653a not funded under section.

Sec. 24. (1) From the appropriation in section 11, there is allocated each fiscal year for 2017-2018 and for 2018-2019 an amount not to exceed $7,150,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of health and human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of health and human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

(2) The total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per-pupil allocation for the district or intermediate district. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of health and human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of health and human services or the department of licensing and regulatory affairs and approved by the department to provide an on-grounds education program. Added cost shall be computed by deducting all other revenue received under this article for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

(b) "Department's approved per-pupil allocation" for a district or intermediate district shall be determined by dividing the total amount allocated under this section for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this section for that fiscal year for the district or intermediate district.

(3) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils that is longer than 181 days, but not longer than 233 days, if the child caring institution was licensed as a child caring institution and offered in 1991-92 an on-grounds educational program that was longer than 181 days but not longer than 233 days and that was operated by a district or intermediate district.

(4) Special education pupils funded under section 53a shall not be funded under this section.


Compiler's note: Subsection (3) of Sec. 24, as amended by Act 128 of 1987, was vetoed by the governor on July 24, 1987.

Compiler's note: Subsection (3) of Sec. 24, as amended by Act 212 of 1986, reads as follows:

"(3) Special education pupils funded under section 53 shall not be counted under this section."

In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not...
re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,341,913,100.00.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,481,897,800.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,402,065,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

388.1624a Allocations for education programs; payments to intermediate districts for pupils placed in juvenile justice service facilities.

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed $1,355,700.00 for 2018-2019 for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of health and human services. Each intermediate district shall receive an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district’s boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of health and human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of health and human services for educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils shall not be transferred from the department of health and human services to a district or intermediate district unless the district or intermediate district consents to the transfer.


Compiler’s note: Former MCL 388.1624a, which pertained to counting pupils residing in nonoperating districts attached to operating districts, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to..."
local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

388.1624b Parents or legal guardian residing in different districts; enrollment of child.

Sec. 24b. For the purposes of this act, without regard to whether a parent or legal guardian has custody of the child, if a child's parents, or a child's parent or parents and the child's legal guardian, reside in different districts and if the child meets the applicable age requirements, the child may enroll in a district in which either of the child's parents resides, or in which the child's legal guardian resides. When a child described in this section enrolls in a district under this section, that district is the child's district of residence for the purposes of this act.


388.1624c Allocations for payments to districts for pupils enrolled in youth challenge program.

Sec. 24c. (1) From the appropriation in section 11, there is allocated an amount not to exceed $1,545,400.00 for 2018-2019 for payments to districts for pupils who are enrolled in a nationally administered community-based education and youth mentoring program, known as the youth challenge program, that is administered by the department of military and veterans affairs. Both of the following apply to a district receiving payments under this section:

(a) The district shall contract with the department of military and veterans affairs to ensure that all funding allocated under this section is utilized by the district and the department of military and veterans affairs for the youth challenge program.

(b) The district may retain for its administrative expenses an amount not to exceed 3% of the amount of the payment the district receives under this section.

(2) In addition to the funds allocated under subsection (1), from the appropriation in section 11, there is allocated an amount not to exceed $80,000.00 for 2018-2019 to a district for pupils enrolled in the youth challenge program but dropped out before the pupil membership count day. The district shall use these funds to support the youth challenge program.


Compiler's note: Enacting section 1 of Act 342 of 2006 provides:
"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 137 of 2007 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."
act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00.”

Enacting section 1 of Act 204 of 2010 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00.”

Enacting section 1 of Act 130 of 2013 provides:

“Enacting section 1. This amendatory act takes effect October 1, 2013.”


Compiler's note: The repealed section pertained to enrollment of pupil after pupil membership count day and changes in calculation of state school aid.


Compiler's note: The repealed section pertained to payment of amounts to educating districts.


Compiler's note: The repealed section pertained to applicability of section to educating district not first class.


Compiler's note: The repealed section pertained to educating district of first class.


Compiler's note: The repealed section pertained to alternative education programs and strict discipline academies.

388.1625e Pupil membership transfer application and pupil transfer process; duties of department; calculation changes; providing information to center and department; pupils enrolled in online courses; pupils enrolled after pupil membership count day and before supplemental count day; pupils counted for pupil membership count day but left state before supplemental count day; definitions.

Sec. 25e. (1) The pupil membership transfer application and pupil transfer process administered by the center under this section shall be used for processing pupil transfers.

(2) If a pupil counted in membership for the pupil membership count day transfers from a district or intermediate district to enroll in another district or intermediate district after the pupil membership count day and before the supplemental count day and, due to the pupil's enrollment and attendance status as of the pupil membership count day, the pupil was not counted in membership in the educating district or intermediate district, the educating district or intermediate district may report the enrollment and attendance information to the center through the pupil transfer process within 30 days after the transfer or within 30 days after the pupil membership count certification date, whichever is later. Pupil transfers may be submitted no earlier than the first day after the certification deadline for the pupil membership count day and before the supplemental count day. Upon receipt of the transfer information under this subsection indicating that a pupil has enrolled and is in attendance in an educating district or intermediate district as described in this subsection, the pupil transfer process shall do the following:

(a) Notify the district in which the pupil was previously enrolled.

(b) Notify both the pupil auditing staff of the intermediate district in which the educating district is located and the pupil auditing staff of the intermediate district in which the district that previously enrolled the pupil is located. The pupil auditing staff shall investigate a representative sample based on required audit sample sizes in the pupil auditing manual and may deny the pupil membership transfer.

(c) Aggregate the districtwide changes and notify the department for use in adjusting the state aid payment system.

(3) The department shall do all of the following:

(a) Adjust the membership calculation for each district or intermediate district in which the pupil was previously counted in membership or that previously received an adjustment in its membership calculation under this section due to a change in the pupil's enrollment and attendance so that the district's or intermediate district's membership is prorated to allow the district or intermediate district to receive for each school day, as determined by the financial calendar furnished by the center, in which the pupil was enrolled and in attendance in the district or intermediate district an amount equal to 1/105 of a full-time equated membership claimed in the fall pupil membership count. The district or intermediate district shall receive a prorated foundation allowance in an amount equal to the product of the adjustment under this subdivision for the district or intermediate district multiplied by the foundation allowance or per-pupil payment as calculated
under section 20 for the district or intermediate district. The foundation allowance or per-pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4).

(b) Adjust the membership calculation for the educating district or intermediate district in which the pupil is enrolled and in attendance so that the district's or intermediate district's membership is increased to allow the district or intermediate district to receive an amount equal to the difference between the full-time equated membership claimed in the fall pupil membership count and the sum of the adjustments calculated under subdivision (a) for each district or intermediate district in which the pupil was previously enrolled and in attendance. The educating district or intermediate district shall receive a prorated foundation allowance in an amount equal to the product of the adjustment under this subdivision for the educating district or intermediate district multiplied by the per-pupil payment as calculated under section 20 for the educating district or intermediate district. The foundation allowance or per-pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4).

(4) The changes in calculation of state school aid required under subsection (3) shall take effect as of the date that the pupil becomes enrolled and in attendance in the educating district or intermediate district, and the department shall base all subsequent payments under this article for the fiscal year to the affected districts or intermediate districts on this recalculation of state school aid.

(5) If a pupil enrolls in an educating district or intermediate district as described in subsection (2), the district or intermediate district in which the pupil is counted in membership or another educating district or intermediate district that received an adjustment in its membership calculation under subsection (3), if any, and the educating district or intermediate district shall provide to the center and the department all information they require to comply with this section.

(6) The portion of the full-time equated pupil membership for which a pupil is enrolled in 1 or more online courses under section 21f that is representative of the amount that the primary district paid in course costs to the course provider shall not be counted or transferred under the pupil transfer process under this section.

(7) It is the intent of the legislature that the center determine the number of pupils who did not reside in this state as of the 2018-2019 pupil membership count day but who newly enrolled in a district or intermediate district after that pupil membership count day and before the 2018-2019 supplemental count day. It is the intent of the legislature that the center further determine the number of pupils who were counted in membership for the 2018-2019 pupil membership count day but who left this state before the 2018-2019 supplemental count day. In 2019-2020, the center shall provide a report to the senate and house appropriations subcommittees on state school aid, and to the senate and house fiscal agencies, detailing the number of pupils transferring in from outside the public school system of this state and the number of pupils transferring out of the public school system in this state between the pupil membership count day and supplemental count day as described in this subsection.

(8) As used in this section:

(a) "Educating district or intermediate district" means the district or intermediate district in which a pupil enrolls after the pupil membership count day or after an adjustment was made in another district's or intermediate district's membership calculation under this section due to the pupil's enrollment and attendance.

(b) "Pupil" means that term as defined under section 6 and also children receiving early childhood special education programs and services.


Compiler's note: Enacting section 1 of Act 130 of 2013 provides:
"Enacting section 1. This amendatory act takes effect October 1, 2013."

388.1625f Payments to strict discipline academies; definitions.

Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $1,600,000.00 each fiscal year for 2017-2018 and for 2018-2019 for payments to strict discipline academies established under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m, as provided under this section.

(2) In order to receive funding under this section, a strict discipline academy shall first comply with section 25e and use the pupil transfer process under that section for changes in enrollment as prescribed under that section.

(3) The total amount allocated to a strict discipline academy under this section shall first be distributed as the lesser of the strict discipline academy's added cost or the department's approved per-pupil allocation for the strict discipline academy. Any funds remaining after the first distribution shall be distributed by prorating on an equal per-pupil membership basis, not to exceed a strict discipline academy's added cost. However, the
sum of the amounts received by a strict discipline academy under this section and under section 24 shall not exceed the product of the strict discipline academy's per-pupil allocation calculated under section 20 multiplied by the strict discipline academy's full-time equated membership. The department shall allocate funds to strict discipline academies under this section on a monthly basis. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils enrolled and in regular daily attendance at a strict discipline academy. Added cost shall be computed by deducting all other revenue received under this article for pupils described in this subsection from total costs, as approved by the department, in whole or in part, for educating those pupils in a strict discipline academy. The department shall include all costs including, but not limited to, educational costs, insurance, management fees, technology costs, legal fees, auditing fees, interest, pupil accounting costs, and any other administrative costs necessary to operate the program or to comply with statutory requirements. Costs reimbursed by federal funds are not included.

(b) "Department's approved per-pupil allocation" for a strict discipline academy shall be determined by dividing the total amount allocated under this subsection for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this subsection for that fiscal year for the strict discipline academy.

(4) Special education pupils funded under section 53a shall not be funded under this section.

(5) If the funds allocated under this section are insufficient to fully fund the adjustments under subsection (3), payments under this section shall be prorated on an equal per-pupil basis.

(6) Payments to districts under this section shall be made according to the payment schedule under section 17b.


388.1625g Pupil counted as more than 1.0 FTE; conditions; payments.

Sec. 25g. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $750,000.00 for 2018-2019 for the purposes of this section. If the operation of the special membership counting provisions under section 6(4)(dd) and the other membership counting provisions under section 6(4) result in a pupil being counted as more than 1.0 FTE in a fiscal year, then the payment made for the pupil under sections 22a and 22b shall not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 shall be paid under this section in an amount equal to that portion multiplied by the educating district's foundation allowance or per-pupil payment calculated under section 20.

(2) Special education pupils funded under section 53a shall not be funded under this section.

(3) If the funds allocated under this section are insufficient to fully fund the adjustments under subsection (1), payments under this section shall be prorated on an equal per-pupil basis.

(4) Payments to districts under this section shall be made according to the payment schedule under section 17b.


388.1625h Allocations to reduce number of high school dropouts.

Sec. 25h. (1) From the funds appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed $100,000.00 to an eligible district for a program to reduce the number of high school dropouts.

(2) A district is eligible for funds under this section if the district meets all of the following:

(a) Has a pupil membership greater than 15,000.

(b) Is located in an intermediate district for which the combined pupil memberships of all of its constituent districts is greater than 100,000 and less than 120,000.

(c) Collaborates with a program aligned with the goals and strategies of the department's top ten in ten and the recommendations of the career pathway alliance to increase district graduation rates, attendance rates, and career readiness for at-risk youth.


388.1626 Receipt or reduction of funds by district or intermediate district.

Sec. 26. A district or intermediate district receiving money pursuant to 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899, shall have its funds received under section 22b, 56, or 62 reduced by an
The amount equal to the added local money.


Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,000.00.”

Enacting section 1 of Act 137 of 2007 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00.”

388.1626a Reimbursements to districts and intermediate districts under MCL 125.2692; time of allocations.

Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not to exceed $15,000,000.00 for 2017-2018 and there is allocated an amount not to exceed $15,000,000.00 for 2018-2019 to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2017 and 2018, as applicable. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.


Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 236 of 2003 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2003 PA 158 and 2002 PA 521 from state sources for fiscal year 2003-2004 is estimated at $11,290,087,100.00 and state appropriations to be paid to local units of government for fiscal year 2003-2004 are estimated at $11,274,332,800.00.”

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section of 2005 PA 155 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,341,913,100.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00.”

Enacting section 1 of Act 342 of 2006 provides:

“Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00.”

Enacting section 1 of Act 137 of 2007 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00.”

Enacting section 1 of Act 268 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at $10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,701,332,600.00."

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

388.1626b Payments to districts, intermediate districts, and community colleges in lieu of tax obligation under MCL 324.2154; prorated payments.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for 2018-2019 an amount not to exceed $4,405,100.00 for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts under section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, payments shall be prorated on an equal basis among all eligible districts, intermediate districts, and community college districts.


Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

388.1626c Promise zone fund.

Sec. 26c. (1) From the appropriation in section 11, there is allocated an amount not to exceed $1,600,000.00 for 2017-2018 and there is allocated an amount not to exceed $3,000,000.00 for 2018-2019 to
the promise zone fund created in subsection (3). The funds allocated under this section reflect the amount of revenue from the collection of the state education tax captured under section 17(2) of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677.

(2) Funds allocated to the promise zone fund under this section shall be used solely for payments to eligible districts and intermediate districts, in accordance with section 17(3) of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677, that have a promise zone development plan approved by the department of treasury under section 7 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1667. Eligible districts and intermediate districts shall use payments made under this section for reimbursement for qualified educational expenses as defined in section 3 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1663.

(3) The promise zone fund is created as a separate account within the state school aid fund to be used solely for the purposes of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

(a) The state treasurer shall direct the investment of the promise zone fund. The state treasurer shall credit to the promise zone fund interest and earnings from fund investments.

(b) Money in the promise zone fund at the close of a fiscal year shall remain in the promise zone fund and shall not lapse to the general fund.

(4) Subject to subsection (2), the state treasurer may make payments from the promise zone fund to eligible districts and intermediate districts pursuant to the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used for the purposes of a promise zone authority created under that act.

(5) Notwithstanding section 17b, payments under this section shall be paid on a schedule determined by the department.


Compiler's note: The repealed sections pertained to allocations to districts and districts in which military air bases are closed.


Compiler's note: The repealed section pertained to transitional allocations to closed federal military installations.


Compiler's note: The repealed section pertained to declining enrollment assistance.


Compiler's note: The repealed section pertained to comprehensive compensatory education programs.

388.1631a Allocations to eligible districts and eligible public school academies; proficiencies; funding eligibility; early literacy and numeracy; multi-tiered system of supports; pupils determined to be economically disadvantaged; school breakfast program; primary health care services; hearing and vision screenings; report; audit; implementation of schoolwide reform in schools with at-risk pupils; research-based professional development; instructional or behavioral coaches; prorated payments; dissolved district; at-risk pupil proficient in English language arts at grade 3 level; at-risk pupil proficient in mathematics at grade 8; grade 11 summative assessment; "at-risk pupil" defined; anti-bullying or crisis intervention program; assignment of Pathways to Potential Success coaches; definitions.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed $528,207,300.00 for payments to eligible districts and eligible public school academies for the purposes of ensuring that pupils are proficient in English language arts by the end of grade 3, that pupils are proficient in mathematics by the end of grade 8, that pupils are attending school regularly, that high school graduates are career and college ready, and for the purposes under subsections (7) and (8).

(2) For a district that has combined state and local revenue per membership pupil under sections 20 and 20m that is greater than the basic foundation allowance under section 20 for the current fiscal year, the allocation under this section shall be an amount equal to 30% of the allocation for which it would otherwise be eligible under this section before any proration under subsection (14).
(3) For a district or public school academy to be eligible to receive funding under this section, other than funding under subsection (7) or (8), the district or public school academy, for grades K to 12, shall comply with the requirements under section 1280f of the revised school code, MCL 380.1280f, and shall use resources to address early literacy and numeracy, and for at least grades K to 12 or, if the district or public school academy does not operate all of grades K to 12, for all of the grades it operates, must implement a multi-tiered system of supports that is an evidence-based framework that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. The multi-tiered system of supports described in this subsection must provide at least all of the following essential components:
   (a) Team-based leadership.
   (b) A tiered delivery system.
   (c) Selection and implementation of instruction, interventions, and supports.
   (d) A comprehensive screening and assessment system.
   (e) Continuous data-based decision making.

(4) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who is determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the statewide weighted average foundation allowance. However, a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy, who is determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the pupil membership count day of the current fiscal year, an amount per pupil equal to 11.5% of the statewide weighted average foundation allowance.

(5) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical, mental health, or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (6), (7), or (8). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership were determined to be economically disadvantaged in the immediately preceding state fiscal year, as determined and reported as described in subsection (4), may use not more than 20% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year. Funds spent on school security under this subsection must be counted toward required spending under subsection (16)(c).

(6) A district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed $10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.

(7) From the funds allocated under subsection (1), there is allocated for 2018-2019 an amount not to exceed $6,057,300.00 to support primary health care services provided to children and adolescents up to age 21. These funds shall be expended in a form and manner determined jointly by the department and the department of health and human services. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

(8) From the funds allocated under subsection (1), there is allocated for 2018-2019 an amount not to exceed $5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan Administrative Code. Funds shall be awarded in a form and manner approved jointly by the department and the department of health and human services. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(9) Each district or public school academy receiving funds under this section shall submit to the
... department by July 15 of each fiscal year a report, in the form and manner prescribed by the department, that includes a brief description of each program conducted or services performed by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs or services, the total number of at-risk pupils served by each of those programs or services, and the data necessary for the department and the department of health and human services to verify matching funds for the temporary assistance for needy families program. In prescribing the form and manner of the report, the department shall ensure that districts are allowed to expend funds received under this section on any activities that are permissible under this section. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(10) In order to receive funds under this section, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse the state for all disallowances found in the audit.

(11) Subject to subsections (6), (7), and (8), for schools in which more than 40% of pupils are identified as at-risk, a district or public school academy may use the funds it receives under this section to implement schoolwide reforms that are guided by the district's comprehensive needs assessment and are included in the district improvement plan. Schoolwide reforms must include parent and community supports, activities, and services, that may include the pathways to potential program created by the department of health and human services or the communities in schools program.

(12) A district or public school academy that receives funds under this section may use up to 5% of those funds to provide research-based professional development and to implement a coaching model that supports the multi-tiered system of supports framework. Professional development may be provided to district and school leadership and teachers and must be aligned to professional learning standards; integrated into district, school building, and classroom practices; and solely related to the following:

(a) Implementing the multi-tiered system of supports required in subsection (3) with fidelity and utilizing the data from that system to inform curriculum and instruction.

(b) Implementing section 1280f of the revised school code, MCL 380.1280f, as required under subsection (3), with fidelity.

(13) A district or public school academy that receives funds under this section may use funds received under this section to support instructional or behavioral coaches. Funds used for this purpose are not subject to the cap under subsection (12).

(14) If necessary, and before any proration required under section 296, the department shall prorate payments under this section, except payments under subsection (7), (8), or (17), by reducing the amount of the allocation as otherwise calculated under this section by an equal percentage per district.

(15) If a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved school district was constituent shall determine the estimated number of pupils that are economically disadvantaged and that are enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under this section within 60 days after the school district is declared dissolved.

(16) Beginning in 2019-2020, if a district or public school academy does not demonstrate to the satisfaction of the department that at least 50% of at-risk pupils are proficient in English language arts by the end of grade 3 as measured by the state assessment for the immediately preceding school year or have achieved at least 1 year's growth in English language arts during grade 3 as measured by a local benchmark assessment for the immediately preceding school year, demonstrate to the satisfaction of the department that at least 50% of at-risk pupils are proficient in mathematics by the end of grade 8 as measured by the state assessment for the immediately preceding school year or have achieved at least 1 year's growth in mathematics during grade 8 as measured by a local benchmark assessment for the immediately preceding school year, and demonstrate to the satisfaction of the department improvement over each of the 3 immediately preceding school years in the percentage of at-risk pupils that are career- and college-ready as determined by proficiency on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, the district or public school academy shall ensure all of the following:

(a) The district or public school academy shall determine the proportion of at-risk pupils in grade 3 that represents the number of at-risk pupils in grade 3 that are not proficient in English language arts by the end of grade 3 or that did not achieve at least 1 year's growth in English language arts during grade 3, and the district
or public school academy shall expend that same proportion multiplied by 1/3 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 English language arts proficiency or growth.

(b) The district or public school academy shall determine the proportion of at-risk pupils in grade 8 that represents the number of at-risk pupils in grade 8 that are not proficient in mathematics by the end of grade 8 or that did not achieve at least 1 year's growth in mathematics during grade 8, and the district or public school academy shall expend that same proportion multiplied by 1/3 of its total at-risk funds under this section on tutoring and other methods of improving grade 8 mathematics proficiency or growth.

(c) The district or public school academy shall determine the proportion of at-risk pupils in grade 11 that represents the number of at-risk pupils in grade 11 that are not career- and college-ready as measured by the student's score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, and the district or public school academy shall expend that same proportion multiplied by 1/3 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

(17) From the funds allocated under subsection (1), there is allocated for 2018-2019 an amount not to exceed $18,000,000.00 for payments to districts and public school academies that otherwise received an allocation under this section in 2018-2019 and that allocation was less than the district's or public school academy's allocation under this section in 2017-2018. The allocation for each district or public school academy under this subsection is an amount equal to its allocation under this section in 2017-2018 minus its allocation as otherwise calculated under this section for 2018-2019. If necessary, and before any proration required under section 296, the department shall prorate payments under this subsection by reducing the amount of the allocation as otherwise calculated under this subsection by an equal percentage per district or public school academy.

(18) A district or public school academy that receives funds under this section may use funds received under this section to provide an anti-bullying or crisis intervention program.

(19) The department shall collaborate with the department of health and human services to prioritize assigning Pathways to Potential Success coaches to elementary schools that have a high percentage of pupils in grades K to 3 who are not proficient in English language arts, based upon state assessments for pupils in those grades.

(20) As used in this section:
(a) "At-risk pupil" means a pupil in grades K to 12 for whom the district has documentation that the pupil meets any of the following criteria:
(i) The pupil is economically disadvantaged.
(ii) The pupil is an English language learner.
(iii) The pupil is chronically absent as defined by and reported to the center.
(iv) The pupil is a victim of child abuse or neglect.
(v) The pupil is a pregnant teenager or teenage parent.
(vi) The pupil has a family history of school failure, incarceration, or substance abuse.
(vii) The pupil is an immigrant who has immigrated within the immediately preceding 3 years.
(viii) The pupil did not complete high school in 4 years and is still continuing in school as identified in the Michigan cohort graduation and dropout report.
(ix) For pupils for whom the results of the state summative assessment have been received, is a pupil who did not achieve proficiency on the English language arts, mathematics, science, or social studies content area assessment.
(x) Is a pupil who is at risk of not meeting the district's or public school academy's core academic curricular objectives in English language arts or mathematics, as demonstrated on local assessments.
(b) "Economically disadvantaged" means a pupil who has been determined eligible for free or reduced-price meals as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j; who is in a household receiving supplemental nutrition assistance program or temporary assistance for needy families assistance; or who is homeless, migrant, or in foster care, as reported to the center.
(c) "English language learner" means limited English proficient pupils who speak a language other than English as their primary language and have difficulty speaking, reading, writing, or understanding English as reported to the center.
(d) "Statewide weighted average foundation allowance" means the number that is calculated by adding together the result of each district's or public school academy's foundation allowance or per pupil payment calculated under section 20 multiplied by the number of pupils in membership in that district or public school academy, and then dividing that total by the statewide number of pupils in membership. For the purposes of this calculation, a district's foundation allowance shall not exceed the basic foundation allowance under...
section 20 for the current state fiscal year.
Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003 an amount
not to exceed $319,095,200.00” was vetoed by the governor September 28, 2001.
Enacting section 3 of Act 521 of 2002 provides:
“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA
327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before
September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated
by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”
For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503,
Enacting section 1 of Act 351 of 2004 provides:
“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this
amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to
local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”
Enacting section 1 of 2005 PA 155 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory
act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00
and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."
Enacting section 1 of Act 342 of 2006 provides:
"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this
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local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.
(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year
2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units
of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."
Enacting section 1 of Act 137 of 2007 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory
act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of
government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."
Enacting section 1 of Act 268 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory
act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of
government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."
Enacting section 1 of Act 73 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this
amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state
appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00."
Enacting section 1 of Act 121 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory
act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of
government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."
Compiler's note: Enacting section 1 of Act 476 of 2014 provides:
"Enacting section 1. Section 31a of the state school aid act of 1979, 1979 PA 94, MCL 388.1631a, as amended by this amendatory
act, does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as
provided in section 1 of article XII of the state constitution of 1963."
House Joint Resolution UU was presented to the electors as Proposal 15-1 at the May 5, 2015 special election. The proposal to amend
the constitution was not approved by the voters and Act 476 of 2014 does not go into effect.
Enacting section 1 of Act 139 of 2015 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state
sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by
2015 PA 85 and this amendatory act for fiscal year 2015-2016 is estimated at $12,124,885,100.00 and state appropriations for school aid
to be paid to local units of government for fiscal year 2015-2016 are estimated at $11,967,255,600.00."

388.1631b Balanced calendar instructional program; grants.
Sec. 31b. (1) From the appropriations in section 11, there is allocated an amount not to exceed $750,000.00
Rendered Tuesday, August 13, 2019

 Legislative Council, State of Michigan

Page 182

Michigan Compiled Laws Complete Through PA 47 of 2019

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for 2018-2019 for grants to at-risk districts for implementing a balanced calendar instructional program for at least 1 of its schools.

(2) The department shall select districts for grants under this section from among applicant districts that meet both of the following:

(a) The district meets 1 or both of the following:

(i) Is eligible in 2018-2019 for the community eligibility option for free and reduced price lunch under 42 USC 1759a.

(ii) At least 50% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j.

(b) The board of the district has adopted a resolution stating that the district will implement for the first time a balanced calendar instructional program that will begin in 2019-2020 for at least 1 school operated by the district and committing to providing the balanced calendar instructional program in each of those schools for at least 3 school years.

(3) A district seeking a grant under this section shall apply to the department in the form and manner prescribed by the department not later than December 1, 2018. The department shall select districts for grants and make notification not later than February 1, 2019.

(4) The department shall award grants under this section on a competitive basis, but shall give priority based solely on consideration of the following criteria:

(a) Giving priority to districts that, in the immediately preceding fiscal year, had lower general fund balances as a percentage of revenues.

(b) Giving priority to districts that operate at least 1 school that has been identified by the department as either a priority school or a focus school.

(c) Ensuring that grant funding includes both rural and urban districts.

(5) The amount of a grant under this section to any 1 district shall not exceed $750,000.00.

(6) A grant payment under this section to a district shall be used for necessary modifications to instructional facilities and other nonrecurring costs of preparing for the operation of a balanced calendar instructional program as approved by the department.

(7) A district receiving a grant under this section is not required to provide more than the minimum number of days and hours of pupil instruction prescribed under section 101, but shall spread at least those minimum amounts of pupil instruction over the entire year in each of its schools in which a balanced calendar instructional calendar is implemented. The district shall commit to providing the balanced calendar instructional calendar in each of those schools for at least 3 school years.

(8) For a district receiving a grant under this section, excessive heat is considered to be a condition not within the control of school authorities for the purpose of days or hours being counted as days or hours of pupil instruction under section 101(4).

(9) Notwithstanding section 17b, grant payments to districts under this section shall be paid on a schedule determined by the department.


**Compiler's note:** Former MCL 388.1631b, which pertained to incentive payments for student academic performance, was repealed by Act 85 of 2015, Eff. Oct. 1, 2015.


**Compiler's note:** The repealed section pertained to programs to improve public safety, reduce number of youth in gang-related activity, and increase high school graduation rates.

**388.1631d Reimbursement to districts providing school lunch programs.**

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed $22,802,000.00 for 2017-2018 and there is allocated an amount not to exceed $23,144,000.00 for 2018-2019 for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this section shall be used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch programs provided by those districts. The amount due to each district under this section shall be computed by the department using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as *Durant v State of Michigan*, 456 Mich 175 (1997).

(3) The payments made under this section include all state payments made to districts so that each district receives at least 6.0127% of the necessary costs of operating the state mandated portion of the school lunch program in a fiscal year.
(4) The payments made under this section to districts and other eligible entities that are not required under section 1272a of the revised school code, MCL 380.1272a, to provide a school lunch program shall be in an amount not to exceed $10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each reduced price lunch provided, as determined by the department.

(5) From the federal funds appropriated in section 11, there is allocated for 2018-2019 all available federal funding, estimated at $520,000,000.00 for the national school lunch program and all available federal funding, estimated at $3,200,000.00 for the emergency food assistance program.

(6) Notwithstanding section 17b, payments to eligible entities other than districts under this section shall be paid on a schedule determined by the department.

(7) In purchasing food for a school lunch program funded under this section, preference shall be given to food that is grown or produced by Michigan businesses if it is competitively priced and of comparable quality.


Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."  

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."  

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."  

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."  

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."  

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at $10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,701,332,600.00."


Compiler's note: The repealed section pertained to reimbursement for cost of providing breakfast.

388.1631f School breakfast program costs; reimbursement payments; preference to food grown or produced by Michigan businesses.
Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed $4,500,000.00 for 2018-2019 for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

(2) The funds allocated under this section for school breakfast programs shall be made available to all eligible applicant districts that meet all of the following criteria:

(a) The district participates in the federal school breakfast program and meets all standards as prescribed by 7 CFR parts 220 and 245.

(b) Each breakfast eligible for payment meets the federal standards described in subdivision (a).

(3) The payment for a district under this section is at a per meal rate equal to the lesser of the district's actual cost or 100% of the statewide average cost of a breakfast served, as determined and approved by the department, less federal reimbursement, participant payments, and other state reimbursement. The statewide average cost shall be determined by the department using costs as reported in a manner approved by the department for the preceding school year.

(4) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(5) In purchasing food for a school breakfast program funded under this section, preference shall be given to food that is grown or produced by Michigan businesses if it is competitively priced and of comparable quality.


Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

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(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

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Compiler's note: The repealed section pertained to allocation for contract with provider to provide online, research-based, secure, personal health and nutrition education software platform in sample of pilot schools.


Compiler's note: The repealed section pertained to funding districts that educate nonresident pupils as result of high school closures.

388.1631j Purchase of Michigan-grown fruits and vegetables.

Sec. 31j. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $575,000.00 for 2018-2019 for a pilot project to support districts in the purchase of locally grown fruits and vegetables as described in this section.
The department shall provide funding in an amount equal to $125,000.00 per region to districts in prosperity regions 2, 4, 6, and 9 for the pilot project described under this section. In addition, the department shall provide funding in an amount equal to $75,000.00 to districts in prosperity region 8 for the pilot project described under this section. From the funding to districts in subsection (1), funding retained by prosperity regions that administer the project shall not exceed 10%, and funding retained by the department for administration shall not exceed 6%. A prosperity region may enter into a memorandum of understanding with the department or another prosperity region, or both, to administer the project. If the department administers the project for a prosperity region, the department may retain up to 10% of that prosperity region's funding for administration.

The department shall develop and implement a competitive grant program for districts within the identified prosperity regions to assist in paying for the costs incurred by the district to purchase or increase purchases of whole or minimally processed fruits, vegetables, and legumes grown in this state. The maximum amount that may be drawn down on a grant to a district shall be based on the number of meals served by the school district during the previous school year under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j. The department shall collaborate with the Michigan department of agriculture and rural development to provide training to newly participating schools and electronic information on Michigan agriculture.

The goals of the pilot project include improving daily nutrition and eating habits for children through the school settings while investing in Michigan's agricultural and related food business economy.

A district that receives a grant under this section shall use those funds for the costs incurred by the school district to purchase whole or minimally processed fruits, vegetables, and legumes that meet all of the following:

(a) Are purchased on or after the date the district received notification from the department of the amount to be distributed to the district under this subsection, including purchases made to launch meals in September 2018 for the 2018-2019 fiscal year.

(b) Are grown in this state and, if minimally processed, are also processed in this state.

(c) Are used for meals that are served as part of the United States Department of Agriculture's child nutrition programs.

For Michigan-grown fruits, vegetables, and legumes that satisfy the requirements of subsection (5), matching reimbursements shall be made in an amount not to exceed 10 cents for every school meal that is served as part of the United States Department of Agriculture's child nutrition programs and that uses Michigan-grown fruits, vegetables, and legumes.

A district that receives a grant for reimbursement under this section shall use the grant to purchase whole or minimally processed fruits, vegetables, and legumes that are grown in this state and, if minimally processed, are also processed in this state.

In awarding grants under this section, the department shall work in conjunction with prosperity region offices, in consultation with Michigan-based farm to school resource organizations, to develop scoring criteria that assess an applicant's ability to procure Michigan-grown products, prepare and menu Michigan-grown products, and submit letters of intent from districts on plans for educational activities that promote the goals of the program.

The department shall give preference to districts that propose educational activities that meet 1 or more of the following: promote healthy food activities; have clear educational objectives; involve parents or the community; connect to a school's farm-to-school procurement activities; and market and promote the program, leading to increased pupil knowledge and consumption of Michigan-grown products. Applications with robust marketing and promotional activities shall receive stronger weighting and consideration.

In awarding grants, the department shall also consider all of the following: the percentage of children who qualify for free or reduced price school meals under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j; the variety of school sizes and geographic locations within the identified prosperity regions; and existing or future collaboration opportunities between more than 1 district in a prosperity region.

As a condition of receiving a grant under this section, a district shall provide or direct its vendors to provide to prosperity region offices copies of monthly receipts that show the quantity of different Michigan-grown fruits, vegetables, and legumes purchased, the amount of money spent on each of these products, the name and Michigan location of the farm that grew the products, and the methods or plans to market and promote the program. The district shall also provide to the prosperity region monthly lunch numbers and lunch participation rates, and calendars or monthly menus noting when and how Michigan-grown products were used in meals. The district and school food service director or directors also shall agree to respond to brief online surveys and to provide a report that shows the percentage relationship of Michigan spending compared to total food spending. Not later than March 1, 2019, each prosperity region
office, either on its own or in conjunction with another prosperity region, shall submit a report to the department on expected outcomes and related measurements for economic development and children's nutrition and readiness to learn based on progress so far. The report shall include at least all of the following:

(a) The extent to which farmers and related businesses, including distributors and processors, see an increase in market opportunities and income generation through sales of Michigan or local products to districts. All of the following apply for purposes of this subdivision:

(i) The data used to determine the amount of this increase shall be the total dollar amount of Michigan or local fruits, vegetables, and legumes purchased by schools, along with the number of different types of products purchased; school food purchasing trends identified along with products that are of new and growing interest among food service directors; the number of businesses impacted; and the percentage of total food budget spent on Michigan-grown fruits, vegetables, and legumes.

(ii) The prosperity region office shall use purchasing data collected for the project and surveys of school food service directors on the impact and success of the project as the source for the data described in subparagraph (i).

(b) The ability to which pupils can access a variety of healthy Michigan-grown foods through schools and increase their consumption of those foods. All of the following apply for purposes of this subdivision:

(i) The data used to determine whether this subparagraph is met shall be the number of pupils exposed to Michigan-grown fruits, vegetables, and legumes at schools; the variety of products served; new items taste-tested or placed on menus; and the increase in pupil willingness to try new local, healthy foods.

(ii) The prosperity region office shall use purchasing data collected for the project, meal count and enrollment numbers, school menu calendars, and surveys of school food service directors as the source for the data described in subparagraph (i).

(12) The department shall compile the reports provided by prosperity region offices under subsection (11) into 1 legislative report. The department shall provide this report not later than April 1, 2019 to the house and senate subcommittees responsible for school aid, the house and senate fiscal agencies, and the state budget director.


388.1631m School mental health and support services fund; creation; deposit of money; money remaining end of the year; expenditures.

Sec. 31m. (1) The school mental health and support services fund is created as a separate account within the state school aid fund.

(2) The state treasurer may receive money or other assets from any source for deposit into the school mental health and support services fund. The state treasurer shall direct the investment of the school mental health and support services fund and shall credit to the school mental health and support services fund interest and earnings from the school mental health and support services fund.

(3) Money available in the school mental health and support services fund shall not be expended without a specific appropriation.

(4) Money in the school mental health and support services fund at the close of the fiscal year shall remain in the school mental health and support services fund and shall not lapse to the state school aid fund or to the general fund. The department of treasury shall be the administrator of the school mental health and support services fund for auditing purposes.

(5) For the fiscal year ending September 30, 2018, $30,000,000.00 from the state school aid fund shall be deposited into the school mental health and support services fund to be used to support efforts to improve mental health and support services for K-12 pupils in this state, including, but not limited to, improved access to counseling services, educational awareness programs, and enhanced mental health and clinical services.


388.1631n Licensed behavioral health providers for general education pupils; advisory council; application; services by child and adolescent health centers; services to nonpublic students; behavioral health team pilot program.

Sec. 31n. (1) From the school mental health and support services fund money appropriated in section 11, there is allocated for 2018-2019 for the purposes of this section an amount not to exceed $30,000,000.00 and from the general fund money appropriated in section 11, there is allocated for 2018-2019 for the purposes of this section an amount not to exceed $1,300,000.00. Not later than February 15, 2019, the department and the department of health and human services shall establish a program to distribute this funding to add licensed behavioral health providers for general education pupils, and shall seek federal Medicaid match funding for
all eligible mental health and support services.

(2) Not later than February 15, 2019, the department and the department of health and human services shall create an advisory council and define goals for implementation of programs funded under this section, and shall provide feedback on that implementation. At a minimum, the advisory council shall include representatives of state associations representing school health, school mental health, school counseling, education, health care, and other organizations, representatives from the department and the department of health and human services, and a representative from the school safety task force created under Executive Order No. 2018-5. The department and department of health and human services, working with the advisory council, shall determine an approach to increase capacity for mental health and support services in schools for general education pupils, and shall determine where that increase in capacity qualifies for federal Medicaid match funding.

(3) The advisory council shall develop a fiduciary agent checklist for intermediate districts to facilitate development of a plan to submit to the department and to the department of health and human services. The department and department of health and human services shall determine the requirements and format for intermediate districts to submit a plan for possible funding under subsection (5). Applications for funding for this program shall be made available to districts and intermediate districts not later than March 1, 2019, and funding shall be awarded not later than April 1, 2019.

(4) Not later than January 1, 2019, the department of health and human services shall seek to amend the state Medicaid plan or obtain appropriate Medicaid waivers as necessary for the purpose of generating additional Medicaid match funding for school mental health and support services for general education pupils. It is the intent of the legislature that a successful state plan amendment or other Medicaid match mechanisms will result in additional federal Medicaid match funding for both the new funding allocated under this section and for any expenses already incurred by districts and intermediate districts for mental health and support services for general education pupils.

(5) From the funds allocated under subsection (1), there is allocated an amount not to exceed $5,000,000.00 to be distributed to the existing network of child and adolescent health centers to place a licensed master's level behavioral health provider in schools that do not currently have services available to general education students. Existing child and adolescent health centers receiving funding under this subsection shall provide a commitment to maintain services and implement all available federal Medicaid match methodologies. The department of health and human services shall use all existing or additional federal Medicaid match opportunities to maximize funding allocated under this subsection. Funds under this subsection shall be provided to existing child and adolescent health centers in the same proportion that funding under section 31a(7) is provided to child and adolescent health centers located and operating in those districts.

(6) From the funds allocated under subsection (1), there is allocated an amount not to exceed $16,500,000.00 to be distributed to intermediate districts for the provision of mental health and support services to general education students. From the funds allocated under this subsection, the department shall distribute $294,500.00 to each intermediate district that submits a plan approved by the department and the department of health and human services. The department and department of health and human services shall work cooperatively in providing oversight and assistance to intermediate districts during the plan submission process and shall monitor the program upon implementation. An intermediate district shall use funds awarded under this subsection to provide funding to its constituent districts, including public school academies that are considered to be constituent districts under section 705(7) of the revised school code, MCL 380.705, for the provision of mental health and support services to general education students. In addition to the criteria identified under subsection (7), an intermediate district shall consider geography, cost, or other challenges when awarding funding to its constituent districts. If funding awarded to an intermediate district remains after funds are provided by the intermediate district to its constituent districts, the intermediate district may hire or contract for experts to provide mental health and support services to general education students residing within the boundaries of the intermediate district.

(7) A district requesting funds under this section from the intermediate district in which it is located shall submit an application for funding for the provision of mental health and support services to general education pupils. A district receiving funding from the application process described in this subsection shall provide services to nonpublic students upon request. An intermediate district shall not discriminate against an application submitted by a public school academy simply on the basis of the applicant being a public school academy. Grant applications shall be approved based on the following criteria:

(a) The district's commitment to maintain mental health and support services delivered by licensed providers into future fiscal years.

(b) The district's commitment to implement all federal Medicaid match methodologies and provide a local
match of at least 20%.

(c) The district's commitment to adhere to any local funding requirements determined by the department and the department of health and human services.

(d) The extent of the district's existing partnerships with community health care providers or the ability of the district to establish such partnerships.

(e) The district's documentation of need, including gaps in current mental health and support services for the general education population.

(f) The district's submission of a formal plan of action identifying the number of schools and students to be served.

(g) Whether the district will participate in ongoing trainings.

(h) Whether the district will submit an annual report to the state.

(i) Whether the district demonstrates a willingness to work with the state to establish program and service delivery benchmarks.

(j) Whether the district has developed a school safety plan or is in the process of developing a school safety plan.

(k) Any other requirements determined by the department or the department of health and human services.

(8) Funding under this section, including any federal Medicaid funds that are generated, shall not be used to supplant existing services.

(9) Both of the following are allocated for 2018-2019 to the department of health and human services from the general fund money allocated under subsection (1):

(a) An amount not to exceed $1,000,000.00 for the purpose of upgrading technology and systems infrastructure and other administrative requirements to support the programs funded under this section.

(b) An amount not to exceed $300,000.00 for the purpose of administering the programs under this section and working on generating additional Medicaid funds as a result of programs funded under this section.

(10) From the funds allocated under subsection (1), there is allocated for 2018-2019 an amount not to exceed $500,000.00 to intermediate districts on an equal per intermediate district basis for the purpose of administering programs funded under this section.

(11) The department and the department of health and human services shall work with the advisory council to develop proposed measurements of outcomes and performance. Those measurements shall include, at a minimum, the number of pupils served, the number of schools served, and where those pupils and schools were located. The department and the department of health and human services shall compile data necessary to measure outcomes and performance, and districts and intermediate districts receiving funding under this section shall provide data requested by the department and department of health and human services for the measurement of outcomes and performance. The department and department of health and human services shall provide a report not later than December 1, 2019 and by December 1 annually thereafter to the house and senate appropriations subcommittees on school aid and health and human services, and to the house and senate fiscal agencies. At a minimum, the report shall include measurements of outcomes and performance, proposals to increase efficacy and usefulness, proposals to increase performance, and proposals to expand coverage.

(12) From the funds allocated in subsection (1), there is allocated for 2018-2019 an amount not to exceed $8,000,000.00 for the behavioral health team pilot program. The department shall award funds under this subsection to intermediate school districts to create school-based behavioral health assessment teams utilizing a "train the trainer" model of training that focuses on providing age-appropriate interventions, identifying behaviors that suggest a pupil may be struggling with mental health challenges, providing treatment and support of the pupil, and using disciplinary interventions and the criminal justice system as methods of last resort. The intermediate district may hire or contract with experts to provide training to intermediate district staff so that it may provide similar training for staff of the constituent districts. The department shall award the entire $8,000,000.00 allocated under this subsection by allocating an equal dollar amount to each intermediate district that has its application approved under subsection (13).

(13) An intermediate district shall apply for funds under subsection (12) in a form and manner determined by the department. The application shall include, but is not limited to, all of the following:

(a) A detailed plan on how the intermediate district will work with constituent districts to identify a behavioral health assessment team within each school to be trained under this pilot. The plan shall demonstrate that a behavioral health assessment team must consist of, but is not limited to, all of the following individuals:

(i) School administrators and teachers.

(ii) An individual whose primary purpose is ensuring safety in a school.

(iii) Pathways to potential workers, if the school participates in the pathways to potential program.
(iv) Local mental health agency representatives.
(v) Local law enforcement agency personnel.
(vi) If appropriate under the model being used, a pupil.
(b) Identification of a behavioral health assessment training implementation plan that shall include a description of how results of the training will be incorporated into administrative policies and a comprehensive school safety plan, including into a multi-tiered system of support.
(14) The funds allocated under this section for 2018-2019 are a work project appropriation, and any unexpended funds for 2018-2019 are carried forward into 2019-2020. The purpose of the work project is to continue to provide funding for the expansion of mental health and support services for general education students. The estimated completion date of the work project is September 30, 2022.


Compiler's note: The repealed section pertained to additional state school aid fund revenue.

Compiler's note: The repealed section pertained to funding for all students achieve program.

Compiler's note: The repealed section pertained to early childhood investment corporation.

Compiler's note: The repealed section pertained to grants for community-based collaborative prevention services.

388.1632d Great start readiness programs; use of funds; eligibility; competitive grant; longitudinal evaluation; comprehensive part-day, school-day, or GSRP/Head Start blended programs; application for funding; form and manner; counting enrolled pupils; blended program; designation of early childhood coordinator; retention of funds for administrative services; outreach, recruiting, and public awareness; household income; contract process; contract with community-based providers for percentage of total allocation; submission of satisfactory evidence; report; definitions; tuition rate sliding scale; reimbursement of transportation costs; classroom level quality assessments; supplemental curriculum; professional development and training materials for educators; use of AmeriCorps Pre-K Reading Corps members.
Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs an amount not to exceed $244,600,000.00 for 2018-2019. Funds allocated under this section for great start readiness programs shall be used to provide part-day, school-day, or GSRP/Head Start blended comprehensive free compensatory classroom programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children who meet the participant eligibility and prioritization guidelines as defined by the department. For a child to be eligible to participate in a program under this section, the child shall be at least 4, but less than 5, years of age as of September 1 of the school year in which the program is offered and shall meet those eligibility and prioritization guidelines. A child who is not 4 years of age as of September 1, but who will be 4 years of age not later than December 1, is eligible to participate if the child's parent or legal guardian seeks a waiver from the September 1 eligibility date by submitting a request for enrollment in a program to the responsible intermediate district, if the program has capacity on or after September 1 of the school year, and if the child meets eligibility and prioritization guidelines.
(2) From the funds allocated under subsection (1), an amount not to exceed $242,600,000.00 is allocated to intermediate districts or consortia of intermediate districts based on the formula in section 39. An intermediate district or consortium of intermediate districts receiving funding under this section shall act as the fiduciary for the great start readiness programs. In order to be eligible to receive funds allocated under this subsection from an intermediate district or consortium of intermediate districts, a district, a consortium of districts, or a public or private for-profit or nonprofit legal entity or agency shall comply with this section and section 39.
(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed $300,000.00 for 2018-2019 for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.
(4) To be eligible for funding under this section, a program shall prepare children for success in school through comprehensive part-day, school-day, or GSRP/Head Start blended programs that contain all of the...
following program components, as determined by the department:

(a) Participation in a collaborative recruitment and enrollment process to assure that each child is enrolled in the program most appropriate to his or her needs and to maximize the use of federal, state, and local funds.

(b) An age-appropriate educational curriculum that is in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board, including, at least, the Connect4Learning curriculum.

(c) Nutritional services for all program participants supported by federal, state, and local resources as applicable.

(d) Physical and dental health and developmental screening services for all program participants.

(e) Referral services for families of program participants to community social service agencies, including mental health services, as appropriate.

(f) Active and continuous involvement of the parents or guardians of the program participants.

(g) A plan to conduct and report annual great start readiness program evaluations and continuous improvement plans using criteria approved by the department.

(h) Participation in a school readiness advisory committee convened as a workgroup of the great start collaborative that provides for the involvement of classroom teachers, parents or guardians of program participants, and community, volunteer, and social service agencies and organizations, as appropriate. The advisory committee annually shall review and make recommendations regarding the program components listed in this subsection. The advisory committee also shall make recommendations to the great start collaborative regarding other community services designed to improve all children's school readiness.

(i) The ongoing articulation of the kindergarten and first grade programs offered by the program provider.

(j) Participation in this state's great start to quality process with a rating of at least 3 stars.

(5) An application for funding under this section shall provide for the following, in a form and manner determined by the department:

(a) Ensure compliance with all program components described in subsection (4).

(b) Except as otherwise provided in this subdivision, ensure that at least 90% of the children participating in an eligible great start readiness program for whom the intermediate district is receiving funds under this section are children who live with families with a household income that is equal to or less than 250% of the federal poverty level. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list who live with families with a household income that is equal to or less than 250% of the federal poverty level, the intermediate district may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income and shall be prioritized for enrollment within the lowest quintile.

(c) Ensure that the applicant only uses qualified personnel for this program, as follows:

(i) Teachers possessing proper training. A lead teacher must have a valid teaching certificate with an early childhood (ZA or ZS) endorsement or a bachelor's or higher degree in child development or early childhood education with specialization in preschool teaching. However, if an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be used if the applicant provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be used if the applicant provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

(ii) Paraprofessionals possessing proper training in early childhood education, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential. However, if an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the applicant may use paraprofessionals who have completed at least 1 course that earns college credit in early childhood education or child development if the applicant provides to the department, and the department approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.

(d) Include a program budget that contains only those costs that are not reimbursed or reimbursable by
federal funding, that are clearly and directly attributable to the great start readiness program, and that would not be incurred if the program were not being offered. Eligible costs include transportation costs. The program budget shall indicate the extent to which these funds will supplement other federal, state, local, or private funds. Funds received under this section shall not be used to supplant any federal funds received by the applicant to serve children eligible for a federally funded preschool program that has the capacity to serve those children.

(6) For a grant recipient that enrolls pupils in a school-day program funded under this section, each child enrolled in the school-day program shall be counted as described in section 39 for purposes of determining the amount of the grant award.

(7) For a grant recipient that enrolls pupils in a GSRP/Head Start blended program, the grant recipient shall ensure that all Head Start and GSRP policies and regulations are applied to the blended slots, with adherence to the highest standard from either program, to the extent allowable under federal law.

(8) An intermediate district or consortium of intermediate districts receiving a grant under this section shall designate an early childhood coordinator, and may provide services directly or may contract with 1 or more districts or public or private for-profit or nonprofit providers that meet all requirements of subsections (4) and (5).

(9) An intermediate district or consortium of intermediate districts may retain for administrative services provided by the intermediate district or consortium of intermediate districts an amount not to exceed 4% of the grant amount. Expenses incurred by subrecipients engaged by the intermediate district or consortium of intermediate districts for directly running portions of the program shall be considered program costs or a contracted program fee for service.

(10) An intermediate district or consortium of intermediate districts may expend not more than 2% of the total grant amount for outreach, recruiting, and public awareness of the program.

(11) Each grant recipient shall enroll children identified under subsection (5)(b) according to how far the child's household income is below 250% of the federal poverty level by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 250% of the federal poverty level, and then enrolling children in the quintile with the lowest household income before enrolling children in the quintile with the next lowest household income until slots are completely filled. If the grant recipient determines that all eligible children being served are under the federal poverty level, then no children on the waiting list who live with families with a household income that is equal to or less than 250% of the federal poverty level, the grant recipient may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income and shall be prioritized for enrollment within the lowest quintile.

(12) An intermediate district or consortium of intermediate districts receiving a grant under this section shall allow parents of eligible children who are residents of the intermediate district or within the consortium to choose a program operated by or contracted with another intermediate district or consortium of intermediate districts and shall enter into a written agreement regarding payment, in a manner prescribed by the department.

(13) An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers that meet all requirements of subsection (4) for at least 30% of its total allocation. For the purposes of this 30% allocation, an intermediate district or consortium of intermediate districts may count children served by a Head Start grantee or delegate in a blended Head Start and great start readiness school-day program. Children served in a program funded only through Head Start shall not be counted toward this 30% allocation. The intermediate district or consortium shall report to the department, in a manner prescribed by the department, a detailed list of community-based providers by provider type, including private for-profit, private nonprofit, community college or university, Head Start grantee or delegate, and district or intermediate district, and the number and proportion of its total allocation allocated to each provider as subrecipient. If the intermediate district or consortium is not able to contract for at least 30% of its total allocation, the grant recipient shall notify the department and, if the department verifies that the intermediate district or consortium attempted to contract for at least 30% of its total allocation and was not able to do so, then the intermediate district or consortium may retain and use all of its allocation as provided under this section. To be able to use this exemption, the intermediate district or consortium shall demonstrate to the department.
department that the intermediate district or consortium increased the percentage of its total allocation for which it contracts with a community-based provider and the intermediate district or consortium shall submit evidence satisfactory to the department, and the department must be able to verify this evidence, demonstrating that the intermediate district or consortium took measures to contract for at least 30% of its total allocation as required under this subsection, including, but not limited to, at least all of the following measures:

(a) The intermediate district or consortium notified each nonparticipating licensed child care center located in the service area of the intermediate district or consortium regarding the center's eligibility to participate, in a manner prescribed by the department.

(b) The intermediate district or consortium provided to each nonparticipating licensed child care center located in the service area of the intermediate district or consortium information regarding great start readiness program requirements and a description of the application and selection process for community-based providers.

(c) The intermediate district or consortium provided to the public and to participating families a list of community-based great start readiness program subrecipients with a great start to quality rating of at least 3 stars.

(14) If an intermediate district or consortium of intermediate districts receiving a grant under this section fails to submit satisfactory evidence to demonstrate its effort to contract for at least 30% of its total allocation, as required under subsection (13), the department shall reduce the allocation to the intermediate district or consortium by a percentage equal to the difference between the percentage of an intermediate district's or consortium's total allocation awarded to community-based providers and 30% of its total allocation.

(15) In order to assist intermediate districts and consortia in complying with the requirement to contract with community-based providers for at least 30% of their total allocation, the department shall do all of the following:

(a) Ensure that a great start resource center or the department provides each intermediate district or consortium receiving a grant under this section with the contact information for each licensed child care center located in the service area of the intermediate district or consortium by March 1 of each year.

(b) Provide, or ensure that an organization with which the department contracts provides, a community-based provider with a validated great start to quality rating within 90 days of the provider's having submitted a request and self-assessment.

(c) Ensure that all intermediate district, district, community college or university, Head Start grantee or delegate, private for-profit, and private nonprofit providers are subject to a single great start to quality rating system. The rating system shall ensure that regulators process all prospective providers at the same pace on a first-come, first-served basis and shall not allow 1 type of provider to receive a great start to quality rating ahead of any other type of provider.

(d) Not later than December 1 of each year, compile the results of the information reported by each intermediate district or consortium under subsection (13) and report to the legislature a list by intermediate district or consortium with the number and percentage of each intermediate district's or consortium's total allocation allocated to community-based providers by provider type, including private for-profit, private nonprofit, community college or university, Head Start grantee or delegate, and district or intermediate district.

(16) A recipient of funds under this section shall report to the center in a form and manner prescribed by the center the information necessary to derive the number of children participating in the program who meet the program eligibility criteria under subsection (5)(b), the number of eligible children not participating in the program and on a waitlist, and the total number of children participating in the program by various demographic groups and eligibility factors necessary to analyze equitable and priority access to services for the purposes of subsection (3).

(17) As used in this section:

(a) "GSRP/Head Start blended program" means a part-day program funded under this section and a Head Start program, which are combined for a school-day program.

(b) "Part-day program" means a program that operates at least 4 days per week, 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer hours of teacher-child contact time per day than a school-day program.

(c) "School-day program" means a program that operates for at least the same length of day as a district's first grade program for a minimum of 4 days per week, 30 weeks per year. A classroom that offers a school-day program must enroll all children for the school day to be considered a school-day program.

(18) An intermediate district or consortium of intermediate districts receiving funds under this section shall establish and charge tuition according to a sliding scale of tuition rates based upon household income for
children participating in an eligible great start readiness program who live with families with a household income that is more than 250% of the federal poverty level to be used by all of its providers, as approved by the department.

(19) From the amount appropriated in subsection (1), there is allocated an amount not to exceed $10,000,000.00 for reimbursement of transportation costs for children attending great start readiness programs funded under this section. To receive reimbursement under this subsection, not later than November 1, 2018, a program funded under this section that provides transportation shall submit to the intermediate district that is the fiscal agent for the program a projected transportation budget. The amount of the reimbursement for transportation under this subsection shall be no more than the projected transportation budget or $300.00 multiplied by the number of children funded for the program under this section. If the amount allocated under this subsection is insufficient to fully reimburse the transportation costs for all programs that provide transportation and submit the required information, the reimbursement shall be prorated in an equal amount per child funded. Payments shall be made to the intermediate district that is the fiscal agent for each program, and the intermediate district shall then reimburse the program provider for transportation costs as prescribed under this subsection.

(20) Subject to, and from the funds allocated under, subsection (19), the department shall reimburse a program for transportation costs related to parent- or guardian-accompanying transportation provided by transportation service companies, buses, or other public transportation services. To be eligible for reimbursement under this subsection, a program must submit to the intermediate district or consortia of intermediate districts all of the following:

(a) The names of families provided with transportation support along with a documented reason for the need for transportation support and the type of transportation provided.

(b) Financial documentation of actual transportation costs incurred by the program, including, but not limited to, receipts and mileage reports, as determined by the department.

(c) Any other documentation or information determined necessary by the department.

(21) The department shall implement a process to review and approve age-appropriate comprehensive classroom level quality assessments for GSRP grantees that support the early childhood standards of quality for prekindergarten children adopted by the state board. The department shall make available to intermediate districts at least 2 classroom level quality assessments that were approved in 2018.

(22) An intermediate district that is a GSRP grantee may approve the use of a supplemental curriculum that aligns with and enhances the age-appropriate educational curriculum in the classroom. If the department objects to the use of a supplemental curriculum approved by an intermediate district, the superintendent of public instruction shall establish a review committee independent of the department. The review committee shall meet within 60 days of the department registering its objection in writing and provide a final determination on the validity of the objection within 60 days of the review committee’s first meeting.

(23) The department shall implement a process to evaluate and approve age-appropriate educational curricula that are in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board.

(24) From the funds allocated under subsection (1), there is allocated an amount not to exceed $2,000,000.00 for payments to intermediate districts or consortia of intermediate districts for professional development and training materials for educators in programs implementing new curricula in 2019-2020.

(25) A great start readiness program or a GSRP/Head Start blended program funded under this section shall be permitted to utilize AmeriCorps Pre-K Reading Corps members in classrooms implementing research-based early literacy intervention strategies.


**Compiler’s note:** In the first and last sentences of subsection (1), as amended by Act 121 of 2001, the phrases “and 2002-2003” and “and for 2002-2003” were vetoed by the governor September 28, 2001.

In subsection (2), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated..."
by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of Act 121 of 2009 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00.”

Enacting section 1 of Act 342 of 2006 provides:

“Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00.”

Enacting section 1 of Act 137 of 2007 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00.”

Enacting section 1 of Act 268 of 2008 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00.”

Enacting section 1 of Act 121 of 2009 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00.”

Enacting section 1 of Act 139 of 2015 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article 1 of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2015 PA 85 and this amendatory act for fiscal year 2015-2016 is estimated at $12,124,885,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2015-2016 are estimated at $11,967,255,600.00.”


Compiler's note: The repealed section pertained to funding under MCL 388.1632d.


Compiler's note: The repealed section pertained to read, education, and develop youth kits.


Compiler's note: The repealed section pertained to kindergarten entry status assessment.


Compiler's note: The repealed section pertained counseling services.


Compiler's note: The repealed section pertained to May 2002 revenue estimating conference.


Compiler's note: The repealed section pertained to programs for parents with young children.


Compiler's note: The repealed section pertained to programs for parents with young children.


Compiler's note: The repealed section pertained to establishment of diverse interagency committee to review applications for competitive grants under MCL 388.1632d.


Compiler's note: The repealed section pertained to providing preschool children with a book each month.


Compiler's note: The repealed section pertained to statewide before-or-after school programs.
Early childhood funding; local great start collaborative and parent coalition; outcomes; workgroups; home visits to at-risk children and families; report; carrying over unexpended funds.

Sec. 32p. (1) From the appropriation in section 11, there is allocated an amount not to exceed $13,400,000.00 to intermediate districts for 2018-2019 for the purpose of providing early childhood funding to intermediate school districts to support the activities under subsection (2) and subsection (4), and to provide early childhood programs for children from birth through age 8. The funding provided to each intermediate district under this section shall be determined by the distribution formula established by the department's office of great start to provide equitable funding statewide. In order to receive funding under this section, each intermediate district shall provide an application to the office of great start not later than September 15 of the immediately preceding fiscal year indicating the activities planned to be provided.

(2) Each intermediate district or consortium of intermediate districts that receives funding under this section shall convene a local great start collaborative and a parent coalition. The goal of each great start collaborative and parent coalition shall be to ensure the coordination and expansion of local early childhood infrastructure and programs that allow every child in the community to achieve the following outcomes:
   (a) Children born healthy.
   (b) Children healthy, thriving, and developmentally on track from birth to third grade.
   (c) Children developmentally ready to succeed in school at the time of school entry.
   (d) Children prepared to succeed in fourth grade and beyond by reading proficiently by the end of third grade.

(3) Each local great start collaborative and parent coalition shall convene workgroups to make recommendations about community services designed to achieve the outcomes described in subsection (2) and to ensure that its local great start system includes the following supports for children from birth through age 8:
   (a) Physical health.
   (b) Social-emotional health.
   (c) Family supports and basic needs.
   (d) Parent education.
   (e) Early education, including the child's development of skills linked to success in foundational literacy, and care.

(4) From the funds allocated in subsection (1), at least $2,500,000.00 shall be used for the purpose of providing home visits to at-risk children and their families. The home visits shall be conducted as part of a locally coordinated, family-centered, evidence-based, data-driven home visit strategic plan that is approved by the department. The goals of the home visits funded under this subsection shall be to improve school readiness using evidence-based methods, including a focus on developmentally appropriate outcomes for early literacy, to reduce the number of pupils retained in grade level, to reduce the number of pupils requiring special education services, to improve positive parenting practices, and to improve family economic self-sufficiency while reducing the impact of high-risk factors through community resources and referrals. The department shall coordinate the goals of the home visit strategic plans approved under this subsection with other state agency home visit programs in a way that strengthens Michigan's home visiting infrastructure and maximizes federal funds available for the purposes of at-risk family home visits. The coordination among departments and agencies is intended to avoid duplication of state services and spending, and should emphasize efficient service delivery of home visiting programs.

(5) Not later than December 1 of each year, each intermediate district shall provide a report to the department detailing the activities actually provided during the immediately preceding school year and the families and children actually served. At a minimum, the report shall include an evaluation of the services provided with additional funding under subsection (4) for home visits, using the goals identified in subsection (4) as the basis for the evaluation, including the degree to which school readiness was improved, any change in the number of pupils retained at grade level, and any change in the number of pupils receiving special education services. The department shall compile and summarize these reports and submit its summary to the house and senate appropriations subcommittees on school aid and to the house and senate fiscal agencies not later than February 15 of each year.

(6) An intermediate district or consortium of intermediate districts that receives funding under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds through June 30 of the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.
388.1632q Impact on vulnerable children of 1 versus 2 years of preschool education; pilot program.

Sec. 32q. From the state school aid fund allocation under section 11, there is allocated to an eligible intermediate district an amount equal to $175,000.00 for 2018-2019 for the purpose of this section. An intermediate district receiving a grant under this section shall partner with an early childhood collaborative to conduct a pilot program as provided under this section. It is the intent of the legislature that this is the third of 3 years of funding, and that funding for the pilot program shall not continue in 2019-2020. Funding allocated to an intermediate district shall be used in partnership with a collaborative to conduct a pilot program to evaluate the relative impact on vulnerable children of 1 versus 2 years of preschool education. All of the following apply to the pilot program funded under this section:

(a) An eligible intermediate district is an intermediate district that is located in a county with a population as of the most recent federal decennial census that was greater than 500,000 but fewer than 800,000 and that has an early learning collaborative located within its boundaries.

(b) The funds shall be used for research, family coaching support, administration, information systems, and evaluation.

(c) In order to be eligible to receive the allocated funds, the early learning collaborative, in partnership with the intermediate district, shall provide the funding for all eligible children included in the pilot program.

(d) The early learning collaborative, in partnership with the intermediate district, shall develop a 3-year pilot program under the supervision of the office of great start in the department.

(e) For a child to be eligible for participation in the pilot program under this section, the child shall be 3 years of age as of the date specified for determining a child’s eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.

(f) A child participating in the pilot program shall meet the participant eligibility and prioritization guidelines as defined by the department.

(g) Notwithstanding section 17b, the department shall distribute funds under this section not later than November 15 of the fiscal year.

(h) The early learning collaborative, in partnership with the intermediate district, shall provide annual progress evaluations to the office of great start.

(i) By December 1, 2019, the early learning collaborative, in partnership with the intermediate district, shall provide a pilot program report and evaluation to the office of great start. The office of great start shall review the pilot program report and evaluation and, by February 15, 2020, provide a report to the senate and house appropriations subcommittees on state school aid and to the senate and house fiscal agencies of its evaluation of the pilot program.


Compiler's note: The repealed section pertained to race to the top – early learning challenge grant.


Compiler's note: The repealed section pertained to allocation to assist in transition from governance by a school reform board to governance by an elected school board.


Compiler's note: The repealed section pertained to achievement incentive grants.


Compiler's note: The repealed section pertained to use of funds for programs to ensure that children are reading at grade level by end of grade 3.

388.1635a Professional development; allocations; screening and diagnostic tools; early literacy coaches; additional instructional time; report; allocation to Michigan Education Corps; preventing summer reading slide; literacy essentials teacher and principal training.

Sec. 35a. (1) From the appropriations in section 11, there is allocated for 2018-2019 for the purposes of...
this section an amount not to exceed $27,900,000.00 from the state school aid fund and an amount not to exceed $3,500,000.00 from the general fund. The superintendent shall designate staff or contracted employees funded under this section as critical shortage. Programs funded under this section are intended to ensure that this state will be in the top 10 most improved states in grade 4 reading proficiency by the 2019 National Assessment of Educational Progress (NAEP) and will be in the top 10 states overall in grade 4 reading proficiency by 2025.

(2) A district that receives funds under subsection (5) may spend up to 5% of those funds for professional development for educators in a department-approved research-based training program related to current state literacy standards for pupils in grades K to 3. The professional development shall also include training in the use of screening and diagnostic tools, progress monitoring, and intervention methods used to address barriers to learning and delays in learning that are diagnosed through the use of these tools.

(3) A district that receives funds under subsection (5) may use up to 5% of those funds to administer department-approved screening and diagnostic tools to monitor the development of early literacy and early reading skills of pupils in grades K to 3 and to support research-based professional development for educators in administering screening and diagnostic tools and in data interpretation of the results obtained through the use of those tools for the purpose of implementing a multi-tiered system of support to improve reading proficiency among pupils in grades K to 3. A department-approved screening and diagnostic tool administered by a district using funding under this section must include all of the following components: phonemic awareness, phonics, fluency, and comprehension. Further, all of the following sub-skills must be assessed within each of these components:

(a) Phonemic awareness - segmentation, blending, and sound manipulation (deletion and substitution).
(b) Phonics - decoding (reading) and encoding (spelling).
(c) Fluency - reading rate, accuracy, and expression.
(d) Comprehension - making meaning of text.

(4) From the allocations under subsection (1), there is allocated an amount not to exceed $7,000,000.00 for 2018-2019 for the purpose of providing early literacy coaches at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3. All of the following apply to funding under this subsection:

(a) The department shall develop an application process consistent with the provisions of this subsection. An application shall provide assurances that literacy coaches funded under this subsection are knowledgeable about at least the following:

(i) Current state literacy standards for pupils in grades K to 3.

(ii) Implementing an instructional delivery model based on frequent use of formative, screening, and diagnostic tools, known as a multi-tiered system of support, to determine individual progress for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3.

(iii) The use of data from diagnostic tools to determine the necessary additional supports and interventions needed by individual pupils in grades K to 3 in order to be reading at grade level.

(b) From the allocation under this subsection, the department shall award grants to intermediate districts for the support of early literacy coaches. An intermediate district must provide matching funds for at least 50% of the grant amount awarded to support the cost of the literacy coach. The department shall provide this funding in the following manner:

(i) Each intermediate district shall be awarded grant funding to support the cost of 1 early literacy coach in an equal amount per early literacy coach, not to exceed $75,000.00.

(ii) After distribution of the grant funding under subparagraph (i), the department shall distribute the remainder of grant funding for additional early literacy coaches in an amount not to exceed $75,000.00 per early literacy coach. The number of funded early literacy coaches for each intermediate district shall be based on the percentage of the total statewide number of pupils in grades K to 3 who meet the income eligibility standards for the federal free and reduced-price lunch programs who are enrolled in districts in the intermediate district. For each additional early literacy coach funded under this subparagraph, the department shall not make an award to an intermediate district under this subparagraph in an amount not to exceed 1/2 of the total cost of that additional early literacy coach.

(5) From the allocations under subsection (1), there is allocated an amount not to exceed $19,900,000.00 for 2018-2019 to districts that provide additional instructional time to those pupils in grades K to 3 who have been identified by using department-approved screening and diagnostic tools as needing additional supports and interventions in order to be reading at grade level by the end of grade 3. Additional instructional time may be provided before, during, and after regular school hours or as part of a year-round balanced school calendar. All of the following apply to funding under this subsection:

(a) In order to be eligible to receive funding, a district shall demonstrate to the satisfaction of the

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department that the district has done all of the following:

(i) Implemented a multi-tiered system of support instructional delivery model that is an evidence-based model that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. The multi-tiered system of supports must provide at least all of the following essential components:

(A) Team-based leadership.
(B) A tiered delivery system.
(C) Selection and implementation of instruction, interventions, and supports.
(D) A comprehensive screening and assessment system.
(E) Continuous data-based decision making.

(ii) Used department-approved research-based diagnostic tools to identify individual pupils in need of additional instructional time.

(iii) Used a reading instruction method that focuses on the 5 fundamental building blocks of reading: phonics, phonemic awareness, fluency, vocabulary, and comprehension and content knowledge.

(iv) Provided teachers of pupils in grades K to 3 with research-based professional development in diagnostic data interpretation.

(v) Complied with the requirements under section 1280f of the revised school code, MCL 380.1280f.

(b) Funding allocated under this subsection shall be distributed to eligible districts on an equal per-first-grade-pupil basis.

(c) If the funds allocated under this subsection are insufficient to fully fund the payments under this subsection, payments under this subsection shall be prorated on an equal per-pupil basis based on grade 1 pupils.

(6) Not later than September 1, 2019, a district that receives funding under this section, in conjunction with the Michigan data hub network, if possible, shall provide to the department a report that includes at least both of the following, in a form and manner prescribed by the department:

(a) For pupils in grades K to 3, the pupils, schools, and grades served with funds under this section and the categories of services provided.

(b) For pupils in grades K to 3, pupil proficiency and growth data that allows analysis both in the aggregate and by each of the following subgroups, as applicable:

(i) School.
(ii) Grade level.
(iii) Gender.
(iv) Race.
(v) Ethnicity.
(vi) Economically disadvantaged status.
(vii) Disability.
(viii) Pupils identified as having reading deficiencies.

(7) From the general fund money allocated in subsection (1), the department shall allocate the amount of $3,000,000.00 for 2018-2019 to the Michigan Education Corps for the PreK Reading Corps, the K3 Reading Corps, and the Math Corps. All of the following apply to funding under this subsection:

(a) By September 1 of the current fiscal year, the Michigan Education Corps shall provide a report concerning its use of the funding to the senate and house appropriations subcommittees on state school aid, the senate and house fiscal agencies, and the senate and house caucus policy offices on outcomes and performance measures of the Michigan Education Corps, including, but not limited to, the degree to which the Michigan Education Corps’s replication of the Michigan PreK Reading Corps, K3 Reading Corps, and Math Corps programs is demonstrating sufficient efficacy and impact. The report must include data pertaining to at least all of the following:

(i) The current impact of the programs on this state in terms of numbers of children and schools receiving support. This portion of the report shall specify the number of children tutored, including dosage and completion, and the demographics of those children.

(ii) Whether the assessments and interventions are implemented with fidelity. This portion of the report shall include details on the total number of assessments and interventions completed and the range, mean, and standard deviation.

(iii) Whether the literacy or math improvement of children participating in the programs is consistent with expectations. This portion of the report shall detail at least all of the following:

(A) Growth rate by grade or age level, in comparison to targeted growth rate.
(B) Average linear growth rates.
(C) Exit rates.
(D) Percentage of children who exit who also meet or exceed spring benchmarks.

(iv) The impact of the programs on organizations and stakeholders, including, but not limited to, school administrators, internal coaches, and AmeriCorps members.

(b) If the department determines that the Michigan Education Corps has misused the funds allocated under this subsection, the Michigan Education Corps shall reimburse this state for the amount of state funding misused.

(c) The department may not reserve any portion of the allocation provided under this subsection for an evaluation of the Michigan Education Corps, the Michigan Education Corps' funding, or the Michigan Education Corps' programming unless agreed to in writing by the Michigan Education Corps. The department shall award the entire $3,000,000.00 allocated under this subsection to the Michigan Education Corps and shall not condition the awarding of this funding on the implementation of an independent evaluation.

(8) From the general fund money allocated under subsection (1), there is allocated an amount not to exceed $500,000.00 for 2018-2019 for a grant to an eligible program that has a goal to slow or prevent the K to 4 summer reading slide among all pupils enrolled in grades K to 4, particularly those from economically disadvantaged households. Funds allocated under this subsection are grant funds and must be distributed by the department. A program is eligible if it meets at least all of the following:

(a) The program's objective is to deliver a bilingual, in-home, individualized summer reading program consisting of self-selected, independent reading level books to K to 4 pupils each week during the summer.

(b) Is evaluated quantitatively and qualitatively using pre- and post-standardized test score comparison and parent and school surveys specific to each district.

(c) Incorporates at least weekly interactive parental and family engagement during the summer.

(d) Builds on pedagogical and literacy principles to scaffold fluency to improve reading comprehension with pupil exercises.

(e) Provides at least 4, and up to 9, student-selected new books to read and keep.

(f) Collects, analyzes, and reports detailed data on parental engagement, books read, and spring-to-fall reading scores.

(g) Follows the department's top 10 in 10 goals and strategies, with an emphasis on goals 4 and 5.

(h) Focuses on in-home program delivery through weekly mailings.

(i) Provides summary data to the legislature and to the department for all pupils served by the program after each summer.

(9) From the state school aid fund money allocated under subsection (1), there is allocated an amount not to exceed $1,000,000.00 for 2018-2019 to an intermediate district in which the combined total number of pupils in membership of all of its constituent districts is the fewest among all intermediate districts. All of the following apply to the funding under this subsection:

(a) Funding under this subsection must be used by the intermediate district, in partnership with an association that represents intermediate district administrators in this state, to implement both of the following:

(i) Literacy essentials teacher and principal training modules.

(ii) Face-to-face and online professional learning of literacy essentials teacher and principal training modules for literacy coaches, principals, and teachers.

(b) Not later than September 1 of each year, the intermediate district described in this subsection, in consultation with grant recipients, shall submit a report to the chairs of the senate and house appropriations subcommittees on state school aid and the chairs of the senate and house standing committees responsible for education legislation. The report described under this subdivision must include student achievement results in English language arts and survey results with feedback from parents and teachers regarding the initiatives implemented under this subsection.

(10) Notwithstanding section 17b, payments made under subsection (9) shall be made not later than March 1, 2019.


388.1635b Allocation to Children's Choice Initiative to create a pilot program using multisensory structured language education method; grant requirements.

Sec. 35b. (1) From the general fund money appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed $250,000.00 for a grant to be distributed by the department to the Children’s Choice Initiative to create a pilot program to use a multisensory structured language education method to improve reading proficiency rates and to comply with section 1280f of the revised school code, MCL 380.1280f.

(2) Grant funds awarded under this section must be expended for the following purposes:
(a) Professional development including training staff and tutors in a multisensory, sequential, systematic education approach.

(b) Additional instructional time before, during, or after school for pupils in grades K to 3 identified as having an early literacy delay or reading deficiency using a multisensory, sequential, systematic education approach.

(3) Not later than December 1, 2020, an entity that receives grant funds under this section shall report to the house and senate appropriations subcommittees on school aid, the house and senate fiscal agencies, and the state budget director on all of the following for the grant funds awarded under this section:
   (a) The number of staff and tutors trained.
   (b) The number of pupils in grades K to 3 identified as having an early literacy delay or reading deficiency served.
   (c) The number of hours of added instructional time provided to pupils served.
   (d) Pupil reading proficiency and growth data of pupils served necessary to evaluate the effectiveness of the program.


Compiler's note: The repealed sections pertained to comprehensive compensatory programs to improve readiness and achievement of educationally disadvantaged children, and grants for community based collaborative prevention services.


Compiler's note: The repealed section pertained to eligibility of district for allocation under MCL 388.1632d.


Compiler's note: The repealed section pertained to conditions in which requirements of MCL 388.1637(h) are considered met.


Compiler's note: The repealed section pertained to number of prekindergarten children in need of special readiness assistance.

388.1639 Receipt of funds under MCL 388.1632d; application; submission of implementation plan for approval; initial allocation; distribution of remaining funds; calculation of percentage of eligible children; additional eligible children; review of program components; definitions.

Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an application, in a form and manner prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The application shall not require an eligible applicant to amend the applicant's current accounting cycle or adopt this state's fiscal year accounting cycle in accounting for financial transactions under this section. The application shall include all of the following:
   (a) For 2018-2019 calculations, the estimated total number of children in the community who meet the criteria of section 32d, as provided to the applicant by the department utilizing the most recent population data available from the American Community Survey conducted by the United States Census Bureau. Beginning in 2018-2019, the department shall ensure that it provides updated American Community Survey population data at least once every 3 years.
   (b) The estimated number of children in the community who meet the criteria of section 32d and are being served exclusively by Head Start programs operating in the community.
   (c) The number of children whom the applicant has the capacity to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.
   (2) After notification of funding allocations, an applicant receiving funds under section 32d shall also submit an implementation plan for approval, in a form and manner prescribed by the department, by a date specified by the department, that details how the applicant complies with the program components established by the department pursuant to section 32d.
   (3) The initial allocation to each eligible applicant under section 32d shall be the lesser of the following:
      (a) The sum of the number of children served in a school-day program in the preceding school year multiplied by $7,250.00 and the number of children served in a GSRP/Head Start blended program or a part-day program in the preceding school year multiplied by $3,625.00.
      (b) The sum of the number of children the applicant has the capacity to serve in 2018-2019 in a school-day program multiplied by $7,250.00 and the number of children served in a GSRP/Head Start blended program or a part-day program the applicant has the capacity to serve in 2018-2019 multiplied by $3,625.00.
   (4) If funds remain after the allocations under subsection (3), the department shall distribute the remaining
funds to each intermediate district or consortium of intermediate districts that serves less than the state percentage benchmark determined under subsection (5). These remaining funds shall be distributed to each eligible applicant based upon each applicant’s proportionate share of the remaining unserved children necessary to meet the statewide percentage benchmark in intermediate districts or consortia of intermediate districts serving less than the statewide percentage benchmark. When all applicants have been given the opportunity to reach the statewide percentage benchmark, the statewide percentage benchmark may be reset, as determined by the department, until greater equity of opportunity to serve eligible children across all intermediate school districts has been achieved.

(5) For the purposes of subsection (4), for the 2018-2019 program year, the department shall calculate a percentage of children served by each intermediate district or consortium of intermediate districts by dividing the number of children served in the immediately preceding year by that intermediate district or consortium by the total number of children within the intermediate district or consortium of intermediate districts who meet the criteria of section 32d as determined by the department utilizing the most recent population data available from the American Community Survey conducted by the United States Census Bureau. The department shall compare the resulting percentage of eligible children served to a statewide percentage benchmark to determine if the intermediate district or consortium is eligible for additional funds under subsection (4). For 2018-2019, the statewide percentage benchmark is 60%.

(6) If, taking into account the total amount to be allocated to the applicant as calculated under this section, an applicant determines that it is able to include additional eligible children in the great start readiness program without additional funds under section 32d, the applicant may include additional eligible children but shall not receive additional funding under section 32d for those children.

(7) The department shall review the program components under section 32d and under this section at least biennially. The department also shall convene a committee of internal and external stakeholders at least once every 5 years to ensure that the funding structure under this section reflects current system needs under section 32d.

(8) As used in this section, "school-day program", "GSRP/Head Start blended program", and "part-day program" mean those terms as defined in section 32d.


Compiler’s note: Section 2 of Act 220 of 1987 provides: “In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00.”

Section 4 of Act 220 of 1987 provides: “The changes effected by this amendatory act shall be applied retroactively to October 1, 1987.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00.”

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00.”

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,988,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00.”

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00.”

388.1639a Allocation of federal funds; definitions.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for 2018-2019 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at
$730,600,000.00 for the federal programs under the no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-95. These funds are allocated as follows:

(a) An amount estimated at $1,200,000.00 for 2018-2019 to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at $100,000,000.00 for 2018-2019 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(c) An amount estimated at $11,000,000.00 for 2018-2019 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(d) An amount estimated at $2,800,000.00 for 2018-2019 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(e) An amount estimated at $535,000,000.00 for 2018-2019 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(f) An amount estimated at $1,200,000.00 for 2018-2019 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(g) An amount estimated at $4,000,000.00 for 2018-2019 to provide mental health, substance abuse, or violence prevention services to students, funded from HHS-SAMHSA.

(h) An amount estimated at $24,000,000.00 for 2018-2019 for providing career and technical education services to pupils, funded from DED-OVAE, basic grants to states.

(i) An amount estimated at $14,000,000.00 for 2018-2019 for the Michigan charter school subgrant program, funded from DED–OII, public charter schools program funds.

(j) An amount estimated at $7,200,000.00 for 2018-2019 for the purpose of promoting and expanding high-quality preschool services, funded from HHS–OCC, preschool development funds.

All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds appropriated in section 11, there is allocated for 2018-2019 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at $51,200,000.00 for 2018-2019 for the following programs that are funded by federal grants:

(a) An amount estimated at $100,000,000.00 for 2018-2019 for acquired immunodeficiency syndrome education grants, funded from HHS – Centers for Disease Control and Prevention, AIDS funding.

(b) An amount estimated at $1,900,000.00 for 2018-2019 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at $4,000,000.00 for 2018-2019 to provide mental health, substance abuse, or violence prevention services to students, funded from HHS-SAMHSA.

(d) An amount estimated at $24,000,000.00 for 2018-2019 for providing career and technical education services to pupils, funded from DED-OVAE, basic grants to states.

(e) An amount estimated at $14,000,000.00 for 2018-2019 for the Michigan charter school subgrant program, funded from DED–OII, public charter schools program funds.

(f) An amount estimated at $7,200,000.00 for 2018-2019 for the purpose of promoting and expanding high-quality preschool services, funded from HHS–OCC, preschool development funds.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(4) For the purposes of applying for federal grants appropriated under this article, the department shall allow an intermediate district to submit a consortium application on behalf of 2 or more districts with the agreement of those districts as appropriate according to federal rules and guidelines.

(5) For the purposes of funding federal title I grants under this article, in addition to any other federal grants for which a strict discipline academy is eligible, the department shall allocate to strict discipline academies out of title I, part A funds equal to what a strict discipline academy would have received if included and calculated under title I, part D, or what it would receive under the formula allocation under title I, part A, whichever is greater.

(6) As used in this section:

(a) "DED" means the United States Department of Education.
(b) "DED-OESE" means the DED Office of Elementary and Secondary Education.
(c) "DED-OII" means the DED Office of Innovation and Improvement.
(d) "DED-OVAE" means the DED Office of Vocational and Adult Education.
(e) "HHS" means the United States Department of Health and Human Services.
(f) "HHS-OCC" means the HHS Office of Child Care.
(g) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services Administration.

**History:**


Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of PA 204 of 2005 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,308,027,200.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,536,597,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,527,973,800.00."

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,576,597,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,536,597,200.00."

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,536,597,200.00."

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,824,041,900.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Compiler's note: The repealed section pertained to children in need of special readiness assistance.


Compiler's note: The repealed section pertained to children in need of special readiness assistance.
Alternate ACCESS”. From the appropriation in section 11, there is allocated an amount not to exceed $6,000,000.00 for 2018-2019 for payments to eligible districts and eligible public school academies for services for English language learners who have been administered the WIDA ACCESS for English language learners.

(2) Funding allocated under this section shall be distributed to eligible districts and eligible public school academies based on the number of full-time equivalent English language learners as follows:
   (a) $620.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 1.0 and 1.9, or less, as applicable to each assessment.
   (b) $410.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 2.0 and 2.9, or less, as applicable to each assessment.

(3) If funds allocated under this section are insufficient to fully fund the payments as prescribed under subsection (2), payments shall be prorated on an equal percentage basis, with the same percentage proration applied to both funding categories.

(4) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, in a form and manner determined by the department, which shall include a brief description of each program conducted or services performed by the district or public school academy using funds under this section and the amount of funds under this section allocated to each of those programs or services. If a district or public school academy does not comply with this section, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this section by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(5) In order to receive funds under this section, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse this state for all disallowances found in the audit.

(6) Beginning July 1, 2020, and every 3 years thereafter, the department shall review the per-pupil distribution under subsection (2), to ensure that funding levels are appropriate and make recommendations for adjustments to the members of the senate and house subcommittees on K-12 school aid appropriations.


Compiler's note: Former MCL 388.1641, which pertained to instructions for pupils of limited English-speaking ability, was repealed by Act 62 of 2011, Eff. Oct. 1, 2011.


Compiler's note: The repealed section pertained to instruction for pupils of limited English-speaking ability.


Compiler's note: The repealed section pertained to updating teacher certification tests.


Compiler's note: The repealed sections pertained to school health education curriculum, school dropout prevention programs, gifted and talented pupil programs, and nonresidential alternative juvenile rehabilitation programs.


Compiler's note: The repealed section pertained to reimbursement to districts and intermediate districts for special education programs, services, and personnel, certain net tuition payments, and programs for pupils with handicaps.

388.1651a Allocations for reimbursement to districts and intermediate districts for special education programs, services, and personnel; net tuition payments for Michigan Schools for the Deaf and Blind; programs for pupils eligible for special education programs and services; allocations; reimbursement; shortfall; adjustments; total approved costs; rights, benefits, and tenure of transferred personnel; refund; foundation allowance; order of expenditures; responsibility for added costs of special education programs and services for pupil enrolled in public school academy; receipt of federal allocation by cyber school; compliance; report of certain information.
Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $960,446,100.00 for 2017-2018 and there is allocated an amount not to exceed $983,196,100.00 for 2018-2019 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at $370,000,000.00 each fiscal year for 2017-2018 and for 2018-2019, plus any carryover federal funds from previous year appropriations. In addition, from the general fund appropriation in section 11, there is allocated to the department an amount not to exceed $500,000,000.00 for each fiscal year for 2017-2018 and for 2018-2019 for the purpose of subsection (16). The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1761; net tuition payments made by intermediate districts to the Michigan Schools for the Deaf and Blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals or other entities, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1761. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, and estimated at $266,900,000.00 for 2017-2018 and estimated at $273,100,000.00 for 2018-2019, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (11), times the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per-pupil allocation under section 20m, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per-pupil allocation under section 20m, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per-pupil allocation under section 20m.

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments calculated under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for 2017-2018 an amount not to exceed $1,300,000.00 and there is allocated an amount not to exceed $1,300,000.00 for 2018-2019 to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the
district's or intermediate district's payments under this article for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed $3,500,000.00 may be allocated by the department each fiscal year for 2017-2018 and for 2018-2019 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed $2,200,000.00 each fiscal year for 2017-2018 and for 2018-2019 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of sections 51a to 58, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and Medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this article. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for a fiscal year that the amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate district whose reimbursement for that fiscal year would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis. Beginning in 2015-2016, the amount of reimbursement under this subdivision for a fiscal year shall not exceed $2,000,000.00 for any district or intermediate district.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan Administrative Code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education
pupil transportation service from a constituent district that was previously purchased from a private entity; if
the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost
shift from the intermediate district to the constituent does not result in any net change in the revenue the
constituent district receives from payments under sections 22b and 51c, then upon application by the
intermediate district, the department shall direct the intermediate district to continue to report the cost
associated with the specific identified special education pupil transportation service and shall adjust the costs
reported by the constituent district to remove the cost associated with that specific service.

(8) A pupil who is enrolled in a full-time special education program conducted or administered by an
intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be
included in the membership count of a district, but shall be counted in membership in the intermediate district
of residence.

(9) Special education personnel transferred from 1 district to another to implement the revised school code
shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that
person been employed by the receiving district originally.

(10) If a district or intermediate district uses money received under this section for a purpose other than the
purpose or purposes for which the money is allocated, the department may require the district or intermediate
district to refund the amount of money received. Money that is refunded shall be deposited in the state
treasury to the credit of the state school aid fund.

(11) From the funds allocated in subsection (1), there is allocated the amount necessary, estimated at
$3,200,000.00 for 2017-2018, and estimated at $3,400,000.00 for 2018-2019, to pay the foundation
allowances for pupils described in this subsection. The allocation to a district under this subsection shall be
calculated by multiplying the number of pupils described in this subsection who are counted in membership in
the district times the sum of the foundation allowance under section 20 of the pupil's district of residence plus
the amount of the district's per-pupil allocation under section 20m, not to exceed the basic foundation
allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is
counted in membership in a district that is a public school academy, times an amount equal to the amount per
membership pupil under section 20(6) or, for a pupil described in this subsection who is counted in
membership in the education achievement system, times an amount equal to the amount per membership
pupil under section 20(7). The allocation to an intermediate district under this subsection shall be calculated in
the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of
residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that
district's per-pupil allocation under section 20m. This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are
served by the intermediate district in a juvenile detention or child caring facility.

(c) Pupils with an emotional impairment counted in membership by an intermediate district and provided
educational services by the department of health and human services.

(12) If it is determined that funds allocated under subsection (2) or (11) or under section 51c will not be
expended, funds up to the amount necessary and available may be used to supplement the allocations under
subsection (2) or (11) or under section 51c in order to fully fund those allocations. After payments under
subsections (2) and (11) and section 51c, the remaining expenditures from the allocation in subsection (1)
shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payments under section 56.

(13) The allocations under subsections (2), (3), and (11) shall be allocations to intermediate districts only
and shall not be allocations to districts, but instead shall be calculations used only to determine the state
payments under section 22b.

(14) If a public school academy that is not a cyber school, as defined in section 551 of the revised school
code, MCL 380.551, enrolls under this section a pupil who resides outside of the intermediate district in
which the public school academy is located and who is eligible for special education programs and services
according to statute or rule, or who is a child with disabilities, as defined under the individuals with
disabilities education act, Public Law 108-446, the intermediate district in which the public school academy is
located and the public school academy shall enter into a written agreement with the intermediate district in
which the pupil resides for the purpose of providing the pupil with a free appropriate public education, and the
written agreement shall include at least an agreement on the responsibility for the payment of the added costs
of special education programs and services for the pupil. If the public school academy that enrolls the pupil does not enter into an agreement under this subsection, the public school academy shall not charge the pupil’s resident intermediate district or the intermediate district in which the public school academy is located the added costs of special education programs and services for the pupil, and the public school academy is not eligible for any payouts based on the funding formula outlined in the resident or nonresident intermediate district’s plan. If a pupil is not enrolled in a public school academy under this subsection, the provision of special education programs and services and the payment of the added costs of special education programs and services for a pupil described in this subsection are the responsibility of the district and intermediate district in which the pupil resides.

(15) For the purpose of receiving its federal allocation under part B of the individuals with disabilities education act, Public Law 108-446, a public school academy that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, shall directly receive the federal allocation under part B of the individuals with disabilities education act, Public Law 108-446, from the intermediate district in which the cyber school is located, as the subrecipient. If the intermediate district does not distribute the funds described in this subsection to the cyber school by the part B application due date of July 1, the department may distribute the funds described in this subsection directly to the cyber school according to the formula prescribed in 34 CFR 300.705 and 34 CFR 300.816.

(16) For a public school academy that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, that enrolls a pupil under this section, the intermediate district in which the cyber school is located shall ensure that the cyber school complies with sections 1701a, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable rules; and the individuals with disabilities education act, Public Law 108-446. From the general fund appropriation under subsection (1), the department shall provide appropriate administrative funding to the intermediate district in which that cyber school is located for the purpose of ensuring that compliance.

(17) For the purposes of this section, the department or the center shall only require a district or intermediate district to report information that is not already available from the financial information database maintained by the center.


Compiler’s note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."
"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,536,597,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at $10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,562,169,000.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at $10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,701,332,600.00."

**388.1651b Funding; compliance with rules.**

Sec. 51b. A district or intermediate district shall not receive funds under section 51a unless the district or intermediate district complies with rules promulgated under article 3 of the revised school code, being sections 380.1701 to 380.1766 of the Michigan Compiled Laws.


**388.1651c Reimbursement for percentage of special education and special education transportation costs.**

Sec. 51c. As required by the court in the consolidated cases known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the allocation under section 51a(1), there is allocated each fiscal year for 2017-2018 and for 2018-2019 the amount necessary, estimated at $636,900,000.00 for 2017-2018 and $651,000,000.00 for 2018-2019, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.432 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 112 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 299 of 2011 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, in this amendatory act, in 2010 PA 110, in 2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at $10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,701,332,600.00."

388.1651d Federally funded special education programs and services; distribution; payment schedule; "DED-OSERS" defined.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for 2018-2019 all available federal funding, estimated at $61,000,000.00, for special education programs and services that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for 2018-2019:

(a) An amount estimated at $14,000,000.00 for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at $12,000,000.00 for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at $35,000,000.00 for special education programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.
(3) As used in this section, "DED-OSERS" means the United States Department of Education Office of Special Education and Rehabilitative Services.


**Compiler's note:** Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

388.1652 Special education programs and services; reimbursement; limitation.

Sec. 52. Reimbursement for the necessary costs of special education programs and services shall be a portion determined by the amount allocated under section 51a(1), but not to exceed 75% of the total approved costs of operating special education programs and services approved by the department and included or applying for inclusion in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, for special education pupils other than those programs funded under section 53a, and of the costs of summer programs and services and the costs of providing room and board for special education pupils, as approved by the department. If the state financed proportion of reimbursement of the necessary costs of a special education activity or service required by article 3 of the revised school code, MCL 380.1701 to 380.1766, which is in addition to or different from the special education activities or services required under sections 611 to 620 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, is less than the state financed proportion of the necessary costs of that activity or service in 1978-79, the portion of the amount appropriated shall be increased to reimburse that activity or service accordingly.


**Compiler's note:** The repealed section pertained to special education programs and services.

388.1653a Special education programs and services; reimbursement of total approved costs;
Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1761, minus the district's foundation allowance calculated under section 20 and minus the district's per-pupil allocation under section 20m. For intermediate districts, reimbursement for pupils described in subsection (2) shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per-pupil allocation under section 20m.

(2) Reimbursement under subsection (1) is for the following special education pupils:
(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.
(b) Pupils who are residents of institutions operated by the department of health and human services.
(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.
(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.
(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.
(f) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(3) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than $10,500,000.00 of the allocation for 2018-2019 in section 51a(1) shall be allocated under this section.


Compiler's note: Former MCL 388.1653a, which pertained to competitive contract bidding process to provide education services to emotionally impaired pupils, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."
Intermediate district to receive amount for pupil attending Michigan schools for the deaf and blind.

Sec. 54. Each intermediate district shall receive an amount per-pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than $1,688,000.00 of the allocation for 2018-2019 in section 51a(1) shall be allocated under this section.


**Compiler's note:** Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,356,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."


Compiler's note: The repealed section pertained to lending library at central Michigan university.

388.1654b Implementation of recommendations of special education reform task force; piloting statewide implementation of Michigan Integrated Behavior and Learning Support Initiative.

Sec. 54b. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed $1,600,000.00 for 2018-2019 to continue the implementation of the recommendations of the special education reform task force published in January 2016.

(2) The department shall use funds allocated under this section for the purpose of piloting statewide implementation of the Michigan Integrated Behavior and Learning Support Initiative (MiBLSI), a nationally recognized program that includes positive behavioral intervention and supports and provides a statewide structure to support local initiatives for an integrated behavior and reading program. With the assistance of the intermediate districts involved in MiBLSI, the department shall identify a number of intermediate districts to participate in the pilot that is sufficient to ensure that MiBLSI can be implemented statewide with fidelity and sustainability. In addition, the department shall identify an intermediate district to act as a fiscal agent for these funds.


Compiler's note: Former MCL 388.1654b, which pertained to a conductive learning center, was repealed by Act 137 of 2007, Imd. Eff. Nov. 8, 2007.


Compiler's note: The repealed section pertained to availability of newsletter electronically.

388.1654d Early on services pilot program; grant eligibility; purposes; report.

Sec. 54d. (1) From the appropriations in section 11, there is allocated an amount not to exceed $5,000,000.00 for 2018-2019 to intermediate districts for the purpose of providing state early on services pilot programs for children from birth to 3 years of age with a developmental delay or a disability, or both, and their families, as described in the early on Michigan state plan, as approved by the department.

(2) To be eligible to receive grant funding under this section, each intermediate district shall apply in a form and manner determined by the department.

(3) The grant funding allocated under this section shall be used to increase early on services and resources available to children that demonstrate developmental delays to help prepare them for success as they enter school. State early on services include evaluating and providing early intervention services for eligible infants and toddlers and their families to address developmental delays, including those affecting physical, cognitive, communication, adaptive, social, or emotional development. Grant funds must not be used to supplant existing services that are currently being provided.

(4) The funds allocated under subsection (1) shall be distributed to intermediate districts according to the department's early on funding formula utilized to distribute the federal award to Michigan under part C of the individuals with disabilities education act. Funds received under this section must not supplant existing funds or resources allocated for early on early intervention services. An intermediate district receiving funds under this section shall maximize the capture of Medicaid funds to support early on early intervention services to the extent possible.

(5) Each intermediate district that receives funds under this section shall report data and other information to the department in a form, manner, and frequency prescribed by the department to allow for monitoring and evaluation of the pilot projects and to ensure that the children described in subsection (1) received appropriate levels and types of services delivered by qualified personnel, based on the individual needs of the children and their families.

(6) Notwithstanding section 17b, payments under this section shall be paid on a schedule determined by

Rendered Tuesday, August 13, 2019   Page 215   Michigan Compiled Laws Complete Through PA 47 of 2019
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Conductive education for children with neuromotor disabilities; allocation for Conductive Learning Center; funding.

Sec. 55. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $250,000.00 for 2018-2019 to the Conductive Learning Center located at Aquinas College. This funding must be used to support the operational costs of the conductive education model taught at the Conductive Learning Center to maximize the independence and mobility of children and adults with neuromotor disabilities. The conductive education model funded under this section must be based on the concept of neuroplasticity and the ability of people to learn and improve when they are motivated, regardless of the severity of their disability.

(2) Notwithstanding section 17b, the department shall distribute the funding allocated under this section to the Conductive Learning Center not later than December 1, 2018.

Definitions; reimbursement to intermediate districts levyng millage for special education; limitation; distribution plan; computation; payments.

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1741, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1741, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed $37,758,100.00 for 2017-2018 and an amount not to exceed $40,008,100.00 for 2018-2019 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1741. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1761. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2016-2017 shall be made in 2017-2018 at an amount per 2016-2017 membership pupil computed by subtracting from $185,000.00 the 2016-2017 taxable value behind each membership pupil and multiplying the resulting difference by the 2016-2017 millage levied, and then subtracting from that amount the 2016-2017 local community stabilization share revenue for special education purposes behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

(4) Except as otherwise provided in this subsection, reimbursement for those millages levied in 2017-2018 shall be made in 2018-2019 at an amount per 2017-2018 membership pupil computed by subtracting from $193,700.00 the 2017-2018 taxable value behind each membership pupil and multiplying the resulting difference by the 2017-2018 millage levied, and then subtracting from that amount the 2017-2018 local community stabilization share revenue for special education purposes behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362. Reimbursement in 2018-2019 for an intermediate district whose 2017-2018 allocation was affected by the operation of subsection (5) shall be an amount equal to 102.5% of the 2017-2018 allocation to that intermediate district.

(5) The amount paid to a single intermediate district under this section shall not exceed 62.9% of the total amount allocated under subsection (2).

(6) The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.
The repealed section pertained to deduction of amount from total state school aid and agreement by district with department to develop school consolidation plan.

Compiler's note: The repealed section pertained to international baccalaureate diploma program or international baccalaureate middle years program.
Sec. 58. Allocations to districts and intermediate districts under section 51a for providing special education transportation services shall be based on data reported by the districts and intermediate districts for the current school year. For the purposes of this section, the department or the center shall only require a district or intermediate district to report information that is not already available from the financial information database maintained by the center.


388.1661a Career and technical education programs; added cost; inclusion of participation of students in grade 9; administration and reimbursement; participation under section 107; teaching or training restaurant management and culinary arts; "eligible Michigan-approved 501(c)(3) organization" defined.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $36,611,300.00 for 2018-2019 to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year and that has a foundation allowance as calculated under section 20 greater than the minimum foundation allowance under that section, and secondary area vocational-technical education centers for secondary-level career and technical education programs according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each career and technical education program area. The allocation of added cost funds shall be prioritized based on the capital and program expenditures needed to operate the career and technical education programs provided; the number of pupils enrolled; the advancement of pupils through the instructional program; the existence of an articulation agreement with at least 1 postsecondary institution that provides pupils with opportunities to earn postsecondary credit during the pupil's participation in the career and technical education program and transfers those credits to the postsecondary institution upon completion of the career and technical education program; and the program rank in student placement, job openings, and wages, and shall not exceed 75% of the added cost of any program. Notwithstanding any rule or department determination to the contrary, when determining a district's allocation or the formula for making allocations under this section, the department shall include the participation of pupils in grade 9 in all of those determinations and in all portions of the formula. With the approval of the department, the board of a district maintaining a secondary career and technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local career and technical education administration, shared time career and technical education administration, and career education planning district career and technical education administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than $800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) A career and technical education program funded under this section may provide an opportunity for participants who are eligible to be funded under section 107 to enroll in the career and technical education program funded under this section if the participation does not occur during regular school hours.

(4) In addition to the money allocated under subsections (1) and (5), from the general fund money appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed $100,000.00 to an eligible Michigan-approved 501(c)(3) organization for the purposes of teaching or training restaurant management and culinary arts for career and professional development. The department shall oversee funds distributed to an eligible grantee under this section. As used in this subsection, "eligible Michigan-approved 501(c)(3) organization" means an organization that is exempt from taxation under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, that provides the ProStart curriculum and training to state-approved career and technical education programs with classification of instructional programs (CIP) codes in the 12.05xx category, and that administers national certification for the purpose of restaurant management and culinary arts for career and professional development.

(5) In addition to the funds allocated under subsections (1) and (4), from the funds appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed $1,000,000.00 for competitive grants to
intermediate districts to hire career and technical education counselors. All of the following apply to this funding:

(a) An intermediate district seeking a grant under this subsection shall apply to the department in a form and manner specified by the department.

(b) The department shall award grants under this subsection to no more than 3 intermediate districts that received funding under this subsection in 2017-2018.

(c) To be eligible for funding under this subsection, an intermediate district shall do all of the following:

(i) Catalog all available K-12 and other workforce development programs and services, including job search, job training, pre-employment certifications, career awareness programs, career and technical education programs, and other related programs and services offered by districts or intermediate districts, postsecondary institutions, and other private or public service organizations.

(ii) Develop an outreach program that educates students about career and technical education options and connects students to the services cataloged under subparagraph (i).

(iii) Track student placement and report on student placement to the house and senate appropriations subcommittees on school aid no later than June 30, 2019 in the form and manner prescribed by the department.


Compiler's Note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."
act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

388.1661b CTE early/middle college and CTE dual enrollment programs; career and educational advisory council; definitions.

Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not to exceed $8,000,000.00 each fiscal year for 2017-2018 and for 2018-2019 for CTE early/middle college and CTE dual enrollment programs authorized under this section and for planning grants for the development or expansion of CTE early/middle college programs. The purpose of these programs is to increase the number of Michigan residents with high-quality degrees or credentials, and to increase the number of students who are college and career ready upon high school graduation.

(2) From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for state-approved CTE early/middle college and CTE dual enrollment programs in each of the prosperity regions and subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administrative costs for serving as the fiscal agent.

(3) To be an eligible fiscal agent, an intermediate district must agree to do all of the following in a form and manner determined by the department:

(a) Distribute funds to eligible CTE early/middle college and CTE dual enrollment programs in a prosperity region or subregion as described in this section.

(b) Collaborate with the career and educational advisory council that is located in the prosperity region or subregion to develop a regional strategic plan under subsection (4) that aligns CTE programs and services into an efficient and effective delivery system for high school students.

(c) Implement a regional process to rank career clusters in the prosperity region or subregion as described under subsection (4). Regional processes shall be approved by the department before the ranking of career clusters.

(d) Report CTE early/middle college and CTE dual enrollment program and student data and information as prescribed by the department and the center.

(4) A regional strategic plan must be approved by the career and educational advisory council before submission to the department. A regional strategic plan shall include, but not be limited to, the following:

(a) An identification of regional employer need based on a ranking of all career clusters in the prosperity region or subregion ranked by 10-year job openings projections and median wage for each standard occupational code in each career cluster as obtained from the United States Bureau of Labor Statistics. Standard occupational codes within high-ranking clusters also may be further ranked by median wage. The rankings shall be reviewed by the career and educational advisory council located in the prosperity region or subregion and modified if necessary to accurately reflect employer demand for talent in the prosperity region or subregion. A career and educational advisory council shall document that it has conducted this review and certify that it is accurate. These career cluster rankings shall be determined and updated once every 4 years.

(b) An identification of educational entities in the prosperity region or subregion that will provide eligible CTE early/middle college and CTE dual enrollment programs including districts, intermediate districts, postsecondary institutions, and noncredit occupational training programs leading to an industry-recognized credential.

(c) A strategy to inform parents and students of CTE early/middle college and CTE dual enrollment programs in the prosperity region or subregion.

(d) Any other requirements as defined by the department.

(5) An eligible CTE program is a program that meets all of the following:

(a) Has been identified in the highest 5 career cluster rankings in any of the 10 regional strategic plans jointly approved by the Michigan talent investment agency in the department of talent and economic development and the department.

(b) Has a coherent sequence of courses that will allow a student to earn a high school diploma and achieve at least 1 of the following in a specific career cluster:

(i) An associate degree.

(ii) An industry-recognized technical certification approved by the Michigan talent investment agency in the department of talent and economic development.

(iii) Up to 60 transferable college credits.

(iv) Participation in a registered apprenticeship, pre-apprenticeship, or apprentice readiness program.

(c) Is aligned with the Michigan merit curriculum.

(d) Has an articulation agreement with at least 1 postsecondary institution that provides students with
opportunities to receive postsecondary credits during the student's participation in the CTE early/middle college or CTE dual enrollment program and transfers those credits to the postsecondary institution upon completion of the CTE early/middle college or CTE dual enrollment program.

(e) Provides instruction that is supervised, directed, or coordinated by an appropriately certificated CTE teacher or, for concurrent enrollment courses, a postsecondary faculty member.

(f) Provides for highly integrated student support services that include at least the following:

(i) Teachers as academic advisors.

(ii) Supervised course selection.

(iii) Monitoring of student progress and completion.

(iv) Career planning services provided by a local one-stop service center as described in the Michigan Works! one-stop service center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a high school counselor or advisor.

(g) Has courses that are taught on a college campus, are college courses offered at the high school and taught by college faculty, or are courses taught in combination with online instruction.

(6) Funds to eligible CTE early/middle college and CTE dual enrollment programs shall be distributed as follows:

(a) The department shall determine statewide average CTE costs per pupil for each CIP code program by calculating statewide average costs for each CIP code program for the 3 most recent fiscal years.

(b) Distribution to each eligible CTE early/middle college or CTE dual enrollment program shall be the product of 50% of CTE costs per pupil times the current year pupil enrollment of each eligible CTE early/middle college or CTE dual enrollment program.

(7) In order to receive funds under this section, a CTE early/middle college or CTE dual enrollment program shall furnish to the intermediate district that is the fiscal agent identified in subsection (2), in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

(8) There is allocated from the funds under subsection (1) an amount not to exceed $500,000.00 each fiscal year for 2017-2018 and for 2018-2019 for grants to intermediate districts or consortia of intermediate districts for the purpose of planning for new or expanded early middle college programs. Applications for grants shall be submitted in a form and manner determined by the department. The amount of a grant under this subsection shall not exceed $50,000.00. To be eligible for a grant under this subsection, an intermediate district or consortia of intermediate districts must provide matching funds equal to the grant received under this subsection. Notwithstanding section 17b, payments under this subsection may be made as determined by the department.

(9) Funds distributed under this section may be used to fund program expenditures that would otherwise be paid from foundation allowances. A program receiving funding under section 61a may receive funding under this section for allowable costs that exceed the reimbursement the program received under section 61a. The combined payments received by a program under section 61a and this section shall not exceed the total allowable costs of the program. A program provider shall not use more than 5% of the funds allocated under this section for administrative costs.

(10) If the allocation under subsection (1) is insufficient to fully fund payments as otherwise calculated under this section, the department shall prorate payments under this section on an equal percentage basis.

(11) If pupils enrolled in a career cluster in an eligible CTE early/middle college or CTE dual enrollment program qualify to be reimbursed under this section, those pupils continue to qualify for reimbursement until graduation, even if the career cluster is no longer identified as being in the highest 5 career cluster rankings.

(12) As used in this section:

(a) "Allowable costs" means those costs directly attributable to the program as jointly determined by the Michigan talent investment agency and the department.

(b) "Career and educational advisory council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

(c) "CIP" means classification of instructional programs.

(d) "CTE" means career and technical education programs.

(e) "CTE dual enrollment program" means a 4-year high school program of postsecondary courses offered by eligible postsecondary educational institutions that leads to an industry-recognized certification or degree.

(f) "Early/middle college program" means a 5-year high school program.

(g) "Eligible postsecondary educational institution" means that term as defined in section 3 of the career
and technical preparation act, 2000 PA 258, MCL 388.1903.


### 388.1661c CTE skilled trades initiative; allocation to career education planning districts; report; definitions.

Sec. 61c. (1) From the general fund appropriation in section 11, there is allocated for 2018-2019 an amount not to exceed $2,500,000.00 to eligible career education planning districts for the CTE skilled trades initiative described in subsections (2) to (5). To be eligible to receive funding under this section, at least 50% of the area served by a CEPD must be located in an intermediate district that did not levy a vocational education millage in 2018.

(2) To receive funding under subsection (1), each eligible CEPD shall apply in a form and manner determined by the department. Funding to each eligible CEPD shall be equal to the quotient of the allocation under subsection (1) and the sum of the number of career education planning districts applying for funding under subsection (1) that are located in an intermediate district that did not levy a vocational education millage in 2018.

(3) At least 50% of the funding allocated to each eligible CEPD shall be used to update equipment in current CTE programs that have been identified in the highest 5 career cluster rankings in any of the 10 regional strategic plans jointly approved by the Michigan talent investment agency in the department of talent and economic development and the department, for training on new equipment, for professional development relating to computer science or coding, or for new and emerging certified CTE programs to allow CEPD administrators to provide programming in communities that will enhance economic development. The funding for equipment should be used to support and enhance community areas that have sustained job growth, and act as a commitment to build a more qualified and skilled workforce. In addition, each CEPD is encouraged to explore the option of leasing equipment from local private industry to encourage the use of the most advanced equipment.

(4) The allocation of funds at the local level shall be determined by CEPD administrators using data from the state, region, and local sources to make well-informed decisions on program equipment improvements. Grants awarded by CEPD administrators for capital infrastructure shall be used to ensure that CTE programs can deliver educational programs in high-wage, high-skill, and high-demand occupations. Each CEPD shall continue to ensure that program advisory boards make recommendations on needed improvements for equipment that support job growth and job skill development and retention for both the present and the future.

(5) Not later than September 15 of each fiscal year, each CEPD receiving funding shall annually report to the department, the senate and house appropriations subcommittees on state school aid, and the senate and house fiscal agencies and legislature on equipment purchased under subsection (1). In addition, the report shall identify growth data on program involvement, retention, and development of student skills.

(6) As used in this section:
   (a) "CEPD" means a career education planning district described in this section.
   (b) "CTE" means career and technical education.


### 388.1661d CTE programs; payments to districts; definitions.

Sec. 61d. (1) From the appropriation in section 11, there is allocated an amount not to exceed $5,000,000.00 for 2018-2019 for additional payments to districts for career and technical education programs for the purpose of increasing the number of Michigan residents with high-quality degrees or credentials, and to increase the number of pupils who are college- and career-ready upon high school graduation.

(2) Payments to districts under this section must be calculated in the following manner:
   (a) A payment of $25.00 multiplied by the number of pupils in grades 9 to 12 who are enrolled in at least 1 career and technical education program.
   (b) An additional payment of $25.00 multiplied by the number of pupils in grades 9 to 12 who are enrolled in at least 1 career and technical education program that provides instruction in critical skills and high-demand career fields.

(3) If the allocation under subsection (1) is insufficient to fully fund payments under subsection (2), the department shall prorate payments under this section on an equal-per-pupil basis.

(4) As used in this section:
   (a) "Career and technical education program" means a state-approved career and technical education program, as determined by the department.
(b) "Career and technical education program that provides instruction in critical skills and high-demand career field" means a career and technical education program classified under any of the following 2-digit classification of instructional programs (CIP) codes:

(i) 01, which refers to "agriculture, agriculture operations, and related sciences".
(ii) 03, which refers to "natural resources and conservation".
(iii) 10 through 11, which refers to "communications technologies/technicians and support services" and "computer and information sciences and support services".
(iv) 14 through 15, which refers to "engineering" and "engineering technologies and engineering-related fields".
(v) 26, which refers to "biological and biomedical sciences".
(vi) 46 through 48, which refers to "construction trades", "mechanic and repair technologies/technicians", and "precision production".
(vii) 51, which refers to "health professions and related programs".


Compiler's note: The repealed section pertained to regional career and technical education planning.

388.1661f Innovative retention and completion program; distribution to Mott Community College.

Sec. 61f. (1) From the funds appropriated under section 11, there is allocated an amount not to exceed $200,000.00 for 2018-2019 for a grant to support a program that is an innovative retention and completion program designed to create a seamless educational and career pathway support structure and that does at least all of the following:

(a) Creates a pipeline from kindergarten to a college credential.
(b) Provides coaching at all levels of K-12 education to foster an environment that educates pupils on the availability and positive outcomes from postsecondary education.
(c) Introduces career clusters to elementary school pupils, career pathways to middle school pupils, and develops pupil success plans for high school pupils.
(d) Provides family literacy sessions.
(e) Provides a summer bridge program to ensure seamless transition from high school to postsecondary educational opportunities.
(f) Introduces K-12 pupils to college and career opportunities at postsecondary campuses and bridges those pupils into the respective postsecondary institutions for coursework.
(g) Creates a partnership between area districts, a community college, and a public university to serve pupils in the program.
(h) Synchronizes families and pupils to assess and understand their knowledge of how to be successful in school and work.

(2) The department shall distribute the funds awarded under subsection (1) not later than February 15, 2019 to Mott Community College to implement the program under this section. Funds allocated under this section may be used for salaries and benefits, supply and programming costs, and gap scholarships.


388.1661g Programs for high-demand future jobs; eligibility.

Sec. 61g. (1) From the funds appropriated under section 11, there is allocated for 2018-2019 an amount not to exceed $50,000.00 for a grant to an eligible intermediate district for the expansion of programs for high-demand future jobs as prescribed under this section.

(2) An intermediate district is eligible for funds under this section if the intermediate district meets all of the following:

(a) The total combined memberships of its constituent districts is at least 20,000 and not more than 30,000.
(b) The intermediate district is located in prosperity region 6.
(c) The intermediate district agrees to provide a 100% match of the funding it receives under this section.

(3) An intermediate district that receives funds under this section shall use the funds for start-up costs, including the purchase of tools, equipment, hardware, software, furniture, and supplies for energy technology and cybersecurity programs.

(4) Notwithstanding section 17b, payments made under this section shall be made not later than March 1, 2019.

388.1661h Statewide virtual reality training initiative.

Sec. 61h. (1) From the funds allocated under section 11, there is allocated an amount not to exceed $1,200,000.00 for 2018-2019 to an eligible intermediate district to act as the fiscal agent in support of the statewide virtual reality training initiative described in subsection (2). An intermediate district is eligible for funding under this section if it meets both of the following:

(a) The combined total membership of its constituent districts is at least 10,000 and not more than 11,000.
(b) The intermediate district is located in prosperity region 6.

(2) The statewide virtual reality training initiative supported by funding under this section is a collaborative effort between private and public sector groups to provide training opportunities in targeted areas, and shall do all of the following:

(a) Focus on skilled trades, nursing, law enforcement, and life skills for the developmentally challenged.
(b) Bring together intermediate districts, private sector labor and management, and state resources to provide a unique experience using virtual reality to expose potential employees to career opportunities and provide cutting-edge training for existing employees.
(c) Partner with a small business start-up company focused on using virtual reality in the areas of education and training to develop custom content.
(d) Create a talent development track.

(3) Notwithstanding section 17b, payments made under this section shall be provided to an eligible intermediate district not later than March 1, 2019.


388.1662 Definitions; vocational-technical education; reimbursement; limitation; payments.

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.
(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.
(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(i) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.
(ii) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed $9,190,000.00 each fiscal year for 2017-2018 and for 2018-2019 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for those millages levied in 2016-2017 shall be made in 2017-2018 at an amount per 2016-2017 membership pupil computed by subtracting from $200,800.00 the 2016-2017 taxable value behind each membership pupil and multiplying the resulting difference by the 2016-2017 millage levied, and then subtracting from that amount the 2016-2017 local community stabilization share revenue for area vocational technical education behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

(4) Reimbursement for those millages levied in 2017-2018 shall be made in 2018-2019 at an amount per 2017-2018 membership pupil computed by subtracting from $205,700.00 the 2017-2018 taxable value behind each membership pupil and multiplying the resulting difference by the 2017-2018 millage levied, and then...
Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.

Enacting section 1 of Act 531 of 2002 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,536,597,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,346,293,300.00."
2010 PA 204, in 2010 PA 205, in 2010 PA 217, and in 2011 PA 62 from state sources for fiscal year 2010-2011 is estimated at $10,803,402,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,701,332,600.00.


Compiler's note: The repealed section pertained to participation of intermediate district with local health department in joint capital project.


Compiler's note: The repealed section pertained to middle college focused on health sciences.


Compiler's note: The repealed section pertained to statewide transfer or articulation agreements.

388.1664b Supporting attendance of district pupils under MCL 388.511 to 388.524, MCL 388.1901 to 388.1913, or concurrent enrollment program.

Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount not to exceed $1,750,000.00 for 2018-2019 for supplemental payments to districts that support the attendance of district pupils in grades 9 to 12 under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that support the attendance of district pupils in a concurrent enrollment program if the district meets the requirements under subsection (3). Programs funded under this section are intended to increase the number of pupils who are college- and career-ready upon high school graduation.

(2) To be eligible for payments under this section for supporting the attendance of district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, a district shall do all of the following:

(a) Provide information to all high school pupils on postsecondary enrollment options, including enrollment eligibility, the institutions and types of courses that are eligible for participation, the decision-making process for granting academic credit, and an explanation of eligible charges that will be paid by the district.

(b) Enter into a written agreement with a postsecondary institution before the enrollment of district pupils.

(c) Agree to pay all eligible charges pursuant to section 21b.

(d) Award high school credit for the postsecondary course if the pupil successfully completes the course.

(3) To be eligible for payments under this section for pupils enrolled in a concurrent enrollment program, a district shall do all of the following:

(a) Provide information to all high school pupils on postsecondary enrollment options, including enrollment eligibility, the institutions and types of courses that are eligible for participation, the decision-making process for granting academic credit, and an explanation of eligible charges that will be paid by the district.

(b) Enter into a written agreement with a postsecondary institution establishing the concurrent enrollment program before the enrollment of district pupils in a postsecondary course through the postsecondary institution.

(c) Ensure that the course is taught by either a high school teacher or postsecondary faculty pursuant to standards established by the postsecondary institution with which the district has entered into a written agreement to operate the concurrent enrollment program.

(d) Ensure that the written agreement provides that the postsecondary institution agrees not to charge the pupil for any cost of the program.

(e) Ensure that the course is taught in the local district or intermediate district.

(f) Ensure that the pupil is awarded both high school and college credit at a community college or state public university in this state upon successful completion of the course as outlined in the agreement with the postsecondary institution.

(4) Funds shall be awarded to eligible districts under this section in the following manner:

(a) A payment of $10.00 per credit, for up to 3 credits, for a credit-bearing course in which a pupil enrolls during the current school year, as described under either subsection (2) or (3).

(b) An additional payment of $30.00 per-pupil per course identified in subdivision (a), if the pupil successfully completes, and is awarded both high school and postsecondary credit for, the course during the current school year.

(5) A district requesting payment under this section shall submit an application to the department in the form and manner prescribed by the department. Notwithstanding section 17b, payments under this section...
shall be made on a schedule determined by the department.


Compiler’s note: The repealed section pertained to report analyzing state's current career readiness education system.

388.1664d Information technology education opportunities; grant program; selection of provider; work project; carrying over unexpended funds.

Sec. 64d. (1) From the general fund appropriation under section 11, there is allocated an amount not to exceed $2,300,000.00 for 2018-2019 for a grant to provide information technology education opportunities to students attending schools operating grades K-12, career and technical centers and career academies, and community colleges and universities. It is the intent of the legislature that 2018-2019 is the second of 3 years of funding for the grant program. Funds allocated under this section shall be used for instruction in information technology skills and competencies that are essential for the workplace and requested by employers and shall allow participating students and faculties to secure broad-based information technology certifications and, if applicable, college credit.

(2) The department shall select the provider that received funding under this section in 2017-2018. A program funded under this section must include at least the following components:
   (a) Research- and skill-development-based and information technology curriculum.
   (b) Online access to the curriculum.
   (c) Instructional software for classroom and student use.
   (d) A program that includes coding curriculum and material that are aligned to the CS AP exam and grants a certificate upon completion of the program.
   (e) Components for all grade levels on computational thinking skills development using the latest gaming software.
   (f) A process for students to obtain certifications of skills and competencies in a broad base of information technology-related skill areas.
   (g) Professional development for faculty.
   (h) Implementation and program support, including, but not limited to, integration with current curriculum standards.
   (i) Methods for students to earn college credit.

(3) The funds allocated under this section for 2018-2019 are a work project appropriation, and any unexpended funds for 2018-2019 are to be carried forward into 2019-2020. The purpose of the work project is to continue to provide information technology education opportunities described in this section. The estimated completion date of the work project is September 30, 2020.


Compiler’s note: Former MCL 388.1664d, which pertained to contract to provide information technology education opportunities, was repealed by Act 85 of 2015, Eff. Oct. 1, 2015.

388.1665 Pre-college engineering K-12 educational program.

Sec. 65. (1) From the appropriation under section 11, there is allocated an amount not to exceed $400,000.00 for 2018-2019 for a pre-college engineering K-12 educational program that is focused on the development of a diverse future Michigan workforce, that serves multiple communities within southeast Michigan, that enrolls pupils from multiple districts, and that received funds appropriated for this purpose in the appropriations act that provided the Michigan strategic fund budget for 2014-2015.

(2) To be eligible for funding under this section, a program must have the ability to expose pupils to, and motivate and prepare pupils for, science, technology, engineering, and mathematics careers and postsecondary education with special attention given to groups of pupils who are at-risk and underrepresented in technical professions and careers.


Compiler’s note: Former MCL 388.1665, which pertained to precollege programs in engineering and sciences, was repealed by Act 62 of 2011, Eff. Oct. 1, 2011.


Compiler’s note: The repealed section pertained to job training and development programs.
Section 67. (1) From the general fund amount appropriated in section 11, there is allocated an amount not to exceed $3,000,000.00 for 2018-2019 for college access programs. The programs funded under this section are intended to inform students of college and career options and to provide resources intended to increase the number of pupils who are adequately prepared with the information needed to make informed decisions on college and career. The funds appropriated under this section are intended to be used to increase the number of Michigan residents with high-quality degrees or credentials. Funds appropriated under this section shall not be used to supplant funding for counselors already funded by districts.

(2) The talent investment agency of the department of talent and economic development shall administer funds allocated under this section in collaboration with the Michigan college access network. These funds may be used for any of the following purposes:

(a) Michigan college access network operations, programming, and services to local college access networks.

(b) Local college access networks, which are community-based college access/success partnerships committed to increasing the college participation and completion rates within geographically defined communities through a coordinated strategy.

(c) The Michigan college advising program, a program intended to place trained, recently graduated college advisors in high schools that serve significant numbers of low-income and first-generation college-going pupils. State funds used for this purpose may not exceed 33% of the total funds available under this subsection.

(d) Subgrants of up to $5,000.00 to districts with comprehensive high schools that establish a college access team and implement specific strategies to create a college-going culture in a high school in a form and manner approved by the Michigan college access network and the Michigan talent investment agency.

(e) The Michigan college access portal, an online one-stop portal to help pupils and families plan and apply for college.

(f) Public awareness and outreach campaigns to encourage low-income and first-generation college-going pupils to take necessary steps toward college and to assist pupils and families in completing a timely and accurate free application for federal student aid.

(g) Subgrants to postsecondary institutions to recruit, hire, and train college student mentors and college advisors to assist high school pupils in navigating the postsecondary planning and enrollment process.

(3) For the purposes of this section, "college" means any postsecondary educational opportunity that leads to a career, including, but not limited to, a postsecondary degree, industry-recognized technical certification, or registered apprenticeship.


Section 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed $3,754,900.00 for 2018-2019 for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction; cost of instruction and driver compensation; nonspecial education auxiliary services transportation; inspection costs.

Compiler's note: The repealed section pertained to transportation services funding and aid.

Compiler's note: The repealed sections pertained to transportation programs and procurement of school buses.

Compiler's note: The repealed section pertained to Michigan career preparation system grants.
safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated for 2018-2019 the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this article for nonspecial education auxiliary services transportation.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed $1,729,900.00 for 2018-2019 for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil transportation vehicles by the department of state police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it to the department and to an intermediate district serving as fiduciary in a time and manner determined jointly by the department and the department of state police. Upon review and approval of the statement of cost, the department shall forward to the designated intermediate district serving as fiduciary the amount of the reimbursement on behalf of each district and intermediate district for costs detailed on the statement within 45 days after receipt of the statement. The designated intermediate district shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.


**Compiler’s note:** In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill...
of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect October 1, 2013."

388.1674a Statewide school bus driver safety program; requirements.

Sec. 74a. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $810,000.00 for 2018-2019 to an eligible intermediate district to implement a statewide school bus driver safety program.

(2) An intermediate district is eligible to receive funds under this section if the intermediate district meets all of the following:

(a) The total combined membership of its constituent districts is at least 7,000 and not more than 8,000.

(b) The intermediate district is located in prosperity region 4.

(c) The intermediate district consists of 2 formerly independent intermediate districts that consolidated into 1 intermediate district.

(3) A statewide school bus driver safety program funded under this section must provide transportation staff training on how to respond to acts of violence by using the model known as Alert, Lockdown, Inform, Counter, Evacuate (A.L.I.C.E.) for school buses.

(4) Notwithstanding section 17b, payments made under this section shall be provided to an eligible intermediate district not later than March 1, 2019.


Compiler's note: Former MCL 388.1674a, which pertained to conversion of buses from diesel fuel to natural gas, was repealed by Act 85 of 2015, Eff. Oct. 1, 2015.


Compiler's note: The repealed section pertained to nonspecial education auxiliary services transportation.

388.1676 Funding for transporting nonpublic school students.

Sec. 76. If a district received money in 1993-94 attributable to nonspecial education transportation under former section 71 and that money was included in calculating the district's combined state and local revenue per membership pupil in 1993-94 under section 20(21), as that section was in effect for 1994-95, then the district shall use funding as calculated under section 20 as the funding for transporting nonpublic school students as required under section 1321 of the revised school code, MCL 380.1321.


Compiler's note: Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

388.1677 Transportation costs for nonresident pupils.

Sec. 77. (1) If a district is educating all of the high school pupils who are counted in membership in another district pursuant to an agreement between the 2 districts and if the educating district provides transportation for its own resident high school pupils, the educating district shall use state school aid under this article to provide transportation to and from school for normal curricular activities for those high school pupils who reside in the other district.

(2) Subsection (1) does not require the educating district to provide transportation for a nonresident pupil for any extracurricular or athletic activity in which the pupil participates.


388.1681 Allocations to intermediate districts; amounts; expanded professional development
opportunities for teachers; consolidated, annexed, or attached districts; duties of intermediate district.

Sec. 81. (1) From the appropriation in section 11, there is allocated for 2018-2019 to the intermediate districts the sum necessary, but not to exceed $68,453,000.00 to provide state aid to intermediate districts under this section.

(2) The amount allocated under this section to each intermediate district is an amount equal to 102% of the amount allocated to the intermediate district under this section for 2017-2018. Funding provided under this section shall be used to comply with requirements of this article and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this article, and to provide technical assistance to districts as authorized by the intermediate school board.

(3) Intermediate districts receiving funds under this section, shall collaborate with the department to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan merit curriculum.

(4) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of $3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(5) In order to receive funding under this section, an intermediate district shall do all of the following:

(a) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil accounting and auditing procedures, rules, and regulations.

(b) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in rules, regulations, and district reporting procedures for the individual-level student data that serves as the basis for the calculation of the district and high school graduation and dropout rates.

(c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(d) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(e) Comply with section 1230g of the revised school code, MCL 380.1230g.


Compiler's note: Subsection (3) of Sec. 81, as amended by Act 128 of 1987, was vetoed by the governor on July 24, 1987.

Sec. 81, as amended by Act 212 of 1986, did not have a subsection (3).

Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

Subsection (3) of Sec. 81, as amended by Act 118 of 1991, was vetoed by the governor on October 11, 1991. Subsection (3) of Sec. 81, as amended by Act 207 of 1990, is set forth in the text of Sec. 81 above.

In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrases "and for 2002-2003" and "and not to exceed $95,028,100.00 for 2002-2003" were vetoed by the governor September 28, 2001.

"The fourth sentence of subsection (1), as amended by Act 121 of 2001, and which read "Except as otherwise provided in this section, there shall be allocated to each intermediate district for 2002-2003 an amount equal to 103.1% of the amount of funding actually received by the intermediate district under this subsection for 2001-2002."

was vetoed by the governor September 28, 2001.

In the second sentence of subsection (3), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.
In the first sentence of subsection (5), as amended by Act 121 of 2001, the phrase “and an amount not to exceed $940,000.00 for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00.”

Enacting section 1 of Act 342 of 2006 provides:

“Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,536,597,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00.”

Enacting section 1 of Act 137 of 2007 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00.”

Enacting section 1 of Act 268 of 2008 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,681,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00.”

Enacting section 1 of Act 121 of 2009 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00.”

Enacting section 1 of Act 204 of 2010 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00.”


Compiler's note: The repealed section pertained to reduction of allocations.


Compiler's note: The repealed section pertained to model intervening program for grades K to 3.


Compiler's note: The repealed section pertained to educational media centers.


Compiler's note: The repealed section pertained to instructional services to homebound or hospitalized pupils.


Compiler's note: The repealed section pertained to allocations for intermediate school districts.


Compiler's note: The repealed section pertained to regular nonspecial education educational programs in residential child care institutions for court placed pupils.


Compiler's note: The repealed section pertained to allocations for innovative and diversified educational programs and for pilot school-level building program.


Compiler's note: The repealed section pertained to long-range school improvement plans, annual education report, and core curriculum.
388.1691a Cessation of pilot intermediate district schools of choice program; enrollment of nonresident pupil in district.

Sec. 91a. If a district allowed a nonresident pupil to enroll in the district under a pilot intermediate district schools of choice program under former section 91, the district shall continue to allow that pupil to enroll in the district until the pupil graduates from high school even if the district ceases to participate in the pilot intermediate district schools of choice program or the program is discontinued.


Compiler's note: The repealed section pertained to enrollment of nonresident pupil in district.

388.1691c Transfer student; eligibility to participate in interscholastic athletic competition.

Sec. 91c. A pupil who transfers to a district other than the pupil's district of residence under an intermediate district schools of choice pilot program under former section 91 is ineligible to participate in interscholastic athletic competition for a period of 1 semester from the date the pupil transfers.


Compiler's note: The repealed section pertained to allocation to Saginaw Valley state university.


Compiler's note: The repealed section pertained to basic skills development program.


The repealed section pertained to allocation to library of Michigan to support Michigan electronic library in public schools and public libraries.

388.1694 Advanced placement and international baccalaureate programs; college-level examination program (CLEP).

Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to the department for 2017-2018 an amount not to exceed $750,000.00 and there is allocated to the department for 2018-2019 an amount not to exceed $1,000,000.00 for efforts to increase the number of pupils who participate and succeed in advanced placement and international baccalaureate programs, and, beginning in 2018-2019, to support the college-level examination program (CLEP).

(2) From the funds allocated under this section, the department shall award funds to cover all or part of the costs of advanced placement test fees or international baccalaureate test fees and international baccalaureate registration fees for low-income pupils who take an advanced placement or an international baccalaureate test, and, beginning in 2018-2019, CLEP fees for low-income pupils who take a CLEP test.

(3) The department shall only award funds under this section if the department determines that all of the following criteria are met:

(a) Each pupil for whom payment is made meets eligibility requirements of the federal advanced placement test fee program under section 1701 of the no child left behind act of 2001, Public Law 107-110, or under a corresponding provision of the every student succeeds act, Public Law 114-95.

(b) The tests are administered by the college board, the international baccalaureate organization, or another test provider approved by the department.

(c) The pupil for whom payment is made pays at least $5.00 toward the cost of each test for which payment is made.

(4) The department shall establish procedures for awarding funds under this section.

(5) Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.


Compiler's note: Former MCL 388.1694, which pertained to technical assistance to districts for school accreditation purposes, was repealed by Act 158 of 2003, Eff. Oct. 1, 2003.

388.1694a Center for educational performance and information.

Sec. 94a. (1) There is created within the state budget office in the department of technology, management,
and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from districts, intermediate districts, and postsecondary institutions.

(b) Create, maintain, and enhance this state's P-20 longitudinal data system and ensure that it meets the requirements of subsection (4).

(c) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities, including, but not limited to, electronic transcript services.

(d) Create, maintain, and enhance this state's web-based educational portal to provide information to school leaders, teachers, researchers, and the public in compliance with all federal and state privacy laws. Data shall include, but are not limited to, all of the following:

(i) Data sets that link teachers to student information, allowing districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

(ii) Data access or, if practical, data sets, provided for regional data hubs that, in combination with local data, can improve teaching and learning in the classroom.

(iii) Research-ready data sets for researchers to perform research that advances this state's educational performance.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide public reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts, intermediate districts, or postsecondary institutions as required under state or federal law shall make arrangements with the center to ensure that the state department, officer, or agency is in compliance with subsection (1). This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The center may enter into any interlocal agreements necessary to fulfill its functions.

(4) The center shall ensure that the P-20 longitudinal data system required under subsection (1)(b) meets all of the following:

(a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.

(b) Supports interoperability by using standard data structures, data formats, and data definitions to ensure linkage and connectivity in a manner that facilitates the exchange of data among agencies and institutions within the state and between states.

(c) Enables the matching of individual teacher and student records so that an individual student may be matched with those teachers providing instruction to that student.

(d) Enables the matching of individual teachers with information about their certification and the institutions that prepared and recommended those teachers for state certification.

(e) Enables data to be easily generated for continuous improvement and decision-making, including timely reporting to parents, teachers, and school leaders on student achievement.

(f) Ensures the reasonable quality, validity, and reliability of data contained in the system.

(g) Provides this state with the ability to meet federal and state reporting requirements.

(h) For data elements related to preschool through grade 12 and postsecondary, meets all of the following:

(i) Contains a unique statewide student identifier that does not permit a student to be individually identified by users of the system, except as allowed by federal and state law.

(ii) Contains student-level enrollment, demographic, and program participation information.

(iii) Contains student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete education programs.

(iv) Has the capacity to communicate with higher education data systems.

(i) For data elements related to preschool through grade 12 only, meets all of the following:

(ii) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.

(i) Contains student-level transcript information, including information on courses completed and grades earned.

(ii) Contains student-level college readiness test scores.
(j) For data elements related to postsecondary education only:
   (i) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:
      (A) Enrollment in remedial coursework.
      (B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.
   (ii) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

   (5) From the general fund appropriation in section 11, there is allocated an amount not to exceed $16,356,700.00 for 2018-2019 to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11, there is allocated for 2018-2019 the amount necessary, estimated at $193,500.00, to support the operations of the center and to establish a P-20 longitudinal data system necessary for state and federal reporting purposes. The center shall cooperate with the department to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state.

   (6) From the funds allocated in subsection (5), the center may use an amount determined by the center for competitive grants for 2018-2019 to support collaborative efforts on the P-20 longitudinal data system. All of the following apply to grants awarded under this subsection:
      (a) The center shall award competitive grants to eligible intermediate districts or a consortium of intermediate districts based on criteria established by the center.
      (b) Activities funded under the grant shall support the P-20 longitudinal data system portal and may include portal hosting, hardware and software acquisition, maintenance, enhancements, user support and related materials, and professional learning tools and activities aimed at improving the utility of the P-20 longitudinal data system.
      (c) An applicant that received a grant under this subsection for the immediately preceding fiscal year shall receive priority for funding under this section. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new applicants.

   (7) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

   (8) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (5) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

   (9) As used in this section:
      (a) "DED-OESE" means the United States Department of Education Office of Elementary and Secondary Education.
      (b) "State education agency" means the department.


**Compiler’s note:** In subsection (1), as amended by Act 121 of 2001, the phrase “and an amount not to exceed $2,519,000.00 for 2002-2003” was vetoed by the governor September 28, 2001.

For transfer of powers, duties, functions, and responsibilities of the database for educational performance and information to the center for educational performance and information by type II transfer, see E.R.O. No. 2000-6, compiled at MCL 388.996 of the Michigan compiled laws.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.
Sec. 94a, as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

For transfer of a position on the center for educational performance and information advisory committee designated for a representative of the department of career development to the director of the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 73 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 268 from state sources for fiscal year 2008-2009 is estimated at $11,097,798,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $10,890,765,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,641,900.00."


Compiler's note: The repealed section pertained to professional development for principals and assistant principals.

388.1695a Educator evaluation reserve fund.

Sec. 95a. (1) The educator evaluation reserve fund is created as a separate account within the state school aid fund.

(2) The state treasurer may receive money or other assets from any source for deposit into the educator evaluation reserve fund. The state treasurer shall direct the investment of the educator evaluation reserve fund. The state treasurer shall credit to the educator evaluation reserve fund interest and earnings from the educator evaluation reserve fund.

(3) Money in the educator evaluation reserve fund at the close of the fiscal year shall remain in the educator evaluation reserve fund and shall not lapse to the state school aid fund or to the general fund. The department of treasury shall be the administrator of the educator evaluation reserve fund for auditing purposes.

(4) From the appropriations in section 11, there is allocated to the educator evaluation reserve fund for 2014-2015 an amount not to exceed $12,100,000.00 from the state school aid fund and an amount not to exceed $2,700,000.00 from the general fund. Subject to subsections (5) and (6), the department shall expend the money in the educator evaluation reserve fund for implementing evaluation systems for public school teachers and school administrators.

(5) Funds in the educator evaluation reserve fund shall not be expended unless the state budget office has approved the department's spending plan.


388.1695b Model value-added growth and projection analytics system.

Sec. 95b. (1) From the general fund appropriation under section 11, there is allocated to the department an amount not to exceed $2,500,000.00 for 2018-2019 for the department to adopt a model value-added growth
and projection analytics system and to incorporate that model into its reporting requirements under the every
student succeeds act, Public Law 114-95. The adopted model shall do at least all of the following:
(a) Utilize existing assessments and any future assessments that are suitable for measuring student growth.
(b) Report student growth measures at the district, school, teacher, and subgroup levels.
(c) Recognize the growth of tested students, including those who may have missing assessment data.
(d) Include all available prior standardized assessment data that meet inclusion criteria across grades,
subjects, and state and local assessments.
(e) Allow student growth results to be disaggregated.
(f) Provide individual student projections showing the probability of a student reaching specific
performance levels on future assessments.
(g) Demonstrate any prior success with this state's assessments through the Michigan council of educator
effectiveness teacher evaluation pilot.
(h) Demonstrate prior statewide implementation in at least 2 other states for at least 10 years.
(i) Have a native roster verification system built into the value-added reporting platform that has been
implemented statewide in at least 2 other states.
(j) Have a "Help/Contact Us" ticketing system built into the value-added reporting platform.
(2) The department shall provide internet-based electronic student growth and projection reporting based
on the model adopted under subsection (1) to educators at the school, district, and state levels. The model
shall include role-based permissions that allow educators to access information about the performance of the
students within their immediate responsibility in accordance with applicable privacy laws.
(3) The model adopted under subsection (1) must not be a mandatory part of teacher evaluation or educator
pay-for-performance systems.
(4) The model adopted under subsection (1) must be a model that received funding under this section in
2017-2018.

Compiler's note: The repealed section pertained to golden apple awards.

Compiler's note: The repealed section pertained to teacher technology initiative.

388.1698 Michigan Virtual University; Michigan Virtual Learning Research Institute; Michigan
Virtual School; online and blended educator professional development programs; virtual
course offerings; home-schooled or nonpublic school student; report; advisory group;
submission of budget; definitions.
Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $7,387,500.00 for 2018-2019 for the purposes described in this section. The Michigan Virtual University shall provide a report to the legislature not later than November 1 of each year that includes its mission, its plans, and proposed benchmarks it must meet, which shall include a plan to achieve the organizational priorities identified in this section, in order to receive full funding for 2019-2020. Not later than March 1 of each year, the Michigan Virtual University shall provide an update to the house and senate appropriations subcommittees on school aid to show the progress being made to meet the benchmarks identified.
(2) The Michigan Virtual University shall operate the Michigan Virtual Learning Research Institute. The Michigan Virtual Learning Research Institute shall do all of the following:
(a) Support and accelerate innovation in education through the following activities:
(i) Test, evaluate, and recommend as appropriate new technology-based instructional tools and resources.
(ii) Research, design, and recommend virtual education delivery models for use by pupils and teachers that include age-appropriate multimedia instructional content.
(iii) Research, develop, and recommend annually to the department criteria by which cyber schools and virtual course providers should be monitored and evaluated to ensure a quality education for their pupils.
(iv) Based on pupil completion and performance data reported to the department or the center for educational performance and information from cyber schools and other virtual course providers operating in this state, analyze the effectiveness of virtual learning delivery models in preparing pupils to be college- and career-ready and publish a report that highlights enrollment totals, completion rates, and the overall impact on pupils. The report shall be submitted to the house and senate appropriations subcommittees on state school.
(v) Provide an extensive professional development program to at least 30,000 educational personnel, including teachers, school administrators, and school board members, that focuses on the effective integration of virtual learning into curricula and instruction. The Michigan Virtual Learning Research Institute is encouraged to work with the MiSTEM advisory council created under section 99s to coordinate professional development of teachers in applicable fields. In addition, the Michigan Virtual Learning Research Institute and external stakeholders are encouraged to coordinate with the department for professional development in this state. Not later than December 1 of each year, the Michigan Virtual Learning Research Institute shall submit a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department on the number of teachers, school administrators, and school board members who have received professional development services from the Michigan Virtual University. The report shall also identify barriers and other opportunities to encourage the adoption of virtual learning in the public education system.

(vi) Identify and share best practices for planning, implementing, and evaluating virtual and blended education delivery models with intermediate districts, districts, and public school academies to accelerate the adoption of innovative education delivery models statewide.

(b) Provide leadership for this state's system of virtual learning education by doing the following activities:

(i) Develop and report policy recommendations to the governor and the legislature that accelerate the expansion of effective virtual learning in this state's schools.

(ii) Provide a clearinghouse for research reports, academic studies, evaluations, and other information related to virtual learning.

(iii) Promote and distribute the most current instructional design standards and guidelines for virtual teaching.

(iv) In collaboration with the department and interested colleges and universities in this state, support implementation and improvements related to effective virtual learning instruction.

(v) Pursue public/private partnerships that include districts to study and implement competency-based technology-rich virtual learning models.

(vi) Create a statewide network of school-based mentors serving as liaisons between pupils, virtual instructors, parents, and school staff, as provided by the department or the center, and provide mentors with research-based training and technical assistance designed to help more pupils be successful virtual learners.

(vii) Convene focus groups and conduct annual surveys of teachers, administrators, pupils, parents, and others to identify barriers and opportunities related to virtual learning.

(viii) Produce an annual consumer awareness report for schools and parents about effective virtual education providers and education delivery models, performance data, cost structures, and research trends.

(ix) Provide an internet-based platform that educators can use to create student-centric learning tools and resources for sharing in the state's open educational resource repository and facilitate a user network that assists educators in using the content creation platform and state repository for open educational resources. As part of this initiative, the Michigan Virtual University shall work collaboratively with districts and intermediate districts to establish a plan to make available virtual resources that align to Michigan's K-12 curriculum standards for use by students, educators, and parents.

(x) Create and maintain a public statewide catalog of virtual learning courses being offered by all public schools and community colleges in this state. The Michigan Virtual Learning Research Institute shall identify and develop a list of nationally recognized best practices for virtual learning and use this list to support reviews of virtual course vendors, courses, and instructional practices. The Michigan Virtual Learning Research Institute shall also provide a mechanism for intermediate districts to use the identified best practices to review content offered by constituent districts. The Michigan Virtual Learning Research Institute shall review the virtual course offerings of the Michigan Virtual University, and make the results from these reviews available to the public as part of the statewide catalog. The Michigan Virtual Learning Research Institute shall ensure that the statewide catalog is made available to the public on the Michigan Virtual University website and shall allow the ability to link it to each district's website as provided for in section 21f. The statewide catalog shall also contain all of the following:

(A) The number of enrollments in each virtual course in the immediately preceding school year.

(B) The number of enrollments that earned 60% or more of the total course points for each virtual course in the immediately preceding school year.

(C) The pass rate for each virtual course.

(xii) Support registration, payment services, and transcript functionality for the statewide catalog and train key stakeholders on how to use new features.
(xii) Collaborate with key stakeholders to examine district level accountability and teacher effectiveness issues related to virtual learning under section 21f and make findings and recommendations publicly available.

(xiii) Provide a report on the activities of the Michigan Virtual Learning Research Institute.

(3) To further enhance its expertise and leadership in virtual learning, the Michigan Virtual University shall continue to operate the Michigan Virtual School as a statewide laboratory and quality model of instruction by implementing virtual and blended learning solutions for Michigan schools in accordance with the following parameters:

(a) The Michigan Virtual School must maintain its accreditation status from recognized national and international accrediting entities.

(b) The Michigan Virtual University shall use no more than $1,000,000.00 of the amount allocated under this section to subside the cost paid by districts for virtual courses.

(c) In providing educators responsible for the teaching of virtual courses as provided for in this section, the Michigan Virtual School shall follow the requirements to request and assess, and the department of state police shall provide, a criminal history check and criminal records check under sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, in the same manner as if the Michigan Virtual School were a school district under those sections.

(4) From the funds allocated under subsection (1), the Michigan Virtual University shall allocate up to $500,000.00 to support the expansion of new online and blended educator professional development programs.

(5) If the course offerings are included in the statewide catalog of virtual courses under subsection (2)(b)(c), the Michigan Virtual School operated by the Michigan Virtual University may offer virtual course offerings, including, but not limited to, all of the following:

(a) Information technology courses.

(b) College level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(c) Courses and dual enrollment opportunities.

(d) Programs and services for at-risk pupils.

(e) High school equivalency test preparation courses for adjudicated youth.

(f) Special interest courses.

(g) Professional development programs for teachers, school administrators, other school employees, and school board members.

(6) If a home-schooled or nonpublic school student is a resident of a district that subscribes to services provided by the Michigan Virtual School, the student may use the services provided by the Michigan Virtual School to the district without charge to the student beyond what is charged to a district pupil using the same services.

(7) Not later than December 1 of each fiscal year, the Michigan Virtual University shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department that includes at least all of the following information related to the Michigan Virtual School for the preceding state fiscal year:

(a) A list of the districts served by the Michigan Virtual School.

(b) A list of virtual course titles available to districts.

(c) The total number of virtual course enrollments and information on registrations and completions by course.

(d) The overall course completion rate percentage.

(8) In addition to the information listed in subsection (7), the report under subsection (7) shall also include a plan to serve at least 600 schools with courses from the Michigan Virtual School or with content available through the internet-based platform identified in subsection (2)(b)(ix).

(9) The governor may appoint an advisory group for the Michigan Virtual Learning Research Institute established under subsection (2). The members of the advisory group shall serve at the pleasure of the governor and shall serve without compensation. The purpose of the advisory group is to make recommendations to the governor, the legislature, and the president and board of the Michigan Virtual University that will accelerate innovation in this state’s education system in a manner that will prepare elementary and secondary students to be career and college ready and that will promote the goal of increasing the percentage of citizens of this state with high-quality degrees and credentials to at least 60% by 2025.

(10) Not later than November 1 of each year, the Michigan Virtual University shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a detailed budget for that fiscal year that includes a breakdown on its projected costs to deliver virtual educational services to districts and a summary of the anticipated fees to be paid by districts for
those services. Not later than March 1 each year, the Michigan Virtual University shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a breakdown on its actual costs to deliver virtual educational services to districts and a summary of the actual fees paid by districts for those services based on audited financial statements for the immediately preceding fiscal year.

(11) As used in this section:

(a) "Blended learning" means a hybrid instructional delivery model where pupils are provided content, instruction, and assessment, in part at a supervised educational facility away from home where the pupil and a teacher with a valid Michigan teaching certificate are in the same physical location and in part through internet-connected learning environments with some degree of pupil control over time, location, and pace of instruction.

(b) "Cyber school" means a full-time instructional program of virtual courses for pupils that may or may not require attendance at a physical school location.

(c) "Virtual course" means a course of study that is capable of generating a credit or a grade and that is provided in an interactive learning environment in which the majority of the curriculum is delivered using the internet and in which pupils are separated from their instructor or teacher of record by time or location, or both.


**Compiler's note:** Former MCL 388.1698, which pertained to professional development programs, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

In subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

Enactment section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enactment section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,737,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,000.00."

Enactment section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,113,650,000.00."

Enactment section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enactment section 1 of Act 137 of 2007 provides:

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Enactment section 1 of Act 268 of 2008 provides:

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Enactment section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."


**Compiler's note:** The repealed section pertained to allocation for 21st century learning environment.
Compiler's note: The repealed section pertained to freedom to learn program.

Compiler's note: The repealed section pertained to web-based practice assessment and classroom remediation program.

Compiler's note: The repealed section pertained to mathematics and science centers.

Compiler's note: The repealed section pertained to mathematics and science centers.

Compiler's note: The repealed section pertained to training program for science, technology, engineering, and mathematics (STEM) instruction.

Compiler's note: The repealed section pertained to allocation for purpose of civic education.

Compiler's note: The repealed section pertained to purchase of automated external defibillators.

Compiler's note: The repealed section pertained to allocation to districts having reduced foundation allowance.

Compiler's note: The repealed sections pertained to school building security mapping and expansion of school-based crisis intervention project.

388.1699h FIRST Robotics program; work project.
Sec. 99h. (1) From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed $3,000,000.00 for 2017-2018 and an amount not to exceed $4,500,000.00 for 2018-2019 for competitive grants to districts and intermediate districts, and from the general fund appropriation in section 11, there is allocated an amount not to exceed $300,000.00 each fiscal year for 2017-2018 and for 2018-2019 for competitive grants to nonpublic schools that provide pupils in grades K to 12 with expanded opportunities to improve mathematics, science, and technology skills by participating in events hosted by a science and technology development program known as FIRST (for inspiration and recognition of science and technology) Robotics, including JR FIRST Lego League, FIRST Lego League, FIRST Tech challenge, and FIRST Robotics competition, or, beginning in 2018-2019, other competitive robotics programs, including those hosted by the Robotics Education and Competition (REC) Foundation. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on the state assessments and to increase the number of pupils who are college- and career-ready upon high school graduation. Notwithstanding section 17b, grant payments to districts, nonpublic schools, and intermediate districts under this section shall be paid on a schedule determined by the department. The department shall set maximum grant awards for each different level of competition in a manner that both maximizes the number of teams that will be able to receive funds and expands the geographical distribution of teams.

(2) A district, nonpublic school, or intermediate district applying for a grant under this section shall submit an application in a form and manner determined by the department. To be eligible for a grant, a district, nonpublic school, or intermediate district shall demonstrate in its application that the district, nonpublic school, or intermediate district has established a partnership for the purposes of the robotics program with at least 1 sponsor, business entity, higher education institution, or technical school, shall submit a spending plan, and shall pay at least 25% of the cost of the robotics program.

(3) The department shall distribute the grant funding under this section for the following purposes:
(a) Grants to districts, nonpublic schools, or intermediate districts to pay for stipends not to exceed $1,500.00 for 1 coach per team.
(b) Grants to districts, nonpublic schools, or intermediate districts for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at robotics events and competitions. Each grant recipient shall provide a local match from other private or local funds for the funds...
received under this subdivision equal to at least 50% of the costs of participating in an event.

(c) Grants to districts, nonpublic schools, or intermediate districts for awards to teams that advance to the state and world championship competitions. The department shall determine an equal amount per team for those teams that advance to the state championship and a second equal award amount to those teams that advance to the world championship.

(4) A nonpublic school that receives a grant under this section may use the funds for either robotics or Science Olympiad programs.

(5) To be eligible to receive funds under this section, a nonpublic school must be a nonpublic school registered with the department and must meet all applicable state reporting requirements for nonpublic schools.

(6) The funds allocated under this section for 2017-2018 are a work project appropriation, and any unexpended funds for 2017-2018 are carried forward into 2018-2019. The purpose of the work project is to continue support of FIRST Robotics and must not be used to support other robotics competitions. The estimated completion date of the work project is September 30, 2020.


Compiler's note: Former MCL 388.1699h, which pertained to FIRST robotics competitions, was repealed by Act 137 of 2007, Imd. Eff. Nov. 8, 2007.


Compiler's note: The repealed section pertained to allocation to expand school-based crisis intervention project.


Compiler's note: The repealed sections pertained to allocations to certain pilot projects and allocations to districts financing operating deficits.


Compiler's note: The repealed section pertained to cybersecurity competitive events.


Compiler's note: The repealed section pertained to districts entering cooperative arrangements with community colleges.


Compiler's note: The repealed section pertained to cultural, art, or music resources.


Compiler's note: The repealed section pertained to MiSTEM network.

388.1699s MiSTEM programs; MiSTEM advisory council; MiSTEM network regions; funding; duties; audit; report on performance measures; definitions; allocation for certain department executives.

Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for 2018-2019 an amount not to exceed $7,634,300.00 from the state school aid fund appropriation and an amount not to exceed $300,000.00 from the general fund appropriation for Michigan science, technology, engineering, and mathematics (MiSTEM) programs. In addition, from the federal funds appropriated in section 11, there is allocated for 2018-2019 an amount estimated at $3,500,000.00 from DED-OESE, title II, mathematics and science partnership grants. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on the state assessments and to increase the number of pupils who are college- and career-ready upon high school graduation. Notwithstanding section 17b, payments under this section shall be paid on a schedule determined by the department.

(2) All of the following apply to the MiSTEM advisory council:

(a) The MiSTEM advisory council is created. The MiSTEM advisory council shall provide to the governor, legislature, department of talent and economic development, and department recommendations designed to improve and promote innovation in STEM education and to prepare students for careers in science, technology, engineering, and mathematics.

(b) The MiSTEM advisory council created under subdivision (a) shall consist of the following members:

(i) The governor shall appoint 11 voting members who are representative of business sectors that are
important to Michigan's economy and rely on a STEM-educated workforce, nonprofit organizations and associations that promote STEM education, K-12 and postsecondary education entities involved in STEM-related career education, or other sectors as considered appropriate by the governor. Each of these members shall serve at the pleasure of the governor and for a term determined by the governor.

(ii) The senate majority leader shall appoint 2 members of the senate to serve as nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority party member and 1 minority party member.

(iii) The speaker of the house of representatives shall appoint 2 members of the house of representatives to serve as nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority party member and 1 minority party member.

(c) Each member of the MiSTEM advisory council shall serve without compensation.

(d) The MiSTEM advisory council annually shall review and make recommendations to the governor, the legislature, and the department concerning changes to the statewide strategy adopted by the council for delivering STEM education-related opportunities to pupils. The MiSTEM advisory council shall use funds received under this subsection to ensure that its members or their designees are trained in the Change the Equation STEWorks rating system program for the purpose of rating STEM programs.

(e) The MiSTEM advisory council shall make specific funding recommendations for the funds allocated under subsection (3) by December 15 of each fiscal year. Each specific funding recommendation shall be for a program approved by the MiSTEM advisory council. To be eligible for MiSTEM advisory council approval, a program must satisfy all of the following:

(i) Align with this state's academic standards.

(ii) Have STEWorks certification.

(iii) Provide project-based experiential learning, student programming, or educator professional learning experiences.

(iv) Focus predominantly on classroom-based STEM experiences or professional learning experiences.

(f) The MiSTEM advisory council shall approve programs that represent all network regions and include a diverse array of options for students and educators and at least 1 program in each of the following areas:

(i) Robotics.

(ii) Computer science or coding.

(iii) Engineering or bioscience.

(g) The MiSTEM advisory council is encouraged to work with the MiSTEM network to develop locally and regionally developed programs and professional development experiences for the programs on the list of approved programs.

(h) If the MiSTEM advisory council is unable to make specific funding recommendations by December 15 of a fiscal year, the department shall award and distribute the funds allocated under subsection (3) on a competitive grant basis that at least follows the statewide STEM strategy plan and rating system recommended by the MiSTEM advisory council. Each grant must provide STEM education-related opportunities for pupils.

(i) The MiSTEM advisory council shall work with the executive director of the MiSTEM network to implement the statewide STEM strategy adopted by the MiSTEM advisory council.

(3) From the state school aid fund money allocated under subsection (1), there is allocated for 2018-2019 an amount not to exceed $3,050,000.00 for the purpose of funding programs under this section for 2018-2019, as recommended by the MiSTEM advisory council.

(4) From the school aid fund allocation under subsection (1), there is allocated an amount not to exceed $3,834,300.00 for 2018-2019 to support the activities and programs of the MiSTEM network regions. In addition, from the federal funds allocated under subsection (1), there is allocated for 2018-2019 an amount estimated at $3,500,000.00 from DED-OESE, title II, mathematics and science partnership grants, for the purposes of this subsection. Beginning in 2018-2019, the fiscal agent for each MiSTEM network region shall receive $200,000.00 for the base operations of each region. The remaining funds will be distributed to each fiscal agent in an equal amount per pupil, based on the number of K to 12 pupils enrolled in districts within each region in the prior fiscal year.

(5) A MiSTEM network region shall do all of the following:

(a) Collaborate with the career and educational advisory council that is located in the MiSTEM region to develop a regional strategic plan for STEM education that creates a robust regional STEM culture, that empowers STEM teachers, that integrates business and education into the STEM network, and that ensures high-quality STEM experiences for pupils. At a minimum, a regional STEM strategic plan should do all of the following:

(i) Identify regional employer need for STEM.

(ii) Identify processes for regional employers and educators to create guided pathways for STEM careers.
that include internships or externships, apprenticeships, and other experiential engagements for pupils.

(iii) Identify educator professional development opportunities, including internships or externships and apprenticeships, that integrate this state’s science standards into high-quality STEM experiences that engage pupils.

(b) Facilitate regional STEM events such as educator and employer networking and STEM career fairs to raise STEM awareness.

(c) Contribute to the MiSTEM website and engage in other MiSTEM network functions to further the mission of STEM in this state in coordination with the MiSTEM advisory council and its executive director.

(d) Facilitate application and implementation of state and federal funds under this subsection and any other grants or funds for the MiSTEM network region.

(e) Work with districts to provide STEM programming and professional development.

(f) Coordinate recurring discussions and work with the career and educational advisory council to ensure that feedback and best practices are being shared, including funding, program, professional learning opportunities, and regional strategic plans.

(6) From the school aid funds allocated under subsection (1), the department shall distribute for 2018-2019 an amount not to exceed $750,000.00, in a form and manner determined by the department, to those network regions able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science.

(7) In order to receive state or federal funds under subsection (4) or (6), a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(8) In order to receive state funds under subsection (4) or (6), a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this subsection.

(9) Not later than July 1, 2019 and July 1 of each year thereafter, a MiSTEM network region that receives funds under subsection (4) shall report to the executive director of the MiSTEM network in a form and manner prescribed by the executive director on performance measures developed by the MiSTEM network regions and approved by the executive director. The performance measures shall be designed to ensure that the activities of the MiSTEM network are improving student academic outcomes.

(10) Not more than 5% of a MiSTEM network region grant under subsection (4) or (6) may be retained by a fiscal agent for serving as the fiscal agent of a MiSTEM network region.

(11) From the general fund allocation under subsection (1), there is allocated an amount not to exceed $300,000.00 to the department of technology, management, and budget to support the functions of the executive director and executive assistant for the MiSTEM network, and for administrative, training, and travel costs related to the MiSTEM advisory council. The executive director and executive assistant for the MiSTEM network shall do all of the following:

(a) Serve as a liaison among and between the department, the department of technology, management, and budget, the MiSTEM advisory council, the Michigan mathematics and science centers network, the governor’s talent investment board, the general education leadership network, and the MiSTEM regions in a manner that creates a robust statewide STEM culture, that empowers STEM teachers, that integrates business and education into the STEM network, and that ensures high-quality STEM experiences for pupils.

(b) Coordinate the implementation of a marketing campaign, including, but not limited to, a website that includes dashboards of outcomes, to build STEM awareness and communicate STEM needs and opportunities to pupils, parents, educators, and the business community.

(c) Work with the department and the MiSTEM advisory council to coordinate, award, and monitor MiSTEM state and federal grants to the MiSTEM network regions and conduct reviews of grant recipients, including, but not limited to, pupil experience and feedback.

(d) Report to the governor, the legislature, the department, and the MiSTEM advisory council annually on the activities and performance of the MiSTEM network regions.

(e) Coordinate recurring discussions and work with regional staff to ensure that a network or loop of feedback and best practices are shared, including funding, programming, professional learning opportunities, discussion of MiSTEM strategic vision, and regional objectives.

(f) Coordinate major grant application efforts with the MiSTEM advisory council to assist regional staff with grant applications on a local level. The MiSTEM advisory council shall leverage private and nonprofit relationships to coordinate and align private funds in addition to funds appropriated under this section.

(g) Train state and regional staff in the STEMworks rating system, in collaboration with the MiSTEM advisory council and the department.

(h) Collaborate with the MiSTEM network to hire MiSTEM network region staff.

(12) As used in this section:
(a) "Career and educational advisory council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

(b) "DED" means the United States Department of Education.

(c) "DED-OESE" means the DED Office of Elementary and Secondary Education.

(d) "STEM" means science, technology, engineering, and mathematics delivered in an integrated fashion using cross-disciplinary learning experiences that can include language arts, performing and fine arts, and career and technical education.


### 388.1699t Online algebra tool.

Sec. 99t. (1) From the general fund appropriation under section 11, there is allocated an amount not to exceed $1,500,000.00 for 2018-2019 to purchase statewide access to an online algebra tool that meets all of the following:

(a) Provides students statewide with complete access to videos aligned with state standards including study guides and workbooks that are aligned with the videos.

(b) Provides students statewide with access to a personalized online algebra learning tool including adaptive diagnostics.

(c) Provides students statewide with dynamic algebra practice assessments that emulate the state assessment with immediate feedback and help solving problems.

(d) Provides students statewide with online access to algebra help 24 hours a day and 7 days a week from study experts, teachers, and peers on a moderated social networking platform.

(e) Provides an online algebra professional development network for teachers.

(f) Is already provided under a statewide contract in at least 1 other state that has a population of at least 18,000,000 but not more than 19,000,000 according to the most recent decennial census and is offered in that state in partnership with a public university.

(2) The department shall purchase the online algebra tool that was chosen under this section in 2016-2017.

(3) A grantee receiving funding under this section shall comply with the requirements of section 19b.


### 388.1699u Online mathematics tool; Spanish language literacy tool; targeted literacy instruction.

Sec. 99u. (1) From the general fund appropriation under section 11, there is allocated for 2018-2019 an amount not to exceed $1,500,000.00 to purchase statewide access to an online mathematics tool that meets all of the following:

(a) Provides students statewide with complete access to mathematics support aligned with state standards through a program that has all of the following elements:

(i) Student motivation.

(ii) Valid and reliable assessments.

(iii) Personalized learning pathways.

(iv) Highly qualified, live teachers available all day and all year.

(v) Twenty-four-hour reporting.

(vi) Content built for rigorous mathematics.

(b) Has a record of improving student mathematics scores in at least 5 other states.

(c) Received funding under this section in 2017-2018.

(d) Provides students statewide with online access to algebra help 24 hours a day and 7 days a week from study experts, teachers, and peers on a moderated social networking platform.

(e) Provides an online algebra professional development network for teachers.

(f) Is already provided under a statewide contract in at least 1 other state that has a population of at least 18,000,000 but not more than 19,000,000 according to the most recent decennial census and is offered in that state in partnership with a public university.

(2) The department shall purchase the online algebra tool that was chosen under this section in 2016-2017.

(3) A grantee receiving funding under this section shall comply with the requirements of section 19b.

(4) In addition to the funds allocated under subsection (1), from the general fund money appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed $500,000.00 for a software-based solution designed to teach Spanish language literacy to students in pre-kindergarten through first grade. A program funded under this subsection shall be a grant to the eligible provider that promotes bilingualism and biliteracy, and is based on research that shows how students who become proficient readers in their first language have an easier time making the transition to reading proficiency in a second language.

(a) Provides students statewide with complete access to mathematics support aligned with state standards through a program that has all of the following elements:

(i) Student motivation.

(ii) Valid and reliable assessments.

(iii) Personalized learning pathways.

(iv) Highly qualified, live teachers available all day and all year.

(v) Twenty-four-hour reporting.

(vi) Content built for rigorous mathematics.

(b) Has a record of improving student mathematics scores in at least 5 other states.

(c) Received funding under this section in 2017-2018.

(d) A grantee that receives funding under this section shall comply with the requirements of section 19b.

(e) Provides students statewide with complete access to mathematics support aligned with state standards through a program that has all of the following elements:

(i) Student motivation.

(ii) Valid and reliable assessments.

(iii) Personalized learning pathways.

(iv) Highly qualified, live teachers available all day and all year.

(v) Twenty-four-hour reporting.

(vi) Content built for rigorous mathematics.

(b) Has a record of improving student mathematics scores in at least 5 other states.

(c) Received funding under this section in 2017-2018.

(d) A grantee that receives funding under this section shall comply with the requirements of section 19b.

(5) In addition to the funds allocated under subsection (1), from the general fund appropriation in section 11, there is allocated for 2018-2019 an amount not to exceed $500,000.00 for a software-based solution designed to teach Spanish language literacy to students in pre-kindergarten through first grade. A program funded under this subsection shall be a grant to the eligible provider that promotes bilingualism and biliteracy, and is based on research that shows how students who become proficient readers in their first language have an easier time making the transition to reading proficiency in a second language. A provider of programming under subsection (1) is the eligible provider of programming under this subsection.

(6) In addition to the funds allocated under subsection (1), from the general fund money appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed $1,000,000.00 for a pilot program to provide explicit, targeted literacy instruction within an individualized learning path that continually adjusts to...
a pupil's needs. A program funded under this subsection shall be a grant to the eligible provider that promotes literacy by teaching critical language and literacy concepts such as reading and listening comprehension, basic vocabulary, academic language, grammar, phonological awareness, phonics, and fluency. A pilot program funded under this subsection shall cover both the remainder of 2018-2019 and also the entire 2019-2020 school year. A provider of programming under subsection (1) is the eligible provider of programming under this subsection.

(5) Notwithstanding section 17b, payments made under this section shall be made not later than March 1, 2019.


388.1699v Grant for seamless transitions; eligibility.

Sec. 99v. From the general fund appropriation in section 11, there is allocated an amount not to exceed $25,000.00 for 2018-2019 for a grant to be distributed by the department to a provider that develops and scales effective innovations to support educators, administrators, and policymakers in creating seamless transitions throughout the K-14 system for all students, especially the underserved. A grantee must have expertise in K-12 services, online course programs, digital platform services, leadership networks, and higher education, and work to develop a mathematics pathways alignment. A grantee that receives a grant under this section shall facilitate a 2-day math workshop with high school and college faculty focused on sharing information about high-impact practices, defining the problem or problems, and using data and planning strategies to address those problems. In addition, the grantee shall use funds to conduct 3 virtual check-ins during which the working groups will report on progress and identify challenges and questions, with the grantee providing guidance and resources as appropriate.


388.1699w Michigan Fitness Foundation; physical education curriculum.

Sec. 99w. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed $500,000.00 for 2018-2019 to facilitate a culture of health and physical activity as part of daily life. Funding under this section shall be a grant to the Michigan Fitness Foundation to work with the department to invest in a physical education curriculum. Funding under this section may support staff, evaluation, assessment, technology, meetings, training, travel, materials, and other administrative expenses in support of an updated physical education curriculum. Funding under this section may be used as matching dollars to qualify for federal and private resources to support physical education.

(2) Notwithstanding section 17b, payments made under this section shall be made not later than March 1, 2019.


388.1699x Teach for America; summer training, recruitment, and retention.

Sec. 99x. (1) From the general fund money appropriated under section 11, there is allocated for 2018-2019 an amount not to exceed $300,000.00 for Teach for America to host a summer training institute in the city of Detroit, recruit teachers into a master teacher fellowship, and retain a committed alumni community. A program funded under this section must provide coaching and professional development, with the goal to produce highly effective teachers that move pupils beyond their growth benchmarks.

(2) Notwithstanding section 17b, payments made under this section shall be made not later than March 1, 2019.


388.1699y STEM and entrepreneurship pilot program; requirements.

Sec. 99y. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $60,000.00 for 2018-2019 to an eligible district to provide pupils with a STEM and entrepreneurship pilot program. To be eligible, a district must have a membership that is greater than 40,000.

(2) An eligible district must use the funds allocated under this section to implement a pilot program that meets all of the following:

(a) Provides a STEM enrichment program with a focus on technology and entrepreneurship for pupils in grades 4 to 8.

(b) Provides self-paced, pupil-centered programming designed to create in-school, after-school, and out-of-school experiences.

(c) Includes a built-in curriculum and lesson plans with support provided by trained mentors.

(3) Notwithstanding section 17b, payments made under this section shall be made not later than March 1,
Eligibility to receive state aid; submission of number of pupils enrolled and in regular daily attendance; certification of data; noncompliance; withholding state aid; pupil instruction; minimum number of hours or days; requirements; guidelines; waiver; counting number of hours of qualifying teacher professional development; "qualifying professional development" defined; subsections (3) and (8) inapplicable to cyber school or dropout recovery program; "eligible pupil" defined; review of waiver standards.

Sec. 101. (1) To be eligible to receive state aid under this article, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the sixth Wednesday after the pupil membership count day and not later than the sixth Wednesday after the supplemental count day, the district shall certify the data in a form and manner prescribed by the center and file the certified data with the intermediate superintendent. If a district fails to submit and certify the attendance data, as required under this subsection, the center shall notify the department and state aid due to be distributed under this article shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If a district does not comply with this subsection by the end of the fiscal year, the district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this article, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, state aid due to be distributed under this article shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Except as otherwise provided in subsections (11) and (12), all of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil instruction. Beginning in 2014-2015, the required minimum number of days of pupil instruction is 175. However, all of the following apply to these requirements:

(i) If a collective bargaining agreement that provides a complete school calendar was in effect for employees of a district as of July 1, 2013, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement. If a district entered into a collective bargaining agreement on or after July 1, 2013 and if that collective bargaining agreement did not provide for at least 175 days of pupil instruction beginning in 2014-2015, then the department shall withhold from the district's total state school aid an amount equal to 5% of the funding the district receives in 2014-2015 under sections 22a and 22b.

(ii) A district may apply for a waiver under subsection (9) from the requirements of this subdivision.

(b) Beginning in 2016-2017, the required minimum number of days of pupil instruction is 180. If a collective bargaining agreement that provides a complete school calendar was in effect for employees of a district as of June 24, 2014, and if that school calendar is not in compliance with this subdivision, then this subdivision does not apply to that district until after the expiration of that collective bargaining agreement. A district may apply for a waiver under subsection (9) from the requirements of this subdivision.

(c) Except as otherwise provided in this article, a district failing to comply with the required minimum hours and days of pupil instruction under this subsection shall forfeit from its total state aid allocation an...
amount determined by applying a ratio of the number of hours or days the district was in noncompliance in relation to the required minimum number of hours and days under this subsection. Not later than August 1, the board of each district shall either certify to the department that the district was in full compliance with this section regarding the number of hours and days of pupil instruction in the previous school year, or report to the department, in a form and manner prescribed by the center, each instance of noncompliance. If the district did not provide at least the required minimum number of hours and days of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6).

(d) Hours or days lost because of strikes or teachers’ conferences shall not be counted as hours or days of pupil instruction.

(e) If a collective bargaining agreement that provides a complete school calendar is in effect for employees of a district as of October 19, 2009, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement.

(f) Except as otherwise provided in subdivisions (g) and (h), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage. For any day of pupil instruction added to the instructional calendar as described in this subdivision, the district shall report to the department the percentage of the district's membership that is in attendance, in the form and manner prescribed by the department.

(h) At the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent shall grant a waiver from the requirements of subdivision (f). The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision (f) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements:

(i) The district offers the minimum hours of pupil instruction as required under this section.

(ii) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(iii) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(i) All of the following apply to a waiver granted under subdivision (h):

(ii) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(ii) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil participates in the educational program for at least 1,098 hours during a school year, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is valid for 1 fiscal year and must be renewed annually to remain in effect.

(j) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 6 days or the equivalent number of hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, are counted as hours and days of pupil instruction. For 2018-2019 only, in addition to these 6 days, if pupil instruction is not provided on 1 or more days that are included in a period for which the governor has issued an executive order declaring a state of emergency across this state, upon request by a district to the superintendent of public instruction, in a form and manner prescribed by the department, that 1 or more of those days and the equivalent number of hours count as days and hours of pupil instruction, the department shall count those requested days and the equivalent number of
hours as days and hours of pupil instruction for the purposes of this section. For 2018-2019, the days included in the executive order are January 29, 2019 to February 2, 2019. With the approval of the superintendent of public instruction, the department shall count as hours and days of pupil instruction for a fiscal year not more than 3 additional days or the equivalent number of additional hours for which pupil instruction is not provided in a district due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours or days shall not be counted as hours or days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following have occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this article that is equal to the proportion below the required minimum number of hours and days of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(7) In providing the minimum number of hours and days of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil’s best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a Junior Reserve Officer Training Corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(i) The instructor has met all of the requirements established by the United States Department of Defense and the applicable branch of the armed services for serving as an instructor in the Junior Reserve Officer Training Corps program.

(ii) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) Except as otherwise provided in subsections (11) and (12), the department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent shall waive for a district the minimum number of hours and days of pupil instruction requirement of subsection (3) for a department-approved alternative education program or another innovative program approved by the department, including a 4-day school week. If a district applies for and receives a waiver under this subsection...
and complies with the terms of the waiver, the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3). Pupils enrolled in a department-approved alternative education program under this subsection shall be reported to the center in a form and manner determined by the center. All of the following apply to a waiver granted under this subsection:

(a) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(b) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil is on track for course completion at proficiency level, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 1 fiscal year and must be renewed annually to remain in effect.

(d) For 2018-2019 only, the department shall grant a waiver to a district that applies for a waiver for a blended model of delivery after the department’s application deadline if the district meets the other requirements for a waiver under this subsection.

(10) Until 2014-2015, a district may count up to 38 hours of qualifying professional development for teachers as hours of pupil instruction. However, if a collective bargaining agreement that provides for the counting of up to 38 hours of qualifying professional development for teachers as pupil instruction is in effect for employees of a district as of July 1, 2013, then until the school year that begins after the expiration of that collective bargaining agreement a district may count up to the contractually specified number of hours of qualifying professional development for teachers as hours of pupil instruction. Professional development provided online is allowable and encouraged, as long as the instruction has been approved by the district. The department shall issue a list of approved online professional development providers, which shall include the Michigan Virtual School. As used in this subsection, “qualifying professional development” means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school’s accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Integrating technology into classroom instruction.

(e) Maintaining teacher certification.

(11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a.

(12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout recovery program that meets the requirements of section 23a. As used in this subsection, “eligible pupil” means that term as defined in section 23a.

(13) Beginning in 2013, at least every 2 years the superintendent shall review the waiver standards set forth in the pupil accounting and auditing manuals to ensure that the waiver standards and waiver process continue to be appropriate and responsive to changing trends in online learning. The superintendent shall solicit and consider input from stakeholders as part of this review.
(3) If a district or intermediate district is required to submit a deficit elimination plan under section 1220 of the revised school code, MCL 380.1220, the state treasurer may withhold some or all of the money payable to the district or intermediate district to eliminate the deficit, until the district or intermediate district submits to the state treasurer for approval an amended budget for the current school fiscal year and an enhanced deficit elimination plan in the form and manner prescribed by the department of treasury under section 1220 of the revised school code, MCL 380.1220, or until the enhanced deficit elimination plan is approved by the department of treasury, as determined by the department of treasury. The state treasurer shall

Compiler's note: The last sentence of subsection (4), as amended by Act 180 of 1996, which provided "However, for 1995-96 only, for a school district at or above townline 16, the first 5 days for which pupil instruction is not provided because of conditions described in this subsection shall be counted as days of pupil instruction." was vetoed by the governor on April 22, 1996.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."


The repealed section pertained to enrollment of individual who has dropped out of another district.

388.1702 Failure to submit deficit elimination plan or deficit elimination plan not approved; authority of department to withhold payments; release of money withheld under subsection (1); consultation; submission of enhanced deficit elimination plan; requirements; allocation contingent upon compliance with section; definitions.

Sec. 102. (1) If a district or intermediate district is required to submit a deficit elimination plan under section 1220 of the revised school code, MCL 380.1220, and the district or intermediate district fails to submit a deficit elimination plan or the deficit elimination plan is not approved, the department may withhold some or all of the money payable to the district or intermediate district under this article, in an amount the department determines necessary to incentivize the district or intermediate district to eliminate the deficit, until the district or intermediate district submits to the department for approval an amended budget for the current school fiscal year and a deficit elimination plan in the form and manner prescribed by the department or until the deficit elimination plan is approved by the department, as determined by the department.

(2) The department shall release money withheld under subsection (1) after the department approves the deficit elimination plan. To assure greater coordination and effective partnerships in the development and implementation of a deficit elimination plan, when administering this subsection and subsection (1), the department shall consult with all of the following:

(a) The department of treasury.

(b) The chief administrative officer of the district or intermediate district required to submit a deficit elimination plan under section 1220 of the revised school code, MCL 380.1220.

(c) For a district required to submit a deficit elimination plan under section 1220 of the revised school code, MCL 380.1220, the intermediate superintendent of the intermediate district in which the district is located.

(3) If a district or intermediate district is required to submit an enhanced deficit elimination plan under section 1220 of the revised school code, MCL 380.1220, the state treasurer may withhold some or all of the money payable to the district under this article, in an amount the state treasurer determines necessary to incentivize the district or intermediate district to eliminate the deficit, until the district or intermediate district submits to the state treasurer for approval an approved budget for the current school fiscal year and an enhanced deficit elimination plan in the form and manner prescribed by the department of treasury under section 1220 of the revised school code, MCL 380.1220, or until the enhanced deficit elimination plan is approved by the department of treasury, as determined by the department of treasury. The state treasurer shall
release money withheld under this subsection after the department of treasury approves the enhanced deficit elimination plan for the district or intermediate district. To assure greater coordination and effective partnerships in the development and implementation of an enhanced deficit elimination plan, when administering this subsection, the department of treasury shall consult with all of the following:

(a) The department.

(b) The chief administrative officer of the district or intermediate district required to submit an enhanced deficit elimination plan under section 1220 of the revised school code, MCL 380.1220.

(c) For a district required to submit an enhanced deficit elimination plan under section 1220 of the revised school code, MCL 380.1220, the intermediate superintendent of the intermediate district in which the district is located.

(4) An allocation to a district or intermediate district under this article is contingent upon the district's or intermediate district's compliance with this section.

(5) As used in this section:

(a) "Deficit elimination plan" means a plan required under section 1220 of the revised school code, MCL 380.1220, for the elimination of a deficit that sets forth actions to be taken to eliminate the deficit within the time period prescribed by the department.

(b) "Deficit fund balance" means that term as defined in the Michigan public school accounting manual published by the department.

(c) "Enhanced deficit elimination plan" means measures required by the state treasurer under section 1220 of the revised school code, MCL 380.1220, to address the financial conditions within a district or intermediate district and resolve any deficit within the time period prescribed by the department and the state treasurer.


Compiler's note: Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00."

388.1702d School data analytical tools.

Sec. 102d. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $1,500,000.00 for 2018-2019 for reimbursements to districts, intermediate districts, and authorizing bodies of public school academies for the licensing of school data analytical tools as described under this section. The reimbursement is for districts, intermediate districts, and authorizing bodies of public school academies that choose to use a school data analytical tool to assist the district, intermediate district, or authorizing body of a public school academy and that enter into a licensing agreement for a school data analytical tool with 1 of the vendors approved by the department of technology, management, and budget under subsection (2). Funds allocated under this section are intended to provide districts, intermediate districts, and authorizing bodies of public school academies with financial forecasting and transparency reporting tools to help improve the financial health of districts and to improve communication with the public, resulting in increased fund balances for districts and intermediate districts.

(2) A vendor approved under this section for 2017-2018 is approved for use by a district, intermediate district, or authorizing body of a public school academy and for reimbursement for 2018-2019.

(3) Funds allocated under this section shall be paid to districts, intermediate districts, and authorizing bodies of public school academies as a reimbursement for already having a licensing agreement or for entering into a licensing agreement not later than December 1, 2018 with a vendor approved under subsection (2) to implement a school data analytical tool. Reimbursement will be prorated for the portion of the state fiscal year not covered by the licensing agreement. However, a licensing agreement that takes effect after October 1, 2018 and before December 1, 2018 will not be prorated if the term of the agreement is at least 1 year. Reimbursement under this section shall be made as follows:

(a) All districts, intermediate districts, and authorizing bodies of public school academies seeking reimbursement shall submit requests not later than December 1, 2018 indicating the cost paid for the school data analytical tool.

(b) The department shall determine the sum of the funding requests under subdivision (a) and, if there are sufficient funds, shall pay 1/2 of the costs submitted under subdivision (a). If there are insufficient funds to

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Page 252

Michigan Compiled Laws Complete Through PA 47 of 2019

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pay 1/2 of the costs submitted under (a), then reimbursement shall be made on an equal percentage basis.

(c) Funds remaining after the calculation and payment under subdivision (b) shall be distributed on an equal per-pupil basis, with an intermediate district’s pupils considered to be the sum of the pupil memberships of the constituent districts for which the intermediate district is purchasing the school data analytical tool, and with an authorizing body’s pupils considered to be the sum of the pupil memberships of the public school academies authorized by the authorizing body for which the authorizing body is purchasing the school data analytical tool.

(d) The reimbursement to a district, intermediate district, or authorizing body of a public school academy shall not be greater than the amount paid for a data analytics application.

(e) A district, intermediate district, or authorizing body of a public school academy shall not be reimbursed for the purchase of more than 1 software application.

(4) If an intermediate district purchases both a school data analytical tool specifically for intermediate district finances and a school data analytical tool for those constituent districts that opt in, the intermediate district shall be reimbursed for both purchases under this section.

(5) If an intermediate district makes available to 1 or more of its constituent districts a school data analytical tool funded under this section, that constituent district shall not be reimbursed under this section for the purchase of that school data analytical tool if the constituent district has opted in for that tool.

(6) If an authorizing body of a public school academy makes available to 1 or more public school academies a school data analytical tool funded under this section, the public school academy shall not be reimbursed under this section for the purchase of a school data analytical tool if the public school academy opted in for that tool.

(7) Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.


Compiler’s note: The repealed section pertained to pupil to teacher ratio.

388.1704 Compliance with state and federal law; inclusion of item analysis in M-STEP results; number of enrolled students; distribution of federal funds; Michigan kindergarten entry observation tool; implementation of Michigan kindergarten entry observation; allowable costs; Kindergarten Readiness Assessment; use of external keyboard with table devices; payment schedule determined by department; online reporting tool to provide student-level assessment data; definitions.

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for 2017-2018 an amount not to exceed $29,709,400.00 and there is allocated for 2018-2019 an amount not to exceed $32,509,400.00 for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated each fiscal year for 2017-2018 and for 2018-2019 an amount estimated at $6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-95.

(2) The results of each test administered as part of the Michigan student test of educational progress (M-STEP), including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response. The department shall work with the center to identify the number of students enrolled at the time assessments are given by each district. In calculating the percentage of pupils assessed for a district’s scorecard, the department shall use only the number of pupils enrolled in the district at the time the district administers the assessments and shall exclude pupils who enroll in the district after the district administers the assessments.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.
(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed $1,000,000.00 for 2017-2018 and an amount not to exceed $1,500,000.00 for 2018-2019 to an intermediate district described in this subsection to implement a Michigan kindergarten entry observation tool in 2017-2018 and 2018-2019. The funding under this subsection is allocated to an intermediate district in prosperity region 9 with at least 3,000 kindergarten pupils enrolled in its constituent districts to continue participation in the Maryland-Ohio pilot and cover the costs of implementing the observation tool, including a contract with a university for implementation of the observation tool also referred to as the kindergarten readiness assessment. The intermediate district shall continue implementation of the Michigan kindergarten entry observation (MKEO) and the kindergarten readiness assessment shall be conducted in all kindergarten classrooms in districts located in prosperity regions 4, 5, and 9 beginning in August 2018 and, beginning August 1, 2019, in districts located in prosperity regions 2, 3, 4, 5, 6, 7, 8, and 9. A constituent district of an intermediate district located within these prosperity regions shall administer the Maryland-Ohio tool within each kindergarten classroom to either the full census of kindergarten pupils or a representative sample of not less than 35% of the enrolled kindergarten pupils in each classroom. The intermediate district receiving the funding allocated under this subsection shall work with other intermediate districts to implement the Michigan kindergarten entry observation, engage with the office of great start and the department, and provide a report to the legislature on the demonstrated readiness of kindergarten pupils within the participating intermediate districts. That intermediate district may share this funding with the other affected intermediate districts and districts. Allowable costs under this subsection include those incurred in July, August, and September 2017 as well as those incurred in 2017-2018. As used in this subsection, "kindergarten" may include a classroom for young 5-year-olds, commonly referred to as "young 5s" or "developmental kindergarten". The department shall approve the language and literacy domain within the Maryland-Ohio tool, also referred to as the "Kindergarten Readiness Assessment", for use by districts as an initial assessment that may be delivered to all kindergarten students to assist with identifying any possible area of concern for a student in English language arts.

(5) The department shall continue to make the kindergarten entry assessment developed by the department and field tested in 2015-2016 available to districts in 2017-2018.

(6) The department may recommend, but may not require, districts to allow pupils to use an external keyboard with tablet devices for online M-STEP testing, including, but not limited to, open-ended test items such as constructed response or equation builder items.

(7) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(8) From the allocation in subsection (1), there is allocated an amount not to exceed $3,200,000.00 for 2017-2018 and an amount not to exceed $500,000.00 for 2018-2019 for the development or selection of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored. The department and the center shall ensure that any data collected by the online reporting tool do not provide individually identifiable student data to the federal government.

(9) As used in this section:

(a) "DED" means the United States Department of Education.

(b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

(c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative Services.


**Compiler's note:** Former MCL 388.1704, which pertained to student portfolios, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Compiler's note: The repealed section pertained to state assessments to high school pupils.

388.1704b Michigan merit examination

Sec. 104b. (1) In order to receive state aid under this article, a district shall comply with this section and shall administer the Michigan merit examination to pupils in grade 11, and to pupils in grade 12 who did not take the complete Michigan merit examination in grade 11, as provided in this section. The Michigan merit examination consists of a college entrance test, work skills test, and the summative assessment known as the Michigan student test of educational progress (M-STEP).

(2) For the purposes of this section, the department of technology, management, and budget shall contract with 1 or more test developers to develop, supply, and score the Michigan merit examination. The Michigan merit examination shall consist of all of the following:

(a) Assessment instruments that measure English language arts, mathematics, reading, and science, and are used by the majority of colleges and universities in this state for entrance purposes. This may include 1 or more writing components. In selecting assessment instruments to fulfill the requirements of this subdivision, the department may consider the degree to which those assessment instruments are aligned to this state's content standards.

(b) One or more tests from 1 or more test developers that assess a pupil's ability to apply at least reading and mathematics skills in a manner that is intended to allow employers to use the results in making employment decisions. The department of technology, management, and budget and the superintendent shall ensure that any test or tests selected under this subdivision have all the components necessary to allow a pupil to be eligible to receive the results of a nationally recognized evaluation of workforce readiness if the pupil's test performance is adequate.

(c) A social studies component.

(d) Any other component that is necessary to obtain the approval of the United States Department of Education to use the Michigan merit examination for the purposes of the no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-95.

(3) In addition to all other requirements of this section, all of the following apply to the Michigan merit examination:

(a) The department of technology, management, and budget and the superintendent shall ensure that any contractor used for scoring the Michigan merit examination supplies an individual report for each pupil that will identify for the pupil's parents and teachers whether the pupil met expectations or failed to meet expectations for each standard, to allow the pupil's parents and teachers to assess and remedy problems before the pupil moves to the next grade.

(b) The department of technology, management, and budget and the superintendent shall ensure that any contractor used for scoring, developing, or processing the Michigan merit examination meets quality management standards commonly used in the assessment industry, including at least meeting level 2 of the capability maturity model developed by the Software Engineering Institute of Carnegie Mellon University for the first year the Michigan merit examination is offered to all grade 11 pupils and at least meeting level 3 of the capability maturity model for subsequent years.

(c) The department of technology, management, and budget and the superintendent shall ensure that any contract for scoring, administering, or developing the Michigan merit examination includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for
(d) The superintendent shall ensure that the Michigan merit examination meets all of the following:

(i) Is designed to test pupils on this state’s content standards in all subjects tested.

(ii) Complies with requirements of the no child left behind act of 2001, Public Law 107-110 or the every student succeeds act, Public Law 114-95.

(iii) Is consistent with the code of fair testing practices in education prepared by the Joint Committee on Testing Practices of the American Psychological Association.

(iv) Is factually accurate. If the superintendent determines that a question is not factually accurate and should be excluded from scoring, the state board and the superintendent shall ensure that the question is excluded from scoring.

(4) A district shall include on each pupil’s high school transcript all of the following:

(a) For each high school graduate who has completed the Michigan merit examination under this section, the pupil’s scaled score on each subject area component of the Michigan merit examination.

(b) The number of school days the pupil was in attendance at school each school year during high school and the total number of school days in session for each of those school years.

(5) The superintendent shall work with the provider or providers of the Michigan merit examination to produce Michigan merit examination subject area scores for each pupil participating in the Michigan merit examination. To the extent that the department determines that additional test items beyond those included in the college entrance component of the Michigan merit examination are required in a particular subject area, the department shall ensure that all test items in that subject area are scaled and merged for the purposes of producing a Michigan merit examination subject area score. The superintendent shall design and distribute to districts, intermediate districts, and nonpublic schools a simple and concise document that describes the scoring for each subject area and indicates the scaled score ranges for each subject area.

(6) The Michigan merit examination shall be administered in each district during the last 12 weeks of the district’s school year. The superintendent shall ensure that the Michigan merit examination is scored and the scores are returned to pupils, their parents or legal guardians, and districts not later than the beginning of the pupil’s first semester of grade 12. The returned scores shall indicate at least the pupil’s scaled score for each subject area component and the range of scaled scores for each subject area. In reporting the scores to pupils, parents, and schools, the superintendent shall provide standards-specific, meaningful, and timely feedback on the pupil’s performance on the Michigan merit examination.

(7) A district shall administer the complete Michigan merit examination to a pupil only once and shall not administer the complete Michigan merit examination to the same pupil more than once. If a pupil does not take the complete Michigan merit examination in grade 11, the district shall administer the complete Michigan merit examination to the pupil in grade 12. If a pupil chooses to retake the college entrance examination component of the Michigan merit examination, as described in subsection (2)(a), the pupil may do so through the provider of the college entrance examination component and the cost of the retake is the responsibility of the pupil unless all of the following are met:

(a) The pupil has taken the complete Michigan merit examination.

(b) The pupil meets the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i.

(c) The pupil has applied to the provider of the college entrance examination component for a scholarship or fee waiver to cover the cost of the retake and that application has been denied.

(d) After taking the complete Michigan merit examination, the pupil has not already received a free retake of the college entrance examination component paid for either by this state or through a scholarship or fee waiver by the provider.

(8) The superintendent shall ensure that the length of the Michigan merit examination and the combined total time necessary to administer all of the components of the Michigan merit examination are the shortest possible that will still maintain the degree of reliability and validity of the Michigan merit examination results determined necessary by the superintendent. The superintendent shall ensure that the maximum total combined length of time that schools are required to set aside for pupils to answer all test questions on the Michigan merit examination does not exceed 8 hours if the superintendent determines that sufficient alignment to applicable Michigan merit curriculum content standards can be achieved within that time limit.

(9) A district shall provide accommodations to a pupil with disabilities for the Michigan merit examination, as provided under section 504 of title V of the rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider or providers of the Michigan merit examination and the superintendent shall mutually agree upon the accommodations to be provided under this subsection.
(10) To the greatest extent possible, the Michigan merit examination shall be based on this state's content standards, as appropriate. Annually, after each administration of the Michigan merit examination, the department shall provide a report of the points per standard so that teachers will know what content will be covered within the Michigan merit examination. The department may augment the college entrance and work skills components of the Michigan merit examination to develop the assessment, depending on the alignment of those components to this state’s content standards. If these components do not align to these standards, the department shall produce additional components as required by law, while minimizing the amount of time needed for assessments.

(11) A child who is a student in a nonpublic school or home school may take the Michigan merit examination under this section. To take the Michigan merit examination, a child who is a student in a home school shall contact the district in which the child resides, and that district shall administer the Michigan merit examination, or the child may take the Michigan merit examination at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the superintendent shall direct the provider or providers to supply the Michigan merit examination to the nonpublic school and the nonpublic school may administer the Michigan merit examination. If a district administers the Michigan merit examination under this subsection to a child who is not enrolled in the district, the scores for that child are not considered for any purpose to be scores of a pupil of the district.

(12) In contracting under subsection (2), the department of technology, management, and budget shall consider a contractor that provides electronically-scored essays with the ability to score constructed response feedback in multiple languages and provide ongoing instruction and feedback.

(13) The purpose of the Michigan merit examination is to assess pupil performance in mathematics, science, social studies, and English language arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards and promotes pupil participation in higher level mathematics, science, social studies, and English language arts courses. These standards are based upon the expectations of what pupils should learn through high school and are aligned with national standards.

(14) For a pupil enrolled in a middle college program, other than a middle college operated as a shared educational entity or a specialized shared educational entity, if the pupil receives at least 50% of his or her instruction at the high school while in grade 11, the Michigan merit examination shall be administered to the pupil at the high school at which the pupil receives high school instruction, and the department shall include the pupil's scores on the Michigan merit examination in the scores for that high school for all purposes for which a school's or district's results are reported. The department shall allow the middle college program to use a 5-year graduation rate for determining adequate yearly progress. As used in this subsection, "middle college" means a program consisting of a series of courses and other requirements and conditions, including an early college or other program created under a memorandum of understanding, that allows a pupil to graduate from high school with both a high school diploma and a certificate or degree from a community college or state public university.

(15) As used in this section:
(a) "English language arts" means reading and writing.
(b) "Social studies" means United States history, world history, world geography, economics, and American government.

(16) For each report made by the department that includes the statewide assessment results for a school building, the department shall include the scores for the statewide assessment and the graduation rate for consortium pupils with the scores for the school building in the participating district in which the consortium pupil is enrolled or would otherwise attend. The statewide assessment for a consortium pupil may be administered either at the consortium location or at the school building in the participating district in which the consortium pupil is enrolled or would otherwise attend. For the purposes of this subsection, a consortium pupil is a pupil who is enrolled or participating in a participatory program operated as a consortium or under a cooperative arrangement formed by 2 or more districts or intermediate districts, including, but not limited to, a consortium or cooperative arrangement operated as a program, a shared educational entity, a specialized educational entity, or a special education center program.


Compiler's note: Enacting section 1 of Act 268 of 2008 provides:
"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory

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act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of
government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 130 of 2013 provides:
"Enacting section 1. This amending act takes effect October 1, 2013."

388.1704c State assessments as condition for receipt of state aid; M-STEP assessments in
English language arts and mathematics; summative assessment system; benchmark
assessments; interim assessments; "English language arts" defined.

Sec. 104c. (1) In order to receive state aid under this article, a district shall administer the state assessments
described in this section.

(2) For the purposes of this section, the department shall develop and administer the Michigan student test
of educational progress (M-STEP) assessments in English language arts and mathematics. These assessments
shall be aligned to state standards.

(3) For the purposes of this section, the department shall implement a summative assessment system that is
proven to be valid and reliable for administration to pupils as provided under this subsection. The summative
assessment system shall meet all of the following requirements:

(a) The summative assessment system shall measure student proficiency on the current state standards,
shall measure student growth for consecutive grade levels in which students are assessed in the same subject
area in both grade levels, and shall be capable of measuring individual student performance.

(b) The summative assessments for English language arts and mathematics shall be administered to all
public school pupils in grades 3 to 11, including those pupils as required by the federal individuals with
disabilities education act, Public Law 108-446, and by title I of the federal every student succeeds act (ESSA),
Public Law 114-95.

(c) The summative assessments for science shall be administered to all public school pupils in at least
grades 5 and 8, including those pupils as required by the federal individuals with disabilities education act,
Public Law 108-446, and by title I of the federal every student succeeds act (ESSA), Public Law 114-95.

(d) The summative assessments for social studies shall be administered to all public school pupils in at
least grades 5 and 8, including those pupils as required by the federal individuals with disabilities education
act, Public Law 108-446, and by title I of the federal every student succeeds act (ESSA), Public Law 114-95.

(e) The content of the summative assessments shall be aligned to state standards.

(f) The pool of questions for the summative assessments shall be subject to a transparent review process
for quality, bias, and sensitive issues involving educator review and comment. The department shall post
samples from tests or retired tests featuring questions from this pool for review by the public.

(g) The summative assessment system shall ensure that students, parents, and teachers are provided with
reports that convey individual student proficiency and growth on the assessment and that convey individual
student domain-level performance in each subject area, including representative questions, and individual
student performance in meeting state standards.

(h) The summative assessment system shall be capable of providing, and the department shall ensure that
students, parents, teachers, administrators, and community members are provided with, reports that convey
aggregate student proficiency and growth data by teacher, grade, school, and district.

(i) The summative assessment system shall ensure the capability of reporting the available data to support
educator evaluations.

(j) The summative assessment system shall ensure that the reports provided to districts containing
individual student data are available within 60 days after completion of the assessments.

(k) The summative assessment system shall ensure that access to individually identifiable student data
meets all of the following:

(i) Is in compliance with 20 USC 1232g, commonly referred to as the family educational rights and privacy

(ii) Except as may be provided for in an agreement with a vendor to provide assessment services, as
necessary to support educator evaluations pursuant to subdivision (i), or for research or program evaluation
purposes, is available only to the student; to the student's parent or legal guardian; and to a school
administrator or teacher, to the extent that he or she has a legitimate educational interest.

(l) The summative assessment system shall ensure that the assessments are pilot tested before statewide
implementation.

(m) The summative assessment system shall ensure that assessments are designed so that the maximum
total combined length of time that schools are required to set aside for a pupil to answer all test questions on
all assessments that are part of the system for the pupil's grade level does not exceed that maximum total
combined length of time for the previous statewide assessment system or 9 hours, whichever is less. This
subdivision does not limit the amount of time a district may allow a pupil to complete a test.
(n) The total cost of executing the summative assessment system statewide each year, including, but not limited to, the cost of contracts for administration, scoring, and reporting, shall not exceed an amount equal to 2 times the cost of executing the previous statewide assessment after adjustment for inflation.

(o) Beginning with the 2017-2018 school year, the summative assessment system shall not require more than 3 hours in duration, on average, for an individual pupil to complete the combined administration of the math and English language arts portions of the assessment for any 1 grade level.

(p) The summative assessments for English language arts and mathematics for pupils in grades 8 to 10 must be aligned to the college entrance test portion of the Michigan merit examination required under section 104b.

(4) The department shall offer benchmark assessments in the fall and spring of each school year to measure English language arts and mathematics in each of grades K to 2. Full implementation shall occur not later than the 2018-2019 school year. These assessments are necessary to determine a pupil's proficiency level before grade 3.

(5) This section does not prohibit districts from adopting interim assessments.

(6) As used in this section, "English language arts" means that term as defined in section 104b.


388.1704d Purchase of computer-adaptive test or diagnostic tools, screening tools, or benchmark assessments; reimbursement; report.

Sec. 104d. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed $9,200,000.00 for providing reimbursement to districts that purchase a computer-adaptive test, or that purchase 1 or more diagnostic tools or screening tools for pupils in grades K to 3 that are intended to increase reading proficiency by grade 4, or that purchase benchmark assessments for pupils in grades K to 8.

(2) In order to receive reimbursement under this section for the purchase of a computer-adaptive test, the computer-adaptive test must provide for at least all of the following:

(a) Internet-delivered, standards-based assessment using a computer-adaptive model to target the instructional level of each pupil.

(b) Unlimited testing opportunities throughout the 2018-2019 school year.

(c) Valid and reliable diagnostic assessment data.

(d) Adjustment of testing difficulty based on previous answers to test questions.

(e) Immediate feedback to pupils and teachers.

(3) In order to receive reimbursement under this section for the purchase of 1 or more diagnostic tools or screening tools for pupils in grades K to 3, each of the tools must meet all of the following:

(a) Be reliable.

(b) Be valid.

(c) Be useful. As used in this subdivision, "useful" means that a tool is easy to administer and requires a short time to complete and that results are linked to intervention.

(4) In order to receive funding under this section for the purchase of benchmark assessments for pupils in grades K to 8, the benchmark assessments must meet all of the following:

(a) Be aligned to the state standards of this state.

(b) Complement this state's summative assessment system.

(c) Be administered at least once a year before the administration of any summative assessment to monitor pupil progress.

(d) Provide information on pupil achievement with regard to learning the content required in a given year or grade span.

(5) Reimbursement under this section shall be made to eligible districts that purchase a computer-adaptive test or 1 or more diagnostic tools, screening tools, or benchmark assessments described in this section by October 15, 2018 and shall be made on an equal per-pupil basis according to the available funding, based on the number of pupils for whom assessments were purchased.

(6) In order to receive reimbursement under this section, a district shall demonstrate to the satisfaction of the department that each qualifying computer-adaptive test, diagnostic tool, screening tool, or benchmark assessment was purchased by the district by December 1, 2018 and shall report to the department which tests, tools, and assessments the district purchased.

(7) Not later than February 1, 2019, the department shall compile the data provided by districts under subsection (6) and report to the house and senate appropriations subcommittees on school aid and the house...
and senate fiscal agencies the number of districts that purchased each test, tool, and assessment.

(8) Districts seeking reimbursement under this section for a benchmark assessment shall commit to using the same benchmark assessment for no less than 3 years without switching to another benchmark assessment.


Compiler's note: The repealed section pertained to assessment digital literacy preparation pilot project.

388.1704f Digital literacy preparation pilot project; requirements; report.

Sec. 104f. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $500,000.00 for the implementation of an assessment digital literacy preparation pilot project for pupils enrolled in grades K to 8 for 2018-2019. The department shall ensure that a pilot project funded under this subsection satisfies all of the following:

(a) Is available to districts in the 2019-2020 school year.

(b) Focuses on ensuring pupils have the necessary skills required for state online assessments by assessing pupil digital literacy skill levels and providing teachers with a digital curriculum targeted at areas of determined weakness.

(c) Allows pupils to engage with the digital curriculum in an independent or teacher-facilitated modality.

(d) Includes training and professional development for teachers.

(e) Is implemented in at least 100 districts that operate grades K to 8 and that represent a diverse geography and socio-economic demographic.

(2) Funding under subsection (1) shall be allocated to a district that did not receive funding under former section 104e for 2017-2018 and operates at least grades K to 8 and has a partnership with a third party that is experienced in the assessment of digital literacy and the preparation of digital literacy skills and has demonstrable experience serving districts in this state and local education agencies in 10 other states. The district, along with its third-party partner, shall provide a report to the house and senate appropriations subcommittees on school aid and the house and senate fiscal agencies on the efficacy and usefulness of the assessment digital literacy preparation pilot project no later than April 1, 2020.

(3) Notwithstanding section 17b, payments under subsection (1) shall be made not later than March 1, 2019 in a manner determined by the department.


388.1705 Counting nonresident pupils in membership; application for enrollment; procedures.

Sec. 105. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing within the same intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing within the same intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing within the same intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents in that grade, school, or program:

(i) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a period of at least 15 calendar days but not more than 30 calendar days from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program. The notice shall identify the dates of the application period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program.

(C) Within 15 calendar days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be
allowed to enroll in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(ii) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester or trimester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing within the same intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program:

(i) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing within the same intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-calendar-day period.

(ii) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment that the applicant has been accepted for enrollment in the grade, school, or program and of the procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(3) If a district determines during the first semester or trimester of a school year that it has positions available for enrollment of a number of nonresidents residing within the same intermediate district, beyond those entitled to preference under this section, for the second semester or trimester of the school year, the district may accept applications from and enroll nonresidents residing within the same intermediate district for the second semester or trimester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester or trimester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester or trimester may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) During the last 2 weeks of the first semester or trimester, the district shall accept applications from nonresidents residing within the same intermediate district for enrollment for the second semester or trimester in the available grades, schools, and programs.

(c) By the beginning of the second semester or trimester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll in the district for the second semester or trimester and notify the parent or legal guardian of each nonresident applicant residing within the same intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing within the same intermediate district may limit the number of nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant.

(6) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on age, except that a district may refuse to admit a nonresident applicant applying for a
program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.
(b) The applicant, at any time before enrolling under this section, has been expelled from another school.
(c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester or trimester immediately preceding the school year or semester or trimester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) A district shall give preference for enrollment under this section over all other nonresident applicants residing within the same intermediate district to other school-age children who reside in the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance in a school, grade, or program does not exceed the positions available for nonresident pupils in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing within the same intermediate district eligible for acceptance exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant, the district of residence shall provide that information on a timely basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) A district that, pursuant to this section, enrolls a nonresident pupil who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, shall be considered to be the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. Consistent with state and federal law, that district is responsible for developing and implementing an individualized education plan annually for a nonresident pupil described in this subsection.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be

whether or not the applicant may enroll in the district. The notification to parents or legal guardians of

allowed to enroll under this section in that grade, school, or program, using the random draw system required


to accepting applications from and enrolling nonresidents under this section:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing in a district located in a contiguous intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents under this section in that grade, school, or program:

(1) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a period of at least 15 calendar days but not more than 30 calendar days from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program. The notice shall identify the dates of the application period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program.

(C) Within 15 calendar days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll under this section in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment under this section shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be


Compiler’s note: The repealed section pertained to counting nonresident pupils in membership.

388.1705b Intermediate district operating under pilot schools of choice program.

Sec. 105b. If an intermediate district is operating under an intermediate district pilot schools of choice program established under former section 91 or as described in section 91a, the intermediate district and its constituent districts are exempt from section 105.


388.1705c Enrollment by nonresident applicants residing in district located in a contiguous intermediate district.

Sec. 105c. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing in a district located in a contiguous intermediate district in membership without the approval of the pupil’s district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing in a district located in a contiguous intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents under this section, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents under this section:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing in a district located in a contiguous intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents under this section in that grade, school, or program:

(i) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a period of at least 15 calendar days but not more than 30 calendar days from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program. The notice shall identify the dates of the application period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program.

(C) Within 15 calendar days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll under this section in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment under this section shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be
no later than the end of the first week of school.

(ii) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester or trimester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing in a district located in a contiguous intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program under this section:

(i) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing in a district located in a contiguous intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-calendar-day period.

(ii) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment under this section that the applicant has been accepted for enrollment in the grade, school, or program and of the date by which the applicant must enroll in the district and the procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(3) If a district determines during the first semester or trimester of a school year that it has positions available for enrollment of a number of nonresidents residing in a district located in a contiguous intermediate district, beyond those entitled to preference under this section, for the second semester or trimester of the school year, the district may accept applications from and enroll nonresidents residing in a district located in a contiguous intermediate district for the second semester or trimester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester or trimester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester or trimester may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) During the last 2 weeks of the first semester or trimester, the district shall accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment for the second semester or trimester in the available grades, schools, and programs.

(c) By the beginning of the second semester or trimester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll under this section in the district for the second semester or trimester and notify the parent or legal guardian of each nonresident applicant residing in a district located in a contiguous intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment shall be no later than the end of the first week of school.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing in a district located in a contiguous intermediate district may limit the number of those nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant under this section.

(6) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant under this section if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment under this section based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.
(8) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be
granted or refused enrollment under this section based upon religion, race, color, national origin, sex, height,
weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting
discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant under this section if
any of the following are met:
   (a) The applicant is, or has been within the preceding 2 years, suspended from another school.
   (b) The applicant, at any time before enrolling under this section, has been expelled from another school.
   (c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the
supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a
reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described
in this subsection for disciplinary reasons.

(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this
section in the school year or semester or trimester immediately preceding the school year or semester or
trimester in question to enroll in the district until the pupil graduates from high school. This subsection does
not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) A district shall give preference for enrollment under this section over all other nonresident applicants
residing in a district located in a contiguous intermediate district to other school-age children who reside in
the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the
1995-96 school year and continues to be enrolled continuously each school year in that district, the district
shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school
graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection
does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance under this section in a school,
grade, or program does not exceed the positions available for nonresident pupils under this section in the
school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident
applicants eligible for acceptance. If the number of qualified nonresident applicants residing in a district
located in a contiguous intermediate district eligible for acceptance under this section exceeds the positions
available in a grade, school, or program in a district for nonresident pupils, the district shall use a random
draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and
subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on
the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides
to supply information needed by the district for evaluating the applicant's application for enrollment or for
enrolling the applicant under this section, the district of residence shall provide that information on a timely
basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting
pupils residing in that district from enrolling in another district or prohibiting pupils residing in another
district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the
district under this section or for a resident pupil enrolled in another district under this section. However, at the
time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian
information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or
intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) In order for a district or intermediate district to enroll pursuant to this section a nonresident pupil who
resides in a district located in a contiguous intermediate district and who is eligible for special education
programs and services according to statute or rule, or who is a child with disabilities, as defined under the
individuals with disabilities education act, Public Law 108-446, the enrolling district shall have a written
agreement with the resident district of the pupil for the purpose of providing the pupil with a free appropriate
public education. The written agreement shall include, but is not limited to, an agreement on the responsibility
for the payment of the added costs of special education programs and services for the pupil. The written
agreement shall address how the agreement shall be amended in the event of significant changes in the costs
or level of special education programs or services required by the pupil.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid
allocation to the district under this act.
(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

(22) This section is repealed if the final decision of a court of competent jurisdiction holds that any portion of this section is unconstitutional, ineffective, invalid, or in violation of federal law.

(23) As used in this section, "district located in a contiguous intermediate district" means a district located in an intermediate district that is contiguous to the intermediate district in which a pupil's district of residence is located.


**Compiler's note:** Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

**388.1706 Pupils not counted in membership.**

Sec. 106. A pupil enrolled in a public school program organized under federal or state supervision and in which the teaching costs are fully subsidized from federal or state funds shall not be counted in membership.


**388.1707 Adult education programs.**

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed $30,000,000.00 for 2018-2019 for adult education programs authorized under this section. Except as otherwise provided under subsections (14) and (15), funds allocated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, an eligible adult education provider shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, an individual shall be enrolled in an adult basic education program, an adult secondary education program, an adult English as a second language program, a high school equivalency test preparation program, or a high school completion program, that meets the requirements of this section, and for which instruction is provided, and the individual shall be at least 18 years of age and the individual's graduating class shall have graduated.

(4) By April 1 of each fiscal year, the intermediate districts within a prosperity region or subregion shall determine which intermediate district will serve as the prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify the department in a form and manner determined by the department. The department shall approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for adult education programs in each of the prosperity regions or subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administration costs for serving as the fiscal agent. Beginning in 2014-2015, 67% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the proportion of total funding formerly received by the adult education providers in that prosperity region or subregion in 2013-2014, and 33% shall be based on the factors in subdivisions (a), (b), and (c).

For 2018-2019, 33% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and (c). However, if the allocation to an intermediate district as calculated under the preceding sentence is less than the amount received by the intermediate district under this subsection for 2017-2018, the intermediate district shall instead receive in 2018-2019 an amount equal to what the intermediate district
received in 2017-2018. Beginning in 2019-2020, the allocation provided to each intermediate district serving as a fiscal agent shall be equal to what the intermediate district received in 2018-2019. The funding factors for this section are as follows:

(a) Sixty percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals between the ages of 18 and 24 that are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American Community Survey (ACS) from the United States Census Bureau.

(b) Thirty-five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 25 or older who are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American Community Survey (ACS) from the United States Census Bureau.

(c) Five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 18 or older who lack basic English language proficiency that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American Community Survey (ACS) from the United States Census Bureau.

(5) To be an eligible fiscal agent, an intermediate district must agree to do the following in a form and manner determined by the department:

(a) Distribute funds to adult education programs in a prosperity region or subregion as described in this section.

(b) Collaborate with the career and educational advisory council, which is an advisory council of the workforce development boards located in the prosperity region or subregion, or its successor, to develop a regional strategy that aligns adult education programs and services into an efficient and effective delivery system for adult education learners, with special consideration for providing contextualized learning and career pathways and addressing barriers to education and employment.

(c) Collaborate with the career and educational advisory council, which is an advisory council of the workforce development boards located in the prosperity region or subregion, or its successor, to create a local process and criteria that will identify eligible adult education providers to receive funds allocated under this section based on location, demand for services, past performance, quality indicators as identified by the department, and cost to provide instructional services. The fiscal agent shall determine all local processes, criteria, and provider determinations. However, the local processes, criteria, and provider services must be approved by the department before funds may be distributed to the fiscal agent.

(d) Provide oversight to its adult education providers throughout the program year to ensure compliance with the requirements of this section.

(e) Report adult education program and participant data and information as prescribed by the department.

(6) An adult basic education program, an adult secondary education program, or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by a department-approved assessment, in a form and manner prescribed by the department, to be below twelfth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(i) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(ii) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A participant in an adult secondary education program is eligible for reimbursement until 1 of the following occurs:

(i) The participant's reading and mathematics proficiency are assessed above the twelfth grade level.

(ii) The participant fails to show progress on 2 successive assessments after having at least 450 hours of instruction.

(e) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (9) until the participant meets 1 of the following:

(i) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.

(ii) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient
regarding appropriate assessment instruments for this program.

(7) A high school equivalency test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma or a high school equivalency certificate.

(b) The program shall administer a pre-test approved by the department before enrolling an individual to determine the individual's literacy levels, shall administer a high school equivalency practice test to determine the individual's potential for success on the high school equivalency test, and shall administer a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (9) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant achieves a high school equivalency certificate.

(ii) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take a high school equivalency test after having completed at least 450 hours of instruction.

(8) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (9) for a participant in a course offered under this subsection until 1 of the following occurs:

(i) The participant passes the course and earns a high school diploma.

(ii) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(9) A funding recipient shall receive payments under this section in accordance with all of the following:

(a) Statewide allocation criteria, including 3-year average enrollments, census data, and local needs.

(b) Participant completion of the adult basic education objectives by achieving an educational gain as determined by the national reporting system levels; for achieving basic English proficiency, as determined by the department; for achieving a high school equivalency certificate or passage of 1 or more individual high school equivalency tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; for enrollment in a postsecondary institution, or for entry into or retention of employment, as applicable.

(c) Participant completion of core indicators as identified in the innovation and opportunity act.

(d) Allowable expenditures.

(10) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (6), (7), or (8) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(11) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(12) A funding recipient shall not commingle money received under this section or from another source for adult education purposes with any other funds and shall establish a separate ledger account for funds received under this section. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(13) A funding recipient receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A funding recipient may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A funding recipient may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States Department of Health and Human Services.

(14) In order to receive funds under this section, a funding recipient shall furnish to the department, in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department. In addition, a funding recipient shall agree to pay to a career and
technical education program under section 61a the amount of funding received under this section in the proportion of career and technical education coursework used to satisfy adult basic education programming, as billed to the funding recipient by programs operating under section 61a. In addition to the funding allocated under subsection (1), there is allocated an amount not to exceed $500,000.00 to reimburse funding recipients for administrative and instructional expenses associated with commingling programming under this section and section 61a. Payments made to each funding recipient shall be in the same proportion as funding calculated and allocated under subsection (4).

(15) From the amount appropriated in subsection (1), an amount not to exceed $4,000,000.00 shall be allocated for 2018-2019 for grants to adult education or career technical center programs that connect adult education participants with employers as provided under this subsection. The grant to each program shall be up to $350,000.00. To be eligible for funding under this subsection, a program must provide a collaboration linking adult education programs within the county, the area career technical center, and local employers. To receive funding under this subsection, an eligible program shall satisfy all of the following:

(a) Shall connect adult education participants directly with employers by linking adult education, career and technical skills, and workforce development.

(b) Shall require adult education staff to work with Michigan Works! agency to identify a cohort of participants who are most prepared to successfully enter the workforce. Participants identified under this subsection shall be dually enrolled in adult education programming and at least 1 technical course at the area career and technical center.

(c) Shall have an individual staffed as an adult education navigator who will serve as a caseworker for each participant identified under subdivision (b). The navigator shall work with adult education staff and potential employers to design an educational program best suited to the personal and employment needs of the participant and shall work with human service agencies or other entities to address any barrier in the way of participant access.

(16) A program that was a pilot program in 2017-2018 and that was funded under this section in 2017-2018 shall be funded in 2018-2019 unless the program ceases operation. The intermediate district in which that pilot program was funded shall be the fiscal agent for that program and shall apply for that program's funding under subsection (15).

(17) Each program funded under subsection (15) will receive funding for 3 years. After 3 years of operations and funding, a program must reapply for funding.

(18) Not later than December 1, 2019, a program funded under subsection (15) shall provide a report to the senate and house appropriations subcommittees on school aid, to the senate and house fiscal agencies, and to the state budget director identifying the number of participants, graduation rates, and a measure of transition to employment.

(19) The department shall approve at least 3 high school equivalency tests and determine whether a high school equivalency certificate meets the requisite standards for high school equivalency in this state.

(20) As used in this section:

(a) "Career and educational advisory council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

(b) "Career pathway" means a combination of rigorous and high-quality education, training, and other services that comply with all of the following:

(i) Aligns with the skill needs of industries in the economy of this state or in the regional economy involved.

(ii) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the act of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

(iii) Includes counseling to support an individual in achieving the individual's education and career goals.

(iv) Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

(v) Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable.

(vi) Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least 1 recognized postsecondary credential.

(vii) Helps an individual enter or advance within a specific occupation or occupational cluster.

(c) "Department" means the department of talent and economic development.

(d) "Eligible adult education provider" means a district, intermediate district, a consortium of districts, a consortium of intermediate districts, or a consortium of districts and intermediate districts that is identified as
part of the local process described in subsection (5)(c) and approved by the department.


**Compiler's note:** Former MCL 388.1707, which pertained to adult education programs, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

In subsection (1), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

In subdivision (3)(a), as amended by Act 121 of 2001, the phrase "and 2002-2003" was vetoed by the governor September 28, 2001.

In subdivision (3)(b), as amended by Act 121 of 2001, the phrase "and for 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Subsection (16), as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00."

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,285,376,300.00."

For transfer of certain powers and duties vested in the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2001.

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

"Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

Enacting section 1 of Act 130 of 2013 provides:

"Enacting section 1. This amendatory act takes effect January 1, 2013."

Enacting section 1 of Act 139 of 2015 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2015 PA 85 and this amendatory act for fiscal year 2015-2016 is estimated at $12,124,885,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2015-2016 are estimated at $11,967,255,600.00."


**Compiler's note:** The repealed section pertained to family resource center curriculum blue ribbon study committee.


**Compiler's note:** The repealed section pertained to adult learning system pilot project.

Compiler's note: The repealed sections pertained to literacy project grants and adult education categorical grants.


Compiler's note: The repealed section pertained to adult education programs.


Compiler's note: The repealed section pertained to adult education programs.


Compiler's note: The repealed section pertained to adult learning programs.

388.1709 Providing appropriate instructional services to pupil requiring hospitalization or confinement at home.

Sec. 112. (1) Subject to subsection (2), in order to receive funds under this article, each district or intermediate district shall provide appropriate instructional services, as determined by the district or intermediate district, to an enrolled pupil who is certified by the pupil's attending physician as having a medical condition that requires the pupil to be hospitalized or confined to his or her home during regular school hours and that is expected to require the hospitalization or confinement for a period longer than 5 school days. The district or intermediate district may provide the services itself or may contract with an intermediate district, a hospital, a treatment center, or another district to provide the services. In choosing a provider for the instructional services, the district or intermediate district shall consider which of those potential providers is best able to deliver the appropriate instructional services. The district or intermediate district shall pay reasonable costs as agreed upon between the district or intermediate district and the provider for services provided to a pupil under this section.

(2) A district or intermediate district is required to provide instructional services under subsection (1) to a pupil placed in a hospital, treatment center, or other treatment facility without the district's or intermediate district's prior knowledge only if the district or intermediate district is notified of the pupil's placement by the hospital, treatment center, facility, or the pupil's parent or legal guardian. Upon being notified, the district or intermediate district shall make arrangements to provide instructional services under subsection (1) within 3 school days after being notified.

(3) Not later than October 15 of each odd-numbered year, the department shall prepare and distribute electronically to each district and intermediate district and make available on its website an explanation of the operation of this section and the respective duties of all affected parties. The department shall provide a copy of the explanation electronically to any other person upon request.


388.1711 Tuition rates; computation; uniformity.

Sec. 111. A district having tuition pupils enrolled on the pupil membership count day of each year may charge the district of residence an amount for tuition that does not exceed the tuition rate computed under section 1401 of the revised school code, MCL 380.1401. The rate charged by a district shall be uniform within each category of tuition pupils enrolled in the district. However, for a tuition pupil who resides in a K-5, K-6, or K-8 district and who is enrolled in a grade not offered by the pupil's district of residence, the district shall pay reasonable costs as agreed upon between the district or intermediate district and the provider for services provided to the pupil.


Compiler's note: In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that “the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill...”

388.1712 Full-day kindergarten; tuition or fee prohibited.

Sec. 112. A district receiving funds under this act shall not charge tuition or any other fee for full-day
kindergarten for a pupil who is eligible to enroll in the district.


Compiler's note: The repealed section pertained to pupils residing in juvenile or detention home and attending school by court direction.


Compiler's note: The repealed section pertained to American Indian pupils.


Compiler's note: The repealed section pertained to charging legal amount of tuition as requirement for allotment or payment.

Sec. 118. (1) Subject to subsection (3), a district shall not be allotted or paid a sum under this act unless that district pays the agreed-upon amount of tuition or other payment for pupils educated outside the boundaries of the pupil's district of residence.

(2) A district that sends pupils to 1 or more districts, that is legally liable for the payment of the amount described in subsection (1), and that fails to pay that amount in full before April 1 of each year shall remit the full amount owed to the receiving district before making any other financial expenditure or commitment for the next school fiscal year.

(3) The department shall not deduct any amount from a district's state school aid pursuant to this section unless the receiving district demonstrates to the satisfaction of the department, not later than April 30 of the same fiscal year, that the liable district has not paid the required amount as described in subsection (2).


388.1721 Valuation of district; adjustments.

Sec. 121. (1) The valuation of a whole or fractional district shall be the total taxable value of the property contained in the whole or fractional district as last determined by the state tax commission and placed on the ad valorem tax roll. For purposes of computations made under this act, except as provided in section 26, the taxable value of a district or intermediate district shall include the value of property used to calculate the tax imposed on lessees or users of tax-exempt property under 1953 PA 189, MCL 211.181 to 211.182, and the value of property used to calculate the state payment in lieu of taxes on state purchased property under section 2153 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2153. Adjustments to this taxable value shall be made for all of the following:

(a) State tax tribunal decisions.

(b) Court decisions.

(c) Local board of review adjustments made after the state tax commission determination.

(d) Lands deeded to the state for jurisdictions without delinquent tax revolving funds or for jurisdictions that have required repayment to the delinquent tax revolving funds.

(e) The requirements of this act.

(2) Adjustments under subsection (1) shall not be made for more than the 6 state fiscal years immediately preceding the state fiscal year in which the adjustment is made, except that an adjustment pursuant to a state tax tribunal decision or court decision shall be made for the tax years involved in the decision and any subsequent years affected by the decision.


Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."


Compiler's note: The repealed section pertained to state education tax.
388.1722 Deducting valuation of property from valuation of district; condition; credit as lien; payment of school aid fund.

Sec. 122. The valuation of property assessed under Act No. 189 of the Public Acts of 1953, as amended, being sections 211.181 to 211.182 of the Michigan Compiled Laws, shall be deducted from the total valuation of a district if school taxes levied against the property are not collected from the lessee or user of the property. The credit so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected.


388.1724 Reducing valuation of district when taxes paid under certain conditions; credits as lien against district; payment to school aid fund; implementation of subsection (2).

Sec. 124. (1) If taxes levied for operating purposes against property constituting at least 5% of the valuation of a district are paid under protest and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected.

(2) If taxes levied for operating purposes against property constituting at least 5% of the valuation of a district are not paid by a single bankrupt debtor that files for reorganization under chapter 11 of title 11 of the United States Code, 11 U.S.C. 1101 to 1174, and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected. This subsection shall be implemented upon verification by the department that the district has taken proper action to attempt to secure payment of taxes by the bankrupt debtor.


Compiler's note: The repealed sections pertained to amounts allocated to eligible districts, allocations to applicants sustaining SEV reduction due to listing of forest land, deductions of amounts, and sources of revenue.


Compiler's note: The repealed section pertained to state share of desegregation costs.


Compiler's note: The repealed section pertained to social security and medicare obligations.


Compiler's note: The repealed section pertained to payments to districts for social security and medicare.

388.1747 Allocations to public school employees' retirement system; contribution rates.

Sec. 147. (1) The allocation for 2018-2019 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, shall be made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the 2018-2019 fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 38.39%, with 26.18% paid directly by the employer.

(b) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 38.39%, with 26.18% paid directly by the employer.

(c) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 36.60%, with 24.39% paid directly by the employer.

(d) For public school employees who first worked for a public school reporting unit on or after September 4, 2012, who elect defined contribution, and who participate in the personal healthcare fund, the annual level...
percentage of payroll contribution rate is estimated at 33.17%, with 20.96% paid directly by the employer.

(e) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 33.53%, with 21.32% paid directly by the employer.

(f) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 33.17%, with 20.96% paid directly by the employer.

(g) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 38.03%, with 25.82% paid directly by the employer.

(h) For public school employees who first worked for a public school reporting unit after January 31, 2018 and who elect to become members of the MPSERS plan, the annual level percentage of payroll contribution rate is estimated at 39.37%, with 27.16% paid directly by the employer.

(3) In addition to the employer payments described in subsection (2), the employer shall pay the applicable contributions to the Tier 2 plan, as determined by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(4) The contribution rates in subsection (2) reflect an amortization period of 20 years for 2018-2019. The public school employees’ retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.


Compiler’s note: Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Immd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.

“Enacting section 1 of 2005 PA 155 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00.”

Enacting section 1 of Act 342 of 2006 provides:

“Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00.

“Enacting section 1 of Act 92 of 2007 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00.”

Enacting section 1 of Act 268 of 2008 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00.”

Enacting section 1 of Act 121 of 2009 provides:

“Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00.”
388.1747a Payments to participating districts; use; purpose; "participating district" defined; payments to participating districts and district libraries; definitions.

Sec. 147a. (1) From the appropriation in section 11, there is allocated for 2018-2019 an amount not to exceed $100,000,000.00 for payments to participating districts. A participating district that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this subsection shall be based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this subsection, "participating district" means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(2) In addition to the allocation under subsection (1), from the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed $88,091,000.00 for 2018-2019 for payments to participating districts and intermediate districts and from the general fund money appropriated under section 11, there is allocated an amount not to exceed $48,000.00 for 2018-2019 for payments to participating district libraries. The amount allocated to each participating entity under this subsection shall be based on each participating entity's percentage of the total statewide payroll for that type of participating entity for the immediately preceding fiscal year. A participating entity that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the normal cost contribution rate. As used in this subsection:

(a) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

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


Compiler's note: Enacting section 1 of Act 130 of 2013 provides:
"Enacting section 1. This amendatory act takes effect October 1, 2013."

388.1747b MPSERS retirement obligation reform reserve fund; creation; investment; interest and earnings.

Sec. 147b. (1) The MPSERS retirement obligation reform reserve fund is created as a separate account within the state school aid fund.

(2) The state treasurer may receive money or other assets from any source for deposit into the MPSERS retirement obligation reform reserve fund. The state treasurer shall direct the investment of the MPSERS retirement obligation reform reserve fund. The state treasurer shall credit to the MPSERS retirement obligation reform reserve fund interest and earnings from the MPSERS retirement obligation reform reserve fund.

(3) Money available in the MPSERS retirement obligation reform reserve fund shall not be expended without a specific appropriation.

(4) Money in the MPSERS retirement obligation reform reserve fund at the close of the fiscal year shall remain in the MPSERS retirement obligation reform reserve fund and shall not lapse to the state school aid fund or to the general fund. The department of treasury shall be the administrator of the MPSERS retirement obligation reform reserve fund for auditing purposes.


388.1747c Payments to participating entities of retirement system; installment; definitions.

Sec. 147c. From the appropriation in section 11, there is allocated for 2018-2019 an amount not to exceed $1,032,000,000.00 from the state school aid fund for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system. In addition, from the general fund money appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed
$700,000.00 for payments to district libraries that are participating entities of the Michigan public school employees' retirement system. All of the following apply to funding under this subsection:

(a) For 2018-2019, the amounts allocated under this subsection are estimated to provide an average MPSERS rate cap per pupil amount of $690.00 and are estimated to provide a rate cap per pupil for districts ranging between $4.00 and $3,000.00.

(b) Payments made under this subsection shall be equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(c) The amount allocated to each participating entity under this subsection shall be based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year for the same type of participating entities. A participating entity that receives funds under this subsection shall use the funds solely for the purpose of retirement contributions as specified in subdivision (d).

(d) Each participating entity receiving funds under this subsection shall forward an amount equal to the amount allocated under subdivision (c) to the retirement system in a form, manner, and time frame determined by the retirement system.

(e) Funds allocated under this subsection should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(f) Not later than December 20, 2018, the department shall publish and post on its website an estimated MPSERS rate cap per pupil for each district.

(g) It is the intent of the legislature that any funds allocated under this subsection are first applied to pension contributions, and if any funds remain after that payment, those remaining funds shall be applied to other postemployment benefit contributions.

(h) As used in this subsection:
   (i) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.
   (ii) "MPSERS rate cap per pupil" means an amount equal to the quotient of the district's payment under this subsection divided by the district's pupils in membership.
   (iii) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.
   (iv) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.
   (v) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.


Compiler's note: The repealed section pertained to payments to participating entities.

388.1747e Allocation from MPSERS retirement obligation reform reserve fund for payments to participating entities; payments; definitions.

Sec. 147e. (1) From the appropriation in section 11, there is allocated for 2018-2019 an amount not to exceed $31,900,000.00 from the MPSERS retirement obligation reform reserve fund and $5,700,000.00 from the state school aid fund for payments to participating entities.

(2) The payment to each participating entity under this section shall be the sum of the amounts under this subsection as follows:

(a) An amount equal to the contributions made by a participating entity for the additional contribution made to a qualified participant's Tier 2 account in an amount equal to the contribution made by the qualified participant not to exceed 3% of the qualified participant's compensation as provided for under section 131(6) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1431.

(b) Beginning October 1, 2017, an amount equal to the contributions made by a participating entity for a qualified participant who is only a Tier 2 qualified participant under section 81d of the public school
employees retirement act of 1979, 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning February 1, 2018, not to exceed 1%, of the qualified participant's compensation.

(c) An amount equal to the increase in employer normal cost contributions under section 41b(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member that was hired after February 1, 2018 and chose to participate in Tier 1, compared to the employer normal cost contribution for a member under section 41b(1) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b.

(3) As used in this section:

(a) "Member" means that term as defined under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(b) "Participating entity" means a district, intermediate district, or community college that is a reporting unit of the Michigan public school employees’ retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees’ retirement system for the applicable fiscal year.

(c) "Qualified participant" means that term as defined under section 124 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.


Compiler's note: The repealed sections pertained to grant to Detroit compact for comprehensive school, business, government, and community partnership, and Michigan partnership for new education.


Compiler's note: The repealed sections pertained to dropout prevention program and Detroit compact for comprehensive school, business, government, and community partnerships.

388.1751 Statement of taxable value; report by tax tribunal.

Sec. 151. (1) The treasurer of each county shall furnish to the department, on or before August 1 of each year following the receipt of assessment rolls, a statement of the taxable value of each district and fraction of a district within the county, using forms furnished by the department. On or before May 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the immediately preceding year of each district and fraction of a district within the county, using forms furnished by the department. On or before October 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the years after 1993 of each district and fraction of a district within the county, using forms furnished by the department. The reports required by this subsection shall also contain the amount of ad valorem taxable value captured for school operating taxes under tax increment financing acts.

(2) Not later than the tenth day of each month, the tax tribunal created by the tax tribunal act, 1973 PA 186, MCL 205.701 to 205.779, shall report to the department the changes in taxable value for tax years after 1993 that are not reported to the department under subsection (1) and that are caused by tax tribunal decisions in the immediately preceding month for property that is a principal residence or qualified agricultural property, as defined in section 1211 of the revised school code, MCL 380.1211, and for property that is not a principal residence or qualified agricultural property, in each district and intermediate district. The report shall also contain the amount of taxable value captured under a tax increment financing plan described in subsection (1) for school operating tax purposes.

(3) As used in this section, "tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.


Compiler's note: Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,815,987,300.00. "

Enacting section 1 of Act 268 of 2008 provides:
388.1752 Reports for determination of allocation of funds; information; reports of educational progress.

Sec. 152. Except for reports due on other dates specified in this act, each district and intermediate district shall furnish to the center or the department, as applicable, before the first Monday in November of each year those reports the department considers necessary for the determination of the allocation of funds under this act. In order to receive funds under this act, each district and intermediate district shall also furnish to the center or the department, as applicable, the information the department considers necessary for the administration of this act, including information necessary to determine compliance with article 16, and for the provision of reports of educational progress to the senate and house committees responsible for education, the senate and house appropriations subcommittees responsible for appropriations to school districts, the senate and house fiscal agencies, and the state budget director, as appropriate. This section does not require a district or intermediate district to submit any information to both the center and the department.


Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

388.1752a Costs related to state-mandated collection, maintenance, and reporting of data; payments.

Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v State of Michigan, 486 Mich 468 (2010), from the state school aid fund money appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed $38,000,500.00 to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per-pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.


Enacting section 1 of Act 217 of 2010 provides:

"Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at $10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,562,169,000.00."

388.1752b Actual costs incurred by nonpublic schools complying with health, safety, and welfare requirements; reimbursement; "actual cost" defined; work project; carrying forward unexpended funds.

Sec. 152b. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed $2,500,000.00 for 2017-2018 and an amount not to exceed $250,000.00 for 2018-2019 to reimburse actual costs incurred by nonpublic schools in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state.

(2) By January 1 of each applicable fiscal year, the department shall publish a form for reporting actual costs incurred by a nonpublic school in complying with a health, safety, or welfare requirement mandated under state law containing each health, safety, or welfare requirement mandated by a law or administrative rule of this state applicable to a nonpublic school and with a reference to each relevant provision of law or administrative rule for the requirement. The form shall be posted on the department's website in electronic form.

(3) By June 30 of each applicable fiscal year, a nonpublic school seeking reimbursement for actual costs incurred in complying with a health, safety, or welfare requirement under a law or administrative rule of this
state during each applicable school year shall submit a completed form described in subsection (2) to the department. This section does not require a nonpublic school to submit a form described in subsection (2). A nonpublic school is not eligible for reimbursement under this section if the nonpublic school does not submit the form described in subsection (2) in a timely manner.

(4) By August 15 of each applicable fiscal year, the department shall distribute funds to each nonpublic school that submits a completed form described under subsection (2) in a timely manner. The superintendent shall determine the amount of funds to be paid to each nonpublic school in an amount that does not exceed the nonpublic school's actual costs in complying with a health, safety, or welfare requirement under a law or administrative rule of this state. The superintendent shall calculate a nonpublic school's actual cost in accordance with this section.

(5) If the funds allocated under this section are insufficient to fully fund payments as otherwise calculated under this section, the department shall distribute funds under this section on a prorated or other equitable basis as determined by the superintendent.

(6) The department may review the records of a nonpublic school submitting a form described in subsection (2) only for the limited purpose of verifying the nonpublic school's compliance with this section. If a nonpublic school does not allow the department to review records under this subsection, the nonpublic school is not eligible for reimbursement under this section.

(7) The funds appropriated under this section are for purposes related to education, are considered to be incidental to the operation of a nonpublic school, are noninstructional in character, and are intended for the public purpose of ensuring the health, safety, and welfare of the children in nonpublic schools and to reimburse nonpublic schools for costs described in this section.

(8) Funds allocated under this section are not intended to aid or maintain any nonpublic school, support the attendance of any student at a nonpublic school, employ any person at a nonpublic school, support the attendance of any student at any location where instruction is offered to a nonpublic school student, or support the employment of any person at any location where instruction is offered to a nonpublic school student.

(9) For purposes of this section, "actual cost" means the hourly wage for the employee or employees performing a task or tasks required to comply with a health, safety, or welfare requirement under a law or administrative rule of this state identified by the department under subsection (2) and is to be calculated in accordance with the form published by the department under subsection (2), which shall include a detailed itemization of costs. The nonpublic school shall not charge more than the hourly wage of its lowest-paid employee capable of performing a specific task regardless of whether that individual is available and regardless of who actually performs a specific task. Labor costs under this subsection shall be estimated and charged in increments of 15 minutes or more, with all partial time increments rounded down. When calculating costs under subsection (4), fee components shall be itemized in a manner that expresses both the hourly wage and the number of hours charged. The nonpublic school may not charge any applicable labor charge amount to cover or partially cover the cost of health or fringe benefits. A nonpublic school shall not charge any overtime wages in the calculation of labor costs.

(10) For the purposes of this section, the actual cost incurred by a nonpublic school for taking daily student attendance shall be considered an actual cost in complying with a health, safety, or welfare requirement under a law or administrative rule of this state. Training fees, inspection fees, and criminal background check fees are considered actual costs in complying with a health, safety, or welfare requirement under a law or administrative rule of this state.

(11) The funds allocated under this section for 2017-2018 are a work project appropriation, and any unexpended funds for 2017-2018 are carried forward into 2018-2019. The purpose of the work project is to continue to reimburse nonpublic schools for actual costs incurred in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state. The estimated completion date of the work project is September 30, 2020.

(12) The funds allocated under this section for 2018-2019 are a work project appropriation, and any unexpended funds for 2018-2019 are carried forward into 2019-2020. The purpose of the work project is to continue to reimburse nonpublic schools for actual costs incurred in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state. The estimated completion date of the work project is September 30, 2020.


388.1753 Furnishing information to legislative fiscal agencies.

Sec. 153. Each district and intermediate district shall furnish to the legislative fiscal agencies of the state legislature information the agencies require on forms prepared and furnished by the agencies, relative to the
expenditure of funds appropriated and allocated under this act.


**Compiler's note:** The repealed section pertained to names and post office addresses of treasurers, presidents, and secretaries of boards.


**Compiler's note:** The repealed section pertained to certifications as to nonresident pupils.


**Compiler's note:** The repealed sections pertained to informing legislators of amounts received and study of suspended or expelled students.


**Compiler's note:** The repealed section pertained to furnishing information for preparation of district pupil retention report.


**Compiler's note:** The repealed section pertained to reports on suspended and expelled pupils.


**Compiler's note:** The repealed section pertained to report by district receiving federal aid.


**Compiler's note:** The repealed section pertained to reports on grants or contracts.


**Compiler's note:** The repealed section pertained to special report including membership data.

388.1760 Request for waiver from requirements of MCL 380.1284b.

Sec. 160. If a district or intermediate district requests the superintendent to grant a waiver for the district or intermediate district from the requirements of section 1284b of the revised school code, MCL 380.1284b, that district or intermediate district shall use a portion of its funding under this article to conduct a joint public hearing with the department to be held before the waiver is granted at a location within the district or intermediate district.


388.1761 Violation as misdemeanor; penalty.

Sec. 161. A school official or member of a board or other person who neglects or refuses to do or perform an act required by this act or who violates or knowingly permits or consents to the violation of this act is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or a fine of not more than $1,500.00, or both. This penalty is in addition to all other financial penalties otherwise specified in this article.


388.1761a False report; court order.

Sec. 161a. If a court determines that a person intentionally violated section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, by making a false report of the commission of a crime described in section 6(6)(f) knowing the report to be false for the purpose of having a pupil counted in membership in a district under section 6(6)(f), as part of the restitution ordered under section 30 of chapter XIIA of 1939 PA 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's rights act, 1985 PA 87, MCL 780.766, 780.794, and 780.826, or section 1a of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.1a, the court may order the person to pay the pupil's district of residence an amount that is not more than the state school aid that district would have received attributable to the pupil if the pupil had been counted in membership in his or her district of residence.


**Compiler's note:** Enacting section 1 of Act 342 of 2006 provides:

+ "Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

+ (2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units

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of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

388.1762 Failure to file reports; forfeiture of funds.

Sec. 162. A district or intermediate district that fails through the negligence of school officials to file reports pursuant to this act shall forfeit that proportion of funds to which the district or intermediate district otherwise would be entitled under this act as the delay in the reports bears to a school year consisting of the required minimum number of days and hours, as prescribed in section 1284 of the revised school code, being section 380.1284 of the Michigan Compiled Laws, for the district or intermediate district.


388.1763 Prohibited conduct; deduction; notice; misdemeanor; penalty.

Sec. 163. (1) Except as provided in the revised school code, the board of a district or intermediate district shall not permit any of the following:

(a) Except for an individual engaged to teach under section 1233b of the revised school code, MCL 380.1233b, an individual who does not hold a valid certificate or who is not working under a valid substitute permit, authorization, or approval issued under rules promulgated by the department to teach in an elementary or secondary school.

(b) An individual who does not satisfy the requirements of section 1233 of the revised school code, MCL 380.1233, and rules promulgated by the department to provide school counselor services to pupils in an elementary or secondary school.

(c) An individual who does not satisfy the requirements of section 1246 of the revised school code, MCL 380.1246, or who is not working under a valid substitute permit issued under rules promulgated by the department, to be employed as a superintendent, principal, or assistant principal, or as an individual whose primary responsibility is to administer instructional programs in an elementary or secondary school, or in a district or intermediate district.

(2) Except as provided in the revised school code, a district or intermediate district employing individuals in violation of this section shall have deducted the sum equal to the amount paid the individuals for the period of employment. Each intermediate superintendent shall notify the department of the name of the individual employed in violation of this section, and the district employing that individual and the amount of salary the individual was paid within a constituent district.

(3) If a school official is notified by the department that he or she is employing an individual in violation of this section and knowingly continues to employ that individual, the school official is guilty of a misdemeanor punishable by a fine of $1,500.00 for each incidence. This penalty is in addition to all other financial penalties otherwise specified in this article.


Compiler’s note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of Act 137 of 2007 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at $11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,458,493,300.00."
in the immediately preceding school fiscal year for purchasing, leasing, or renting cars for board members for use within district or intermediate district boundaries, and for chauffeurs for board members or administrators.


### 388.1764a Receipt by school administrator of monetary payment in lieu of unused vacation or personal leave.

Sec. 164a. A district or intermediate district shall not allow a school administrator to receive a monetary payment in lieu of unused vacation or personal leave for the purpose of increasing the school administrator’s retirement benefits. If a district or intermediate district violates this section in a fiscal year, the district or intermediate district forfeits from its funds due under this act for that fiscal year an amount equal to the salary of the district’s or intermediate district’s superintendent for that fiscal year.


### 388.1764b Payment or reimbursement of board member expenses.

Sec. 164b. (1) The board of a district or intermediate district shall not pay an expense incurred by a member of the board unless the payment is in compliance with section 1254 of the revised school code, being section 380.1254 of the Michigan Compiled Laws.

(2) In addition to the requirements of section 1254 of the revised school code, the board of a district or intermediate district shall not approve reimbursement of an expense incurred by a board member unless 1 or both of the following conditions is met:

(a) The board, by a majority vote of its members at an open meeting, approved reimbursement of the specific expense before the expense was incurred.

(b) The expense is consistent with a policy adopted by the board, by a majority vote of its members at a regular board meeting, establishing specific categories of reimbursable expenses and the board, by a majority vote of its members at an open meeting, approved the reimbursement before it is actually paid.

(3) Records of all payments under this section shall be open to the public.

(4) A violation of this section is punishable under section 161.


### 388.1764c Purchase of foreign goods or services; preference.

Sec. 164c. A district or intermediate district shall not use funds appropriated under this act to purchase foreign goods or services, or both, if American goods or services, or both, are available and are competitively priced and of comparable quality. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.


**Compiler’s note:** Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

Enacting section 1 of Act 121 of 2009 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at $10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at $10,718,801,700.00."

### 388.1764d Adoption, implementation, or issuance of certain policies, practices, or statements; prohibition.

Sec. 164d. A district or intermediate district shall not expend funds received under this act to adopt or implement a policy or practice, or to make or issue any public statement or directive, that has the effect of any of the following:

(a) Denies to a student of a particular state university access to the district or intermediate district for student teaching purposes solely because the student is enrolled in that state university.
Prevents the hiring of a graduate of a particular state university solely because the individual graduated from that state university.

(c) Discourages or prohibits a counselor employed by the district or intermediate district from recommending a particular state university to a pupil of the district or intermediate district for reasons other than the suitability of the state university's educational offerings for the particular pupil.


### 388.1764e Student teaching; employment discrimination prohibited.

Sec. 164e. If a district or an employee of a district discriminates against a person engaging in or seeking to engage in student teaching in the district because the state university in which the person is enrolled serves as the authorizing body for 1 or more public school academies, the district forfeits an amount equal to 10% of the funds due to the district under this act.


### 388.1764f Procurement of diesel fuel.

Sec. 164f. The intermediate board of an intermediate district, the board of a district, or the board of directors of a public school academy may use funds appropriated under this article to enter into a swap, hedge, derivative, or similar agreement in connection with the procurement of diesel fuel. However, not more than 25% of a district's, public school academy's, or intermediate district's annual diesel fuel budget may be procured in the manner allowed under this section.


### 388.1764g Legal action initiated by district or intermediate district against state; use of funds prohibited.

Sec. 164g. A district or intermediate district shall not use funds appropriated under this article to pay an expense incurred relating to any legal action initiated by the district or intermediate district against this state. If a district or intermediate district violates this section in a fiscal year, the district or intermediate district forfeits from its funds due under this article for that fiscal year an amount equal to the expenses paid in violation of this section.


### 388.1764h Entry into collective bargaining agreement prohibited.

Sec. 164h. (1) Beginning October 1, 2017, a district or intermediate district shall not enter into a collective bargaining agreement that does any of the following:

(a) Establishes racial or religious preferences for employees.

(b) Automatically deducts union dues from employee compensation.

(c) Is in conflict with any state or federal law regarding district or intermediate district transparency.

(d) Includes a method of compensation that does not comply with section 1250 of the revised school code, MCL 380.1250. This subdivision shall not be construed to affect the operation of section 15(3)(o) of 1947 PA 336, MCL 423.215, the operation of section 1231 of the revised school code, MCL 380.1231, or the requirement to confer in good faith with respect to wages under section 15(1) of 1947 PA 336, MCL 423.215.

(2) A district or intermediate district that enters into a collective bargaining agreement in violation of subsection (1) shall forfeit an amount equal to 5% of the funds due to the district or intermediate district under this article.


### 388.1765 Reimbursement by entity in contractual shared time agreement.

Sec. 165. If an individual or private entity receives payment or consideration from a district or intermediate district as a result of involvement in a contractual shared time agreement and if memberships attributable to that agreement are subsequently disallowed by the department, the individual or entity shall reimburse to the district or intermediate district the full amount of the payment or consideration received. The attorney general may take any action necessary to enforce the reimbursement required under this section.


**Compiler's note:** Former MCL 388.1765, which pertained to forfeiture of apportionments, was repealed by Act 300 of 1996, Eff. Oct. 1, 1996.

### 388.1766 Violations of MCL 380.1507 or referral of pupil for abortion or assisting pupil in obtaining abortion; disciplinary policy.

Sec. 166. (1) The governing board of a district or intermediate district shall adopt and implement a
disciplinary policy as described in subsection (2) to provide penalties for violations of section 1507 of the revised school code, MCL 380.1507, and penalties for a school official, member of a governing board, employee of the district or intermediate district, or other person who refers a pupil for an abortion or assists a pupil in obtaining an abortion. A district or intermediate district that fails to adopt a policy required under this section within 3 years after the effective date of the 2016 amendments to this section shall forfeit from its total state school aid an amount equal to $100,000.00.

(2) A disciplinary policy required under subsection (1) shall provide for a financial penalty to be applied against an individual employed by the district or intermediate district who violates the policy under subsection (1) that is equivalent to not less than 3% of that individual's annual compensation.

(3) A district or intermediate district that applies a financial penalty against an employee or collects a fine from an individual as provided under subsection (2) shall refund to the state school fund an amount of money equal to the amount of the penalty or fine.


388.1766a Instruction in reproductive health or other sex education; complaint process.

Sec. 166a. (1) In order to avoid forfeiture of state aid under subsection (2), the board of a district or intermediate district providing reproductive health or other sex education instruction under section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, or under any other provision of law, shall ensure that all of the following are met:

(a) That the district or intermediate district does not provide any of the instruction to a pupil who is less than 18 years of age unless the district or intermediate district notifies the pupil's parent or legal guardian in advance of the instruction and the content of the instruction, gives the pupil’s parent or legal guardian a prior opportunity to review the materials to be used in the instruction, allows the pupil’s parent or legal guardian to observe the instruction, and notifies the pupil's parent or legal guardian in advance of his or her rights to observe the instruction and to have the pupil excused from the instruction.

(b) That, upon the written request of a pupil's parent or legal guardian or of a pupil if the pupil is at least age 18, the pupil shall be excused, without penalty or loss of academic credit, from attending class sessions in which the instruction is provided.

(c) That the sex education instruction includes age-appropriate information clearly informing pupils at 1 or more age-appropriate grade levels that having sex or sexual contact with an individual under the age of 16 is a crime punishable by imprisonment, and that 1 of the other results of being convicted of this crime is to be listed on the sex offender registry on the internet for up to 25 years.

(2) If a parent or legal guardian of a pupil enrolled in a district or intermediate district believes that the district or intermediate district has violated this section or section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, he or she may file a complaint with the superintendent or chief administrator of the district or intermediate district in which the pupil is enrolled. Upon receipt of the complaint, the superintendent or chief administrator of the district or intermediate district shall investigate the complaint and, within 30 days after the date of the complaint, provide a written report of his or her findings to the parent or legal guardian who filed the complaint and to the superintendent of public instruction. If the investigation reveals that 1 or more violations have occurred, the written report shall contain a description of each violation and of corrective action the district or intermediate district will take to correct the situation to ensure that there is no further violation. The district or intermediate district shall take the corrective action described in the written report within 30 days after the date of the written report.

(3) If a parent who has filed a complaint with a district under subsection (2) believes that the district is still not in compliance with law based on the findings made by the superintendent or chief administrator of the district, the parent may appeal the findings to the intermediate district in which the district is located. If there is an appeal to an intermediate district under this subsection, the intermediate superintendent of the intermediate district shall investigate the complaint and, within 30 days after the date of the appeal, provide a written report of his or her findings to the parent or legal guardian who filed the appeal and to the superintendent of public instruction. If the investigation by the intermediate superintendent reveals that 1 or more violations have occurred, the intermediate superintendent in consultation with the local district shall develop a plan for corrective action for the district to take to correct the situation to ensure that there is no further violation, and shall include this plan for corrective action with the written report provided to the parent or legal guardian and the superintendent of public instruction. The district shall take the corrective action described in the plan within 30 days after the date of the written report.

(4) If a parent who has filed a complaint with an intermediate district under subsection (2) or a parent who
has filed an appeal with an intermediate district under subsection (3) believes that the district or intermediate district is still not in compliance with law based on the findings made by the intermediate superintendent of the intermediate district, the parent may appeal the findings to the department. If there is an appeal to the department under this subsection, the department shall investigate the complaint and, within 90 days after the date of the appeal, provide a written report of its findings to the parent or legal guardian who filed the appeal, to the superintendent of public instruction, and to the district and intermediate district. If the department finds 1 or more violations as a result of its investigation, then all of the following apply:

(a) The department shall develop a plan for corrective action for the district or intermediate district to take to correct the situation to ensure that there is no further violation, and shall include this plan for corrective action with the written report provided to the parent or legal guardian, the superintendent of public instruction, and the district or intermediate district. The district or intermediate district shall take the corrective action described in the plan within 30 days after the date of the written report.

(b) In addition to withholding the percentage of state school aid forfeited by the district or intermediate district under subsection (5), the department may assess a fee to the district or intermediate district that committed the violation in an amount not to exceed the actual cost to the department of conducting the investigation and making the reports required under this subsection.

(5) If an investigation conducted by the department under subsection (4) reveals that a district or intermediate district has committed 1 or more violations of this section or section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, the district or intermediate district shall forfeit an amount equal to 1% of its total state school aid allocation under this act.

(6) The department, with the approval of the superintendent of public instruction, shall establish a reasonable process for a complainant to appeal to the department under subsection (4). The process shall not place an undue burden on the complainant, the district or intermediate district, or the department.

(7) The department shall track the number of complaints and appeals it receives under this section for the 2004-2005 school year and, not later than the end of that school year, shall submit a report to the standing committees and appropriations subcommittees of the legislature having jurisdiction over education legislation and state school aid that details the number and nature of those complaints and appeals and the cost to the department of handling them.


388.1766b Minor enrolled in nonpublic school or home school; enrollment in district, public school academy, or intermediate district in certain curricular offering; state school aid; requirements; "eligible other district" defined; nonessential course; minor as part-time pupil; reply by district.

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades kindergarten to 12 in a nonpublic school or who is being home-schooled from also enrolling the minor in a district, public school academy, or intermediate district in any curricular offering that is provided by the district, public school academy, or intermediate district at a public school site and is available to pupils in the minor's grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil's participation in the offering. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only for a curricular offering that is restricted to nonessential elective courses and is available to full-time pupils in the minor's grade level or age group. For the purposes of this subsection, a curricular offering includes optional experiences associated with the curricular offering.

(2) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades kindergarten to 12 in a nonpublic school or who resides within a district and is being home-schooled from also enrolling the minor in the district in any nonessential elective curricular offering being provided by the district at a nonpublic school site or that is provided by the district, a public school academy, or an intermediate district at a public school site, and that is available to pupils in the minor's grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil's participation in the offering. For the purposes of this subsection, a curricular offering includes optional experiences associated with the curricular offering. State school aid shall be provided under this act for a minor enrolled as described in this subsection only if all of the following apply:

(a) Either of the following:
(b) The nonpublic school site is located, or the nonpublic students are educated, within the geographic boundaries of the district.

(ii) If the nonpublic school has submitted a written request to the district in which the nonpublic school is located for the district to provide certain instruction under this subsection for a school year and the district
does not agree to provide some or all of that instruction by May 1 immediately preceding that school year or, if the request is submitted after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request, the instruction is instead provided by an eligible other district. This subparagraph does not require a nonpublic school to submit more than 1 request to the district in which the nonpublic school is located for that district to provide instruction under this subsection, and does not require a nonpublic school to submit an additional request to the district in which the nonpublic school is located for that district to provide additional instruction under this subsection beyond the instruction requested in the original request, before having the instruction provided by an eligible other district. A public school academy that is located in the district in which the nonpublic school is located or in an eligible other district also may provide instruction under this subparagraph under the same conditions as an eligible other district. As used in this subparagraph, "eligible other district" means a district that is located in the same intermediate district as the district in which the nonpublic school is located or is located in an intermediate district that is contiguous to that intermediate district.

(b) The nonpublic school is registered with the department as a nonpublic school and meets all state reporting requirements for nonpublic schools.

c) The instruction is provided directly by a certified teacher of the district, public school academy, or intermediate district.

d) The curricular offering is also available to full-time pupils in the minor's grade level or age group in the district or public school academy at a public school site.

e) The curricular offering is restricted to nonessential elective courses for pupils in grades kindergarten to 12.

(f) The district ensures that all individuals that have contact with pupils as part of a course provided to pupils enrolled in the district under section 166b and counted in membership under section 6 have not been convicted of sexual misconduct.

g) The district ensures that an individual who provides direct or indirect curricular offerings to pupils as part of an optional or required course provided to pupils enrolled in the district under section 166b and counted in membership under section 6, or who has unsupervised contact with pupils as part of such a course, is subject to the requirements under sections 1230, 1230a, 1230b, 1230c, 1230d, 1230e, and 1230g of the revised school code, MCL 380.1230, 380.1230a, 380.1230b, 380.1230c, 380.1230d, 380.1230e, and 380.1230g, as if the individual is offered full-time or part-time employment in the district, is an employee of the district, or is assigned to regularly and continuously work under contract in any of its schools, as applicable.

(h) The district ensures that each optional experience associated with a course provided to pupils enrolled in the district under section 166b and counted in membership under section 6 is offered on a schedule that ensures that the experience is available to the majority of full-time pupils in membership in the district in the same grade level or age group as pupils participating in the course and enrolled in the district under section 166b.

(i) The district provides the department information necessary to quantify all of the following, in a form and manner prescribed by the department in conjunction with the center:

(i) A complete listing of all courses provided to pupils counted in membership in the district.

(ii) Course enrollments by each participant using local coding and the school codes for the exchange of data (SCED).

(iii) Identification of each course teacher or mentor.

(3) A nonessential course in grades 1 to 8 is a course other than a mathematics, science, social studies, and English language arts course required by the district for grade progression. Nonessential courses in grades 9 to 12 are those other than algebra 1, algebra 2, English 9-12, geometry, biology, chemistry, physics, economics, geography, American history, world history, the Constitution, government, and civics, or courses that fulfill the same credit requirement as these courses. Nonessential elective courses include courses offered by the local district for high school credit that are also capable of generating postsecondary credit, including, at least, advanced placement and international baccalaureate courses. College level courses taken by high school students for college credit are nonessential courses. Remedial courses for any grade in the above-listed essential courses are considered essential. Kindergarten is considered nonessential.

(4) Subject to section 6(4)(ii), a minor enrolled as described in this section is a part-time pupil for purposes of state school aid under this act.

(5) A district that receives a written request to provide instruction under subsection (2) shall reply to the request in writing by May 1 immediately preceding the applicable school year or, if the request is made after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request. The written reply shall specify whether the district agrees to provide or does not agree to provide the
instruction for each portion of instruction included in the request.


**Compiler's note:** Enacting section 1 of Act 204 of 2010 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at $10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at $10,824,041,900.00."


**Compiler's note:** The repealed section pertained access to instructional supplies.

### 388.1766d Cyber school; salary or compensation information; nondisclosure agreement prohibited.

Sec. 166d. (1) A school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, or an educational management organization with which the cyber school has a contract, shall not require an employee, a former employee, or an individual doing work for the cyber school as an independent contractor or as an employee of the educational management organization or another third party to sign an agreement that he or she will not disclose salary or other compensation information.

(2) A school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, that violates subsection (1) or that is party to a contract with an educational management organization that violates subsection (1) shall forfeit from its state aid under this act an amount equal to 2% of its total state aid.


**Compiler's note:** Former MCL 388.1766d, which pertained to health care coverage for abortion services, was repealed by Act 191 of 2002, Imd. Eff. Apr. 26, 2002.

### 388.1766e Construction of new building, or addition to or repair or renovation of existing building; use of competitive bid process.

Sec. 166e. Before entering into a contract in an amount in excess of $15,000.00 for any materials, supplies, or equipment or a contract in an amount in excess of $15,000.00 for construction of a new building, or addition to or repair or renovation of an existing building, the board of a district of the first class, or any other purchasing authority within a district of the first class, shall obtain sealed competitive bids, and the district shall award such a contract using this competitive bid process. This section does not prohibit a district from making a public request for proposals before requesting bids and does not prohibit a district from awarding a contract based on a combination of price, quality, and service factors. A school official or member of a school board or other person who neglects or refuses to do or perform an act required by this section, or who violates or knowingly permits or consents to a violation of this section, is guilty of a misdemeanor punishable by a fine of not more than $500.00, or imprisonment for not more than 3 months, or both.


**Compiler's note:** Enacting section 1 of Act 268 of 2008 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in 2008 PA 204 from state sources for fiscal year 2008-2009 is estimated at $11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at $11,602,465,900.00."

### 388.1767 Plan for compliance with MCL 380.1177 and 333.9209; report of immunization status; districts subject to subsection (4); failure to comply with section.

Sec. 167. (1) The department in cooperation with the department of community health shall develop plans to assist districts and intermediate districts and local county health departments to comply with section 1177 of the revised school code, MCL 380.1177, and section 9209 of the public health code, 1978 PA 368, MCL 333.9209, for each school year.

(2) Each district or intermediate district shall report to the local health department in which it is located by November 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2014-2015, who enrolled in grade 7 in the district or intermediate district for the first time, between January 1 and September 30 of the immediately preceding fiscal year. Not later than December 31 of each fiscal year, the department of community health shall notify the department by district
or intermediate district of the percentage of entering pupils and, beginning in 2014-2015, of pupils who
enrolled in grade 7 for the first time who do not have a completed, waived, or provisional immunization
record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or
intermediate district does not have a completed, waived, or provisional immunization record in accordance
with section 1177 of the revised school code, MCL 380.1177, for at least 90% of the district's or intermediate
district's entering pupils, as recorded in the November 1 reports required under this subsection, the district or
intermediate district is subject to subsection (4) until the district or intermediate district has such an
immunization record for at least 90% of its pupils who enrolled in the district or intermediate district for the
first time.

(3) Each district or intermediate district shall again report to the local health department in which it is
located by February 1 of each fiscal year, in a manner prescribed by the department of community health, the
immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district
for the first time or, beginning in 2014-2015, who enrolled in grade 7 in the district or intermediate district for
the first time, between January 1 of the immediately preceding fiscal year and December 31 of the current
fiscal year. Not later than March 31 of each fiscal year, the department of community health shall notify the
department by district or intermediate district of the percentage of entering pupils and, beginning in
2014-2015, of pupils who enrolled in grade 7 for the first time who do not have a completed, waived, or
provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177.
If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 95% of the district's or intermediate district's entering pupils, as recorded in the February 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 95% of its pupils who enrolled in the district or intermediate district for the first time. If the department of community health is not able to report to the department by March 31 because a district or intermediate district fails to submit a report as required in this subsection, or submits an incomplete, inaccurate, or late report, the district or intermediate district is subject to subsection (4) until the report is submitted in a complete and accurate form.

(4) If a district or intermediate district does not comply with this section, the department shall withhold 5%
of the total funds due to the district or intermediate district under this act after the date the department of
community health reports a district's or intermediate district's noncompliance with this section to the
department until the district or intermediate district complies with this section. If the district or intermediate
district does not comply with this section by the end of the fiscal year, the district or intermediate district forfeiture the total amount withheld.


Compiler's note: Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Enacting section 1 of Act 122 of 2013 provides:

"Enacting section 1. This amendatory act takes effect July 1, 2013."

388.1767a Plan to reduce expulsions and suspensions that exceed 10 days; implementation.

Sec. 167a. A district is encouraged to implement a plan to reduce pupil expulsions and suspensions that exceed 10 days. It is the intent of the legislature that a district that has not implemented a plan to reduce pupil expulsions and suspensions that exceed 10 days will be subject to forfeiture of a portion of its total state school aid.


Compiler's note: Former MCL 388.1767a, which pertained to funds held in escrow, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.
388.1767b School violence tip line; report.
Sec. 167b. (1) Not later than August 1, 2018, and not later than August 1 of each subsequent year, a district or intermediate district that operates a school violence tip line shall report to the attorney general on the operation of the tip line. The information reported must include at least all of the following, for the purposes of studying best practices:
   (a) Whether the tip line operates 24 hours a day.
   (b) Whether the tip line is connected to local law enforcement.
   (c) The type and duration of training for personnel who operate the tip line.
   (2) A district or intermediate district shall annually designate at least 1, but no more than 2, employees as the school officials who will receive information under section 3(4) of the student safety act, 2013 PA 183, MCL 752.913, and shall provide the attorney general with the contact information for the designated school officials that allows the designated school officials to receive information 24 hours a day, 365 days a year.

388.1768 Access to records; audit.
Sec. 168. In order to receive funds under this article, a district, intermediate district, grant recipient, contractor, or other entity that directly or indirectly receives funds under this article shall allow access for the department or the department's designee to audit all records related to a program for which it receives funds under this article or has received funds under this article for any of the 3 immediately preceding fiscal years. The district, intermediate district, grant recipient, contractor, or other entity shall reimburse the state for all disallowances found in any audit conducted under this article.

388.1768a Removing or contracting to remove asbestos.
Sec. 168a. In order to receive funds under this act, a district or intermediate district shall not remove asbestos, or contract for the removal of asbestos, from an educational facility unless the removal is required under Act No. 51 of the Public Acts of 1993, being sections 388.861 to 388.864 of the Michigan Compiled Laws.

388.1769 State aid to public school academies.
Sec. 169. In order for a public school academy to receive state aid under this act, the public school academy shall demonstrate to the satisfaction of the department that the public school academy has made a good faith effort to advertise, throughout the entire area of the intermediate district in which the public school academy is located, that the academy is enrolling students and the procedures for applying for enrollment. The department shall not make any payments to a public school academy until the public school academy supplies evidence satisfactory to the department demonstrating compliance with this section. If a public school academy is a successor to a nonpublic school and more than 75% of the pupils enrolled in the public school academy during its first school year of operation were previously enrolled in that nonpublic school, there is a rebuttable presumption that the public school academy did not make the good faith effort required under this section.

388.1769a Michigan schools for the deaf, deaf-blind, or hard of hearing; information about residential programs; interference with right or ability prohibited; educational placement options; violation.
Sec. 169a. (1) A board member, official, or employee of a district or intermediate district shall provide any information received from the Michigan schools for the deaf and blind about its residential program to parents and guardians of pupils who are deaf, deaf-blind, or hard of hearing and to any residents of the district or intermediate district who request the information.
   (2) Upon determining that a pupil is deaf or hard of hearing, a district or intermediate district shall provide to the pupil's parent or legal guardian information, provided by the Michigan coalition for deaf and hard of hearing persons, on educational placement options for deaf and hard of hearing children.
   (3) Upon determining that a pupil is blind, a district or intermediate district shall provide to the pupil's parent or legal guardian information, provided by the Michigan federation for the blind, on educational placement options for blind children.
(4) A district or intermediate district that violates this section shall forfeit an amount equal to 5% of the funds due to the district or intermediate district under this article.


**Compiler's note:** Former MCL 388.1769a, which pertained to reports, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

### 388.1769b Contract in which board member has conflict of interest; abstention from voting.

Sec. 169b. A board member of a district, intermediate district, public school academy, or public school academy corporation shall abstain from voting on any contract in which the board member has a conflict of interest.


### 388.1771 Repeal of MCL 388.1401 to 388.1572; certain references considered references to former act.

Sec. 171. (1) Act No. 90 of the Public Acts of 1977, as amended, being sections 388.1401 to 388.1572 of the Compiled Laws of 1970, is repealed.

(2) A reference to a section or subsection of this act applicable to a fiscal year ending before October 1, 1979, shall be considered a reference to the section, subsection, or provision of former Act No. 90 of the Public Acts of 1977 or former Act No. 258 of the Public Acts of 1972, governing the same subject matter, as determined by the department.


**Compiler's note:** The repealed section pertained to revised method of distributing general membership aid.

### 388.1772 Effective date.

Sec. 172. This act shall take effect October 1, 1979.


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**ARTICLE II**

**STATE AID TO COMMUNITY COLLEGES**

### 388.1801 Appropriations; community colleges.

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, 2019, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is $408,215,500.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of $0.00, the adjusted gross appropriation is $408,215,500.00.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, $0.00.
(ii) Total local revenues, $0.00.
(iii) Total private revenues, $0.00.
(iv) Total other state restricted revenues, $408,215,500.00.
(v) State general fund/general purpose money, $0.00.

(2) Subject to subsection (3), the amount appropriated for community college operations is $322,250,900.00, allocated as follows:

(a) The appropriation for Alpena Community College is $5,707,600.00, $5,665,900.00 for operations and $41,700.00 for performance funding.

(b) The appropriation for Bay de Noc Community College is $5,624,800.00, $5,589,000.00 for operations and $35,800.00 for performance funding.

(c) The appropriation for Delta College is $15,104,300.00, $14,990,700.00 for operations and $113,600.00 for performance funding.

(d) The appropriation for Glen Oaks Community College is $2,620,000.00, $2,601,400.00 for operations and $18,600.00 for performance funding.

(e) The appropriation for Gogebic Community College is $4,844,300.00, $4,809,700.00 for operations and $34,600.00 for performance funding.

(f) The appropriation for Grand Rapids Community College is $18,709,300.00, $18,556,800.00 for operations and $152,500.00 for performance funding.

(g) The appropriation for Henry Ford College is $22,463,600.00, $22,299,200.00 for operations and $164,400.00 for performance funding.
(h) The appropriation for Jackson College is $12,698,200.00, $12,617,200.00 for operations and $81,000.00 for performance funding.

(i) The appropriation for Kalamazoo Valley Community College is $13,046,600.00, $12,948,700.00 for operations and $97,900.00 for performance funding.

(j) The appropriation for Kellogg Community College is $10,214,400.00, $10,143,600.00 for operations and $70,800.00 for performance funding.

(k) The appropriation for Kirtland Community College is $3,321,600.00, $3,289,400.00 for operations and $32,200.00 for performance funding.

(l) The appropriation for Lake Michigan College is $5,672,100.00, $5,631,000.00 for operations and $41,100.00 for performance funding.

(m) The appropriation for Lansing Community College is $32,725,800.00, $32,515,500.00 for operations and $210,300.00 for performance funding.

(n) The appropriation for Macomb Community College is $34,124,000.00, $33,863,600.00 for operations and $260,400.00 for performance funding.

(o) The appropriation for Mid Michigan Community College is $5,112,400.00, $5,068,300.00 for operations and $44,100.00 for performance funding.

(p) The appropriation for Monroe County Community College is $4,708,600.00, $4,665,500.00 for operations and $43,100.00 for performance funding.

(q) The appropriation for Montcalm Community College is $3,542,900.00, $3,515,200.00 for operations and $27,700.00 for performance funding.

(r) The appropriation for C.S. Mott Community College is $16,381,600.00, $16,258,100.00 for operations and $123,500.00 for performance funding.

(s) The appropriation for Muskegon Community College is $9,264,700.00, $9,203,000.00 for operations and $61,700.00 for performance funding.

(t) The appropriation for North Central Michigan College is $3,402,600.00, $3,368,400.00 for operations and $34,200.00 for performance funding.

(u) The appropriation for Northwestern Michigan College is $9,625,400.00, $9,559,700.00 for operations and $65,700.00 for performance funding.

(v) The appropriation for Oakland Community College is $22,093,000.00, $21,905,700.00 for operations and $187,300.00 for performance funding.

(w) The appropriation for Schoolcraft College is $13,112,900.00, $12,991,300.00 for operations and $121,600.00 for performance funding.

(x) The appropriation for Southwestern Michigan College is $6,946,900.00, $6,903,300.00 for operations and $43,600.00 for performance funding.

(y) The appropriation for St. Clair County Community College is $7,358,700.00, $7,300,100.00 for operations and $58,600.00 for performance funding.

(z) The appropriation for Washtenaw Community College is $13,764,000.00, $13,631,400.00 for operations and $132,600.00 for performance funding.

(aa) The appropriation for Wayne County Community College is $17,487,200.00, $17,338,300.00 for operations and $148,900.00 for performance funding.

(bb) The appropriation for West Shore Community College is $2,573,400.00, $2,556,300.00 for operations and $17,100.00 for performance funding.

(3) The amount appropriated in subsection (2) for community college operations is $322,250,900.00 and is appropriated from the state school aid fund.

(4) From the appropriations described in subsection (1), both of the following apply:

(a) Subject to section 207a, the amount appropriated for fiscal year 2018-2019 to offset certain fiscal year 2018-2019 retirement contributions is $1,733,600.00, appropriated from the state school aid fund.

(b) For fiscal year 2018-2019 only, there is allocated an amount not to exceed $6,431,000.00 for payments to participating community colleges, appropriated from the state school aid fund. A community college that receives money under this subdivision shall use that money solely for the purpose of offsetting the normal cost contribution rate.

(5) From the appropriations described in subsection (1), subject to section 207b, the amount appropriated for payments to community colleges that are participating entities of the retirement system is $75,300,000.00, appropriated from the state school aid fund.

(6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is $2,500,000.00, appropriated from the state school aid fund.

388.1801a Appropriations for fiscal year ending September 30, 2020; adjustment.
Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2020 for the items listed in section 201. The fiscal year 2019-2020 appropriations are anticipated to be the same as those for fiscal year 2018-2019, except that the amounts will be adjusted for changes in retirement costs, caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2019 consensus revenue estimating conference.


Compiler's note: The repealed section pertained to appropriation to participating community colleges of retirement system.

388.1802 Appropriations subject to MCL 18.1101 to 18.1594.
Sec. 202. All appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.


388.1802a Definitions.
Sec. 202a. As used in this article:
(a) "Center" means the center for educational performance and information created in section 94a.
(b) "Michigan renaissance zone act" means the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.
(c) "Participating college" means a community college that is a reporting unit of the retirement system and that reports employees to the retirement system for the state fiscal year.
(d) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.
(e) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.
(f) "Workforce development agency" means the workforce development agency within the department of talent and economic development--talent investment agency.


388.1803 Reporting requirements; use of internet.
Sec. 203. Unless otherwise specified, a community college that receives appropriations in section 201, the workforce development agency, and the center shall use the internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an internet or intranet site.


388.1804 Goods or services provided by Michigan businesses; preference.
Sec. 204. Funds appropriated in section 201 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses that are owned and operated by veterans, if they are competitively priced and of comparable quality.


388.1805 Businesses in deprived and depressed communities; contracts.
Sec. 205. The principal executive officer of each community college that receives appropriations in section 201 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each principal executive officer shall strongly...
encourage businesses with which the community college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.


### 388.1806 Monthly installments.

Sec. 206. (1) The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, 2019 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2018. Each community college shall accrue its July and August 2019 payments to its institutional fiscal year ending June 30, 2019.

(2) If the state budget director determines that a community college failed to submit any of the information described in subdivisions (a) to (f) in the form and manner specified by the center, the state treasurer shall, subject to subdivision (g), withhold the monthly installments from that community college until those data are submitted:

(a) The Michigan community colleges verified data inventory data for the preceding academic year to the center by November 1 of each year as specified in section 217.

(b) The college credit opportunity data set as specified in section 209.

(c) The longitudinal data set for the preceding academic year to the center as specified in section 219.

(d) The annual independent audit as specified in section 222.

(e) Tuition and mandatory fees information for the current academic year as specified in section 225.

(f) The number and type of associate degrees and other certificates awarded during the previous academic year as specified in section 226.

(g) The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.


### 388.1807 Payment of employer's contribution to Michigan public school employees' retirement system; payment to more than 1 fund prohibited.

Sec. 207. (1) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437. This payment is a condition of receiving funds appropriated under this article.

(2) A community college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.


### 388.1807a Allocations; use; basis.

Sec. 207a. All of the following apply to the allocation of the fiscal year 2018-2019 appropriations described in section 201(4):

(a) A community college that receives money under section 201(4) shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for that fiscal year.

(b) The amount allocated to each participating community college under section 201(4) shall be based on each college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year.


### 388.1807b Payments to community colleges as participating entities of retirement system.

Sec. 207b. All of the following apply to the allocation of the fiscal year 2018-2019 appropriations described in section 201(5) for payments to community colleges that are participating entities of the retirement system:

(a) The amount of a payment under section 201(5) shall be the difference between the unfunded actuarial accrued liability contribution rate as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.
(b) The amount allocated to each community college under section 201(5) shall be based on each community college’s percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year. A community college that receives funds under this subdivision shall use the funds solely for the purpose of retirement contributions under section 201(5).

(c) Each participating college that receives funds under section 201(5) shall forward an amount equal to the amount allocated under subdivision (b) to the retirement system in a form and manner determined by the retirement system.


388.1807c Allocation to community colleges described in MCL 125.2692.

Sec. 207c. All of the following apply to the allocation of the appropriations described in section 201(6) to community colleges described in section 12(3) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

(a) The amount allocated to each community college under section 201(6) for fiscal year 2018-2019 shall be based on that community college’s proportion of total revenue lost by community colleges as a result of the exemption of property taxes levied in 2018 under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(b) The appropriations described in section 201(6) shall be made to each eligible community college within 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts payable to each eligible community college under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.


388.1808 Self-liquidating projects; compliance with JCOS requirements.

Sec. 208. A community college shall not use money appropriated in section 201 to pay for the construction or maintenance of a self-liquidating project. A community college shall comply with section 238 of the management and budget act, 1984 PA 431, MCL 18.1238, and with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy. The appropriation in section 201 for a community college that fails to comply with JCOS requirements shall be reduced by 1% for each violation.


388.1809 Information to be available on website; icon badge; determination of compliance with section; report.

Sec. 209. (1) Within 30 days after the board of a community college adopts its annual operating budget for the following fiscal year, or after the board adopts a subsequent revision to that budget, the community college shall make all of the following available through a link on its website homepage:

(a) The annual operating budget and subsequent budget revisions.

(b) A link to the most recent "Michigan Community College Data Inventory Report".

(c) General fund revenue and expenditure projections for the current fiscal year and the next fiscal year.

(d) A listing of all debt service obligations, detailed by project, anticipated payment of each project, and total outstanding debt for the current fiscal year.

(e) Links to all of the following for the community college:

(i) The current collective bargaining agreement for each bargaining unit.

(ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee of the community college.

(iii) Audits and financial reports for the most recent fiscal year for which they are available.

(iv) A copy of the board of trustees resolution regarding compliance with best practices for the local strategic value component described in section 230(2).

(2) For statewide consistency and public visibility, community colleges must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each community college’s homepage. The size of the icon may be reduced to 150 x 150 pixels.

(3) The state budget director shall determine whether a community college has complied with this section. The state budget director may withhold a community college’s monthly installments described in section 206.
until the community college complies with this section. The state budget director shall notify the chairs of the house and senate appropriations subcommittee on community colleges at least 10 days before withholding funds from any community college.

(4) Each community college shall report the following information to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by November 15 of each fiscal year and post that information on its website as required under subsection (1):
   (a) Budgeted current fiscal year general fund revenue from tuition and fees.
   (b) Budgeted current fiscal year general fund revenue from state appropriations.
   (c) Budgeted current fiscal year general fund revenue from property taxes.
   (d) Budgeted current fiscal year total general fund revenue.
   (e) Budgeted current fiscal year total general fund expenditures.

(5) By November 15 of each year, a community college shall report the following information to the center and post the information on its website under the budget transparency icon badge:
   (a) Opportunities for earning college credit through the following programs:
      (i) State approved career and technical education or a tech prep articulated program of study.
      (ii) Direct college credit or concurrent enrollment.
      (iii) Dual enrollment.
      (iv) An early college/middle college program.
   (b) For each program described in subdivision (a) that the community college offers, all of the following information:
      (i) The number of high school students participating in the program.
      (ii) The number of school districts that participate in the program with the community college.
      (iii) Whether a college professor, qualified local school district employee, or other individual teaches the course or courses in the program.
      (iv) The total cost to the community college to operate the program.
      (v) The cost per credit hour for the course or courses in the program.
      (vi) The location where the course or courses in the program are held.
      (vii) Instructional resources offered to the program instructors.
      (viii) Resources offered to the student in the program.
      (ix) Transportation services provided to students in the program.


388.1809a Campus safety information and resources; availability on website; compliance certification.
Sec. 209a. (1) A public community college shall develop, maintain, and update a "campus safety information and resources" link, prominently displayed on the homepage of its website, to a section of its website containing all of the information required under subsection (2).

(2) The "campus safety information and resources" section of a public community college's website shall include, but not be limited to, all of the following information:
   (a) Emergency contact numbers for police, fire, health, and other services.
   (b) Hours, locations, phone numbers, and electronic mail contacts for campus public safety offices and title IX offices.
   (c) A list of safety and security services provided by the community college, including transportation, escort services, building surveillance, anonymous tip lines, and other available security services.
   (d) A public community college's policies applicable to minors on community college property.
   (e) A directory of resources available at the community college or surrounding community for students or employees who are survivors of sexual assault or sexual abuse.
   (g) Campus security policies and crime statistics pursuant to the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall include all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381.

(3) A community college shall certify to the state budget director by August 31, 2018 that it is in compliance with this section. The state budget director may withhold a public community college's monthly installments described in section 206 until the public community college complies with this section.
388.1810 Collaboration and cooperation with 4-year universities, local employers, students, and other community colleges; equivalency standards.

Sec. 210. (1) Recognizing the critical importance of education in strengthening Michigan’s workforce, each community college is encouraged to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

(2) Recognizing the central role of community colleges in responding to local employment needs and challenges, community colleges shall develop and continue efforts to collaborate with local employers and students to identify local employment needs and strategies to meet them.

(3) Community colleges are encouraged to collaborate with each other on innovations to identify and meet local employment needs.

(4) Community colleges are encouraged to work with universities to develop equivalency standards of core college courses and identify equivalent courses offered by postsecondary institutions.


Compiler’s note: The repealed section pertained to transferability of core college courses between community colleges and public universities.

388.1810b Submission of report by Michigan Community College Association and Michigan Association of State Universities.

Sec. 210b. By March 1, 2019, the Michigan Community College Association and the Michigan Association of State Universities shall submit a report to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director on the activities and programs of the transfer steering committee since the March 1, 2018 report required under this section, including all of the following:

(a) The alignment of learning outcomes in gateway mathematics courses in the quantitative reasoning, college algebra, and statistics pathways and the transferability of mathematics gateway courses between and among community colleges and universities.

(b) The development of program-specific, statewide transfer pathways that meet program requirements for both associate and bachelor’s degree programs.

(c) The development of an enhanced online communication tool to share information about postsecondary options in Michigan, course equivalencies, and transfer pathways that are clearly articulated.

(d) The establishment of clear timelines for developing and implementing transfer pathways.

(e) A progress report on the implementation of the Michigan transfer agreement.


Compiler’s note: The repealed section pertained to transferability and applicability of associate of arts and associate of science degrees.

388.1810d Statewide reverse transfer agreements.

Sec. 210d. Community colleges are encouraged to work with public universities in the state to implement statewide reverse transfer agreements to increase the number of students that are awarded credentials of value upon completion of the necessary credits. These statewide agreements shall enable students who have earned a significant number of credits at a community college and transferred to a baccalaureate-granting institution before completing a degree to transfer the credits earned at the baccalaureate institution back to the community college in order to be awarded a credential of value.


Compiler’s note: The repealed section pertained to report detailing number of academic program partnerships between public community colleges, public universities, and private colleges and universities.

388.1810f Academic program partnerships; report.

Sec. 210f. By February 1, 2019, the Michigan community college association, the Michigan association of state universities, and the Michigan independent colleges and universities, on behalf of their member colleges...
and universities, shall submit to the senate and house appropriations subcommittees on higher education, the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director a comprehensive report detailing the number of academic program partnerships between public community colleges, public universities, and private colleges and universities, including, but not limited to, the following information:

(a) The names of the baccalaureate degree programs of study offered by public and private universities on community college campuses.

(b) The names of the articulation agreements for baccalaureate degree programs of study between public community colleges, public universities, and private colleges and universities.

(c) The number of students enrolled and number of degrees awarded through articulation agreements, and the number of courses offered, number of students enrolled, and number of degrees awarded through on-campus programs named in subdivision (a) from July 1, 2017 through June 30, 2018.


Compiler's note: The repealed section pertained to duties of community colleges.

388.1812 Cost-containment measures and efficiencies.

Sec. 212. Community college districts are encouraged to evaluate and pursue efficiency and cost-containment measures that maximize state funding. Community colleges shall identify practices that increase efficiencies, including, but not limited to, establishing joint ventures, consolidating services, utilizing program collaborations, maximizing educational benefits through optimal class sizes and frequency of course offerings, increasing web-based instruction, eliminating low-enrollment and high-cost instructional programs, using self-insurance, practicing energy conservation, and utilizing group purchasing. Community colleges shall also review proposed capital outlay projects to increase coordination and utilization of new facilities, renovation projects, and technology improvements.


Compiler's note: The repealed section pertained to statewide reverse transfer agreements.


Compiler's note: The repealed section pertained to developmental courses and common set of scores to determine placement.

388.1815 Annual title IX report.

Sec. 215. By October 31, each community college receiving funds under section 201 shall report to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director its annual title IX report, also known as the student sexual misconduct report, issued by the title IX coordinator, as required under the federal campus SaVE act of 2013, Public Law 113-4, section 304, 127 Stat 54, 89-92 (2013).


Compiler's note: The repealed section pertained to legislative intent to review statutory mandates.

388.1817 Duties of center; Michigan Community College Data Inventory advisory committee.

Sec. 217. (1) The center shall do all of the following:

(a) Establish, maintain, and coordinate the state community college database commonly known as the "Michigan Community College Data Inventory".

(b) Collect data concerning community colleges and community college programs in this state, including data required by law.

(c) Establish procedures to ensure the validity and reliability of the data and the collection process.

(d) Develop model data collection policies, including, but not limited to, policies that ensure the privacy of any individual student data. Privacy policies shall ensure that student social security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state policymakers and community college officials to make informed policy decisions.

(f) Work with the talent investment agency in the department of talent and economic development to compile and publish electronically the demographic enrollment profile.
(2) There is created within the center the Michigan Community College Data Inventory advisory committee. The committee shall provide advice to the director of the center regarding the management of the state community college database, including, but not limited to:

(a) Determining what data are necessary to collect and maintain to enable state and community college officials to make informed policy decisions.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the accuracy of the data.

(f) Establishing and maintaining policies related to data collection, including, but not limited to, privacy policies related to individual student data.

(g) Ensuring that the data are made available to state policymakers and citizens of this state in the most useful format possible.

(h) Addressing other matters as determined by the director of the center or as required by law.

(3) The Michigan Community College Data Inventory advisory committee created in subsection (2) shall consist of the following members:

(a) One representative from the house fiscal agency, appointed by the director of the house fiscal agency.

(b) One representative from the senate fiscal agency, appointed by the director of the senate fiscal agency.

(c) One representative from the workforce development agency, appointed by the director of the workforce development agency.

(d) One representative from the center, appointed by the director of the center.

(e) One representative from the state budget office, appointed by the state budget director.

(f) One representative from the governor’s policy office, appointed by that office.

(g) Four representatives of the Michigan Community College Association, appointed by the president of the association. From the groupings of community colleges given in the Michigan Community College Data Inventory database described in subsection (1), the association shall appoint 1 representative each from group 1, group 2, and group 3, and 1 representative from either group 3 or 4.


388.1818 Credit hours of student incarcerated in Michigan penal institution; exclusion from enrollment data.
Sec. 218. Community colleges shall not include in the enrollment data reported for determining state aid under this article any student credit hours or student contact hours for a student incarcerated in a Michigan penal institution. Exclusion of these students is intended to avoid the payment of state aid under this article for the same individuals for whom reimbursement is provided by the state correctional system.


388.1819 Statewide P-20 education longitudinal data system; inclusion of information from each community college.
Sec. 219. By October 15 of each year, each community college shall provide its longitudinal data system data set for the preceding academic year to the center for inclusion in the statewide P-20 education longitudinal data system described in section 94a.


388.1820 Performance audits.
Sec. 220. (1) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(2) Within 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the auditor general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college’s noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

388.1821 Document retention.
Sec. 221. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.
(2) A community college shall retain all contracts between the community college and agencies that reimburse the community college for the costs of instruction for audit purposes.

388.1822 Annual independent audit.
Sec. 222. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the center before November 15 of each year. The center shall provide this information to members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the workforce development agency, and the state budget director. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges". A community college shall make the information the community college is required to provide under this section available to the public on its website.

Sec. 223. (1) By February 15 of each year, the department of civil rights shall annually submit to the state budget director, the house and senate appropriations subcommittees on community colleges, and the house and senate fiscal agencies a report on North American Indian tuition waivers for the preceding academic year that includes, but is not limited to, all of the following information:
(a) The number of waiver applications received and the number of waiver applications approved.
(b) For each community college submitting information under subsection (2), all of the following:
(i) The number of North American Indian students enrolled each term for the previous academic year.
(ii) The number of North American Indian waivers granted each term, including continuing education students, and the monetary value of the waivers for the previous academic year.
(iii) The number of students attending under a North American Indian tuition waiver who withdrew from the college each term during the previous academic year. For purposes of this subparagraph, a withdrawal occurs when a student who has been awarded the waiver withdraws from the institution at any point during the term, regardless of enrollment in subsequent terms.
(iv) The number of students attending under a North American Indian tuition waiver who successfully complete a degree or certificate program, separated by degree or certificate level, and the graduation rate for students attending under a North American Indian tuition waiver who complete a degree or certificate within 150% of the normal time to complete, separated by the level of the degree or certificate.
(2) A community college that receives funds under section 201 shall provide to the department of civil rights any information necessary for preparing the report described in subsection (1), using guidelines and procedures developed by the department of civil rights.
(3) The department of civil rights may consolidate the report required under this section with the report required under section 268, but a consolidated report must separately identify data for universities and data for community colleges.

388.1824 Aggregate academic status of students; use of P-20 longitudinal data system.
Sec. 224. Using the data provided by the community colleges as required under section 219 of this act, the center shall use the P-20 longitudinal data system to inform interested Michigan high schools and the public of the aggregate academic status of its students for the previous academic year. The center shall work with the Michigan Community College Association and in cooperation with the Michigan Association of Secondary School Principals. Community colleges shall cooperate with the center to maintain a systematic approach for accomplishing this work.


388.1825 Tuition and mandatory fees; report; cost of tuition and fees; revisions.

Sec. 225. Each community college shall report to the center by August 31 of each year the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the current academic year. This report should also include the annual cost of tuition and fees based on a full-time course load of 30 credits. This report must also specify the amount that tuition and fees have increased for each institution from the prior academic year. Each community college shall also report any revisions to the reported current academic year tuition and mandatory fees adopted by the college governing board to the center within 15 days of being adopted. The center shall provide this information and any revisions to the house and senate fiscal agencies and the state budget director.


388.1826 Associate degrees and certificates; report on numbers and type.

Sec. 226. Each community college shall report to the center by October 15 of each year the numbers and type of associate degrees and other certificates awarded by the community college during the previous academic year using the P-20 longitudinal data system.


388.1827 Vehicles manufactured outside United States.

Sec. 227. A community college shall not use funds appropriated in section 201 to enter into a lease for, or to purchase, a vehicle assembled or manufactured outside of the United States if competitively priced and comparable quality vehicles made in the state of Michigan or elsewhere in the United States of America are available.


388.1828 Communication of employee with member of legislature or staff.

Sec. 228. A community college shall not take disciplinary action against an employee for communicating with a member of the legislature or the legislator’s staff.


388.1829 Applicant as veteran, current member of armed forces, or spouse or dependent; question; review of in-district tuition issue; ”veteran” defined.

Sec. 229. (1) Each community college that receives an appropriation in section 201 is expected to include in its admission application process a specific question as to whether an applicant for admission has ever served or is currently serving in the United States Armed Forces or is the spouse or dependent of an individual who has served or is currently serving in the United States Armed Forces, in order to more quickly identify potential educational assistance available to that applicant.

(2) It is expected that each public community college that receives an appropriation in section 201 shall work with the house and senate community college subcommittees, the Michigan Community College Association, and veterans groups to review the issue of in-district tuition for veterans of this state when determining tuition rates and fees.

(3) As used in this section, ”veteran” means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3327.

388.1829a Capital projects for community colleges.
   Sec. 229a. Included in the fiscal year 2018-2019 appropriations for the department of technology, management, and budget are appropriations totaling $36,378,100.00 to provide funding for the state share of costs for previously constructed capital projects for community colleges. Those appropriations for state building authority rent represent additional state general fund support for community colleges, and the following is an estimate of the amount of that support to each community college:
      (a) Alpena Community College, $876,300.00.
      (b) Bay de Noc Community College, $677,000.00.
      (c) Delta College, $3,798,700.00.
      (d) Glen Oaks Community College, $123,000.00.
      (e) Gogebic Community College, $56,000.00.
      (f) Grand Rapids Community College, $2,536,500.00.
      (g) Henry Ford College, $1,028,000.00.
      (h) Jackson College, $2,164,000.00.
      (i) Kalamazoo Valley Community College, $1,942,000.00.
      (j) Kellogg Community College, $681,300.00.
      (k) Kirtland Community College, $591,800.00.
      (l) Lake Michigan College, $975,800.00.
      (m) Lansing Community College, $1,141,000.00.
      (n) Macomb Community College, $1,649,000.00.
      (o) Mid Michigan Community College, $1,615,000.00.
      (p) Monroe County Community College, $1,544,300.00.
      (q) Montcalm Community College, $971,000.00.
      (r) C.S. Mott Community College, $2,107,200.00.
      (s) Muskegon Community College, $989,000.00.
      (t) North Central Michigan College, $668,000.00.
      (u) Northwestern Michigan College, $1,844,900.00.
      (v) Oakland Community College, $465,000.00.
      (w) Schoolcraft College, $2,296,000.00.
      (x) Southwestern Michigan College, $887,500.00.
      (y) St. Clair County Community College, $723,500.00.
      (z) Washtenaw Community College, $1,826,000.00.
     (aa) Wayne County Community College, $1,462,000.00.
     (bb) West Shore Community College, $738,300.00.


Compiler's note: The repealed section pertained to providing accurate information on student educational outcomes in employment market.

388.1830 Community college operations; performance funding; distribution; formula; meeting best practice measures; resolution; categories of best practices; payments; condition.

Sec. 230. (1) Money included in the appropriations for community college operations under section 201(2) in fiscal year 2018-2019 for performance funding is distributed based on the following formula:
      (a) Allocated proportionate to fiscal year 2017-2018 base appropriations, 30%.
      (b) Based on a weighted student contact hour formula as provided for in the 2016 recommendations of the performance indicators task force, 30%.
      (c) Based on the performance improvement as provided for in the 2016 recommendations of the performance indicators task force, 10%.
      (d) Based on the performance completion number as provided for in the 2016 recommendations of the performance indicators task force, 10%.
      (e) Based on the performance completion rate as provided for in the 2016 recommendations of the performance indicators task force, 10%.
      (f) Based on administrative costs, 5%.
      (g) Based on the local strategic value component, as developed in cooperation with the Michigan
Community College Association and described in subsection (2), 5%.

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before October 15, 2018, that the college has met 4 out of 5 best practices listed in each category described in subsection (3). The resolution shall provide specifics as to how the community college meets each best practice measure within each category. One-third of funding available under the strategic value component shall be allocated to each category described in subsection (3). Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year 2017-2018 operations funding. Payments to community colleges that qualify for local strategic value funding shall be distributed with the November installment payment described in section 206.

(3) For purposes of subsection (2), the following categories of best practices reflect functional activities of community colleges that have strategic value to the local communities and regional economies:

   (a) For Category A, economic development and business or industry partnerships, the following:

      (i) The community college has active partnerships with local employers including hospitals and health care providers.

      (ii) The community college provides customized on-site training for area companies, employees, or both.

      (iii) The community college supports entrepreneurship through a small business assistance center or other training or consulting activities targeted toward small businesses.

      (iv) The community college supports technological advancement through industry partnerships, incubation activities, or operation of a Michigan technical education center or other advanced technology center.

      (v) The community college has active partnerships with local or regional workforce and economic development agencies.

   (b) For Category B, educational partnerships, the following:

      (i) The community college has active partnerships with regional high schools, intermediate school districts, and career-tech centers to provide instruction through dual enrollment, concurrent enrollment, direct credit, middle college, or academy programs.

      (ii) The community college hosts, sponsors, or participates in enrichment programs for area K-12 students, such as college days, summer or after-school programming, or Science Olympiad.

      (iii) The community college provides, supports, or participates in programming to promote successful transitions to college for traditional age students, including grant programs such as talent search, upward bound, or other activities to promote college readiness in area high schools and community centers.

      (iv) The community college provides, supports, or participates in programming to promote successful transitions to college for new or reentering adult students, such as adult basic education, a high school equivalency test preparation program and testing, or recruiting, advising, or orientation activities specific to adults. As used in this subparagraph, "high school equivalency test preparation program" means that term as defined in section 4.

      (v) The community college has active partnerships with regional 4-year colleges and universities to promote successful transfer, such as articulation, 2+2, or reverse transfer agreements or operation of a university center.

   (c) For Category C, community services, the following:

      (i) The community college provides continuing education programming for leisure, wellness, personal enrichment, or professional development.

      (ii) The community college operates or sponsors opportunities for community members to engage in activities that promote leisure, wellness, cultural or personal enrichment such as community sports teams, theater or musical ensembles, or artist guilds.

      (iii) The community college operates public facilities to promote cultural, educational, or personal enrichment for community members, such as libraries, computer labs, performing arts centers, museums, art galleries, or television or radio stations.

      (iv) The community college operates public facilities to promote leisure or wellness activities for community members, including gymnasiurns, athletic fields, tennis courts, fitness centers, hiking or biking trails, or natural areas.

      (v) The community college promotes, sponsors, or hosts community service activities for students, staff, or community members.

   (4) Payments for performance funding under section 201(2) shall be made to a community college only if that community college actively participates in the Michigan Transfer Network sponsored by the Michigan Association of Collegiate Registrars and Admissions Officers and submits timely updates, including updated course equivalencies at least every 6 months, to the Michigan transfer network. The state budget director shall determine if a community college has not satisfied this requirement. The state budget director may withhold
payments for performance funding until a community college is in compliance with this section.


Compiler's note: The repealed section pertained to review, evaluation, discussion, and recommendation regarding performance indicators.

ARTICLE III
STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

388.1836 Higher education; appropriations; summary.

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, 2019, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is $1,669,732,600.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of $0.00, the adjusted gross appropriation is $1,669,732,600.00.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, $123,526,400.00.

(ii) Total local revenues, $0.00.

(iii) Total private revenues, $0.00.

(iv) Total other state restricted revenues, $500,188,300.00.

(v) State general fund/general purpose money, $1,046,017,900.00.

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is $87,415,000.00, $85,654,400.00 for operations and $1,760,600.00 for performance funding.

(b) The appropriation for Eastern Michigan University is $76,979,300.00, $75,169,900.00 for operations and $1,809,400.00 for performance funding.

(c) The appropriation for Ferris State University is $54,950,700.00, $53,595,500.00 for operations and $1,355,200.00 for performance funding.

(d) The appropriation for Grand Valley State University is $72,056,600.00, $70,100,100.00 for operations and $1,956,500.00 for performance funding.

(e) The appropriation for Lake Superior State University is $13,987,000.00, $13,775,000.00 for operations and $212,000.00 for performance funding.

(f) The appropriation for Michigan State University is $350,703,300.00, $281,239,100.00 for operations, $5,035,100.00 for performance funding, $34,591,400.00 for MSU AgBioResearch, and $29,837,700.00 for MSU Extension.

(g) The appropriation for Michigan Technological University is $49,949,600.00, $49,052,200.00 for operations and $897,400.00 for performance funding.

(h) The appropriation for Northern Michigan University is $47,998,400.00, $47,137,400.00 for operations and $861,000.00 for performance funding.

(i) The appropriation for Oakland University is $52,819,200.00, $51,235,900.00 for operations and $1,583,300.00 for performance funding.

(j) The appropriation for Saginaw Valley State University is $30,528,000.00, $29,766,100.00 for operations and $761,900.00 for performance funding.

(k) The appropriation for University of Michigan – Ann Arbor is $320,782,400.00, $314,589,100.00 for operations and $6,193,300.00 for performance funding.

(l) The appropriation for University of Michigan – Dearborn is $26,071,800.00, $25,421,900.00 for operations and $649,900.00 for performance funding.

(m) The appropriation for University of Michigan – Flint is $23,585,400.00, $23,061,800.00 for operations and $523,600.00 for performance funding.

(n) The appropriation for Wayne State University is $202,363,200.00, $199,169,800.00 for operations and $3,193,400.00 for performance funding.

(o) The appropriation for Western Michigan University is $111,151,000.00, $109,376,800.00 for operations and $1,774,200.00 for performance funding.

(3) The amount appropriated in subsection (2) for public universities is appropriated from the following:

(a) State school aid fund, $494,286,300.00.
(b) State general fund/general purpose money, $1,027,054,600.00.

(4) The amount appropriated for Michigan public school employees' retirement system reimbursement is $5,133,000.00, appropriated from the state school aid fund.

(5) The amount appropriated for state and regional programs is $315,000.00, appropriated from general fund/general purpose money and allocated as follows:
   (a) Higher education database modernization and conversion, $200,000.00.
   (b) Midwestern Higher Education Compact, $115,000.00.

(6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program is $2,691,500.00, appropriated from general fund/general purpose money and allocated as follows:
   (a) Select student support services, $1,956,100.00.
   (b) Michigan college/university partnership program, $586,800.00.
   (c) Morris Hood, Jr. educator development program, $148,600.00.

(7) Subject to subsection (8), the amount appropriated for grants and financial aid is $139,583,200.00, allocated as follows:
   (a) State competitive scholarships, $32,361,700.00.
   (b) Tuition grants, $38,021,500.00.
   (c) Tuition incentive program, $64,300,000.00.
   (d) Children of veterans and officer's survivor tuition grant programs, $1,400,000.00.
   (e) Project GEAR-UP, $3,200,000.00.
   (f) North American Indian tuition waiver, $300,000.00.

(8) The money appropriated in subsection (7) for grants and financial aid is appropriated from the following:
   (a) Federal revenues under the United States Department of Education, Office of Elementary and Secondary Education, GEAR-UP program, $3,200,000.00.
   (b) Federal revenues under the social security act, temporary assistance for needy families, $120,326,400.00.
   (c) Contributions to children of veterans tuition grant program, $100,000.00.
   (d) State general fund/general purpose money, $15,956,800.00.

(9) For fiscal year 2018-2019 only, in addition to the allocation under subsection (4), from the Appropriations for fiscal year ending September 30, 2020; intent of legislature.

Sec. 236a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2020 for the items listed in section 236. The fiscal year 2019-2020 appropriations are anticipated to be the same as those for fiscal year 2018-2019, except that the amounts will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2019 consensus revenue estimating conference.

388.1836b Federal contingency funds.

Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated for grants and financial aid in fiscal year 2018-2019 an amount not to exceed $6,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.
388.1836c State building authority rent.

Sec. 236c. In addition to the funds appropriated for fiscal year 2018-2019 in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year 2018-2019 for state building authority rent, totaling an estimated $155,478,500.00, provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each university:

(a) Central Michigan University, $12,936,500.00.
(b) Eastern Michigan University, $7,083,900.00.
(c) Ferris State University, $8,275,000.00.
(d) Grand Valley State University, $8,800,000.00.
(e) Lake Superior State University, $2,285,800.00.
(f) Michigan State University, $16,790,400.00.
(g) Michigan Technological University, $6,782,000.00.
(h) Northern Michigan University, $7,309,000.00.
(i) Oakland University, $12,665,000.00.
(j) Saginaw Valley State University, $10,984,000.00.
(k) University of Michigan - Ann Arbor, $11,861,000.00.
(l) University of Michigan - Dearborn, $10,918,000.00.
(m) University of Michigan - Flint, $6,244,800.00.
(n) Wayne State University, $16,480,200.00.
(o) Western Michigan University, $16,062,900.00.


Compiler's note: The repealed section pertained to appropriation of amounts for higher education to increase allocation for tuition incentive program and for grants and financial aid.


Compiler's note: The repealed section pertained to increase in allocations to tuition reimbursement program and tuition incentive program.


Compiler's note: The repealed section pertained to revision of allocations under section 236(7) for fiscal year ending September 30, 2018.

388.1837 Appropriations subject to MCL 18.1101 to 18.1594.

Sec. 237. All of the appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.


Compiler's note: The repealed section pertained to definition of "research facility."

388.1837b "Center" and "workforce development agency" defined.

Sec. 237b. As used in this article:

(a) "Center" means the center for educational performance and information created in section 94a.
(b) "Workforce development agency" means the workforce development agency within the department of talent and economic development--talent investment agency.


388.1838 Reporting requirements; use of internet.

Sec. 238. Unless otherwise specified, a public university receiving appropriations in section 236 shall use the internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an internet or intranet site.

388.1839 Purchase of goods or services; preference.

Sec. 239. A public university shall not use funds appropriated in section 236 for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods and services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.


Compiler's note: The repealed section pertained to the lease or purchase of vehicles manufactured outside of the United States.


Compiler's note: The repealed section pertained to deprived and depressed communities.

388.1841 Payments; monthly installments; HEIDI data and associated financial and program information.

Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section 236 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2018. Except for Wayne State University, each institution shall accrue its July and August 2019 payments to its institutional fiscal year ending June 30, 2019.

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, 2018, these data shall be submitted to the state budget director by October 15, 2018. Public universities with a fiscal year ending September 30, 2018 shall submit preliminary HEIDI data by November 15, 2018 and final data by December 15, 2018. If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.


388.1842 Federal or private funds; use.

Sec. 242. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation on the legislature to continue the purposes for which the funds are made available.


388.1843 Furnishing program and financial information.

Sec. 243. Each public university that receives funds under this article shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.


388.1844 Longitudinal data system data; inclusion in statewide P-20 longitudinal data system.

Sec. 244. By October 15 of each year, a public university receiving funds in section 236 shall provide its longitudinal data system data set for the preceding academic year to the center for inclusion in the statewide P-20 longitudinal data system described in section 94a. If the state budget director finds that a university has not complied with this section, the state budget director is authorized to withhold the monthly installments provided to that university under section 241 until he or she finds the university has complied with this section.

388.1845  Public transparency website; maintenance by public university; contents; "best practice" measures; dashboard or report card; icon badge; determination of compliance with section; report.

Sec. 245. (1) A public university shall maintain a public transparency website available through a link on its website homepage. The public university shall update this website within 30 days after the university's governing board adopts its annual operating budget for the next academic year, or after the governing board adopts a subsequent revision to that budget.

(2) The website required under subsection (1) shall include all of the following concerning the public university:

(a) The annual operating budget and subsequent budget revisions.
(b) A summary of current expenditures for the most recent fiscal year for which they are available, expressed as pie charts in the following 2 categories:
   (i) A chart of personnel expenditures, broken into the following subcategories:
      (A) Earnings and wages.
      (B) Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits.
      (C) Retirement benefit costs.
      (D) All other personnel costs.
   (ii) A chart of all current expenditures the public university reported as part of its higher education institutional data inventory data under section 241(2), broken into the same subcategories in which it reported those data.

(c) Links to all of the following for the public university:
   (i) The current collective bargaining agreement for each bargaining unit.
   (ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee of the public university.
   (iii) Audits and financial reports for the most recent fiscal year for which they are available.
   (d) A list of all positions funded partially or wholly through institutional general fund revenue that includes the position title and annual salary or wage amount for each position.
   (e) General fund revenue and expenditure projections for the current fiscal year and the next fiscal year.
   (f) A listing of all debt service obligations, detailed by project, anticipated fiscal year payment for each project, and total outstanding debt for the current fiscal year.
   (g) The institution's policy regarding the transferability of core college courses between community colleges and the university.
   (h) A listing of all community colleges that have entered into reverse transfer agreements with the university.

(3) On the website required under subsection (1), a public university shall provide a dashboard or report card demonstrating the university's performance in several "best practice" measures. The dashboard or report card shall include at least all of the following for the 3 most recent academic years for which the data are available:

(a) Enrollment.
(b) Student retention rate.
(c) Six-year graduation rates.
(d) Number of Pell grant recipients and graduating Pell grant recipients.
(e) Geographic origin of students, categorized as in-state, out-of-state, and international.
(f) Faculty to student ratios and total university employee to student ratios.
(g) Teaching load by faculty classification.
(h) Graduation outcome rates, including employment and continuing education.

(4) For statewide consistency and public visibility, public universities must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each public university's homepage. The size of the icon may be reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent with other documents on each university's website.

(5) The state budget director shall determine whether a public university has complied with this section. The state budget director may withhold a public university's monthly installments described in section 241 until the public university complies with this section.

(6) By November 15 of each year, a public university shall report the following information to the center...
and post the information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:
   (i) State approved career and technical education or a tech prep articulated program of study.
   (ii) Direct college credit or concurrent enrollment.
   (iii) Dual enrollment.
   (iv) An early college/middle college program.

(b) For each program described in subdivision (a) that the public university offers, all of the following information:
   (i) The number of high school students participating in the program.
   (ii) The number of school districts that participate in the program with the public university.
   (iii) Whether a university professor, qualified local school district employee, or other individual teaches the course or courses in the program.
   (iv) The total cost to the public university to operate the program.
   (v) The cost per credit hour for the course or courses in the program.
   (vi) The location where the course or courses in the program are held.
   (vii) Instructional resources offered to the program instructors.
   (viii) Resources offered to the student in the program.
   (ix) Transportation services provided to students in the program.


388.1845a Campus safety information and resources link; available on website; requirements; compliance certification.

Sec. 245a. (1) A public university shall develop, maintain, and update a "campus safety information and resources" link, prominently displayed on the homepage of its website, to a section of its website containing all of the information required under subsection (2).

(2) The "campus safety information and resources" section of a public university's website shall include, but not be limited to, all of the following information:
   (a) Emergency contact numbers for police, fire, health, and other services.
   (b) Hours, locations, phone numbers, and electronic mail contacts for campus public safety offices and title IX offices.
   (c) A listing of safety and security services provided by the university, including transportation, escort services, building surveillance, anonymous tip lines, and other available security services.
   (d) A public university's policies applicable to minors on university property.
   (e) A directory of resources available at the university or surrounding community for students or employees who are survivors of sexual assault or sexual abuse.
   (g) Campus security policies and crime statistics pursuant to the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall include all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381.

(3) A public university shall certify to the state budget director by August 31, 2018 that it is in compliance with this section. The state budget director may withhold a public university's monthly installments described in section 241 until the public university complies with this section.


388.1846 Michigan public school employees' retirement system reimbursement; allocation to participating public university; definition.

Sec. 246. (1) All of the following apply to the allocation of the appropriations described in section 236(4) for payments to universities that are participating entities of the Michigan public school employees' retirement system:

(a) The funds appropriated in section 236(4) for Michigan public school employees' retirement system reimbursement shall be allocated to each participating public university under this section based on each participating public university's percentage of the total combined payrolls of the universities' employees who are members of the retirement system and who were hired before January 1, 1996 and the universities' employees who would have been members of the retirement system on or after January 1, 1996, but for the enactment of 1995 PA 272 for all public universities that are participating public universities for the
immediately preceding state fiscal year.

(b) The amount of a payment under section 236(4) shall be equal to the difference between the unfunded actuarial accrued liability contribution rate for university reporting units as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 25.73% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate for university reporting units of 25.73% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341. Payments shall be made in a form and manner determined by the office of retirement services.

(c) A public university that receives money under section 236(4) shall use that money solely for the purpose of retirement contributions. Each participating university that receives funds under section 236(4) shall forward an amount equal to the amount received under section 236(4) to the Michigan public school employees' retirement system in a form and manner determined by the office of retirement services.

(2) As used in this section, "participating public university" means a public university that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that pays contributions to the Michigan public school employees' retirement system for the state fiscal year.


388.1849 Children of veterans and officer's survivor tuition grant programs.

Sec. 249. (1) The funds appropriated in section 236 for the children of veterans and officer's survivor tuition grant programs shall be supported with revenue from the restricted account created in section 5 of the children of veterans tuition grant act, 2005 PA 248, MCL 390.1345. As provided in section 5 of the children of veterans tuition grant act, 2005 PA 248, MCL 390.1345, unexpended funds remaining in the restricted account at the end of the fiscal year shall not lapse to the general fund.

(2) The general fund/general purpose funds appropriated in section 236 for the children of veterans and officer's survivor tuition grant programs shall be deposited into the restricted account described in subsection (1), as required in section 5 of the children of veterans tuition grant act, 2005 PA 248, MCL 390.1345.

(3) Funds deposited into the restricted account under subsection (2) for the children of veterans and officer's survivor tuition grant programs are appropriated and available for allocation as required in the children of veterans tuition grant act, 2005 PA 248, MCL 390.1341 to 390.1346.


388.1850 Eligibility for scholarship or grant financial aid program; filing of Free Application for Federal Student Aid required.

Sec. 250. To be considered eligible for any scholarship or grant financial aid program administered by the department of treasury, the student must file the Free Application for Federal Student Aid (FAFSA) annually.


388.1851 State competitive scholarship award.

Sec. 251. (1) Payments of the amounts included in section 236 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of treasury shall determine an actual maximum state competitive scholarship award per student, which shall be not less than $1,000.00, that ensures that the aggregate payments for the state competitive scholarship program do not exceed the appropriation contained in section 236 for the state competitive scholarship program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least $1,000.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a $1,000.00 maximum award amount.

(3) The department of treasury shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(4) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(5) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving.
awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

(6) Veterans Administration benefits shall not be considered in determining eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

(7) Any unexpended and unencumbered funds remaining on September 30, 2019 from the amounts appropriated in section 236 for the state tuition grant program for fiscal year 2018-2019 do not lapse on September 30, 2019, but continue to be available for expenditure for state tuition grants provided in the 2019-2020 fiscal year under a work project account. The use of these unexpended fiscal year 2018-2019 funds terminates at the end of the 2019-2020 fiscal year.


388.1852 State tuition grant award.

Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in undergraduate degree programs who are qualified and who apply before March 1 of each year for the next academic year.

(3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections (7) and (8), the department of treasury shall determine an actual maximum tuition grant award per student, which shall be no less than $2,400.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in section 236 for the state tuition grant program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least $2,400.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a $2,400.00 maximum award amount. If the department determines that sufficient funds are available to establish a maximum award amount equal to at least $2,400.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the maximum award amount established and the projected amount of any projected year-end appropriation balance based on that maximum award amount. By February 18 of each fiscal year, the department shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in section 236 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than the final day of February of each year. If award adjustments are necessary, the students shall be notified of the adjustment by March 4 of each year.

(4) Any unexpended and unencumbered funds remaining on September 30, 2019 from the amounts appropriated in section 236 for the tuition grant program for fiscal year 2018-2019 do not lapse on September 30, 2019, but continue to be available for expenditure for tuition grants provided in the 2019-2020 fiscal year under a work project account.

(5) The department of treasury shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for that fiscal year.

(7) Except as provided in subsection (4), the department of treasury shall not award more than $4,200,000.00 in tuition grants to eligible students enrolled in the same independent nonprofit college or university in this state. Any decrease in the maximum grant shall be proportional for all eligible students enrolled in that college or university, as determined by the department. The limit described in this subsection does not apply to any other student financial aid program or in combination with any other student financial aid program.

(8) The department of treasury shall not award tuition grants to otherwise eligible students enrolled in an independent college or university that does not report, in a form and manner directed by and satisfactory to the department of treasury, by October 31 of each year, all of the following:

(a) The number of students in the most recently completed academic year who in any academic year received a state tuition grant at the reporting institution and successfully completed a program or graduated.

(b) The number of students in the most recently completed academic year who in any academic year received a state tuition grant at the reporting institution and took a remedial education class.
(c) The number of students in the most recently completed academic year who in any academic year received a Pell grant at the reporting institution and successfully completed a program or graduated.

(9) By February 1, 2019, each independent college and university participating in the tuition grant program shall report to the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, and the state budget director on its efforts to develop and implement sexual assault response training for the institution's title IX coordinator, campus law enforcement personnel, campus public safety personnel, and any other campus personnel charged with responding to on-campus incidents, including information on sexual assault response training materials and the status of implementing sexual assault response training for institutional personnel.


### 388.1853 Audit of enrollments, degrees, and awards at independent colleges and universities.

Sec. 253. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards that are administered by the department of treasury. The audits shall be based upon definitions and requirements established by the department of treasury, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation.


### 388.1854 State competitive scholarship, tuition incentive, and tuition grant programs; payments.

Sec. 254. The sums appropriated in section 236 for the state competitive scholarship, tuition incentive, and tuition grant programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship and tuition grant programs, 50% shall be paid at the beginning of the state's first fiscal quarter, 30% during the state's second fiscal quarter, 10% during the state's third fiscal quarter, and 10% during the state's fourth fiscal quarter.

(b) For the tuition incentive program, 65% shall be paid at the beginning of the state's first fiscal quarter, and 35% during the state's second fiscal quarter.


### 388.1855 Needs analysis criteria.

Sec. 255. The department of treasury shall determine the needs analysis criteria for students to qualify for the state competitive scholarship program and tuition grant program. To be consistent with federal requirements, the department of treasury may take student wages into consideration when determining the amount of the award.


### 388.1856 Tuition incentive program.

Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate. Students must be enrolled in a certificate or associate degree program and taking classes within the program of study for a certificate or associate degree. Tuition will not be covered for courses outside of a certificate or associate degree program.

(b) "Phase II" means the second part of the tuition incentive program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(d) "High school equivalency certificate" means that term as defined in section 4.

(3) An individual shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive program benefits:

(a) To be eligible for phase I, an individual shall meet all of the following criteria:
(i) Apply for certification to the department any time after he or she begins the sixth grade but before August 31 of the school year in which he or she graduates from high school or before achieving a high school equivalency certificate.

(ii) Be less than 20 years of age at the time he or she graduates from high school with a diploma or certificate of completion or achieves a high school equivalency certificate or, for students attending a 5-year middle college approved by the Michigan department of education, be less than 21 years of age when he or she graduates from high school.

(iii) Be a United States citizen and a resident of this state according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or achievement of a high school equivalency certificate. All program eligibility expires 6 years from high school graduation or achievement of a high school equivalency certificate.

(v) Meet the satisfactory academic progress policy of the educational institution he or she attends.

(b) To be eligible for phase II, an individual shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, an individual must not be incarcerated and must be financially eligible as determined by the department. An individual is financially eligible for the tuition incentive program if he or she was eligible for Medicaid from this state for 24 months within the 36 consecutive months before application. The department shall accept certification of Medicaid eligibility only from the department of health and human services for the purposes of verifying if a person is Medicaid eligible for 24 months within the 36 consecutive months before application. Certification of eligibility may begin in the sixth grade. As used in this subdivision, “incarcerated” does not include detention of a juvenile in a state-operated or privately operated juvenile detention facility.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall only accept standard per-credit hour tuition billings and shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree-granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed $500.00 per semester or $400.00 per term up to a maximum of $2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

(11) Any unexpended and unencumbered funds remaining on September 30, 2019 from the amounts appropriated in section 236 for the tuition incentive program for fiscal year 2018-2019 do not lapse on
September 30, 2019, but continue to be available for expenditure for tuition incentive program funds provided in the 2019-2020 fiscal year under a work project account. The use of these unexpended fiscal year 2018-2019 funds terminates at the end of the 2019-2020 fiscal year.

(12) The department of treasury shall collaborate with the center to use the P-20 longitudinal data system to report the following information for each qualified postsecondary institution:

(a) The number of phase I students in the most recently completed academic year who in any academic year received a tuition incentive program award and who successfully completed a degree or certificate program. Cohort graduation rates for phase I students shall be calculated using the established success rate methodology developed by the center in collaboration with the postsecondary institutions.

(b) The number of students in the most recently completed academic year who in any academic year received a Pell grant at the reporting institution and who successfully completed a degree or certificate program. Cohort graduation rates for students who received Pell grants shall be calculated using the established success rate methodology developed by the center in collaboration with the postsecondary institutions.

(13) If a qualified postsecondary institution does not report the data necessary to comply with subsection (12) to the P-20 longitudinal data system, the institution shall report, in a form and manner satisfactory to the department of treasury and the center, all of the information needed to comply with subsection (12) by December 1, 2019.

(14) Beginning in fiscal year 2019-2020, if a qualified postsecondary institution does not report the data necessary to complete the reporting in subsection (12) to the P-20 longitudinal data system by October 15 for the prior academic year, the department of treasury shall not award phase I tuition incentive program funding to otherwise eligible students enrolled in that institution until the data are submitted.


388.1857 Availability of data.

Sec. 257. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and future fiscal years.


388.1858 Student financial aid programs; report.

Sec. 258. By February 15 of each year, the department of treasury shall post to its publicly available website a report for the preceding fiscal year on all student financial aid programs for which funds are appropriated in section 236. For each student financial aid program, the report shall include, but is not limited to, the total number of awards paid in the preceding fiscal year, the total dollar amount of those awards, and the number of students receiving awards and the total amount of those awards at each eligible postsecondary institution. To the extent information is available, the report shall also include information on household income and other demographic characteristics of students receiving awards under each program and historical information on the number of awards and total award amounts for each program.


Compiler's note: The repealed section pertained to college access programs.

388.1861 University of Michigan biological station at Douglas Lake.

Sec. 261. The University of Michigan biological station at Douglas Lake in Cheboygan County is considered a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.


Compiler's note: The repealed section pertained to policies to minimize cost of textbooks and course materials.

388.1863 Project GREEEN.

Sec. 263. (1) Included in the appropriation in section 236 for fiscal year 2018-2019 for MSU AgBioResearch is $2,982,900.00 and included in the appropriation in section 236 for MSU Extension is $2,645,200.00 for Project GREEEN. Project GREEEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEEN" is an acronym for Generating Research and Extension to Meet Environmental and Economic Needs.

(2) The department of agriculture and rural development and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop Project GREEEN and its program priorities.


388.1863a MSU AgBioResearch and MSU Extension; report.

Sec. 263a. (1) Not later than September 30 of each year, Michigan State University shall submit a report on MSU AgBioResearch and MSU Extension to the house and senate appropriations subcommittees on agriculture and on higher education, the house and senate standing committees on agriculture, the house and senate fiscal agencies, and the state budget director for the preceding academic fiscal year.

(2) The report required under subsection (1) shall include all of the following:

(a) Total funds expended by MSU AgBioResearch and by MSU Extension identified by state, local, private, federal, and university fund sources.

(b) The metric goals that were used to evaluate the impacts of programs operated by MSU Extension and MSU AgBioResearch. The following metric goals will be used to evaluate the impacts of those programs:

(i) Increasing the number of agriculture and food-related firms collaborating with and using services of research and extension faculty and staff by 3% per year.

(ii) Increasing the number of individuals utilizing MSU Extension's educational services by 5% per year.

(iii) Increasing external funds generated in support of research and extension, beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal years.

(iv) Increasing the sector’s total economic impact to at least $125,000,000,000.00.

(v) Increasing Michigan’s agricultural exports to at least $4,250,000,000.00.

(vi) Improving access by Michigan consumers to healthy foods by 20%.

(c) A review of major programs within both MSU AgBioResearch and MSU Extension with specific reference to accomplishments, impacts, and the metrics described in subdivision (b), including a specific accounting of Project GREEEN expenditures and the impact of those expenditures.


388.1864 Michigan Future Farmers of America Association.

Sec. 264. Included in the appropriation in section 236 for fiscal year 2018-2019 for Michigan State University is $80,000.00 for the Michigan Future Farmers of America Association. This $80,000.00 allocation shall not supplant any existing support that Michigan State University provides to the Michigan Future Farmers of America Association.


388.1865 Performance funding; payment conditions; limitation on tuition and fee rates; certification; definitions; uniform reporting requirements; universities exceeding tuition and fee rate cap.

Sec. 265. (1) Payments under section 265a for performance funding for fiscal years 2018-2019, 2019-2020, and 2020-2021 shall only be made to a public university that certifies to the state budget director by August 31, 2018 that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, 2017 for the 2017-2018 academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the 2018-2019 academic year that is greater than 3.8% or $490.00, whichever is greater. As used in this subsection:
(a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all resident undergraduate students at least once during their enrollment at a public university, as described in the higher education institutional data inventory (HEIDI) user manual. A university increasing a fee that applies to a specific subset of students or courses shall provide sufficient information to prove that the increase applied to that subset will not cause the increase in the average amount of board-authorized total tuition and fees paid by resident undergraduate students in the 2018-2019 academic year to exceed the limit established in this subsection.

(b) "Tuition and fee rate" means the average of full-time rates paid by a majority of students in each undergraduate class, based on an unweighted average of the rates authorized by the university board and actually charged to students, deducting any uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-time equated resident undergraduate enrollment during the academic year, as described in the higher education institutional data inventory (HEIDI) user manual.

(2) The state budget director shall implement uniform reporting requirements to ensure that a public university receiving a payment under section 265a for performance funding has satisfied the tuition restraint requirements of this section. The state budget director shall have the sole authority to determine if a public university has met the requirements of this section. Information reported by a public university to the state budget director under this subsection shall also be reported to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies.

(3) Universities that exceed the tuition and fee rate cap described in subsection (1) shall not receive a planning or construction authorization for a state-funded capital outlay project in fiscal year 2019-2020, fiscal year 2020-2021, or fiscal year 2021-2022.

4) Notwithstanding any other provision of this act, the legislature may at any time adjust appropriations for a university that adopts an increase in tuition and fee rates for resident undergraduate students that exceeds the rate cap established in subsection (1).


388.1865a Performance funding; payments; unpaid amounts; report; distribution formula; score; "Carnegie classification" defined; legislative intent.

Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal years 2018-2019, 2019-2020, and 2020-2021 for performance funding shall be paid only to a public university that complies with section 265 and certifies to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by August 31, 2018 that it complies with all of the following requirements:

(a) The university participates in reverse transfer agreements described in section 286 with at least 3 Michigan community colleges.

(b) The university does not and will not consider whether dual enrollment credits earned by an incoming student were utilized towards his or her high school graduation requirements when making a determination as to whether those credits may be used by the student toward completion of a university degree or certificate program.

(c) The university actively participates in and submits timely updates to the Michigan Transfer Network created as part of the Michigan Association of Collegiate Registrars and Admissions Officers transfer agreement.

(2) Any performance funding amounts under section 236 that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) are unappropriated and reappropriated for performance funding to those public universities that meet the requirements under subsection (1), distributed in proportion to their performance funding appropriation amounts under section 236.

(3) The state budget director shall report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies by September 30, 2018, regarding any performance funding amounts that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) and any reappropriation of funds under subsection (2).

(4) Performance funding amounts described in section 236 are distributed based on the following formula:

(a) Proportional to each university’s share of total operations funding appropriated in fiscal year 2010-2011, 50%.

(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.

(c) Based on research and development expenditures, for universities classified in Carnegie classifications as doctoral universities: moderate research activity, doctoral universities: higher research activity, or doctoral universities: highest research activity only, 5.6%.
(d) Based on 6-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures, and the percentage of students receiving Pell grants, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, 33.3%.

(5) For purposes of determining the score of a university under subsection (4)(d), each university is assigned 1 of the following scores:
   (a) A university classified as in the top 20%, a score of 3.
   (b) A university classified as above national median, a score of 2.
   (c) A university classified as improving, a score of 2. It is the intent of the legislature that, beginning in the 2019-2020 state fiscal year, a university classified as improving is assigned a score of 1.
   (d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

(6) As used in this section, "Carnegie classification" means the basic classification of the university according to the most recent version of the Carnegie classification of institutions of higher education, published by the Carnegie Foundation for the Advancement of Teaching.

(7) It is the intent of the legislature to allocate more funding based on performance metrics in future years.


388.1865b Reduction of operations funding; failure to submit title IX certification for sexual assault training.

Sec. 265b. (1) Appropriations to public universities in section 236 for the fiscal year ending September 30, 2019 for operations funding shall be reduced by 10% pursuant to the procedures described in subdivision (a) for a public university that fails to submit certification to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by August 31, 2018 that the university complies with sections 274c and 274d and that it complies with all of the requirements described in subdivisions (b) to (i), as follows:

   (a) If a university fails to submit certification, the state budget director shall withhold 10% of that university's annual operations funding until the university submits certification. If a university fails to submit certification by the end of the fiscal year, the 10% of its annual operations funding that is withheld shall lapse to the general fund.

   (b) For title IX investigations of alleged sexual misconduct, the university prohibits the use of medical experts that have an actual or apparent conflict of interest.

   (c) For title IX investigations of alleged sexual misconduct, the university prohibits the issuance of divergent reports to complainants, respondents, and administration and instead requires that identical reports be issued to them.

   (d) Consistent with the university's obligations under 20 USC 1092(f), the university notifies each individual who reports having experienced sexual assault by a student, faculty member, or staff member of the university that the individual has the option to report the matter to law enforcement, to the university, to both, or to neither, as the individual may choose.

   (e) The university provides both of the following:

   (i) For all freshmen and incoming transfer students enrolled, an in-person sexual misconduct prevention presentation or course, which must include contact information for the title IX office of the university.

   (ii) For all students not considered freshmen or incoming transfer students, an online or electronic sexual misconduct prevention presentation or course.

   (f) The university prohibits seeking compensation from the recipient of any medical procedure, treatment, or care provided by a medical professional who has been convicted of a felony arising out of the medical procedure, treatment, or care.

   (g) The university has or plans to have a third party review its title IX compliance office and related policies and procedures by the end of the 2018-2019 academic year. A copy of the third-party review shall be transmitted to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies. After the third-party review has been conducted for the 2018-2019 academic year, the university shall have a third-party review once every three years and a copy of the third-party review shall be transmitted to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies.

   (h) The university requires that the governing board and the president or chancellor of the university receive not less than quarterly reports from their title IX coordinator or title IX office. The report shall contain aggregated data of the number of sexual misconduct reports that the office received for the academic year, the types of reports received, including reports received against employees, and a summary of the general
outcomes of the reports and investigations. A member of the governing board may request to review a title IX investigation report involving a complaint against an employee, and the university shall provide the report in a manner it considers appropriate. The university shall protect the complainant's anonymity, and the report shall not contain specific identifying information.

(i) If allegations against an employee are made in more than 1 title IX complaint that resulted in the university finding that no misconduct occurred, the university requires that the title IX officer promptly notify the president or chancellor and a member of the university's governing board in writing and take all appropriate steps to ensure that the matter is being investigated thoroughly, including hiring an outside investigator for future cases involving that employee. A third-party title IX investigation under this subdivision does not prohibit the university from simultaneously conducting its own title IX investigation through its own title IX coordinator.

(2) Each public university that receives an appropriation in section 236 shall also certify that its president or chancellor and a member of its governing board has reviewed all title IX reports involving the alleged sexual misconduct of an employee of the university, and shall send the certification to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director by August 31, 2018.

(3) For purposes of this section, "sexual misconduct" includes, but is not limited to, any of the following:
   (a) Intimate partner violence.
   (b) Nonconsensual sexual conduct.
   (c) Sexual assault.
   (d) Sexual exploitation.
   (e) Sexual harassment.
   (f) Stalking.


### 388.1865c Academic program partnerships report.

Sec. 265c. By February 1, 2019, the Michigan Community College Association, the Michigan Association of State Universities, and the Michigan Independent Colleges and Universities, on behalf of their member colleges and universities, shall submit to the senate and house appropriations subcommittees on higher education, the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director a comprehensive report detailing the number of academic program partnerships between public community colleges, public universities, and private colleges and universities, including, but not limited to, the following information:

(a) The names of the baccalaureate degree programs of study offered by public and private universities on community college campuses.
(b) The names of the articulation agreements for baccalaureate degree programs of study between public community colleges, public universities, and private colleges and universities.
(c) The number of students enrolled and number of degrees awarded through articulation agreements, and the number of courses offered, number of students enrolled, and number of degrees awarded through on-campus programs named in subdivision (a) from July 1, 2017 through June 30, 2018.


### 388.1865d Memorandum of understanding; incidents of sexual assault.

Sec. 265d. The legislature encourages each public university that receives an appropriation in section 236 to enter into a memorandum of understanding with at least 1 local law enforcement agency with jurisdiction on or around campus for the communication and coordination of responses to incidents of sexual assault.


### 388.1865e Legislative intent.

Sec. 265e. It is the intent of the legislature that public universities use a portion of funds received in section 236 for campus safety programs, sexual assault prevention programs, and student mental health programs.


**Compiler’s note:** The repealed section pertained to public university operations funding.

### 388.1867 Amount of tuition and fees; submission as part of HEIDI data.

Sec. 267. All public universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2018-2019 as part of their higher education institutional...
data inventory (HEIDI) data by August 31 of each year. A public university shall report any revisions for any semester of the reported academic year 2018-2019 tuition and fee charges to HEIDI within 15 days of being adopted.


388.1868 North American Indian tuition waiver costs; allocation; adjustments; insufficient funds; report; information to be provided by public university; consolidated report.

Sec. 268. (1) For the fiscal year ending September 30, 2019, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund.

(2) Appropriations in section 236(7)(f) for North American Indian tuition waivers shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for amounts included in university operations appropriations. If funds are insufficient to support the entire cost of waivers, amounts shall be prorated proportionate to each institution's shortfall as a percentage of its fiscal year 2018-2019 state appropriation for operations.

(3) By February 15 of each year, the department of civil rights shall annually submit to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies a report on North American Indian tuition waivers for the preceding academic year that includes, but is not limited to, all of the following information:

(a) The number of waiver applications received and the number of waiver applications approved.

(b) For each university submitting information under subsection (4), all of the following:

(i) The number of graduate and undergraduate North American Indian students enrolled each term for the previous academic year.

(ii) The number of North American Indian waivers granted each term, including to continuing education students, and the monetary value of the waivers for the previous academic year.

(iii) The number of graduate and undergraduate students attending under a North American Indian tuition waiver who withdrew from the university each term during the previous academic year. For purposes of this subparagraph, a withdrawal occurs when a student who has been awarded the waiver withdraws from the institution at any point during the term, regardless of enrollment in subsequent terms.

(iv) The number of graduate and undergraduate students attending under a North American Indian tuition waiver who successfully complete a degree or certificate program, separated by degree or certificate level, and the graduation rate for graduate and undergraduate students attending under a North American Indian tuition waiver who complete a degree or certificate within 150% of the normal time to complete, separated by the level of the degree or certificate.

(4) A public university that receives funds under section 236 shall provide to the department of civil rights any information necessary for preparing the report detailed in subsection (3), using guidelines and procedures developed by the department of civil rights.

(5) The department of civil rights may consolidate the report required under this section with the report required under section 223, but a consolidated report must separately identify data for universities and data for community colleges.


388.1869 Payment to Saginaw Chippewa Tribal College; costs of waiving tuition for North American Indians.

Sec. 269. For fiscal year 2018-2019, from the amount appropriated in section 236 to Central Michigan University for operations, $29,700.00 shall be paid to Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.


388.1870 Payment to Bay Mills Community College; costs of waiving tuition for North American Indians.

Sec. 270. For fiscal year 2018-2019, from the amount appropriated in section 236 to Lake Superior State
University for operations, $100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.


Compiler’s note: The repealed section pertained to coordination of goods and services.


Compiler’s note: The repealed section pertained to academic program accreditation.

388.1871a Unionization or decertification of union; use of funds for instructional activity prohibited.

Sec. 271a. It is the intent of the legislature that a public university that receives funds under section 236 shall not knowingly and directly use any portion of those funds to offer any instructional activity that targets specific companies or specific groups of companies for unionization or decertification of a union.


Compiler’s note: The repealed section pertained to rejection of transfer credits by university.


Compiler’s note: The repealed section pertained to report regarding rejection of transfer credits.


Compiler’s note: The repealed section pertained to report on efforts to accommodate sincerely held beliefs of students.


Compiler’s note: The repealed section pertained to use of funds to benefit nonprofit workers training center.

388.1874 Organizations conducting human embryonic stem cell derivation; information to be provided to director of department of health and human services.

Sec. 274. It is the intent of the legislature that public and private organizations that conduct human embryonic stem cell derivation subject to section 27 of article I of the state constitution of 1963 will provide information to the director of the department of health and human services by December 1, 2018 that includes all of the following:

(a) Documentation that the organization conducting human embryonic stem cell derivation is conducting its activities in compliance with the requirements of section 27 of article I of the state constitution of 1963 and all relevant National Institutes of Health guidelines pertaining to embryonic stem cell derivation.

(b) A list of all human embryonic stem cell lines submitted by the organization to the National Institutes of Health for inclusion in the Human Embryonic Stem Cell Registry before and during fiscal year 2017-2018, and the status of each submission as approved, pending approval, or review completed but not yet accepted.

(c) Number of human embryonic stem cell lines derived and not submitted for inclusion in the Human Embryonic Stem Cell Registry, before and during fiscal year 2017-2018.


Compiler’s note: The repealed section pertained to prohibition against health insurance or fringe benefits for unmarried adult coresident or dependent.

388.1874c Sexual assault response training; report.

Sec. 274c. By February 1, 2019, each university receiving funds under section 236 shall report to the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, and the state budget director on its efforts to develop and implement sexual assault response training for the university’s title IX coordinator, campus law enforcement personnel, campus public safety personnel, and any other campus personnel charged with responding to on-campus incidents, including information on sexual assault response training materials and the status of implementing sexual assault response training for campus
personnel.


### 388.1874d Student sexual misconduct report; requirements.

Sec. 274d. (1) By October 31, each university receiving funds under section 236 shall report to the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, the state budget director, and the attorney general its annual title IX report, also known as the student sexual misconduct report, issued by the title IX coordinator, as required under the federal campus save act of 2013, Public Law 113-4, section 304, 127 Stat 54, 89-92 (2013).

(2) For purposes of the report required under subsection (1), each university shall include a title IX summary report that includes all of the following information:

(a) The amounts and descriptions of all fees incurred in title IX-related civil and criminal litigation.

(b) The number of title IX complaints.

(c) The average length of time for investigation and resolution of title IX complaints.

(d) The aggregate number of title IX cases, investigations, and complaints for each of the categories described in subparagraphs (i) to (iii), subject to subparagraph (iv), as follows:

(i) Cases investigated for less than 15 days.

(ii) Cases investigated for at least 30 days and less than 60 days.

(iii) Cases investigated for 90 days or more.

(iv) If, for any category of cases under subparagraphs (i) to (iii), there is an aggregate of fewer than 5 cases investigated, the university shall not report the aggregate number of cases and instead shall report that fewer than 5 cases were investigated.

(e) The number of title IX appeals and the resolutions of those appeals.

(f) The number of title IX-related complaints filed by the university with law enforcement agencies.


### 388.1875 Veterans and active military duty personnel; educational assistance; report; definition.

Sec. 275. (1) Each public university that receives an appropriation in section 236 shall do all of the following:

(a) Meet the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3327, including voluntary participation in the Yellow Ribbon GI Education Enhancement Program established in that act in 38 USC 3317. By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the Michigan Association of State Universities on whether or not it has chosen to participate in the Yellow Ribbon GI Education Enhancement Program. If at any time during the fiscal year a university participating in the Yellow Ribbon Program chooses to leave the Yellow Ribbon Program, it shall notify the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the Michigan Association of State Universities.

(b) Establish an on-campus veterans’ liaison to provide information and assistance to all student veterans.

(c) Provide flexible enrollment application deadlines for all veterans.

(d) Include in its admission application process a specific question as to whether an applicant for admission is a veteran, an active member of the military, a member of the National Guard or military reserves, or the spouse or dependent of a veteran, active member of the military, or member of the National Guard or military reserves, in order to more quickly identify potential educational assistance available to that applicant.

(e) Consider all veterans residents of this state for determining their tuition rates and fees.

(f) Waive enrollment fees for all veterans.

(2) By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the department of military and veterans affairs regarding services provided specifically to veterans and active military duty personnel, including, but not limited to, the services described in subsection (1).

(3) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3327.

388.1875a Construction or maintenance of self-liquidating project; finance requirements.
Sec. 275a. Funds appropriated in section 236 shall not be used by a public university to pay for the construction or maintenance of a self-liquidating project. A public university shall comply with section 238 of the management and budget act, 1984 PA 431, MCL 18.1238, and with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy. The appropriation in section 236 for a public university that fails to comply with JCOS reporting requirements shall be reduced by 1% for each violation.


388.1875b Knowledge that applicant for admission is serving, or has served, as member of military, National Guard, or military reserves; duties of public university during application process; "transcript" defined.
Sec. 275b. (1) Each public university receiving funds under section 236 shall ensure that the public university does all of the following in its admission application process if it knows that an applicant for admission is currently serving, or has ever served, as a member of the military, the National Guard, or the military reserves:
(a) Inform the applicant that he or she may receive academic credit for college-level training and education he or she received while serving in the military.
(b) Inform the applicant that he or she may submit a transcript of his or her college-level military training and education to the public university.
(c) If the applicant submits a transcript described in subdivision (b), evaluate that transcript and notify the applicant of what transfer credits are available to the applicant from the public university for his or her college-level military training and education.
(2) As used in this section, "transcript" includes a joint services transcript prepared for the applicant under the American council on education registry of credit recommendations.


388.1875c Meningococcal meningitis and vaccine for meningococcal meningitis; materials to be provided to students.
Sec. 275c. Each university receiving funds under section 236 shall provide students with materials containing information about meningococcal meningitis and the vaccine for meningococcal meningitis, as provided by the department of health and human services pursuant to section 9205a of the public health code, 1978 PA 368, MCL 333.9205a. The materials shall contain information about, at a minimum, the causes and symptoms of meningococcal meningitis, how it is spread, and sources where students may obtain additional information about meningococcal meningitis and where they may obtain vaccination against meningococcal meningitis.


388.1876 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks future faculty program.
Sec. 276. (1) Included in the appropriation for fiscal year 2018-2019 for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the future faculty program.
(2) The program shall be administered by each public university in a manner prescribed by the workforce development agency. The workforce development agency shall use a good faith effort standard to evaluate whether a fellowship is in default.


388.1877 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks college day program.
Sec. 277. (1) Included in the appropriation for fiscal year 2018-2019 for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college
education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each public university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each public university in a manner prescribed by the workforce development agency.


388.1878 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks select student support services program.

Sec. 278. (1) Included in section 236 for fiscal year 2018-2019 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) An award made under this program to any 1 institution shall not be greater than $150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the workforce development agency.


388.1879 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks college/university partnership program.

Sec. 279. (1) Included in section 236 for fiscal year 2018-2019 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

(2) The grants shall be made under the program described in this section to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than $150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the workforce development agency.


388.1880 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks visiting professors program.

Sec. 280. (1) Included in the appropriation for fiscal year 2018-2019 for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the workforce development agency.

388.1881 Martin Luther King, Jr. – Cesar Chavez – Rosa Parks initiative for Morris Hood, Jr. educator development program.

Sec. 281. (1) Included in the appropriation for fiscal year 2018-2019 in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

(2) The program described in this section shall be administered by each state-approved teacher education institution in a manner prescribed by the workforce development agency.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program described in this section.


388.1882 Institutions receiving funds under MCL 388.1878, 388.1879, or 388.1881; providing unobligated and unexpended funds; plan to expend remaining funds.

Sec. 282. Each institution receiving funds for fiscal year 2018-2019 under section 278, 279, or 281 shall provide to the workforce development agency by April 15, 2019 the unobligated and unexpended funds as of March 31, 2019 and a plan to expend the remaining funds by the end of the fiscal year. Notwithstanding the award limitations in sections 278 and 279, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 278, 279, or 281.


388.1883 Aggregate academic status of students.

Sec. 283. (1) Using the data provided to the center as required by section 244 of this act, the center shall use the P-20 longitudinal data system to inform interested Michigan high schools and the public regarding the aggregate academic status of its students. The center shall work with the universities and the Michigan Association of State Universities and in cooperation with the Michigan Association of Secondary School Principals.

(2) Michigan high schools shall systematically inform the public universities about the use of information received under this section in a manner prescribed by the Michigan Association of Secondary School Principals in cooperation with the Michigan Association of State Universities.


388.1884 Academic status of community college transfer students.

Sec. 284. Using data provided to the center as required by section 244 of this act, the center shall use the P-20 longitudinal data system to inform Michigan community colleges regarding the academic status of community college transfer students. The center shall work with the universities and the Michigan Association of State Universities in cooperation with the Michigan Community College Association.


388.1885 Transfer of students from community colleges to public universities; encouragement; facilitation.

Sec. 285. Public universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the public universities and to facilitate the transfer of credits from the community colleges to the public universities.


388.1886 Statewide reverse transfer agreements.

Sec. 286. Public universities shall work with community colleges in the state to implement statewide
reverse transfer agreements to increase the number of students that are awarded credentials of value upon completion of the necessary credits. These statewide agreements shall enable students who have earned a significant number of credits at a community college and transfer to a baccalaureate granting institution before completing a degree to transfer the credits earned at the baccalaureate institution back to the community college in order to be awarded a credential of value.


Compiler's note: The repealed section pertained to report detailing number of academic program partnerships between public community colleges, public universities, and private colleges and universities.

388.1889 Auditor general; duties; "distance learning instruction" defined.

Sec. 289. (1) Not less than every 4 years, the auditor general shall audit higher education institutional data inventory (HEIDI) data submitted by all public universities under section 241 and may perform audits of selected public universities if determined necessary. The audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director in consultation with the HEIDI advisory committee. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1 of each year an audit takes place.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not eligible for the public university's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs created on or after January 1, 1975 and before January 1, 2013, that were not specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs, and student credit hours generated in any new degree programs created after January 1, 2013, that are specifically excluded from reporting by the legislature under this section.

(3) "Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the internet, cable television, teleconference, or mail.


388.1890 New degree programs.

Sec. 290. By March 1 of each year, the Michigan Association of State Universities shall provide a listing of new degree programs for which enrollment information will be reported to HEIDI under sections 241 and 289, as well as a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years, to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.


388.1891 Performance audits.

Sec. 291. The auditor general may conduct performance audits of public universities receiving funds in section 236 as the auditor general considers necessary.


Compiler's note: The repealed section pertained to student right-to-know and crime awareness.

ARTICLE IV
GENERAL PROVISIONS

388.1896 Excess funds; proration.
Sec. 296. (1) If the maximum amount appropriated under this act from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(2) If the total maximum amount appropriated under all articles of this act from the state school aid fund and the school aid stabilization fund exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, 56, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or $5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (3). If proration is necessary, state payments under each of the other sections of article I from all state funding sources, and state appropriations to community colleges and public universities under articles II and III from the state school aid fund, shall be prorated in the manner prescribed in subsection (3) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration.

(3) If proration is necessary under subsection (2), the department shall calculate the proration in district and intermediate district payments under article I that is required under subsection (2), and the department of treasury shall calculate the proration in community college and public university payments under articles II and III that is required under subsection (2), as follows:

(a) The department and the department of treasury shall calculate the percentage of total state school aid fund money that is appropriated and allocated under this act for the affected fiscal year for each of the following:

(i) Districts.
(ii) Intermediate districts.
(iii) Entities receiving funding from the state school aid fund under article I other than districts or intermediate districts.
(iv) Community colleges and public universities that receive funding from the state school aid fund.

(b) The department shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district’s total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 152a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (2) that is
equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, 56, and 152a, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(iii) for entities receiving funding from the state school aid fund under article I other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

(e) The department of treasury shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(iv) for community colleges and public universities that receive funding from the state school aid fund by reducing that portion of the payments under articles II and III to these community colleges and public universities that is from the state school aid fund on an equal percentage basis.


ARTICLE V

388.1897 Work project appropriation for public schools; "Marshall Plan for Talent."

Sec. 297. (1) For the fiscal year ending September 30, 2018, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $100,000,000.00 from the talent investment fund created under section 8a of the higher education loan authority act, 1975 PA 222, MCL 390.1158a.

(2) The funds appropriated under this section for 2017-2018 are a work project appropriation, and any unexpended funds for 2017-2018 are carried forward into 2018-2019. The purpose of the work project is to improve this state's talent pool by training citizens for high-demand career fields, providing educational supports, expanding career exploration opportunities, and supporting innovative teachers and curriculum. The estimated completion date of the work project is September 30, 2022.

(3) Grants awarded under this article with funds appropriated under this section are subject to section 297j.

(4) This article shall be known and may be cited as the "Marshall Plan for Talent".


Compiler's note: Enacting section 1 of Act 227 of 2018 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article V of the state school aid act of 1979, 1979 PA 94, MCL 388.1897 to 388.1897n, as added by this amendatory act for fiscal year 2017-2018 is estimated at $100,000,000.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at $61,235,000.00."

In enacting section 1 of Act 227 of 2018, the reference to "MCL 388.1897 to 388.1897n" evidently should read "MCL 388.1897 to 388.1897l."

388.1897a Appropriation for expansion of K-12 education programs; competitive grants; talent consortium; cyber challenge program; innovative educator program.

Sec. 297a. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to exceed $36,485,000.00 for the expansion of K-12 education programs that focus on creating competencies and earning credentials in high-demand fields.

(2) Subject to section 297k, from the allocation in subsection (1), there is allocated an amount not to exceed $29,935,000.00 for competitive grants to districts and intermediate districts that are members of and apply on behalf of a talent consortium, in a form and manner prescribed by the department under section 297i for the purpose of expanding or creating pupil experiences that result in competencies or credentials, or both, in high-demand fields. An application for a grant under this subsection must include a commitment to adopt the principles of a competency-based instructional model.

(3) Funds received under this section shall be used by members of the talent consortium for any of the following:

(a) Stipends for industry mentors to assist in teaching classes in high-demand fields.

(b) Testing or project fees on behalf of pupils for the purpose of earning credentials in high-demand fields.

(c) Professional development for teachers who improve their capacity to teach high-demand skills. Grants awarded for this purpose shall not exceed $5,000.00 per teacher.

(d) The hiring of full-time staff to create or expand a program in a high-demand field. In order to use funds for this purpose, the applicant must commit to continuing to provide the program for at least an additional 3 years following the final disbursement of funds. The total amount of grants awarded for the purpose under
this subdivision must not exceed $7,000,000.00. An applicant shall not receive more than 1 grant for the purposes under this subdivision.

(e) The creation of new curriculum, which may include, but is not limited to, professional development, materials, lesson plans, pupil projects, and other items needed in a high-demand field that lacks sufficient curricula, as determined by the department. A curriculum created using funds allocated under this section must meet all of the following:

(i) Is made open-source to other districts across this state, to the extent practicable.

(ii) Is developed with the direct and meaningful input of at least 1 employer who is party to a talent consortium.

(iii) Utilizes the principles of competency-based learning.

(iv) Leads to a credential.

(f) To assist certificated teachers to earn new endorsements in areas of high-demand critical shortage through a competency-based residency model. Grants awarded for the purposes under this subdivision must not exceed $8,000.00 per teacher and must be used to pay the costs of a teacher's participation in a teacher preparation program that collaborates with the department to develop endorsement programs that cost no more than $8,000.00 for a teacher or a district and that assess a teacher's mastery of standards in a competency-based model.

(4) At least $2,000,000.00 of the funds appropriated under subsection (1) must be used for competitive grants to districts that are members of a talent consortium and that seek to convert an entire school or district to a competency-based learning model. Applications under this section must include all of the following:

(a) An educational model that allows the use of multiple and innovative methods to determine pupils' achievement of grade-level competencies and credit under the Michigan merit curriculum.

(b) Curriculum that allows for a majority of instructional time to be spent on pupil-driven projects that target academic skills and assist pupils in achieving 21st century skills such as leadership, teamwork, problem solving, and communication.

(c) An innovative partnership with employers or institutes of higher education, or both, to provide contextualized learning opportunities that emphasize attainment of competencies that include application and creation of knowledge, along with the development of work-ready skills.

(d) A plan for the transition away from a grade-level system of pupil promotion to a competency-based system of pupil promotion. This plan must include messaging to parents describing the benefits of, and steps taken to implement, a competency-based instructional model.

(e) A plan for a scope and timeline of professional development for school instructional and administrative staff.

(f) A commitment to maintain participation in statewide assessment and accountability systems for pupils being served by programs funded under this section.

(g) A description of how the applicant will be an ambassador for competency-based learning, including a commitment to mentor other districts that wish to convert to a competency-based instructional model.

(5) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed $1,100,000.00 to the department of technology, management, and budget to support critical cybersecurity training and infrastructure programs, as approved by this state's information technology governance council. Funding allocated under this subsection must be used to expand the Michigan high school cyber challenge program, as approved by the department of technology, management, and budget. The expansion must include, but is not limited to, both of the following:

(a) An open professional credentialing or micro-credentialing process, or both, for any pupil in grades 9 to 12 who demonstrates mastery of industry-recognized cybersecurity skills.

(b) Collaboration with other cybersecurity programs to ensure alignment of coach, mentor, and educator skills.

(6) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed $450,000.00 to the department for statewide supports for competency-based learning, including, but not limited to, the necessary capacity-building infrastructure, tools, transcripts, and reporting mechanisms to support the implementation of competency-based education models in districts and consortia of districts receiving funding under subsection (4) with the goal of offering these tools statewide.

(7) From the funds allocated in subsection (1), there is allocated an amount not to exceed $1,000,000.00 to the department for providing technical assistance to districts to help districts integrate the Michigan merit curriculum into competency-based programs, including career and technical education programs.

(8) From the funds allocated in subsection (1), there is allocated for 2017-2018 an amount not to exceed $4,000,000.00 for an innovative educator program. Funds shall be used to support educators who possess specialized skills and use those skills to deploy innovative instructional programs for the purposes of
replication, expansion, and dissemination across this state. All of the following apply to the innovative educator program:

(a) Beginning in the 2017-2018 school year, the department shall develop a process for selecting innovative educators under this section.

(b) The governing body of each district may nominate 1 educator to the intermediate district in which the district is located for appointment to the innovative educator corps, according to the timelines established by the department. An individual must meet all of the following to be nominated under this subdivision:

(i) Have demonstrated documented pupil academic achievement in the innovative program or the creation of pupil talent portfolios in high-demand fields.

(ii) Be recommended by, at least, peers, pupils, administrators, parents, and local community partners.

(iii) Have demonstrated successful implementation of innovative instructional methodology in preparing pupils for 21st century careers.

(iv) Exemplify the passion, energy, and professionalism of the teaching profession.

(c) Not later than December 1 of each year, depending on availability of funds, the department shall review the nominations submitted under subdivision (b) and select up to 100 educators from the submitted nominations for appointment to the innovative educator corps for a term of 3 years. The department shall select educators based on at least both of the following criteria:

(i) Preference for educators with demonstrated community, higher education, or business partnerships.

(ii) Preference for educators who utilize a competency-based instructional model, utilize a project-based instructional model, have had success in the turnaround of a low-performing school, or have had success in a balanced or year-round calendar.

(d) If sufficient funding is available, each of the educators selected by the department to serve in the innovative educator corps under subdivision (c) shall receive a stipend in the amount of $5,000.00 per year for up to 3 years. At least 1 time per year, the department shall review the qualification of educators to ensure the eligibility requirements, and other requirements established by the department, are still being met. If sufficient funding is available, an additional $5,000.00 per educator will be awarded annually to the intermediate district for purposes of replication, expansion, and dissemination of the innovative strategies and program. The selected educator shall develop a plan with the intermediate district that details how the funds will be spent to support the duties of the selected educator under this subsection. These funds may be used to cover costs, including, but not limited to, the following:

(i) Pupil and educator travel.

(ii) Substitute educators.

(iii) Program materials.

(iv) Training materials.

(v) Pupil supplies and materials.

(9) The superintendent of public instruction shall promulgate rules to implement this section.


Compiler's note: Enacting section 1 of Act 227 of 2018 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article V of the state school aid act of 1979, 1979 PA 94, MCL 388.1897 to 388.1897n, as added by this amendatory act for fiscal year 2017-2018 is estimated at $100,000,000.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at $61,235,000.00."

In enacting section 1 of Act 227 of 2018, the reference to "MCL 388.1897 to 388.1897n" evidently should read "MCL 388.1897 to 388.1897l."
the stipend amounts under subsection (2)(a) and (b), the department of treasury shall collaborate with eligible
shall reject billings that are excessive or outside of the guidelines for the type of educational institution. For
subsection (8), the department of treasury shall only accept standard per-credit hour tuition billings and
provide the highest level of participation and ensure that all requirements of the program are met.
this guarantee.
technical skills. Institutions are encouraged to work with their local Michigan works agencies to implement
(5), if the graduate is unable to find or keep a job in the relevant field at a relevant level due to a lack of
the relevant field at no cost to a graduate who successfully completes a qualifying program under subsection
of this subsection, "talent guarantee" means a process by which the institution will provide relevant training in
by the department of treasury, in cooperation with the department of talent and economic development, that it
grants degrees or certificates and is located in this state and provides proof, in a form and manner prescribed
private nonprofit college or university, junior college, community college, or private training provider that
eligible postsecondary institution, make sufficient progress through the curriculum to complete the program.
model, or, if the institution utilizes a competency-based grading model during his or her time enrolled in an
guidelines published annually by the United States Department of Health and Human Services.
recognized equivalency certificate.
leads to a 2-year credential, in addition to a $250.00 stipend paid to the individual.
(7) The department of treasury shall provide payment on behalf of an individual eligible under subsection
(6) The department of treasury shall develop an application and eligibility determination process that will
(c) The program utilizes a competency-based instructional model.
(b) The program is intended to be completed in no more than 1 year for an award under subsection (2)(a),
or no more than 2 years for an award under subsection (2)(b).
(c) The program utilizes a competency-based instructional model.
(6) The department of treasury shall develop an application and eligibility determination process that will
provide the highest level of participation and ensure that all requirements of the program are met.
(7) The department of treasury shall provide payment on behalf of an individual eligible under subsection
(3) for the scholarship award amounts described in subsection (2)(a) and (b). The department of treasury shall
reimburse the eligible postsecondary institution no later than 30 days after the start of the fiscal year. Subject
to subsection (8), the department of treasury shall only accept standard per-credit hour tuition billings and
shall reject billings that are excessive or outside of the guidelines for the type of educational institution. For
the stipend amounts under subsection (2)(a) and (b), the department of treasury shall collaborate with eligible

388.1897c Appropriation for Michigan talent pledge scholarship program; scholarship grant
requirements; eligibility of postsecondary institution; application; reimbursement; report;
appropriation for coaches; workforce certificate; administration.
Sec. 297c. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to
exceed $25,500,000.00 for the Michigan talent pledge scholarship program administered by the department of
treasury.
(2) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed
$20,000,000.00 to be used for the purpose of assisting low-income individuals with the cost of obtaining a
qualifying degree or credential in high-demand fields. The funds must be used to fund scholarships and
stipends for eligible individuals over 4 years. Awards shall be in the following amounts:
(a) $750.00 scholarship award for individuals enrolled in an eligible program that leads to a 1-year
credential, in addition to a $250.00 stipend paid to the individual.
(b) $500.00 scholarship award each year for 2 years for individuals enrolled in an eligible program that
leads to a 2-year credential, in addition to a $250.00 stipend each year paid to the individual.
(3) To be eligible for a scholarship grant under this section, an individual shall meet all of the following:
(a) Except for an individual under the age of 18, possess a high school diploma, recognized equivalency, or
recognized equivalency certificate.
(b) Be a resident of this state and a citizen of the United States of America.
(c) File the free application for federal student aid (FAFSA), annually.
(d) Have an annual income at the time of application that is at or below 133% of the federal poverty
guidelines published annually by the United States Department of Health and Human Services.
(e) Be enrolled in a qualifying program at an eligible postsecondary institution.
(f) Apply for a grant in a form and manner prescribed by the department of treasury.
(g) Maintain a cumulative grade point average of at least 2.5, if the institution utilizes a standard grading
model, or, if the institution utilizes a competency-based grading model during his or her time enrolled in an
eligible postsecondary institution, make sufficient progress through the curriculum to complete the program.
(h) Is between the ages of 16 and 45 at the time of application.
(4) A postsecondary institution is eligible under this section if the postsecondary institution is a public or
private nonprofit college or university, junior college, community college, or private training provider that
grants degrees or certificates and is located in this state and provides proof, in a form and manner prescribed
by the department of treasury, in cooperation with the department of talent and economic development, that it
has implemented a talent guarantee for the relevant qualifying program under subsection (5). For the purposes
of this subsection, "talent guarantee" means a process by which the institution will provide relevant training in
the relevant field at no cost to a graduate who successfully completes a qualifying program under subsection
(5), if the graduate is unable to find or keep a job in the relevant field at a relevant level due to a lack of
technical skills. Institutions are encouraged to work with their local Michigan works agencies to implement
this guarantee.
(5) A program must meet all of the following to be a qualifying program under this section:
(a) Completion of the program must result in a credential in a qualifying high-demand field.
(b) The program is intended to be completed in no more than 1 year for an award under subsection (2)(a),
or no more than 2 years for an award under subsection (2)(b).
(c) The program utilizes a competency-based instructional model.
(6) The department of treasury shall develop an application and eligibility determination process that will
provide the highest level of participation and ensure that all requirements of the program are met.
(7) The department of treasury shall provide payment on behalf of an individual eligible under subsection
(3) for the scholarship award amounts described in subsection (2)(a) and (b). The department of treasury shall
reimburse the eligible postsecondary institution no later than 30 days after the start of the fiscal year. Subject
to subsection (8), the department of treasury shall only accept standard per-credit hour tuition billings and
shall reject billings that are excessive or outside of the guidelines for the type of educational institution. For
the stipend amounts under subsection (2)(a) and (b), the department of treasury shall collaborate with eligible
postsecondary institutions to ensure that a prorated amount of the stipend is forwarded to the student following each regular meeting with a coach, mentor, or counselor as an incentive for the student to meet with the coach, mentor, or counselor.

(8) For the department of treasury to pay a scholarship award on behalf of an individual eligible under subsection (3), at least 1 of the following must apply:
   (a) For individuals enrolled at a community college in this state, the individual is charged the current in-district tuition and mandatory fees.
   (b) For individuals enrolled at a public university in this state, the individual is charged the lower division resident tuition and mandatory fees for the current year.
   (c) For individuals enrolled at an independent, nonprofit degree-granting college or university in this state or a federal tribally controlled community college in this state, the mandatory fees and per-credit payment charged to the individual do not exceed the average community college in-district per-credit tuition rate as reported on August 1 of the immediately preceding academic year.

(9) The department of treasury shall collaborate with the center to use the P-20 longitudinal data system to report the number of students who are engaged in and have completed a program using an award granted under this section.

(10) From the funds allocated under subsection (1), there is allocated for 2017-2018 not to exceed $2,440,000.00 for grants to community colleges, universitites, or private nonprofit colleges for the purpose of providing coaches to students who receive scholarship awards under this section. The coaches funded under this subsection shall provide intense mentoring and advising to recipients of scholarships under this section, focusing on ensuring that students complete programs for which they receive scholarships under this section. Grants awarded under this subsection must be made to eligible postsecondary institutions in the amount not to exceed $40,000.00 per coach.

(11) From the funds allocated under subsection (1), there is an amount allocated for 2017-2018 not to exceed $2,300,000.00 to be used for grants to districts for stipends for students and bonus payments to districts that are parties to a talent consortium and whose students successfully earn an in-demand workforce certificate in a high-demand field. For the purposes of funding under this subsection, a workforce certificate must, as determined by the department of talent and economic development, be entry-level or above, recognized by statewide industry, and in a high-demand, high-salary, high-upward mobility career. Grants awarded under this subsection must be in the amount of $250.00 to the student and in an amount of $250.00 to the district. A district seeking a grant under this subsection shall apply in a form and manner prescribed by the department. An application for a grant under this subsection must describe the credentials that students will earn using funds awarded under this subsection. The department shall work with the department of talent and economic development to award grants under this subsection and notify applicants of the decision to award a grant not later than 30 days after receiving an application.

(12) The following do not qualify as in-demand credentials in a high-demand field for the purposes of subsection (11):
   (a) A high school diploma or equivalent.
   (b) An advanced placement test other than physics c: electricity and magnetism, physics c: mechanics, computer science a, or computer science principles.

(13) From the funds allocated in subsection (1), there is an amount allocated not to exceed $760,000.00 to the department of treasury for costs related to the administration of this section.


Compiler's note: Enacting section 1 of Act 227 of 2018 provides:
"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article V of the state school aid act of 1979, 1979 PA 94, MCL 388.1897 to 388.1897n, as added by this amendatory act for fiscal year 2017-2018 is estimated at $100,000,000.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at $61,235,000.00."

"In enacting section 1 of Act 227 of 2018, the reference to "MCL 388.1897 to 388.1897n" evidently should read "MCL 388.1897 to 388.1897l.""

388.1897d Michigan career development navigator program; funding for additional staff; web-based career preparation platform; career counseling.

Sec. 297d. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to exceed $14,500,000.00 for competitive grants to districts and intermediate districts that are members of a talent consortium for the Michigan career development navigator program to increase the number of college- and career-ready pupils with an emphasis on increasing the number of citizens working in high-demand
fields. A district or intermediate district that is a member of a talent consortium is eligible to apply for a grant under this section, in a form and manner prescribed by the department under section 297i. Grants awarded under this section are subject to section 297k.

(2) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed $10,500,000.00 for competitive grants to districts and intermediate districts that are members of a talent consortium to hire additional staff for the purposes described in this section. Districts and intermediate districts that use grant funds awarded under this subsection to hire staff for newly created positions shall commit to retain the positions for at least 2 years after the end of the 3-year grant period. Grant funds awarded under this section must not be used to supplant existing counseling services within a district or intermediate district.

(3) From the allocation in subsection (1), there is allocated to the department of talent and economic development for 2017-2018 an amount not to exceed $4,000,000.00 for the expansion of a web-based career preparation platform.

(4) A recipient of a grant under this section shall use staff hired with funds under this section for career counseling activities such as the creation of robust education development plans, the creation of talent portfolios for pupils, identifying work-based learning opportunities, and identifying career exploration activities such as internships, apprenticeships, and job shadows.


**Compiler’s note:** Enacting section 1 of Act 227 of 2018 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article V of the state school aid act of 1979, 1979 PA 94, MCL 388.1897 to 388.1897n, as added by this amendatory act for fiscal year 2017-2018 is estimated at $100,000,000.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at $61,235,000.00."

In enacting section 1 of Act 227 of 2018, the reference to "MCL 388.1897 to 388.1897n" evidently should read "MCL 388.1897 to 388.1897l."

### 388.1897e Appropriation for statewide talent marketing strategy; expansion of existing Going pro campaign.

Sec. 297e. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to exceed $3,515,000.00 to the department of talent and economic development for a statewide talent marketing strategy.

(2) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed $2,765,000.00 for a talent marketing campaign designed to increase the number of individuals in this state entering high-demand fields, recruit new and experienced professionals in high-demand fields to this state, and retain current graduates in high-demand fields.

(3) From the allocation under subsection (1), there is allocated for 2017-2018 an amount not to exceed $750,000.00 for an expansion of the existing Going pro campaign.


**Compiler’s note:** Enacting section 1 of Act 227 of 2018 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article V of the state school aid act of 1979, 1979 PA 94, MCL 388.1897 to 388.1897n, as added by this amendatory act for fiscal year 2017-2018 is estimated at $100,000,000.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at $61,235,000.00."

In enacting section 1 of Act 227 of 2018, the reference to "MCL 388.1897 to 388.1897n" evidently should read "MCL 388.1897 to 388.1897l."

### 388.1897g Appropriation for administration of the Marshall Plan for Talent.

Sec. 297g. From the allocation in section 297, there is allocated for 2017-2018 an amount not to exceed $1,500,000.00 to the department for costs associated with the administration of this article.


**Compiler’s note:** Enacting section 1 of Act 227 of 2018 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article V of the state school aid act of 1979, 1979 PA 94, MCL 388.1897 to 388.1897n, as added by this amendatory act for fiscal year 2017-2018 is estimated at $100,000,000.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at $61,235,000.00."

In enacting section 1 of Act 227 of 2018, the reference to "MCL 388.1897 to 388.1897n" evidently should read "MCL 388.1897 to 388.1897l."

### 388.1897h Definitions; talent agreement exception.

Sec. 297h. (1) As used in this article:

(a) "Competency-based education" and "competency-based instructional model" mean an approach to
teaching and pupil learning where pupils are evaluated on individual competencies, and only when they master them, they move on to more advanced competencies. For the purposes of this article, competency-based instructional programs must meet at least all of the following:

(i) The majority of instructional time is spent on pupil-driven projects in multiple subject areas as well as 21st century skills such as leadership, teamwork, problem solving, and communication. Instructional time may take place outside of the traditional school calendar.

(ii) Includes an innovative partnership with employers or postsecondary institutions, or both, as appropriate, to provide contextualized learning opportunities that emphasize attainment of competencies that include application and creation of knowledge along with the development of work-ready skills.

(iii) Includes the use of multiple and innovative methods to determine pupil achievement of competencies in a subject area or combined subject areas such as public presentations, submission of research papers, attaining marketable workforce credentials, and mentoring other pupils.

(b) "Credential" means proof of competency in a high-demand, high-salary, and high-upward mobility field or any other designation determined to be in high demand. A credential must be stackable, which means that it can lead to a more advanced recognized credential. A high school diploma is not a credential.

(c) "High-demand field" means professional trades, manufacturing, engineering, information technology and computer science, machine learning and artificial intelligence, mobility, health care, and business.

(d) "Talent agreement" means, subject to subsection (2), an agreement that is signed by the members of a talent consortium and is approved by the department of talent and economic development and the department. A talent agreement must include at least all of the following:

(i) A description of how the members will create a seamless, competency-based education model that results in pupils acquiring high-demand skills and credentials.

(ii) A formalized process by which the talent consortium will periodically review and update employer needs and which skills and credentials are in demand, including, but not limited to, a 2-, 5-, and 20-year talent skills projection.

(iii) A detailed plan on how curriculum and instruction will be changed to address the changing employer and talent skills needs.

(iv) If a postsecondary institution is a member of a talent consortium, how the postsecondary institution will reduce barriers as pupils transition through phases of their education from K-12 education to postsecondary education and into the workforce. These efforts may include, but are not limited to, the following:

(A) Dual enrollment practices.

(B) The acceptance of talent portfolios for college admissions.

(C) Work-based learning and internships.

(D) The creation of career pathways beginning in middle school and high school.

(E) In-classroom mentoring or career counseling.

(F) Prehiring agreements in which employers promise to hire graduates of a program.

(v) How any grant dollars received will further the goals of the consortium.

(vi) How members will continue to collaborate after a grant is awarded.

(e) "Talent consortium" means a consortium of entities that enter into a talent agreement for the purposes of funding under this article. A talent consortium must include at least 1 district or intermediate district and at least 2 employers or organizations representing employers. However, a talent consortium with only 1 district that is a tier 3 district is not required to include more than 1 employer or organization representing employers. A talent consortium may include a private training provider that grants degrees or certificates and is located in this state, community colleges, colleges, or universities. A talent consortium is not bound by size or geographic locations in this state.

(f) "Tier 1 district" means a district with a pupil membership in 2017-2018 of at least 3,800.

(g) "Tier 2 district" means a district with a pupil membership in 2017-2018 of at least 1,400 but less than 3,800.

(h) "Tier 3 district" means a district with a pupil membership in 2017-2018 of less than 1,400.

(2) If a national organization or company with expertise in the talent needs or education programs addressed by a talent agreement submits a letter of support for the grant application in lieu of signing the talent agreement, and that letter of support outlines how the organization or company will support the work of the talent consortium, then the organization or company is considered to be a contributing partner of that talent consortium without signing the talent agreement.

Sec. 297i. (1) The department, in consultation with the department of talent and economic development, shall develop a consolidated grant application for grants under sections 297a, 297b, and 297d, except for grants under section 297a(4). The department, in consultation with the department of talent and economic development, may develop additional consolidated applications for grants under this article. A consolidated application developed under this subsection must require an applicant to identify the grant or grants for which the applicant is applying and the amount of the award the applicant is requesting for each grant.

(2) The department shall begin accepting consolidated applications for grants under this article not later than March 31, 2019.

(3) Not later than June 1, 2019, the department, in consultation with the department of talent and economic development, shall award at least 50% of the funds allocated under sections 297a, 297b, and 297d.


388.1897j Tier level funding limitations; constituent districts.
Sec. 297j. (1) A tier 1 district may apply for grant funding under this article in an amount not to exceed $500,000.00. A tier 2 district may apply for grant funding under this article in an amount not to exceed $300,000.00. A tier 3 district may apply for grant funding under this article in an amount not to exceed $200,000.00.

(2) A district may apply for a grant under this article with 1 or more other districts. The sum of the pupil memberships of the districts applying for a combined grant must be used to determine the tier level for grant allocation, and each district in the combined grant application is eligible for that tier amount.

(3) An intermediate district may apply for a grant under this article for its own program, or on behalf of 1 or more of its constituent districts. If an intermediate district applies for a grant under this article on behalf of 1 or more of its constituent districts, the sum of the pupil memberships of the constituent districts in the grant application shall determine the tier level for grant allocation for each constituent district included in the application. An intermediate district that applies for a grant for its own program is considered a tier 1 district.


388.1897k Grant fund percentage requirements.
Sec. 297k. (1) The department shall ensure that grant funds awarded under sections 297a, 297b, and 297d are awarded as follows:
   (a) 50% to tier 1 districts.
   (b) 30% to tier 2 districts.
   (c) 20% to tier 3 districts.

(2) If a district from 1 tier applies for a grant with 1 or more other districts in a combined application, or if an intermediate district submits a grant application on behalf of more than 1 of its constituent districts, and the combined application results in a district from 1 tier receiving a grant award that is higher than if a combined application had not been submitted, the portion of the grant award that exceeds what the district would have received in the absence of a combined application must be applied to the tier percentages under subsection (1) in the same proportion that the pupil membership of that district represents of the total pupil memberships in the combined grant application.


388.1897l Report.
Sec. 297l. Each recipient of a grant under this article shall provide a report to the department not later than June 30, 2020 that identifies the amount of the grant received, how the grant was spent, the number of pupils reached with grant funds, and other information as required by the department.

AN ACT to establish career and technical preparation enrollment options for certain students enrolled in Michigan schools; to prescribe certain duties of public schools, certain nonpublic schools, and certain postsecondary institutions; to prescribe certain powers and duties of certain state departments, officials, and agencies; and to repeal acts and parts of acts.


The People of the State of Michigan enact:

388.1901 Short title.
Sec. 1. This act shall be known and may be cited as the “career and technical preparation act”.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1902 Purpose of act.
Sec. 2. The purpose of this act is to provide a wider variety of options to high school pupils by encouraging and enabling qualified pupils to enroll in courses or programs in career and technical preparation programs at eligible postsecondary educational institutions.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1903 Definitions; rules; scope.
Sec. 3. (1) As used in this act:
(a) "Career and technical preparation program" means a program that teaches a trade, occupation, or vocation and that is operated by an eligible postsecondary educational institution located in this state.

(b) "Community college" means a community college established under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a federal tribally controlled community college located in this state that is recognized under the tribally controlled colleges and universities assistance act of 1978, 25 USC 1801 to 1852, and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body.

(c) "Department" means the department of education.

(d) "Eligible charges" means tuition and mandatory course fees, material fees, and registration fees required by a career and technical preparation program for enrollment in an eligible course. Eligible charges also include any late fees charged by a career and technical preparation program due to the school district's or department of treasury's failure to make a required payment according to the timetable prescribed under this act. Eligible charges do not include transportation or parking costs or activity fees.

(e) "Eligible course" means a course offered by a career and technical preparation program that is offered for postsecondary credit or is part of a noncredit occupational training program leading to an industry-recognized credential; that is not offered through the school district, intermediate school district, area vocational-technical education program, or state approved nonpublic school in which the eligible student is enrolled, or that is offered through the school district, intermediate school district, area vocational-technical education program, or state approved nonpublic school but is determined by its governing board to not be available to the eligible student because of a scheduling conflict beyond the eligible student's control; that is a career and technical preparation course not ordinarily taken as an activity course; that is a course that the career and technical preparation program normally applies toward satisfaction of certificate, degree, or program completion requirements; and that is not a hobby craft or recreational course. For each individual eligible student, unless there is a written agreement between the eligible student's school district and the career and technical preparation program to waive these limits, a course described in this subdivision is not an Eligible course.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.
eligible course if the eligible student's enrollment in, and the payment of eligible charges under this act for, the course would exceed the following limits:

(i) Not more than 10 courses overall. This limit and the limits under subparagraphs (ii) to (iv) do not apply to a course if the eligible student does not receive tuition and fee support under this act for that course.

(ii) If the eligible student first enrolls in a course under this act when the eligible student is in grade 9, not more than 2 courses during each academic year in the eligible student's first, second, or third academic year of enrollment under this act in a career and technical preparation program and not more than 4 courses during the academic year in the eligible student's fourth academic year of enrollment under this act in a career and technical preparation program.

(iii) If the eligible student first enrolls in a course under this act when the eligible student is in grade 10, not more than 2 courses during the academic year in the eligible student's first academic year of enrollment under this act in a career and technical preparation program, not more than 4 courses during the academic year in the eligible student's second academic year of enrollment under this act in a career and technical preparation program, and not more than 4 courses during the academic year in the eligible student's third academic year of enrollment under this act in a career and technical preparation program.

(iv) Subject to the overall course limit under subparagraph (i), if the eligible student first enrolls in a course under this act when the eligible student is in grade 11 or 12, not more than 6 courses during either of those academic years of enrollment in a career and technical preparation program.

(f) "Eligible postsecondary educational institution" means a state university, community college, or independent nonprofit degree-granting college or university that is located in this state and that chooses to comply with this act.

(g) "Eligible student" means a student enrolled in at least 1 high school class in a school district or state approved nonpublic school in this state, except a foreign exchange pupil enrolled under a cultural exchange program or a student who does not have at least 1 parent or legal guardian who is a resident of this state. However, subject to subsection (2), the student shall not have been enrolled in high school for more than 4 school years including the school year in which the student seeks to enroll in an eligible course under this act.

To be an eligible student, a student who has not taken the Michigan merit examination must have achieved a qualifying score in all subject areas on a readiness assessment and a student who has taken the Michigan merit examination must have achieved a qualifying score in all subject areas on the Michigan merit examination.

and, subject to subsection (2), the student shall not have been enrolled in high school for more than 4 school years including the school year in which the student seeks to enroll in an eligible course under this act.

However, if the student has not achieved a qualifying score in all subject areas on a readiness assessment or the Michigan merit examination, as applicable for the student, the student is an eligible student if the student achieves a qualifying score in mathematics and a qualifying score on a nationally or industry recognized job skills assessment test as determined by the superintendent of public instruction. For the purposes of determining the number of years a pupil has been enrolled in high school, a pupil who is enrolled in high school for less than 90 days of a school year due to illness or other circumstances beyond the control of the pupil or the pupil's parent or guardian is not considered to be enrolled in high school for that school year.

(h) "Intermediate school district" means that term as defined in section 4 of the revised school code, 1976 PA 451, MCL 380.4.

(i) "Michigan merit examination" means that examination developed under section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g.

(j) "Qualifying score" means a score on a readiness assessment or on a nationally or industry recognized job skills assessment test that has been determined by the superintendent of public instruction to indicate readiness to enroll in a course under this act.

(k) "Readiness assessment" means assessment instruments that are aligned with state learning standards; that are used nationally to provide high school students with an early indication of college readiness proficiency in English, mathematics, reading, social studies, and science and may contain a comprehensive career planning program; and that are approved by the superintendent of public instruction for the purposes of this act.

(l) "School district" means that term 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.

(m) "State approved nonpublic school" means that term as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6.

(n) "State university" means a state institution of higher education described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(2) The department, in consultation with the superintendent of public instruction, shall promulgate rules.
Establishing criteria and procedures under which a student who has been enrolled in high school for more than 4 years but not more than 5 years may be considered to be an eligible student. The rules shall address special circumstances under which a student may qualify to be considered an eligible student under this subsection and may limit the number of courses in which a student who qualifies under this subsection may enroll. For the purposes of determining the number of years a pupil has been enrolled in high school, a pupil who is enrolled in high school for less than 90 days of a school year due to illness or other circumstances beyond the control of the pupil or the pupil's parent or guardian is not considered to be enrolled for that school year.


**Compiler's note:** For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

### 388.1903a Readiness assessments; duties of superintendent of public instruction; determination of qualifying scores; costs.

Sec. 3a. (1) Not later than July 1, 2005, the superintendent of public instruction shall do both of the following:

(a) Approve 1 or more readiness assessments that may be used for the purposes of determining eligible students beginning with participation in the 2006-2007 school year. Readiness assessments shall be aligned with state learning standards and shall provide high school students with an early indication of proficiency in the subject areas of English, mathematics, reading, social studies, and science and contain a comprehensive career planning program.

(b) Determine qualifying scores for each subject area component of a readiness assessment and for a nationally or industry recognized job skills assessment test that indicate readiness to enroll in a course under this act.

(2) Not later than July 1, 2006, the superintendent of public instruction shall determine qualifying scores for each subject area component of the Michigan merit examination that indicate readiness to enroll in a course under this act.

(3) Unless the school district or state approved nonpublic school in which the student is enrolled elects to pay these costs, a student who takes a readiness assessment or a job skills assessment test for the purposes of this act is responsible for paying all costs for taking and obtaining qualifying scores on a readiness assessment or a job skills assessment test for the purposes of this act. This state is not responsible for any of these costs.


**Compiler's note:** For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

### 388.1904 Career and technical preparation program; enrollment requirements; payment; refund.

Sec. 4. (1) Upon request by the eligible student, the school district or state approved nonpublic school in which an eligible student is enrolled shall provide to the eligible student a letter signed by the student's principal indicating the student's eligibility under this act.

(2) An eligible student may apply to a career and technical preparation program to enroll in 1 or more eligible courses offered by that career and technical preparation program and, if accepted, may enroll in 1 or more of those courses.

(3) For an eligible student enrolled in a school district, within a reasonable time after registration, the career and technical preparation program shall send written notice to the eligible student and his or her school district. For an eligible student enrolled in a state approved nonpublic school, within a reasonable time after registration, the career and technical preparation program shall send written notice to the eligible student and his or her state approved nonpublic school and to the department. The notice shall indicate the course or courses and hours of enrollment of that eligible student. The career and technical preparation program shall notify the eligible student about tuition, fees, books, materials, and other related charges, as determined by the career and technical preparation program, in the customary manner used by the career and technical preparation program, and shall notify the eligible student of the estimated amount of the eligible charges that will be billed to the school district or department, as applicable, under subsection (4).
(4) For an eligible student enrolled in a school district, unless otherwise agreed between the career and technical preparation program and the school district, after the expiration of the career and technical preparation program's drop/add period for the course, the career and technical preparation program shall send a bill to the eligible student's school district detailing the eligible charges for each eligible course in which the eligible student is enrolled under this act. For an eligible student who is enrolled in a state approved nonpublic school, after the expiration of the career and technical preparation program's drop/add period for the course, both of the following apply:

(a) The career and technical preparation program shall send a bill to the department detailing the eligible charges for each eligible course in which the eligible student is enrolled under this act.

(b) The department shall determine the amount of the eligible charges to be paid by the department of treasury to the career and technical preparation program on behalf of the eligible student under this act and shall deliver this information to the department of treasury by appropriate electronic means.

(5) For an eligible student enrolled in a school district, upon receiving the bill under subsection (4), the school district shall cause to be paid to the career and technical preparation program on behalf of the eligible student an amount equal to the lesser of the amount of the eligible charges or the prorated percentage of the statewide pupil-weighted average foundation allowance, as calculated under section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, for all school districts for the state fiscal year that begins on October 1 of the academic year of enrollment in the career and technical preparation program, with the proration based on the proportion of the school year that the eligible student attends the career and technical preparation program. However, in the calculation of the statewide pupil-weighted average foundation allowance for the purposes of this subsection, if a school district's foundation allowance is above the basic foundation allowance under section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, then the school district's foundation allowance shall be considered to be the basic foundation allowance. Not later than September 1 of each year, the department shall notify the department of treasury of the amount of the statewide pupil-weighted average foundation allowance as calculated for the purposes of this subsection. A school district may pay more money to a career and technical preparation program on behalf of an eligible student than is required under this act, and may use local school operating revenue for that purpose. The eligible student is responsible for payment of the remainder of the costs associated with his or her enrollment in the career and technical preparation program that exceed the amount the school district is required to pay under this act and that are not paid by the school district. As used in this subsection, "local school operating revenue" means that term as defined in section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620.

(6) For an eligible student who is enrolled in a state approved nonpublic school, upon receiving from the department under subsection (4) the amount of the eligible charges to be paid on behalf of the eligible student, the department of treasury shall cause to be paid to the career and technical preparation program on behalf of the eligible student an amount equal to the lesser of the amount of the eligible charges or the prorated percentage of the statewide pupil-weighted average foundation allowance, as calculated under section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, for all school districts for the state fiscal year that begins on October 1 of the academic year of enrollment in the career and technical preparation program, with the proration based on the proportion of the school year that the eligible student attends the career and technical preparation program. However, in the calculation of the statewide pupil-weighted average foundation allowance for the purposes of this subsection, if a school district's foundation allowance is above the basic foundation allowance under section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, then the school district's foundation allowance shall be considered to be the basic foundation allowance. Not later than September 1 of each year, the department shall notify the department of treasury of the amount of the statewide pupil-weighted average foundation allowance as calculated for the purposes of this subsection. The eligible student is responsible for payment of the remainder of the costs associated with his or her enrollment in the career and technical preparation program that exceed the amount the department is required to pay under this act and that are not paid by the department.

(7) A career and technical preparation program shall not charge a late fee to an eligible student, a school district, the department, or the department of treasury for a payment that is made in compliance with the timetable prescribed under this act even if the payment would otherwise be considered late by the career and technical preparation program.

(8) A school district, state approved nonpublic school, or the department may require an eligible student to provide, on a form supplied by the school district, state approved nonpublic school, or the department, reasonable verification that the eligible student is regularly attending a career and technical preparation course under this act.

(9) For an eligible student who is enrolled in a school district and who enrolls in an eligible course under
this act, if the eligible student does not complete the eligible course, and if the school district has paid money for the course or, if the eligible student enrolls in an eligible course for postsecondary credit only and the eligible student does not successfully complete the eligible course, as determined by the career and technical preparation program, on behalf of the student, all of the following apply:

(a) The career and technical preparation program shall forward to the school district any funds that are refundable due to noncompletion of the course. If applicable, the school district shall then forward to the eligible student any refunded money in excess of the amount paid by the school district for the course on behalf of the student.

(b) The eligible student shall repay to the school district any funds that were expended by the school district for the course that are not refunded to the school district by the career and technical preparation program. If the eligible student does not repay this money, the school district may impose sanctions against the eligible student as determined by school district policy. This subdivision does not apply to an eligible student who does not complete the course due to a family or medical emergency, as determined by the career and technical preparation program.

(10) For an eligible student who is enrolled in a state approved nonpublic school and who enrolls in an eligible course under this act, if the eligible student does not complete the eligible course or, if the eligible student enrolls in an eligible course for postsecondary credit only and the eligible student does not successfully complete the eligible course, as determined by the career and technical preparation program, and if the department of treasury has paid money for the course on behalf of the eligible student, all of the following apply:

(a) The career and technical preparation program shall forward to the department of treasury any funds that are refundable due to noncompletion of the course. If applicable, the career and technical preparation program shall then refund to the eligible student any funds that are refundable due to noncompletion of the course and are in excess of the amount paid by the department of treasury for the course on behalf of the eligible student.

(b) The eligible student shall repay to the department of treasury any funds that were expended by the department of treasury for the course that are not refunded to the department of treasury by the career and technical preparation program. This subdivision does not apply to an eligible student who does not complete the course due to a family or medical emergency, as determined by the career and technical preparation program.

(11) A school district, state approved nonpublic school, the department, or the department of treasury shall make available to an eligible student copies of all correspondence in the possession of the school district, state approved nonpublic school, department, or department of treasury regarding the eligible student's participation in a career and technical preparation course under this act. Correspondence described in this subsection shall be kept by the school district, state approved nonpublic school, department, or department of treasury for at least 1 year.

(12) If a school district pays for books for an eligible student for a career and technical preparation course under this section, the books are the property of the school district and shall be turned over to the school district after the eligible student completes the course.

(13) This section does not apply to any career and technical preparation courses in which an eligible student is enrolled in addition to being enrolled full-time in that eligible student's school district or state approved nonpublic school; to a career and technical preparation course an eligible student is retaking after failing to achieve a satisfactory grade; or to a course contrary to the eligibility provisions of this act. In determining full-time enrollment in a career and technical preparation program under this section, the pupil's enrollment in both the school district and the career and technical preparation program shall be counted as enrollment in the school district and a pupil shall not be considered to be enrolled in a school district less than full-time solely because of the effect of the pupil's enrollment in 1 or more career and technical preparation courses under this act, including necessary travel time, on the number of class hours provided by the school district to the pupil. In determining full-time enrollment in a state approved nonpublic school under this section for a student enrolled in a career and technical preparation program under this act, the student's enrollment in both the state approved nonpublic school and the career and technical preparation program shall be counted as enrollment in the state approved nonpublic school and a student shall not be considered to be enrolled in a state approved nonpublic school less than full-time solely because of the effect of the student's enrollment in 1 or more career and technical preparation courses under this act, including necessary travel time, on the number of class hours provided by the state approved nonpublic school to the student.

(14) This act does not require a school district or the department of treasury to pay or otherwise provide financial support for transportation or parking costs necessary for an eligible student to participate in a career
and technical preparation program under this act. A school district, state approved nonpublic school, or this
state is not liable for any injury incurred by an eligible student that is related to transportation necessary for
the eligible student to participate in a career and technical preparation program under this act.

(15) The legislature shall appropriate funds to the department of treasury for making payments required to
be made by the department of treasury under this act.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to
powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary
students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1905 Intercollegiate athletics; participation prohibited.

Sec. 5. An eligible student enrolled in a career and technical preparation program under this act shall not
participate in intercollegiate athletics while he or she is enrolled in the career and technical preparation
program under this act. An eligible student who violates this section forfeits his or her eligibility under this act.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to
powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary
students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1906 Enrollment; priority.

Sec. 6. A career and technical preparation program may give priority to its postsecondary students when
enrolling eligible students in career and technical preparation courses under this act for high school credit
only. Once an eligible student has been enrolled in a career and technical preparation course under this act, the
career and technical preparation program shall not displace the eligible student with another student.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to
powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary
students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1907 Academic credit.

Sec. 7. (1) An eligible student who is enrolled in a school district may enroll in, and receive payment by
the school district under section 4(5) of all or part of eligible charges for, an eligible course under this act for
high school credit or postsecondary credit, or both. At the time an eligible student who is enrolled in a school
district enrolls in a career and technical preparation course under this act, he or she shall designate whether
the course is for high school or postsecondary credit, or both, and shall notify both his or her high school and the
career and technical preparation program of that designation. An eligible student taking more than 1
eligible course under this act may make different credit designations under this subsection for different
courses.

(2) Except as otherwise provided in subsection (3), an eligible student who is enrolled in a state approved
nonpublic school may enroll in, and receive payment by the department of treasury under section 4(6) of all or part
of eligible charges for, an eligible course under this act only for postsecondary credit and may not receive
high school credit for the course.

(3) If an eligible student who is enrolled in a state approved nonpublic school is enrolled in an eligible
course that would have been considered a nonessential elective course under Snyder v Charlotte School Dist,
421 Mich 517 (1984), then the eligible student may enroll in, and receive payment by the department of treasury
under section 4(6) of all or part of eligible charges for, an eligible course under this act for high
school credit or postsecondary credit, or both. At the time an eligible student enrolls under this act in an
eligible course described in this subsection, he or she shall designate whether the course is for high school or
postsecondary credit, or both, and shall notify both his or her high school and the career and technical
preparation program of that designation. An eligible student taking more than 1 eligible course described in
this subsection under this act may make different credit designations under this subsection for different
courses.

(4) An eligible student shall not audit a course in which he or she is enrolled under this act.
(5) A school district shall grant academic credit to an eligible student enrolled in an eligible course for high school credit under this act if he or she successfully completes the course, as determined by the career and technical preparation program. The amount of high school credit granted by a school district for a course completed under this act shall be determined by the school district.

(6) The high school credits granted to an eligible student under this act shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and high school credits granted shall be included in the eligible student's high school record. Subject to 20 USC 1232g, commonly referred to as the family educational rights and privacy act of 1974, a career and technical preparation program shall provide the school district with a copy of the eligible student's grade in each course taken for high school credit under this act. Upon the request of an eligible student, his or her high school record and transcript shall also include evidence of successful completion and postsecondary credits granted for a course taken for postsecondary credit under this act. In either case, the eligible student's high school record and transcript shall indicate that the credits were earned at a career and technical preparation program and identify the career and technical preparation program.

(7) If a student enrolls in a career and technical preparation program after leaving high school, the career and technical preparation program, in accordance with institutional policy, shall award postsecondary credit for postsecondary courses successfully completed by that student for high school credit under this act at that career and technical preparation program. A career and technical preparation program shall not charge a student for credit awarded under this subsection.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1908 Enrollment without tuition and fee support.

Sec. 8. This act does not restrict the ability of an eligible student or any other pupil to enroll in any career and technical preparation program without tuition and fee support under this act.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1909 Information and counseling services.

Sec. 9. (1) Each school district or state approved nonpublic school shall provide information to all high school students on the career and technical preparation enrollment options under this act, including enrollment eligibility; the programs and types of courses that are eligible for participation; the decision-making process for granting academic credits; an explanation of eligible charges that will be paid by the school district or department of treasury, as applicable, and of financial arrangements for eligible charges and for paying costs not paid for by the school district or department of treasury; eligibility for payment of all or part of eligible charges by the school district or department of treasury, as applicable, under this act; an explanation that, if the student qualifies for payment of all or part of eligible charges by the school district or department of treasury under this act, the school district or department of treasury, as applicable, will pay that support directly to the career and technical preparation program upon being billed by the career and technical preparation program and that the student is not responsible for that payment but is responsible for payment of costs not paid for under this act; available support services; the need to arrange an appropriate schedule; consequences of failing or not completing a career and technical preparation course in which the eligible student enrolls, including the possibility of being required to repay the school district or department of treasury, as applicable, for money paid on behalf of the eligible student; the effect of enrolling in a career and technical preparation course on the eligible student's ability to complete the required high school graduation requirements; and the academic and social responsibilities that must be assumed by the eligible student and his or her parent or guardian.

(2) To the extent possible, a school district or state approved nonpublic school shall provide counseling services to an eligible student and his or her parent or guardian before the eligible student enrolls in a career and technical preparation course under this act to ensure that the eligible student and his or her parent or guardian are fully aware of the benefits, risks, and possible consequences of enrolling in the course.
person providing the counseling shall encourage the eligible student and his or her parent or guardian to also use available counseling services at the career and technical preparation program before the quarter or semester of enrollment to ensure that anticipated plans are appropriate. A school district or state approved nonpublic school may provide the counseling required under this section in a group meeting if additional personalized counseling is also made available.

(3) Before enrolling in an eligible course at a career and technical preparation program under this act, an eligible student and his or her parent or guardian shall file with the career and technical preparation program a signed form provided by the eligible student's school district or state approved nonpublic school stating that the student is an eligible student and has received the information and counseling specified in subsections (1) and (2) and that the student understands the responsibilities that must be assumed in enrolling in the course. Upon request, the department shall provide technical assistance to a school district or state approved nonpublic school and to a career and technical preparation program in developing appropriate forms and counseling guidelines for purposes of this section.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1910 Enrollment information.

Sec. 10. By March 1 of each school year thereafter, a school district or state approved nonpublic school shall provide general information about the career and technical preparation enrollment options under this act to all pupils in grade 8 or higher.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1911 Annual report.

Sec. 11. (1) Each intermediate school district annually shall collect from each of its constituent school districts and provide to the department of education at the same time that it submits the annual comprehensive financial report required under section 18 of the state school aid act of 1979, 1979 PA 94, MCL 388.1618, information for the immediately preceding school year on all of the following:

(a) The amount of money expended by the school district for payments required under this act.

(b) The number of eligible students who were enrolled in the school district and the number of those eligible students who enrolled in 1 or more eligible courses under this act and received payment of all or part of eligible charges under this act, both in the aggregate and by grade level.

(c) The percentage of the school district’s enrollment represented by the eligible students described in subdivision (b), both in the aggregate and by grade level.

(d) The total number of courses for which the school district made payment under this act, the number of those courses for which postsecondary credit was granted, the number of those courses for which high school credit was granted, and the number of those courses that were not completed by the eligible student.

(2) Each career and technical preparation program that receives funds under this act shall annually report to the department, in the form and manner prescribed by the department, all of the following information:

(a) The number of eligible students who enrolled in the career and technical preparation program under this act during the preceding academic year.

(b) The total number of eligible courses completed by eligible students under this act at the career and technical preparation program during the preceding academic year.

(c) The number of eligible courses under subdivision (b) for which the career and technical preparation program granted postsecondary credit to the eligible student.

(d) The number of eligible courses under subdivision (b) for which the career and technical preparation program declined to grant postsecondary credit to the eligible student.

(3) Not later than March 1 of each year, the department shall prepare and submit to the house and senate fiscal agencies and the department of technology, management, and budget a summary annual report on the information received under this section. The department and department of treasury shall work cooperatively in the preparation of this report.
388.1912 Rules.
Sec. 12. The department may promulgate rules it considers necessary to implement this act. Rules shall be promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.
For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

388.1913 Effective date; payment of charges.
Sec. 13. This act takes effect April 1, 2001. Payment of all or part of eligible charges under this act for eligible courses shall begin in the state fiscal year beginning on October 1, 2001.


Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.
For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.
AN ACT to prescribe the procedures, terms, and conditions for the qualification or approval of school bonds and other bonds; to authorize this state to make loans to certain school districts for the payment of certain bonds and to authorize schools to borrow from this state for that purpose; to prescribe the terms and conditions of certain loans to school districts; to prescribe the powers and duties of certain state agencies and certain state and local officials; to provide for certain fees; to prescribe certain penalties; and to repeal acts and parts of acts.


The People of the State of Michigan enact:

388.1921 Short title.
Sec. 1. This act shall be known and may be cited as the "school bond qualification, approval, and loan act".


388.1922 Purpose of act.
Sec. 2. The purpose of this act is to implement section 16 of article IX of the state constitution of 1963 and to provide for loans to school districts.


388.1923 Definitions.
Sec. 3. As used in this act:
(a) "Computed millage" means the number of mills in any year, not less than 7 mills and not more than 13 mills, determined on the date of issuance of the order qualifying the bonds or on a later date if requested by the school district and approved by the state treasurer, that, if levied by the school district, will generate sufficient annual proceeds to pay principal and interest on all the school district's qualified bonds plus principal and interest on all qualified loans related to those qualified bonds no later than the final mandatory repayment date. Based on changes of circumstances, including, but not limited to, additional bond qualification, refusals, changes in qualified loan interest rates, changes in taxable values, and assumptions contained in any then currently effective guidelines issued by the state treasurer pursuant to section 5(2)(c), the school district shall not less than annually, beginning on October 1, 2013, using methods prescribed in this act, recalculate the computed millage necessary to generate sufficient annual levy proceeds to pay principal and interest on all of the school district's qualified bonds and principal and interest on all qualified loans related to those qualified bonds not later than the final mandatory repayment date. If the school district determines that the recalculated computed millage is lower than its current millage levy rate, the school district shall promptly notify the state treasurer in writing of the recalculated computed millage. Immediately thereafter, the school district shall decrease its millage levy rate to the recalculated computed millage, but not below the computed millage established pursuant to the most recent order qualifying bonds, other than an order qualifying refunding bonds, for that school district, or to the minimum levy prescribed by law for receipt of qualified loans, whichever rate is higher. If the school district determines that the recalculated computed millage is higher than its current millage levy rate, the school district shall promptly notify the state treasurer in writing of the recalculated computed millage. Immediately thereafter, the school district shall increase its millage levy rate to the recalculated computed millage, subject to 1 of the following exceptions, and subject to any maximum millage levy rate otherwise prescribed for by law:

(i) For each school district's first recalculated computed millage required as of October 1, 2013, increase its millage levy by a percentage amount equal to the equivalent percentage of taxable value change for that school district over the immediately preceding 5 years, but not higher than the recalculated computed millage.

(ii) For each school district's subsequent recalculated computed millage beginning October 1, 2014 and each year thereafter, increase its millage levy by a percentage amount equal to the percentage of taxable value decline for the immediately preceding year ending September 30, but not to a rate higher than the recalculated computed millage.

(iii) If it is determined that a district's current computed millage is sufficient to pay all qualified loans by the mandatory final loan repayment date, no recalculations of the computed millage is required.

(b) "Final mandatory repayment date" means the final mandatory repayment date determined by the state treasurer under section 9.

(c) "Michigan finance authority" means the Michigan finance authority created under Executive
Reorganization Order No. 2010-2, MCL 12.194.

(d) "Qualified bond" means a bond that is qualified under this act for state loans as provided in section 16 of article IX of the state constitution of 1963. A qualified bond includes the interest amount required for payment of a school district's net interest obligation under an interest rate exchange or swap, hedge, or other agreement entered into pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, but does not include a termination payment or similar payment related to the termination or cancellation of an interest rate exchange or swap, hedge, or other similar agreement. A qualified bond may include a bond issued to refund loans owed to the state under this act.

(e) "Qualified loan" means a loan made under this act or former 1961 PA 108 from this state to a school district to pay debt service on a qualified bond.

(f) "Revolving loan fund" means the school loan revolving fund created under section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

(g) "School district" means a general powers school district organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or a school district of the first class as described in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, having the power to levy ad valorem property taxes.

(h) "State treasurer" means the state treasurer or his or her duly authorized designee.

(i) "Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.


388.1924 Qualification of new bonds; terms and conditions applicable to outstanding qualified bonds; application for prequalification.

Sec. 4. (1) A school district may issue and market bonds as qualified bonds if the state treasurer has issued an order granting qualification under this act.

(2) Except with regard to qualification of new bonds, nothing in this act shall be construed to alter the terms and conditions applicable to outstanding qualified bonds issued in accordance with former 1961 PA 108. Unless otherwise amended as permitted by this act, outstanding qualified loans incurred in association with outstanding qualified bonds described in this subsection shall bear interest as provided in section 9(8) but otherwise shall be due and payable as provided in the repayment agreements entered into between the school district and the state before the effective date of this act.

(3) The state treasurer may qualify bonds for which the state treasurer has received an application for prequalification on or before May 25, 2005 without regard to the requirements of section 5(2)(f) if the electors of the school district approve the bonds at an election held during 2005.


388.1925 Preliminary qualification; application.

Sec. 5. (1) A school district may apply to the state treasurer for preliminary qualification of a proposed school bond issue by filing an application in the form and containing the information required by this act.

(2) An application for preliminary qualification of a school bond shall contain all of the following information:

(a) The proposed ballot language to be submitted to the electors.

(b) A description of the project or projects proposed to be financed.

(c) A pro forma debt service projection showing the estimated mills the school district will levy to provide revenue the school district will use to pay the qualified bonds, any outstanding qualified bonds, and any outstanding or projected qualified loans of the school district. For the purpose of the pro forma debt service projection, the school district may assume for the first 5 years following the date of the application the average growth or decline in taxable value for the 5 years or such other period of time requested by the school district if approved by the state treasurer preceding the date of the application and the average growth or decline rate for the 20 years immediately preceding the date of the application but not more than 3% or less than 0% growth rate, for the remaining term of the proposed bonds.

(d) Evidence that the rate of utilization of each project to be financed will be at least 85% for new buildings and 60% for renovated facilities. If the projected enrollment of the district would not otherwise support utilization at the rates described in this subsection, the school district may include an explanation of the actions the school district intends to take to address the underutilization, including, if applicable, actions to close school buildings or other actions designed to assure continued assured use of the facilities being financed.

(e) Evidence that the cost per square foot of the project or projects will be reasonable in light of economic
conditions applicable to the geographic area in which the school district is located.

(f) Evidence that the school district will repay all outstanding qualified bonds, the proposed qualified bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed qualified bond issue, not later than the applicable final mandatory repayment date.

(g) The overall utilization rate of all school buildings in the school district, excluding special education purposes.

(h) The total bonded debt outstanding of the school district and the total taxable value of property in the school district for the school district fiscal year in which the application is filed.

(i) A statement describing any environmental or usability problems to be addressed by the project or projects.

(j) An architect's analysis of the overall condition of the facilities to be renovated or replaced as a part of the project or projects.

(k) An amortization schedule demonstrating that the weighted average maturity of the qualified bond issue does not exceed 120% of the average reasonably expected useful life of the facilities, excluding land and site improvements, being financed or refinanced with the proceeds of the qualified bonds, determined as of the later of the date on which the qualified bonds will be issued or the date on which each facility is expected to be placed in service.

(l) An agreement that the school district will keep books and records detailing the investment and expenditure of the proceeds of the qualified bonds and, at the request of the state treasurer, the school district will promptly, but not later than the date specified in the request, which date shall be not less than 5 business days after the date of the request, submit information requested by the state treasurer related to the detailed information maintained by the school district as to the investment and expenditure of the proceeds of its qualified bonds.


388.1926 Prequalification of bonds; determination by state treasurer.

Sec. 6. The state treasurer shall prequalify bonds of a school district if the state treasurer determines all of the following:

(a) The issuance of additional qualified bonds will not prevent the school district from repaying its outstanding qualified bonds, the proposed bonds, all outstanding qualified loans, and all qualified loans expected to be incurred with respect to all qualified bonds of the school district, including the proposed bond issue, not later than the applicable final mandatory repayment date.

(b) The form and language of the ballot conforms with the requirements of this act.

(c) The school district has filed an application complying with the requirements of section 5.

(d) If the proposed bond issue is approved by the voters after September 30, 2012 and will result in additional qualified loans, the outstanding balance of all qualified loans on the most recent May 1 or November 1 did not exceed $1,800,000,000.00. The $1,800,000,000.00 limitation described in the immediately preceding sentence does not apply after June 30, 2016.

(e) The issuance of additional qualified bonds approved by voters after September 30, 2012 will not have an adverse financial impact on the school district, this state, or the school loan revolving fund. In making this determination, the state treasurer shall consider relevant factors, including, but not limited to, whether the issuance of the proposed bond issue will cause the aggregate outstanding amount of qualified and nonqualified bonds, including the proposed bond issue, and currently outstanding qualified loans of the school district to exceed 25% of the taxable value of the school district at the time the proposed bonds are issued.


388.1927 Qualification of bonds; determination by state treasurer; order; specifications; loan agreement; failure to issue bonds within certain time; reapplication; qualification of refunding bonds.

Sec. 7. (1) The state treasurer shall qualify bonds of a school district if the state treasurer determines all of the following:

(a) A majority of the school district electors have approved the bonds.

(b) The terms of the bond issue comply with applicable provisions of the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(c) The school district is in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(d) The weighted average maturity of the qualified bond issue does not exceed 120% of the average

Rendered Tuesday, August 13, 2019
Page 345  Michigan Compiled Laws Complete Through PA 47 of 2019
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reasonably expected useful life of the facilities, excluding land and site improvements, being financed or
refinanced with the proceeds of the bonds, determined as of the later of the date on which the qualified bonds
will be issued or the date on which each facility is expected to be placed in service.

(e) The school district has filed any information necessary to update the contents of the original application
to reflect changes in any of the information approved in the preliminary qualification process.

(f) The school district has agreed that the school district will keep books and records detailing the
investment and expenditure of the proceeds of the qualified bonds and, at the request of the state treasurer, the
school district will promptly, but not later than the date specified in the request, which date shall be not less
than 5 business days after the date of the request, submit information requested by the state treasurer related to
the detailed information maintained by the school district as to the investment and expenditure of the proceeds
of its qualified bonds.

(2) An order qualifying bonds shall specify the principal and interest payment dates for all the bonds, the
maximum principal amount and maximum interest rate on the bonds, the computed millage, if any, the
final mandatory repayment date, and other matters as the state treasurer shall determine or as are required by
this act.

(3) If the application for prequalification demonstrates that the school district will borrow from this state in
accordance with this act, the state treasurer and the school district shall enter into a loan agreement setting
forth the terms and conditions of any qualified loans to be made to the school district under this act.

(4) If a school district does not issue its qualified bonds within 180 days after the date of the order
qualifying bonds, the order shall no longer be effective. However, the school district may reapply for
qualification by filing an application and information necessary to update the contents of the original
application for prequalification or qualification.

(5) The state treasurer shall qualify refunding bonds issued to refund qualified loans or qualified bonds if
the state treasurer finds that the refunding bonds comply with the provisions of the revised municipal finance
act, 2001 PA 34, MCL 141.2101 to 141.2821.

2015.

388.1928 Submission of ballot to electors; ballot.

Sec. 8. A ballot submitted to the school electors of a school district after November 8, 2005 requesting
authorization to issue unlimited tax general obligations that will be guaranteed by this state in accordance
with section 16 of article IX of the state constitution of 1963 shall inform the electors that if the school district
expects to borrow from this state to pay debt service on the bonds, the estimated total amount of the principal
of that borrowing and the interest to be paid on that borrowing, the estimated duration of the millage levy, and
the estimated computed millage rate for that levy. The ballot shall also inform the electors of the total amount
of qualified bond and loan debt currently outstanding and that the estimated computed millage rate may
change based on changes in certain circumstances.


388.1929 Amount of borrowing; limitation; payment date for outstanding qualified loans;
order; maintenance of separate accounts for each school district; duration of millage levy;
amended and restated repayment agreements; waiver of portion of millage levy; findings;
interest; final or later mandatory repayment date.

Sec. 9. (1) Except as otherwise provided in this act, a school district may borrow from the state an amount
not greater than the difference between the proceeds of the school district's computed millage and the amount
necessary to pay principal and interest on its qualified bonds, including any necessary allowances for
estimated tax delinquencies.

(2) For school districts having qualified loans outstanding as of July 20, 2005, the state treasurer shall
review information relating to each school district regarding the taxable value of the school district and the
actual debt service of outstanding qualified bonds as of July 20, 2005 and shall issue an order establishing the
payment date for all those outstanding qualified loans and any additional qualified loans expected to be
incurred by those school districts related to qualified bonds issued before July 20, 2005. The payment date
shall be not later than 72 months after the date on which the qualified bonds most recently issued by the
school district are due and payable. The payment date established pursuant to this subsection for a school
district is a final mandatory repayment date.

(3) For qualified loans related to qualified bonds issued after July 20, 2005, the qualified loans shall be due
72 months after the date on which the qualified bonds for which the school borrowed from this state are due
and payable. The due date determined pursuant to this subsection for a school district is a final mandatory
repayment date. This section does not preclude early repayment of qualified bonds or qualified loans.

(4) The state treasurer shall maintain separate accounts for each school district on the books and accounts of this state noting the qualified bond, the related qualified loans, the final payment date of the bonds, the final mandatory repayment date of the qualified loans, and the interest rate accrued on the loans.

(5) For qualified loans relating to qualified bonds issued after July 20, 2005, a school district shall continue to levy the computed millage until it has completely repaid all principal and interest on its qualified loans.

(6) For qualified loans relating to qualified bonds issued before July 20, 2005, a school district shall continue to comply with the levy and repayment requirements imposed before July 20, 2005. Not less than 90 days after July 20, 2005, the state treasurer and the school district shall enter into amended and restated repayment agreements to incorporate the levy and repayment requirements applicable to qualified loans issued before July 20, 2005.

(7) Upon the request of a school district made before June 1 of any year, the state treasurer annually may waive all or a portion of the millage required to be levied by a school district to pay principal and interest on its qualified bonds or qualified loans under this section if the state treasurer finds all of the following:
   (a) The school board of the school district has applied to the state treasurer for permission to levy less than the millage required to be levied to pay the principal and interest on its qualified bonds or qualified loans under subsection (1).
   (b) The application specifies the number of mills the school district requests permission to levy.
   (c) The waiver will be financially beneficial to this state, the school district, or both.
   (d) The waiver will not reduce the millage levied by the school district to pay principal and interest on qualified bonds or qualified loans under this act to less than 7 mills.
   (e) The board of the school district, by resolution, has agreed to comply with all conditions that the state treasurer considers necessary.

(8) All qualified loans shall bear interest at 1 of the following rates:
   (a) The greater of 3% or the average annual cost of funds used to make qualified loans plus 0.125%, but not less than the cost of funds on outstanding qualified notes and bonds issued by the Michigan finance authority to finance loans computed by the state treasurer not less often than annually.
   (b) A lesser rate determined by the state treasurer to be necessary to maintain the exemption from federal income tax of interest on any bonds or notes issued to fund qualified loans.
   (c) A higher rate determined by the state treasurer to be necessary to prevent the impairment of any contract of this state or the Michigan finance authority in existence on the effective date of the amendatory act that added this subdivision.

(9) A payment date determined under subsection (2) or a due date determined under subsection (3) is a final mandatory repayment date. Once established for a school district as provided in this section, a final mandatory repayment date shall apply to all qualified loans of the school district, whenever made, until 30 days after the date the school district has no outstanding qualified loans and no outstanding debt incurred to refund qualified loans. Notwithstanding this subsection, the state treasurer may determine a later mandatory repayment date for a school district that agrees to levy a higher millage, acceptable to the state treasurer, not to exceed 13 mills, than its existing computed millage.


388.1930 Certificates of qualification or approval; file; delivery.
   Sec. 10. The state treasurer shall keep all certificates of qualification or approval in a permanent file and shall deliver copies of the certificates to the school district.


388.1931 Rules; bulletins.
   Sec. 11. The state treasurer may promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and may issue bulletins as authorized by this act.


388.1932 Failure to apply for prequalification, qualification, or approval of bond before issuance.
   Sec. 12. If a school district does not apply for prequalification or qualification or approval of a bond issue before the issuance of those bonds, the state treasurer shall not approve or qualify those bonds as qualified bonds under this act.
Sec. 13. (1) If a school district owes a balance due to the revolving loan fund or has been identified as a potential borrower, the school district shall file an annual loan activity application with the state treasurer no less than 60 days before certifying its annual tax levy. The annual loan activity application shall be submitted in a format prescribed by the state treasurer and shall provide the taxable value, debt service, and any other information necessary to determine the proper required millage levy required under this act. The application shall contain a resolution passed by the local school board authorizing a designated school district official to complete all necessary documents to obtain a loan from the revolving loan fund or for making repayment to the revolving loan fund for the year.

(2) If a school district is eligible to borrow for debt service on qualified bonds, the school district shall file a draw request with the state treasurer not less than 30 days before each date on which the school district owes the debt service. The draw request shall include all of the following:
   (a) A statement of the debt service owed in the next 6 months.
   (b) A copy of the most recent bank statement showing the amount on hand in the debt service accounts for all qualified bonds.
   (c) A statement of any revenue received for payment of the debt service since the date of the bank statement.
   (d) A statement of any withdrawals made from the debt service account since the date of the bank statement.

(3) Not more than 7 days before the date established by the state treasurer for making qualified loans, the school district shall confirm in writing the final qualified loan amount to be drawn on a certificate in the form prescribed by the state treasurer.

(4) Upon receipt of a qualified loan confirmation described in subsection (3), the state treasurer shall determine the amount of the draw, which shall be the difference between the funds on hand in all debt service accounts and the amount of the debt service, and shall make a qualified loan in that amount to the school district no later than 6 days before the date the debt service is due.

(5) When a school district's current computed millage levy is sufficient to pay principal and interest on its qualified bonds, a school district shall notify the state treasurer in writing of no need to borrow no later than 30 days before the date set for payment of the qualified bonds.

(6) Within 30 days after receipt of the annual activity application under subsection (1), the state treasurer shall send an invoice to the school district for the amount of repayment the school district owes on its outstanding qualified loans, which shall be the difference between the debt service payable or paid to bondholders and the funds on hand at the school district, less a reasonable amount of funds on hand, as determined by the state treasurer, to cover minimum balance requirements or potential tax disputes. The school district shall remit the amount specified in the invoice within 30 days after the dated date of the invoice.

Sec. 14. (1) If any paying agent for a school district’s qualified bonds notifies the state treasurer that the school district has failed to deposit sufficient funds to pay principal and interest due on the qualified bonds when due, or if a bondholder notifies the state treasurer that the school district has failed to pay principal or interest on qualified bonds when due, whether or not the school district has filed a draw request with the state treasurer, the state treasurer shall promptly pay the principal or interest on the qualified bond when due.

(2) If the state treasurer pays any amount described in this section, the state treasurer shall bill the school district for the amount paid and the school district shall immediately remit the amount to the state treasurer. If the school district would have been eligible to borrow the debt service in accordance with the terms of this act, the school district shall enter into a loan agreement establishing the terms of the qualified loan as provided in this act. If the state treasurer directs the Michigan municipal bond authority to pay any amount described in this section, the state treasurer shall cause the Michigan municipal bond authority to bill the school district for the amount paid and the school district shall immediately remit the amount to the Michigan municipal bond authority.
388.1935 Default; repayment.
Sec. 15. (1) If a school district that owes this state loan repayments relating to qualified bonds fails to levy at least the computed millage upon its taxable value for debt retirement purposes for qualified bonds and for repayment of a qualified loan made under this act while any part of the qualified loan is unpaid or defaults in its agreement to repay a qualified loan or any installment of a qualified loan, the school district shall increase its debt levy in the next succeeding year to obtain the amount necessary to repay this state the amount of the default plus a late charge of 3% and shall pay that amount to this state together with any other amounts owed during the next tax year. The school district may use other funds to repay this state including a transfer of general funds of the school district, if approved by the state treasurer. The state treasurer shall not disburse state school aid to the school district until the school district has made satisfactory arrangements with the state treasurer for the payment of the amount in default.

(2) If a school district fails to process any report, application, confirmation, or repayment as required under this act, the state treasurer may withhold a school district’s state aid funds until the school district complies with the requirements under this act.


388.1936 Charging and disposition of fees.
Sec. 16. (1) The state treasurer may charge a prequalification application fee, a qualification application fee, and an annual loan activity fee in the amounts determined by the state treasurer to be required to pay the estimated administrative expenses incurred under this act for the fiscal year in which the state treasurer imposes the fee.

(2) The state treasurer shall deposit all fees collected under this act into a separate fund established within the state treasury, and shall use the proceeds of the fees solely for the purpose of administering and enforcing this act. The unexpended and unobligated balance of this fund at the end of each state fiscal year shall be carried forward over to the succeeding state fiscal year and shall not lapse to the general fund but shall be available for reappropriation for the next state fiscal year.


388.1937 False statement or unauthorized use of proceeds; violation as felony; penalty.
Sec. 17. A person who knowingly makes a false statement or conceals material information for the purpose of obtaining qualification of a bond issue under this act or for the purpose of obtaining a qualified loan under this act, or who knowingly uses all or part of the proceeds of a qualified loan obtained under this act for any purpose not authorized by this act, is guilty of a felony punishable by imprisonment for not more than 4 years or a fine of not more than $5,000,00, or both.


388.1938 Use of remaining proceeds.
Sec. 18. If a school district has completed the projects approved by the school electors of the school district to be funded from proceeds of qualified bonds, a school district may use any remaining proceeds of the qualified bonds as follows:

(a) To pay debt service on the qualified bonds.

(b) To repay this state.

(c) If in the opinion of the school district's bond counsel use of the remaining proceeds for the purposes described in subdivisions (a) and (b) would adversely affect the federal tax treatment of interest on the qualified bonds, to pay for enhancements to the projects approved by the school electors as described in the ballot language proposing the qualified bonds.


388.1939 Actions by designee.
Sec. 19. The state treasurer may designate in writing a person or persons to take any actions required to be taken by the state treasurer under this act. The signature of any designee shall have the same force and effect as the signature of the state treasurer for all purposes of this act.